

**Japan's Strategy for Balancing China:
The Gravity of Universal Values in the "Free and Open Indo-Pacific" (FOIP)**

By Naoko Eto¹

Introduction

The year 2018 was marked by a significant rapprochement in Japan–China relations. In October, Japanese Prime Minister Shinzo Abe visited China and met with Chinese President Xi Jinping and Prime Minister Li Keqiang in a very friendly atmosphere. Prime Minister Abe emphasized the return of bilateral relations to a “normal track,” noting the shift “from competition to cooperation,” while President Xi said, “Bilateral relations have been put back on the right track and positive moves are gaining momentum.” On the practical side, both leaders agreed to promote economic cooperation, including a new Japan–China dialogue on innovation and intellectual property and also advance discussions on a bilateral Maritime and Air Communication Mechanism.

The Abe administration made a concerted effort to improve relations with China, though it is apparent that the Japanese government regards continuous tension in the realm of security inevitable. Along with this political shift, the Abe government adjusted the strategic concept of a “Free and Open Indo-Pacific” (FOIP), referring to it as a “vision” and not a “strategy,” perhaps to address concerns that FOIP could be perceived as a mechanism to contain China. This paper analyzes the conceptual adjustments to FOIP by the Abe administration, summarizes Chinese views on democracy, and addresses the competitive debates with China over universal values to assess whether democracy promotion will feature in the FOIP vision.

1. Background

1-1 FOIP Concepts and Adjustments

On November 6, 2018, at a joint press conference with Prime Minister Mahathir bin Mohamad of Malaysia, Prime Minister Abe officially mentioned FOIP as a vision. When the interpreter translated Abe’s remark as “Indo-Pacific strategy,” his staff pointed out the correction and the interpreter modified the term thereafter as “vision.” Later, on November 12, at the government-ruling party liaison meeting held at the Prime Minister’s official residence

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in Tokyo, Abe said, “(I would like) to coordinate with participating countries to address the North Korean issue and to realize the vision of a free and open Indo-Pacific [emphasis added], and to communicate a strong message to the world.”²

The trigger for this move was said to have been the ASEAN Regional Forum (ARF) in August of that year, according to Japanese media reports.³ In the process of summarizing the chairman’s statement, several participating countries claimed that the term “strategy” made them hesitant to join. These reactions implied that some viewed FOIP as overly-confrontational toward China. In addition, Indian Prime Minister Narendra Modi had stressed the region’s inclusiveness at the Shangri-La Dialogue on June 1, 2018, stating that the Indo-Pacific region stands for a free, open, and inclusive region, and “it includes all nations in this geography and also others beyond who have a stake in it.”⁴

It is notable that content adjustments to FOIP were included in policy documents prior to Abe’s statements in November 2018. The *Diplomatic Bluebook 2018*, published in May 2018, explains the three pillars of Japan’s efforts to realize the FOIP as follows:⁵

- (1) The promotion and establishment of fundamental principles, such as the rule of law and freedom of navigation [emphasis added].
- (2) The pursuit of economic prosperity through enhancing connectivity, including through quality infrastructure development in accordance with international standards.
- (3) Initiatives for ensuring peace and stability, which includes assistance for capacity building for maritime law enforcement, anti-piracy measures, disaster reduction, and non-proliferation.

Here, the element of “democracy” was diluted compared to *Diplomatic Bluebook 2017*, in which an official stance emphasizing “democracy, the rule of law, and the market economy” was clearly stated.⁶ Further, the term “values” was avoided in the 2018 definition above. In

² “The Prime Minister in Action: Liaison Meeting of the Government and Ruling Parties,” Prime Minister of Japan and his Cabinet, November 12, 2018.

https://japan.kantei.go.jp/98_abe/actions/201811/_00021.html

³ “Indo-Pacific, disappeared ‘strategy’ government modified to ‘concept’,” (Japanese) *Nihon Keizai Shimbun* (November 12, 2018), <https://www.nikkei.com/article/DGXMZO37648990S8A111C1PP8000/>.

