

**OVERVIEW:
JAPAN'S LEADERSHIP IN THE LIBERAL INTERNATIONAL ORDER**

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On January 24 and 25, 2020, a group of leading scholars and policy analysts from Canada, Japan, and the United States convened at the University of British Columbia in Vancouver, Canada, under the aegis of the Centre for Japanese Research to explore the new phenomenon of Japan's leadership in the liberal international order (LIO). This event was co-ordinated with a related workshop organized by the Asia Pacific Foundation of Canada on [Japan's leadership in the Free and Open Indo-Pacific](#). We focused on a few simple questions:

- How significant is this new phase of Japanese international leadership in historical perspective?
- What factors are driving this new global leadership?
- Where has Japan's leadership been limited or constrained, and why?
- What are the implications and potential for Japan-Canada relations (and Japan-U.S. relations, as well as Japan-EU relations)?

The collection of policy briefs presented on this platform offers carefully crafted answers to these questions across a range of policy domains. The briefs are organized under five themes: the strategic picture, global trade governance, global institutions, FOIP's economic pillar, and FOIP's security and law pillars.

Summary and Key Findings

1. Japan's recent leadership in advancing the international institutions of the liberal international order is profound. It is rooted both in domestic and international structural shifts. Japan is likely to stay this course beyond Prime Minister Abe's rule, even though Abe provided crucial personal leadership in the process.
2. The simultaneous U.S. turn against the institutions of the LIO under the Trump administration and the turn to a "hard" Chinese projection of power have put Japan in a difficult position. As a frontline state, Japan's interests do not lie in the headlong acceleration of the U.S.-China conflict. Instead, Japan is seeking a middle approach, combining security coalitions to hedge against China and buttressing global economic institutions to blunt U.S. weaponization of the trade and financial regimes. Japan is forced to make adjustments to maintain its priority relationship with the United States, but Japan's positioning is profoundly internationalist. Japan is a stalwart of the rules-based international order (with a few caveats).
3. In the hierarchy of actions taken by Japan related to the LIO, the Abe administration has made its top priority the Trans-Pacific Partnership (TPP), the Comprehensive and Progressive Trans-Pacific Partnership (CPTPP) after the U.S. departure from TPP, and the [Free and Open Indo-Pacific strategy](#), while maintaining a quality alliance with the United States. These three initiatives form the top tier of Japan's international strategy under Abe's leadership. For Japan, the Free and Open Indo-Pacific (FOIP) is not a strict anti-China coalition. It combines elements of security and rule of law, with a strong economic pillar that is open to engagement

with China. The primary objective is to secure the LIO and build multilateral institutions to stabilize the region, while expanding the East Asian region to India and the Indian Ocean.

4. The next tier of priorities has been managing the China relationship and advancing the Regional Comprehensive Economic Partnership (RCEP) and the EU-Japan strategic partnership.
5. Going forward, Japan's top priority lies in bringing the United States back to the institutions of the LIO, including the WTO and the TPP, and stabilizing the U.S.-Japan alliance. Should that continue to be impossible, Japan is increasingly open to multilateral partnerships with like-minded partners such as Canada, the European Union, Australia, ASEAN countries, India, and Mexico. It must be noted that these partnerships go against the natural bureaucratic default positions and traditional networks. They require significant political leadership, innovation, and momentum.
6. For Canada and Japan, the relationship has so far underperformed its potential. There is room for significant joint multilateral initiatives (that may include others, such as the EU) around the WTO, WHO, energy, cyberspace, outer space, and of course FOIP, and managing the China challenge. [One proposed idea](#) would involve connecting the CPTPP partners and the EU-Japan Partnership into a large coalition for multilateral institutionalism (Laïdi, Takemori and Tiberghien 2019). This idea received [a warm endorsement](#) from Abe economic adviser Hamada Koichi in August 2019 (Hamada 2019).¹

Introduction

Following the Yoshida Doctrine established in the early 1950s (Pyle 1996; Samuels 2007), post-war Japan has long been characterized as a quintessential trading nation and supporter of the U.S.-led liberal international order. We adopt here the definition used by Funabashi and Ikenberry (2020). The LIO is defined as “a set of rules, norms, and institutions that govern relations between states in an open manner, backed by hard power guaranteed by the United States. It has three pillars: the security order, the economic order, and the human rights order” (Funabashi and Ikenberry 2020: 2). It is therefore a “fused order” combining elements of hierarchy and elements of rules applying to all (Ikenberry 2011). In recent years, Australia,

