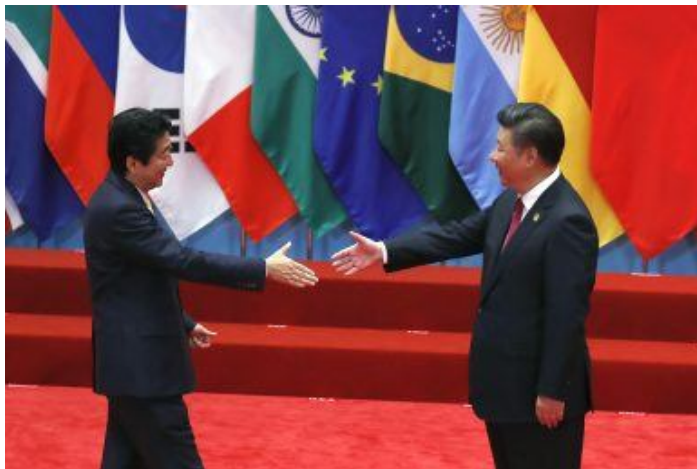


Japan's Belt and Road Puzzle, Decoded

Japan's support for the Belt and Road is contingent on shaping China into a responsible global player.

By Titli Basu

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Japanese Prime Minister Shinzo Abe, left, and Chinese President Xi Jinping reach to shake hands before a group photo session for the G20 Summit in Hangzhou (Sept. 4, 2016).

Image Credit: AP Photo/Ng Han Guan

Has Japan, a staunch supporter of the U.S.-led, universal value-based international order, embraced China's Belt and Road Initiative (BRI)? Since the Belt and Road Forum (BRF) in 2017, in what may appear to be a sudden shift, traditional U.S. ally Japan has been embracing the BRI, which is often understood as Beijing's grand strategy to employ every component of national strength to assert its influence and redesign the regional order. But a closer look at Japan's strategy suggests Prime Minister Shinzo Abe is involved in a carefully considered attempt to discard a narrow approach — pursued in the case of the Asian Infrastructure Investment Bank (AIIB) — and engage with China with the objective of shaping it as a responsible actor and upholding the highest standards of global governance in accordance with international norms.

As Beijing is becoming increasingly confident of its national power, it is pursuing geopolitical and geoeconomic interests through grand designs like the BRI. The BRI is an important instrument to realize [President Xi Jinping's goal](#) of making China a “global leader in terms of composite national strength and international influence” by the middle of the 21st century. As Xi pursues the Chinese Dream under the narrative of “the great rejuvenation of the Chinese nation,” Beijing is increasingly putting the U.S.-led, universal value-based order to test. Whether it is designing a new regional security architecture marked by an “Asia for Asians” approach, testing U.S. resolve in the South China Sea, effectively employing “[institutional statecraft](#)” by designing alternatives like the AIIB, or leading regional economic architecture with the Regional Comprehensive Economic Partnership (RCEP), China is putting the U.S. role to the test. While traditionally a U.S.-led liberal order dominated East Asia, the arrival of China as a major power is altering the regional balance of power.

As the [debate around the future of the U.S.-led regional order](#) intensifies, traditional allies like Japan have stepped up to reinforce the foundations and resilience of the U.S.-led system. The initial articulation of this was witnessed in Shinzo Abe's strategic vision, culminating in Japan's Free and Open Indo-Pacific Strategy in 2016. The Asia-Africa Growth Corridor (AAGC), conceived in collaboration with India, is one of the key manifestations of this strategy.

2017 was a significant year for Japan's strategy. While in mid-May, the BRF was attended by Japan's Liberal Democratic Party (LDP) Secretary General Toshihiro Nikai and Keidanren chief Sadayuki Sakakibara, later that month the [AAGC Vision Document](#) was launched by Japan and India with the aim of furthering the agenda of liberal value-based order. Clearing up the ambiguity on Japan's approach to the BRI, Abe, [speaking at the Future of Asia Conference](#) in early June, categorically underlined the importance of keeping infrastructure construction open, transparent, and fair and stressed the economic feasibility of projects without hurting the debtor nation's finances. Coincidentally, Abe articulated Japan's position on the BRI from the same platform where he had launched his signature Partnership for Quality Infrastructure in May 2015, a month before the founding member nations signed the China led AIIB's Articles of Agreement in the Great Hall of the People in June.