⁴ The Ministry of External Affairs, “Prime Minister’s Keynote Address at Shangri La Dialogue (June 01, 2018),” <https://www.mea.gov.in/Speeches-Statements.htm?dtl/29943/Prime+Ministers+Keynote+Address+at+Shangri+La+Dialogue+June+01+2018>.

⁵ Ministry of Foreign Affairs, *Diplomatic Bluebook 2018* (2018): 18, <https://www.mofa.go.jp/files/000401241.pdf>.

⁶ It describes that “Democracy, the rule of law, and the market economy have already taken root in Southeast

contrast, at the Japan–U.S. Leaders’ Working Lunch on November 6, 2017, the two countries agreed on the pillars of a “Free and Open Indo-Pacific strategy” expressed as:

- (1) The promotion and establishment of fundamental values (rule of law, freedom of navigation, etc.) [emphasis added].
- (2) The pursuit of economic prosperity (improvement of connectivity, etc.).
- (3) A commitment to peace and stability (capacity building on maritime law enforcement, etc.).⁷

As these comparisons reveal, the description of FOIP has been carefully adjusted by playing down universal values, particularly democracy. In January 2019, the Japanese Ministry of Foreign Affairs updated its concept of the three pillars as follows:⁸

- (1) The promotion and establishment of the rule of law, freedom of navigation, free trade, etc. [emphasis added]
- (2) The pursuit of economic prosperity through enhancing connectivity.
- (3) A commitment to peace and stability.

This does not mean, however, that the significance of “universal values” in Japanese diplomacy has declined. Japanese diplomacy as a whole clearly emphasizes the values and norms shared among strategic partners and like-minded countries in the geographical Indo-Pacific. Japan’s new National Defense Program Guidelines, for example, published in December 2018, noted that universal values bind Japan and its partners: “Japan will position the Japan–U.S. Alliance as its cornerstone and will work closely with the countries that share universal values and security interests, through full coordination with its diplomatic policy.”⁹ Shared “fundamental values” were also confirmed at the Japan–U.S.–India Summit Meeting on November 30, 2018. The Japanese Ministry of Foreign Affairs reported “at the meeting, the leaders of Japan, the United States, and India, partners in the Indo-Pacific that share

Asia and South Asia, and self-confidence, responsibility, and leadership have been awakened. Japan intends to promote peace and prosperity in the region as a whole by promoting the success of Asia, which could be called the ‘leading part of the world,’ throughout the Middle East and Africa through a free and open Indo-Pacific,” *Diplomatic Bluebook 2017* (2017): 27, <https://www.mofa.go.jp/files/000287676.pdf>.

⁷ Japan-U.S. Working Lunch and Japan-U.S. Summit Meeting,” Ministry of Foreign Affairs, November 6, 2017. https://www.mofa.go.jp/na/na1/us/page4e_000699.html

⁸ Ministry of Foreign Affairs, “Towards Free and Open Indo-Pacific,” (January 2019), <https://www.mofa.go.jp/mofaj/files/000407643.pdf>.

⁹ “National Defense Program Guidelines for FY 2019 and Beyond,” (December 18, 2018): 15, http://www.mod.go.jp/j/approach/agenda/guideline/2019/pdf/20181218_e.pdf.

fundamental values such as freedom, democracy, and rule of law as well as strategic interests, gathered together for the first time and held frank exchanges of views regarding their common interests related to regional affairs and security.”¹⁰

Furthermore, the Japanese government has aligned its security partnerships with countries with which it shares values, such as in the agreements of the Transfer of Defense Equipment and Technology with Australia (July 2014), France (March 2015), India (December 2015), the Philippines (February 2016), Italy (May 2017), Germany (July 2017), and Malaysia (April 2018), as well as earlier agreements with the United States and the United Kingdom. The Quadrilateral Security Dialogue (or Quad), which was resumed in November 2017, is proceeding through high-level administration in Japan, the United States, Australia, and India. All four countries, of course, are democracies.

