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From Connectivity to Developmental Capacity

RCEP and the Political Economy of Uneven Regional Integration

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Abstract

This introduction accompanies the second European Journal of East Asian Studies special issue on the Regional Comprehensive Economic Partnership (RCEP) and regional economic integration, following the first instalment published in 2025. Four contributions examine overlapping agreements, multipolar coordination, services liberalisation, and Cambodia's participation. A thematic review connects RCEP assessments with scholarship on institutional change, productive learning, and labour. It distinguishes projected economic gains, the acquisition of capabilities, and control over activities and returns. The central argument concerns how accommodating rules, limited collective support, and unequal resources may combine to reproduce developmental disparities. Services and Cambodia's political economy illuminate the institutions through which regional opportunities become usable. Public coordination, locally embedded knowledge, and workers' participation provide criteria for evaluating developmental integration, without treating their achievement or absence as established effects of RCEP.

Keywords

RCEP – Asian regionalism – developmental capacity – institutional layering – dependency – services trade – Cambodia – uneven development

1 Introduction

This is the second of two special issues of the European Journal of East Asian Studies devoted to the Regional Comprehensive Economic Partnership (RCEP)

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and the wider process of regional economic integration in East and Southeast Asia. The first appeared in 2025, in volume 24, issue 3, and was introduced by 'From Crisis to Connectivity: The Historical Evolution of Regionalism and Economic Integration in East and Southeast Asia' (Masina 2025). Its six contributions examined interconnected aspects of the regional economy, including production networks, overlapping trade agreements, the institutional role of the Association of Southeast Asian Nations (ASEAN), and infrastructure connectivity. RCEP was already central to that discussion: it provided a setting in which to investigate the relationship between closer economic interdependence and persistent inequalities in the capacity to capture its benefits.

The first introduction placed these developments within a history of crisis and institutional adaptation. Responses to the Asian Financial Crisis, the global financial crisis, and the pandemic helped shape regional cooperation, while changing production networks altered the interests brought to it. The resulting arrangements expanded the instruments available to governments without dissolving hierarchies of technology, finance, and productive knowledge. Developmental autonomy was therefore a question of how states and social actors could alter their position within interdependence. That concern linked the historical interpretation to the issue's analyses of RCEP, value chains, and connectivity.

The present issue continues this shared inquiry through four further contributions. The two instalments have overlapping subjects and complementary emphases: institutional design, productive restructuring, and unequal development run through both. Here, the interaction between agreements, the political conditions of coordination, the organisation of services, and Cambodia's experience bring the practical use of regional opportunities into sharper focus. An agreement may facilitate transactions and accommodate rival states while leaving the acquisition of productive capabilities dependent on institutions and resources that are unevenly distributed. Explaining that relationship requires connecting the regional framework with the firms, workers, and public agencies through which integration takes place.

The four articles assembled here approach these processes from different analytical positions. Upalat Korwatanasakul examines the evolution and coexistence of ASEAN's agreements with China, Japan, and South Korea alongside RCEP. Dimos Chatzinikolaou considers how cooperation can be organised when authority over regional rule-making is dispersed and governments must sustain domestic assent. Hein Roelfsema shifts attention to services, showing why regulatory coordination and the changing composition of manufacturing complicate conventional understandings of liberalisation. Siti Darwinda Mohamed Pero and her co-authors examine Cambodia's experience, bringing the oppor-

tunities offered by regional integration into direct relation with the constraints confronting a late-developing economy.

The contributions approach a common problem from different directions. Korwatanasakul and Chatzinikolaou explain how institutional diversity and dispersed authority can sustain cooperation. Roelfsema and Mohamed Pero and her co-authors show why the use of that cooperation depends on services, skills, and institutions that are distributed unevenly. Their conjunction invites an explanation of why an agreement can succeed as a framework for regional coordination while remaining limited as an instrument of productive transformation. The interpretation developed here draws these arguments together without attributing a common theoretical position to the contributors.

To explain why wider market access may leave developmental disparities intact, the argument examines the interaction of three features of regional integration: rules accommodating diverse national circumstances, limited collective provision for capability formation, and unequal resources among states and firms. Firms already able to meet technical standards, organise sourcing, and finance investment can use new opportunities more readily than producers lacking those resources. Where common rules are accompanied by limited support for acquiring such capabilities, integration may strengthen existing advantages. RCEP's economic and technical cooperation chapter recognises development gaps and effective utilisation as objectives, but relies on voluntary resources and excludes dispute settlement (RCEP 2020, Articles 15.2, 15.4, and 15.7). Furthermore, recognition does not establish an automatic funding mechanism. The resulting dependence on national institutions and other sources of assistance is consequential where capacities differ sharply. This is a proposition about institutional design and its possible developmental implications, not a finding that RCEP has already produced greater inequality. Flexible commitments could coexist with stronger collective support; more stringent obligations would not themselves ensure upgrading.

