國立政治大學亞太研究英語碩士學位學程

International Master's Program in Asia-Pacific Studies

College of Social Sciences

National Chengchi University

碩士論文
Master's Thesis

中日在東南亞之間進行基礎設施投資的"新大競爭":
過渡國際秩序的英國學派分析

A 'New Great Game' of Infrastructure Investment between China and Japan in Southeast Asia: An English School Analysis

Student: Andrew Lee 李嘉和
Advisor: Chiang Chia-Hsiung 姜家雄

中華民國 109 年 9 月
September 2020

DOI:10.6814/NCCU202001824

中日在東南亞之間進行基礎設施投資的“新大競爭”:
過渡國際秩序的英國學派分析
A ‘New Great Game’ of Infrastructure Investment between China and Japan in Southeast Asia: An English School Analysis

研究生：李嘉和　Student: Andrew Lee

指導教授：姜家雄 Advisor: Chiang Chia-Hsiung

國立政治大學

亞太研究英語碩士學位學程

碩士論文

A Thesis

Submitted to International Master’s Program in Asia-Pacific Studies

National Chengchi University

In partial fulfillment of the Requirement

For the degree of Master in Asia-Pacific Studies

中華民國 109 年 9 月

September 2020

DOI:10.6814/NCCU202001824

摘要

隨著中國的崛起，對於中國在亞洲乃至世界範圍內的影響力，有許多悲觀的批評家。即使美國在該地區的影響力和全球領導力明顯下降，日本也需要對中國應該不僅在該地區而且在世界秩序中占主導地位之前應採取的行動作出迅速有效的反應。儘管日本仍被認為是亞洲的經濟大國，但無論從軍事上還是從經濟上來說，中國都比日本強大。日本將如何應對中國的影響力擴大？本文旨在分析中日之間的持續關係，因為隨著基礎設施投資已成為必不可少的因素，競技場似乎正在從西方主導的國際秩序轉移過渡秩序。本文試圖闡明兩個亞洲大國在東南亞地區投資基礎設施建設時的相互作用。因此，隨著國際秩序從西方主導的自由國際秩序向更加平衡的國際秩序的過渡，中日關係導致了一種不同的方法，並進入了新的“平衡”競爭與合作階段。確保國際社會的和平與穩定？

關鍵字：中國，一帶一路，英國學派，基礎設施投資，日本，東南亞

DOI:10.6814/NCCU202001824

Abstract

With China's rise, there are multiple pessimistic critics on China's influence in Asia and even around the world. Even with the apparent decline of the U.S. influence in the region and of the global leadership, Japan needs to respond efficiently and quickly on what it should do before China could dominate not only the region but of the world order. Though Japan is still considered an economic giant in Asia, China is even stronger than Japan, both militarily and economically. How would Japan respond to China's expansion of influence? This thesis is intended to analyze the ongoing relationship between China and Japan as the arena seems to shift a transitional order from the Western-led international order as infrastructure investment has become an essential factor. This thesis seeks to clarify the interaction between the two indigenous Asian great powers as they invest in infrastructure development in Southeast Asia. Therefore, with the transition of the international order from the Western-led liberal international order to a more balanced international order, is the relationship between China and Japan leading to a different approach with a new stage of a 'balanced' competition and cooperation to secure the peace and stability of the international society?

Keywords: China, Belt and Road Initiative, English School, Infrastructure Investment, Japan, Southeast Asia

DOI:10.6814/NCCU202001824

Table of Contents

DOI:10.6814/NCCU202001824

DOI:10.6814/NCCU202001824

List of Figures and Tables

DOI:10.6814/NCCU202001824

Chapter One: Introduction

This thesis is to analyze the ongoing relationship between China and Japan in an arena that seems to shift a transitional order from the Western-led international order as infrastructure investment has become an essential factor. With the continuous rise of China, the Western-led international order has been alerted of an impending transition of the international order, but many questions such as how this transition would affect the system of states and whether there is a power transition of leadership remain unanswered. However, the primary aim is not to provide indications that China is approaching the leadership to establish a new global international order with new norms and rules. Instead, this thesis aims to illustrate that though China has been becoming a growing global power of the current international order, China is not the only state that has the chance to play a crucial role in the inevitable transition of the international order. For that in mind, Japan, in this situation, is one of the states that have the opportunities to be one of the crucial powers to affect the transitional international order.

Several scholars, from various backgrounds, have mentioned that there is a possible end of the liberal international order and a change of cycle to a rise of the non-Western powers, not particularly, from the Brexit and the election of United States President Donald Trump, but beyond Post-September 11, 2001 and the U.S. ongoing involvement in the Middle East (Chaisse & Matsushita, 2018, p. 184; Ikenberry, 2018a; Jones, 2019; Paikin, 2020). However, they see the international order in a transition, not particularly in the Middle East, but more in East Asia with the escalating economic growth and competition with the rising nationalism and identity politics (Sohn & Pempel, 2019; Lauridsen, 2019). They are worried about the

DOI:10.6814/NCCU202001824

decline of the American-led order and question whether "how the [Chinese Belt and Road Initiative]…might impact the international normative system with new governance standards" (Carrai, 2018, p. 144). Intensively from many scholars, China has been deemed a "China threat" for these years, particularly to the U.S. and Japan, which China seems to be "remodeling the current international economic and geopolitical order" (Chajdas, 2018, p. 416) with the start of the Belt and Road Initiative (BRI).

With the enduring rise of China, there are multiple pessimistic critics on China's influence in Asia and even around the world. Undeniably, it is difficult to disagree that there is a growing concern with China's rise, especially for Japan, with the maritime disputes on the East China Sea and the South China Sea. Even with the apparent decline of the U.S.'s influence in the Asia-Pacific region and of the global leadership as once being the "key guardian of regional order in Asia" (Yoshimatsu, 2019, p. 2). China has been claimed of approaching to take the leadership on the shift of order and been considered "an illiberal power" that would diminish the liberal order, of its open free trade and economic interaction and the establishment of the rule-based order. However, from the 1970s to the present, China has evolved and liberalized "its economy domestically, and by promoting free trade agreements,…and the creation of infrastructure for increasing connectivity and trade in Eurasia with an emphasis on state rule; it is also contributing to liberalizing trade and investment relations" (Carrai, 2018, p. 136). However, according to Maria Adele Carrai, we do not know whether China or its BRI is aiming to replace the liberal order, but what we do "know is that they want to break away from the traditional donor-recipient model of the Western nations, shifting the focus to developing countries, to invest in

DOI:10.6814/NCCU202001824

infrastructure, and are less prone to use political conditionality" (Carrai, 2018, p. 144).

The infrastructure development has been a crucial factor for the advancement of the globalized international order as developing countries have been desiring to develop quicker and bigger than ever. With the encouragement of foreign investments, it plays a 'pivotal role' for many countries, especially developing countries in development. These developments in developing countries allow them to evolve with "a sound economic structure; [to increase] and [diverse] manufacturing; [offer] novel and more developed services; [create] employment; and [bring] innovative technology; [and] economic and political ties with other nations" (Chaisse, Ishikawa, & Jusoh, 2017b, p. 13). In 2014, the United Nations Conference on Trade and Development (UNCTAD) had announced that developing countries in Asia became the largest investing region of the world. Even several countries around Asia had started to invest in Asia more often, such as China, South Korea, Malaysia, Singapore, Taiwan, and Thailand. These needs of investments not only affected each of the states' investment regionally but internationally as with a change of direction of the international investment agreements (IIAs) where developing countries are starting to call for a "balanced and negotiated terms in future IIAs" to be considered equal in investment agreements between the donors and the recipient countries (Chaisse, Ishikawa, & Jusoh, 2017a, p. 2). Even for the donors, it allows these states to have better economic and political connections with other countries (Chaisse, Ishikawa, & Jusoh, 2017b, p. 13). Thus, according to Chajdas, the BRI "may be perceived as a new model of development aid" (Chajdas, 2018, p. 417) to shift the formation of the international order where there could be a balance between the donors and the recipients.

DOI:10.6814/NCCU202001824

Therefore, indisputably, Southeast Asia is an essential region to both China and Japan strategically and economically. For example, for China, its foreign trade is intensely relying up to 90 percent on maritime transportation, of which 75 percent of them are crude oils that pass through the Indian Ocean and the Strait of Malacca. As one scholar stated, the passage from the Indian Ocean passing through the strait to China is a 'lifeline' for China (Kuo, 2018, p. 47). The same goes for Japan as around 92 percent of its crude oil and 50 percent of its natural gas imports pass through the Strait of Malacca and the South China Sea. That maritime line is a 'lifeline' to Japan, too, considering its energy dependency (Lam, 2018, p. 159; Koga, 2019, p. 299). For some scholars, they see the two to compete to secure their security by gaining influence, not by military forces, but by official development assistance (ODA) and foreign direct investment (FDI) as the region's necessity of development assistance have been demanded more than ever. According to the Organization for Economic Cooperation and Development (OECD), Asia needs approximately US$14.7 trillion for the construction and maintenance of infrastructure by 2030, which more than half of the investment needs are for energy and power (56 percent). A third of it is needed for transport infrastructures, 32 percent of the total (OECD, 2018, p. 6). With these growing demands for investments, scholars have called it a race, a new 'Great Game' where China and Japan are competing to be named the "master builder" of infrastructure in Southeast Asia (Lam, 2018, p. 168; Yamamoto, 2020a).

The relationship between China and Japan has always been lopsided of the balance in East Asia. Still, nonetheless, they could never avoid one another as both are considered the great powers of the region. Though their rivalry has been leading the two great powers of stepping closer to the edge of the cliff, they would, especially at this time, never yearn to go too far with any of the use of forces against one another

DOI:10.6814/NCCU202001824

that could lead to a hostile conflict and an unstable region. The relationship between them is what some scholars describe the relations with '*Hot Economics, Cold Politics*.' Their economic relationship is essential on both sides, which makes them interdependent, even if they could despise one another. From 2013 to yet in 2019, their relationship has been complicated to be unknotted, but it is slowly being untightened. Such as, in late 2018, the Chinese President Xi Jinping and Japanese Prime Minister Abe Shinzo have concurred that they plan "to realign their bilateral relationship in accordance with three key principles: 'shifting from competition to cooperation,' 'forging a relationship as partners, not as threats,' and developing a free and fair trade regime,'" (Kawashima, 2018). For that, it would be tough for Japan to go against China, especially now.

This thesis seeks to clarify the interactions between the two indigenous Asian great powers (China and Japan) as they invest in infrastructure development in the developing countries of Southeast Asia. Here, though there has been an ongoing rivalry between China and Japan, as each has different perspectives on other, I aim to set on an unbiased view. For throughout history on any event, history is either seen divided between heroes and villains, between winners and losers from one perspective. However, in the reality of our international order, it is more complicated to classify one from another.

With the current situation with the growing rise of China and spread of China's influence from its BRI, many Western states, particularly the U.S., had the notion that China is the one that aims to dissolve the current international order. Even with the ongoing trade dispute between the U.S. and China, it has not only weakened their relationship but in fact, it had demeaned other states to persuasively lean on one's side, such as an example of the restriction on China's Huawei and its 5G technology.

DOI:10.6814/NCCU202001824

But from other states, particularly for Japan and countries in Southeast Asia, they are setting their approaches on how the shift of the international order would play on in the future.

In that, Japan is one of those states that presents an opportunity to become a global power to balance the leadership between the United States and China as Japan has already started to be involved in various regions, particularly in Southeast Asia, to offer an alternative choice in investment as the BRI continues to expand. To an extent, PM Abe has led and allowed Japan to raise the country's regional and global influence (Sohn & Pempel, 2019). Therefore with China's influences in various countries with its expansion on the BRI and as Japan is beginning to cooperate more with China not only within their region but also beyond the region, Japan would not completely allow China to manipulate and suppress developing countries. Of not only that, Japan wants to maintain a balance of influence of the region with China's approach on development assistance by offering and retain its alternative approach to countries instead of the BRI, thus allowing these countries to have a more extensive power of negotiating with China, and to stand firm with the existing norms and rules of the region during this transitional international order.

With the growing possibility of a transition of the international order from the Western-led international order to a more 'balanced' international order (Ikenberry, 2018b), this thesis aims with the question: is the relationship between China and Japan leading to a different approach with a new stage of a 'balanced' competition and cooperation of the two Asian giants to secure the peace and stability of the (regional) international society for the coming future? However, to respond to that question, we must first examine and articulate these five questions: What is the status of the relationship between China and Japan? Is China's Belt and Road Initiative (BRI) a

DOI:10.6814/NCCU202001824

danger to the world's security and economy from China's expansion of influence? Is there an infrastructure development race between China and Japan? What is Japan's role as the United States' global leadership dampens and as China rises? And, is Japan capable enough to balance China's expansion of influence in each region of the world? With these questions set in mind, we could understand the complexity of the relationship between China and Japan, and not from a narrow perspective. Besides, in a broader sense, by evaluating these points, we may not only indicate the alteration of the relationship between the two indigenous great powers of East Asia, but reveal a signal of a transparent process of a transitional international order.

1.1.Gap in the Literature

In this thesis, there are multiple gaps in the literature with the coming transition of the international order from the Western-led international order and the understanding of International Relations (IR) in East Asia, particularly of the existence of China in the Asia-Pacific region. Overall, several scholars have mentioned that there is a growing number of rising or reemerging powers that are beginning to make use of their power to influence the international system (Beeson, 2019) and see a beginning of a transition from the end of the Cold War. After the end of the Cold War, though only one superpower had triumphed over the other, new great powers are rising and claiming to accumulate a 'new, stable international order' (Goh, 2011b). However, according to Benjamin Miller, he stated that the "contemporary international relations theory fails to provide an adequate and parsimonious model that can both explain patterns of great power cooperation and conflict in earlier eras and predict these patterns for the post-Cold War era" (Miller, 1995, p. 1). In other words, there is a gap in IR theory as most of the perspectives have been observed by the Western view and not much by the non-Western perspective, especially considering the ongoing

DOI:10.6814/NCCU202001824

international order. Besides, as there are still gaps in IR theory from a non-Western perspective, it would also bring a gap to the relationship between China and Japan and the infrastructure investment in Asia. The region of East Asia is complicated as each country has a unique behavior to each other. Still, there are certain common norms and rules between them, considering the growing need for infrastructure investment in Asia. Therefore, Chapter Two aimed to fill in the gaps of the IR in Asia and investment assistance, respectively.

1.2.Methodology

Though recently there are growing tensions between China and the United States with the ongoing trade dispute and the territorial disputes in Asia, most perspectives of IR seems significantly indulged in a realist view with traditional security issues, such as with the growth of military spending. Even the aspect of the return of the 'sphere of influence' is questioned if the international order is becoming similar to the Cold War, with another Cold War between the United States and China. However, several scholars, particularly Chinese scholars, have argued that the 'sphere of influence' is "out-of-date in the 21st century" (Cui T. , 2016) and that China "does not want to be the predominant power in the Asia Pacific, or build sphere of influence and military alliance" (Liu Z. , 2016). Even Xi Jinping has called that China's "Belt and Road infrastructure and investment initiative in attempts to reassure global critics…'is a pursuit not to establish China's own sphere of influence, but to support common development of all countries" (MOFA, the People's Republic of China, 2016).

Therefore, in this thesis, the English School of IR theory approach is articulated as the fittest theory of IR to observe China's BRI and Japan's role in a region. The English School offers us an alternative choice from either going from a realist perspective or a liberal institutional approach. Though the English School is

DOI:10.6814/NCCU202001824

still considered a new and broad IR theory, it allows us to investigate in a flexible way that tolerates us to investigate IR in Asia better, particularly with the use of the balance of power and the sphere of influence. Both concepts of the balance of power and the sphere of influence have been debatable for decades, but with the English School, it opens up a different perspective from an adversarial point of view to an associational viewpoint, particularly as the international order seems to be going through a process of transition of the post-Cold War. With the use of the English School approach, it opens up the international order better by a 'web of norms and rules' among the members than just of 'a simple hierarchy' (Goh, 2013). Nevertheless, Chapter Three would focus on the English School approach to define and contemplate the international society, the management of the great powers, the balance of power, and the sphere of influence.

1.3. The Structure of the Thesis

Overall, the central theme of this thesis is to examine Japan's approach toward China's extension of influence from its Belt and Road Initiative on whether Japan is a crucial player in Southeast Asia in infrastructure development but also whether Japan could be an influential leader of the global international society. As assumed, Japan seems to be approaching a role to mediate China's rise by having a balance of influence between the countries' development assistance in developing countries. This thesis thus focuses on analyzing in Southeast Asia as China's assistance of development have a gap which is capable of allowing Japan to approach in the opening with the assistance to the developing countries to balance the influence and to maintain the peace and stability of the international society. However, as China does have several frailties of its development assistance approach, a competition between the two great powers does surmise a rivalry of influence in third countries for Japan,

DOI:10.6814/NCCU202001824

but Japan also faces the weakness of its development assistance. For that, instead, this competition between them actually sets up cooperation, a joint action, to reach their common interests.

As Hirono (2019, p. 2) stated, many scholars "tend to focus on the rivalry within East Asia, and pays scant attention to how China and Japan have dealt with their bilateral rivalry outside East Asia." Therefore, with that, is there a continuing rivalry between China and Japan outside of the region? As China is rising and seems to become more influential than Japan, what should Japan do, and is Japan capable of balancing the influence? For that, I argue that Japan can balance the influences with China from other countries in the regions by, most importantly, the advantages of its long-standing approach to development assistance with its trust and experience.

With that in mind, this thesis would divide five chapters. The next chapter, as stated before, is meant to fill in the gaps of the literature review. Of the literature review, it would divide three sections: the IR in Asia, the development assistance between China and Japan, and a mention of the English School as an appropriate theory for the main points. Chapter Three focuses on the theoretical perspective of the English School. As there are a growing number of debates on a new appearance of IR theories, it seems that the English School would be able to cap the realm of East Asia from a different perspective, especially from the perspective of the balance of power and the sphere of influence. Chapter Four sets to concentrate on a comparison background between China's BRI and Japan's investment in China from the 1970s to the 1990s. There is a necessary understanding of the unique relationship between the two countries, precisely the period of Japan's development assistance in China to China's BRI, allowing Japan to also return to its past influential power of its ODA. After that, Chapter Five would move into the center arena of the thesis, Southeast

DOI:10.6814/NCCU202001824

Asia, where China and Japan compete, invest, and cooperate in the region with Southeast Asian countries. Then regarding China's expansion of BRI in Southeast Asia, this thesis would examine Japan's behavior and response to China's investment in the region. And finally, the last chapter would conclude that Japan's imminent role is essential not only to balance between China and Japan but to assist the developing countries to have a 'peaceful rise' in the region. Ending that there would be a recognition that China needs Japan to have a strong regional role for that China is not capable of obtaining that itself but with the support from other countries.

DOI:10.6814/NCCU202001824

Chapter Two: Literature Review

2.1.International Relations in East Asia

As China is rising, there are questions to ponder on what could the country affect the order. China has always been considered a challenger to the liberal order, either by being a 'revolutionist' or a 'revisionist.' However, of either perspective, scholars do presume that China is planning to reshape the Asian regional order and even maybe the global order. For that, China's BRI is considered their 'grand strategy.' A strategy that the Western perspective see it as a threat to the global liberal order, of setting up a new 'standard of globalization' or even 'a new set of values and norms' (Jones, 2019). Nevertheless, the BRI, as Lee Jones (2019, p. 3) stated, offers other states "some kind of normative alternative to the Western-led global system…[that could share a] new models of international cooperation and global governance," but to what degree?

With the growing tensions between the U.S. and China, a scholar had considered it a mark of the "return of great power rivalry [that started] forcing states in the region to consider their geopolitical alignments" (Zala, 2019, p. 1). However, how have the relationship between China and Japan been affected by the friction between the United States and China? For that, the scholars' viewpoints of East Asia have always contemplated the relationship between China and Japan on whether the two are meant to be 'historically rivals' to inevitably lead to a coming conflict against each other or that the two are capable enough to cooperate. Kentaro Sakuwa (2009, p. 498) had asked, "How can we understand and explain [this] dyadic relationship?" Even, according to Alastair Iain Johnston, the East Asian scholars have already acknowledged that their notations of East Asia do not purely unravel the queries of East Asia, in particularly of the relationship between China and Japan, for which it is

DOI:10.6814/NCCU202001824

not essentially "fit with the empirical expectations of transatlantic IR theory." Another scholar, David Kang, has even criticized "the structural realist theories for 'getting Asia wrong'" and requesting a 'new analytical framework' to understand East Asia better (Buzan & Yongjin, 2014, p. 14). Without a constructive IR theory for East Asia, it thwarts the complexity nature of IR from gauging the states of Asia in a "systematic and theoretically" approach (Sakuwa, 2009, p. 498). However, the realist theory, currently, seems to be considered the "most influential, theoretical perspective in the study of East Asian international relations" (Buzan & Yongjin, 2014, p. 14). Yet, there are still gaps of the IR theory in East Asia from a standpoint of realism which neglects that the balance of power "is not just an unintended natural process" (Zhang, 2011, p. 650). For that, the realist scholars also ought to glance at a liberal understanding, especially as the rise of China have become a popular subject of IR.