Japan is also reinforcing its strategic cooperation with partners in Europe. Britain dispatched two warships to the Indo-Pacific and conducted joint naval drills with the Maritime Self-Defense Force in 2018. France, which released its policy paper “France and Security in the Indo-Pacific” in June 2018, held the first joint training exercise between the Maritime Self-Defense Force and the French Navy, “VINEX 18,” in the Pacific Ocean in February 2018. In February 2019, German Chancellor Angela Merkel clearly stated her support for realizing a “Free and Open Indo-Pacific” at a meeting with Prime Minister Abe, adding that this initiative is also related to China’s territorial ambitions.¹¹

1-2 Western Universal Values from the Chinese Political Perspective

Why is the concept of universal values problematic for the People’s Republic of China (PRC)? Let us briefly review the political meaning of universal values in China. Even in Chinese society, the concepts of peace, freedom, equality, etc. are fully respected as basic ethics. However, the Communist Party of China (CPC) and the government refuse to accept “Universal Values” (普世價值)—values they deem as originating from Western society. Interestingly, the CPC government do not reject them outright but instead claim that China has these same values but with Chinese characteristics.

The concept of universal values spread in China relatively recently. In 2008, after the

¹⁰ Ministry of Foreign Affairs, “Japan-U.S.-India Summit Meeting,” (November 30, 2018), https://www.mofa.go.jp/s_sa/sw/in/page3e_000969.html.

¹¹ “Sharing an alert to China: Japan-Germany Summit Meeting,” (Japanese) *Yomiuri Shimbun* (February 5, 2019), <https://www.yomiuri.co.jp/politics/20190205-OYT1T50116>

Sichuan earthquake, there was a dramatic controversy over universal values in response to a national debate over disaster relief. Several liberal intellectuals released the “Charter 08” human rights manifesto on the Internet, which called for Chinese political reform by noting “freedom, equality, and human rights are universal common values shared by all humankind” and that “democracy, a republic, and constitutionalism constitute the basic structural framework of modern governance.” Correspondingly, the administration of Hu Jintao not only detained activist Liu Xiaobo, who was the central figure in drafting the manifesto, but also deleted all related terms on the Internet.

A series of attempts at repressive control of the people by the government exposes important issues that are closely connected to China’s rejection of universal values and the issue of human rights¹². The methods used in the crackdown amounted to, in many cases, an invasion of human rights that provoked condemnation throughout the international community.

Why does the CPC overtly deny the Western idea of universal values? Some historical background is required to understand this attitude. At the end of the 1970s, China adopted a policy of increased openness, prompting a flow of science, technology, and capital into the country from abroad. However, information about economic conditions in industrialized nations and the market economy system flowed in as well, along with political concepts. These effects accelerated moves to introduce diversity and political reforms into Chinese society. These included the so-called “Beijing spring” lasting from the fall of 1978 to March 1979, a pro-democracy movement led by Fang Lizhi and others from fall to winter 1986, and the pro-democracy drives that were ongoing from the second half of 1987 until the military crackdown of the Tiananmen Square protests in June 1989, which provided the final denouement.

The official view put forward by the CPC authority was that the Tiananmen Square incident was the result of a plot by Western countries that were attempting to overthrow the Chinese government by peaceful means and that it was also a rebellion in response to a call for “bourgeois freedom” from within the country. CPC leadership feared that if a liberal political philosophy—particularly the idea of democratization—spread, such movements would incite the public to demand a reform of the political system. This was viewed as a direct threat to the CPC’s domination, and the response was severe repression.