Developmental capacity is used here as an organising concept with distinct dimensions. Productive capability concerns the knowledge and routines through which firms and workers operate, adapt, and improve production. Public capacity concerns the ability to coordinate investment, provide services, regulate, and evaluate support. The distribution of returns and decision-making power is a further question, shaped by ownership, bargaining, and political representation. These dimensions interact without being interchangeable: stronger technical competence does not necessarily bring higher wages or greater control. The following discussion examines their relationship through the four contributions, while treating RCEP's effects on established production networks as questions to be investigated.

The literature is organised around the problems raised by these contributions. Quantitative assessments establish the prospective trade and welfare stakes of RCEP; political-economy studies explain how its commitments are negotiated; research on industrial learning and value-chain governance examines how participation changes productive activity; and labour scholarship addresses the distribution and contestation of its gains. These approaches work at different scales and do not provide interchangeable evidence. Bringing them into relation makes it possible to ask what an agreement changes, through which mechanisms, and for whom. The discussion is a thematic synthesis directed towards those questions, rather than an exhaustive survey of Asian regionalism.

2 Regional Integration, Productive Learning, and Uneven Development

Assessments of RCEP's trade and welfare effects provide a necessary starting point because the agreement is intended to alter economic opportunities. Petri and Plummer (2020) project income and trade gains through closer regional integration. Jin et al. (2025) extend this modelling agenda through a dynamic framework incorporating financial-market imperfections, heterogeneous regions, and phased liberalisation. Their results combine prospective welfare gains with uneven effects across sectors and regions, including wider regional inequalities within China. The studies illustrate the value of counterfactual analysis for identifying possible gains and their sensitivity to economic conditions. They also show why a political-economy discussion should engage the modelling literature without assuming that it treats distribution as irrelevant.

The distinction concerns the explanation offered. Modelled responses to lower trade costs do not themselves establish how firms acquire engineering competence, how governments organise technical services, or how workers influence the distribution of gains. Those processes require evidence on institutions, investment, and production relationships. Equally, evidence of unequal bargaining power does not invalidate a projection of aggregate income growth: both may describe aspects of the same trajectory. The task is to connect the scale of anticipated opportunities with an account of the conditions under which they become durable and widely shared productive gains.

This concern is not confined to critical accounts of global production. The World Bank's World Development Report 2020 links the developmental promise of global value chains to domestic reforms, predictable international openness, and stronger social and environmental protection (World Bank 2020). It also emphasises international cooperation. The relevant debate therefore goes be-

yond whether complementary policies are needed. It concerns their content, the political interests sustaining them, and the capacity of less powerful economies and producers to secure access to knowledge and resources. This introduction approaches those questions through the historical organisation of regionalism, the institutions of learning, and the distribution of authority within production networks.

RCEP was negotiated within a regional economy already connected by extensive cross-border production. The networks examined by Borrus, Ernst, and Haggard (2000) developed as firms distributed manufacturing activities among different locations, drawing on differences in costs, capabilities, and access to markets. Governments helped shape these connections through industrial policy, infrastructure, investment incentives, and trade arrangements. Regionalisation, understood as the growth of cross-border economic relationships, therefore preceded RCEP without occurring outside politics. Regionalism refers to the intergovernmental projects through which states seek to organise such relationships. The distinction identifies different processes rather than opposing a spontaneous market economy to state intervention.

Ravenhill (2010) questions explanations in which commercial interdependence alone generates regional trade agreements. His subsequent analysis of RCEP's negotiations places political interests alongside the particular organisation of regional interdependence (Ravenhill 2016). These studies matter here because production links cannot, by themselves, explain why governments choose a particular membership, scope, or balance of commitments. Established networks shape negotiating interests, while negotiated rules can redirect sourcing and investment. Nesadurai's (2003) analysis of ASEAN regionalism adds the domestic interests through which these choices are mediated. This body of work connects the historical interpretation of the first issue with Korwatanasakul's and Chatzinikolaou's contributions: the agreement is an outcome of political bargaining within an already integrated economy, and an intervention in its subsequent development.

Three problems help organise this relationship: entry into production networks, the acquisition of capabilities within them, and control over activities and returns. Fragmentation can lower the threshold for industrial entry. As Baldwin (2011) explains, joining an existing supply chain differs from building an entire industrial system. Access to foreign capital, intermediate goods, and expertise may permit production to expand before a broad domestic technological base has emerged. This opportunity is important for late-developing economies. It also means that export growth and the technological sophistication of exported products provide incomplete evidence of locally established knowledge.

