

JAPAN 2018: FLESHING OUT THE «FREE AND OPEN INDO-PACIFIC»
STRATEGIC VISION*

Giulio Pugliese

and

Sebastian Maslow

King's College London,
giulio.pugliese@kcl.ac.uk

The University of Tokyo
maslow@iss.u-tokyo.ac.jp

This year-in-review essay highlights the Abe administration's attempts at defining its Free and Open Indo-Pacific grand strategic vision with like-minded parties. It assesses Japan's engagement with states that have demonstrated active interest in the concept: the United States, Australia, India, France and the United Kingdom. The essay underscores the tension between Trump's extortionist and transactional instincts and the need for the US to engage multilaterally in the region, but also suggests that China has softened its stance towards Japan in light of a more confrontational US China policy. The essay will open with an assessment of Japanese domestic politics and the Abe administration's economic agenda, because domestic stability has allowed Abe's signature foreign policy initiatives. Abe consolidated power as he secured his third term as LDP president, despite a string of political scandals. Along with his aspirations for a powerful and prosperous Japan, he implemented structural reforms of the labour market including new caps on overtime work and a new immigration law that potentially opened Japan's doors to low- and high-skilled workers. In the year under review, and in line with his administration's Free and Open Indo-Pacific vision, Abe issued new defence guidelines that have set Japan further on track towards an active military role. The guidelines outline measures to enhance Japan's capabilities in «cross-domain operations» in cyber, space and electromagnetic warfare and a comprehensive modernization of conventional defence equipment which includes new missile systems, advanced fighter jets and aircraft carrier capabilities in direct response to China's military rise. Finally, Abe confirmed his determination to revise Japan's war-renouncing constitution, however unlikely the attainment of that goal is, at least in the near future and in the face of persistent popular opposition.

1. Introduction

This essay highlights the Abe administration's attempts at defining its Free and Open Indo-Pacific grand strategic vision with like-minded parties. For this reason, the essay assesses Japan's engagement with states that have demonstrated active interest in the concept: the United States, Australia,

* The present chapter is the outcome of a joint research effort. Part 2 was written by Sebastian Maslow, whereas the final draft of the abstract, introduction and part 3 were written by Giulio Pugliese. The authors are grateful for careful feedback of an anonymous referee.

India, France and the United Kingdom. It underscores the tension between Trump's extortionist and transactional instincts and the need for the US to engage multilaterally in the region but notes that China has softened its stance towards Japan in light of US countermeasures. Given the salience of Trump's protectionist bully tactics, this essay will highlight how Japan has responded to the US president's economic offensive. Furthermore, it will provide a bird's eye view of Japan's military and diplomatic activism according to its Free and Open Indo-Pacific vision; in the process, it will stress the tension between Trump's extortionist and transactional instincts and the need for the US to engage multilaterally in the region.

The essay opens, however, with an assessment of Japanese domestic politics and the Abe administration's economic agenda, because domestic stability has permitted Abe's signature foreign policy initiatives. Prime Minister Abe Shinzō's consolidation of power has confirmed earlier analyses that he will become modern Japan's longest-serving head of government. In September 2018 Abe won a third and final mandate as the president of the ruling Liberal Democratic Party (LDP), suggesting he will remain at the helm of the Japanese ship of state until 2021. In line with the ambitious Abenomics agenda, the Bank of Japan has maintained its expansive monetary policy to prop up inflation and induce economic activity. Moreover, the Abe government confirmed its economic pragmatism by pushing for a labour reform that caps overtime work and for its most important structural reform to date: a new immigration law that might allow a substantial opening of Japan's doors to low- and high-skilled workers. Confirming his pledge to restore a strong Japan, Abe renewed his promise to revise the pacifist constitution by 2020.

In the meantime, the LDP-led government approved new long-term defence guidelines. Including the largest defence budget post-war Japan has ever announced, the new guidelines outline the development of multi-dimensional military capabilities in response to an «uncertain regional security» environment created by China's growing military role, and North Korea's missile and nuclear programme. Consequently, the Abe government has continued its course of military modernization with a focus on cyber security measures as well as new missile technology and aircraft carrier capabilities. Yet, political controversies continued to beset the Abe administration in 2018. In addition to the fallout of the Moritomo Gakuen scandal which has resulted in the resignation of a top Ministry of Finance official, revelations of systematic discrimination against women at medical university entrance exams and the use of false wage data in government reports, have threatened to undermine public trust in Abe's gender and economic reform policies.

Finally, as Japan prepares for the end of the Heisei period, and the 2020 Tokyo Olympics, Osaka's successful bid for the 2025 World Expo has provided a further potential boost for the economy and for the Abe government.

2. Entrenching one-party dominance amid political discontent

As forecast in previous essays,¹ Prime Minister Abe succeeded in further consolidating the conservative rule of his Liberal Democratic Party (LDP) in government and thus *de facto* one-party dominance in Japan. Winning a landslide in the 2017 lower house elections, Abe has placed his LDP in solid control of the Diet. In September 2018, Abe gained the political support to renew his leadership as LDP president. His third three-year term as party leader has provided Abe the opportunity to implement his ambitious agenda of revising Japan's pacifist constitution. Though his term will end in 2021, if he remains in power until November 2019, Abe will become Japan's longest serving prime minister, surpassing early 20th century (Meiji) leader Katsura Taro.

2.1. Deflecting crisis and the consolidation of Abe's leadership

Abe survived the fallout from a series of political scandals in 2017. The consolidation of his leadership in the year under review should be considered evidence for the dominance of the LDP, the successful crisis management by the *Kantei* (PM office), and a weak opposition. A key legacy of Abe's leadership is political stability in a country marked by a quick succession of prime ministers until his return as PM in 2012. In fact, for most of post-war Japan, the average tenure of prime ministers was two years, while during the period 2007 (the year Abe resigned as prime minister) until 2012 (the year of Abe's political comeback) leadership changed hands at disruptive intervals of once a year. Pledging a «Japan filled with hope and pride», Abe defeated his LDP-internal rival Ishiba Shigeru securing 553 out of a total of 807 votes.² Yet, this margin conceals the broad support Ishiba received from local LDP organizations with close to 45% casting votes in favour of Abe's rival.³ This indicated a growing discontent with Abe's leadership and the progress of his reform agenda.⁴ Questioning the results of «Abenomics», Ishiba emphasized a stronger focus on supporting revitalization of Japan's rural areas while urging his party to not rush constitutional revision.⁵ Securing extension of his

1. Sebastian Maslow & Giulio Pugliese, 'Japan 2017: Defending the Domestic and International Status Quo', *Asia Major* 2018, pp. 93-112.

2. Motoko Rich, 'Shinzo Abe Gets One Step Closer to Becoming Japan's Longest-Serving Premier', *The New York Times*, 20 September 2018.

3. Tomohiro Osaki, 'Abe tops Ishiba in Liberal Democratic Party election and secures historic third term', *The Japan Times*, 20 September 2018.

4. 「1強への不満直視を＝政治部長・佐藤千矢子」(Focus on Dissatisfaction with Dominant Power＝Chief Political Correspondent Satō Chiyako), *Mainichi Shinbun*, 21 September 2018.

5. 「安倍・石破氏 一騎打ち 自民党総裁選が告示」(Fierce Competition between Abe and Ishiba as Race for LDP Presidential Election Begin), *Yomiuri Shinbun*, 8 September 2018.

tenure as LDP president, Abe then reshuffled his cabinet in October to restore the momentum and public support for his political agenda.⁶

The year under review began with Abe embroiled in ongoing allegations over influence-peddling scandals. In 2017 Abe publicly stated that he would resign as prime minister and Diet member if evidence emerged of his personal involvement in steering the purchase of land in Osaka by Moritomo Gakuen, a local school operator. In March 2018, however, reports surfaced which suggested that the Ministry of Finance (MOF) falsified evidence in internal documents on the land deal. Initially deleted sections of the internal report documented the close links of Abe's wife Akie to Moritomo Gakuen. The private school administration is known for its revisionist curriculum and its close links to the ultra-conservative Nippon Kaigi organization. While Akie reportedly supported the land deal as she was «moved to tears by the school's education policy», PM Abe was forced to publicly apologize for the scandal as he admitted that the new report «could undermine trust in the entire government».⁷ This caused the opposition to immediately increase pressure on Abe and his LDP. In crisis management mode, the government forced Sagawa Nobuhisa, the National Tax Agency chief to resign. The incident unfolded as Abe was already under fire after he failed to secure exemption from Trump's tariffs on steel and aluminium, as elaborated below.

Amidst growing political discontent, Ishiba in the run-up to the September elections made sure the public associated PM Abe with a growing lack of trust in Japan's political caste.⁸ As a result, the government's support plummeted by 12 points to 33% between February and March 2018 (even conservative newspapers recorded a slump in the support rate in March), and thus casting doubts over a prolonged Abe leadership beyond the September LDP presidential race.⁹

With Japan's opposition parties fragmented, Abe's support rates recovered as he successfully deflected criticism over his political leadership and cronyism. Support for the cabinet grew from 42% to 45% in May and June.¹⁰ Amidst the recovery of public support for Abe, the LDP-backed can-

6. For a list of the fourth Abe cabinet's members see 「第4次安倍改造内閣閣僚等名簿」 Kantei, 2 October 2018 (https://www.kantei.go.jp/jp/98_abe/meibo/index.html).

7. Daniel Hurst, 'Japan: Shinzo Abe's political future in doubt as wife linked to cronyism scandal', *The Guardian*, 12 March 2018.

8. Motoko Rich, 'Shinzo Abe of Japan Back in Spotlight Over Tampered Documents', *The New York Times*, 12 March 2018.

9. 「内閣支持率33% 12ポイント減」 (Cabinet support 33%, decline by 12 points), *Mainichi Shinbun*, 18 March 2018; 「内閣支持、3ポイント増の42%...読売世論調査」 (Cabinet support, raise by 3 points to 42%, Yomiuri Survey), *Yomiuri Shinbun*, 21 May 2018.