¹ Hamada writes: “But the world cannot just stand by and hope that the US and China resolve their differences; the two countries are too influential, and their motivations too irrational. That is why the European Union and the countries in the Comprehensive and Progressive Agreement for Trans-Pacific Partnership (CPTPP) should take the [advice](#) of [Zaki Laïdi](#), [Shumpei Takemori](#), and [Yves Tiberghien](#) and create a Euro-Pacific Partnership free-trade area. This would not protect the world from the consequences of a full-blown war between the US and China. But it would go a long way toward insulating them from reckless economic competition between the world's long-time hegemon and the rising power that it fears will displace it.”

Canada, the European Union, and Japan have preferred to use the term “rules-based international order” instead of LIO, to emphasize the dimensions of consistency and applicability to all.

By pivoting toward the United States after World War II and serving as the key link between Asia and the Pacific, Japan became a bulwark for the LIO in Asia (Funabashi and Ikenberry 2020; Pempel and Sohn 2019). The country chose to tie its security, foreign policy, economic links, and values with the U.S.-led order. As a result, Japan has traditionally played more of a “supporter role” to U.S. global leadership than that of a rule-shaper, the so-called shield behind the American spear. However, this did not prevent Japan from actively pursuing renegotiation in international organizations such as the World Bank (with success) or the International Monetary Fund (with less success) (Lipsky 2017). At the regional level, Japan took more of a direct leadership role in regional free trade agreements and the creation of the Asia-Pacific Economic Cooperation, the Asian Development Bank, and the Chiang Mai Initiative (Grimes 2009; Katada 2017, 2020; Kawai, Lipsky in this collection).

It is therefore not a surprise that the dramatic turn taken by the United States in the wake of Donald Trump’s election in November 2016 against free trade and international institutions presented a shock to Japan’s positioning. Given the amount of political capital expended by Abe and the enormous value attached by Japan to the Trans-Pacific Partnership as both a vector for advancing global economic standards and a security hedge against China, Trump’s TPP exit was particularly painful for Japan. Authors in this collection see the U.S. shift on trade as deep and likely to last beyond the Trump era (Aggarwal, Pempel, Solís). Aggarwal writes: “these changes have been driven by key systemic shifts with the end of the Cold War, the increasing domestic pressures in the U.S. for protection, and a waning ideological consensus on the benefits of free trade—particularly with China.” Indeed, Canadian Ambassador Don Campbell noted at the January 24, 2020, conference at the University of British Columbia that “trade governance is the hard edge of the breakdown of liberal order.” Under President Trump, former national security adviser John Bolton banned the use of “rules-based international order,” insisting on the reassertion of unilateral U.S. power (Funabashi and Ikenberry 2020: 3).

The increasingly authoritarian turn and assertive posture abroad taken by China under President Xi Jinping dealt another blow to Japan’s positioning. The creation of the Asian Infrastructure Investment Bank (AIIB) in direct competition with the Japan-led Asian Development Bank in 2015, continued tensions in the East China Sea since 2010, and the construction of Chinese bases in the South China Sea, alongside the Philippines’ rejection of the UNCLOS arbitration court ruling, have had great symbolic impact in Japan.

The acceleration of tensions between the United States and China—from trade to technology, security, and values—has provided further disturbance to the East Asian system. Japan previously prodded the United States to be more proactive in checking China under the Obama administration. Recently, roles have switched and Japan has become alarmed by the escalation of

tit-for-tat strategic interactions under Trump and Xi. As Ambassador to Canada, Kawamura Yasuhisa notes in [his remarks](#), “some people argue that we all are in the middle of major power competitions, and Japan is on the front line.”