The situation reflects the crisis awareness of the Communist Party, which has criticized “Westernization and subversion” (西化分化). “Westernization” refers to accepting

¹² This analysis is based on author’s past publication. For more details, please see “Anti-Western Sentiment in Chinese Politics: Why China Rejects Universal Values,” *Contemporary Japan and East Asian Studies*, Vol.2 No.3,(1 April, 2018), <http://jeast.ioc.u-tokyo.ac.jp/numbers/20180301-01.html>.

so-called universal values, such as the democracy and freedom of Western countries. “Subversion” refers to the movement of national division, particularly anti-government trends in minority autonomous regions, such as Tibet and Xinjiang. Therefore, criticisms of Westernization and subversion are underpinned by the notion that outside hostile forces have been spreading ideas and culture strategically to collapse China from the inside.

This criticism of the West, which was common during the 1990s, abated in the 2000s, although it has come to the fore again in the 2010s. At the Sixth Plenary Session of the 17th CPC Central Committee in October 2011, then General Secretary Hu Jintao delivered a speech emphasizing the need to strengthen socialist ideology for “the fight in the ideological realm.”¹³ Subsequently, at the 18th National Congress of the CPC held in November 2012, Hu Jintao declared “the foundation for the socialist core value system.” According to the Guidelines on Cultivating and Observing Core Socialist Values issued by the General Office of the CPC Central Committee in December 2013, the “core socialist values” are a moral ideology that exists on three levels: at the national level, characterized by riches and power, democracy, civilization, and harmonious discourse; at the social level, characterized by freedom, equality, fairness, and the rule of law; and at the personal level, characterized by patriotism, industriousness, integrity, and friendship.

At least on paper, these values espoused by the CPC and the state resemble the Western idea of universal values. Democracy and freedom are included in the CPC list, although they are supposed to be different from those common in the West. They are in fact positioned as unique concepts that match the given domestic situation in China, and Xi Jinping’s government upholds the core values of socialism, as stated.

The Xi government inherited this perception, and its repression of free speech is even stronger. In May 2013, for example, the Central Committee General Office issued an internal directive (the so-called Central Document No. 9). This document, which discussed ideological control, called for vigilance against Western anti-Chinese forces and domestic dissidents spreading the “seven perils”: ideas of Western constitutional democracy, universal values, civil society, new liberalism, Western media views, historical nihilism, and doubts about economic liberalism. These seven subjects were off limits, and university professors were cautioned not to discuss them with students.

¹³ Hu Jintao, “Adhering to the Socialist Cultural Development Path with Chinese Characteristics and Striving to Build a Country with a Strong Socialist Culture,” *Qishi Lilun* (Chinese) (October 18, 2011), http://www.qstheory.cn/zxdk/2012/201201/201112/t20111228_132538.htm.

2. Key Issues

2-1 Will We Witness an Ideological Conflict over Democracy?

Since the second half of 2018, the debate over whether U.S.–China relations have entered a “New Cold War” has intensified. The address by American Vice President Mike Pence in October 2018 at the Hudson Institute resembled British Prime Minister Winston Churchill’s talk of an iron curtain in 1946, which symbolized the beginning of the Cold War. However, today’s international system is not at the so-called cold war stage. The international community, including the United States and the PRC, enjoys intimate economic ties and does not resemble the economic blocks that characterized the competition between the United States and the Soviet Union. What we need to worry about instead is the fluctuation of democracy as a shared political morality.

While the term “New Cold War” may appear attractive as a way to describe ideological competition between China and the United States, the debate with China over democracy is more about differing interpretations of political regimes rather than ideological concepts. The Xi Jinping regime has been promoting the discussion of “a new type of party system growing from China’s soil” since 2018. On March 4, 2018, President Xi declared “a new type of party system” (新型政党制度)—a system of multi-party cooperation and political consultation led by the CPC. Xi also insisted on its effectiveness in preventing the flaws cultivated by the lack of supervision in a one-party system and excessive power competition between multiple political parties. Interestingly, Xi stressed Chinese democracy, saying that “adhering to the leadership of the Communist Party of China does not mean it is undemocratic, but it forms a broader and more effective democracy.”¹⁴ Since then, theorization of the new political party system (新型政党制度) has been progressing in the PRC, where the Chinese party system is highly appreciated as it provides “a new model for the political system of mankind.”