Since Abe's June 2017 speech, debate has intensified over Japan's posturing on the BRI. Subsequently, on several occasions including policy speeches [before the Japanese Diet](#) and at Da Nang on the sidelines of the Asia-Pacific Economic Cooperation (APEC) Economic Leaders' Meeting, Abe underscored Japanese expectations of [engaging with the BRI](#) “in a forward-looking way...adequately incorporating the thinking held in common by the international community regarding the openness, transparency, economic efficiency, financial soundness, and other such aspects of the infrastructure.” Tokyo is attempting a cautious engagement with China without compromising on international norms and principles, with the aim of making China more adaptable to global standards and rule of law. Japan's strategy has not really changed but, as Shin Kawashima argues, Tokyo's tactics have become more sophisticated. Previously concerns over international norms and governance standards were referred to as deterrents to

Japanese engagement with the Chinese project. Now Japan is employing the same set of variables as preconditions for Tokyo's participation in the BRI.

Geoeconomically, Japan has identified infrastructure exports as a top priority, which serves as a new growth engine for reviving the Japanese economy in addition to firming up strategic networks with like-minded countries. The June 2013 Japan Revitalization Strategy enunciated the need to create new frontiers for growth by capturing the international infrastructure market and set the target of tripling infrastructure sales by 2020. With the aim of responding to infrastructure demands in developing economies and promoting infrastructure exports, a "Ministerial Meeting on Strategy relating [to] Infrastructure Export and Economic Cooperation," has been instituted within the Cabinet Secretariat [since 2013](#). In the face of stiff international competition, Abe has emphasized the quality of Japanese infrastructure exports.

Keidanren (the Japan Business Federation) has supported the strategic promotion of infrastructure exports and a positive relationship with China given the two countries' intertwined economies. [Chairman Sadayuki Sakakibara reiterated](#) that "Japan would join other nations in cooperating actively with the One Belt One Road initiative, provided that the two sides could reach agreement on principles including openness, transparency, and economic viability. For Japan, these are the fundamental guiding principles in dealing with One Belt, One Road." Japan's conditional support to the BRI based on economic viability, fiscal soundness, openness, transparency, and fairness was again underscored during the [Japan-China CEO Summit](#) held in December 2017.

As Abe frequently underlines the importance of complying with international norms and governance standards, Japan and the United States have reinforced cooperation aimed at offering high-quality infrastructure investment alternatives in the Indo-Pacific region. In November, Overseas Private Investment Corporation, the U.S. government's development finance institution, signed a Memorandum of Understanding (MoU) with Japan Bank for International Cooperation (JBIC) and Nippon Export and Investment Insurance (NEXI) with the objective of augmenting investment in infrastructure, energy and several other sectors across the Indo Pacific. In addition, [another MoU was signed](#) between the U.S. Trade and Development Agency (USTDA) and Japan's Ministry of Economy, Trade and Industry (METI) to facilitate high-quality energy infrastructure solutions in the Indo-Pacific region.

Beyond the United States, Japan is also pursuing cooperation within trilateral frameworks. For instance, [the U.S.-Japan-India foreign ministerial trilateral](#) in September underscored that connectivity initiatives should be founded on "universally recognized international norms, prudent financing and respect for sovereignty and territorial integrity."

What's behind the shift to cautious engagement with the BRI? In the run-up to the 40th anniversary of the China-Japan Treaty of Peace and Friendship this year, Abe has softened his hard-line China posture. More importantly, geopolitical variables including the criticality of

Chinese support for de-escalating tensions on the Korean Peninsula and the depth of U.S. commitment to regional issues amidst Trump's America First policy nudged Japan to revisit its strategy. A *[Yomiuri Shimbun report](#)* in late December indicated that Tokyo is considering extending an invitation to China to join "Japan-funded projects in Africa," including the Growth Ring project, International Corridor project, and projects in Rwanda and Kenya. Constructive engagement between Asia's two biggest economies is welcome in the infrastructure sector because it will ultimately serve the larger objective of enabling emerging economies to fuel national growth and boost their overall ability to compete in the global economy.

However, this in no way implies that Tokyo is ready to compromise on upholding a rules-based architecture. Japan has played a leading role in providing global public goods for decades. Abe's objective is to maintain the U.S.-led order that has served its national interests since the post-war era and project Japan as an effective ally to the United States in guarding the global commons. Whether it is taking the lead in TPP-11, reviving the Quad, floating the AAGC, or initiating the Vientiane Vision, Japan is demonstrating leadership in consolidating the existing order based on universal values and principles of international law. To deliver on its international commitment to being a Proactive Contributor to Peace, Japan aims to operate within the alliance arrangement with the United States, reinforce its own national strength, and further weave action-oriented strategic partnerships in the Indo-Pacific on one hand and engage with China with the aim of shaping it as a responsible power that respects international norms on the other.

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