Presently, as China seems to develop more of a great power with both military and economic power, people are quick to question whether the BRI is a threat to the world security and economy as China's influence expands immensely and quickly. Some scholars assumed that China would trigger a disaster in East Asia as China expands its strategic influence. In contrast, other scholars have said that China aims to stabilize the area. Again of Kang (2007, p. 4), he claimed that the East Asian states would decidedly 'accommodate China' and not 'balancing with China.' Kang argues that China plans to ruminate its once rule of power over the surrounding states of the area in the past, during the time of the tributary system. However, in contrast, Mingjiang Li differs from Kang's argument and perceives that Kang "provides a provocative view on Asia's future by saying that East Asia's future will resemble its past: Sino-centric, hierarchical, and reasonably stable." Li reflects that Kang is depicting China of "using the liberal institutionalist approach… [on the] effort in

DOI:10.6814/NCCU202001824

improving bilateral relations with its neighbors and intensifying economic interdependence… [to] approach [the] security and territorial dispute in the region" with the regional institutions (Li, 2009, p. 122). Therefore, Li asserted that "China has essentially learned to employ liberal institutional and social constructivist means for realist purpose." Thus, he implies that China aims to maintain the competition with its neighboring actors and to assure its security but operate it more cooperatively and nonthreateningly (Li, 2009, p. 123). However, both scholars, Kang and Li, and even other researchers, have strained to endure from a realist perception with the presence of the liberal foundations, but it has restricted their analytical framework of the realist theory with a glimpse of liberal outlook, which hampers their comprehension of East Asia.

Nevertheless, according to Evelyn Goh, the states in East Asia are already in a transition of drifting "away from the US-led, unipolar post-Cold War security order." Still, they do not want the United States to completely withdraw from the region and have China dominate the region. For the states, to avoid both of these possible glimpses in the future, these East Asian states, particularly of the Southeast Asian countries, see 'three-pronged strategy':

> (1) maintain US preponderance by facilitating its continued forward military presence in East Asia and its strategic dominance globally;
> (2) socialize and integrate China peacefully into the East Asian security order as a responsible regional Great Power; and
> (3) cultivate regionalism as the basis for a putative security community that can ensure peace in the long run."
>
> (Goh, 2011a, pp. 887-888)

Similar to that, several scholars of IR have been using the concept of 'hedging,' particularly on the topic of Southeast Asian states' relationship with a rising China. According to John D. Ciorciari and Jürgen Haacke (2019, p. 368), 'hedging' is considerably referring when one state plans and initiates its 'national security or

DOI:10.6814/NCCU202001824

alignment strategy,' which could mix the performance of cooperation and confrontation, to another state. With the use of 'hedging,' these scholars argue that states hedge "when they pursue limited or ambiguous alignment vis-à-vis one or more major powers." These states aimed not to take a clear side, but rather to minimize the potential risk with a stronger state. Cheng-Chwee Kuik and Gilbert Rozman (2015, p. 3) had even detailed the spectrum between balancing and bandwagoning as they know states do not fully balance nor fully bandwagon another state. They see that there are various kinds of hedging behaviors between the spectrum of balancing-bandwagoning, such as 'military hedge,' 'political hedge,' and 'economic hedge.' Needless to say, of Southeast Asian states' relationship with China, though each of these states has different approaches for China, most of these states are surrounding the hedging approach. According to Denny Roy, Thailand and Myanmar are merely demonstrating the practice of the hedging strategy while the rest of states are under either an overt low-level balancing (such as Singapore and the Philippines) and a very 'subtle or highly restrained forms of balancing (such as Vietnam, Malaysia, and Indonesia) (Roy, 2005).

However, how about Japan's response to the rise of China? Would the state be approaching China similar to the Southeast Asian state with a hedging strategy or leaning more on either side between balancing and bandwagoning? Ll. López i Vidal and Àngels Pelegrín (2018, p. 193) had stated that Japan's behavior "vis-à-vis China does not match" with realist and liberal explanations of either the balancing or bandwagoning strategy. They see that Japan is both not strong enough to balance against China and not that weak to go on the bandwagoning strategy. For that, they see that Japan, being a middle power, is on the hedging strategy for China, similar to "with how [other] middle-power states deal with rising power." Understandably,

DOI:10.6814/NCCU202001824

Japan is still a close ally for the United States in the Asia-Pacific region for decades and is also a beneficial mutual partnership with China of its trade and investment for recent years. Japan could not easily abandon on either side of the spectrum. For that, Vidal and Pelegrín see that there are three approaches that Japan initiated on its apparent hedging strategy towards China. The first one is *economic pragmatism* or "business first" approach, where Japan would maintain its economic partnership with China. Second is the *binding-engagement* strategy to continue its bilateral and multilateral connections between each other, such as with the ASEAN Regional Forum (ARF), ASEAN+3, Asia-Pacific Economic Cooperation (APEC), and the Japan-China Security Dialogue. While the latter approach of hedging is of *indirect balancing* against China, this is to expand its military capabilities and enhance its security alliance with the U.S., and not directly aim to China (Vidal & Pelegrín, 2018, pp. 205-206).

However, though these indications are true, another scholar, Koga Kei (2018, p. 633), see Japan's behavior on China's rise has been "consistently associated with 'balancing'…[and] not involved 'hedging' vis-à-vis China." Again, Japan is not strong enough facing China by itself and even would not be possible to create an international order by itself. However, though the three scholars, Koga (2018, p. 644), Vidal, and Pelegrín (2018), all agree Jeffery Hornung's statement that Japan is not a weak state and could not use Kuik's balancing-bandwagoning spectrum to understand Japan's behavior clearly, Koga argues that Japan has been consistently on the balancing behavior by its three capabilities: politico-military relations, economic relations, and diplomatic relations. First, on the mention of politico-military capabilities, Japan has enhanced its internal and external balancing, even with the gradual potential risk of the U.S. commitment reduction, by its ongoing alliances with

DOI:10.6814/NCCU202001824

not only the U.S. but with Australia, India, and the Philippines and its military technology capabilities. With the ability to reach and maintain these chances working, it shows "Japan's desire to maintain its balancing posture vis-à-vis China" (Koga, 2018, p. 648). Second, Japan's economic capabilities, in short, Japan is competent to be 'risk-free' and not be economic bandwagoning to China as Japan can lessen its dependency on China in its trade, particularly of the decrease of China's rare earth minerals to Japan in 2010 (Koga, 2018, p. 652). Lastly, on diplomatic interaction, it is similar to Vidal's and Pelegrín's *indirect balancing*, as Japan is not conducting "diplomatic bandwagoning with China [but rather] engaged in diplomatic balancing through ASEAN-led frameworks" (Koga, 2018, p. 654). Of these three indications, Koga sees that Japan's behavior is actually on the balancing strategy rather than Vidal's and Pelegrín's assumption of the hedging strategy.

Nevertheless, since the end of the Second World War, the relationship between China and Japan has been gradually peaceful even with its rivalry between each other. To some degree, both countries seek to have a 'peaceful coexistence' to step forward of normalization. Still, usually, with the competition of regional leadership, such as of the Regional Comprehensive Economic Partnership (RCEP), it has been continuingly exacerbated of the rivalry, with the addition of territorial and historical issues (Goh, 2011b). However, Goh (2011b) has considered that China and Japan are actually 'negotiating' with each other by a 'power-sharing' rather than the existence of power competition. The Sino-Japanese relations are complicated, with the apparent assumption of *Hot Economics, Cold Politics*. For example, though China and Japan have been on ongoing tensions on territorial disputes over the Senkaku/Diaoyu Islands, China and Japan have been reliable economic partners since during the Cold War. Between 1986 and 2015, Japan's export to China has shifted

DOI:10.6814/NCCU202001824

from 8 percent to 23 percent while its exports to the United States have decreased from 39 percent to only 20 percent (Lincoln, 2017, p. 239). With that, Goh sees that there are at least four possible outcomes if there is a transition of a new great power dynamics in East Asia:

> (1) a revitalization and continuation of the status quo ante with the U.S. as ring-holder between China and Japan;
> (2) balance of power competition between China on the one hand, and Japan and the U.S. on the other;
> (3) a new, China-led regional order with Japanese acquiescence and U.S. withdrawal; or (4) a Sino-Japanese condominium.
>
> (Goh, 2011b, p. 5)

For all of the possibilities, except (2), it requires China and Japan "to negotiate a great power bargain directly for the first time in 400 years" (Goh, 2011b, p. 5). Here, great power bargain has two levels. The first level is that as great powers build up their commitment and assurance to weaker states, they might be able to exchange for 'adherence and deference' to 'leadership and dominance.' For the second level, it is between great powers to have a 'mutual assurance and agreement' to negotiate power-sharing (Goh, 2011b, p. 3). Again, the relationships between China and Japan weakens with conflicts "over history, territory, trade and production, development paradigms, energy and military security," However, Goh (2011b, p. 5) sees these are not considered as a "laundry lists of conflicting interests." She understands that there are more to focus on, particularly of the reciprocal manner between the powers for their 'agreements on mutual rights and duties.' Koga (2018, p. 656) had even initiated an opening for us with a 'new conceptualization' on the balance of power theory, instead of a hedging strategy, and extend our insight of state behavior and regional security dynamics. However, as there is a growing demand for infrastructure investment, it could dramatically affect a country's behavior to respond to another state, especially as China and Japan continue to invest in various regions. Therefore,

DOI:10.6814/NCCU202001824

there is a necessary investigation on focusing on development assistance, especially in Southeast Asia, in the IR theory.

2.1.1. Development Assistance between China and Japan

As before, there seems to be the negligence of the study of development assistance within the IR theory. Yoshimatsu Hidetaka (2018, p. 721) even stated that most scholars have studied "security affairs, trade, and finance" that would easily link to national interests/wealth and regional order. But argued, there is a need to focus on economic dynamics and regional connectivity as the awareness of infrastructure investment has been growing. In other words, though there are major factors (related to security and economy) that could affect the country's interest and the order, the current matter that is now critical these years has been the development investment.

Within the economic relationship, from between the IR spectrum, two of the mainstream IR theories are quite controversial, especially of analyzing the relationship between China and Japan. As from the spectrum of realism, these scholars see that the relationship between the two countries would eventually deteriorate by their economic status as one is rising while the other is declining. They assumed that as China's economic power expands, it would also inevitably destroy the political relationship. While on the opposite range of the spectrum, liberalists claim that the two countries have economic interdependence with each other, which would lead to the de-escalation of the tensions (Chiang, 2019). Though there is a sense of a potential rivalry among the two directly by their economic relations, what about beyond their region? Is there a continuing rivalry between China and Japan in the other regions?

Needless to say, according to Yoshimatsu (2018, p. 719), though there are ongoing and well-known arenas between China and Japan, such as the maritime

DOI:10.6814/NCCU202001824

territorial dispute and several political disputes, there is now emerging a new popular arena of rivalry, and that's the infrastructure development. The infrastructure development in Asia has been expanding faster than ever, and there is a growing need for investors from other countries, particularly from China and Japan. Here, Yoshimatsu argues that this is "a new lever for rivalry and competition…because they might seek to employ infrastructure investment as a means to sustain domestic economic vigor…and maintain political influence by expanding bilateral and multilateral links with Asian countries" (Yoshimatsu, 2018, p. 720). Another scholar, Laurids Lauridsen (2019, p. 220), sees the infrastructure investment competition could be "just [a] commercial between Chinese and Japanese firms…for new markets." Still, it could also be related to 'political involvement' of being unavoidable with the use of big deals and railway projects that might 'extend strategic influence.'

However, again, with the statement of Hirono (2019, p. 2), many scholars "tend to focus on the rivalry within East Asia, and pays scant attention to how China and Japan have dealt with their bilateral rivalry outside East Asia." Some scholars, such as Tony Tai-Ting Liu (2016, p. 157), have emphasized that there is a 'hint' of a "potential…friction in the region" of Central Asia between China and Japan because of their "incongruent interests" of the region. In consideration of the Central Asian region, China and Japan have similar interests in the area and with the use of the same rhetoric of being "non-Western" and "Asian," but, according to Timur Dadabaev (2016, p. 141), each of their plan of approaches are considerably different from each other. For China, they highlighted themselves as being similar to the Central Asian states of being a developing country and having the "Shanghai spirit" of cooperation with them (considering being part of the Shanghai Cooperation Organization). While for Japan, the Japanese aimed to utilize a duality of identity, of having 'non–Western'

DOI:10.6814/NCCU202001824

tradition to resemble the connectivity from the ancient Silk Road and a "Western" standard that they want to initiate the modernization into the Central Asian states. Dadabaev continues to argue that as both China and Japan try to employ their development in the region and though they may overlap, they do not "aim to exclude" each other, particularly in the field of mineral extraction. Thus, there seems to be none or little rivalry in the region (Dadabaev, 2018).

Similar to Central Asia, Africa is viewed as a continent for competition between China and Japan. Africa has been a region of being colonized and exploited of its raw materials and land. There seems to be a longing question on whether China is using Africa for its own interest, especially with its BRI. However, according to Cannon (2018, p. 207), China has been upgrading Africa in many different ways than the colonial periods. China has been able to fill in the "gap in infrastructure, to include airports, ports roads and railways," but of course, there are gaps within the Chinese projects, with "little concerned with human rights, promoting transparency and good governance." Therefore, Japan actually "exploit[s] the weaknesses inherent in certain Chinese sectors." Similar to other regions, such as Central Asia, where China and Japan are assisting the countries' developments, according to Pedro Carvalho (2015), both, China and Japan, have different ways of approaching their aids to the states in Africa. One has a more high priority on economic infrastructure and is diverse on aid, while the other focuses on the local development of the country to build up their economic growth on its own and a push on the local communities with grassroots and human-security projects. Even according to Sakamoto (2018, p. 107), as he focuses on China's and Japan's aid in Sub-Saharan Africa, he considers that "China may not think Japan as a rival into developing countries."

DOI:10.6814/NCCU202001824

Same as the previously mentioned scholars, Jiang Yang (2019, p. 1) does not see a rivalry between China and Japan but sees that China and Japan have an opportunity to play as essential roles with their expansion of overseas infrastructure investments. He understands that with the expansion of infrastructure development from the assistance from both China and Japan, there seems to be a "search for new economic engines" with the loss of the neoliberal economic model. He argues that both countries had "adopted each other's practices of tied commercial financing, heavy government involvement, focusing on physical infrastructure and industrialization, and showing respect for host-country forms of governance" (Jiang, 2019, p. 3). Jiang also claims that China and Japan, as their overseas infrastructural projects differ from the Western aid donors, have "successfully introduced the theme of infrastructure as a mainstream global initiative" (Jiang, 2019, p. 23). In other words, with the infrastructure assistance from China and Japan, it has started to recognize a transition of the international order. However, again, there is a need to understand how 'development assistance' is playing a crucial matter to the transitional international order, and realism and liberalism both lack this understanding. According to Dennis Trinidad (2019), though realism sees the security of foreign aid as crucial, realist scholars do also somewhat neglect aid's development function. Of liberalism, its perspective is opposite to the other approach.

Nevertheless, both are actually "disinterested in the role of normative and ideational factors in its explanations" of foreign aid. Therefore, Trinidad (2019, p. 93) calls a need for a "framework of analysis of foreign aid." In his view, he sees that the roles and rivalry of foreign aid do not distinguish the quality of the aid, but rather the acceptance of lending practices and normative values (Trinidad, Strategic Foreign Aid Competition: Japanese and Chinese Assistance in the Philippine Infrastructure Sector,

DOI:10.6814/NCCU202001824

2019, pp. 107-108). Thus, the English School has the potential to understand the norms and values of infrastructure investment and foreign aid that play a crucial factor in this transitional international order. For that, as several mainstream IR theories have been unmatchable to analyze this situation, the English School seems to be capable enough as it offers a middle perspective between realism and liberalism.

2.1.2. English School of International Relations Theory

With the complexity of IR in Asia, especially between China and Japan in infrastructure investment in various countries, Richard Little (1998, p. 61) and several other scholars from the English School have mentioned that "it is not possible to understand international relations from a single perspective." Even of the relationship between China and Japan, it also "cannot be adequately explained in terms of realist or liberal traditions alone" (Vidal & Pelegrín, 2018, p. 206). Therefore, Goh stated that with the use of the English School approach, it focuses on social and normative points of international relations, which would exhibit "social norms significant enough to constitute an 'order' rather than a 'system.'" Here, international order could be simply as a 'ruled-based interaction among states,' but there must be more concepts involved in the order. Those concepts are the limits of behavior, management of conflict, and the perpetuation of the general social goals (Goh, 2011b, p. 2). International society is a social institution. It does not only focus on the 'structural logic of material superiority,' but crucially by 'a social compact' among great powers and weaker states (Goh, 2011b, p. 3).

According to several scholars, including the English School scholars, there is an evolution of international society as there is a continuity structure of the IR (Ferguson & Hast, 2018; Zala, 2020). History of great powers' rights and responsibilities is the function of the liquidity of international society. It is not a solid

DOI:10.6814/NCCU202001824

or a permanent structure and not wholly an international system filled with material power but rather more as a sociality with the possibilities of transformation of the social norms and institutions over time. For that, from various scholars of the English School, they see the society of states as a 'social' institution (Zala, 2019).

As each East Asian scholar challenges to structure its analytical framework from either realism, liberalism, or constructivism, it is nonetheless tricky to wholly justify the space of East Asia with one theoretical standpoint. Even, there are further to take into consideration of the "institutions/interdependence-induced narrative and norms-/identity-formulated explanations of conflict and cooperation" and not only of the "power/interest-based account." Barry Buzan and Yongjin Zhang understand that it is "clear that no single theoretical perspective can capture adequately multiple, complex, and interactive logics driving East Asian international relations." Thus, using an amalgamation of numerous distinctive components of the theoretical methodologies, it would subsequently support to "capture the complex reality" of the space in East Asia. The scholars of the English School have already contemplated this concept of using several IR theories. Even Buzan and Zhang (2014, p. 16) see the English School could "[unload] the complex, competing and sometimes contradictory explanatory logics that often have cross-cutting effects on the construction of the regional order… [by centering] the social structure and primary institutions."

Still the English School of IR is measured adept of pending the findings of East Asia, however there are yet several gaps in the English School. One, in specific, is that the English School have been strongly based by the European (Western) view in the past, and not much from the non-Western point of view. Suzuki (2014, p. 77) exclaimed that the "English School scholars [had once] viewed (European) international society as a positive force… [thus] the English School scholars' view of

DOI:10.6814/NCCU202001824

the history of European international relations was highly one-sided." Another scholar of the English School, Suganami, even also indicated of the English School's perspective from Hedley Bull's and Adam Watson's *The Expansion of International Society* (1984), that:

> What is disturbing here is the conspicuous absence of the storyteller's aside, reminding the reader of one key feature of the [nineteenth] century – imperialism. Watson's observation … describes the state of the mind of the complacent and ill-informed [nineteenth]-century European; the transformation could not have seemed so utterly innocuous to others.
>
> (Suganami, 2003, p. 263)

The English School have only freshly opened up its views to broaden its perception to the globe, but there is even slightly a scarcity in East Asian region from a non-Western standpoint. Despite the fact that the English School predominantly been narrowed by one-sided perception, this thesis aims to illustrate the international society in East Asia with its infrastructure development in Southeast Asia with the confronts with China and Japan. This thesis aims to encompass the significance of the influences of the norms and mechanisms from outside of the Western-led international society to an international society in East Asia as the transitional order begins in Asia.

Yet, for the English School method for this thesis, several key points must be accrued in the English School to be able to understand East Asia better– the concepts of international society, the great power management, the balance of power, and the sphere of influence. Therefore, the next two chapters aim to share a glimpse of the evolution of the development assistance and the IR perspective from this transitional international order.

DOI:10.6814/NCCU202001824

Chapter Three: The Evolution of the English School

3.1.Introduction

The English School of IR theory had only been articulated in the midst of the Cold War during the 1970s when it had "been ignored" from the beginning. Only until Hedley Bull's works of the English School did it become popular. Yet, numerous of his writings had been reflected "unconnected and unsupported" to the IR (Dunne, 2016, p. 107). There were several discrepancies of the English School that required to be more explain, especially during the Post-Cold War era, with a transition of a new international order. Even other English School scholars could not accumulate a strong construction between the structure of the English School and the empirical analysis of IR.