Other shocks to the system include the dramatic emergence of the digital revolution (the so-called Fourth Industrial Revolution),² the ensuing social media revolution,³ the pivotal climate change challenge, and the 2020 COVID-19 pandemic. These shocks have increased the sense of uncertainty, complexity, and competition (Goh 2020). COVID-19 may not have caused the steadfast worsening of relations between the United States and China, tensions in East Asia, or the neutralization of global governance mechanisms. But it certainly added human, economic, and geopolitical pressure to an already combustible situation. Most crucially, the COVID-19 crisis makes it even more clear that the liberal order urgently needs multilateral and innovative institutional solutions. “The costs of inaction today have been quite significant. Rather than simply accepting the collapse of the multilateral system, [we must start imagining the new mechanisms of solidarity that this crisis demands](#)” (Badré and Tiberghien 2020).

Indicators of Japan’s New Leadership in the Liberal International Order

Amid such combined massive disruption, something remarkable happened to Japan’s role in the LIO. Under the leadership of Prime Minister Abe, Japan stood up in 2017–2020 and started to become a leader in global institution-building in support of the LIO. Japan launched initiatives and delivered high-level public speeches in a range of domains: trade, global economic governance, regional security, global environment, infrastructure development, and data and cyber governance. Funabashi and Ikenberry characterize Japan as a “rule-shaper” during this period (2020: 15).

In August 2016, Japan offered a mega-regional vision combining rule of law, free trade, security, and economic integration under the label “Free and Open Indo-Pacific,” a term later adopted by the United States. This new FOIP umbrella scaffolds Japan’s major role and leadership in advancing new rules of infrastructure governance (Katada 2020; Solís 2020). Furthermore, Japan is active in dialogues and rule-making processes in the outer space, cyberspace, and maritime domains (Govella in this collection), as well as energy governance (Kucharski in this collection). Japan hosted the G20 in Osaka in July 2019, demonstrating leadership in data governance, infrastructure governance, and, to some extent, trade and environmental governance

² See Baldwin 2019; Bootle 2019; Economy 2018; Lee 2018; Rees 2018; Schwab 2016.

³ See Tiberghien 2020 for a discussion of the impact of social media on East Asian relations in the age of COVID-19. In particular, he argues: “what we can say today is this: social media has eroded trust in expertise and authority; it generates instant waves of information bundled with emotions, opinions and unclear boundaries; it generates so much information and social overload that it crowds out both physical connections and interactions with fellow citizens outside our core groups; and it is creating an economic and security free-for-all that is very hard to regulate.”

(Alexandroff, Kawai in this collection). In the greater Asian region, Japan leads even China in terms of foreign direct investment, reputation, and ODA (Solís 2020). Solís writes: “When it comes to the mobilization of state resources to finance economic infrastructure abroad, only Japan is in serious competition with China” (2020: 5).

Trade is the most visible terrain for the exercise of Abe’s leadership. In 2017–2018, Japan took the leadership mantle abandoned by the United States and completed the TPP project with 11 countries, demonstrating the ability to use both diplomacy and leadership. At the same time, Japan acted to complete protracted negotiations with the EU in a broad economic partnership. On February 1, 2019, Japan and the EU launched both the Economic Partnership Agreement (EPA) and a broader Strategic Partnership Agreement (SPA) that carried the potential of much greater policy co-ordination between the two giants on global governance and rule-making (Gilson 2020). On October 17, 2019, Japan reached a limited agreement with the U.S. administration on market access for selected agriculture and industrial goods, effective January 2020. And Japan pursued a proactive stance in the negotiations on the Regional Comprehensive Economic Partnership, with the goal of reaching a rapid agreement. Although the RCEP agreement could not be reached in late 2019 due to India’s opposition and its retreat from RCEP negotiations in the face of a potential Chinese export surge, Japan remains a key driver in the negotiations in 2020.

Finally, Japan has increasingly acted as a mediator and bridge-builder with China, South East Asian countries, and even Iran (Romei in this collection). The development in the last few years of a multi-pronged relationship with China combining economic and institutional pragmatism with a robust security and legal position offers an important example for others. “The current rapprochement is interesting for what it reveals about the ability of Chinese and Japanese leaders to make pragmatic adjustments to new realities in international politics, and the keen sensitivity displayed by the Asian powers to an unpredictable United States” (Solís 2020: 10). Japan’s development finance push and preferential trading network embody the practice of “competitive but not exclusionary regionalism.” Avoiding a zero-sum competition with China has given greater mileage to Japan’s efforts in shaping the standards of economic integration and more success in offering developing Asia strategies for economic diversification (Solís 2020; Solís, Stallings and Katada 2009).