10. 「内閣支持、3ポイント増の42%...読売世論調査」 (Cabinet support, raise by 3 points to 42%, Yomiuri Survey), *Yomiuri Shinbun*, 21 May 2018; 「内閣支持率45

didate won in gubernatorial elections in Niigata Prefecture. Hanazumi Hideo was elected new governor in early June, as his predecessor Yonemaya Ryuichi was forced to resign over a sex scandal. Yonemaya was an opponent of Abe's energy policy and rejected the restarting of nuclear power plants in his prefecture. With nuclear energy the central issue in the elections, Hanazumi has remained cautious in expressing his stance on nuclear energy.¹¹ Yet, his election was critical for shifting the tide towards restarting Japan's largest nuclear power plant located in Niigata's Kashiwazaki-Kariwa and operated by Tokyo Electric Power Company (TEPCO). It should be noted that in 2018 under Abe's watch, Japan restarted five nuclear power plants, though not including the Kashiwazaki-Kariwa reactors.¹² Emphasizing the importance of this election for Abe after a string of scandals and declining government support, LDP Secretary-General Nikai Toshihiro affirmed that «[i]t's certain that favourable winds have begun blowing» for the prime minister and his ruling party.¹³

Finally, torrential rain in western Japan in July claiming the lives of 200 people, the execution of 13 Aum Shinrikyō cult members including its founder Asahara Shōkō (born Matsumoto Chizuo) also in July, and a magnitude 6.7 earthquake hitting Hokkaido on 6 September, helped redirect media and public attention away from the Abe scandals and thus contribute to the LDP-led government's recovery. However, Abe and his LDP's dominance remain challenged in Okinawa as the stand-off with the Abe government over the relocation of the Futenma Marines airbase and construction of a new US military airbase at Henoko continued.¹⁴ Following the sudden death of governor and military-base opponent Onaga Takeshi in August, the LDP lost the gubernatorial election against an «All Okinawa» coalition led by Tamaki Denny.¹⁵ While Abe insisted on the importance of US military bases on the island for the sake of sustaining deterrence provided by the US-Japan alliance and thus Japan's national security¹⁶, the LDP's defeat

%, 3か月ぶり「不支持」上回る」(Cabinet support 45%, surpasses disapproval for the first time in 3 months), *Yomiuri Shinbun*, 17 June 2018.

11. 'Nuclear issue again takes center stage in Niigata election', *The Asahi Shimbun*, 25 May 2018.

12. Corey Wallace, 'Negotiating political uncertainties in Japan', *East Asia Forum*, 20 December 2018.

13. 'LDP-backed candidate wins governor's race in Niigata', *The Asahi Shimbun*, 11 June 2018.

14. Ra Mason, 'Okinawa Narratives: Delineating rhetoric, policy and agency', *Japanese Studies*, forthcoming.

15. 'Onaga's death leaves leadership void in fight against U.S. base', *The Asahi Shimbun*, 9 August 2018; Kiyoshi Takenaka & Linda Sieg, 'In blow to Japan PM, son of U.S. Marine wins Okinawa governor vote', *Reuters*, 30 September 2018.

16. Paul O'Shea, 'Strategic narratives and US military bases in Japan: How «deterrence» makes the Marine base on Okinawa «indispensable»', *Media, War & Conflict*, 2018.

marked the first high-profile election setback after Abe secured his third term as the party's president. With renewed local support, in November Tamaki announced a referendum on the central government's plan to relocate the Futenma base and to construct a new airbase in Henoko.¹⁷ The referendum, scheduled for 24 February 2019, though legally non-binding, has ensured that critical voices against the Abe administration's heavy-handed approach towards the military base relocation remain part of the public discourse.

2.2. *Abenomics, structural reform, and the slow progress of «womenomics»*

Seemingly undamaged by political scandals that have plagued his administration throughout 2017 and the first quarter of the year under review, Abe remained focused on implementing his economic agenda. By December 2018 Abe had governed over the second longest period of uninterrupted economic expansion in post-war Japan. In fact, government data suggests that the current period of economic growth began in December 2012 and thus overlaps with the return of Abe.¹⁸ If so, this would indicate a positive impact of Abenomics. However, in March, reports indicated that Japan's economy shrank by 0.6%, thus putting a sudden halt to the extended growth period of eight consecutive quarters. This has forced the Japanese government to lower its estimated growth for 2018 from 1.6 to 0.6%. The economic slowdown was traced to a decline in exports. This illustrates that economic performance has remained fragile as Japan has found itself entangled in a potential trade dispute with the US.¹⁹ Following its introduction in 2013, experts have thus urged that the Japanese government review Abenomics in order to sustain the momentum for economic revitalization.²⁰

The policy kernel of Abenomics is a monetary policy of quantitative easing and massive purchase of assets to reach a 2% inflation target.²¹ Early in 2018, the Bank of Japan (BoJ) again postponed its inflation target. Instead, the BoJ remains committed to its easy money policy and its negative interest rates, thus causing concern of sustained damage to Japan's banking

17. Kazuyuki Ito, 'Okinawa decides to hold Feb. 24 referendum on U.S. base issue', *The Asahi Shimbun*, 27 November 2018.

18. 'Japan confirms economy in second best stretch of post-war growth', *Reuters*, 13 December 2018.

19. 'Japan's Economy Shrinks, in a Setback for «Abenomics»', *The New York Times*, 15 March 2018.

20. Yuko Takeo, 'Abenomics Revamp Needed to Sustain Japan Recovery, IMF Says', *Bloomberg*, 4 October 2018.

21. For an excellent overview of the BOJ's monetary policy under Abenomics see Gene Park, Saori N. Katada, Giacomo Chiozza, & Yoshiko Kojo, *Taming Japan's Deflation: The Debate over Unconventional Monetary Policy*, Ithaca: Cornell University Press, 2018.

sector and the emergence of speculative bubbles.²² Between 2013 and 2018 Japan's debt-to-GDP ratio increased to 18%, while estimates for economic growth remained low. Moreover, Japan's fiscal crisis is amplified by its growing social welfare spending, which has reached 55% (US\$ 298 billion) in 2018 and will continue to grow as Japan's population ages.²³ This highlights the need for fiscal restructuring and structural reform, both of which had indeed been picked up by Abe as an essential part of his Abenomics. After his re-election as LDP president Abe confirmed his intention to raise consumption taxes from 8 to 10% as planned in October 2019.²⁴ And yet, doubts remain on Abe's fiscal restructuring: the administration proposed cashback schemes to compensate for the tax hike and thus spur economic growth.²⁵

In addition, the LDP-led government has employed the opposition's single-issue focus on Abe's scandals of early 2018 to move controversial bills through the Diet. In July 2018 the parliament approved laws initially introduced in 2016 that allow the building of casino resorts. Despite concerns over the potential increase in gambling addiction and the opposition's attempts to filibuster the bill, the Abe government has sold the casino bills as crucial to its reform agenda of revitalizing Japan's economy and tourism.²⁶ Moreover, the Abe government did the US president a big favour, since the casino bills potentially favour the casino magnate Sheldon Adelson, one of Trump's biggest donors.²⁷

Arguably the two most important reforms yet implemented as part of Abenomics' structural reform agenda in 2018 were a labour reform and new immigration laws. Abe proposed the bill to accommodate the diversification of working styles and to adjust the labour market from «the viewpoint of workers». Essentially, this reform of work styles (*hatarakikata kaikaku*) establishes a legal cap on overtime work, «equal pay for equal work» for non-regular and regular workers, while lifting regulations for working hours of high-skilled professional labour. Yet, following demands by business groups, the deregulation of overtime work restrictions has attracted broad criticism as labour unions and others fear an increase in work-related health issues, death by overwork (*karoshi*) or stress and depression-related suicides.²⁸

22. James McBride & Beina Xu, 'Abenomics and the Japanese Economy', Council on Foreign Relations, 23 March 2018.

23. Yuri Okina, 'Abenomics after five years', *East Asia Forum*, 24 September 2018.

24. 'Abe set to confirm Japan consumption tax hike for late 2019', *Nikkei Asian Review*, 15 October 2018.

25. Robin Harding, 'Japan plans cashback scheme to offset rise in consumption tax', *Financial Times*, 15 October 2018.

26. 'Japan Parliament OKs law to allow up to 3 casino resorts', *The Asahi Shimbun*, 21 July 2018.

27. 'Trump tried to help a Republican megadonor build a casino in Japan', *Vox*, 10 October 2018.

28. 'Japan enacts labor reform bill amid concern over long working hours', *Kyodo News*, 29 June 2018.

The new immigration law reform was introduced to address the need for new blue-collar workers in a rapidly ageing national economy. The law, passed in December, and scheduled to start in spring 2019, has opened Japan to an influx of 340,000 foreign workers in low-skilled professions. What some observers have called a «quiet revolution that shifted the fabric of the country»²⁹ has divided society causing fears of a sudden influx of foreigners. It has also triggered broad criticism as the law lacks specific measures to address a series of cases of exploitation, poor working conditions, and other severe human rights' violations under Japan's current foreign trainee programme. By 2017, the number of foreign workers in Japan had risen to 1.28 million. However, as many are students or workers in special training programmes, the previous legal system had made it difficult to issue long-term working visas which would allow foreign labour to fill the shortages, particularly in agriculture, manufacturing, and caregiving.³⁰ Thus despite the many unaddressed social and legal concerns, the LDP has pushed the bill through the Diet explaining that the measures «must be enacted swiftly based on thorough and efficient discussions at the Diet in an age when Japan grapples with serious labor shortages», while PM Abe in Diet deliberation has called the opening up of Japan's labour market an «urgent matter».³¹

Addressing Japan's labour shortage, Abe has also pledged to improve gender equality and to empower women. He has pledged to fill 30% of Japan's leadership positions with women by 2020. Only 4% of managerial positions in Japan are occupied by women.³² Consequently, «womenomics» gained attention as a central pillar of Abe's reform agenda. Little progress has been made so far. Female labour participation has improved slowly from 46.2% in 2012 to 50% in 2017, while women are paid 24.5% less than their male co-workers (in 2013, the ratio was 26.6%).³³ Japan's thick glass ceiling, preventing women's pursuit of gender parity, became visible when in August the systematic discrimination of female students at entrance exams at Tokyo Medical University were

29. Hiroshi Marutani, 'Shinzo Abe's quiet social revolution', *Nikkei Asian Review*, 12 September 2018.

30. Robin Harding, 'Japan demand for labour sparks immigration debate', *The Financial Times*, 6 November 2018.

31. Motoko Rich, 'Bucking a Global Trend, Japan Seeks More Immigrants. Ambivalently', *The New York Times*, 7 December 2018; Tomohiro Osaki, 'Japan passes controversial immigration bill paving way for foreign worker influx', *The Japan Times*, 7 December 2018.