Entering a network does not by itself provide the knowledge needed to improve products or undertake more demanding activities. The developmental-state literature identifies distinct elements of the institutions supporting such learning. Amsden (1989) emphasises late industrialisation through learning and the conditions attached to state support; Wade (1990) examines public direction of investment and industrial development; and Evans (1995) explains why bureaucratic coherence must be combined with organised connections to producers. These studies are relevant as accounts of how coordination and discipline can support productive transformation. They do not supply a national model that can simply be reproduced at the regional level. RCEP neither centralises industrial policy nor removes differences among the domestic political arrangements through which it would have to be pursued.

Lall (1992) supplies the complementary firm-level distinction between obtaining technology and developing the competence to select, operate, adapt, and improve it. Ernst and Kim (2002) connect that problem to knowledge diffusion through global production networks: access to external knowledge matters alongside the capacity to absorb and use it. A supplier may obtain an export contract and imported machinery while continuing to depend on a buyer for specifications and troubleshooting. Learning to diagnose production problems, adapt equipment, or design components requires sustained investment in training, engineering, and organisational routines. This is why the discussion of services and Cambodia below attends to technical institutions and supplier relationships. Their significance lies in the concrete activities they enable producers to acquire.

Upgrading itself must be differentiated. Humphrey and Schmitz (2002) distinguish improvements in processes and products from movement into new functions. Governance relationships that help suppliers raise efficiency or quality can simultaneously restrict their access to design, marketing, or other strategic activities. Their analysis connects learning to the distribution of authority within chains. It also cautions against treating every improvement as a stage on an inevitable progression towards greater autonomy. The relevant inquiry concerns which capabilities become established, which functions remain inaccessible, and how relationships with buyers and local institutions shape these possibilities.

External connections nevertheless can support substantial transformation. Yeung's (2016) concept of strategic coupling examines how domestic firms and institutions become articulated with global production networks. Read alongside the developmental-state literature, it identifies changing state–firm relations and the terms of network participation as central to industrial development. Domestic ownership is neither sufficient nor necessary for local learning:

a nationally owned firm may undertake little technological investment, while a foreign-owned operation may establish durable skills and supplier relationships. Local embedding of capabilities and national control over strategic decisions therefore require separate assessment. Both matter, but they answer different questions.

Dependency analysis addresses a further issue that cannot be resolved by documenting technical improvement. Cardoso and Faletto (1979) and Evans (1979) analyse development through alliances linking external capital, domestic interests, and the state. Their relevance lies in explaining why industrial expansion and dependence can be mutually compatible, and why domestic coalitions help shape that relationship. Arrighi (1990) shifts attention to the hierarchy of wealth: industrialisation does not establish that every participating economy has improved its relative position. These arguments are used here to distinguish the expansion of production from changes in control and the distribution of returns. They do not warrant classifying all externally connected production as stagnant or denying the possibilities of learning identified by Yeung.

The tension between these perspectives is analytically useful. Strategic coupling directs attention to opportunities arising from particular connections between local institutions and global networks; dependency analysis asks how the terms of those connections reproduce or alter unequal power. Ravenhill's (2014) critique of value-chain development strategies adds a warning about coordination problems that participation alone cannot resolve. Read alongside the World Bank's conditional case for value-chain integration, the dispute is better framed around the organisation and distribution of learning than around a simple opposition between openness and state intervention. Evidence would have to distinguish increased exports, competence acquired locally, movement into strategic functions, and changes in the ability to influence commercial decisions.

Do Ta Khanh's (2025) study of Vietnam's cross-border economic corridors gives this problem a concrete spatial expression and extends the discussion of connectivity developed in the first introduction. He contrasts the East–West Economic Corridor's peripheral areas and limited industrial base with the Southern Economic Corridor's connections to stronger economic hubs. His account of the North–South Economic Corridor adds the interaction between growing economic ties with China and concerns over sovereignty and dependence. These findings concern corridor development, not RCEP's causal effects. They nevertheless show why connectivity has to be analysed through the places and productive structures it connects. Infrastructure can link unequal territories without necessarily narrowing their differences.

The four contributions to this issue pursue the institutional and productive dimensions of that problem. Procedural agency concerns participation in negotiations; regulatory discretion concerns the choices permitted by commitments; productive capacity concerns the ability to use those choices. A meaningful diplomatic voice, extensive reservations, and growing exports may each coexist with technological dependence. Their interaction, rather than any single indicator, provides the basis for assessing developmental autonomy.

Labour scholarship extends this distinction from firms and states to the people whose work sustains production. Barrientos, Gereffi, and Rossi (2011) show why economic upgrading and improvements in workers' conditions require separate assessment. Chang Dae-oup (2009) locates informalisation within Asia's transnational production, while Selwyn (2013) makes workers' collective action part of the explanation of social gains. These works are brought into the discussion because neither higher domestic value added nor stronger public institutions establishes who benefits within a country. The Cambodian literature considered below allows that proposition to be examined through employment arrangements and political organisation, rather than appended as a general appeal for inclusive growth.