We note that this new burst of Japanese leadership in international institution-building follows an earlier period in 1995–2009 when Japan played a key role along with the EU, Canada, and others in setting up the Kyoto Protocol, the International Criminal Court, the Landmine Ban Treaty, the UNESCO convention, the Cartagena Protocol on Biosafety, and the Nagoya Protocol on biodiversity (Tiberghien 2013). These advances co-led by Japan took place during a first period of U.S. withdrawal from global institution-building and in spite of U.S. opposition (Walt 2005). One prime minister played a particularly crucial role in this period: Obuchi Keizo, who was a dedicated internationalist. Koizumi Junichiro partially carried on his legacy.

Yet Funabashi and Ikenberry also note that there was a period of doldrums in Japan's global institution-building role: Japan's recent burst of leadership came after years of reactive diplomacy, during which Japan was "caught off guard" by the rise of both China and South Korea (in technology) and "lost out on the opportunities presented by the development of the internet, digitalization and smart phones" (Funabashi and Ikenberry 2020: 11).

The editors and authors of this collection acknowledge certain limits in Japan's leadership posture. We note the more unilateral postures taken by Japan at UNESCO and the International Whaling Commission (Lipsy in this collection). We also note that Japan took a passive approach in late 2019 and 2020 on the question of the WTO dispute settlement mechanism (DSM), which went into dormancy on December 11, 2019, after the United States vetoed the appointment of judges. Japan failed to join the EU, Canada, China, and other major economies in creating an interim dispute settlement mediation mechanism in March 2020 (Alexandroff, Solís in this collection). In its great effort to reach a compromise with Trump's positions, Japan was not able to push the climate or trade issues at the G20 all the way to a possible G19 solution in the face of strong U.S. opposition (Alexandroff in this collection, Alexandroff and Tiberghien 2019). This generated some frustrations with European, Australian, and Canadian partners (Pajon 2020). We also note the specific difficulties encountered by Japan with Korea over the issue of the security-related export ban of certain sensitive products that can be used for the production of semi-conductors.

Additionally, Japan has become extremely dissatisfied with the WTO Appellate Body because of the April 2019 reversal of an earlier panel decision on Korea's restrictions on Japanese food imports related to the Fukushima situation. This case appeared to go against long-held principles of WTO consistency and has come to affect Japan's attitude toward the WTO dispute settlement mechanism. For Japan, the DSM requires reforms and not just status quo maintenance. Finally, Japan has kept a relatively low-key approach in the face of COVID-19, even though global governance desperately needs major powers to step up and co-ordinate a global response as the United States and China are locked in a cycle of zero-sum conflict (Solís in this collection).

Drivers Behind Japan's Leadership in the LIO

Explanations for Japan's new leadership role in the LIO presented in this collection fall into three types: domestic structural reforms, Abe's leadership and political coalition, and shifts in the international incentive structure. We recognize that these three patterns may actually reinforce each other and operate at the same time.

The first explanation is cogently introduced by Takenaka (in this collection): Abe has inherited the cumulated effects of electoral reforms (going back to 1994) and administrative reforms (spread out from 1996 to the mid-2010s) that have had the effect of concentrating power in the hands of the prime minister and his office. For the first time in post-war Japan, the prime minister has the incentive structure and the tools to centralize policy-making under the *Kantei*

(prime minister's office) on important files, such as trade agreements, FOIP, climate policy, and G20 management. Caron, Solís, and Kawai (in this collection) also refer to these new tools. Additionally, Solís notes the importance of an economic structural factor connected to the transformation of the Japanese political economy, namely the growth of supply chains that give Japan incentives to be a rule-maker.

The second explanation is also domestic and focuses on Abe's personal leadership and his vision of Japan's role at a time of great disruptions. In the papers presented here, Caron, Solís, Tiberghien, and Romei refer to this pivotal role. Abe's leadership is also facilitated by his effective balancing of inputs from the three large ministries (Ministry of Economy, Trade and Industry in the lead; Ministry of Finance; and Ministry of Foreign Affairs) and his pragmatic nationalist positioning at home. This latter political positioning and the fact that he came after a disastrous experiment in idealist social-democratic policy-making under the Democratic Party of Japan (DPJ) has shielded him from the types of populist forces that are virulent in other advanced countries (Funabashi and Ikenberry 2020; Funabashi and Nakano 2017). Politically, Abe has also benefited from the healthy support of Japanese public opinion for international institutions (by a margin of 24 percent to 31 percent), free trade agreements with like-minded countries (by a margin of 50 percent), the World Trade Organization (+46 percent), climate change action (+74 percent), international arms control agreement (+68 percent), and democracy promotion (+57 percent) (Liff and Mori McElwain 2020: 367).