“China’s political system is obviously different from the Western existing system in which parties compete and take turns through regular parliamentary elections,” noted Zhou Shuzhen, a Professor at Renmin University of China and an expert from the Chinese United Front Theory Research Association.¹⁵ Zhou also clearly emphasized its originality, in that this

¹⁴ “Xi Jinping: Adhere to Multi-Party Cooperation and Develop Socialist Democratic Politics,” (March 4, 2018), http://www.xinhuanet.com/politics/2018lh/2018-03/04/c_1122485786.htm.

For English translation, refer to Language Tips of *China Daily* (March 6, 2018), http://language.chinadaily.com.cn/2018npc/2018-03/06/content_35794078.htm.

¹⁵ Zhou Shuzhen, “New Party System—An Important Embodiment of the Leadership of the Communist Party of China,” *People’s Daily Online* (Chinese), (December 4, 2018), <http://theory.people.com.cn/n1/2018/1204/c40531-30441371.html>.

system has not been copied in political party development anywhere abroad.

One significant challenge is how to evaluate China's partial "democracy" within an authoritarian regime. It should be noted that democracy in the Chinese political context refers to deliberative democracy (协商民主), in which deliberation is central to decision-making, and not to democracy based on an electoral system. So far, the discussion of the "new political party system" appears to be aimed at domestic public opinion control, considering the fact that their "democracy" reinforces the CPC's one-party dictatorship. In addition, China's theorists acknowledge its lack of ubiquity in global society by emphasizing its Chinese identity. If China can convince the international community to accept its own brand of democracy, however, the Western concept of democracy could be on shaky ground. Democratic countries should carefully prepare to rectify the fallacy of China's rhetoric, while paying close attention to its domestic controversies. The key criticism should be the lack of accountability in the political system of China and its enforced social control through monitoring of its citizens and their speech.

Related to this criticism, Western democracies also need to call attention to China's technological exports in connection with social control. Several countries in Africa, the Middle East, Asia, and South America have introduced Chinese facial recognition technology, and the controversial Chinese social credit system has been introduced in Venezuela to collect a range of information about holders of a "fatherland card." It is very possible that China's use of technology for social control, along with its political ideology, may allow the authoritarian political system to expand in the Indo-Pacific region and disrupt efforts at promoting democratic governance as a foundation for regional stability.

2-2 China's Challenge in Gaining "Diplomatic Discourse Power"

How might the international community be affected by Chinese values? China does not necessarily deny the existing international system but does not obey it. So far, China has instead justified its own behavior, at least in part, on standards that are incompatible with the existing international order. A typical case is the response to arbitration over maritime claims in the South China Sea. Because China ratified the UN Convention on the Law of the Sea in 1996, the judgment of the International Court of Arbitration issued in 2016 technically has legal binding power, although there is no legal enforcement. China strongly opposed this judgment, and Xi Jinping insisted on its invalidity, claiming that the South China Sea islands have been China's territory since ancient times, and therefore the territory, sovereignty, maritime rights, and interests in this area must not be affected by an arbitration ruling in any situation.

In reality it is difficult to refute all rationalizations of China. For example, in the area of development assistance, there is some relevance to China's assertions about "respect for diversity" from the standpoint of recipient countries. There are cases where rapid aid from China without conditions is welcomed by developing countries that want to achieve economic development. In addition, it is possible that the international order itself is approaching a time of transformation, as illustrated by the emergence of populism and exclusionism around the world. Democracy in particular appears to be in a downward trend¹⁶, and China provides an empirical rationale that boasts economic success under an authoritarian regime. As a result, the space for heterogeneous values that do not originate from Western European experiences is growing.