3 Institutional Layering and the Unequal Capacity to Use Agreements

In 'The Dynamics of Overlapping Agreements', Korwatanasakul examines RCEP together with ASEAN's economic cooperation and partnership arrangements with China, Japan, and South Korea. Historical sequencing explains how the limitations of earlier agreements generated pressures for broader cooperation. Institutional layering explains why the new framework accumulated around existing commitments without displacing them. Feedback describes the ways in which agreements can subsequently influence one another's development. The resulting architecture is characterised by continuing interaction among institutions with different strengths and constituencies.

The comparison complicates any assumption that the newest or geographically largest agreement necessarily provides the most favourable terms in every domain. Earlier arrangements can retain advantages in tariff concessions and development-oriented cooperation, while RCEP offers a wider regional framework and coverage of additional regulatory issues. Firms therefore encounter several possible routes through the trade architecture. The choice of agreement can depend on the product, trading partner, applicable preference, and cost of

satisfying the relevant requirements. From this perspective, the persistence of overlap can express the continued value of differentiated bargains.

The Asian Development Bank's (2022) assessment likewise places implementation and the practical attractiveness of RCEP to firms and investors at the centre of its analysis. This perspective identifies an important threshold: negotiated provisions must become usable arrangements. The developmental question posed here begins at that threshold and extends beyond it. An increase in utilisation would establish that firms find commercial value in an agreement; explaining changes in domestic capabilities requires further attention to what those firms produce, the knowledge they acquire, and the relationships through which they participate.

RCEP's origin provisions illustrate the significance of a wider regional framework. They allow qualifying originating materials from one party to count towards origin when used in production in another, subject to the agreement's requirements (RCEP 2020, Article 3.4). This can facilitate production involving several participating economies. Eligibility nevertheless depends on the applicable product-specific rules and associated procedures. The analytical value of cumulation lies in the possibilities it opens for organising production across borders; it should not be equated with unrestricted regional sourcing or an automatic entitlement to preferential treatment.

The ability to choose among agreements depends on information, administrative competence, and the costs of establishing origin or changing sourcing. For well-resourced firms, overlap can offer useful alternatives; for smaller producers, these may remain difficult to use. Customs predictability, accessible advice, and assistance with certification connect Korwatanasakul's institutional analysis with the Cambodian contribution. Unequal access to these services provides a mechanism through which common rules may generate differentiated opportunities.

Historical institutionalism helps explain why this differentiation may persist. Pierson (2004) emphasises how inherited arrangements shape subsequent choices, while Mahoney and Thelen (2010) locate gradual institutional change within struggles over distribution and authority. Layering therefore involves more than the coexistence of agreements. Adding rules can alter the options available to particular actors without formally displacing an earlier settlement. Applied to RCEP, this perspective invites investigation of who secures preferred provisions, who can use alternative agreements, and whose interests enter subsequent implementation. It supplies an agenda for analysing institutional change rather than presuming a uniform outcome from overlap.

Institutional pluralism can coexist with economic hierarchy. Korwatanasakul's description of competitive and complementary agreements concerns the

relationship among legal frameworks; it does not imply equal bargaining power among the firms using them. Chatzinikolaou's account of dispersed authority raises a parallel distinction at the level of regional governance. A system need have neither a single dominant treaty nor a single hegemonic orchestrator to sustain a hierarchical organisation of production. The developmental significance of pluralism turns on whether it expands the capacity to negotiate and learn among actors whose existing options are most limited.

4 Coordination without Hegemony and the Social Foundations of Autonomy

Chatzinikolaou's 'Coordination Without Hegemony' shifts the analysis from institutional accumulation to the organisation of authority. Its central concern is how cooperation becomes possible when no single participant can supply and impose a complete regional order. Drawing on an integrative review of the literature and documentary evidence, the article interprets RCEP as an arrangement in which ASEAN's procedural leadership operates alongside dispersed influence over substantive rules. The argument gives multipolarity an institutional meaning: the relevant issue is the distribution of rule-making functions within the regional setting, rather than a definitive classification of the international system as a whole.

The absence of a hegemonic orchestrator leaves open the question of inherited influence. Chatzinikolaou recognises the reuse of language from agreements negotiated in other configurations of power, while distinguishing textual provenance from evidence that a particular state determined substantive preferences. Nor does dispersed authority over treaty-making remove inequalities in market size, finance, or technological control. Institutions can emerge through negotiation among several centres of authority while the economy they regulate remains highly asymmetric. The distribution of procedural authority and the distribution of productive power therefore require separate analysis.