The third explanation is international and rooted in the new set of dramatic threats and opportunities provided by the fast-changing international environment. The simultaneous U.S. advancement of "America First" and in particular Trump's distaste for multilateralism, along with the sudden rise and greater aggressive positioning of China and shocks such as climate change, artificial intelligence, and COVID-19 have provided a massive jolt to Japan. Japan lies at the forefront of all these forces and at the very point of intersection of the Chinese and American tectonic plates, creating a tension between Japan's security and trade interests (Pempel). This situation has created a new reality, where Japan's economic position and prosperity could be in grave jeopardy if it fails to take it upon itself to buttress the global trade regime (Kawai, Solís, Tiberghien), the global infrastructure regime (Kawai, Katada), the energy regime (Kucharski), and global economic institutions (Alexandroff, Lipsy). The same set of incentives relate to the creation of the FOIP strategy (Kawai, Romei). Japan has also taken upon itself to develop an approach to China combining security hedging and targeted economic engagement to limit the risk of conflict. According to this explanation, Japan's leadership represents a structural shift that is likely to last beyond Abe's rule and may develop into new arenas.

These three drivers are evident within most of the five themes the authors explore.

Theme 1: The Strategic Picture

Pempel argues that Japan has become pulled in two directions, economics and security, in the Trump era. The U.S. withdrawal from the TPP created a split in a package conceived by Japan as combining trade and security. U.S.-Japan negotiations over the costs of the security alliance and trade have created a significant drag on Japan. Under Trump and a rising China, Japan has had to face a highly disrupted environment.

Takenaka focuses on the domestic policy-making revolution under Abe: “one major characteristic of policy formulation under the Abe administration is that Prime Minister Abe exercises strong leadership in major policies” (in this collection). With increased power in the hands of the prime minister, Japan has been able to formulate more innovative, proactive, and coherent external policies. Two key novel institutions under the Cabinet Secretary are the Council on Strategy of Infrastructure Development through Economic Cooperation and the National Security Council.

Caron’s paper focuses on the bilateral Canada-Japan relationship. It notes it has been productive but does not meet the needs of the transformative global agenda that we are facing. Caron argues that the relationship could advance by working on WTO reforms, climate change, and international security and defence co-operation. To achieve such progress, it is crucial to secure the involvement of top leaders as well as ministerial bureaucracies and civil society to overcome the pull of domestic and regional politics.

In the face of Trump’s unilateralism, Alexandroff asks whether Japan has played an effective multilateral role. He argues that Japan has failed in its attempt to nudge Trump back to multilateralism, leading to mixed results at the G20, in trade, and in climate change. He writes: “Abe shrank from a strong multilateral effort to move the United States from resurrecting managed trade in the G20 leaders’ discussions. There was little to suggest that the Japanese prime minister tried to nudge Trump back, for instance, to a World Trade Organization (WTO)-focused trade system. Indeed, the WTO remains in crisis and effectively frozen.” Alexandroff particularly notes that Japan has failed to join the new interim appellate arbitration agreement pursuant to the WTO’s article 25 as a way to go around the U.S. veto on the appointment of judges to the WTO Appellate Body.

Observing Japan’s role in Asia from the comparative perspective of Latin America, Armijo describes the interesting consensus in Japan and in the larger region on the critical role of the state in leading international economic change. She takes emphatic note of “the characteristic East Asian melding of liberal internationalist commerce, and this mix then combined with an explicit recognition of the central role played by the interstate distribution of hard power capabilities.”