So far, China has not been able to provide a clear set of values that can replace the current liberal democratic order. Yet, the CPC government has been working hard for years to sway international opinion, and discussions about Chinese values replacing universal values have flourished under the Xi administration. As noted above, a debate over how to understand universal values was fought in 2008 under Hu Jintao based on frustration that China had been unjustly criticized regarding democracy and human rights issues since the 1990s. With the rise of Chinese economic and military power, Beijing has been increasingly adamant in its defense of behavior that defies the rules and norms of international society (such as those governing territorial sovereignty).

Fueling this defiance is a deep-seated perception inside China that the country's voice in international affairs has not been commensurate with its emerging power due to international concerns over the "China threat" and criticism of China's human rights record. It is in this context that the term "discourse power" (话语权) has emerged as a buzzword in the first decade of this century¹⁷. The fundamental explanation embraced by the Chinese in recent years is that the current international order places China at an unfair disadvantage because it operates under the dominion of Western ideology or "Western discourse hegemony."

In the international context, "discourse power," as explained by Zhang Zhizhou of the Beijing Foreign Studies University School of International Relations and Diplomacy, refers to

¹⁶ Takeshi Kawanaka, "China penetrating Asia: Political conditions of development, political consequences of development" (Japanese), IDE-Square (September 2018).

https://www.ide.go.jp/Japanese/IDEsquare/Eyes/2018/ISQ201820_026.html

¹⁷ For the details about Chinese "discourse power," please refer to Naoko Eto, "China's Quest for Huayu Quan: Can Xi Jinping Change the Terms of International Discourse?," The Tokyo Foundation for Policy Research (October 03, 2017). <http://www.tokyofoundation.org/en/articles/2017/china2019s-quest-for-huayu-quan-can-xi-jinping-change-the-terms-of-international-discourse>

“the influence generated by the logic, values, and ideologies contained in a nation’s discussions and public discourse.”¹⁸ Chinese discourse power is also used in a domestic context, wherein it usually signifies the power to lead public discourse and maintain ideological control. A good example is this statement by Xi Jinping on August 19, 2013, at the National Publicity and Ideological Work Conference: “In ideological work, we must grasp leadership, control, and discourse power firmly in our hands.”

Debate over discourse power has reached a major turning point under the initiative of the Xi administration. The reform resolution adopted in November 2013 at the Third Plenary Session of the 18th Central Committee included the admonition to “expand foreign cultural exchange, strengthen efforts to build international communication skills (国际传播能力) and a system of external discourse (对外话语体系), and promote the advance of Chinese culture throughout the world.”¹⁹ An “external discourse system” means a logical discourse framework provided to the international community. In fact, it appears to refer to China’s comprehensive and structural interpretation of its political position for a specific event. As the *People’s Daily* explained on November 18, 2016, “the Chinese discourse system is essentially a manifestation of the theoretical expressions and discourses of the Chinese way. We have to explain how the way of China could be successful and significant to the world.” The theorization of the Chinese development model is also implied in the term “discourse system.” As such, it is considered that China’s far-reaching ultimate goal is to spread its value standards to replace Western universal values.

2-3 Will the Japanese Vision of FOIP Support Democracy?

To stabilize the Indo-Pacific region, Japan has initiated a policy of promoting development aid, such as infrastructure development and military cooperation (capacity-building support, countermeasures against piracy, etc.), under an inclusive FOIP vision. The political influence that China holds over other countries in the Indo-Pacific is mainly based on its economic power, which can also be a foundation for projecting military power. Japan’s policy on FOIP is therefore arguably designed to avoid excluding non-democratic states in the region and substitute China’s economic influence.

This orientation can also be understood as an extension of Japan’s conventional

¹⁸ Zhang Zhizhou, “Solving the Dilemma of China’s International Discourse Power”, *Luye* (Chinese), (May 2009): 81, <http://theory.people.com.cn/GB/9878818.html>.

