

Japan can help Global South navigate U.S.-China clash

Hiroki Takeuchi

The conflict between the United States and China is deepening, with both countries' foreign policies bogged down by their respective domestic politics.

And if the U.S. abandons its leadership role as a global superpower, it will inevitably undermine the existing international order. In fact, the conflicts in Ukraine and Gaza keep raging with no end in sight, and in Asia tensions remain high in the Taiwan Strait and the Korean Peninsula.

The U.S. is linked to the world economy through intra-industry trade based on global value chains (GVCs). Former President Donald Trump refused to believe that the rules set by multilateral agreements such as the Trans-Pacific Partnership (TPP) were in America's interest and there was hope that President Joe Biden would bring some stability to U.S. trade relations.

However, American foreign policy is in turmoil. While preaching the importance of the rule of law, there is no sign of a U.S. return to the TPP, which represents rule-making in GVC-based international trade — an attitude unlikely to change anytime soon regardless of who wins the presidential election in November.

U.S. foreign policy in limbo

U.S. foreign policy is in limbo because of partisan conflicts and social divisions. Support for Ukraine has become a political battleground, and the Republican Party has shown

unprecedented support for Russian President Vladimir Putin. Thus, Russia has succeeded in creating fatigue around aid delivery to Ukraine.

Furthermore, the Israel-Hamas war has made things difficult for the Biden administration, forced to choose between siding with the Israelis or the Palestinians. Hamstrung by domestic social divisions, the administration has been forced to adopt a tepid attitude toward Israel's invasion of Gaza, putting the U.S. at a disadvantage as it vies against China for support from Global South countries.

For example, according to a survey of Southeast Asian academics and practitioners conducted by a Singapore-based think tank, this year, the proportion of those who would choose China over the U.S. has risen by about 20% in Indonesia and Malaysia, which both have large Muslim populations, compared with last year.

Ironically, in the U.S., the "China threat" theory is one of the few issues that has bipartisan support. No matter which candidate wins the presidential election, the hard-line stance toward Beijing is now the norm in Washington and will not change.

China insists that the conflict is of the United States' making. Wang Jisi, a professor at Peking University, refers to the emerging perception of the China threat as the "New Washington Consensus" and points out that the friction stems from America's hard-line position.

The confrontation between the two countries has turned into an endless succession of disagreements and since their respective foreign policies are based on domestic political concerns, this trend will likely continue.

China's inward foreign policy

What, then, are China's domestic political concerns? Washington tends to assume that Chinese leader Xi Jinping is always thinking about competition with the U.S. However, as the authoritarian leader of a one-party state, Xi's priority is not foreign policy but, rather, to consolidate his grip on the Chinese Communist Party.

Unlike democratic leaders whose legitimacy is questioned mainly at election time, authoritarian leaders have to check their power base constantly. In the Chinese power struggle, a weak position toward the U.S. would be fatal, so leaders have taken tough positions. It is important to realize that these leaders' hard-line messages target domestic audiences and because of this, the U.S.-China conflict will continue to escalate.

To win the power struggle, Xi must continue to prove that he is a great leader. For example, when he presented the Belt and Road Initiative in 2013, Xi included existing investment projects in developing countries promoted by his predecessor, Hu Jintao, and came up with the overarching BRI concept as an afterthought. This allowed Xi to paint the project as his achievement.

If we do not keep in mind that grandiose words are aimed at domestic audiences, we might

delude ourselves that China is plotting world domination.

This inward-looking tilt may explain China's "pro-Russian neutrality" in response to Putin's invasion of Ukraine. At the opening of the Beijing Winter Olympics in February 2022, China and Russia issued a joint statement calling for a "no limits" partnership. The content of the meeting between Xi and Putin was not made public but they may have agreed that the U.S. is in decline and that now is the perfect time to disrupt the American-led international order.

The pro-Russia card has been a convenient tool for China to keep U.S. hegemony in check. Xi's appearance as a leader confronting China's main rival superpower head-on also scores him big points at home. However, as Putin's plans for rapidly completing the invasion of Ukraine have fallen through, Xi has found himself stuck in a West versus China/Russia confrontation.

The Chinese leader had been playing with anti-American fire to boost his domestic position, only to find himself caught in the flames.

Japan and the Global South

Will the countries in the Global South align themselves with the West or China/Russia? Many of these nations have fraught historic relations with the West and have sought to distance themselves from Washington. Despite such unfavorable conditions for the U.S., Japan can play a unique role as a key American ally.

First, in areas where Japan is strong, such as free trade and foreign direct investment, I hope it will promote the rule of law and multilateral

cooperation, especially with developing countries.

The rapid progress of globalization in the last two decades has significantly narrowed the gap between developed and developing economies, and many of the nations in the latter group have achieved rapid growth by benefiting from GVCs. Fortunately, trust in Japan among developing countries is relatively robust. Also, Tokyo is appreciated for putting the TPP back together after the U.S. withdrew from it.

While Washington is distancing itself from its rule-making role, China has shown its willingness to lead in this area, demonstrating its opposition to protectionism, including by applying to join the TPP. As the U.S.-China tug-of-war continues, Japan should play a leading role in international economic rule-making to contribute to the Global South's sustainable economic development.

Japan could also serve as a model for economic relations with China. The Biden administration is fixated on the confrontation between democracy and authoritarianism. However, countries in the Global South tend to be driven not by considerations about political systems but by practical concerns such as security and economic growth.

Also, since many Global South governments are

authoritarian, if the confrontation is based on clashing political regimes, they may be driven toward China and Russia. In reality, developing countries do not want to be either pro-U.S. or pro-China, but want close relations with both powers.

In addition to public health issues brought under the spotlight by the COVID-19 pandemic, there are matters such as poverty, climate change and terrorism in which cooperation with Global South nations is essential. To resolve these issues, Japan needs to be a bridge-builder by reaching out to these countries while also working with the U.S.

In recent years, all governments have been hit by the anti-globalization narrative, and it has become difficult to pursue national interests such as growth and stability with a global lens. Japan may be able to play a major role in solving these increasingly complex political equations, thus leading the international rule-making process to ensure that globalization's benefits are spread worldwide.

This would be a boon to the U.S. as it struggles to connect with the Global South. It would also provide a platform for Japanese diplomacy to seek a multilayered approach that includes both Washington and Beijing, while simultaneously contributing to Tokyo's national interests.



Associate Professor of Political Science, Southern Methodist University

Hiroki Takeuchi

Expertise

Chinese and Japanese politics, Comparative Political Economy of Authoritarian Regimes,
International Relations of East Asia.

Disclaimer: The views expressed in this API Geoeconomic Briefing do not necessarily reflect those of the API, the Institute of Geoeconomics (IOG) or any other organizations to which the author belongs.