Theme 2: Global Trade Governance

Aggarwal unpacks the shift of U.S. trade policy over recent decades “from bipolar to unipolar to multipolar and to bipolar” and the factors driving those changes. He argues that the trade consensus in the United States has been profoundly damaged in the face of inequalities and a domestic sense of loss. Aggarwal also analyzes the Chinese trade approach, combining avowed support for trade agreements, the RCEP, the Belt and Road Initiative, and the WTO with extensive use of industrial policy, subsidies for state-owned enterprises, and regulatory interventions behind the border. The combination of the U.S. and Chinese postures ensures a difficult trade governance situation for the foreseeable future.

Solís writes: “The open, rules-based trading system appeared vulnerable to the harsh realities of great power competition.” She paints a bleak picture of international trade governance, including advanced decay in the WTO order and the crisis of its Appellate Body. She notes that irrelevance is a possibility “if the body cannot update rules or enforce rules.” Solís writes that the intensification of great power competition greatly erodes the trade regime. It has led the United States to abuse the national security exemption and caused frictions with the EU, Canada, and Japan. The United States has also tightened rules on foreign direct investments and export controls. In 2020, the Phase 1 trade deal between the U.S. and China fails to be WTO compliant or trade stabilizing, thus further eroding multilateralism. It also bypasses the institution of dispute settlement through third-party adjudication. Instead, it empowers both parties to self-assess results and raise tariffs unilaterally, creating at most a fragile truce to the tariff war.

After noting Japan’s crucial role in the global and regional trade system and impressive recent actions, Solís argues: “Japan’s trade leadership reflects both long-term evolutionary changes at home and a response to a more severe international environment with the stagnation of the WTO and the intensifying U.S.-China rivalry” (in this collection, and Solís 2017). Yet she also acknowledges that this leadership faces critical challenges ahead: negotiations toward a comprehensive trade deal with the United States, enlargement and consolidation of the CPTPP, completing the RCEP with or without India, WTO reforms, and managing export protectionism in the aftermath of the COVID-19 crisis.

Jaramillo focuses on the impact of the CPTPP after describing it as the “rule-setting benchmark.” She notes that the CPTPP in itself could not offset the negative trade impacts caused by the U.S.-China trade war (and COVID-19 in 2020). However, she also argues that Japan was able to “leverage the agreement to its advantage on numerous fronts.” In particular, Japan was able to reach a limited trade agreement with the United States and has been able to play a balancing act with China. Jaramillo adds: “Japan has become the hegemonic stabilizer of the CPTPP partnership, because it has leveraged investment and co-operation to keep global value chains alive in the Pacific during one of the most trying periods for trade liberalization and globalization as a whole.”

Tiberghien also focuses on the CPTPP creation as a game-changer and argues that Japan's crucial decision to exercise leadership was "a strategic response to a combination of great changes in the global economic order (constraints arising from the rise of China, the erosion of global economic stability, and the great shift in position in the United States), subject to domestic constraints in Japan on dimensions of legitimacy and salience to domestic audiences." For Tiberghien, international changes have unbundled trade and security logics. Significantly, Japan can be seen as the canary in the coal mine "due to its positioning between China and the United States and high dependence on the global economic order as a trading nation."

Takeuchi analyzes the impact of the shift to global value chains as the foundation for trade in the context of the CPTPP. Such a shift "has important implications on each country's domestic politics because it stipulates rules over domestic regulations." Takeuchi notes that the damage from the COVID-19 pandemic on global value chains will be massive. He argues that Indo-Pacific nations such as Australia, Canada, Japan, and Mexico should actively co-operate to save the LIO from both the U.S. and China shocks. He also writes that the CPTPP should be open to China in the future.

Theme 3: International Organizations and Global Economic Governance

Lipsy emphasizes the central role played by Japan for decades in the creation of regional institutions such as "the Asian Development Bank (ADB), Asia-Pacific Economic Cooperation (APEC), and the Chiang Mai Initiative Multilateralization (CMIM)." He does note that the new leadership by Japan in the LIO could be a double-edged sword, serving either to move constructive reforms forward or to satisfy nationalist impulses in the future (as shown in the case of disputes with UNESCO and the International Whaling Commission). Lipsy concludes with a strong call for co-operation among like-minded trading nations: "to remedy instability of the liberal international order and respond effectively to the COVID-19 crisis, it will be necessary for like-minded democracies like Japan and Canada to strengthen co-operation and contribute to the provision of global public goods rather than seek to advance narrow, self-serving goals."