ASEAN centrality becomes more intelligible within this differentiated account. Organising negotiations, maintaining communication, and sequencing contentious issues can affect which compromises are possible. Procedural leadership has political significance even where it does not confer control over the final substance. Its developmental implications, however, remain contingent. The capacity to convene stronger partners may increase the room for negotiation available to smaller states, without securing resources for industrial upgrading or changing the terms on which domestic firms enter production networks.

The historical antecedents of this procedural role matter. Stubbs's (2002) analysis of ASEAN Plus Three examined the emergence of an East Asian framework well before the negotiation of RCEP. Placing the current agreement within that longer sequence helps explain why ASEAN-centred cooperation cannot be reduced to a response to the latest configuration of major-power rivalry. RCEP draws on an institutional history through which regional actors developed practices of consultation and accommodation. That history provides resources for cooperation, while leaving open the extent to which those resources can be mobilised for productive transformation.

Chatzinikolaou's Multipolarity Governance Triangle relates autonomy, connectivity, and legitimacy, with the last understood as domestic authorisation. It asks how governments secure the assent required by their political systems and whether this constrains further cooperation. Organised opposition is not equivalent to failure to obtain authorisation. The framework's contribution is to place the domestic political conditions of agreement alongside the external distribution of authority, opening a question that projections of aggregate gains cannot settle.

The value of this agenda lies in bringing domestic politics into an analysis often dominated by comparisons of national economic interests. A projected aggregate gain does not explain which groups support an agreement, whose objections shape its provisions, or how the costs of adjustment are distributed. Nesadurai's (2003) study of ASEAN regionalism showed why domestic political interests must be incorporated into explanations of economic cooperation. The present contribution extends that concern to the heterogeneous political settings within which RCEP is authorised and might subsequently be deepened.

Research on RCEP's investment negotiations provides a concrete illustration. Lugg et al. (2024) explain the exclusion of investor–state dispute settlement through changing government preferences, experience with investment disputes, and domestic political contestation. Malaysia's change of government in 2018 helped shift its negotiating position and strengthen opposition to inclusion. This account qualifies any explanation of RCEP's accommodation of sovereignty as the expression of a fixed regional preference. Particular provisions emerged through contestable choices and changing coalitions. It also clarifies the distinction between preserving regulatory discretion and using it for development: the omission of one dispute-settlement mechanism does not, by itself, establish the purposes or effectiveness of subsequent public action.

Domestic authorisation also needs to be distinguished from democratic accountability and social inclusion. Governments can obtain assent through parliamentary processes, consultation with organised business, bureaucratic bargaining, or accommodation among political elites. These processes differ in

whose interests they represent and whose costs they register. An agreement can remain politically sustainable while imposing losses on workers or smaller producers with limited access to decision-making. The historical political-economy question is therefore how assent is organised and how that organisation affects the development strategy embodied in regional cooperation.

Regulatory discretion can permit experimentation and sequencing, but it can also protect privileges with little connection to learning. Its developmental value depends on how public authority directs resources and assesses results (Evans 1995; Wade 1990). The relationship between institutional accommodation and transformation is therefore mediated by domestic politics. Chatzinikolaou's contribution identifies the political conditions for sustaining cooperation; the developmental question is whether the resulting bargain also supports investment in changing productive capabilities.

5 Services Integration and the Changing Location of Economic Power

Roelfsema's 'Services Trade Liberalisation in RCEP' brings the material organisation of production into this institutional discussion. Services are central both as traded activities and as inputs into manufacturing. Logistics, finance, software, engineering, and design affect the performance of firms producing physical goods. The distinction between goods and services remains legally consequential, but it can obscure where productive knowledge and commercial control are located. The article's attention to servicification, the growing incorporation of services into production, identifies activities through which integration can improve productive performance and through which dependence can persist.

Miroudot and Cadestin (2017) provide an empirical basis for examining this shift. Their analysis distinguishes services purchased as inputs, service activities undertaken within manufacturing firms, and services supplied together with goods. This matters because sectoral trade categories can conceal the functions involved in manufacturing competitiveness. The connection to Roelfsema is direct: services commitments affect activities embedded throughout production, rather than only a separate sector alongside manufacturing. For the developmental argument, the further question is where these functions are performed, which skills they establish, and who controls the resulting knowledge and commercial relationships. Evidence of a high services content in exports alone cannot answer it.

This shift matters for the interpretation of industrial growth. Expansion of manufactured exports may depend heavily on services and knowledge supplied

from outside the exporting economy. More complex products do not necessarily imply domestic control over their design, technology, or marketing. The global value-chain literature has long directed attention to the governance relationships that organise production and distribute opportunities for upgrading (Gereffi 1999; Ponte and Sturgeon 2014). Roelfsema's contribution shows why services regulation must be incorporated into this analysis. Access to productive inputs and control over the activities that generate value are closely connected, but they are not identical.