Nonetheless, the English School have only recently been set out to "no longer [be] ignored" as its location of the IR spectrum became interesting to others. The English School, unlike the rest, was the one "occupying the middle ground in [IR]…as this location is preferable to the dominant mainstream theories of neorealism and neoliberalism, and the more radical alternatives (e.g. critical theory and poststructuralism)" (Dunne, 2016, pp. 107-108). Bull's notion of 'international society' has developed the predominant focal point of the English School. The formation of Bull's conception of the English School has underway various investigation of an 'international society' in different societies of states by copious scholars. However, there are yet numerous notions and areas that are not fairly dissected and explored utterly, particularly to the areas of the non-Western states and the depth of the international order.

DOI:10.6814/NCCU202001824

Therefore, Chapter 4 chiefly concentrates on clarifying four footings of the English School, the 'international society,' the 'great power management,' the 'balance of power,' and the 'sphere of influence.' With the four footings and the existence of East Asia, a non-Western region, this thesis aim to set the groundwork later by an empirical approach of the English School in East Asia of the foundation of a transitional international order in the concept of the great powers and its approaches on infrastructural development from aid and investment. Nonetheless, there are manifold gaps among the practice of the English School and the insight of East Asia. Thus, Chapter 4 is focusing on three main questions: what is an 'international society,' what are the purposes for great powers in international society, and what is the 'balance of power' and 'sphere of influence' for a contemporary 'international society'?

3.2. The Concept of International Society

Of Bull's notion from the classic English School, 'international society' exists once "a group of states, conscious of certain common interests and common values, forms a society in the sense that they conceive themselves to be bound a common set of rules in their relations with one another, and share in the working of common institutions" (Bull, 2012, p. 13). To reassure, an international society is not meant to be a utopian society among states. Even, according to Andrew Linklater, an international society remains "not to be equated with a harmonious order." Instead, the society is considered as a "tolerable order [that] is better than a realist would predict 'but less than the cosmopolitan desires'" (Dunne, 2016, p. 115) . Thus, a society of states is a path for states to survive mutually to be away from anarchy. For that, several scholars have used the English School approach to understand the international order clearer as it opens up an evaluation of the interaction among states by a socio-normative

DOI:10.6814/NCCU202001824

perspective. With the social and normative foundation of the society of states, this leads the order "limits on behavior, the management of conflict, and the preservation of wider social goals" (Buzan & Goh, 2020).

However, with the basic concepts of 'international society,' there must be some notions of differences between 'international society' and 'international system.' Each term is notably similar to each other with having a group of states, but the significant differences between them are the determinations of the group and the membership requirements to be part of the group. According to Benjamin Miller, of an anarchic nature of the international system, anarchy "encourages conflicts and constrains cooperation," but this entirely does not indicate that the international system is 'totally chaotic and without order.' Relatively, of an international system, it is of an absence of government, an absence of law or rules. For that, of our ongoing international system, there is no whole central government that could be able to control all of the states, but instead, to sustain peace and stability, the states have a society of states that fundamentally maintains some kind of rules in the state system. Kenneth Waltz has even stated that states are ongoing a "socialization" where states accept the "so-called rules of state behavior" (Miller, 1995; Waltz, 1979, pp. 127-128). Here, 'international society' is distinctly different from the term 'international system' socially between states. Part of the term, 'society,' is the one significant point that differs the international system from international society. 'Society' is considered "composed of real, cognizant human beings" where the society of the 'people,' or even of states, have patterned interactions with each other in reality (Barry Jones, 1998, p. 232).

To vary Bull's concept of international society and 'international system,' Bull grasps that an international system would exist "when two or more states have

DOI:10.6814/NCCU202001824

sufficient contact between them and have sufficient impact on one another's decision to cause them to behave…as parts of a whole" (Bull, 2012, pp. 9-10; Linklater, 2013, p. 94). An additional vital juncture between the two aspects is that in an international system states could be part of an international society, but not all states in the same international system could possibly be part of the same international society as others. For explanation, it hinges on whether the states are recognized of its membership and acknowledgment by the states of that international society. One example, from Bull's understanding, is of China and Japan during the nineteenth and early twentieth century when the two states were part of the European-controlled international system but were not solely recognized as part of the European-led international society (Bull, 2012, p. 13). Thus, there is a distinction between international society and international system, but however- there is also a spectrum of the kinds of international societies, that differs much on how the societies could survive and behave amongst one another.

Figure 3.1: The Spectrum of International Societies

Sources: (Little, 2007, p. 145; Little, 2009, p. 83)

Though we have slightly indicated the basic concept of an 'international society,' it is moreover to consider the four forms of an international society in the spectrum of international societies (see Figure 4.1). Clarifying the different forms of international society must be envision on the society of states of its characteristics of space, time, and substantially the "institutional arrangement [of]… the maintenance of

DOI:10.6814/NCCU202001824

[international] order" (Dunne, 2016, p. 115). Nonetheless, the two major forms of international society would be a pluralist international society (coexistence international society) from the left of spectrum and a solidarist international society (cooperation international society) from the opposing spectrum. First, from the left spectrum of international society, a pluralist international society is largely manifested as part of the 'conservative view' of international society. Pluralism, in the aspect of international society, is classified as the society of states with a "relatively low degree of shared norms, rules and institutions among the states, where the focus of society is on creating a framework for orderly coexistence and competition" (Buzan & Yongjin, 2014, p. 234). At this stage, the pluralist international society pursues to maintain its rules and norms and carry out a "structure of coexistence built on the mutual recognition of states as independent and legally equal members of society…and on freedom to promote their own ends subject to minimal constraints" (Dunne, 2016, p. 116).

In contrast of a pluralist international society, a solidarist international society is placed not of the intention of coexistence and competition but rather of the "cooperation over a wider range of issues, whether in pursuit of joint gains or realization of shared values or even structural convergence among a group of states" (Buzan & Yongjin, 2014, pp. 235-236). Simply from Bull's perspective, there is a fundamental variance between the two main forms of international society, and that is, of which he describes between the two, one is considered a "potential solidarity" while the one have become "solidarity." In other words, the fundamental transformation from one to another is whether an international society is "sufficient to enable enforcement of the law against the law-breakers" or not capable to do that. Are the states of an international society capable enough to preserve the trust and

DOI:10.6814/NCCU202001824

responsibility amongst each other? Bull continues to state, an international society among the states that are not demonstrating the behavior of a solidarist international society would be "capable of agreeing only for the certain minimum purpose which fall short of that of the enforcement of the law." Thus, it hangs on the states' "respective empirical judgments about the world" (Linklater & Suganami, 2006, p. 60). Here, the English School scholars envisage that an international society that is from the pluralist spectrum could eventually progress to the solidarist spectrum of an international society.

Thus, with first key question, what is an 'international society,' there must be an analysis to see the appearance of an international society and then able to deem what 'form' of international society that the society of states is. So, for that, simply, Stern depicts an existence of an international society by:

> (1) separate and autonomous political units such as empires, city-states, principalities, feudal fiefdoms, sovereign states or nations; (2) significant interactions, co-operative and conflicting, between them which to an extent condition their behaviors; and (3) the existence of a dominant culture that shapes the norms, codes of behavior and institutions that exist between the political units.
>
> (Stern, 1995, pg. 46)

With that, Stern's perception marginally differs from Bull's conceptions of an international society. Simply, there are three core foundations of an international society that would nonetheless be similar of the conceptions: the sovereignty of states, the states' interactions with each other, and the presence of mutual norms and rules. As such, they would be likewise of how the society of states balance amongst one another by the international society's five central primary institutions: balance of power, diplomacy, great power management, international law, and war. However, for this thesis, two of the primary institutions, great power management and balance of

DOI:10.6814/NCCU202001824

power, are the midpoints of the purpose to understand the transitional order for international society, but there must be a better understanding of the evolution of international society as it differs from international societies from the nineteenth century to the Cold War.

3.3. An Alternative Dimension of the Primary Institutions of the International Society

Within the international society, as Bull marked this as 'the anarchical society,' the foundation of primary institutions plays a vital role in ordering "the players and the game of international relations, and to define what behavior is and is not seen as legitimate" (Buzan, 2010, p. 6). These institutions, such as sovereignty, non-intervention, international law, diplomacy, and the great power management, allow the society of states to compile a common value with principles, norms, and rules, but these primary institutions are not static structures in the society. Instead, they are "dynamic and always evolving" that could drive the evolution of international society (Buzan, 2010, p. 7).

This thesis sets the arena in a time of an order transition and not of a power transition. According to Buzan and Goh (2020), power transition of the international order is merely when a dominant power hands over the 'baton' to another, which usually occurs after a war or reluctantly. Here, from the classic realist scholars, such as E.H. Carr, Robert Gilpin, and Paul Kennedy, they argue that the "international order is a byproduct of the concentration of power, [where] order is created by a powerful state" (Ikenberry, 2018c, p. 19). However, Ikenberry (2018c) stated that the international order is not just of power and a political formation, but of being complex already by being 'multilayered' and 'multifaceted.' Hence, from an order transition, it

DOI:10.6814/NCCU202001824

does not entirely have to be like the process of a power transition, but instead of a "significant alterations in the common goals and values, rules of the game, and social structure of international society." As an order is in a transition, the members of international society also change with its primary institutions as "becoming obsolete (e.g. imperialism, dynasticism, human inequality) and [as] new ones arising (nationalism, the market, environmental stewardship)" (Buzan & Goh, 2020; Goh, 2013).

In this thesis, though the five primary institutions are always interrelated, it mainly focuses on two of the primary institutions, the great power management and balance of power. However, again, as international society is a social institution with norms and rules, its norms and rules could gradually evolve differently and affect the primary institutions. A clear example of the evolution of a primary institution is 'war.' According to Parreñas (1990, p. 209), with the transition of the Cold War international order to the Post-Cold War era, there was a 'shift of dimensions of conflicts from East-West to North-South, but it was a change from 'military confrontations' to issues of trade and economic development. Even according to Buzan, there is an apparent decrease in wars between great powers these days. Thus, causing the international security to emerge into a more aspect of a non-military agenda and be more noticed on the non-traditional security (NTS), like economic security, environmental security, and cyber-security. This evolution of the international society not only shifted its traditional security to NTS but has also affected how the great power management should be seen that has been altered in a different view from Bull's presumption on the roles of great powers (Buzan, 2015, p. 128; Cui & Buzan, 2016, p. 181; Bull, 2012, p. 200). The main principle of great power management is those who are considered 'great powers' have 'special rights

DOI:10.6814/NCCU202001824

and responsibilities' for the international society to be stable and peaceful, but some aspects of great power management have evolved, particularly of the balance of power and the sphere of influence. Therefore, the traditional balance of power has been usually defined by the use of military forces and capability from each state to another. However, there seems to a growing change in the limitations of the term 'balance of power.' In particular, there are two types of balance of power: adversarial balance of power and associational balance of power. Nevertheless, the first to understand that point, we must know the purposes of great powers and the transition of its management for international society.

3.3.1. Great Power Management

For the first primary institution of an international society, which has crucial roles in stabilizing and maintaining peace between great powers and nongreat powers, it is the great power management. With having the focus on great power management, it brings the spotlight on more actors rather than doing theories of unipolarity or power transition (Marquez & Spanakos, 2014). From Bull's perspective, this exclusive institution is quite unique for it has ways to "manage relations with one another [of great powers] in the interests of international order by" six ways:

> (i) preserving the general balance of power,
> (ii) seeking to avoid or control crises in their relations with one another, and
> (iii) seeking to limit or contain wars among one another. They exploit their preponderance in relation to the rest of international society by
> (iv) unilaterally exploiting their local preponderance,
> (v) agreeing to respect one another's spheres of influence, and
> (vi) joint action, as is implied by the idea of a great power concert or condominium.
>
> (Bull, 2012, p. 200)

In other words, great powers of international society are "regulating the boundaries within" of where each great power exert their influence to preserve the society of the

DOI:10.6814/NCCU202001824

international order. Great powers do not want to disrupt the society even if there might be rivalries between them. For that, they want to maintain the balance of power, manage conflicts, limit wars, and most importantly to be legitimate to take leadership for the society on a 'central direction' to uphold the stability and peace among the states (Goh, 2011b, p. 2).

The great power management is considered a vital point of an international society. According to Benjamin Zala, the one hallmark that differs from international society from the international system is the management of the great powers with its 'recognized patterns of shared practices' and its mix of norms, rules, and principles. This hallmark is the foundation of an international society where the nongreat powers allow the great powers to have 'special rights and responsibilities' by its status. Thus, this is "at its core, a social arrangement" (Zala, 2019, p. 4).

From the perspective of the international society approach, in the international order under anarchy, great powers are the ones that are capable to "manage international conflicts more effectively than other agents." As Miller (1995, p. 14) stated, the reason for this is because, as great powers set the roles in the international society, they are "related to a combination of their lesser vulnerability; relatively high self-sufficiency; and superior diplomatic, economic, and military capabilities…as well as their global interests and system-wide concerns." Of these capabilities, these great powers are able to have 'special rights' "to enjoy sphere of influence, privileged positions in international organization and the ability to set the agenda for multilateral diplomacy" (Zala, 2019, p. 2), however they have the responsibility to manage and act as leaders with one another to act for a common goal, such as either in crisis or threat.

Again, of the evolution of international society, by focusing on traditional security to NTS, it has also affected the great power management, especially of the

DOI:10.6814/NCCU202001824

"different meanings and roles…and how they play into the legitimacy that [great power management] requires" (Cui & Buzan, 2016, p. 181). During the Cold War, Bull had been "firmly rooted in traditional, military-political security agenda" for great powers management, but it has gradually changed the function of the security of international society (Cui & Buzan, 2016, p. 195). One central security of the NTSs that has been a growing priority for society is the global economic governance (GEG). Of the GEG, as according to Cui and Buzan (2016, p. 199), the great powers not only have a pluralist goal of aiming to have a peaceful coexistence but also a GEG's solidarist goal to facilitate "trade and finance across state boundaries [in the hope to] increase wealth and development faster than protectionist alternatives." Therefore, as this thesis focuses on infrastructure development in Southeast Asia as China and Japan invest to gain influence, we must put this idea later on of the thesis. Both China and Japan are considered the indigenous great powers of Asia, and we must wonder how they would react to maintain the peace and stability of the international society. Nevertheless, the third term balance of power must be understood as it is one of the crucial ways great powers must attain for the international society.

3.3.2. Balance of Power

One of five primary institutions of an international society have remained problematic by its designation and its prominence for international society. Of the five main primary institutions, that primary institution is the 'balance of power.' Andrew Hurrell, an English School scholar, had acknowledged that the 'balance of power' was undeniably "the most important foundation for Bull's conception of international society" (Bull, 2012, p. xix). Bull had even judged that the 'balance of power' had facilitated to provide "the conditions in which other institutions on which international order depends are able to operate." He continues to claim that the

DOI:10.6814/NCCU202001824

‘balance of power’ “underpins the other four institutions.” However, in comparison to Bull’s ‘balance of power,’ Richard Little claims that “all five institutions are mutually interdependent.” According to Little, the ‘balance of power’ is only capable to remain by of the “existence of the other institutions.” Here, as there is a mutual interdependence, the balance of power, to some degree, “impinges on every aspect of Bull’s conception of an international society” (Little, 2007, p. 128). Thus, as it is fairly debated, there first must be an understanding what is the sense of the ‘balance of power’ and later convey how Little’s stance refutes Bull’s view.

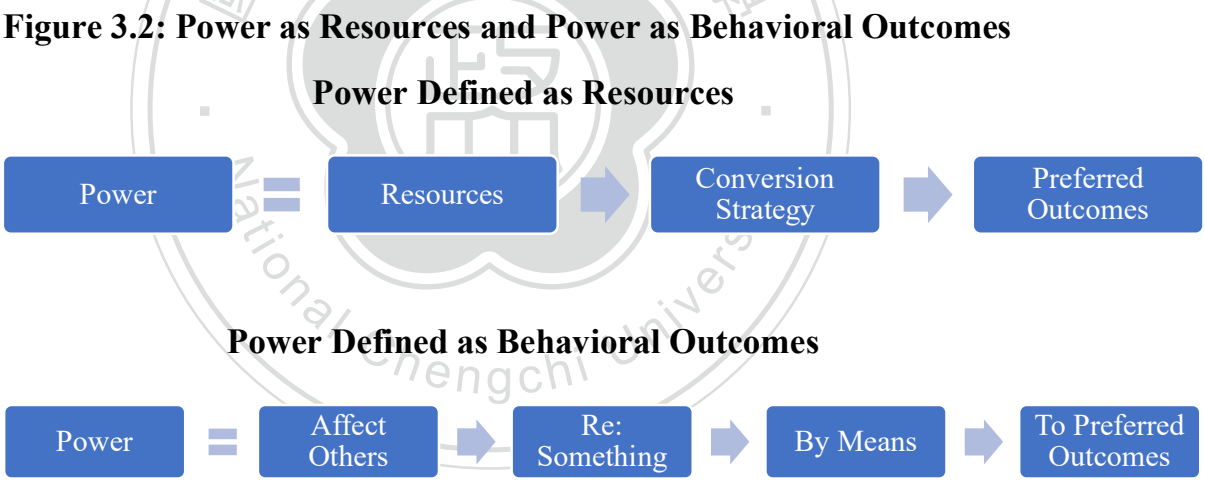
The concept of ‘balance of power’ existed for a prolonged period habitually from the realist standpoint as being the “mainsprings of international politics.” However, there are yet no acceptable methods on the ‘balance of power’ as its “meaning and significance have been bandied about for three centuries” (Smith, 1999, pp. 72-73). Even, of de Vattel from the eighteenth century, where he described the ‘balance of power’ as a “state of affairs…[where] no one power is in a position where it is preponderant and can lay down the law to others” (Bull, 2012, p. 97).

Nevertheless, Bull (2012, p. 102) declares that the ‘balance of power’ implies “‘self-restraint’ as well as the restraint of others.” While in contrast, Little (2007, p. 135) deems the ‘balance of power’ is to “preserve an arena where the units are independent.” Here, the balance of power is not merely focusing “to preserve their own autonomy, but also [to] acknowledge a common interest in maintain the essential characteristics of the society within which they operate.” Consequently, the ‘balance of power’ may well become “possible the existence of a diverse communities of states” (Smith, 1999, p. 72). For that, there must be a clear understanding of the fundamental concept of ‘power.’

DOI:10.6814/NCCU202001824

However, this general idea of 'power' is difficult to define as it is a contested concept. Nevertheless, Joseph S. Nye, Jr. gives us a definition to start with, in which he described that 'power' is "the capability to do things and in social situations to affect others to get the outcomes we want." Of this definition, he is aware that this is entirely "interchangeable" to what some people would consider this as 'influence.' From Nye's perspective (2011, pp. 5-6), he sees that "we live in a web of inherited social forces, some of which are visible and other of which are indirect." There are two types of power. Of one view of power, this is seen power by the state's resources and its outcome with it, while for the other is based on the state's behavior outcome to affects another actor to reach its outcome (see Figure 4.2) (Nye, 2011, p. 10).

Figure 3.2: Power as Resources and Power as Behavioral Outcomes



Source: (Nye, 2011)

In other words, a state's behavior could balance the power/influence between another state, even without the use of resources and military capabilities. Such an example is Japan. As the country both lack raw material and restricts the military use, Japan uses its economic capabilities, particularly by investment, "to advance its interests" (Söderberg & Reader, 2000, p. 8) from other countries. Therefore, to

DOI:10.6814/NCCU202001824

several perceptions of the 'balance of power,' some IR scholars have noticed a change of the implication from a more 'aggressive' manner to a more sympathetic approach. Currently, some IR scholars have observed that great powers are instigating "to pursue mutually supportive policies and instead of pulling against each other, therefore, they are pulling together and are effectively creating an associational balance of power" (Little, 2007, p. 84). In the capture of a conceptual framework, the usage of an associational perspective on the balance of power would differ much from an adversarial perspective on the balance of power. Simply, the adversarial balance of power implies "fiercely competitive relationships, with a chronic danger of war," while, in opposite, the associational balance of power focuses the states' aim to assemble agreements and cooperation amongst others to alleviate its society. The associational perception of the balance of power would not simply indicate the competition among states but instead the collaboration between states and the maintenance of the international society without mainly the use of forces (Cui & Buzan, 2016, p. 183; Ciorciari, 2009; Little, 2007, p. 12; Luskin, 2014, p. 92).