32. Isabel Reynolds, 'Japan Gender Bias Report Deals New Blow to Abe's Women's Agenda', *Bloomberg*, 14 December 2018.

33. Shoko Oda & Isabel Reynolds, 'What Is Womenomics, and Is It Working for Japan?', *Bloomberg*, 20 September 2018.

revealed.³⁴ In December a report by the Ministry of Education, Culture, Sports, Science and Technology stated that three out of 81 of the country's medical schools discriminated against female applicants by manipulating the results of entrance exams.³⁵ Ranking 110th among 149 nations in gender equality as of 2018, the university admissions scandal has again amplified the need for additional measures to reduce sexism and gender discrimination throughout Japan's education, economic and political institutions.³⁶ The slow progress in advancing female participation and gender equality became even more visible when Abe reshuffled his cabinet in 2019. The new 20-member cabinet featured only one woman, Katayama Satsuki, who was appointed Regional Revitalization and Gender Equality minister.

The year under review concluded with the breaking of yet another major scandal in Japan, as media reports emerged in late December revealing the use of false wage data by the government. Dismissing sampling standards in compiling its monthly wage data reports, the Ministry of Health, Labour and Welfare excluded large portions of Tokyo's businesses for most of the last 15 years. Used as an indicator to measure economic progress, the scandal has raised serious concerns over the credibility of Abenomics.³⁷

2.3. Japan's new defence guidelines and potential constitutional revision

Abe's return to power in 2012 was accompanied by his pledge to restore a «strong Japan». His main objective is the modernization of Japan's defence capabilities and revision of the war-renouncing constitution. Announcing his security doctrine of a «proactive contribution to peace», in 2014, Abe had already reinterpreted the constitution to allow for Japan's participation in collective self-defence operations in support of security allies. In addition, Abe established a National Security Council, strengthened the US-Japan alliance, and expanded Japan's geostrategic role in Asia through new partnerships, as well as Tokyo's Free and Open Indo-Pacific vision to respond to China's growing role.³⁸ Throughout 2018, Abe continued to alter Japan's post-war security system by introducing new long-term

34. Hifumi Okunuki, 'Tokyo Medical University scandal is a throwback to when discrimination against women was the norm', *The Japan Times*, 26 August 2018; 'EDITORIAL: Glass ceiling for Japanese women still remains too hard to smash', *The Asahi Shinbun*, 20 December 2018.

35. Reynolds, 'Japan Gender Bias Report Deals New Blow to Abe's Women's Agenda'.

36. Yu Yoshitake, 'Japan ranks 110th among 149 nations in gender equality', *The Asahi Shinbun*, 18 December 2018.

37. Tetsushi Kajimoto, 'Japan wage data credibility in doubt over erroneous sampling', *Reuters*, 9 January 2019.

38. Sebastian Maslow, 'Japan's «Pivot to Asia»: Tokyo discovers the Indo-Pacific', *Policy Forum*, 1 August 2018.

defence guidelines to replace the 2013 National Defence Program Guidelines (NDPG).

The new defence outlook underwrites Japan's commitment to an active defence posture.³⁹ Specifically in response to China's military expansion in the region, the new NDPG and Mid-Term Defence Program continues to concentrate on Japan's southern defence perimeters countering China and highlights the need for the building of new capabilities to conduct «cross-domain operations» in cyber, space and electromagnetic warfare. This includes the development of new land-based surveillance as well as command and communication systems and networks. Yet perhaps the clearest indicator of Abe's continued attempt to counter the shifts in Asia's balance of power can be found in the new defence strategy, involving an upgrade of Japan's defence equipment.⁴⁰ The NDPG outlines the use of the Maritime Self-Defence Force's helicopter carrier JS Izumo for deployment of F-35B stealth fighters. This is possible because the F-35B features short take-off and vertical landing (STOVL) capabilities. Japan has announced the purchase of 147 F-35 jets, of which 42 will be of the F-35B series to replace its ageing F-15 fleet.⁴¹ Earlier defence planning had already determined the deployment of 42 F-35s by 2012. In addition, Japan will go on to deploy the AEGIS Ashore ballistic missile defence system by 2023, while developing its own hypersonic missiles.⁴²

To achieve these goals, the Abe administration has allocated US\$ 240 billion for advancing Japan's defence capabilities over the next five years, while for the fiscal year 2019 alone, Abe's defence budget request rose by 1.4% to a record US\$ 48 billion.⁴³ Though strategically aimed at China, Japan's purchase of US military equipment may also contribute to easing tensions between Tokyo and the Trump White House over Japan's trade deficit. The year 2018 provided plentiful evidence that Abe has continued Japan's course of departing from its post-war «defence-orientated defence» (*senshu bōei*) posture towards an active military role.⁴⁴

39. An English translation of the 2018 NDPG is available here: http://www.mod.go.jp/j/approach/agenda/guideline/2019/pdf/20181218_e.pdf.

40. Sheila A. Smith, 'Japan's Active Defenses', *Asia Unbound* (Council on Foreign Relations), 20 December 2018.

41. Robin Harding, 'Japan to expand military with 100 more F-35 stealth fighters', *Financial Times*, 18 December 2018.

42. Alina Ragge, 'Japan: plans for electronic-warfare and hypersonic capabilities', *IISS Military Balance Blog*, 3 December 2018.

43. Thisanka Siripala, 'Japan's Defense Budget Swells to Counter China's Growing Military Threat', *The Diplomat*, 26 December 2018; Tim Kelly, 'Japan's government approves record defense spending, seventh straight annual hike', *Reuters*, 21 December 2018.

44. Eric Heginbotham & Richard J. Samuels, 'Active Denial: Redesigning Japan's Response to China's Military Challenge', *International Security*, Vol. 42, No. 4, pp. 128-169.

Finally, as the cornerstone of his political agenda, PM Abe has restated his determination to revise Japan's 1947 constitution by 2020. The timeline for constitutional revision was initially set in May 2017. The LDP's revision proposal aims at changing Article 9 in order to acknowledge the existence of the Self-Defence Forces (SDF), and thus reduce the legal constraints and ambiguities surrounding the deployment of the SDF.⁴⁵ Currently, the article declares that Japan renounces war as a sovereign right and the possession of any military capabilities.⁴⁶ Yet, the hurdles for constitutional revision remain high. Abe requires a two-thirds majority in the Diet and a majority in any public referendum to implement constitutional revision. While Abe and his LDP command large majorities in the Diet, the Japanese public remains opposed to a change of Japan's postwar constitution. According to an annual survey, 58% of voters oppose constitutional revision as proposed by Abe; in 2017 the number was 50%. Opposition to Abe's plans has not fundamentally changed as the debate continued throughout the year.⁴⁷ Moreover, it remains yet to be seen if the LDP's coalition partner Kōmeito will embrace Abe's plan. To mobilize voters, Kōmeito depends on the support of Soka Gakkai; yet, Soka Gakkai members remain largely devoted to the Buddhist movement's pacifist stance.⁴⁸

The end of the Heisei-era looms as Japan prepares for the transition of emperors on 1 May 2019. The ending of the Heisei-era is closely associated with the «lost decades» of economic crisis and political instability. Abe faces a series of electoral challenges in the forthcoming year including elections of the upper house to be held in July. With regards the scheduled consumption tax hike in October 2019, the voting results will determine if Abe is granted the opportunity to further shape his legacy and the outline of a new era.

3. Japan's international relations in 2018

In 2018 the Trump administration posed a rapid succession of political and economic challenges to the Japanese government. With an eye on

45. Ellis Krauss, 'Sound and Fury: Does Abe's Constitutional Revision Really Matter', *Global Asia*, 24 December 2018.

46. 'Abe remains set on 2020 target for amending Constitution', *The Asahi Shimbun*, 11 December 2018.

47. 'Poll: 58% oppose constitutional revisions with Abe in charge', *The Asahi Shimbun*, 2 May 2018; '51% oppose Abe's plan to submit constitutional revision plan to Diet: poll', *The Japan Times*, 21 September 2018.

48. Adam P. Liff & Ko Maeda, 'Why Shinzo Abe faces an uphill battle to revise Japan's constitution', *Monkey Cage* (Washington Post), 12 December 2018; Axel Klein & Levi McLaughlin, 'Kōmeito 2017: New Complications', in Robert J. Pekkanen, Steven R. Reed, Ethan Scheiner, & Daniel M. Smith (eds.), *Japan Decides 2017: The Japanese General Election*, New York: Palgrave Macmillan, 2018, pp. 53-76.

the mid-term elections and putting into practice US President Donald J. Trump's deep-held beliefs, the White House embarked on a series of economic offensives to extract economic and trade concessions from US partners and rivals alike. The US steel and aluminium tariffs' opening salvo of March 2018 was followed by the threat of hefty tariffs on US imports of automobiles and their components. Moreover, Japanese business worried about the repercussions deriving from a US-China trade war, given Japan's deep enmeshment in regional production networks. To offset the economic risks of the protectionist Trump administration, the Japanese government signed major trade deals in 2018, such as the EU-Japan Economic Partnership Agreement and the Comprehensive and Progressive Trans-Pacific Partnership (CPTPP), which entered into force in February 2019 and December 2018 respectively. In the same year Tokyo agreed to finalize negotiations for a Regional and Comprehensive Economic Partnership (RCEP), which included China. At the same time, the Japanese government's reliance on US military protection and its dependency on US extended deterrence informed a flexible posture towards Washington. This was demonstrated by Abe's assent to bilateral negotiations aimed at a US-Japan trade agreement, his fawning demeanour vis-à-vis Trump, and his government's unwillingness to initiate a formal complaint of Trump's aluminium and steel tariffs at the World Trade Organization's (WTO) dispute settlement body.