Services liberalisation also poses different coordination problems from tariff reduction. The provision of professional or financial services depends on rules governing qualifications, commercial establishment, supervision, and responsibility to consumers. Cross-border transactions require confidence in institutions that may operate differently across jurisdictions. Roelfsema therefore places regulatory cooperation and mutual recognition at the centre of the discussion. His treatment of commercial presence, temporary movement of people, and digitally supplied services shows how restrictions in one area can limit the practical value of commitments in another.

The article interprets RCEP as a framework in which such problems can be addressed incrementally. Its conception of a living agreement emphasises the importance of continuing dialogue and the possibility of adapting cooperation to changing production practices. This provides a sectoral counterpart to the accounts of layering and dispersed authority. Institutional development continues after the initial bargain, and its effects may depend on the accumulation of administrative routines and trust. The article also recognises the risk that dialogue will persist without producing sufficient practical change.

It is useful here to distinguish the breadth of an agreement, the stringency of its obligations, and the mechanisms through which those obligations can be enforced. RCEP's electronic-commerce chapter contains commitments concerning computing facilities and cross-border information transfers, together with significant public-policy and security exceptions. Matters arising under that chapter are excluded from Chapter 19 dispute settlement, although consultation and referral procedures remain available (RCEP 2020, Articles 12.14–12.17). These features support an account of differentiated commitment. They do not justify treating the entire agreement as voluntary or assuming that the presence of a chapter ensures uniform regulatory convergence.

Services integration consequently presents a problem of sequencing. Access to specialised foreign inputs may help manufacturers improve performance while local providers face better-resourced competitors. The strategic-coupling perspective directs attention to whether these relationships establish local competence and more demanding functions (Yeung 2016). Roelfsema's account

makes the relevant activities visible; their local development requires investigation of firm strategies, training, and regulatory institutions.

The literature on digital development extends this inquiry to data and platforms. The United Nations Conference on Trade and Development (UNCTAD 2021) distinguishes participation in data flows from the capacity to process data and capture their value, drawing attention to the concentration of digital capabilities. Its relevance to RCEP lies in the developmental questions left open by commitments on cross-border information and computing facilities. A small producer may reach new customers through a platform while depending on externally controlled infrastructure and commercial rules. Neither restricting flows nor facilitating them establishes local analytical competence or bargaining power. The point is to examine how regulation, technical capacity, and competition interact, rather than infer technological autonomy from retained legal discretion.

Roelfsema's analysis and the Cambodia article can consequently be read together. The former identifies why modern production depends on services and regulatory compatibility; the latter describes the difficulty of using these opportunities where skills, infrastructure, and institutional resources remain limited. Their conjunction directs attention to the conditions of participation beneath formal commitments. For a late-developing economy, the priority may include reliable access to logistics and technical expertise alongside the capacity to train workers, certify products, and support domestic suppliers. These are complementary tasks, requiring coordination across policy areas that a trade agreement alone cannot provide.

6 Cambodia and the Distance between Participation and Upgrading

The article by Mohamed Pero, Norman, Afendi, Mat, and Rachmawati places these questions within Cambodia's development trajectory. Drawing on qualitative document analysis, it examines the opportunities associated with RCEP alongside the domestic constraints that shape their use. The authors discuss market diversification, investment attraction, and the consolidation of regional production links, while emphasising limitations in productive capacity, infrastructure, skills, and firms' ability to meet regulatory requirements. Cambodia provides a particularly revealing perspective because the distance between institutional access and effective economic participation is central to its experience.

The domestic setting of these opportunities has a political history. Hughes's (2003) account situates Cambodia's market transition within the reorganisation of political authority after conflict. More recent scholarship examines how

those relationships have evolved. Loughlin (2024) locates the durability of authoritarian rule in a coalition linking political elites, coercive institutions, and state-dependent business interests. This directs attention to the distribution of power over investment and resources, rather than treating constraints on development as a neutral inventory of missing skills and infrastructure.

Hok (2026) adds an important qualification to accounts centred on administrative weakness. His analysis of Cambodia's technocratic turn since 2013 identifies selective strengthening of state institutions through digital payments, infrastructure financing, and executive-linked agencies, alongside continued party control. Read together, these studies suggest that political concentration and administrative capability need not move in opposite directions. For the present argument, the issue is which capabilities are developed, whose economic activities they support, and how far they reach beyond privileged projects and firms. This makes the domestic use of regional opportunities a question of the direction and social reach of public action, as well as its technical effectiveness.

Mohamed Pero and her co-authors identify developments in trade, export composition, and investment that are consistent with deeper regional integration. They also acknowledge the limits of attributing these changes directly to RCEP. Post-pandemic recovery, domestic investment reforms, bilateral agreements, and longer-term changes in production networks operate alongside the regional agreement. The country study should accordingly be read as an analysis of opportunities and plausible contributions within a wider transformation, rather than as an estimate of RCEP's independent causal effect.