According to Little (2007, pp. 270-271), he depicts that Bull and Morgenthau "are interested in how international reality is constituted and how the constitution of this reality has changed across time." Little continues that the realists merely perceive that "historically played a crucial role in constituting and reconstituting the prevailing international order." By distinction, he deems that to appreciate the role of the international order, one must "move beyond the conceptions of an international system and embrace the conception of an international society and an associational balance of power." Thus, one international society from the past may possibly be discover outside the state's account, not as of an adversarial stance on the balance of power but as an alternative by an associational balance of power from the moment of

DOI:10.6814/NCCU202001824

"major international peace settlements." One example from an associational point of view is the 1648 development of Westphalia. Here, an international society was considered "constituted or re-constituted." As the occasion was deemed essential for the institutions of the international society today, that time was beyond critical of the solidification of the "principle that international development could only be legitimized by common agreement." Another instance on this matter would be the settlement of Utrecht in 1713-14, when actors were "maintaining the balance of power [by] formally espoused as a legitimate principle of international society [and would] take precedence over competing norms.'"

The footing of 'balance of power' has manifold aspects to be construed. Thus, countless scholars would nonetheless claim their stance, but the aspect of associational balance of power has the capability to adjust the viewpoint from our current record of history. There may perhaps be a different aspect that one has overlooked. Nevertheless, as Little offers an alternative perspective of the balance of power, other scholars, including Susanna Hast and John D. Ciorciari, have continued to investigate from the associational view, notably as Nye stated power is 'interchangeable' as 'influence.' Therefore, there is a need to rearticulate power into focusing on influence, particularly of the mention of the 'sphere of influence' from the management of the great powers.

3.3.2.1. Sphere of Influence

As Cui and Buzan were focusing on great power management, they had mentioned that there could be a "new kind of sphere of influence game" from either of Russian expansionism or by the U.S.-China rivalry in East Asia (Cui & Buzan, 2016, p. 197), but there must be a look more into the term, the 'sphere of influence.' Being as from the English School, one of the great powers' duty of management for the international

DOI:10.6814/NCCU202001824

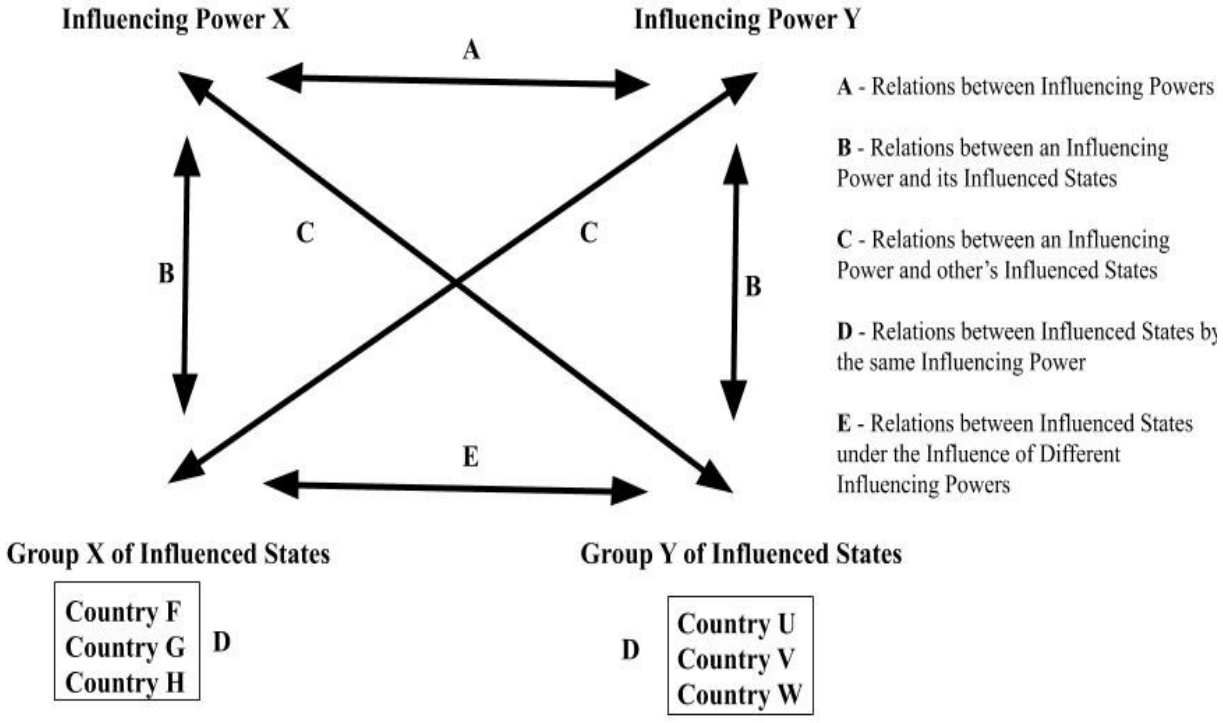
society is to 'respect' each other's sphere of influence, "within which other powers are not expected to encroach" (Goh, 2011b, p. 10). Therefore, what is defined as a sphere of influence from power? For that, Paul Keal (1983, p. 15) here defines a 'sphere of influence' as a "determinate region within which a single external power exerts a predominant influence, which limits the independence or freedom of action of political entities within it." However, how is the sphere of influence become considered part of the influencing state? For that, of how a region comes to be deemed as being in the sphere of influence of a state, it is difficult to say as Keal (1983, p. 34) had already accepted that there is no one answer of how but a mention of two, either 1) by a unilateral declaration or 2) by a mutual agreement between two or more states. Again, however, this definition of a 'sphere of influence' might be more closer the time between the nineteenth century of the age of imperialism, such as during 'the scramble of Africa' to the Cold War between capitalistic/democratic states versus communist states. Therefore, as there seems to be an alternative perspective of international society, the same goes for the sphere of influence. Little describes that with a relationship between great power management and sphere of influence there must be a "willingness on the part of the great power to establish such sphere 'when the opportunity arises for international society'" (Little, 2007, p. 456; Zala, 2020, p. 4).

According to Keal, even Bull had indicated that though there are rivalries and conflicts between great powers, there is "a sphere of influence agreement which is positive sets up a division of labor among the parties to it in the execution of a common task. It establishes spheres of responsibility." Here, as mentioned before, great powers have the responsibility for their own duties or roles to reach their society's common goals. Thus, as Keal (1983, p. 43) stated, with agreements between

DOI:10.6814/NCCU202001824

great powers, “a sphere of responsibility can be described as a sphere of influence which is based on cooperation between such powers in the pursuit of common aims.” As stated, great powers are deemed to respect another’s sphere of influence by the acceptance of ‘reciprocal rights.’ Thus, those great powers are supposed to ‘refrain’ from interfering with the sphere of influence as it is one of their responsibilities of being a great power (Zala, 2020, p. 4).

Figure 3.3: Keal’s Diagram of Five Categories of Relationship



Source: (Keal, 1983, p. 4)

However, there is a need to understand the relationship between the influencing power and the influenced states where a power might try to influence a weaker state. Still, to what degree would they be able to maintain their sphere of influence with the weaker states? Mark Beeson stated that “powerful states act…in

DOI:10.6814/NCCU202001824

ways that allow them to influence the behavior of others." An example of this was the United States' establishment of the Bretton Woods institution after the Second World War, where the U.S. used its "influence, status and leverage of [encouraging] other states to join it in creating a specific world order" (Beeson, 2019, p. 66). However, currently, though the U.S. has built up its influence, it has been declining in popularity since the long-lasting involvement in the Middle East and the abandonment of appearance in multilateral organizations. The sphere of influence in the past, from the nineteenth century to the Cold War, was initially established and legitimized only to "pursue and sustain order in world politics, as well as to avoid direct confrontation between great powers" (Costa Buranelli, 2018, p. 378), but there are now different approaches on the sphere of influence.

With the concept of alternating the spheres of influence, Hast (2014, pp. 139-140) has been able to clear up two interpretations of the sphere of influence, based on Little's concept on the balance of power. Such as, first, an adversarial sphere of influence appears mostly given when there are "power games, competition and unjust submission of the weaker states," such as during the Cold War with having a central power and its satellite states. While for an associational sphere of influence, it is considered when the "small states voluntarily lose some of their sovereignty to the hands of a great power. The great influencing powers then balance the scales by managing their respective sphere of influence, contributing to global peace and order." However, according to Hast, currently, it would be rare to see a state to 'voluntarily' lose part of its sovereignty, but there is one aspect that she might not have considered. And, that is the infrastructural investment between donors and recipients. Several of these weaker states do allow other states to assist their

DOI:10.6814/NCCU202001824

development in their sovereignty of areas, such as with the U.S., European states, China, and Japan by its development assistance.

Again, though in the past, developing states that are being supported by aid, trade, and investment by an influencing state, might be "restricted in what it can do or even feel unable to do anything because of the possible consequences" if they even try to loosen their dependency (Keal, 1983, p. 203). However, as international society has been evolving from the Cold War to now, each state of the society seems to have equality between the great powers and the non-great powers. As sovereignty is a crucial institution for a state in an international society on fairness, these weaker states would want to protect their sovereignty. Still, they would also "have the right to decide whether to open their economies to foreign investors and to determine the modalities for its admission and establishment" (Chaisse, Ishikawa, & Jusoh, 2017b, p. 15). For that, there has a growing number of international investment agreements (IIAs), especially in Asia, where more than half of the current IIAs (total of 3,327 treaties) are involved with at least one Asian state. In general, IIAs are basically "treaties between sovereign states to protect and promote investments made by investors from one state in the territory of the other" (Donde & Chaisse, 2017, pp. 211-212). Nevertheless, these actors of the weaker states, especially from Asia, are now reaching a position where they can "act as global rule-makers in international investment law" (Donde & Chaisse, 2017, p. 217).

Again, those states who are considered as the 'influenced' state are gradually having a stronger role in the influencer's sphere of influence. There seems to be an 'evolution' and change of the perspective of the term, 'sphere of influence.' Like the great power management and the balance of power, there must be a realization that the international society is always changing from time to time, especially of the

DOI:10.6814/NCCU202001824

continuity of globalization. The relationship between states is more represented as equal with shared values and rules, to some degree. For the spheres of influence, they are now seen more as "social structures that attain legitimacy both from the 'influencer' as well as the 'influenced' states." They are no longer "simply material primacy over a given region," but instead, they are dealt with 'negotiations and understanding' (Urosevic, 2018). According to Uemura Takeshi (2020, pp. 1088-1089), a scholar from Tsinghua University, Yan Xuetong had also mentioned that "in the age of globalization, the sphere of competition is no longer about land, resources or markets but rule-making, setting regulations, norms or customs."

According to Filippo Costa Buranelli (2018, p. 378), he stated that the 'contemporary sphere of influence' is seen as "structures of negotiated hegemony between the 'influencer' and the 'influenced' where norms and rules of coexistence are debated, contested and comprised." The contemporary sphere of influence is different from the past as the past sphere of influence has been seen too 'outdated' where states are "no longer [being] divided into blocs." Also, one importance of the contemporary sphere of influence that is different from the past is the legitimacy between the influencer and the influenced. Costa Buranelli (2018, p. 379) defines 'legitimacy' as the "condition of being rightful, accepted via an agreement and voluntary consent rather via imposition and fear, publicly recognized as a valid and binding by the members of a given social system." Of the contemporary sphere of influence, this 'negotiated hegemony' is divided into three domains, based on the English School's approach: "security (international system), broad normative influence (international society), and cultural/civilizational cohesion (world society)." Costa Buranelli (2018, p. 386) argues that as the influenced states are recognized

DOI:10.6814/NCCU202001824

equal to its influencer, they are able to decide whether they accept or resist the hegemony (see Table 3.4 for details).

Table 3.4: Costa Buranelli's Instances of Acceptance of/Resistance to Hegemony

	Acceptance of Hegemony	Resistance of Hegemony
Security	Signature of security treaties excluding other great powers from the region; formation of military bloc(s); strategic partnership agreements with the regional hegemon; sales of weapons; presence of the hegemon's military bases.	Diversification of weapon supplies; military drills with other powers; joining/forming other blocs or leaving the hegemonic bloc; strategic partnership agreements with extra-regional states.
Norms and Rules	Adoption of laws sponsored by the hegemon; mutual support in international organizations; legal consultations; legitimation from the hegemon.	Endorsement/adoption of norms and rules that run against the hegemon's interests/actions; outspoken condemnation of the hegemon's action in the region from a normative viewpoint.
Culture	Uniformity of language; emphasis on historical and cultural ties; presence of media from the hegemonic state.	Diversification of language policies; priority to local media and news outlet; limitations imposed on the hegemon's media; emphasis on nationalism and nation-building.

Source: (Costa Buranelli, 2018, p. 387)

For example, the Russian sphere of influence has been shrinking, especially after the collapse of the Soviet Union in 1991. Theodor Tudoroiu had argued that as Romania was acceding to NATO in 2004 and the European Union in 2007, it had deceptively ended part of the Russian sphere of influence. However, Romania still remained close to Russia after 1991 with its dependency on Russia's natural gas and had even realigned its economic trade in 1995. For Romania to drift away from Russia's sphere of influence, the country had decided to construct a nuclear plant and five reactors to eliminate the energy dependence on Russia (Tudoroiu, 2008). Romania's decision to break away from the Russian sphere of influence is the power of an influenced state in the 'new perspective' of the sphere of influence, the

DOI:10.6814/NCCU202001824

'negotiated hegemony.' Influenced states have the decision to 'accept,' 'accommodate,' and even 'resist' "different conditions posed by the hegemon" (Baumann, 2019, p. 37; Costa Buranelli, 2018).

Another example is between Kazakhstan and Russia. Ever since 1991 of the independence of several new states from the Soviet Union, particularly of Kazakhstan from the Central Asian states, had wanted to maintain a "counter-hegemonic" approach to Russia. Though most of these countries are still dependent on Russia to secure its economy, they have to sustain a close tie with Russia, but shifted one importance of the relationship of Russia "as a partner, not a leader" (Baumann, 2019, pp. 40-41).

Overall, the influenced states from the Russian sphere of influence have changed from the Soviet sphere of influence. These influenced states now have the power to realign the influence on what it prefers and negotiate with the influencer power. However, these three domains are essential to the sphere of influence, this thesis is meant to remain on the international society approach with the influences by the development assistance and not centering on the security and culture at the moment. In addition, there is one more understanding with the combination of the balance of power and the sphere of influence to contemplate the relationship between great powers as each influence weaker states in the same region, and that is the balance of influence.

3.3.2.2. Balance of Influence

During the Cold War, both the U.S. and the Soviet Union had "tried hard to increase their own influence with key states in it and to deny influence to the other superpower as part of their global rivalry." For that, in general, as one superpower is able to increase in the influence of the other superpower in the region, it leads to an

DOI:10.6814/NCCU202001824

impediment to the losing power. It would cause a fear "that any such increase would further destabilize the region" and deteriorate its position in the region (Miller, 1995, p. 127).

However, with the English School's perspective, the sphere of influence is no longer clearly an all-out competition or conflict to maximize power, especially with the use of arms, but rather more on relying on agreements, acceptance, and respect of the society's norms and rules. Though an influencer state could use military means to influence a state, that state or another influencer state could also "exercise influence through socialization, thus inducing other states to conform to preferred norms, values, and institutions" (Costa Buranelli, 2018, p. 382). For that, on the mention of the economic sphere, as Yoshimatsu (2018, p. 720) stated that great powers have "strong influences on the development and management of regional affairs," the English School approach is sufficient on focusing infrastructure development because infrastructure development "belongs to a socio-economic field" where it links the industrial interests and social development to produce economic growth and social solidity. Such as, as one country can gain "contracts on infrastructure projects in other countries…[the country would be] able to increase political leverage on partner countries through support for infrastructure development, and enhance regional influence by forming a new institution designed" (Yoshimatsu, 2018, p. 721). However, Miller (1995, p. 16) stated that powers would rather have a "cooperative arrangement to mutual defection…[as] unrestrained competition could damage all parties and thus create an incentive to collaborate."

Therefore, this current perspective of a sphere of influence is essentially becoming more linked to an 'infrastructure diplomacy' for a state to gain influence from the host state, and for that great powers would compete for influence, of which

DOI:10.6814/NCCU202001824

Ciorciari stated as “associational balance of influence.” As great powers want to manage the society of states to be peaceful and stable, they would want to balance their influences with each other. If one great power becomes involved in an ‘intermural hegemony’ of the area, then another great power could “constructively engaged in the region and to promote rule-based arrangements and principle” to help deny it (Ciorciari, 2009, p. 177). For that, as China seems to be reaching to the point of gaining hegemonic power in each region around the world, specifically Southeast Asia, with its push of the BRI, of connecting many countries to China, Japan started to play the role as a mediator of the international society to balance the influence between China. Again, China is more potent than Japan, both militarily and economically. However, Japan would not want to compete against China aggressively, but of having a competitive partnership with each other as each approach of its developments are different from one another (Ciorciari, 2009; Jiang, 2019; Zhao, 2018b). For Japan, the country is still considered to be a significant leader in development assistance with its advanced technology and high-quality infrastructure assistance, while China is strongly based on low-cost manufacturing. Nevertheless, with the recent years, though there is still an ongoing rivalry between China and Japan in the region, beyond those regions of East Asia, of particularly in Southeast Asia, has rendered China and Japan to cooperate directly and indirectly as Japan mediates the influences with China to have a peaceful and stable society of states with the transition of the international order.

3.4.Conclusion

Of the four main footings, ‘international society,’ ‘great power management,’ ‘balance of power,’ and ‘sphere of influence,’ we would then be able to question the relationship between China and Japan in international society during the transition of

DOI:10.6814/NCCU202001824

the international order. By understanding the international society in East Asia, we would then be able to analyze China's and Japan's interactions with each other for a common purpose. And understand Japan's responses to China's rise. Though as each country tries to influence other developing countries, particularly in Southeast Asia, several scholars had argued that there is still a rivalry between the two even in extra-regions. However, they have forgotten that the behavior from developing countries that have been influenced between China and Japan could play an essential factor in the relationship between the two indigenous great powers of the region and the international order.

For that, according to Buzan (2010, p. 5), there is a two-way process of a 'peaceful rise' in which "the rising power accommodates itself to rules and structures of international society, while at the same time other powers accommodate some changes in those rules and structures by way of adjusting to the new disposition of power and status." In other words, China's 'peaceful rise' cannot be achieved alone. According to Costa Buranelli (2018), as states of the society are more set as equal to each other, particularly between the great powers and the non-great powers, great powers, especially for China, are no longer able to use power to subordinate states. There would be a need for negotiations between a great power and of another state to achieve what the great power's desire or rise. This again is called a 'negotiated hegemony,' whereas the influencer may influence the influenced; the influenced may also influence the influencer. Therefore, China and the rest of the international society that's part of BRI would need to cooperate to form the 'necessary conditions,' and this includes Japan.

China would need Japan for a better gain of its peaceful rise and especially of its BRI, as Japan is a crucial factor. Even Buzan (2010, p. 35) stated that "China

DOI:10.6814/NCCU202001824

cannot construct a peaceful Asian international society without Japan, and it cannot make itself at home in a peaceful global level international society without achieving peace with its major neighbor." Nevertheless, for China's neighboring countries with the emergence of the BRI, economic security has been alerted to several countries, including Japan, not by the Chinese military forces itself, but instead of the threat to the economic security, specifically the security of supply.

Again, Japan would not want to compete against China aggressively but of having a competitive partnership with each other, as each approach of its developments is different from one another (Ciorciari, 2009; Jiang, 2019; Zhao, 2018b). In addition, Japan understands that if the country decides to "isolate China...a majority of Asian countries would hesitate to participate in that initiative." Therefore, Japan does not desire "to divide the Indo-Pacific region into two blocs" (Hosoya, 2019, pp. 20, 23, 25) by choosing sides. Even though there is still an ongoing rivalry between China and Japan in the region, beyond that region of East Asia, of particularly in Southeast Asia, has rendered China and Japan to act on the process of cooperation together as Japan mediates the influences with China's BRI and to allow developing states to "act independently and not be intimidated by other[s]" (Söderberg, 2018, p. 314), in order to balance the influence of development investments to have a peaceful and stable society of states.

Overall, with the situation and the complexity of the relationships between China and Japan in development assistance, the English School's approach shows its capability to illustrate as much as possible within the society of states, the great power managements, the balance of power, and the sphere of influence. The English School's concept offers the perspective of the arena of the transitional order a wider view of the IR theories, instead of realism and liberalism, with the focus of normative

DOI:10.6814/NCCU202001824

values. With understanding the society's norms and rules, the analysis of Asia could then be better understandable in the relationships between each other, in particular the trust among the international society with one's responsibility.

DOI:10.6814/NCCU202001824

Chapter Four: The Sino-Japanese Relations – The Existence of Coexistence & Cooperation

4.1.Introduction

Of the relationship with *Hot Economics, Cold Politics*, China and Japan have been at a stagnant relationship for a while as their economic relations are still beneficial to each other. In contrast, their political relations have not changed dramatically, particularly since 2012, with the territorial dispute. Even since the rise of Xi Jinping at the end of 2012, he made the East China Sea a hotspot of growing hostility in the area with the repeatedly maritime clashes and the setup of the East China Sea Air Defense Identification Zone (ADIZ) in November 2013.