With regards to international politics, the Abe government met the unexpected US-DPRK détente with dismay. The historic summit between Donald Trump and Kim Jong-un provided an incentive for a reboot of Japan-North Korea relations, to no avail. Trump's U-turn from maximum pressure to «falling in love» with Kim Jong-un was an eloquent example of the US administration's temperamental and transactional foreign policy.⁴⁹ In light of this precedent, Abe worried that the US might cut similar bargains with China and agreed to stage a long-sought, if mostly symbolic, bilateral summit with Xi Jinping together with a three-day diplomatic visit to China on October 25 and 27; this testified to Japan wanting to improve Sino-Japanese relations. At the same time, Japan's diplomatic activism continued unabated. The Abe government comprehensively deepened the strategic partnerships with Australia and India and courted Russian president Vladimir Putin, trying to convince him to return two of the disputed Northern Territories and sign a peace treaty. The Japanese government also expanded a variety of military, economic and communication initiatives under the rubric of a «Free and Open Indo-Pacific» (FOIP), the latest embodiment of earlier grand diplomatic initiatives – such as the 2006-07 Arc of Freedom and Prosperity – devised by Abe's diplomatic taskforce. In contrast, Japan's relations with South Korea have begun another downward spiral as both South Korea's progressive Moon Jae-in government and Japan's Abe ad-

49. 'Trump on Kim Jong-un: «we fell in love»', *BBC News*, 30 September 2018.

ministration have clashed on the historical issues of «comfort women» and «forced labour». As result, the bilateral dispute between Tokyo and Seoul has undermined the US-Japan-ROK security triangle.

3.1. *Japan-China relations under the shadow of Trump*

During the year under review, Trump's economic policy hardened considerably. The White House witnessed the departure of key voices of moderation, such as National Economic Council director Gary Cohn, and the empowerment of trade hawks, such as Peter Navarro, head of Office of Trade and Manufacturing Policy, and US Trade Representative Robert Lighthizer.⁵⁰ *Prima facie*, the Trump administration was merely interested in rectifying trade imbalances by extracting trade and investment concessions to claim victory and score political points back home. The swift and shallow renegotiation of the Korea-US (KORUS) Free Trade Agreement may hint at the symbolical qualities of some of these deals.⁵¹ Yet Trump also aimed at forging new trade deals and enacting a series of punitive measures that would halt economic «predation» and unfair economic practices at the expense of the United States. In Navarro's own words, Trump's policies aimed at protecting the defence industrial base, protecting US technology and intellectual property rights and, more ambitiously, at re-shoring supply and assembly lines back into the United States to help domestic manufacturers.⁵² This consistent concern with the manufacturing industry and real assets, rather than the US powerful service industry, also reflected the very personal background of Trump and his team, such as steel industry lawyer Lighthizer.

Since China was now seen within Washington DC solely as a US strategic adversary, it became the principal target of Trump's initiatives. Worryingly, Trump acted upon conspiratorial analyses, according to which Beijing had a secret masterplan to become a global hegemonic power.⁵³ In short, the White House pursued an economic offensive against China to level the economic playing field and to curb Beijing's economic catch-up.

50. Bob Woodward, *Fear: Trump in the White House*, London: Simon & Schuster, 2018.

51. Conversation with US Trade Representative official, 9 February 2019, Washington DC; The US-Canada-Mexico FTA, which may supplant the North American Free Trade Agreement (NAFTA), instead included more important provisions, some coming straight from the TPP, others from US negotiators (e.g. sterner rules of origin and mechanisms to prevent trade deals with non-market economies, notably China).

52. Center for Strategic and International Studies, *Economic Security as National Security: A Discussion with Dr. Peter Navarro*, 9 November 2018. Transcript available here: <https://www.csis.org/analysis/economic-security-national-security-discussion-dr-peter-navarro>.

53. Ben Schreckinger & Daniel Lippman, 'The China hawk who captured Trump's «very, very large brain»', *Politico*, 30 November 2018.

For that purpose, by September 2018 Trump slapped tariffs on US\$ 250 billion-worth of Chinese imports with the threat of steady increases if Beijing and Washington fail to reach a deal. Policymakers in Beijing were caught by surprise by the US offensive, and Chinese retaliation ignited a bilateral trade war.⁵⁴

The White House also aimed at other major economies, including Japan. While policymakers on both sides of the alliance largely agree that the personal relationship between «Shinzo» and «Donald» is good, Trump surprised Abe during his visit to Washington DC by remarking «I remember Pearl Harbor» before lashing out at Japan's trade policies towards the US.⁵⁵ Specific to US-Japan relations, Abe had tried to assuage the US president early on with symbolic economic carrots: ahead of the November 2018 midterm elections Trump showcased to US public opinion, figures of recent Japanese investments, which – judging from the slide's mediocre font and format – were likely handed to the US president by Japanese policymakers.⁵⁶ Yet, in March 2018 the US president surprised Abe by not excluding Japan from steel and aluminium tariffs and by threatening a 25% tariff on autos and car components, the imposition of which was linked with the pace of negotiations towards a US-Japan trade agreement. By linking US security guarantees to and potential auto tariffs against Japan with economic concessions, Trump acted on the transactional logic spelt out in his *Art of the Deal* credo: «The best thing you can do is deal from strength and leverage is the biggest strength you can have. Leverage is something the other guy wants. Or better yet, needs. Or best of all, simply can't do without».⁵⁷

In light of Trump's veiled threats, the Japanese government backtracked from its earlier proud refusal to negotiate a bilateral trade deal with the United States.⁵⁸ Moreover, to satisfy Trump's appetite for deals, Tokyo has moved forward with the acquisition of two powerful (and expensive) US-produced radars for its Aegis Ashore land-based ballistic missile defense

54. 'China hits back at Trump with tariffs on \$60bn of US goods', *BBC News*, 18 September 2018.

55. John Hudson & Josh Dawsey, «I remember Pearl Harbor»: Inside Trump's hot-and-cold relationship with Japan's prime minister', *The Washington Post*, 28 August 2018.

56. Notably, in his 18 October 2018 tweet: «Prime Minister @AbeShinzo of Japan has been working with me to help balance out the one-sided Trade with Japan. These are some of the investments they are making in our Country - just the beginning!» (<https://twitter.com/realDonaldTrump/status/1053070661302669312>).

57. Donald Trump & Tony Schwartz, *Trump: The Art of the Deal*, London: Arrow Books, 1987, p. 53.

58. 'Japan has no interest in trade deal with just U.S., top government spokesman says', *The Japan Times*, 23 July 2018.

systems,⁵⁹ as well as signaling its intention to procure up to one hundred Lockheed Martin F-35s, one of the world's most advanced (and certainly the most expensive) military aircrafts.⁶⁰ In the words of a Japanese government official: «Aegis will be a big-ticket purchase; it will be a nice gift for President Trump»,⁶¹ but as the purchase was already in the making Abe was essentially pandering to Trump's ego-narcissism. At the same time, nevertheless, Japan found it beneficial to stage a symbolic rapprochement with China that highlighted, above all, economic cooperation.

Japan and China showcased a series of official visits culminating in the October 2018 bilateral summit in Beijing. In April 2018 China rushed to restart the Japan-China Economic Dialogue and provide a degree of momentum to Northeast Asian political and economic coordination.⁶² China, in particular, was on a tactical charm offensive to hedge against the risks of a potentially disruptive US-China confrontation over trade, Taiwan and maritime interests, to the point that it pressured President Moon Jae-in to hasten his participation in the Japan-China-South Korea forum, held in Tokyo on May 2018.⁶³ In response to Trump's quest for a «reverse Nixon-goes-to-China» policy, whereas Washington's overtures to Moscow would have allowed the US to better deal with a powerful China,⁶⁴ the notoriously hawkish and nationalist *Global Times* extolled the merits of China responding in kind with better relations with Japan!⁶⁵ Thus, in light of growing tensions between the US and China, Beijing mended fraught relations with some of its neighbours, notably India and Japan, and was on a charm offensive elsewhere in the Eurasian landmass.⁶⁶ In an apparent jab to Trump, the Japan-China-South Korea summit participants made a joint declaration in favour of an open world economy

59. 'Japan to buy advanced U.S. radar for missile-defense system', *The Japan Times*, 1 July 2018.

60. 'Japan eyes buying up to 100 more stealth fighters', *The Straits Times*, 30 November 2018, Corey Wallace, 'Negotiating political uncertainties in Japan', *East Asia Forum*, 20 December 2018.

61. 'Japan to buy advanced U.S. radar for missile-defense system', *The Japan Times*, 1 July 2018.

62. '中国、日本に急接近 米中摩擦乗り越える「突破口」狙う' (China Rapidly Approaches Japan Aims at Breakthrough to Circumvent US-China Frictions), *Sankei Shinbun*, 9 May 2018.

63. Interviews with: Tsugami Toshiya, Tsugami Research Center, 2 July 2018; Magara Akihiro, Asian Forum Japan, 3 July 2018.

64. Bethany Allen-Ebrahimian et alia, 'Henry Kissinger Pushed Trump to Work with Russia to Box In China', *The Daily Beast*, 25 July 2018.

65. Editorial Board, '基辛格撻掇特朗普「联俄抗中」了吗' (Editorial: Kissinger urged Trump to Engage Russia to Confront China?), 环球时报 (*Global Times*), 2 August 2018.