¹⁹ The State Council of the People’s Republic of China, “The Decision on Major Issues Concerning Comprehensively Deepening Reforms by CPC Central Committee” (Chinese), http://www.gov.cn/jrzq/2013-11/15/content_2528179.htm.

development cooperation policy, which aims to tackle “problems such as political and economic instability owing to poor governance and other factors, internal disparities, sustainability issues, and the ‘middle income trap.’”²⁰ Under this policy, democracy is listed as an important objective, alongside the rule of law and good governance,²¹ while the recognition that the promotion of “good governance” is the key condition for a democratic system to function has been broadly shared as well.

As demonstrated by the first Abe administration in 2006-2007, which proclaimed “value-oriented diplomacy”—diplomacy based on universal values such as freedom, democracy, respect of fundamental human rights, and the rule of law—policy that is tied to “values” has been embedded in Japanese diplomacy. Keywords such as democracy, human rights, and rule of law implied the exclusion of countries that do not comply with these norms²². In a practical context, Japan’s promotion of values-based diplomacy was long regarded as an effort to exclude China. The Japanese strategy toward China, however, has taken on a dual approach: a competitive strategy in the economic and security arenas along with diplomatic rapprochement and a cooperative strategy as shown in FOIP.²³ In other words, FOIP for Japan has shifted to focus more on economic development aid initiatives, in which China can play a cooperative role.

Therefore, in terms of democracy promotion, the immediate aim of FOIP is to strengthen existing democratic states rather than encourage new democracies. Both Japan and the United States have agreed on joint infrastructure investment projects in the Indo-Pacific region based on the Memorandum of Cooperation between the U.S. Overseas Private Investment Corporation and the Japanese International Cooperation Agency in September 2018, and on the *Trilateral Memorandum of Understanding* of the Trilateral Partnership with Australia in November 2018. Together, these efforts are expected to offer developing nations

²⁰ The Government of Japan revised the Official Development Assistance Charter and released the Development Cooperation Charter on December 17, 2013. Referred to in the Cabinet decision on the Development Cooperation Charter, (February 10, 2015), <https://www.mofa.go.jp/mofaj/gaiko/oda/files/000067701.pdf>.

²¹ In the Development Cooperation Charter, “sharing universal values and realizing a peaceful and secure society” is the second of three priority issues, stating that “the establishment of the rule of law, the realization of good governance, the promotion and consolidation of democratization, and respect for basic human rights, including women’s rights, constitute the basis for effective, efficient and stable economic and social activities, and thereby support social and economic development.”

²² Mie Oba, “‘Indo-Pacific’: from Japan’s Perspective,” *The Journal of International Security*, Volume 46 Number 3, (December 2018):12-32.

²³ Jimbo pointed out that this coexistence of competitive strategy and cooperative strategy brings multilayered interpretation to the Japanese vision on the Indo-Pacific. Ken Jimbo, “Indo-Pacific Vision: Concepts and Challenges,” *The Journal of International Security*, Volume 46 Number 3, (December 2018): 4-5.

alternative sources for loans. There is room for Japan and the United States to also pursue other comprehensive measures under FOIP, such as multilateral security cooperation, that address international rules and norms, but the extent to which FOIP will be used to spread democracy promotion is unclear.

3. Policy Recommendations

3-1 Strengthen U.S.-Japan Coordination on FOIP

We may not be facing a global “New Cold War” in the near future, but Japan and the United States should prepare for competition with China in new technological domains such as communication technologies, financial technologies, space, and artificial intelligence. Under these circumstances, Indo-Pacific countries may worry that they may have to choose between the United States and China. Thus, the Abe administration’s dual-strategy approach including the FOIP vision is beneficial as Japan plays the role of moderator in coordinating the interests of these various countries and those of the United States to produce mutually reinforcing results.