According to the Japanese Ministry of Foreign Affairs, in 2019, the total number of vessels that were identified within its contiguous zone of the disputed islands reached 1,097 vessels, while 126 vessels were identified within the territorial sea (MOFA, Japan, 2020). While, in addition, to the air, the Japan Air Self Defense Force (JASDF) had to scramble its fighter jets 947 times to intercept Chinese aircrafts in 2019, and in 2018 Japan had to send 999 times (Gady, 2020).

However, even with the continuing tensions between China and Japan, they still see their economic relationship important, but would it continue in this current status. Of the economic relationship between the two giants, several trades and investments have been seen declining. From the statistics from JETRO, Japan's investment in China had decrease US$13.6 billion in 2012 to US$10.8 billion in 2018. From a Chinese official statistic, Japan's FDI to China also fell from US$20 billion in 2013 to US$9.8 billion in 2018. The total trade between China and Japan had also

DOI:10.6814/NCCU202001824

decreased from US$345 billion in 2011 to US$270 billion in 2016, but eventually increase back up to US$317 billion in 2018 (Chiang, 2019, p. 2).

In an opposite perspective, in particular, from the Japanese Ministry of Foreign Affairs, they maintain the view of the economic relationship as being more 'hotter' than before with a 6.7 percent increase year-on-year to 2018 and continue to praise the 13 uninterrupted years of considering China as the largest trading partner for Japan, even during 2012 (MOFA, Japan, 2019). Also, to maintain their economic relations, particularly related to investment, according to the Japanese Ministry of Foreign Affairs, from 1978 of the beginning of Japanese investments in China to 2018 Abe's visit to Xi during the 40th anniversary of China's reform opening-up policy, Japan had funded China an approximate JPY¥3.6 trillion (US$34.1 billion), which includes loan aid and grant aid (MOFA, Japna, 2019).

Nevertheless, according to Michael Yahuda, China and Japan do already 'recognized' the "complexity of the relationship between their two countries, which combined competition and cooperation." Here, on the concern of the BRI, China understands that if Japan is somewhat active to the BRI, it would be a strong contribution to the extra needed investment and support to continue its initiative with Japan's reputation of its ODA approach. Of that, Abe would actually accept China's BRI projects, not precisely direct but rather indirectly, with its willingness to cooperate with Xi in accord with the international norms and the rule of law (Yahuda, 2019, p. 207). In fact, China's start of its BRI with a vast investment with neighboring countries resembles much of Japan's investment during the late 1970s to 1990s, especially in China. As stated before, Japan's ODA approach is much different from the Western DAC members and is more similar to China's approach. Though the relationship will always be complex, throughout their relationship, there seems to be

DOI:10.6814/NCCU202001824

more indirect support of each other's emergence, as either of modernization or a past approach.

4.2. The Expansion of the Belt & Road Initiative

Of these recent years of China's rise, one of the most important aspects of China has not been considered the first notion of China's power. In fact, China's greatest push of its influence is its economy, specifically by trade, investment, aid (Ba, 2014; Brown, 2020; Diokno, Hsiao, & Yang, 2019), and rather not its military and material capabilities. China has been leading the economy by titled the largest exporter in 2009, the second-largest economy in the world in 2010, passing Japan, the largest trading nation in 2013, and by 2015 it was even able to produce around a quarter of the world's manufacturers (Foot, 2019).

However, the BRI has been popular worldwide, since in 2013, when China firstly announced it officially during Xi's visit to Kazakhstan and Indonesia, of the 'Silk Road Economic Belt' and the '21st Century Maritime Silk Road,' respectively. According to Chaisse and Matsushita (2018, p. 169), they see the BRI has four motives and three prospects to reach its motives. Those four motives of the BRI seem to be: i.e. "(1) internationalization of the Chinese currency, the Yuan; (2) the effective use (or re-balancing) of foreign currency reserve; (3) the reduction of excess production capacities in China; and (4) development of China's Western provinces." And, China's three main prospects of its project to its host countries to reach its motives are (1) infrastructure projects that involve "city planning, building infrastructure in relation to water supply systems, sewerage systems, housing, factories, stores and other buildings, and all other related items necessary for city planning;" (2) transportation projects which include the construction of ports, airports, highways, railways, pipelines, and electric transmission networks; and (3) energy that

DOI:10.6814/NCCU202001824

"involves not only the exploration and exploitation of energy resources in those areas, such as natural gas, petroleum, uranium, coal, forestry, agricultural products, and fisheries, but also the construction of power plants, refineries, electric transmission stations, electric wire networks, and pipelines" (Chaisse & Matsushita, 2018, pp. 171-172).

Though it is hard to clearly record China's BRI, of its investments and contracts in every country, the American Enterprise Institute (AEI) has tried to track down and analyze the value of China's overseas investment and construction since 2005 by the China Global Investment Tracker (CGIT). According to the CGIT, China's BRI total value of investment and contracts from 2013 to June 2020 is estimated at US$755.17 billion, as they had started with only US$29.94 billion in 2013. Within the BRI's investment and contracts from 2013 to June 2020, the two evident major sectors, energy (US$297 billion) and transportation (US$185.34 billion), cover more than the majority of the total, with a 63.9 percent (AEI, 2020).

However, even as the BRI is quite new, several scholars see the strategy as a danger to the world with the vast amount of presenting loans and contracts to other countries, specifically of developing countries. With the apparent Chinese leading institution, the BRI has been considered a threat to the 'status quo of the international and regional order,' and it may "alter the regional order" (Gong, 2018, pp. 3-4). However, understandably, the beginning of China's expansion on aid and investment have not started recently in 2013 but rather during the late 1990s and early 2000s with initiating two foreign policies, the 'Good Neighbor' and 'Going Out' policies, which it pledged to assist development to its surrounding countries. During these policies, China played the 'Yuan diplomacy,' that includes foreign aid, export credits, and other types of loans, to improve bilateral relations and to give opportunities for its

DOI:10.6814/NCCU202001824

companies to expand outside of the country (Liao & Dang, 2019). This 'Yuan diplomacy' would later be noted similar to the Japanese counterpart, the yen loan., specifically during the 1980s and 1990s. For that, as the BRI is still an ongoing initiative with multiple considerable projects in several countries and is still "too premature to describe what [the BRI] will be" (Chaisse & Matsushita, 2018, p. 171), there should be a refocus on Japan's ODA approach during the late 1970s to 1990s, specifically in China, as Japan's ODA approach actually somewhat resembles enough as China's BRI now.

4.3.Readdressing Japan's Role of its ODA in China

According to Brautigam (2009, p. 13), many people do not realize that China's aid and investment in Africa are, in fact, similar to the pattern the West and particularly Japan had assisted China by investment and aid after the reign of Mao Zedong. For that, there is a need for an understanding of how China's aid and economic cooperation had come to be with the BRI, especially when it decided to open up its doors for foreign aid, loans, and investments. To the Chinese leaders, during the 1970s to 1990s, they observed how the West and especially Japan invested in their country with both, being a donor and recipient, having benefits together, with a win-win partnership. Understandably, by the 1970s, China was predominantly similar to African countries, with an agrarian economy and vast amount of natural resources, particularly of oil, coal, gold, and copper (Brautigam, 2009; Stallings & Kim, 2017). However, though with the collapse of the Bretton Woods system and the oil crises during the 1970s, it is crucial to understand that Japan was not entirely dependent on China, rather it wanted to abandon its dependency in the Middle East. According to Iriye (1996, p. 55), Japan's role in "Chinese economic life was more significant than China's in Japanese." As before China started to normalize relationships with the

DOI:10.6814/NCCU202001824

U.S., Japan, and the rest, China's trade was already stagnated between 1967 and 1969, again being noted of being more as an agrarian country.

As China and Japan started to normalize their relationship in 1972 and as the trade began to expand rapidly, China's Vice-Premier Gu Mu soon requested PM Ohira Masayoshi for Japan's aid and investment, which later started in 1979 with the Long-Term Trade Agreement. Similar as the Fukuda Doctrine, PM Ohira stated that there are 'Three Principles' of the agreement: (1) Japan's aid to China has to be maintained by the Western aid programs and policies, (2) the aid to China must not interfere with "the balance of Japanese aid program for the whole of Asia," and (3) there should be no use or cooperation of military forces between China and Japan. Nevertheless, the agreement on aid to China had continued in 1984 with PM Nakasone's loans and in 1990 with PM Takeshita's loans. Overall, between 1979 and 1993, the annual amount of disbursement of aid increase from JPY¥30 billion in 1979 to JPY¥140 billion in 1993 (Howe, 1996, p. 18). And, between 1979 and 2005, Japan's ODA disbursed to China a total of JPY¥3.13 trillion loans, JPY¥145.7 billion grant aid, JPY¥144.6 billion technical cooperation (Uemura, 2020).

Starting from the beginning, Japan was a major and eventually one of the top investors in China, where Japan would export its modern plants, industrial technology, and materials to China in exchange for crude oil and coal. For Japan, China was considered an 'ideal trading partner.' From 1979 to the 2000s, there were four batches of loans: the first batch (1979-1984) contained seven projects with a loan of JPY¥ 330.9 billion which mostly focused on coal transportation; the second batch (1984-1990) was with 17 projects and JPY¥540 billion, which was aimed at economic and social infrastructure projects; the third batch (1996-2000) provided 52 projects with JPY809.9 billion which divided into several types, such as transportation,

DOI:10.6814/NCCU202001824

energy, communications and agriculture; and the fourth batch after 2000 was assumed to have JPY¥970 billion for the environment, inland development, and food and poverty alleviation, of which by 2000 loans were divided by annual loans instead of batches (Feng, 2005, p. 206; Kitano, 2004, p. 463).

From the start of Japan's investment in China, from the end of 1978, they were able to sign up 84 contracts, which would also later be the 'backbone' of China's modernization (Brautigam, 2009). Some of these Japanese-led contracts that started China's modernization were the Baoshan Iron and Steel Complex in Shanghai, the Daqing Petrochemical Complex in Heilongjiang Province, the Qilu Petrochemical Complex in Shandong Province, and the Yangzi Petrochemical Complex in Jiangsu Province (Taube, 2002). Noticeably, many of these projects were materials needed for Japan. Unarguably, the best example of Japanese investment in China was the Baoshan Iron and Steel Complex, in which the contract was signed in 1978 by the Nippon Steel Corporation and was able to be in production by 1985, of producing six million tons of steel per a year (Lee C.-J. , 1983). During the process of production of steel, it was able to produce materials as many as one of Nippon Steel's plants in Japan. The Baoshan complex was able to replicate to the Japanese for it because of "Nippon Steel's willingness to transfer its technological know-how and the substantial financial assistance" from the Japanese government, which funded a loan of about US$1.5 billion (Taube, 2002, p. 112).

Again, as Japanese investment in China had increased sevenfold between 1986 and 1992, a total of US$3.39 billion were invested in China by Japan in 1992. There was a significant change in Japanese investment in China from the beginning with only small- and medium-sized companies to more big Japanese multinational conglomerates in China. The Sino-Japanese economic relations became stronger

DOI:10.6814/NCCU202001824

during that time as both gained benefit from each other. As Japan's trade, investment, and technology flow through the Chinese market, it was able to modernize China. In return, Japan was able to receive a vast amount of commercial opportunities and share, somewhat, the influence of the stability and shift of China (Shambaugh, 1996, pp. 89-90).

However, though there was the various success of Japan's projects in China, there were also negative attitudes and complaints of Japan from Chinese officials, such as putting "too much emphasis on selling consumer goods to China while failing to buy Chinese products" and having relatively little use of direct investment in China. Other China's criticisms toward Japan were about the increase in the military budget during the 1980s and the remarks by right-wing Japanese politicians. Therefore, PM Takeshita Noboru had tried to ease these tensions by offering JPY¥810 billion packages of government loans to China. Of the package, it had exceeded the two previous packages: one from 1979 to 1983 with a total of JPY¥330 billion and the other from 1984 to 1990 with JPY¥470 billion. Within the package, it was mainly on financing major construction projects and reinstating a new investment protection treaty to later persuade more direct investment by Japanese companies in China (Ijiri, 1996, p. 61). Though of Takeshita's package and even of Japan's previous packages to China, there is still a flaw in Japanese investment in China, and that was the 'superficial mood of friendship' between China and Japan. They, on both sides, had avoided several of the obstacles of the relationship, such as the Japanese school textbook controversy, the visits of the Yasukuni Shrine, the Taiwan issue (particularly of the Kokayo lawsuit), the Tiananmen Square incident, and later obviously the Senkaku/Diaoyu Islands dispute. Even with the concern on the investments in China, Japan's business investors were quick in investing in the Chinese market, even

DOI:10.6814/NCCU202001824

without examining China's economic and political realities. As Iijiri stated, "they did not seriously consider the fundamental difference of their political, economic and social systems," and were not able to expect a "radical adjustments in [China's] economic policy" which led to several cancels of projects, such as one of the US$1 billion contracts related of the Baoshan Steel Complex (Ijiri, 1996, p. 64).

Such an example of the avoidance of the obstacle to maintaining the relationship was during the Tiananmen Square Incident in 1989. During the Tiananmen Square Incident, as many Western countries, including the U.S., France, and the United Kingdom, had criticized the Chinese Communist Party of the event, Japan was different from others as they only had a 'vague attitude' towards China. They stated on June 6 that "the government [will watch] carefully the result of the situation…[and] does not consider any (sanction) measures at present." Even of other Japan's government official, each either indicated that they could not go against the Chinese people who experienced Japanese invasion on China, that they do not want to have the Chinese government to push on anti-Japanese sentiments, or that if they do criticize China, it would possibly lead to many cancelations of projects in China (Ijiri, 1996, p. 77; Shambaugh, 1996).

Nevertheless, by July 1989 of the G-7 Summit in Paris, the members had started to form sanctions on China for the Tiananmen Square Incident in June. Still, Japan had 'only selectively enforced' a certain number of sanctions. These selected sanctions were the suspension of all high-level official contacts with Chinese officials, the suspension of all military and dense technology sales, the freezing of the IMF of the World Bank, and other ODA, funding, and loans, and the extension of visas to Chinese nationals abroad (Shambaugh, 1996, p. 84). Japan's sanctions on China had also suspended all economic assistance projects to China, which primarily was from

DOI:10.6814/NCCU202001824

the third ODA Yen Loan package to China, but instead of that, there were no other trade or investment sanctions on China. By 1991, China and Japan were able to restore their relationship fully, and by August that year, Japanese PM Kaifu became the first leader of the G-7 to visit China after the Tiananmen Square Incident.

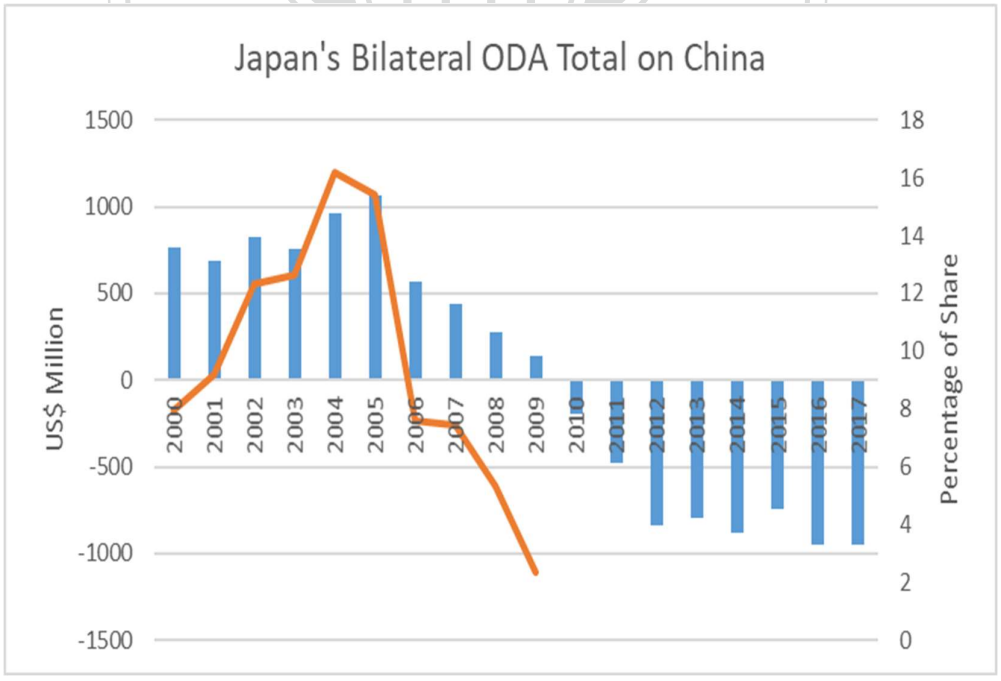
However, gradually during the 1990s, Japan lowered down its investment in China with the growing tensions of China, such as the status of Taiwan, the Senkaku/Diaoyu Islands dispute, and the controversies related to Japanese history textbooks (Lee C.-J. , 1983). Gradually, unexpectedly, Japan's ODA and investment in China did not strongly influence the Chinese people. Though Japan had been pushing China of its modernization and building its trade partner, the Chinese society's feeling was dry between the countries. Such a possible reason was the lack of Chinese media for improving the relationship (Feng, 2005).

Nevertheless, according to Brautigam, China had learned how Japanese approached the investment in China and were able to do the same in Africa and other developing countries with the use of large credits, of the timing of competitive market rates, having tied contracts with Chinese machinery, equipment, and construction service, and having repayments by oil or other resources. However, most importantly, China was able to understand that investment is not actually about the numbers of aid, but of business of cooperation between the investor and the host country (Brautigam, 2009, pp. 307-308). For example, in 1985, only 31 percent of the Japanese projects were heavy industry, while around 50 percent of the U.S.'s and other Western countries' investments were related to the heavy industry. Even by 1990, 27 percent of Japan's investment projects that were large valued more than US$2 million while 40 percent of U.S. investments were more than US$3 million (Harwit, 1996, p. 981). Stallings and Kim also even see that China was able to see two aspects from the

DOI:10.6814/NCCU202001824

Japanese investment in China: “the aid/investment/trade package and the win-win approach.” These aspects ultimately lead to China’s central elements on approaching its aid and investment to other countries later on during the 1990s and so on (Stallings & Kim, 2017, pp. 77-78). China is aware of this, as during the 2018 Abe-Xi meeting, the Chinese Foreign Ministry spokeswoman, Hua Chunying, had even stated that the Japanese assistance in China “has played a positive role in China’s reform and opening-up and economic development” (Ebuchi & Hadano, 2018). However, China will eventually forget one aspect of investment that is most crucial than just ‘business’ or of a ‘win-win’ approach, and that is its reputation and trust in its host country, as the BRI will face several challenges.

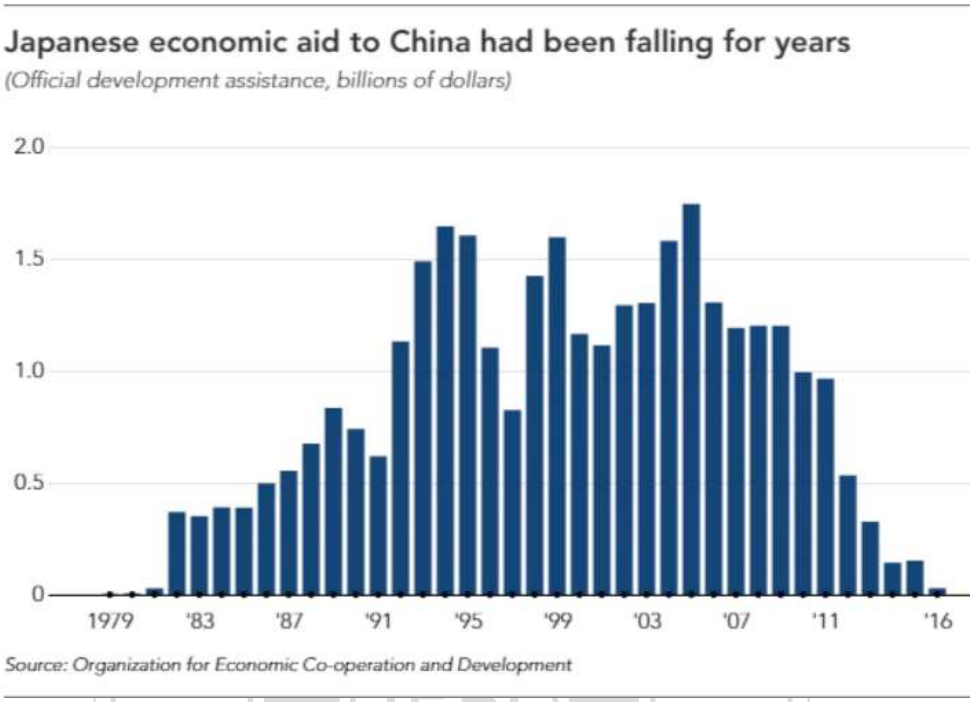
Figure 4.1:



Source: (MOFA, Japan, 2020)

DOI:10.6814/NCCU202001824

Figure 4.2:



Source: (Ebuchi & Hadano, 2018)

4.4.A Connection of Interdependency between the Giants

Of the recent events, particularly of the PM Abe's visit to Beijing in October 2018 and the G20 Osaka Summit, the relationship between China and Japan seems to be 'warming up' on both sides, economically and politically. As Abe said to Chinese Premier Li Keqiang, it is a change "from competition to cooperation, the Japan-China relationship is shifting to a new phase now" (Myers & Rich, 2018).