66. On the India-China side of the equation: Michelguglielmo Torri, 'India 2018: The Resetting of New Delhi's Foreign Policy?', in this same *Asia Maior* issue; 'China and India agree to boost trade and lower the temperature on shared border', *South China Morning Post*, 26 November 2018.

and, following that, Premier Li Keqiang ventured into a three-day diplomatic tour of Japan.⁶⁷

Japan has taken full advantage of this strategic vacuum, based on a cautiously positive assessment of two broad dynamics: Xi's domestic power consolidation and, especially, tense international dynamics feeding into a relative rethink of China's aggressive foreign policy towards Japan.⁶⁸ Abe's foreign policy team acted on the belief that China respects strength and China's recent charm offensive partly validated that thinking. Under Abe, Japan has invested heavily in security reforms, deepening strategic partnerships and building a personal rapport with Trump to confront an assertive neighbour.⁶⁹ Yet, Abe's recent official visit to Beijing, likely to be reciprocated by Xi in 2019, also constituted a small form of hedging against excessive dependence on US desiderata. After all, while Japan and the US have agreed in September to initiate bilateral negotiations aimed at a Trade Agreement on Goods (although the US side insisted that this was really a Free Trade Agreement), the US president has not abandoned the idea of levying auto tariffs on its security partner.⁷⁰ Given the expediency of the tactical *détente* for both governments it remains to be seen what will be the real trend in Japan-China relations. The two governments agreed to the setting up of a hotline on air and maritime incidents, *but* the mechanism didn't include communication between the two coast guards, which were at the forefront of signalling in the East China Sea.⁷¹ The summit in Beijing delivered a modicum of economic and financial cooperation, such as bilateral currency swap agreements and the semblance of Sino-Japanese coordination in development assistance. Moreover, the two governments resumed dialogue and bilateral exchange. Real political concessions may materialize only around Xi's eventual state visit to Japan; these concessions, or lack thereof, will testify to the state of Japan-China relations under the leadership of two proud nationalists.

67. Ministry of Foreign Affairs of Japan, *Premier of the State Council of China Li Keqiang Visits Japan. Japan-China Summit Meeting and Banquet*, 9 May 2018 (https://www.mofa.go.jp/a_o/c_m1/cn/page3e_000857.html)

68. Recent publications by the former Japanese Ambassador to China and the Dean of Japan's National Defense University aptly exemplify this thinking: 宮本雄二 (Miyamoto Yūji), *強硬外交を反省する中国* (China Recriminates its Aggressive Foreign Policy), Tokyo: PHP Institute, 2017; 國分良成 (Kokubun Ryōsei), *中国政治から見た日中関係* (Japan-China Relations Through the Prism of Chinese Politics), Tokyo: Iwanami shoten, 2017.

69. Sebastian Maslow & Giulio Pugliese, 'Japan 2017: Defending the Domestic and International Status Quo', *Asia Maior 2018*, pp.93-112.

70. '「日本車に20%関税を」トランプ氏が警告' (Trump warns he'll slap «Japanese cars with a 20% tariff»), *Yahoo/Nihon TV News*, 28 October 2018.

71. 'Japan, China launch maritime-aerial communication mechanism', *Mainichi Shinbun*, 8 June 2018.

The Abe administration has undertaken more substantive international countermeasures to neutralize Trump's bilateralism and protectionist trade practices. The Japanese government mostly matched words in favour of preservation of the liberal economic order with deeds. Following Trump's ascension and his rebuttal of the Trans-Pacific Partnership agreement, the Abe government was in the driver's seat of the new Comprehensive and Progressive Trans-Pacific Partnership (CPTPP) between 11 Asia-Pacific countries. Japan was instrumental in excluding from the CPTPP deal many US-sponsored provisions, which were present in the TPP and were believed to be invasive of smaller economies.⁷² This hastened the CPTPP adoption: the deal was signed in March 2018 and came into effect on 30th of December 2018 as six signatories swiftly ratified the multilateral treaty into law.⁷³ In addition, Japan concluded the EU-Japan Economic Partnership Agreement and in 2018 it was pushing for an early ratification process together with the EU: the deal should enter into force in early 2019.⁷⁴ Finally, to maintain momentum for free trade agreements, Japan and China agreed on concluding a 16 member-strong Regional and Comprehensive Economic Partnership by the end of the year.⁷⁵ It is worth noting that India, a major economy, will likely pose exceptions to a number of goods and services for fear of Chinese competition, suggesting that the agreement will be «comprehensive» only in name.⁷⁶ At any rate, the eventual implementation of the above free trade agreements would put US exporters at a disadvantage because their products would face higher tariffs and be less competitive. For Trump's protectionist actions there were equal and opposite multilateral reactions in defence of a free and open world economy.

While extolling the merits of a free world economy and of a rules-based order, the Japanese government was not immune to its own double-standards. Japan's decision to resume commercial whaling and to abandon the International Whaling Committee was one such case.⁷⁷ Less noticed, Japan's unwillingness to join most of the targeted countries (the

72. Albert Keidel, 'Improving China-Japan Relations: Implications for Economic and Strategic Multilateralism in Asia', George Washington University, Washington DC, 26 February 2019.

73. 'Asia-Pacific trade deal signed by 11 nations', *BBC News*, 8 March 2018; Ankit Panda, 'The CPTPP Trade Agreement Will Enter Into Force on December 30', *The Diplomat*, 1 November 2018.

74. 'Japan, EU to work toward early ratification of FTA', *Nikkei Asian Review*, 22 October 2018.

75. 'RCEP交渉の年内妥結へ 中国側と協力で一致' (Towards Completion of RCEP Negotiations by the End of the Year – Agreement on Cooperation with China), *NHK News Web*, 26 October 2018.

76. Conversation with US State Department officials in charge of economic affairs, US Embassy, Tokyo, 1 February 2019.

77. 'Shinzo Abe's harpoon hits the wrong target', *Financial Times*, 3 January 2019.

EU, Norway, Mexico, Turkey, China, Russia)⁷⁸ and formally complain about Trump's aluminium and steel tariffs at the World Trade Organization's (WTO) dispute settlement body, testified to the primacy of strategic calculations surrounding the US-Japan alliance over principles. Finally, and perhaps more importantly, the Abe administration acted on a clear distinction between the *economic* international liberal order, where Japan retained substantial vested interests, and a *political* international liberal order. The below sections provide evidence of Japan's realist flexibility on the latter, specifically political involution in Southeast Asian countries, and consistent engagement of international rules-bending Russia.

Nevertheless, most of the above events confirmed the importance of the Prime Minister's Office in determining Japan's foreign policy and economic initiatives. For instance, with regards to the reset of Japan-China relations, business interests played only a marginal role in influencing the rapprochement. Ultimately, these summits are high on symbolism of bilateral economic cooperation and promises that bilateral relations were transitioning «from competition to cooperation».⁷⁹ Interestingly, governmental pressure demanded that the business community come up with ideas for private collaborations and memorandums of understanding (MOUs) between Japanese and Chinese companies in third party countries, such as Thailand.⁸⁰ Moreover, according to a Japanese researcher based at the Institute of Developing Economies, the Japanese government simply re-branded pre-existing government financing going to Thailand as cooperative financing with China.⁸¹ In short, there was no new money, but the gesture highlighted cooperation to assuage both countries' public opinion and smooth China-Japan relations.

The government push was evident from the major Japanese business actors' decision to disengage from a large railway project in Thailand.⁸² Finally, amidst all the pomp granted to Abe and the Japanese government officials' diplomatic tour of China, Abe did not make formal pronouncements in favour of Japanese cooperation with the Belt and Road initiative; in fact, his past statements from mid-2017 qualified the perimeters of cooperation along the need for economic viability, transparency, openness, fiscal sustainability, financial transparency, fairness, environmental considerations

78. The other notable absent was South Korea, hinting at the United States' substantial security leverage in Northeast Asia. 'Europe, U.S. Escalate Trade War With New Disputes at the WTO', *Bloomberg News*, 18 October 2018.

79. 'Japan and China pledge move from «competition to collaboration»', *Nikkei Asian Review*, 26 October 2018.

80. '日中 第三国協力は政治の産物 急ごしらえ課題山積' (Japan-China: Cooperation in Third Countries is a Political Gift), *Mainichi Shinbun*, 26 October 2018.

81. Conversation with IDE-Jetro researcher, 20 March 2019.

82. 'Sino-Japanese cooperation thrown off track over Thai rail project', *Nikkei Asian Review*, 16 December 2018.

and debt sustainability.⁸³ Interviews with China watchers and Chinese interlocutors based in Japan revealed an ongoing distrust of Abe's goals, to the extent that some Chinese policymakers considered Tokyo's four conditions for cooperation with Beijing as a rhetorical instrument to emphasize the differences between Japan and China,⁸⁴ not unlike Washington's *pro forma* overtures to the Soviet Union when it first unveiled the Marshall Plan.⁸⁵

In short, the Abe government maintained its own reservations on China's role in international relations, as did China on Abe's Japan. Indicative of this, summer celebrations for the 40th anniversary of the signing of the Japan-China Treaty of Peace and Friendship were distinctly underwhelming. Events were confined to a minor symposium with former statesmen at the Chinese Academy of Social Sciences and to the exchange of congratulatory messages between Abe and Li.⁸⁶ Both of these events went unnoticed in China and Xi's notable absence was indicative of ongoing strategic and personal mistrust in Japan-China relations.

With regard to the situation in the East China Sea, the year under review had begun with the publicized entry of a Chinese nuclear attack submarine in the contiguous zone of the Senkaku/Diaoyu Islands (perhaps in connection with Japanese submarine engagement in the South China Sea, see below).⁸⁷ But it ended with *no* entry whatsoever by Chinese vessels in the territorial waters surrounding the islands in December 2018 and, according to Japanese officials, with more restrained Chinese behaviour at sea.⁸⁸ It is worth noting, however, that the incursions resumed as of writing

83. 'Abe offers conditional cooperation with China's Silk Road initiative', *The Japan Times*, 5 June 2017.

