

Japan & ASEAN: a Strategic Partnership in the Face of US-China Rivalry

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As the geopolitical tug-of-war between the United States and China intensifies, Southeast Asia finds itself at the heart of this great power rivalry. The region, home to the 10-member Association of Southeast Asian Nations (ASEAN), is becoming an arena for the two superpowers to compete for influence. ASEAN countries, aware of their strategic importance, face a delicate balancing act: how to navigate this rivalry while maintaining their independence and resilience.

Amidst these shifting dynamics, Japan stands as a trusted strategic partner. Responding to a survey conducted by the ISEAS-Yusof Ishak Institute in 2024 (The State of Southeast Asia: 2024 Survey Report, available at <https://www.iseas.edu.sg/centres/asean-studies-centre/state-of-southeast-asia-survey/the-state-of-southeast-asia-2024-survey-report/>), 58.9% of ASEAN opinion leaders replied that they are very confident or confident that Japan will “do the right thing” to contribute to global peace, security, prosperity, and governance. The corresponding numbers for the US and China are 42.4% and 24.8%. About half of the respondents also express distrust towards China with 45.5% of them fearing that China could use its economic and military power to threaten their country’s interest and sovereignty.

This trust of Japan stems from its longstanding commitment to peace, diplomacy, and regional cooperation. Thus, while the US and China vie for supremacy, Japan offers ASEAN countries a model of cooperation that emphasizes shared values and mutual respect. The question is, in an era of heightened geopolitical tension, how can ASEAN countries and Japan forge a path of cooperation to enhance regional stability, prosperity, and cultural exchange?

Political Cooperation: a Diplomatic Counterbalance

As stated above, the political landscape of Southeast Asia is increasingly shaped by US-China competition. Both powers are eager to extend their influence over the region, presenting ASEAN with a difficult choice. Should it lean toward one side or maintain its traditional stance of neutrality? According to the ISEAS survey, 46.8% of respondents across ASEAN prioritize strengthening ASEAN’s resilience and unity to withstand external pressures, especially in Thailand and Vietnam, where support for this approach is particularly high.

Another 29.1% responded that ASEAN has to seek out “third parties” to broaden its strategic space and options. The top two third

parties to hedge against the uncertainties of the US-China strategic rivalry are the European Union (37.2%) and Japan (27.7%). Thus, if ASEAN’s strategy of neutrality has been tested, Japan would be an option for such a much-needed counterbalance. Japan’s diplomatic expertise and willingness to collaborate with multiple partners could provide ASEAN with the flexibility to navigate the US-China rivalry without compromising its sovereignty.

Japan’s involvement in multilateral initiatives, especially the APEC, the ASEAN Regional Forum and the East Asia Summit, demonstrates its dedication to fostering dialogue and conflict resolution in the region. These platforms provide ASEAN with an opportunity to engage with major powers without being forced into taking sides. By working with Japan, ASEAN can maintain its non-aligned stance while reaping the benefits from international trade and foreign direct investment.

Economic Cooperation: Building a Sustainable Future Together

While political cooperation is essential, the economic partnership between Japan and ASEAN also holds immense potential for sustainable development, particularly in the area of clean energy. The Indo-Pacific Economic Framework (IPEF), of which Japan and many ASEAN countries are members, can provide a forum for economic and technical cooperation.

In particular, IPEF Pillar II, which focuses on supply chain resilience, and IPEF Pillar III, which focuses on “clean economy”, present a unique opportunity for ASEAN and Japan to collaborate on supply chains, green technologies and environmental sustainability.

Japan’s advanced expertise in clean energy technologies, particularly hydrogen technology and Carbon Capture, Utilization, and Storage (CCUS), aligns with ASEAN’s growing clean energy needs as the region is growing rapidly and must cut its carbon emissions. Japan’s initiatives in clean energy solutions, such as the establishment of the IPEF Window under the Japan Hydrogen Fund, can help ASEAN countries reduce their carbon footprint and transition toward a greener economy.

Beyond clean energy, ASEAN and Japan can also collaborate on linking their respective carbon markets. By facilitating this linkage, both can increase the liquidity and efficiency of their carbon trading, promoting a market-driven approach to reducing emissions. This would be a significant step toward a more sustainable and

economically integrated Southeast Asia.

Capacity building and technical assistance are also areas where Japan can contribute to ASEAN's sustainable development. Japan's expertise in energy efficiency, waste management, and urban sustainability is invaluable as ASEAN seeks to improve its infrastructure and environmental practices. By providing training programs and knowledge-sharing initiatives, Japan can help ASEAN professionals develop the skills needed to implement sustainable technologies and practices in their countries.