It was deemed a new era of Japan-China cooperation as equal partners on both sides. Between China and Japan, they have agreed to cooperate for the first of the Japan-China Third Country Market Cooperation Forum during Abe's visit to Beijing. During the meeting, on both sides of the countries, they have agreed to initiate joint

DOI:10.6814/NCCU202001824

cooperation in 52 memorandums of cooperation (MOCs) for various other countries on infrastructure, logistics, information technology (IT), healthcare, finance, and so on (JETRO, 2018; METI, 2018). However, though it was a start of cooperation on infrastructure investment together since 2012, it is not technically the first cooperation between them.

Even before Abe's second administration, there were sayings for cooperation between China and Japan on economic assistance on infrastructure to multiple developing countries in Asia. For years, China and Japan had a common interest in the region, and it was assisting developing countries in building their infrastructure. Such as, when Premier Wen Jiabao visited Japan in April 2007, where he arranged an agreement with PM Fukuda Yasuo to "hold dialogue on cooperation for the provision of assistance to a third country." Months later, the first High-Level Economic Dialogue of being held in Beijing in December 2007, stated that two states agreed "the significance of holding Japan-China dialogue on development assistance to third countries, and shared the view on continuing such dialogues in the future" (Iida, 2009, p. 135). This eventually led to the establishment of the first Japan-China Policy Dialogue on the Mekong region in April 2008 and others on years after.

Nevertheless, there is an understanding that their relationship is needed to be cooperative with each other to reach their common goals and interests. Even similar to during the late 1970s to 1990s, as Japan's investment in China, is crucial to China, China could not just abandon Japan. Also, in October 2018, during PM Abe's visit to China, it was the end of Japan's ODA to China. The Japanese government administration had decided to discontinue the development aid to China by which ending the nearly 40 years of Japanese assistance to China since the 1980s. Japan had already decreased the amount of assistance to China when Japan had stopped any new

DOI:10.6814/NCCU202001824

projects backed by grant aid in 2006, thus leading to no new yen loans since 2007 (Ebuchi & Hadano, 2018). Even by the end of 2010 when China passed Japan to be the second-largest economy of the world, Japan's total disbursement value and share of ODA to China had dwindled. China ceased to become one of Japan's top recipient countries since the late 1970s, with only of the technical cooperation left after 2009 (MOFA, Japan, 2020). Again, although China's economy is still expanding, even with the BRI, there seems to be an economic slowdown.

Even as Japan's economy has been stagnant since the 1980s and been claimed a decline of economic power, China's economy is, in fact, also dwindling similar to Japan, such as facing an aging population (Dreyer, 2006). China is approaching a 'new normal phase' of an economic slowdown and needs "more overseas growth opportunities and exporting excess industrial capacity," specifically of steel and aluminum (Wan, 2018). Since 2008, China's gross domestic product (GDP) growth has been below the two-digits percentage, and its GDP annual growth between 2013 and 2019 have been slowly decreasing from 7.769 percent to 6.109 percent, respectively (World Bank, The, 2020). Besides, China had been producing excessive facilities of steel, cement, machines, and other capital goods and took the overcapacity of the production, which led to a problem (Chaisse & Matsushita, 2018, p. 169). Even in the past decades, there were a significant unbalance of growth inside China with its income gap between regions (Chaisse & Matsushita, 2018, p. 170), particularly between the coastal regions and the Western provinces, such as Xinjiang. Nevertheless, China is somewhat becoming more dependent on external relationships with its neighboring countries, especially Japan.

With the continuity of the U.S.-China trade dispute and the increase of labor cost in China, several Japanese companies have been considering leaving China and

DOI:10.6814/NCCU202001824

moving its production elsewhere or back to its own country. By mid-2020, Japan's Ministry of Economy, Trade, and Industry (METI) had started to offer 87 companies or groups a total of US$653 million to shift their manufactures and production lines from China to either Southeast Asia or Japan. Thirty companies had already decided to move their manufactures, such as the Hoya Corp.'s hard-drive parts will be from Vietnam and Laos, Sumitomo Rubber Industries' nitrile rubber gloves in Malaysia, and Shin-Etsu Chemical's rare-earth magnets in Vietnam (Nikkei: Asian Review, 2020). However, China is still trying to hold the remaining companies in China and persuading more to come. Even in a news article from Xinhua Net, the article had headlined 'China welcomes more Japanese investments.' It stated that it wants Japanese business companies to "seize the opportunities brought forth by China's opening up and increases investments in China, expand cooperation areas, and promote more cooperation achievements in trade and economic areas" (Xinhua Net, 2019). Though several Japanese companies have considered to leave China, most would remain in China and continue their investment. For example, there was a new joint venture in early 2020 between Toyota and FAW Group, a local partner in Tianjin, on planning to invest around US$1.22 billion to build a new electronic vehicle plant, and there is also another possible joint venture in Guangzhou with Toyota and another Chinese partner (Reuters, 2020).

However, China should realize the upcoming challenges of its economic relations, not only of Japan's but especially of its BRI's host countries. Similar to Japan's investment in China, Japan had also faced similar challenges in the past investment in China. Again, similar to relations between Japan and China, most of these BRI members are close to China by its economic relation, but China will eventually face several challenges. The BRI is still considered too early to be

DOI:10.6814/NCCU202001824

considered a danger, but the lack of trust and fear will subsequently weaken its existence if this continues.

4.5. The Challenges of the BRI & the Reemergence of ODA

4.5.1. The Needs of Investment

According to a 2017 report from the Asian Development Bank (ADB), there is a demanding need of US$26 trillion, or US$1.7 trillion per year, for developing countries in Asia for a period between 2016 and 2030 (see Table 4.3). Even earlier, from a report in 2012, a span between 2010 and 2020 needed around US$320 billion for 1,202 regional connectivity projects which include energy, transport (air, rail, and road), trade facilitation and logistics, with an additional US$ 29 billion average annual infrastructure investment (ADB, 2017, p. 41). Nevertheless, investments in Asia have increased the demands of various kinds of infrastructure, such as power, transportation, telecommunication, and water and sanitation. Here, Central Asia needs US$79.7 billion. The Greater Mekong Subregion requests at least US$51.03 billion, and South Asia demands approximately US$115.3 billion. Of the three regions, their most focused need for investment is transportation, where more than 50 percent of the total investment needs are needed on transportation (see Table 4.4). However, the ADB alone cannot match up the growing demands on infrastructure development in Asia by itself, and the Western-led OECD Development Assistance Committee (DAC) seems not fully interested in investing or supporting those developing countries' demands of infrastructure investments. Therefore, who else would they turn to their development assistance?

DOI:10.6814/NCCU202001824

Table 4.3: Infrastructure Investment Needs by Sector, 2016-2030 (US$ billion in 2015 prices)

Sector	Baseline Estimates			Climate-Adjusted Estimates		
	Investment Needs	Annual Average	Share of Total	Investment Needs	Annual Average	Share of Total
Power	11,689	779	51.8	14,731	982	56.3
Transport	7,796	520	34.6	8,353	557	31.9
Telecommunications	2,279	152	10.1	2,279	152	8.7
Water and Sanitation	787	52	3.5	802	53	3.1
Total	22,551	1,503	100.0	26,166	1,744	100.0

Note: Baseline estimates – Based on the relationship between each type of infrastructure and economic/demographic factors
Climate-adjusted estimates – An addition of climate mitigation and proofing costs
Source: (ADB, 2017, p. 41)

Table 4.4: Indicative Investment Needs for Regional Infrastructure by Regional/Subregional Programs and Sector (US$ billion)

Sector/Program	CAREC	GMS	SASEC	The Pacific	Total
Transport	37.5	44.1	56.8	2.1	140.5
Road	24.6	13.3	24.4	-	62.3
Rail	10.2	30.1	22.5	-	62.8
Air	1.4	-	4.4	0.7	6.5
Maritime	1.1	0.3[a]	5.4[d]	1.4	8.2
Logistics	0.2	-	-	-	0.2
	-	0.5[b]	-	-	0.5
Trade Facilitation	1.3	0.03	0.5	-	1.83
Energy	40.9	3.2	58.0	-	102.1
ICT	-	0.6	-	0.4	1.0
Other Sectors	-	3.1[c]	-	1.5[e]	4.6
Total*	79.7	51.03	115.3	4.0	250.03

CAREC = Central Asia Regional Economic Cooperation; GMS = Greater Mekong Subregion; SASEC = South Asia Subregional Economic Cooperation; ICT = Information and Communication Technology
a GMS maritime transport infrastructure includes seaports, river ports, and inland waterways.
b GMS, other transport infrastructure includes bridges, cross-border facilities, inland container terminals, etc.
c GMS other infrastructure sectors include agriculture, urban, tourism, environment, and multisector/cross-border economic zones.
d SASEC maritime transport infrastructure sectors include ports and inland waterways.
e The Pacific other infrastructure sectors include investments for climate change adaptation of regional infrastructure.
Source: (ADB, 2017, p. 41)

DOI:10.6814/NCCU202001824

4.6. The Western Donors and the East Asian Donors

It is to the East, more specifically to China, Japan, and even South Korea. There seems to be a distinct comparison between the Western donors and the East Asian donors, as one aims to promote economic development to its surrounding countries and to build up its regional economy while the other aims to alleviate poverty and push for 'certain political values' (Stallings & Kim, 2017, p. 16). Also, as China is not a member of the DAC, it is unsurprisingly that China's policy on aid and economic cooperation differs much from the Western's, especially of the DACs members. According to Brautigam (2009), China's aid and economic cooperation towards other developing countries concentrate on infrastructure and production. For Japan and South Korea, though they are still part of the DAC, as Japan is considered a traditional member and South Korea being a new member, there is a difference in their ODA approach from the Western members.

Unlike the West, according to Stallings and Kim (2016, p. 121), there are five similar characteristics between East Asian donors: 1) they often give a large amount of their development assistance to other countries nearby; 2) they focus their assistance mainly on areas of economic infrastructure, production facilities, and even the construction of the social sector; 3) the East Asian donors quite often deliver the assistance by packages of funds, which could contain commercial loans, trade credits, and FDI; 4) there is usually a strong connection between the public and private sectors in the countries where the donor country delivers the package to the recipients; and 5) they habitually avoid political conditionality, like of human rights, democracy, or governance.

Here, overall, of the comparison of the DAC members, the Western countries on ODA had focused more on education, health, and humanitarian aid. In contrast,

DOI:10.6814/NCCU202001824

East Asian donors, such as Japan and South Korea, focused more on economic infrastructure and social infrastructure. In 2018, the total DAC countries, altogether, finance their ODAs of 18.2 percent on education, health and population, 17.3 percent on economic infrastructure, 17.1 percent on social infrastructure, and 12.5 percent on humanitarian aid. Individually, for example, the U.S. here concentrates on two sectors, education and health (31.2 percent) and humanitarian aid (25 percent), while only aiming 3.7 percent of its ODA on economic infrastructure. In contrast, for East Asian donors, Japan's ODA has primarily focused on economic infrastructure, 53.1 percent of the total, while the production sector and the social infrastructures were the second (10.4 percent) and third (9.8 percent) main aims of its ODA, respectively. For the other East Asian DAC country, South Korea also had focused on the economic infrastructure of its ODA, of 40 percent of the total in 2018 (OECD - DAC, 2020).

Again, as China is not part of the DAC, it lacks the transparency of the data. However, nevertheless, according to an apparent white paper from China in 2011, by 2009, China's foreign aid was distributed of having 61 percent for the economic infrastructure sector, 30 percent for the production sector (including 16.1 percent of the industry, 4.3 percent of agriculture, and 8.9 percent of energy and resource development), and 3.2 percent for the social infrastructure sector (Huang, 2016, pp. 143-144). In another Chinese white paper, the overall Chinese foreign assistance for 2010-12 was divided with 59.8 percent of economic infrastructure and equipment, 27.6 percent of social and public infrastructure, 5.6 percent of production (industry and agriculture), and the rest for human resources development and humanitarian aid (Stallings & Kim, 2017, pp. 134-135). Nonetheless, China's aid and investment are different from the Western approach and more similar to Japan and South Korea, with a focus on economic infrastructure.

DOI:10.6814/NCCU202001824

While the East Asian donors are focusing on what their recipient countries need, the West must realize and consider a different approach of its ODA to other countries. For example, there was a popular lecture given by Ghana's President Nana Akufo-Addo during French President Emmanuel Macron's visit to Ghana in 2017 about hoping to end Africa's dependency on the Western world's aid and grants and to request for more investments and trade. President Akufo-Addo stated to the audience:

> We can no longer continue to make policy for ourselves, in our country, in our region, in our continent on the basis of whatever support that the western world or France, or the European Union can give us. It will not work. It has not worked and it will not work… We have to get away from this mindset of dependency"
>
> (Gyamfi, 2017)

He had also continued to compare the African countries with South Korea, Malaysia, and Singapore, which were able to develop their economy and change their roles from being a recipient to a donor (Gyamfi, 2017). Similar to Akufo-Addo and Africa as a whole, some countries in Asia, such as Cambodia, feel 'dissatisfied' with the traditional donors as the West continues to focus on social sector projects. In contrast, these developing countries demand more economic infrastructure for economic growth (Stallings & Kim, 2016).

Thus, with the growing demands of investments in Asia and Africa, this seems to be a shift of norms and common goals of the society of states, especially to the developing countries. However, the West and especially the U.S. continue to criticize China's BRI and not "offer…much in the way of alternative financing" of investment (Dollar, 2020, p. 1). Therefore, there is a need for a crucial player to continue this transition of the order, and that is Japan.

DOI:10.6814/NCCU202001824

4.6.1. The Challenges

With China's expansion of its BRI with the growing demand of investments worldwide, China is considerably 'expected' to be a global power and uphold the responsibilities "to protect free trade, maintain a balanced economic growth, and so on" (Chaisse, 2019, p. 1). Even though China has been able to plan to cover 17 sectors with 57 countries that joined the BRI in a total of US$20.17 billion, China has several challenges to face if they desire to continue to be a crucial leader in development. Hui Yao Wang and Lu Miao (2019, pp. 47-51) listed several significant challenges for China: planning and strategy, risk management, financing channels, lack of cooperation, low level of enterprises internationalization, underutilization of intermediary services, challenges in dealing with complex host country environments, and cross-cultural differences.

Such as an example of the fault of China's BRI are the transparency and lack of cooperation with its recipient countries. According to the CSIS Reconnecting Asia Project, it is considered that 89 percent of the Chinese-funded transportation projects are by Chinese companies. In contrast, in comparison to the World Bank and ADB, 29 percent are Chinese, 40.8 percent are local, and 30.2 percent are foreign. This is one of the major issues of the BRI. Even though Xi Jinping said in 2015 that "China will follow the principle of wide consultation, joint contribution, and shared benefits; the programs of development will be open and inclusive not exclusive," much of the information of the projects were "notoriously difficult to find." With the lack of transparency, this causes other companies of the BRI, excluding the Chinese companies, 'too late' to bid for the BRI projects (Hillman, 2018).

However, the most fearful possibility of the BRI to its host countries is the 'debt-trap.' Many countries, especially Southeast Asian countries, fear a possible debt

DOI:10.6814/NCCU202001824

burden that could lead to a "cession of key national assets" to China, which several of these countries eventually decided to cancel, suspend, or under review the projects (Gong, 2018, p. 11). This 'debt-trap' had become well-known since the lease of Sri Lanka's port to China. With the apparent 'debt-trap,' Sri Lanka seems to be the first one to account for it by allowing China to lease the Hambantota Port for 99 years to reduce the amount of the debt by US$1 billion, which Sri Lanka was unable to repay its debt to China (Sciorati, 2019). However, Sri Lanka is not the only country with a possible debt-trap. According to Hurley, Morris, and Portelance (2018), they analyzed that eight BRI countries would highly have debt sustainability problems in the coming future if they continue to loan fund for BRI's projects in their country, and those countries are Djibouti, Kyrgyzstan, Laos, Maldives, Mongolia, Montenegro, Pakistan, and Tajikistan.

For Pakistan as an example, though China is somewhat considered a reliable and strategic partner to Pakistan with the investment and support of its nuclear program, Pakistan's perspective of China has been degrading with the 'insufficient transparency' of the infrastructure projects of the China-Pakistan Economic Corridor (CPEC) where China had funded US$62 billion so far. One example of the lack of transparency was the excess payments of two coal-based Chinese plants in Pakistan, with the current cost of US$3 billion, while the previous original price was US$3.8 billion (Haqqani, 2020). Another example is the Karachi Circular Railway. Though the Pakistani government has already approved a US$6.8 billion project to upgrade the railway lines from China, which almost reaches to Pakistan's entire development budget of US$7.9 billion (Nikkei: Asian Review, 2020), the regional government of Singh had been calling for Japan, instead of China, to refurbish the railway for a US$2.6 billion. Apparently, from that regional government, the regional officials were

DOI:10.6814/NCCU202001824

"frustrated by a lack of support from China." They see from the Japanese side a better loan offer with lower interest rates than China and to have more opportunities for local employment (Aamir, 2019). Similar to that, there were an escalated protest against the CPEC by the locals in Gwadar as a construction of a 19-kilometer expressway that connects Gwadar Port to the Makran Coastal Highway would block "4.3 kilometers of the coast line, [thus] cutting off the old neighborhoods and limiting the access of fishing boats to the sea" (Suleman, 2020).

Overall, China will have various challenges in the near future if it continues with the lack of transparency, trust, and connection to the people of its host countries. China knows the problem, but would they resolve/renegotiate the challenges? China has let its host countries know the awareness twice in 2017 and 2019, of the Belt and Road Forum (BRF). During the First BRF in 2017, President Xi had spoken that the BRI would be peaceful, prosperous, transparent, and innovative with having win-win cooperation and having no confrontation between each other (Xi, 2017). In addition, during the First BRF, China had stated that the BRI is "not going to be [a] China's solo show," but rather be an 'orchestra' composed of every BRI members with upholding the "spirit of peace, cooperation, openness, transparency, inclusiveness, equality, mutual learning, mutual benefit and mutual respect" under the "rule of law, joint efforts, shared benefits and equal opportunities for all" (Building the Belt and Road for win-win development, 2017; Joint Communique of the Leaders Roundtable of the Belt and Road Forum for International Cooperation, 2017).

For the Second BRF in 2019, Xi (2019) also continues to enhance its previous principles during the past BRF, but mentions the need to "pursue open, green and clean cooperation" and "high standard cooperation to improve people's lives and promote sustainable development," and lastly to promote high-quality economic

DOI:10.6814/NCCU202001824

development. Again, though it is still too early to determine the danger of BRI to others, we are aware that China is noticing the challenges that will block its goal and weaken its economy in the future. Besides, however, though many countries quickly have seen the kind of 'debt-trap' and see it as a risk to them, some of these countries' governments have another perspective. For example, again of Sri Lanka, though it has given China the lease to the port, Sri Lanka has already been more in debt to several other countries and organizations, other than China. The country has actually been improving with its economy as an increase of ships and transports were porting the area after China was able to lease the port (Moramudali, 2019). However, many scholars may ask what Japan would feel about China's BRI, and would they decide to compete against China's BRI in investment.

4.6.1.1. The Reemergence

As China was filling in the gaps of the needs of investments in Asia with the creation of the BRI in 2013, aiming to buildup economic-oriented practical cooperation and trust with other countries, this quickly incited Japan. Some scholars, such as Yoshimatsu, assumed Japan had responded China's BRI, by forming a new and different initiative in the same year, the Partnership for Quality Infrastructure (PQI), an initiative that "stressed on economic efficiency in terms of low life cycle cost, inclusiveness, safety and resilience, sustainability, as well as convenience and amenities" (Yoshimatsu, 2018, pp. 722-723). With that perspective of the response from Japan, as stated before, Yoshimatsu had quickly assumed that there is a new arena of rivalry between China and Japan.