84. 'ASEM Summit: Prime Minister Abe Requests Transparency for Overseas Infrastructure Improvement, Including Japan-China Cooperation', *Mainichi Shinbun*, 20 October 2018. Interviews conducted in Tokyo with: Yaming Tang, 21 January 2019; Prof. Zhu Jianrong, 2 February 2019; Mori Yasuhiro, 1 February 2019; Prof. Shin Kawashima, 2 February 2019.

85. Melvyn P. Leffler, 'Divide and Invest: Why the Marshall Plan Worked', *Foreign Affairs*, July/August 2018, Vol. 97 (4), pp.170-5; p. 173.

86. '中日平和友好条約締結40周年記念シンポジウム、友好協力の深化が共通の声' (Symposium on the 40th Anniversary of the Signing of the China-Japan Treaty of Peace and Friendship, Joint Calls for Deepening Friendly Cooperation), 中国国際放送 (*China Radio International*), 11 August 2018; '安倍首相、年内訪中に意欲 友好条約40周年で祝電交換' (Prime Minister Abe Willing to Visit China Within the Year; Exchanges of Congratulatory Messages on Occasion of 40-Year Anniversary from Friendship Treaty), *Asahi Shinbun*, 12 August 2018.

87. Ankit Panda, 'Japan Identifies Chinese Submarine in East China Sea: A Type 093 SSN', *The Diplomat*, 16 January 2018.

88. Japan's Ministry of Foreign Affairs, *Trends in Chinese Government and Other Vessels in the Waters Surrounding the Senkaku Islands, and Japan's Response*, February 2019, (<https://www.mofa.go.jp/files/000170838.pdf>); conversation with Japanese expert on Japan-China relations, Washington DC, 1 March 2019.

and, since January 2018, the Chinese government has sent four rather than three vessels, *de facto* mixing détente with increased pressure. Conversely, the Japanese government has discontinued statements according to which «there is no dispute over the Senkaku Islands», while government officials mandated the continued publicity of the Chinese incursions on NHK, the country's public broadcasting service.⁸⁹ The year under review closed with hints of ongoing Sino-Japanese tensions: Japan joined several countries in denouncing Chinese APT10 hacking activities and China's development of gas fields straddling the Japan-claimed median line demarcating the two countries' Exclusive Economic Zones in the East China Sea.⁹⁰ At any rate, Abe and his Chinese counterparts have refrained from stoking tensions over the history issue: for instance, throughout the year under review, China's unwillingness to play up historical grievances with South Korea was a clear example of its tactical overtures to Japan.

3.2. *Fleshing out Japan's Free and Open Indo-Pacific: military and economic declinations*⁹¹

As recounted in earlier years, Japanese leaders – especially Abe and his diplomatic entourage – viewed China as Japan's foremost strategic problem, to the extent that threat perceptions in Tokyo were reportedly still higher than those in Washington DC,⁹² perhaps excepting decisionmakers from the White House (except the transactional Trump) and from the Department of Defense. Indeed, China's excessive maritime and territorial claims in the China Seas are not expected to abate. Thus, Japan concurrently pushed for a «Free and Open Indo-Pacific Strategy» (subsequently rechristened a «Free and Open Indo-Pacific Vision», see below) that, among other things, entailed greater security and economic cooperation with like-minded parties, including Australia, the United States and, to a lesser extent, India and European partners. At the military level, Japanese decisionmakers promised an expansion of the Japanese navy's strategic port of calls in the

89. Interview with government official in charge of strategic communications, 3 August 2018.

90. 'Japan slams alleged China-based hackers after cyberattacks on government, firms and colleges', *The Japan Times*, 21 December 2018; 'Tokyo protests Beijing's new activities in East China Sea gas field', *The Japan Times*, 3 December 2018.

91. Small portions of section 3.2 are reprinted from: Giulio Pugliese, 'The Economic Dimension of the Free and Open Indo-Pacific', *China-US Focus*, 31 August 2018.

92. Paul Midford, 'Japan's New Security Partnerships: Book Launch', *Daiwa Anglo-Japanese Foundation*, 26 November 2018. Prof. Midford recounted recent fieldwork interviews in the US capital, suggesting a wide consensus over the persistent «China gap» between Japan and its counterparts: Wilhelm Vosse & Paul Midford (eds.), *Japan's new security partnerships: Beyond the security alliance*, Manchester: Manchester University Press, 2018.

Pacific and Indian Oceans.⁹³ This series of firsts testified to Japan's steady military engagement in the widening region: in January 2018, for the first time in 16 years, the Japanese minister of foreign affairs visited Sri Lanka, where the Japanese Maritime Self-Defense Forces later docked its second helicopter carrier – the *Kaga*.⁹⁴ This warship, Japan's largest, was on a two-month tour across the Indian and Pacific Oceans, which included military exercises with British and US warships;⁹⁵ and in the South China Sea the carrier performed anti-submarine warfare exercises with two destroyers and a Japanese submarine, another notable first (according to publicly available information).⁹⁶ While Japan refrained from performing freedom of navigation operations (FONOP, i.e. sailing warships within 12 nautical miles off the coast of artificial «islands») around the South China Sea's contested rocks and reefs, Tokyo was comforted by the deepening military engagement of France and the United Kingdom in the area, which began in 2016 and 2017 respectively.⁹⁷

Amidst fiscal strains on military budgets and ongoing security tensions closer to home, France and Great Britain's activities were somewhat surprising. Unrelenting Chinese assertiveness in the China Seas, a deepening strategic partnership with Japan, as well as French and British regional interests informed these policies. France retained a constellation of small territories in the Indian and Pacific Oceans, while the United Kingdom, with post-Brexit in mind, was looking ahead to negotiate ambitious free trade deals with Japan, the United States and Commonwealth partners in the Asia-Pacific as quickly as possible. Interestingly, European governments signalled their support of freedom of navigation by allowing their military officers to board French vessels navigating the South China Sea.⁹⁸ To give a sense of perspective, it is worth noting that US warships were the only vessels performing FONOPs in the narrow sense, while US allies limited

93. 'Japan to expand MSDF «strategic port calls» in Indian, Pacific oceans to boost free navigation', *The Mainichi Shinbun*, 17 January 2018; Policy Research Council of the Liberal Democratic Party of Japan, *新たな防衛計画の大綱及び中期防衛力整備計画の策定に向けた提言* (Proposals Ahead of new National Defense Policy Guidelines and Mid-term Defense Planning), 29 May 2018.

94. 'Japan FM in Sri Lanka pushes for «open Indo-Pacific strategy»', *CGTN*, 5 January 2018;

95. 'As Chinese influence grows, Japanese warship visits Sri Lanka', *Reuters*, 1 October 2018.

96. 'Japanese carrier drills with British warship heading to contested South China Sea', *Reuters*, 27 September 2018; 'In first, Japanese submarine conducts drills in disputed South China Sea', *Japan Times*, 17 September 2018.

97. Emanuele Scimia, 'French and British navies draw closer in the Pacific. Should China worry?', *South China Morning Post*, 4 June 2018; Participant in closed-door workshop: *Between «America First» and «Chinese dream»: What the EU and Japan can do together*, 13-14 December 2018, Rome.

98. Participant in closed-door workshop: *Between «America First» and «Chinese dream»: What the EU and Japan can do together*, 13-14 December 2018, Rome.

themselves to less sensitive «operations in support of FONOPs», ranging from «innocent passage» to simply sailing through international waters.⁹⁹ Military engagement in favour of the so-called rules-based order, even just a formal one, ensured that London's voice be heard in future economic negotiations with regional players;¹⁰⁰ in the authors' opinion, London's security apparatus constitutes an important source of leverage for much-coveted trade deals. Moreover, the US and CPTPP-11 markets are bigger than the Chinese economy, with good rules that allow a level playing-field. Thus, the British Army and the British Navy conducted their first military drills with Japanese counterparts in 2018.¹⁰¹ That being said, London had to walk a fine line in its China-aimed military signalling as Chinese state media warned about the fate of the UK-China trade deal amidst UK «provocations» in the South China Sea.¹⁰² Interestingly, the Royal Air Force's Red Arrows were on a second tour of China in 2018 following an earlier one in 2016,¹⁰³ and London allowed the sale of military radar technology to China.¹⁰⁴ In the authors' opinion, Europe, the UK and France's strategic commitment to the Indo-Pacific region may pick up momentum but is unlikely to prove either meaningful or sustainable, considering the massive inward pressure to which they are subjected. This includes small economic growth in Western Europe, a hotly contested Brexit deal, yellow vest demonstrations in Paris, the ongoing immigration challenge throughout the EU, and the perceived Russian threat. The British navy's 19 frigates and destroyers will likely be kept busy by a more assertive Russia.

Thus, Japan relied on the support of major regional partners and, especially, the United States. The Abe administration welcomed Trump's more muscular approach towards China, because «Beijing would only listen to the United States»;¹⁰⁵ in other words, Abe played good cop to Trump's bad cop. While Japanese security specialists and military officials welcomed the administration's «peace through strength» China policy, this also reflected mounting consensus within Washington: the December 2018 Asia Reassurance Initiative Act, with its annual US\$ 1.5 billion

99. Eleanor Freund, 'Freedom of Navigation in the South China Sea: A Practical Guide', *Belfer Center for Science and International Affairs*, June 2017, also Christian Wirth, 'Whose «Freedom of Navigation»? Australia, China, the United States and the making of order in the «Indo-Pacific»', *The Pacific Review*, 2018.

100. Conversation with British diplomat, 30 July 2018.

101. 'SDF to conduct first joint military exercises in Japan with British Army', *Japan Times*, 15 September 2018.

102. 'China warns Britain «provocation» in South China Sea puts post-Brexit trade deal at risk', *The Independent*, 7 September 2018.

103. British Consulate General Guangzhou, *The Red Arrows visit Southern China to strengthen UK-China links*, 8 November 2018.

104. 'Britain to sell China «unlimited» amount of military radar equipment, technology', *South China Morning Post*, 1 November 2018.