The promotion of a "circular economy" presents another avenue for collaboration. ASEAN countries face significant challenges related to waste management, resource depletion, and pollution. Japan's experience in circular economy practices, which focus on reducing waste and reusing materials, offers valuable insights that can help ASEAN address these challenges. Together, Japan and ASEAN can develop joint initiatives to promote recycling industries, reduce resource use, and minimize environmental impact.

Finally, Japan's expertise in disaster resilience can play a critical role in helping ASEAN countries cope with climate-related disasters. Southeast Asia is highly vulnerable to natural disasters such as typhoons, floods, and earthquakes. Japan, having experienced its own share of natural disasters, has developed advanced systems for disaster preparedness and response. By sharing its knowledge and best practices, Japan can help ASEAN build more resilient infrastructure and disaster-ready cities.

In sum, the economic partnership between Japan and ASEAN holds tremendous potential for addressing both the region's immediate energy needs and its long-term environmental goals. Through cooperation on clean energy, capacity building, circular economy initiatives, and disaster resilience, Japan and ASEAN can create a sustainable future that benefits both regions.

Cultural Cooperation: Strengthening People-to-People Ties

Beyond politics and economics, cultural cooperation between Japan and ASEAN offers a unique opportunity to build lasting bonds between their peoples. Japan is already the most popular travel destination among Southeast Asians, with 30.4% of respondents choosing it as their preferred destination in 2024, according to the ISEAS survey. This strong cultural attraction provides a solid foundation for deeper collaboration in areas such as tourism, education, and workforce mobility.

One of the most pressing issues Japan faces is its severe labor shortage due to an aging population. On the other hand, ASEAN boasts a young and growing workforce eager for opportunities. By allowing more ASEAN migrant workers to work in Japan, both sides can benefit. ASEAN workers can gain valuable experience and income, while Japan can address its labor shortages and sustain its economy. The ISEAS survey shows that 17.1% of Southeast Asians would prefer to live and work in Japan if given the opportunity, a figure even higher among Filipinos at 26.0%.

Streamlining migration policies and creating more opportunities

for ASEAN workers to work in Japan will not only solve Japan's labor shortage problem but also strengthen cultural ties between the two regions. This exchange of people, ideas, and skills will contribute to a deeper understanding and mutual respect between Japan and ASEAN.

Educational exchanges and language programs are another important area of cultural cooperation. By offering more scholarships and study opportunities for ASEAN students, Japan can build long-term relationships with the region's future leaders. These programs will foster a generation of ASEAN professionals who have a deep understanding of Japanese culture, values, and business practices, further strengthening the relationship between the two regions.

In addition to education, Japan's cultural influence in Southeast Asia extends to popular culture. Japanese anime, fashion, cuisine, and technology have a strong following in ASEAN countries, and Japan can leverage its cultural soft power to deepen its influence in the region. By promoting cultural diplomacy through initiatives such as exchange programs, festivals, and media collaborations, Japan can solidify its role as a cultural leader in Southeast Asia.

Cultural cooperation not only enriches the lives of people in both regions but also contributes to Japan's broader strategy of soft power diplomacy. By strengthening people-to-people ties through tourism, education, and cultural exchange, Japan and ASEAN can build a more interconnected and harmonious future.

Conclusion: Japan & ASEAN as Strategic Partners in an Uncertain World

As the US-China rivalry continues to shape the global landscape, the partnership between Japan and ASEAN offers a unique opportunity for Southeast Asia to chart its own path. Politically, Japan can help ASEAN maintain its non-aligned stance while promoting regional stability and resilience. Economically, cooperation on clean energy, capacity building, and disaster resilience can drive sustainable development in the region. Culturally, people-to-people exchanges and workforce mobility can strengthen the bonds between Japan and ASEAN's citizens.

In a world where superpowers vie for dominance, Japan and ASEAN have the opportunity to work together to build a future that prioritizes peace, stability, and prosperity. The US-China rivalry may continue to cast a shadow over Southeast Asia, but through strategic cooperation with Japan, ASEAN can ensure that it remains a beacon of neutrality, unity, and resilience in an increasingly divided world.

By embracing this partnership, Japan and ASEAN can not only navigate the challenges of today's geopolitical landscape but also lay the groundwork for a more prosperous and sustainable future for generations to come.

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