However, according to Raymond Yamamoto (2020b, p. 9), during Abe's second term by the end of 2012, Abe's focus on ODA was not "driven…by a strong desire to counter China's influence, but by economic interests and the idea of reviving

DOI:10.6814/NCCU202001824

the stagnating Japanese economy." Japan's focus on infrastructure development has been not new even before the BRI was announced, but it has allowed Japan to push more on its goals to 'revitalize' the Japanese economy and 'balance' China's regional influence (Nicolas, 2018), and not purely of a competition to China. Since 2012, several initiatives related to infrastructure assistance were the Infrastructure Export Strategy (2012), the Revitalization Strategy (2013), the Partnership for Quality Infrastructure: Investment for Asia's Future (2015), and the G7 Ise-Shima Principle for Promoting Quality Infrastructure Investment (2017) (Kikuchi & Unzaki, 2019).

Japan, here, does not directly see a competition against China, but rather it considers the BRI, the one to reopen up its previous ODA approach before the twentieth century, to focus more on loans and investments of economic infrastructure. In February 2015, Japan had introduced a new aid charter that could match up the transition of the international order as the BRI continues to try to expand its influence. Similar to China's South-South cooperation, Japan wanted its recipient countries to feel equal to the donor. Thus, it led to a shifting concept of 'development assistance' to 'development cooperation.' To an extent, 'foreign aid' and 'development assistance' was considered more as a 'gift-giving' while the concept of 'development cooperation' brings "partnership, collaboration, and mutual benefits between cooperators" (Trinidad, What Does Strategic Partnerships with ASEAN Mean for Japan's Foreign Aid?, 2018, pp. 276-277).

Nevertheless, of the new ODA charter in 2015, the Development Cooperation Charter, they open up the assistance more extensively by including both ODA and non-ODA states. Even in that year, Japan started up its PQI on May 21, 2015. The PQI was able to be funded with US$110 billion, while China's AIIB was initially funded with US$100 billion, a US$10 billion difference. A year after PQI's startup,

DOI:10.6814/NCCU202001824

Japan had even expanded it with the 'Expanded Partnership for Quality Infrastructure' that was able to be worth US$ 200 billion for infrastructure projects. The PQI focused on infrastructure cooperation in various regions of the world, including Southeast Asia, South Asia, and Africa. Three examples of the early PQI-quality infrastructure projects were the Mombasa Port in Kenya, the Mumbai-Ahmedabad High-Speed Railway in India, and the Digital Grid Project in Tanzania (Duggan, 2018; Jiang, 2019).

Again, though there does seem to be a competition between China and Japan on investment, especially by the number of investments and loans and the number of projects, there are glimpses of cooperation on investment together, particularly between the AIIB and ADB. Currently, the AIIB has reached into a 100-member institution while the ADB only has 68 members. Though there are several competitions between the two development banks, there has been cooperation between the two as the AIIB had signed MOUs, as of 2019, with the ADB and with 13 other development banks, including the World Bank. In addition, to be aware, the AIIB, a Chinese-led institution, has the largest shareholder and has 26.6 percent voting power. For the ADB, the ADB is currently led by two main shareholders, the United States and Japan, as each contributes 15.6 percent of total subscribed capital and hold 12.8 percent of the voting power, while China, also being part of the ADB supports a 6.4 percent of the subscribed capital and hold 5.4 percent of the voting power, being third top voting power of the ADB (Sims, 2019). However, the AIIB and ADB have been co-financing together in several projects, such as a road project in Pakistan and an upgrade of a natural gas field in Bangladesh (Zhao, 2018a). Thus, the two investment banks do not directly aim to compete against each other. This would still be the same between China and Japan as a whole on investment.

DOI:10.6814/NCCU202001824

Understandably, China's BRI would break down if it continues to leave the challenges and issues with its host countries. It would need to do something to gain the trust, and that is the cooperation with Japan. Japan also needs China as it enasbles Japan to reemerge its ODA approach not by itself entirely, but as China was able to open up a beginning of a shift of norms and rules, particularly on the concept of development assistance in the Western-led international order.

4.7.Conclusion: The Coexistence & Cooperation

Surprisingly, though Japan's approach to ODA was criticized by the West during the late twentieth century, especially during its investment in China, China's current push on its BRI has allowed Japan to have "permission and confidence to return to the old development principles" (Yamamoto, 2020a, p. 336). The growing competition from China's BRI keened Japan "to preserve its regional presence and [balance] China's growing influence." From a regional perspective, Japan does not see China as a "cut-throat regional rivalry" (Lauridsen, 2019, p. 231), in particular in extra-regions, but rather Japan sees China as the one to start an "ideological shift in the international donor community" to allow Japan to revise its 2015 ODA Charter from shifting its ODA approach from the term, 'aid' to 'cooperation' (Yamamoto, 2020a, p. 336).

China's BRI has been interested by many, but the lack of transparency and trust has made it a challenge to China's goals. As Goh (2016, p. 1) asked, "How and how effectively does China make use of its expanding resources to get what it wants?" Undeniably, she does not answer the question just merely by 'scorecards' of tallying its economic, political, and social resources, but by how China affects "others' policy choices and decisions, and achieve particular ends." The influence

DOI:10.6814/NCCU202001824

from China's BRI may has started big with its capabilities of material power, but the influence on those host countries will continue to lack if China ignores the challenges.

According to Glosny (2016, pp. 38-39), the University of International Relations president and former CICIR Vice President Tao Jian had even called that there are a "'lagging gap and 'mismatch' between China's national power and international influence." One Chinese expert had reported that "there is a large gap between China's power and influence…China's influence is only 10-30% of its power." Another Chinese expert had even mentioned that China's rising material capabilities and its international influence has a 'gap,' and its relationship is 'asymmetrical' and 'unequal.' Therefore, there is a distinction between power, particularly of material power and influence. Here, unilaterally, a state is possible to increase power over other states, but of influence, it is a different concept with having interactions among the connecting states and their response afterword.

Rosemary Foot (2019) does mention that China's material power is rising the 'ranks of great powers,' which also brings 'expectations and responsibilities' for great power managements. However, it begs to differ in Foot's assumption of China's renegotiations to the regional order and claiming that it could lead to a 'hegemonic transition.' Nevertheless, in contrast, Goh (2014, p. 826) believes that though there may be growing resources and capabilities of a state, it does "not necessarily translate into the ability to affect other's behavior." Therefore, with the rise of influences, as according to Zhang Yinlin from Foot's article, it could lead to a challenge to the influencer, in particular China, as where a "growing resistance to China's dominance" continues 'its neighbors' distrust grows' and worrisome of the possibility of China's regional hegemony (Foot, 2019, p. 12).

DOI:10.6814/NCCU202001824

Nevertheless, again, according to Hsu, trust is considered "important in the initiative and implementation of projects." Here on the concern on infrastructure projects, a trust could be built by "financial trustworthiness, transparency in bidding for projects, governance systems in implementation of projects, adherence to laws and regulations of project parties and host states and in meeting the clearly enunciated 'win-win' objectives" (Hsu, 2020, p. 9). Although China has been calling its approach a 'win-win,' this ideology of 'win-win' cooperation started from Japan's investment in China. With that, Japan had won the trust from China, not particularly of the politics and historical issues, but of the economic relations, in particular of its investment in China from the late 1970s to now, as China continues to demand investment from Japan.

Foot stated that: "a 'new era in great power relations,' or 'new model of major country relations,' would be one that recognizes and respects each sides' 'core interests' and would be built on non-conflict, non-confrontation, mutual respect, and mutually beneficial cooperation" (Foot, 2019, p. 7). Thus, it seems that there is actually a 'new' era between China and Japan in the region with its mutual respect, as they are not directly competing against each other of the investment. Understandably, China and Japan have different 'resources' for a region to express a gain of influence. For example, in general, China has the ability with its capital and manpower, while Japan is capable of sharing its technology with training and equipment (Chongkittavorn, 2019). They understand each other's interests and aim to cooperate and not directly compete. Even during the First and Second BRF, as the Special Envoy of Prime Minister and Secretary-General of the Liberal Democratic Party (LDP) Nikai Toshihiro visited Beijing during the forums, Xi was able to meet Nikai and mentioned that the two countries "never pose a threat to each other" and that

DOI:10.6814/NCCU202001824

"they are cooperative partners supporting each other's peaceful development" (Xi Jinping Meets with Special Envoy of Prime Minister Toshihiro Nikai of Japan, 2019).

Overall, though the relationships between China and Japan is complex with tensions, especially of the maritime disputes, the two countries are strongly connected of its interdependence among each other throughout history since the Cold War by allowing an emergence of interest to be reached. China's BRI as stated before is in its early start of development assistance to countries, but it must also recognize Japan's experience of development assistance, in particularly in China and later in Southeast Asia. In addition, as emerging, the BRI has also opened up an opportunity for Japan to revitalize its ODA approach as before from focusing on 'aid' to cooperation. Thus, there is an indirect cooperation between the great powers of Asia as they coexist in the society of states, and this is also including other countries among the international society.

Nevertheless, a good example of this would be in Southeast Asia, where there are growing needs of infrastructure investment and as a region being important to both China and Japan. Consequently, the next chapter will soon illustrate Japan's role of development assistance, thus allowing the developing countries to have an alternative approach and having Japan balancing China's development assistance, and not by any direct confrontational competition but rather by competitive cooperation (Masuo, 2019, p. 430).

DOI:10.6814/NCCU202001824

Chapter Five: The Revitalization of Roles & the Expansion

5.1.Introduction

With the expansion of China's BRI, there are various questions on the BRI. One particular problem is whether China is using the BRI to let China rise as a hegemonic power in the connecting regions of its borders from both land and maritime with the use of vast loaning and undermining other developing countries. China's relations with the states in Southeast Asia are mixed and complex to generalize the Southeast Asian states' attitude to China as one, such as some are close and supportive (Thailand, Cambodia, Laos, and Myanmar). In contrast, others are either distant (Malaysia, Brunei, Singapore, and Indonesia) or complicated (Vietnam and the Philippines). Yet, again, as one says, the BRI is a "relatively new concept and few of its projects have been completed [thus leading it to be] difficult to actually put numerical value on the benefits" on the projects of the developing countries (Tiezzi, 2019). Therefore, it is necessary to analyze in-depth on whether China is primarily approaching to be a hegemonic power and capable in Southeast Asia and whether Japan is adept at matching up of China's influence in the region.

Firstly, within Southeast Asia, there should be a first notion of the tensions in the South China Sea. China has been claiming a vast area of the waters that overlaps most of the Southeast Asian countries' exclusive economic zone (EEZ). Those countries are Brunei, Indonesia, Malaysia, the Philippines, and Vietnam. The Philippines and Vietnam, in particular, have been the ones that had to face China's military ships more often roughly. However, with the growing tensions in the South China Sea, and though China continues to push its claim of the nine-dash lines in the

DOI:10.6814/NCCU202001824

sea, China has also tried in varies ways to cooperate with its opposing states with "less sensitive…low-politics cooperation," in Track 1.5 and Track 2 activities such as hosting the China-Southeast Asian Countries Marine Research and Environmental Protection Cooperation Forum, the Asia-Pacific Heads of Maritime Administrations Conference, and the China–ASEAN Ministerial Dialogue on Law Enforcement and Security Cooperation (Gong, 2020). In addition, between China and ASEAN, they were able to sign a Declaration on the Conduct (DOC) of Parties in the South China Sea, where they agreed to push for a peaceful dispute resolution without using military forces in accordance with the universally recognized principles of international law. However, the DOC is still technically without any legally binding power, and a negotiation on the code of conduct is still at a stagnant phase as China prefers having bilateral agreements to each ASEAN member and the "inability to reach internal consensus" among the ASEAN members (Yoshimatsu & Trinidad, 2017, p. 134).

The relationship between China and Southeast Asian countries is already difficult in the recent years. During the 36th ASEAN Summit led online by Vietnamese Prime Minister Nguyen Xuan Phuc on June 26, 2020, the leaders of the ASEAN members have continued to be wary of China's growing movements of aggression crossing disputed maritime territories, even during the coronavirus pandemic. Besides, there seems to be another concern about whether China would establish another air defense identification over the South China Sea, similar to the one over the East China Sea. Thus, with the response, PM Nguyen reiterated during the summit to the other leaders that they should preserve "the importance of maintaining and promoting peace, security, stability, safety, and freedom of navigation and overflight above the South China Sea" (Onishi & Iwamoto, 2020).

DOI:10.6814/NCCU202001824

As PM Nguyen restated its aim to maintain the status quo of the region with the norms and rules of the society, it has shown a resistance to China's hegemony from its sphere of influence. As mentioned before, Costa Buranelli's negotiated hegemony is where the influenced states could decide to accept or resist the influencer in one's sphere of influence. For example, the ASEAN states could have accepted China's claims on the South China Sea, but they have decided to resist the claims and spoke out of China's actions.

Nevertheless, even for Japan, being within the same society as China and the Southeast Asian states, according to Storey, there are two major concerns within the South China Sea. First, Japan does not want the pathway of the South China Sea and the Straits of Malacca to be unstable as it may disrupt the free flow of the maritime trade, which Japan crucially depends on the routes of supply. Second, Japan wants to maintain the norms and rules, the rule of law in each state, but if China undermines them, the existing norms and laws will break down (Storey, 2013).

Therefore, Japan wanted to maintain the balancing strategy with balancing the power and influence of China in Southeast Asia by mainly 'forging an economic partnership' (De Castro, 2013). Japan purely concerns not of China's military strength itself, but rather a threat to the security of supply, particularly of the transportation of energy resources to Japan, which could "classified as a national security concern" (Buzan, 1983, p. 80). Though Japan does formulate security ties with Southeast Asian countries by maritime supports with supplying various patrol vessels (Arase, 2019; Trinidad, What Does Strategic Partnerships with ASEAN Mean for Japan's Foreign Aid?, 2018; Yoshimatsu & Trinidad, 2017), Japan's crucial aim is to maintain the existing norms and rules of the area, and the best way is to continue its already influence in the area by infrastructure assistance.

DOI:10.6814/NCCU202001824

Jeffery Kingston had even noted that countries among the Indo-Pacific region, which stretches from India to Australia and Indonesia and Japan, are having "collective, shared concerns that are leading towards a collective response" to China's provocation in the South China Sea (Jennings, 2019). Even during Japanese Foreign Minister Motegi Toshimitsu's visit to Indonesia in January 2020, Indonesian Foreign Minister Retno Marsudi had stated that both Japan and Indonesia "shared serious concerns" about the shift of the status quo in the South China Sea (Maulia, 2020). During Motegi's same January 2020 trip, he had also stopped by Vietnam and stressed that Japan "has continued to 'firmly state its position' to China about the South China Sea…[with] the importance of [maintaining] freedom of navigation and the rule of law" (Nikkei: Asian Review, 2020).

Again, though the relationship between the U.S. and Japan have been somewhat weakening, Japan is not planning to take a side and would instead take the leadership of being a great power with its responsibility to maintain the "the rule-based and open regional order," with maintaining the U.S.-Japan alliance and the cooperation with China in development assistance (Masuo, 2019, p. 448). Unlike the U.S.'s strategy in the Indo-Pacific region which seems of aiming to "counter Beijing's" development or see China as a 'threat' to the international community (Koga, 2019, pp. 1-2), Japan's strategy focuses on the developing countries' perspective, certainly in Southeast Asia, to have no qualms of "confrontational approaches" between China and the United States. Japan aims to allow the developing countries "to choose their own economic paths free from coercion" and to mediate China's BRI with cooperation "under certain conditions (transparency, economic viability, debt financing that does not entrap recipient countries, among others)" (Szechenyi & Hosoya, 2019, pp. 4-5).

DOI:10.6814/NCCU202001824

5.2. Historical Background

With that set, before we question whether if there is a race of infrastructure assistance between China and Japan, there are several historical points in Southeast Asia where Japan and China began to push their development assistance in the region. First, from the end of the Second World War to the early 1990s, Japan's economy was booming, but the country had failed one crucial factor. They failed to influence countries to gain friends from countries of Asia, particularly of Southeast Asian countries. Even though Japan was able to help many developing countries, such as Thailand where its factories had changed from "making toys and shoes to building computers and personal digital assistants" by the Japanese, Japan was not "heavily [advertising] its aid programs, or hold out Japan as a model, or take the lead on regional trade agreements" (Kurlantzick, 2007, pp. 204-205).

Though during the mid-1970s as Japan emerged at the second-largest economic superpower and retained its national confidence, such as reacquiring Okinawa from the U.S., Japan had unexpectedly faced anti-Japanese sentiments from Southeast Asia during then PM Tanaka Kakuei's January 1974 Southeast Asian visit, particularly in Thailand and Indonesia, but also in Malaysia and elsewhere. These anti-Japanese riots and demonstrations could have occurred by many factors, such as the fear of economic dominance in the region, the lack of promotion to indigenous talents and the overreliance on ethnic Chinese domicile in Southeast Asia for business deals by Japanese management, and Japanese business methods and the behavior of Japanese residents in Southeast Asia (Lam, 2013, p. 11). In addition, there were also considered links to "corruption, debt, and controversial expropriations for large-scale infrastructure projects" (Yamamoto, 2019). Nevertheless, as Southeast Asian countries began to find its dependency on Japan's trade (Lee P. P., 2003), the negative

DOI:10.6814/NCCU202001824

image of Japan from the region was considered as ‘economic animal,’ but by 1977 PM Fukuda Takeo had pushed to “move Japan-ASEAN relations from ‘material bonds of mutual dependency’ to ‘strong spiritual bonds of friendship and cooperation in the region,’” what some called it the Fukuda Doctrine (Wang J. , 2013, p. 66). In short, PM Fukuda had stated on August 18, 1977, in Manila that Japan would maintain three points: to be committed of peace with the rejection of the use of military force, to establish ‘true friends’ of “mutual confidence and trust based on ‘heart-to-heart’ understanding” with the Southeast Asian countries, and to be an ‘equal partner’ of the region and to support ASEAN’s solidarity and resilience (Lam, 2013, pp. 13-14). By holding the principles of the Fukuda Doctrine, Japan felt obliged to “include the recipients’ interests in its policies in order to avoid growing mistrust and criticism against its ODA” (Yamamoto, 2019, pp. 1-2).

These events, from the anti-Japanese sentiments to the Fukuda Doctrine, is an example of an asymmetrical relationship between a great power and a weaker state. Though a weaker state may have limitations of power to a great power, a great power’s power does not actually lead to their determined outcome and would probably fail (Tüter, 2019). Nevertheless, after Fukuda’s announcement to Southeast Asian states, Japan started to gather information on the criticisms of its trade and investment practices. Such an example was of the natural rubber market as Japan provided technical and financial support for Southeast Asian industries and reduced tariffs on agricultural items and, eventually, other goods with trade liberalization (Wallace, 2019).

However, even though Japan was able to build up its relations with many countries after the Second World War for war reparations by economic cooperation, it did not focus in-depth on producing a strong social relationship with the developing

DOI:10.6814/NCCU202001824

countries, especially in Southeast Asia. While for China, by the 1980s, as China changes its behavior from being "an exporter of revolution, assisting communist insurgencies in the region, to an important economic and political partner for Southeast Asia," it made Japan's approach to economic and security policy to Southeast Asia difficult (Shoji, 2009, p. 158). As early as the 1980s, China had focused its foreign policy on the use of economic exchange to its peripheral countries, such as with the Peripheral Policy and the Good Neighbor Policy, to secure its national security. From the Chinese perspective, China would be able to ensure its security by "unifying, leading, and coordinating" its economic relationship with certain countries of the South-South Cooperation with the use of infrastructure and aid (Reeves, 2016).

Again, during that period, Japan was not motivated to compete against the U.S., considering its close ally, and especially China, as China was already regarded as weak. But as Japan reached its Lost Decades with its economic stagnation, China was able to start its growth of influence to other countries, and that pushed back Japan's chances to be a strong regional leader. Japan was also pushed back again later in the 1990s and the early 2000s as the U.S. was losing popularity from other countries (Kurlantzick, 2007, pp. 205-206). Even during the 1997 Asian Financial Crisis, Japan was still considered the most supportive country in Southeast Asian countries. Japan was able to offer three major packages: the New Miyazawa Initiative (US$30 billion), the Obuchi Plan (US$5 billion), and a joint U.S.-Japan Initiative (US$10 billion, but as of 2002 the U.S.'s half of the contribution was not directed). Of the biggest package, 'New Miyazawa Initiative,' the financial assistance was in the form of ODA loans from the former Export-Import Bank of Japan (J-EXIM), now the Japanese Bank for International Construction (JBIC), on helping corporate debt to

DOI:10.6814/NCCU202001824

restructure, the employment stability, crunching credit, forming the social safety net. While for the Obuchi Plan, it was mainly aiming to assist Southeast Asian countries in infrastructure development (Lee P. P., 2002). Though Japan was able to support the affected countries during the financial crisis, China was also able to support them. It was reported from the Chinese Ministry of Foreign Affairs that China had aided US$4 billion to the Asian countries during the crisis either through the IMF or through bilateral networks (Diokno, Hsiao, & Yang, 2019, p. 5), and in addition, China did not aggravate the crisis by not devaluing its currency, the yuan (Lee P. P., 2002).