The article's discussion of garments illustrates the issue. Expansion in an established labour-intensive industry may sustain employment and export earnings, while movement into design, sourcing, logistics, or marketing requires different resources and relationships. Gereffi's (1999) account of apparel upgrading helps explain why participation in a commodity chain can open opportunities without giving suppliers control over the terms of progression. Roelfsema's focus on services adds precision to this point: some of the functions necessary for upgrading lie outside the factory activities most visible in export statistics.

Arnold and Toh Han Shih (2010) connect Cambodia's export garment production with the tensions between labour regulation and competitiveness. Arnold's (2017) subsequent study develops the political implications of this relationship. His analysis of factory monitoring and worker mobilisation shows why claims to protect workers' welfare must be distinguished from workers' capacity to influence the institutions governing their employment. Formal representation does not exhaust labour politics: collective struggles can challenge the

terms of production beyond established channels of mediation. This perspective gives workers' agency a place in explaining development, rather than assessing labour governance only through compliance procedures. Read alongside Chang's (2009) account of informalisation in Asia's global factory, it locates employment insecurity and contestation within the organisation of production. These relationships predate RCEP and form part of the social setting in which its opportunities will be used.

Salmivaara's (2021) study identifies mechanisms linking these concerns. Subcontracting and temporary contracts can prevent Cambodian garment workers from effectively claiming legal entitlements, while household responsibilities and insecure livelihoods constrain collective organisation. Her analysis connects state strategies and employers' practices with gendered and intergenerational pressures on workers. This gives Chang's account of informalisation a more specific empirical counterpart and explains why formal employment in export manufacturing need not ensure effective protection. Together with Arnold's work, it makes labour a constitutive part of the political economy of integration: the organisation of production influences both the distribution of income and the possibilities of collective voice. These studies provide a historical baseline, not evidence that RCEP caused the employment arrangements they describe.

Agricultural processing offers another connection between the contributions. The Cambodian study identifies opportunities that depend on processing, storage, quality assurance, and access to markets. Preferential entry is useful only where producers can reliably meet commercial and regulatory requirements. Laboratories, certification services, trained personnel, and coordination between suppliers and processors become part of the effective infrastructure of trade. The distinction between removing a barrier and developing the ability to cross it is particularly clear in this setting.

Rules that permit the use of regional inputs can facilitate entry into production networks while generating no automatic incentive to develop domestic suppliers. A firm may become more competitive through imported components, benefiting workers and consumers, yet deepen its dependence on externally supplied capabilities. Alternatively, access to better inputs may create the basis for local learning and subsequent diversification. Which trajectory emerges depends on firm strategies and on institutions that connect foreign investment to the domestic economy. This is the domain in which the concept of dependent development remains useful: productive expansion and external control can coexist, with their relationship altered through political and institutional action (Evans 1979).

Cambodia's experience also prevents sovereignty from becoming an abstract explanation of developmental agency. Retaining policy discretion is valuable

where governments have a strategy and the institutional means to implement it. Where resources are limited, exemptions and transition periods may provide time without supplying the conditions for effective change. Their developmental value depends on what occurs during that time: investment in competence, improvements in public administration, and the formation of relationships that support learning. Accommodation of unequal starting points becomes transformative only if it helps change those starting points.

The spatial reach of these investments matters as much as their national scale. Do's (2025) analysis of the Southern Economic Corridor connects Cambodia's regional setting with Vietnam's southern economic hubs while identifying infrastructure gaps and political sensitivities. Read alongside the Cambodian contribution, it suggests examining whether better cross-border links connect smaller producers to processing and services or primarily strengthen established centres. National export growth can conceal uneven access within a country. Corridor provision, supplier support, and regional cooperation therefore need to be considered together, without assuming that a transport connection will generate the productive relationships required to use it.

7 The Political and Social Conditions of Capability Formation

The four contributions bring the organisation of cooperation into relation with the capacity to use it. Their conjunction raises a further question: why might investment in skills, supplier development, and technical services remain insufficient even where its developmental value is recognised? Public resources must be mobilised, firms must commit to uncertain returns, and workers need opportunities to acquire and apply knowledge. The political distribution of these costs and benefits helps explain whether a strategy can be sustained.

Growth can support arrangements that do not require a broad diffusion of capabilities. Governments may obtain employment and export receipts, domestic businesses profitable intermediary roles, and foreign investors reliable production sites while strategic functions remain concentrated elsewhere. These are possible alignments of interest rather than fixed attributes of domestic or foreign capital. Doner (2009) shows why diversification and more demanding forms of upgrading create different coordination requirements. Doner and Schneider (2016) relate weaknesses in such institutions to fragmented support coalitions. Their relevance here lies in the distinction between a coalition supporting expanded production and one willing to finance a change in its terms. Securing domestic authorisation of a trade agreement does not establish the latter.