105. Japanese diplomat, 28 February 2019, Washington DC.

appropriation for military, economic and diplomatic engagement in the Indo-Pacific, testified to bipartisan consensus.¹⁰⁶ All the same, Abe's Japan consistently pursued logistical and intelligence cooperation, deeper inter-operability, access to foreign military bases, logistical and rear-area commitments to enhance its strategic partnerships and, in the process, expand Japan's strategic commitments and provide a credible match against Chinese coercion at sea.

The year under review testified to deepening Japan-India and Japan-Australia relations: this was exemplified by Abe's historic visit to Darwin, Australia and the intimate Modi-Abe summit in Abe's hometown province of Yamaguchi, cleverly timed one day after Abe's stiffer diplomatic tour in China.¹⁰⁷ Nonetheless, at a time of a more consistent Chinese charm offensive – aptly symbolized by the April 2018 Wuhan Summit – the Modi government rhetorically watered down components of its own definition of the Free and Open Indo-Pacific strategy and avoided mention of «freedom of navigation and overflight»; the quadrilateral forum between Australia, Japan, India and the United States officially met twice (at director-general level) on June 7 and November 15, 2018, always producing parallel statements, never a joint one.¹⁰⁸ Moreover, India still refused to grant Australia's accession to its signature Malabar exercises and refused to include Prime Minister Scott Morrison in the US-Japan-India trilateral summit which took place on the fringes of the G20 Summit in Buenos Aires.¹⁰⁹ Momentum for *ad hoc* «Quad» alignment seemingly continued, but in 2018 India was clearly playing by its non-alignment book: Modi assuaged China at the Shangri-La Dialogue by emphasizing that «India does not see the Indo-Pacific Region as a strategy or as a club of limited members. Nor as a grouping that seeks to dominate. And by no means do we consider it as directed against any country» and in Buenos Aires he agreed to a trilateral summit with Xi and Vladimir Putin.¹¹⁰ Moreover, the Japanese government toned down the potential zero-sum aspects of the strategy by relabelling the Free and Open In-

106. Ankit Panda, 'What ARIA Will and Won't Do for the US in Asia', *The Diplomat*, 14 January 2019.

107. 'Japan, Australia move to cement ties', *The Straits Times*, 17 November 2018; 'Modi-Abe summit to pave way for closer security cooperation', *Nikkei Asian Review*, 26 October 2018.

108. Ian Hall, 'Modi plays by the «rules» at Shangri-La', *Lowy Institute*, 4 June 2018; Ankit Panda, 'US, Japan, India, and Australia Hold Senior Official-Level Quadrilateral Meeting in Singapore', *The Diplomat*, 8 June 2018; Alyssa Ayres, 'The Quad and the Free and Open Indo-Pacific' *Council on Foreign Relations*, 20 November 2018.

109. Ministry of Foreign Affairs of Japan, *Japan-U.S.-India Summit Meeting*, 30 November 2018 (https://www.mofa.go.jp/sa/sw/in/page3e_000969.html).

110. Michelguglielmo Torri, 'India 2018: The Resetting of New Delhi's Foreign Policy?', in this same *Asia Maior* issue.

do-Pacific strategy as a «vision» and by stressing ASEAN's centrality.¹¹¹ The relabelling was also sold by the government of Japan as a means to assuage Chinese fears of containment.¹¹² In all likelihood, however, the principal goal was to allay worries of Southeast Asian governments, which were unwilling to choose between the Chinese and American camps.

For the above reasons, while emphasizing maritime security and greater military coordination between the US, Japan, Australia and India, the Free and Open Indo-Pacific vision rested primarily on economic foundations. According to the Asian Development Bank (ADB), the Asia-Pacific is reportedly in need of US\$ 26 trillion-worth of infrastructure investment between 2016 and 2030. As argued in a recent paper, the Japanese government has been an early driving force of connectivity through grants and loans aimed at high-quality infrastructure in the region.¹¹³ Yet, China's entry into the game through its Belt & Road initiative has prompted the Japanese government to devote a substantial amount of resources into overseas infrastructure investments, either through its own agencies or via the ADB. Abe steadily increased Japanese funding for regional infrastructure, doubling his earlier pledge in favour of US\$ 110 billion-worth of investments, and providing an additional US\$ 50 billion to the ADB. In 2018 the government of Japan was happy about ASEAN governments' desire to diversify donors, as evident by completion of the latest extension of Cambodia's Sihanoukville harbour, the unveiling of an ambitious Tokyo Strategy 2018 at the 8th Mekong-Japan Summit and the newly-elected Malaysian government's decision to postpone major China-led infrastructure projects.¹¹⁴ While the rhetoric surrounding the Free and Open Indo-Pacific extolled its participants' willingness to uphold the so-called liberal international order, the reality was much more complicated. Japan's fears of Chinese economic influence in Southeast Asia, for instance, informed sustained engagement with states that registered substantial political involution, such as Cambodia, if not state-sanctioned violence, Duterte's Philippines and a genocidal, if democratic, Myanmar.¹¹⁵ Japan's «values-based diplomacy» was essen-

111. 'Quad leaders stress ASEAN's centrality in their Indo-Pacific visions', *The Straits Times*, 17 November 2018.

112. '対中配慮、消えた「戦略」 領海侵入棚上げで融和加速' (Consideration Towards China, Disappearing «Strategy», Hastening of Détente with Shelving of Incursions in Territorial Waters), *Kyodo News*, 26 October 2018.

113. Nikolay Murashkin, 'Not-so-new silk roads: Japan's foreign policies on Asian connectivity infrastructure under the radar', *Australian Journal of International Affairs*, Vol. 72, No. 5, 2018, pp. 455-472.

114. 'Cambodia's biggest port sees China coveting Japan's dominant role', *Nikkei Asian Review*, 3 August 2018; 'New Japan-Mekong strategy aims to boost quality infrastructure', *Mainichi Shinbun*, 9 October 2018; 'Malaysia's Mahathir cancels China-backed rail, pipeline projects', *Reuters*, 21 August 2018.

115. 'Japan, China battle for ODA influence in the Philippines', *Devex*, 20 November 2018; 'Japanese investment in Myanmar soars to all-time high', *The Japan*

tially realist in spirit and its push for infrastructure projects aimed at killing two birds with one stone: blunt its political rival's financial inroads in the region, while aiding its own industries abroad.

These monies would allow Japan to preserve a degree of political leverage vis-à-vis recipient countries, especially those in the immediate neighbourhood as well as strategic states. India, for instance, by virtue of being a great power with shared borders and a complicated relationship with China is the biggest recipient of Japanese Official Development Assistance (ODA), making Japan India's biggest bilateral donor. Yet, it's not clear whether returns on government financing abroad will prove economically sustainable for both China and, albeit to a lesser extent, Japan. After all, some of these projects are strongly clouded by political considerations and potentially-noxious proximity between public and private actors. The Japan-sponsored mammoth Ahmedabad-Mumbai highspeed railway project is a case in point:¹¹⁶ the size of Japan's generous yen-denominated ODA loans for that project alone – US\$ 13 billion – amount to *one third* of Japan's ODA committed to India since 1958 (US\$ 39 billion), and a little less than half of the amount of all Japanese ODA loans to China (US\$ 30 billion) between 1979 and 2013.¹¹⁷

More recently, the United States has been fleshing out its economic participation to the Free and Open Indo-Pacific vision. Following US secretary of state Pompeo's underwhelming offer of US\$ 113 million for the Indo-Pacific region, representatives from the Australian government and Japan's and the United States' policy banks have inaugurated a trilateral partnership for infrastructure investment in the region.¹¹⁸ Japan's Bank for International Cooperation (JBIC) and the United States' Overseas Private Investment Corporation (OPIC) will coordinate infrastructure financing, and an OPIC representative will be based in Tokyo for this purpose. Finally, the United States created a «mega-OPIC» through the Better Utilization of Investments Leading to Development Act that more than doubled its budget to US\$ 60 billion, thus allowing the new US policy bank to work hand-in-hand with JBIC and its budget of roughly US\$ 100 billion. As declared by Vice-President Pence during the Papua New Guinea APEC Summit, Japan and the US will devote US\$ 10 billion for infrastructure building.¹¹⁹ In fact,

Times, 29 May 2018; 'Japan stands by Myanmar, lest China gain favour', *Nikkei Asian Review*, 16 January 2018.

116. 'Is the Indo-Japan rail project a boondoggle?', *Japan Times*, 25 April 2018.

117. These numbers should be adjusted for inflation to make proper comparisons of scale. Japanese Ministry of Foreign Affairs, 国別地域別政策・情報 (ODA by Region and Country – Policies and Information) (<https://www.mofa.go.jp/mofaj/gaiko/oda/region/index.html>).

118. The White House, *Joint Statement of the Governments of the United States of America, Australia, and Japan*, 17 November 2018 (<https://www.whitehouse.gov/briefings-statements/joint-statement-governments-united-states-america-australia-japan>).

119. 'Pence firm on China at PNG conference', *NHK World*, 17 November 2018.

in 2018 Japan signed a Memorandum of Understanding with Australia for joint regional financial cooperation that will function along the above lines.¹²⁰

Yet, some of these initiatives are embryonic and it remains to be seen how they will pan out. The 2019 G-20 summit in Japan will emphasize connectivity cooperation and projects that will include also EU-Japan joint efforts through the recent Strategic Partnership Agreement, which still remains toothless. India's presence in these multilateral economic efforts too should be understood, at best, as rhetorical support (e.g. the Modi-Abe summit refrained from mentioning the earlier Japan-India Asia-Africa Growth Corridor initiative). In fact, India is clearly a net recipient of Japanese and American economic diplomacy. Moreover, the Trump administration's economic instincts are clearly in conflict with the Indo-Pacific's economic leg: the US is reportedly more inward-looking in terms of financing infrastructure building, to the extent that Japan considered creating a sovereign wealth fund to invest in the US in order to assuage Trump.¹²¹ As per above, Trump is much more interested in extracting trade concessions and is unlikely to recommend the US to the Trans-Pacific Partnership, a free trade agreement that set new standards for 21st century trade and investment that also aimed at shielding medium-size economies from economic dependency, vis-à-vis China. Time will tell whether the US, Japan and likeminded countries will be able to push for effective multilateral economic cooperation in the region.

