



Linking Preferential Trade Agreements to Domestic Political and Economic Structures: a Comparative Case Study of China and Japan

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Research Objective

PTA patterns reflect different constraints of domestic political economies

→ How can PTA patterns differ?

→ Why do PTA patterns differ?

→ Identification of different **configuration** of state-market relations

- different **preferences** and **capacity** of actors in shaping and participating in different **modes** of (regional) economic governance.

Case Selection

P.R. China and Japan

- Two of the most important trading economies → important implications for regional and global economic governance
- Differences in Political systems
 - Role of the State and interest groups
 - Political and economic geography: sub-national actors
 - Similarities: both challenge the notion of state-market dichotomy
- Research on PTAS in East Asia thus far has focused on competition and broad differences in outcomes and could benefit from a CPE perspective

Research Design

Part I Content Analysis

Quantitative Analysis of China and Japan's PTAs

- Using available data from the DESTA project / PTAs that have been concluded between 2001-2018

Complementary qualitative Analysis

Part II Qualitative Analysis

Case Study Selection

- Selection: the domestic negotiation process and outcomes of China and Japan's PTAs with ASEAN

Process-Tracing

- Tracing the process of PTA policy-making to link possible causes to observed outcomes (George & Bennett; et al)

Material

- Fieldwork conducted from September 2018-January 2019 in Japan and China
- 28 Interviews, documents, statements, newspapers, PTA databases

Limitations

- Asymmetric access to information → research bias
- Disregard of negotiation partners and their roles in the outcome of PTAs

State-Market Relations in Comparison

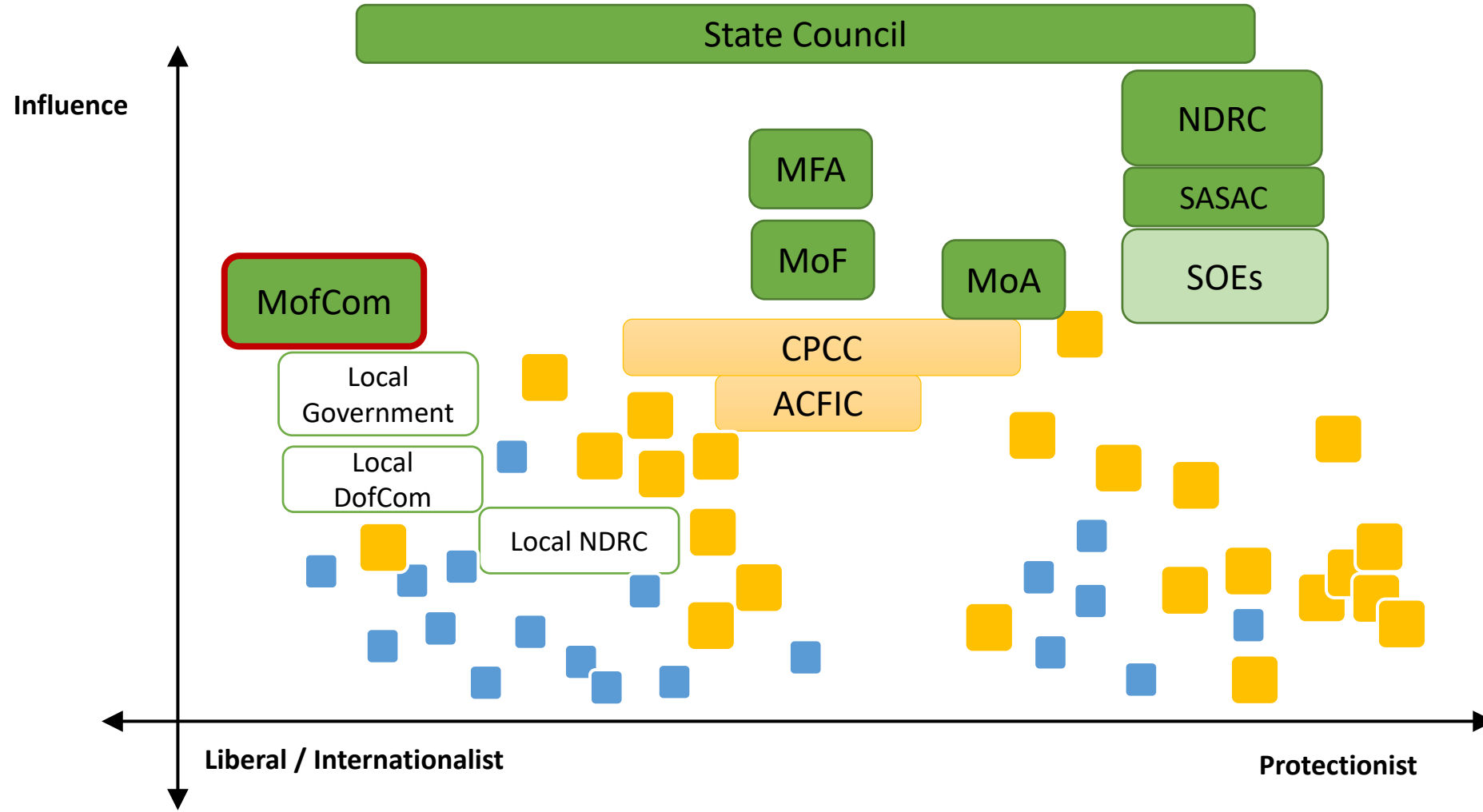
China

- **Economy in transition**
- Authoritarian regime, state-dominated economy
- Vertical and horizontal fragmentation:
 - Central vs. local level
 - State-business consultations
- Low degree of coordination and nationally organized interest groups
- Subnational units / local governments

Japan

- **Established production networks in the region**
- Firms are organized nationally along powerful inter-industry networks and associations that maintain close ties to ministries and politics
- High degree of organized corporate interest
- Business associations

China 2000-2010



Japan 2000-2010