Kawai highlights the grave crisis the LIO faces today with these powerful words: "with the advent of the Trump administration and its departure from multilateralism and international co-operation, the global economic governance framework has been shaken. The rules-based, liberal international economic order that has been instrumental to long-term economic growth, development, and stability in the post-WWII era is on the verge of collapse." In response to this crisis, Kawai argues that Japan has adopted a two-track approach, supporting both global and regional co-operation. On the regional front, Kawai sees the FOIP initiative as having great potential impact on global economic governance. On the global front, Kawai highlights the leadership role played by Japan at the Osaka G20 in 2019, especially on the issue of cross-border flow of data ("data free flow with trust"), including privacy and data protection alongside

security and innovation. Japan successfully led the drafting of the “G20 Principles for Quality Infrastructure Investment.” Japan has also actively supported the IMF and the World Bank, providing US\$100B in resources to the IMF in the wake of the 2008 global financial crisis and doubling its contribution to the Poverty Reduction and Growth Trust in light of the 2020 COVID-19 crisis.

Kawai writes that Japan also actively supports the WTO and the multilateral trading system with two specifications. Alongside like-minded countries, Japan insists on WTO reforms in the realms of intellectual property protection, non-market practices and subsidies. On the issue of dispute settlement, Kawai writes: “Japan’s view of dispute settlement is similar to that of the United States; that is, the Appellate Body should avoid overreach and delivery delay, considering its experience with dispute with the Republic of Korea, which imposed an import ban on fishery products after the Great East Japan Earthquake, tsunami, and nuclear power plant accidents.” While working on regulatory convergence, Japan sees high-standard FTAs, such as the CPTPP, Japan-EU EPA, and others, as supporting elements for the LIO.

Theme 4: Free and Open Indo-Pacific—Economic Pillar (Quality Infrastructure, Trade, Energy, and Digital Connectivity Issues)

In this collection, Katada focuses on Japan’s role in infrastructure governance through the Partnership for Quality Infrastructure (PQI). Under this strategy, Japan aims not only to increase the quantity of funding going to infrastructure development, but also to promote high-quality standards, including debt sustainability, environmental compatibility, and human empowerment. Katada writes: “by influencing global and regional debate on infrastructure investment, the Japanese strategy hopes to tip China’s domestic political scale in support of a more cautious and quality-pursuing approach.” This approach coexists with the Japanese government’s strategy to benefit Japanese firms not only by distinguishing its quality infrastructure from the Chinese but also by utilizing its developmentalist approach of directly supporting and funding their ventures.

Kucharski analyzes Japan’s energy leadership in the region under the FOIP vision and in response to both the China threat and the weakening U.S. guarantee. In its energy strategy in the Asia Pacific, Japan seeks to counter China, but also cement closer relationships with countries around the region and ensure high transparency and standards of the emerging energy infrastructure. Kucharski argues that this activity presents new opportunities for Canada to leverage its clean energy expertise and export capacity for greater gains in the region.

Theme 5: Free and Open Indo-Pacific—Security of the Commons

Govella studies Japan’s response to increased competition in three other arenas—outer space, cyberspace, and maritime domains—in the context of a rising China. Govella argues that Japan has pursued the pluralization of the commons and involvement of large stakeholders at a time when “the great powers are currently unwilling or unable to take the lead in rejuvenating

multilateral governance efforts.” There is also a concern about neutralizing competitive dynamics.

Romei focuses on the growing role of Japan as a mediator, facilitator, and bridge-builder in the greater Indo-Pacific region (including Iran). She writes: “Abe Shinzo’s Japan, therefore, is making steady steps toward expanding its network of allies and partners, while preparing for the eventuality that the United States, as an ally, might slip in the background. Strengthening the EU-Japan strategic partnership and security co-operation is also in line with Europe’s goal to sustain the liberal international order, but because it is still a brand-new type of co-operation, the outcomes and the extent of this agreement remain to be seen.” In sum, Romei sees the FOIP strategy led by Japan as a wider institution-building and bridge-building strategy aimed at stabilizing an order under stress.

The findings of this project point to a broader Japanese pattern of leadership in the liberal international order and to concrete opportunities for partnership with like-minded partners, such as Canada, the EU, and others in the effort to protect this order from current trends of fragmentation.

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