



While Japan often keeps a lower profile than the United States and China, it is well positioned to be a significant player in a number of key regional issues, says the writer, adding that many would benefit if the country can take the initiative, not only as an ally to the US but also as an integral partner in the region. PHOTO: REUTERS

# A time for Japan to blossom

Beyond the impending Suga-Biden meet-up, this quiet achiever is ripe to take on a bigger role in key regional issues



**Simon Tay**

For The Straits Times

Winter has not been easy for Japan. In these past months, pandemic numbers have been rising. The Tokyo Olympics have been a particular source of angst, even with the compromise of going ahead without an international audience. Last month, the 10th anniversary of the triple disaster of earthquake, tsunami and nuclear radioactivity was solemnly marked.

Since taking over as prime minister in September last year, Mr Yoshihide Suga has seen his approval ratings fall sharply – in February, they were below 40 per cent. There are questions whether Japan will have a durable government, like the preceding Abe government where Mr Suga played a key role, or return to the years of short-lived Cabinets and revolving-door ministers.

Yet just as winter gives way to the pink cherry blossoms of spring,

the political mood could well improve. Domestically, approval polls have registered a March bounce, back above 40 per cent. Hopes may blossom further as Prime Minister Suga heads over to meet United States President Joe Biden in Washington on April 16. While Japan often keeps a lower profile than the US and China, it is well positioned to be a significant player in a number of key regional issues.

## US ALLY, ASIAN INTERDEPENDENCE

Alliance with the US remains a bedrock for Japan and was re-emphasised when the new Biden administration pointedly made Tokyo its first stop for its secretaries of state and defence. Japan also participated alongside the US – and Australia and India – in the first summit for the notable but still nascent Quad grouping.

Among these countries, Japan currently has perhaps the largest and deepest network of relations across the region. This has grown from longstanding investment and trade ties. With Asean especially, surveys consistently show a high level of trust with Japan.

With China, too, there is considerable economic interdependence. Differences over historical issues and politics are deeply felt, together with

unresolved claims to various islands and rocks. But shared economic and business interests can limit contention.

This twin status of being a staunch American ally and an integral Asian partner positions Japan in a unique way. The Quad may serve to anchor the new Biden administration within the region, but there are concerns that the group's direction might turn stridently anti-China and escalate conflict and the risk of direct collision.

In this context, Japan can stand as a vital “interdependent ally” alongside the US, and yet be ready to assist multilateral engagement in the region.

Consider two economic and trade undertakings – the Regional Comprehensive Economic Partnership (RCEP) and the Comprehensive and Progressive Agreement for Trans-Pacific Partnership (CPTPP).

## WIN-WIN, HEALTHY COMPETITION

The RCEP brings together Asean with its major partners in the world's largest trade agreement. While Asean initiated and chaired this long and difficult negotiation, one major benefit of the RCEP is to provide a baseline trade and economic arrangement in North-east Asia.



US President Joe Biden and Japanese Prime Minister Yoshihide Suga are set to meet in Washington on April 16. Alliance with the US remains a bedrock for Japan, says the writer.



That achievement can be appreciated by considering India's situation: After long years of negotiation, it decided not to go ahead and accept the RCEP, in part because of its economic, and also political, tensions with China. If Japan had behaved similarly or refused to go ahead without India, there would be no RCEP.

Nor would the CPTPP exist without Japan. Despite coming into the negotiations last, Japan stepped up after then President Donald Trump pulled the US out of the agreement in his first days in office. Efforts to consult and consolidate commitments were extensive and while all parties contributed, it was Japan that – in its own way –

pushed to the finish line.

The door is now left open for others to join, and there are a number of possibilities. Some hope the US might return in future years. Some in China have expressed interest, although it remains to be seen if the country can comply with the terms of the agreement. Britain is keen, despite geography.

Japan's role in these agreements bears recollection, as economies across the region consider how to recover and move forward from the first year of the pandemic.

Sino-American tensions continue. New opportunities are present in the digital economy and infrastructure. But there is also the risk of conflict over commercial rivalry and rule-making. The need is for win-win approaches, and for competition that is rational and healthy, with rational outcomes, rather than flag-waving, beggar-thy-neighbour policies. Japan can play a significant role in this.

Consider infrastructure needed to backbone the region's integration. China's Belt and Road Initiative has attracted much interest, but also concern and controversy.

In contrast, Japan offers quality projects with very low interest rates that allow host countries to take a long-term and life cycle

perspective. Ideally, host countries should prefer projects that are sustainable and bankable.

Competition in the digital economy is also felt, especially between American and Chinese players. Rules are still emerging and Japan can be a partner to cooperation. It can even consider starting efforts bilaterally. Recall that the Japan-Singapore Economic Partnership Agreement – begun in 2000 and concluded by 2002 – was the very first trade agreement among Asian economies that nudged others to respond and move forward.

## POLITICS AND BUSINESS INTERSECT

There are areas where business and politics intersect. Following anti-Japan riots in some Chinese cities in 2012, Japanese companies were the first to consider alternative options. The “China Plus One” strategy led to a wave of new Japanese investments into Asean, surpassing commitments into China.

Similar questions of political stability in Asean can benefit from a Japanese response, none more so than the current turmoil in Myanmar. In the decade since the military-backed government of then President Thein Sein began opening up, Japan has become a major investor and influence.

Perhaps the single largest example of Japanese investment is in the Thilawa Special Economic Zone, south of Yangon, and Myanmar's most successful industrial project. But Japanese presence and partnerships are also evident across many business sectors, especially in Yangon and the south of the country.

China has larger projects, like the gas pipeline and Kyaukpyu port in Myanmar that links up with Yunnan province. But, again, the high level of trust Japan enjoys differentiates it in Myanmar. So, too, does Japan's democracy.

While it does not bang the drum like the West, democracy matters for Japan. Take Thailand, following the military coup of 2014. While Japan decried the coup, investments were maintained and, as the situation proved peaceful and stable enough, business resumed. This can be an example of how Japan can provide a positive influence in Myanmar to work for stability and progress, alongside Asean members.

Typically, Japan does not speak loudly. In the swirl of concerns and Sino-American rivalry, it risks being taken for granted. Yet it matters how the country and the Suga administration react. If Japan can take the initiative, not only as an ally to the US but also as an integral partner in the region, many would benefit.

stopinion@sph.com.sg

• Simon Tay is an associate professor at the Faculty of Law, National University of Singapore, and chairman of the Singapore Institute of International Affairs. He was a member of the Singapore team that negotiated the Japan-Singapore Economic Partnership Agreement and has also served as global adviser to major Japanese companies.