Public coordination must connect investment promotion with learning and make support open to assessment. The developmental-state literature emphasises access to information from producers alongside the capacity to condition assistance and revise ineffective arrangements (Amsden 1989; Evans 1995; Wade 1990). The services identified by Roelfsema offer a practical field for this relationship. Testing, certification, technical advice, and training can benefit many firms while exceeding the resources of individual producers. The Cambodian contribution shows why their provision matters across manufacturing and agricultural processing. Shared facilities require sustained finance and mechanisms through which smaller producers can shape what is offered. Their success should be assessed through competence acquired and relationships strengthened, alongside investment attracted.

Workers are participants in this process, not simply inputs whose skills must be increased. Barrientos, Gereffi, and Rossi (2011) distinguish economic upgrading from social upgrading; Lee and Gereffi (2015) likewise connect these questions to governance. Greater productivity or more demanding production does not ensure improved wages, security, or rights. Chang (2009) analysis of Asia's global factory sharpens the structural issue: transnational production and capital mobility can develop alongside informalisation and inadequate legal, institutional, and union protection. These are features of historically constituted production relationships, not demonstrated effects of RCEP. They establish the employment conditions within which its opportunities will be pursued.

The connection with capability formation operates through identifiable relationships. Employment stability can allow practical knowledge to accumulate, while access to training and occupational progression determines whether workers can use and extend it. High turnover or insecure employment may weaken incentives to invest in learning. These mechanisms require sectoral investigation rather than an assumption that a particular contract automatically determines productivity. Collective bargaining and representation also influence who gains access to training and how its returns are distributed. Selwyn's (2013) emphasis on workers' collective action prevents social upgrading from becoming something delivered exclusively by firms or public authorities. Rights and decent working conditions retain their value independently of their contribution to competitiveness.

RCEP's cooperation framework provides one setting in which national efforts might receive additional support. Its limited funding commitments make the continuity and distribution of that support a matter for further political negotiation. Implementation assistance can help firms identify preferences; technical services can help them meet requirements; and sustained learning can enable them to undertake more demanding activities. Regional cooperation could

connect these stages through shared expertise and durable provision, while domestic institutions determine access and accountability. Do's (2025) corridor comparison further suggests assessing the territorial reach of assistance. A developmental agenda would examine capabilities established, supplier linkages formed, and working conditions improved, including beyond existing economic centres. These are criteria for evaluating future practice, not achievements inferred from membership.

8 Conclusion

The four contributions illuminate the relationship between regional cooperation and productive transformation. Korwatanasakul shows why RCEP must be understood within an evolving architecture of overlapping agreements; Chatzinikolaou explains how dispersed authority and domestic authorisation shape its political possibilities. Roelfsema identifies the services and regulatory relationships through which contemporary production operates. Mohamed Pero and her co-authors show the demands that these opportunities place on a late-developing economy. Together, they bring the institutional organisation of integration into relation with the unequal capacity to use it.

The central argument concerns the combination of institutional accommodation, limited collective support, and unequal national resources. Under these conditions, regional opportunities may be used most effectively by actors already possessing the necessary capabilities. This is neither an inevitable consequence of flexibility nor a demonstrated aggregate effect of RCEP. External connections can support learning, and collective provision can widen access. Distinguishing these trajectories requires evidence on the activities acquired, the institutions supporting them, and the employment relationships through which knowledge and returns are distributed.

Procedural agency, regulatory discretion, and productive capacity consequently represent distinct dimensions of regional autonomy. Smaller states may influence the organisation of negotiations and preserve policy options while remaining dependent on externally controlled technology, markets, and services. Their developmental prospects turn on the institutions through which formal options become usable economic capabilities. The absence of a single hegemonic orchestrator provides no sufficient answer to that problem, just as the coexistence of several agreements establishes no necessary tendency towards convergence.

Read together, the two special issues examine RCEP within the same historical process of regional economic integration. The 2025 instalment established how

production networks, institutional arrangements, and connectivity reproduce and sometimes modify unequal interdependence. The present contributions extend that inquiry into the political and organisational conditions through which regional opportunities can support productive change. Developmental integration must consequently be assessed through the diffusion of knowledge, stronger productive linkages, and improvements in the conditions of work, alongside the continuity and expansion of exchange. RCEP supplies a setting in which these aims can be pursued; their realisation depends on collective provision and political arrangements that give less powerful producers and workers a part in shaping the process. Regionalism's historical significance lies in its capacity to transform the terms of interdependence as well as to sustain it.

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