

# Strengthening Japan's Relations with the Global South & ASEAN

By Jayasiri Jayasena



Author Jayasiri Jayasena

## Introduction

For many decades, Japan has fostered strong relations with the Global South through trade, investment, and development assistance. Japan featured as one of ASEAN's top trading partners and investors. These economic ties were further solidified with trade and economic agreements that were signed by Japan with ASEAN, either collectively or with individual countries in the region. Today there are 10 trade and economic cooperation agreements signed by Japan involving ASEAN nations that are at various stages of implementation (*Table*).

Besides the economic cooperation arrangements, Japan also embarked on security cooperation with ASEAN to fulfil the mutual need for peace and stability in the region. Japan has supported security initiatives like the ASEAN Regional Forum, ASEAN Plus Three and the East Asian Summit.

In discussing Japan's relations with the Global South, we cannot forget Japan's role in economic development through its Official Development Assistance (ODA) programs. Japanese ODA has been a source of funds for infrastructure development, technology transfer, and social and economic growth for stability and prosperity in many of the countries in the Global South.

## Economic Partnership

In recent times, Japan's investment share in ASEAN has fallen, albeit its presence in several countries is still significant. Japanese investment has also seen a shift from the predominant manufacturing sector to renewable energy, digital technology, and the services sector. Any new partnership model will have to take into account this reality and complement the trade and economic role that Japan has assumed thus far, and build on the social and cultural ties that have yet to be fully harnessed. This new partnership will need to see a more people-to-people relationships with more collaborative endeavours based on mutual benefits.

Going forward, trade and investment will still be the mainstay of this relationship and the basis will be the economic partnership agreements that Japan has signed with its regional partners. Since the entry into force of these agreements, the binding clauses have mostly been implemented and these include market opening measures through tariff reduction or elimination, liberalisation of the services sector, and observance of investment rules and discipline. Full implementation of the binding market opening commitments has brought mutual benefits to Japan and its partners in the region.

Notwithstanding the significant milestones achieved, Japan and

TABLE

### Trade & economic agreements involving Japan & ASEAN nations

1	Japan-Singapore Economic Partnership Agreement	2002
2	Japan-Malaysia Economic Partnership Agreement	2006
3	Japan-Philippines Economic Partnership Agreement	2006
4	Japan-Thailand Economic Partnership Agreement	2007
5	Japan-Brunei Economic Partnership Agreement	2007
6	Japan-Indonesia Economic Partnership Agreement	2007
7	Japan-Vietnam Economic Partnership Agreement	2008
8	ASEAN-Japan Comprehensive Economic Partnership	2008
9	Comprehensive and Progressive Agreement for Trans-Pacific Partnership (CPTPP)	2018
10	Regional Comprehensive Economic Partnership Agreement (RCEP)	2020

Source: Compiled by the author

ASEAN, which depend heavily on trade, have to continuously ensure that global markets remain open. While we continue to pursue bilateral and regional trade arrangements, we must spare no efforts in observing and strengthening the rules-based multilateral trading system. To this end, Japan and ASEAN have many opportunities to continue to work together in the World Trade Organisation and also in the global forums dealing with environmental issues.

Japan had also helped to “salvage” the Trans-Pacific Partnership agreement (TPP) by mustering the support of the members and providing a constructive leadership role to conclude the Comprehensive and Progressive Agreement for Trans-Pacific Partnership (CPTPP). Not all members of ASEAN are in the CPTPP, but the spillover effects upon implementation of the rules and market-opening measures will certainly benefit the region.

### Partnership Through Technical Cooperation

What seem to have been put aside, or given little attention so far, are the technical cooperation chapters which form an integral part of the balanced economic partnership agreements that have been negotiated. These provisions are mostly non-binding and are merely best endeavour clauses. Perhaps it may be timely for Japan, together with its partners, to revisit the technical cooperation chapters in the various partnership agreements and implement both the letter and spirit of the provisions. These provisions which were designed to build capacity, transfer technology and develop human resources have the potential to enhance Japan’s contribution to help the region further grow and prosper.

A number of areas can be explored to meet the needs of ASEAN nations, and these can be done without having to spend too much money or resources. One idea is for Japan to despatch retired experts in a given field to impart technical knowledge and help build human capacity. This has already been done in a limited way. An example is the despatch of retired personnel to assist small and medium enterprises in the automobile sector in Malaysia. This was a program implemented under the technical cooperation chapter of the Japan-Malaysia Economic Partnership Agreement. This sort of arrangement can be expanded to cover wider fields and sectors, depending on the needs of the partners and the availability of such experts in Japan.