3.3. *Beyond the Indo-Pacific: Japan's quest for a new chapter in its relations with Russia and North Korea*

In spite of Japan's rhetoric, presenting itself as the bastion of the so-called rules-based international order, the Abe government gave proof of its realist colours with its overtures towards the Democratic People's Republic of Korea and Russia. Trump's surprise U-Turn from «maximum pressure» to a semblance of détente with North Korea entailed a historic US-DPRK summit in Singapore and a freeze on Pyongyang's provocative nuclear and missile testing.¹²² One notable effect of the US-North Korea summit and of the concomitant amelioration in DPRK-South Korea and DPRK-China relations has been the Japanese government's scramble for a DPRK-Japan summit.¹²³ Yet, Abe's active attempts to closely align Japan's DPRK policy with Trump's agenda to engage North Korea have lead nowhere: the Abe gov-

120. Minister for Foreign Affairs (Australia), 'Greater cooperation with Japan', 16 November 2018, (https://foreignminister.gov.au/releases/Pages/2018/mp_mr_181116b.aspx?w=E6pq%2FUhzOs%2BE7V9FFy1xQ%3D%3D).

121. Iori Kawate, 'Japan plans sovereign wealth fund to finance US infrastructure', *Nihon Keizai Shinbun*, 3 August 2018.

122. Van Jackson, *On the Brink: Trump, Kim and the Threat of Nuclear War*, Cambridge: Cambridge University Press, 2018.

123. 'Abe repeats desire to hold summit with North Korea on abduction issue', *The Japan Times*, 11 June 2018.

ernment's insistence on resolution of the abduction issue was a non-starter and prompted Pyongyang to openly snub Tokyo's overtures.¹²⁴

Abe also feared the results of Trump's North Korea policy, as the US president froze some expensive military drills around the peninsula, entertained the possibility of reducing US forces stationed south of the 38th parallel with the possibility of making a deal with Pyongyang on the exclusive removal of inter-continental ballistic missiles, all at the expense of US regional allies.¹²⁵ Moreover, US priority over addressing the threat posed by long-range missiles and nuclear weapons over Japan's key concern of DPRK short and mid-range missiles and chemical and biological weapons also raised concerns in Japan over a dealignment of alliance security interests. Another negative spill-over effect of the new pattern in US-DPRK relations was the decrease in phone calls between Trump and Abe to exchange information and coordinate response over missile and nuclear tests, widely understood as an informal source of Japanese leverage over US foreign policymaking.¹²⁶ Domestically, the defusing of tensions around the Korean peninsula meant that the Abe government had to cancel the J-Alert warnings and duck-and-cover evacuation drills that were, by the admission of most specialists interviewed in Japan, more likely aimed at increasing its citizens' security awareness.¹²⁷ While for many years public opinion in Japan was locked on the abduction issue, most recently the majority of Japanese is more concerned with the DPRK's missiles and nuclear arms.¹²⁸ Abe is thus faced with a dilemma. While Japan welcomes peace and stability on the Korean peninsula, a US-led resolution of the North Korea threat would remove a critical pillar in his argument for the need to modernize Japan's military and to change the country's pacifist constitution.¹²⁹ As a consequence, Abe has been and is likely to remain constrained

124. 'North Korea steps up criticism of Japan, seeking redemption for past', *Kyodo News*, 4 July 2018; Yuki Tatsumi, 'Can Abe Solve Japan's «North Korea» Dilemma?', *38North*, 26 October 2018.

125. 'What are the US-South Korea war games?', *BBC News*, 30 August 2018; 'Republicans buck Trump on Korea troop pullout talk', *Politico*, 13 June 2018.

126. A cursory examination of Japan's Ministry of Foreign Affairs webpage devoted to US-Japan relations suggests that most of the summit telephone talks between Abe and Trump took place ahead of the 12 June US-DPRK summit: Ministry of Foreign Affairs of Japan, Areas: United States of America (<https://www.mofa.go.jp/mofaj/area/usa/index.html>).

127. 'Tokyo's first ballistic missile drill gets mixed reaction', *Japan Times*, 22 January 2018; 'Japan to cancel missile evacuation drills following Trump-Kim summit', *Mainichi Shinbun*, 21 June 2018. Interviews with Japanese academics and foreign diplomats in Tokyo, July-August 2018.

128. '外交に関する世論調査 (Public Opinion concerning [Japan's] Foreign Policy)', Cabinet Office, October 2018 (<https://survey.gov-online.go.jp/h30/h30-gai-ko/2-1.html>).

129. Sebastian Maslow, 'Abe's North Korea Dilemma', *East Asia Forum*, 2 July 2018.

in his options to secure an active role for Japan in international efforts to denuclearize the DPRK. At any rate, the unresolved question of a North Korean denuclearization and the concomitant advance of the Democratic Party in the House of Representatives means that Trump's half-baked détente with Pyongyang is ready to crumble anytime in the near future.

Japan's role in shaping security affairs in the Korean peninsula was further stalled by the deterioration of relations with South Korea and, by extension, the US-Japan-ROK security triangle. The bilateral crisis reached its climax in November 2018 with the Moon administration's unilateral decision to dissolve the institution established by both governments to compensate South Korean «comfort women». In fact, the one billion yen fund provided by Japan constituted a key pillar of Abe's agreement with Park Geun-he to irrevocably resolve the «comfort women» issue in 2015.¹³⁰ Moon's decision was preceded by another spat, again politicized by South Korea, over the use of the Rising Sun flag by Japan's Maritime Self-Defence vessels resulting in the cancellation of bilateral naval drills in October. It is worth noting that, according to a respected security specialist, the post-war Japanese navy had certainly flown its flag, which dates back to its imperial days, while performing earlier port calls in South Korea.¹³¹ Moon's decision was then followed by a ruling of the South Korean Supreme Court that ordered the Japanese steel-makers Nippon Steel and Sumitomo Metal to compensate four South Korean individuals who were forced to work for these companies during Japanese colonial rule. Then in late November another Supreme Court ruling ordered similar payments from Mitsubishi. The court's verdicts triggered a harsh response from Japan as PM Abe called the ruling «impossible in the light of international law»; his Foreign Minister Kōno Tarō rendered the rulings as «extremely regrettable and totally unacceptable» as the verdicts would not only violate the 1965 treaty framework on normalizing Japan-ROK relations but also «open the Pandora's box» that will allow similar claims against Japanese companies throughout formerly-occupied Asian countries, not just South Korea.¹³²

Finally, the Abe administration explored ways to engage Moscow. Following stalemate in the longstanding Southern Kuriles/Northern Territories dispute, the Japanese government softened its approach towards Russia by agreeing to a resumption of negotiations aimed at a Peace Treaty along the

130. 'South Korea to dissolve Japan-funded «comfort women» foundation', *The Japan Times*, 17 November 2018; Yosuke Onchi, 'Tokyo and Seoul drift further as «comfort women» foundation dies', *Nikkei Asian Review*, 22 November 2018.

131. Conversation with Dr. Alessio Patalano, Reader in War Studies, King's College London.

132. Simon Denyer, 'New South Korean court ruling angers Japan, deepening crisis between America's closest Pacific allies', *The Washington Post*, 29 November 2018; also '賠償命令「パンドラの箱開けた」元徴用工訴訟、識者は' (Order for Compensations «Opens Pandora's box»: An Expert's View on the Forced Labour Ruling), *Asahi Shinbun*, 30 October 2018.

1956 joint declaration between the Soviet Union and Japan.¹³³ In practice, Japan expected Russia to hand over the smaller islands of Habomai and Shikotan to Japan, while Tokyo would quietly relinquish its claims on the remaining two islands. The two governments would set up the new framework and the respective negotiation teams with the explicit aim of signing off a peace treaty.¹³⁴ Most experts on Japan-Russia relations and the vast majority of Japan's diplomatic establishment saw slim chance of a successful deal, given the likely backlash back home, the conditions attached to a potential return of even just two islands, and the fact that roughly 2,000 Russians still lived in Shikotan. At the same time, Abe was clearly resolute about leaving a personal legacy on Japan-Russia relations. Moreover, both Putin and Abe were (in all likelihood) in their final mandate, they had strong domestic political support and needed international openings to broaden their strategic horizons. This was particularly true of Russia, which could not even count on the most Russia-sympathetic US president in its post-war history, as US domestic politics cornered the administration into a default Russophobic policy. Given the above, Japan avoided substantial criticism of Russia's alleged poisoning of a former intelligence officer based in the UK,¹³⁵ and of Russia's Ukraine offensive in late 2018.¹³⁶ As the resumption of commercial whaling and engagement of Russia demonstrate, when national interests clashed with the preservation of the so-called international (political) liberal order, Abe's *Realpolitik* clearly trumped his insistence on Japan as a bastion of the «rules-based order».

133. 'Japan-Russia peace talks to focus on 2 of 4 disputed islands', *The Asahi Shimbun*, 15 November 2018.

134. '日ロ、交渉枠組み合意へ 平和条約 首脳会談で担当者決定' (Japan-Russia, Towards Agreement on the Negotiation Framework – Decision of Key Negotiators for the Peace Treaty During a Summit), *Hokkaido Shinbun*, 28 November 2018.

135. As well as poisoning of his daughter, of a police officer and the inadvertent murder of a woman who had used the lethal Novichok nerve agent. James DJ Brown, 'Japan and the Skripal poisoning: The U.K.'s fair-weather friend', *Japan Times*, 27 March 2018.

136. 'Tokyo avoids criticizing Moscow over Ukraine issue ahead of talks on Russian-held islands off Hokkaido', *Japan Times*, 28 November 2018.