To that end, it is vital that the United States and Japan fully understand each other’s intentions and closely coordinate initiatives under FOIP, especially with respect to democracy promotion. Though the U.S. framework for FOIP is just taking shape, it appears to place more emphasis on values-based diplomacy, whereas Japan aims to maintain the rules-based order in the Indo-Pacific region, and situate democracy promotion as a longer-term goal. There are two reasons for Japan’s policy. First, this approach is theoretically relevant because democracy has generally been stably maintained in countries where governance had been sufficiently established.²⁴ Second, most countries—including Japan—have apparently improved their economic interests by not explicitly excluding undemocratic nations from FOIP. The Japanese and U.S. approaches need not necessarily be identical, but the two governments should reach a clear understanding on FOIP’s role in supporting a liberal democratic order.

3-2 Study China’s “Discourse Power” and “Sharp Power”

Japan and the United States should promote research exchanges to better appreciate the logic behind China’s “New Political Party System” and other political theories with Chinese characteristics. China has achieved tremendous economic development and has increased its influence in the international community. While research into China’s economic development

has progressed, arguments about China's political development have not yet matured adequately. More comprehensive research on Chinese political discourse is essential if Japan and the United States are to understand China's so-called "discourse power" and its implications for regional debates about universal norms and democracy. Chinese operations to shape public opinion in other countries also merit further study. Since 2017, criticism of China's political penetration has increased rapidly. Known as "sharp power," this refers to a wide range of public opinion campaigns, from influencing educational institutions to the use of cyber-attacks and financial pressure. The most significant challenge may be the potential for China to construct a global digital order. Japan and the United States, along with like-minded countries such as Australia, India, and European nations, need to ensure that rules for the digital realm are developed in accordance with democratic norms that emphasize individual rights and freedoms.

3-3 Shape China's Approach to International Rule-Making

Chinese authorities have acknowledged that they have benefited from the existing international order, which is free, open, and democratic, even though there has been criticism that China was able to develop by flouting those same rules and stealing information and technology from other countries. Meanwhile, China's capabilities in new technologies such as space, cyber, and artificial intelligence are quite strong, and excluding China from the rule-making process in these fields would have limited effects. Japan's initiative on international cybersecurity networks for the 2019 G20 Summit in Osaka should be promoted from this perspective.

However, the question here is whether China will adhere to international rules and norms. As noted above, social control technology is developing rapidly in China, while the so-called "techlash" caused a whirlwind in the United States in 2018.²⁵ With opposing values and intentions, how can these two countries find a way to share rules?

The Trump administration's strategy so far appears to emphasize China's transgressions and forcing China to follow existing rules and norms. Another should be considered: engaging China to determine the areas in which international society can cooperate with China and those in which it cannot. This is the essence of the Japanese dual approach under FOIP.

²⁵ "Techlash" is the growing public animosity toward large Silicon Valley platform technology companies, such as Facebook, Apple, Google, and Amazon—and their Chinese equivalents.

Rana Foroohar, "Year in a Word: Techlash," (December 17, 2018), <https://www.ft.com/content/76578fba-fca1-11e8-ac00-57a2a826423e>.

Conclusion

As both a regional power in Asia and a U.S. ally, it is critically important for Japan to demonstrate a pragmatic diplomatic strategy in a period of strategic competition between the United States and China. By analyzing the conceptual adjustments to FOIP, this paper outlines Japan's dual strategic approach towards China that blends elements of cooperation and competition. This approach is rational and may work effectively insofar as it is coordinated with the United States, especially with respect to the handling of democracy and values in FOIP.

Without excluding China, we need to keep eyes on both its development of hard power and its construction of soft power. In this regard, we already have reached a time of serious consideration regarding the competition of political regimes. The degree to which strategic competition with China manifests in ideational terms will likely remain an important theme for U.S.-Japan strategic dialogue going forward.