Capacity building in adoption and utilisation of new technology is

another potential area to be explored. Many ASEAN countries, and certainly other parts of the Global South, are in dire need of knowledge and expertise to utilise new technologies. With the advent of the fourth industrial revolution and all the advances in manufacturing, environmental preservation, telecommunications and other areas, the adoption and utilisation of new technologies, particularly digital technology, require assistance from advanced countries. Japan is far ahead of the Global South countries and can collaborate to impart knowledge in these areas to scale up development and standards of living in these countries.

Many countries in ASEAN are rapidly approaching an ageing society, which will put pressure on the labor force, healthcare services, infrastructure and living facilities. Many of these countries are not yet ready to respond effectively to meet these challenges. Japan is one of the many countries that have successfully put in place appropriate measures to deal with an ageing population. With almost 30% of its population aged 65 or older, Japan is in a good position to share best practices in preparing for an ageing society. While no single solution fits all, Japan’s experience will certainly be good guidance for countries that are facing these demographic changes.

### Social & Cultural Partnership

In enhancing our relations, we should not confine ourselves to the traditional economic partnership, but explore other avenues. Japan has a huge golfing community. Despite having more than 2,300 courses, golf is still considered an expensive sport. Japan can take advantage of the abundance of golfing facilities in ASEAN countries like Malaysia, Thailand, Indonesia, and the Philippines. Some of these facilities are under-utilised. A win-win partnership can be forged by Japanese “adoption” of these courses, which can then be the training grounds for young Japanese golfing enthusiasts at a much more affordable cost. At the same time, these young Japanese golfers would have the opportunity to learn another culture and language through their extended stay in these ASEAN countries, preferably with local families.

Knowing each other’s language has always been considered a useful tool to enhance relations between the people of different countries. While we can boast of the increasing number of people learning foreign languages in both Japan and ASEAN countries, not

many have actually utilised their language skills to forge a closer relationship with each other. A more concerted effort is needed to promote the use of these languages in fostering closer relations.

We need to be more creative and think out of the box. How about holding a Japan week or an ASEAN week, in the respective countries, to provide more opportunities for people learning the foreign languages to interact? Most of our embassies do have cultural attachés. They need to take on a more proactive role to promote closer ties through language and cultural programs.

Japan's deep-rooted cultural values manifested by civic consciousness, respect for others, strong discipline, and the cleanliness of public space are worthy of emulation. Malaysia's "Look-East" policy tried to bring the Japanese work ethic to Malaysia through exposure of Malaysians to Japanese firms and educational institutions. There is a need to revive this approach not only to instil a good work ethic but also mannerisms. Japanese politeness is known all over the world and Japan's civic consciousness is second to none. The Japanese cleaning up football stadiums at the last soccer World Cup remains fresh in many minds whenever we talk about cleanliness of public places. Many of us struggling to keep the environment clean can learn from Japanese recycling practices. I am certain Japan is only too willing to share these practices with their partners in the region.

My experience, as a participant in the Japan-ASEAN Friendship Programme for the 21st century in 1987, showed me that there is much to learn and appreciate about Japanese culture and way of life, as well as advances in science and technology. These programs also to a limited extent allowed foreign participants to share their own cultures with the Japanese community. More such programs are needed, but not just to bring the youths of ASEAN to Japan but also to show the ASEAN way of life to Japanese youths by bringing them to ASEAN countries for an extended period. This type of program certainly goes a long way to establishing people-to-people relations and should continue irrespective of which direction the economic relationship is heading.

## Conclusion

There is no dearth of platforms for Japan and ASEAN to pursue collective actions to strengthen economic relations. Besides the regional EPAs, Japan and most ASEAN nations are members of the

CPTPP and the Asia-Pacific Economic Cooperation (APEC) forum which have a common agenda of resisting protectionism and creating a global environment where trade and investment can flow freely.

While increasing its efforts to raise the level of trade and economic cooperation, there is certainly a need for Japan to complement its economic leadership role with more people-to-people initiatives in order to strengthen its relations with the Global South, including ASEAN nations. This is particularly important to ensure that there are "touch points" among the younger generation, which may not be able to appreciate the economic contributions and achievement of Japan in the region. **JS**

Jayasiri Jayasena served in MITI Malaysia from 1981-2018 and was secretary-general of MITI prior to retirement. He was a key member of the Malaysian negotiating team in the WTO and Malaysia's chief negotiator in the Malaysia-Japan EPA, ASEAN-China FTA, TPP and CPTPP.