Nevertheless, Japan was able to change its attitude to Southeast Asia, but it was not able to fully transform strong connectivity like with China, specifically with their economic relationships. Since the establishment of ASEAN in 1967, between China and Japan, Japan was the first to have the first cooperation with ASEAN in 1973 as China had only started its first cooperation in 1991. The first summit and first Foreign Ministers meeting for Japan were in 1977 and 1978 while, again, China's first summit and first Foreign Ministers meeting were in 1997 and 1991, respectively. However, surprisingly, the table has changed. China was first to be able to access the Treaty of Amity and Cooperation in Southeast Asia and a free trade agreement with ASEAN in 2003, which Japan later agreed to the treaty and formed a free trade agreement with ASEAN in 2004 and 2008, respectively (Katayama, 2013). Japan had a long duration to become closer to ASEAN but decidedly was not motivated to do that. Only until China had pushed its connection to ASEAN did Japan undoubtedly act. Overall, there seems to be an invisible thread between China and Japan in Southeast Asia. Both are motivated to continue their relationship with the countries of Southeast Asia. Again, China was able to move out and push for aid and investment outward after its modernization from Japan's infrastructure assistance to the 1990s.

DOI:10.6814/NCCU202001824

As China was beginning to step up of becoming a great power, Japan was resetting its approach in Southeast Asia. This relationship would continue now in Southeast Asia with a focus on infrastructure investment with a balance of influence.

5.3. The Sino-Japanese Relations in Southeast Asia

It is unsurprisingly that China and Japan both mainly use economic measures, specifically foreign aid, trade, and investment, to 'establish linkage' with Southeast Asia countries (Yoshimatsu & Trinidad, 2017, p. 127). Several people around the world had even seen investments in Southeast Asia between China and Japan, a race, or a competition. In Southeast Asia, of 2017, Japan was the third top investor in ASEAN with a value of US$16 billion, while China was fourth top with US$14 billion, and the U.S. was second with US$25 billion. Later in 2018, as the U.S.'s leadership in Asia was declining with only US$8 billion of investment in ASEAN, Japan and China become second and third with the values of US$21 billion and US$10 billion in 2018, respectively (ASEAN, 2019, p. 22). However, as expected, Japan has been considered to be "winning the Southeast Asia's infrastructure race against China." According to the news with the Fitch Solution, by the end of June 2019, Japan has been assisting multiple projects in Indonesia, Malaysia, Philippines, Singapore, Thailand, and Vietnam with a total value of US$367 billion while China only has US$255 billion. Even with the number of projects in the Southeast Asian region, Japan is supporting 240 infrastructure projects, while China funds only 210 projects (see Table 5.1) (Jamrisko, 2019). Even overall, between 2009 to 2018, in each of the years, Japan significantly outdid China's FDI flow to ASEAN. Especially in 2013, Japan's FDI inward flows to ASEAN reached almost US$24.6 billion, by toping quadruple of China's while China only invested US$6.2 billion (see Figure 6.2). Again, looking back, as both Abe and Xi came into power in their country by the

DOI:10.6814/NCCU202001824

end of 2012, between 2013 and 2018, China's FDI to ASEAN almost reached US$53 billion while Japan doubles it of having US$102 billion to ASEAN (see Figure 6.3). However, this is more resembles a race of materials. What about the race of influence?

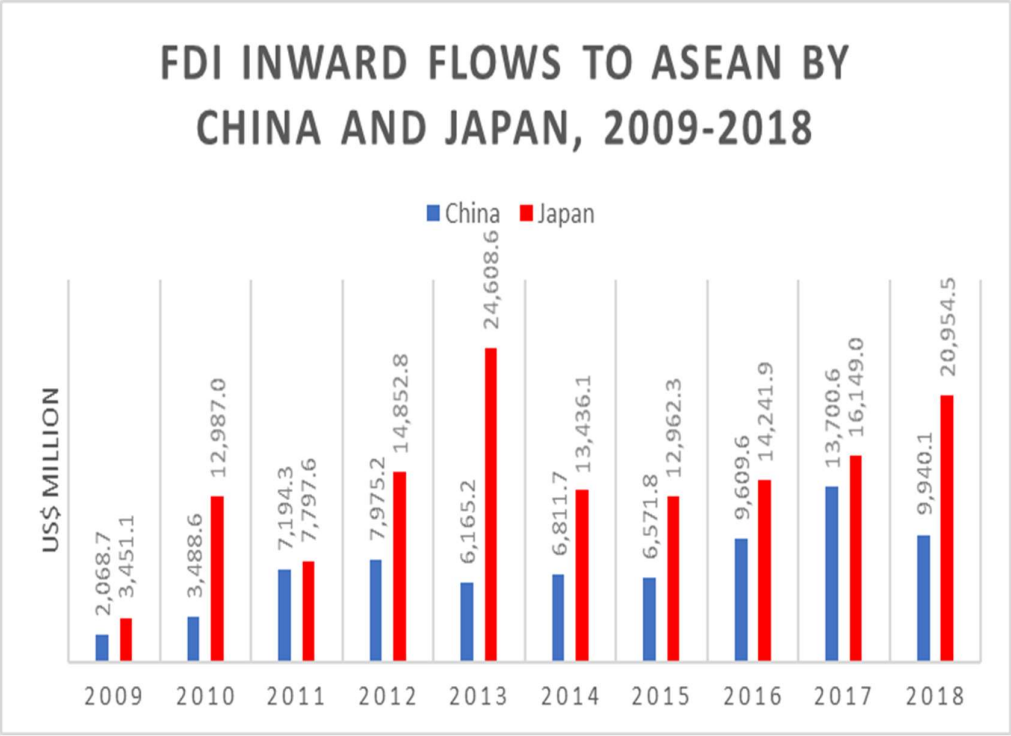
Table 5.1. Number of Infrastructure Projects in Southeast Asia

	China	Japan
Cambodia	28	14
Indonesia	55	51
Laos	23	4
Malaysia	31	10
Myanmar	16	16
Philippines	8	29
Singapore	13	24
Thailand	9	15
Timor-Leste	2	3
Vietnam	25	74
Total	210	240

Source: (Jamrisko, 2019)

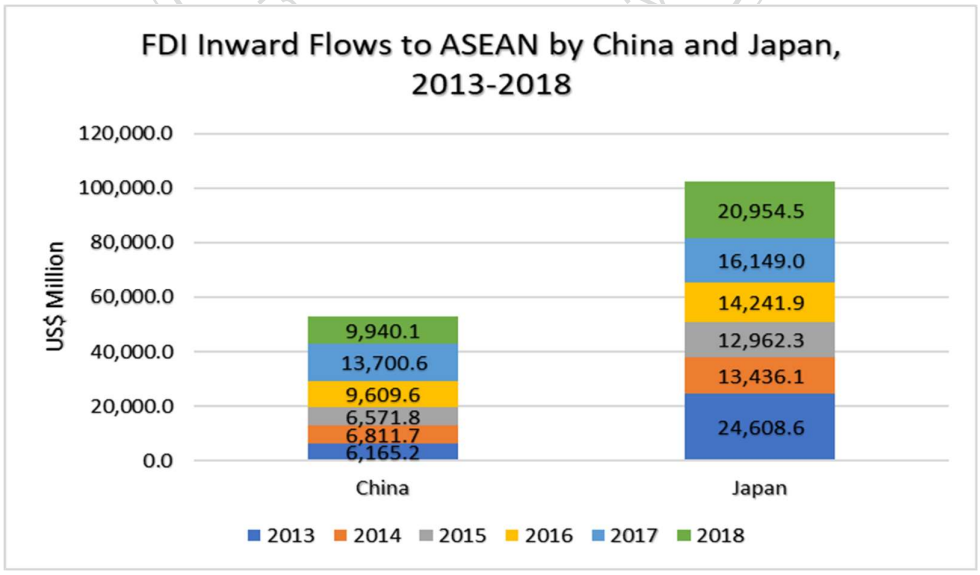
DOI:10.6814/NCCU202001824

Figure 5.2:



Note: Data for 2018 are preliminary figures
Source: (ASEAN Secretariat, The, 2019)

Figure 5.3:

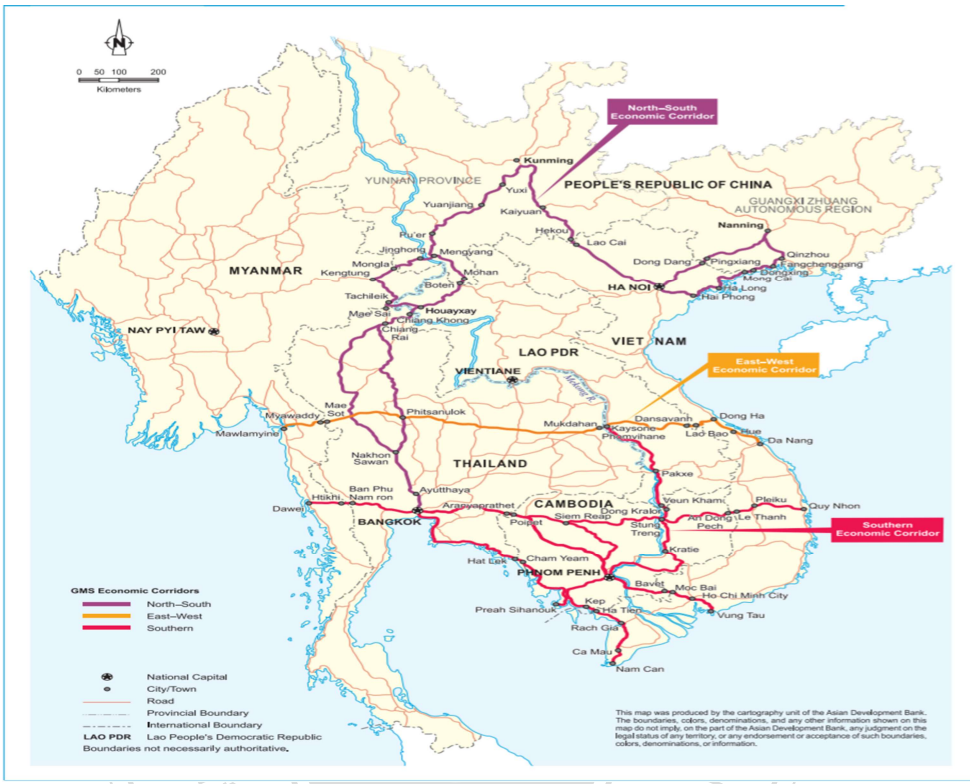


Note: Data for 2018 are preliminary figures

DOI:10.6814/NCCU202001824

Source: (ASEAN Secretariat, The, 2019)

Figure 5.4: Present Configuration of East-West Economic Corridor, North-South Economic Corridor, and Southern Economic Corridor



Source: (ADB, 2018, p. 6)

Again, quite a few scholars claimed that there is a deep competition between China and Japan in Southeast Asia to gain and maintain its economic influence. However, though that may be true, their influences in the region are somewhat "involved in different areas, in different types of activities and through different instruments," which, to some degree, avoids real confrontations between two regional giants (Nicolas, 2018). In fact, in 1998, the ADB's 'Greater Mekong Subregion' (GMS) Economic Cooperation Program (ECP) had formulated the concept of three economic corridors: the East-West Economic Corridor (EWEC), the Southern Economic Corridor (SEC), and the North-South Economic Corridor (NSEC)

DOI:10.6814/NCCU202001824

(Lauridsen, 2019), (see Figure 6.4). In addition, by the end of 2013 of Abe's second term, he had started the "Proactive Pacifism" strategy in Southeast Asia, where he reorganized the position for Japan to continue its interest in the region as China begins to extend its influences. As stated again, both states had different approaches in Southeast Asia, particularly with its "ideas, plans, and economic consideration." For China, with its long-term goals for its BRI, it was focusing on the NSEC to be the North-South Pan-Asian Railway Network. While for Japan, it was of the EWEC and SEC by connecting Myanmar, Thailand, Laos, Cambodia, and Vietnam (Zhao, 2018b).

From the Southeast Asian perspective, the Southeast Asian countries are more or less either split on the matter of whether the investments and aids would be an economic benefit or a loss with the exploitation of its natural resources. As with the first reaction of Sri Lanka's Hambantota Port debt-trap, many of the leaders of these developing countries had quickly back off or have issues of China's proposal of projects, such as the Malaysia Petroleum Hub Project, the Sino-Myanmar Railway project, the Hanoi Metro, Bandar Malaysia railway hub, the China-Laos Railway, the Thailand-China railway project, Jakarta-Bandung rail project, the Philippines' North-South Commuter Railway (NSCR) Project, and Malaysia's East Coast Railway Link (ECRL) (Wallace, 2019). However, again other countries are not afraid of China's debt-trap. Examples that see the BRI differently would be of two countries with similar aspects of China's investments, which some say have a high-risk of debt traps, and those are Laos and Cambodia. Laos's PM Thongloun Sisoulith argues that the BRI as a better way to improve the country as he sees it a "necessary and economically viable" with the loans for development, such as of the special economic zone (SEZ) and the railway projects (Sugiura, 2019). For Cambodia, PM Hun Sen had

DOI:10.6814/NCCU202001824

also “dismissed…fears that Cambodia was falling into a Chinese ‘debt trap,’ saying its loans are low interest, low risk, and were not a threat to national independence” (Reuters, 2019).

Nevertheless, even Southeast Asian countries that are close allies to the U.S. for many years, such as Thailand and the Philippines, are being invested by China in various projects and are not aiming to gang up on China nor restrict its “right to rise in legitimate ways.” As Linda Quayle (2019, p. 1) stated, “they wholly align with neither major power’s evolving stances on sovereignty and great power management.” In short, Southeast Asian countries did not want to take sides between China and the U.S., and that includes the investments between China and Japan.

China’s BRI of its foreign aid and investment actually “does not differ much from Japan’s ODA.” As repeated previously, Japan’s ODA in the past was ‘harshly criticized’ by the Western community, for its approach is different from the DAC members. According to Raymond Yamamoto (2019, p. 1), there are three distinct characteristics of ODA that Japan’s previous ODA approach is similar to China’s BRI, and there are: “the assistance provided was mainly financed through loans that required repayment; the loans were tied to Japanese goods and services; and domestic socioeconomic and political conditions in recipient countries were neglected.” In addition, there seems to be a growing similarity between the relationship between China and Japan during the 1980s to 1990s and the relationship between China and ASEAN, and that is the cooperative bargaining (Tüter, 2019). As stated in the previous chapter of Japan’s investment in China, both countries had mutual respect for their interests. As China needed investors for infrastructure investment, it provided a great opportunity for Japan, and it eventually led to cooperative bargaining with an agreement with the exchange between raw materials and more modernized

DOI:10.6814/NCCU202001824

technology. This also plays a similar role between China and Southeast Asian countries. Again, though China is considered a great power now, the Southeast Asian countries could have 'bargaining leverage' as China does need resources and the opportunity to complete its BRI.

However, unlike the Japanese investments in China during the 1980s and the 1990s, these Southeast Asian countries do have a 'fallback position' to continue to hold bargaining leverage towards China's BRI, and that is Japan (Tüter, 2019). Japan's position in the area offers the weaker countries an alternative source for its needs. Secondly, Southeast Asian countries have different behaviors between China and Japan. Throughout times, theses countries' attitudes to Japan had shifted from negative aspects before the 1970s to have a more positive perspective with having a heart-to-heart relationship. However, though these countries do consider China a major trading partner, there are 'resentment' from the Southeast Asian people similar to Japanese before. Overall, the people of ASEAN have an unpopular stance on China due to trade deficits, imbalanced cross-border trade, low-quality goods, and the negative impact of Chinese migration. Therefore, as some say, there is a race on influence in the area for 'hearts and minds,' Japan would be the winner (Thu, 2014, p. 11).

According to ISEAS Yusof Ishak Institute's 2020 survey, among the respondents from the ASEAN states, 61.2 percent of them express Japan as the 'most trusted major power while China only had 16.1 percent. However, 79.2 percent of them still feel that China is the 'most influential economic power in Southeast Asia, but 71.9 percent of them perceive worrisome of China's economic influence. Nevertheless, only 14.7 percent of them see China able to have the 'strongest confidence to provide leadership in championing the global free trade agenda';

DOI:10.6814/NCCU202001824

however, surprisingly, the U.S. was also quite low with only 14.5 percent. The top country that ASEAN respondents see as the strongest leader of the global free trade agenda is Japan, with 27.6 percent. Of the ASEAN respondents, their trust to Japan is extremely high, with 61.2 percent as the U.S. with 30.3 percent and China with 16.1 percent. Of vice versa, on the perception of distrust, Japan is the lowest distrusted major power with 21.3 percent while the U.S. is with 49.7 percent; and China being the highest with 60.4 percent (The State of Southeast Asia: 2020 Survey Report, 2020).

These impressions of Japan's appearance to the ASEAN countries leads with the same result of another opinion survey from the Japanese MOFA Opinion Poll in November 2019. 52 percent and 41 percent of the ASEAN respondents feel Japan is either somewhat reliable or very reliable to its country, respectively. In addition, on the value of Japan's capabilities to maintain global peace and the international order, the majority of them either express Japan as somewhat valuable (45 percent) or very valuable (47 percent) (MOFA, Japan, 2020). Nevertheless, many of these respondents, 59 percent of them, still feel that China is "an important partner" to their country currently while Japan and the U.S. are second (57 percent) and third (40 percent), respectively (MOFA, Japan, 2020). Again, though they still see China as a major partner of its economy, they still do not feel confident about China's BRI. According to the previous ISEAS 2020 survey, of the 2nd BRF in April 2019 where China had restated its pledge of the BRI approach with 'open, green and clean' infrastructure projects, most of the ASEAN respondents have no or little confidence of BRI's new approach with only having 21.5 percent and 42.1 percent, respectively, while only 33.9 percent of them have some confidence (The State of Southeast Asia: 2020 Survey Report, 2020).

DOI:10.6814/NCCU202001824

Overall, there is a lack of trust in investment between China and Southeast Asia. Even, with the U.S.-China rivalry with the trade dispute, most of the people of ASEAN feel not to decide sides from either side and would rather 'enhance ASEAN resilience and unity'(48 percent), 'not siding with China or the U.S.' (31.3 percent), or even 'seek out 'third parties'' (14.7 percent). Again as most ASEAN members do not want to take sides between the U.S. and China, 38.2 percent of them would prefer and trust Japan as a 'third party' of the rivalry as the European Union holds second with 31.7 percent and Australia being third with 8.8 percent. About both the U.S. and China, several ASEAN respondents have no or little confidence to be reliable for maintaining peace and security of the region, as combined with 49.7 percent for the U.S. and 50.4 percent for China (The State of Southeast Asia: 2020 Survey Report, 2020).

To the ASEAN states, the majority of them are concern about two possibilities about China to them, and those are China's military activity in the South China Sea and the Mekong (53.9 percent) and China's growing economic dominance and political influence in their country (55.5 percent) (The State of Southeast Asia: 2020 Survey Report, 2020). This is quite similar to Japan's activity in Southeast Asia, possibly being an economic dominance of their economy. Again, similar to Japan's experience of negative appearance from Southeast Asia, China is also beginning to face a growing anti-Chinese sentiment around the region (Wallace, 2019).

Nevertheless, though Japan seems to be 'winning' in Southeast Asia, Japan does not want to 'contain China.' Instead, Japan "accepts the reality of growth in China's regional influence" and would instead "mediate the way [China] converts its hard power into influence rather than seeking to contain or diminish it" (Wallace, 2019, p. 2). As stated before, as China expands its influence with infrastructure investment in

DOI:10.6814/NCCU202001824

the Southeast Asian region, it had encouraged Japan to also expand its investment in the region, as some Southeast Asian elites are calling Japan to "think big" on development and play a more influential role of the region (Zhao, 2018a, p. 4). Japan only wants to have enough benefits in the area to balance the influence in the area with China and not go aggressive to China. As many Southeast Asian countries stated, a balance between China and Japan would maintain peace and stability and prosper significantly in the economy. If they do not and continue to compete, it would be unbeneficial to everyone in the region. For that, China also knows and cannot avoid involvement with Japan in the region. Such as though some countries have accepted that the BRI is positive for their country, others have not entirely accepted that easily. Nonetheless, in the next section, there would be various moments in Southeast Asia where China's aid and investment approach is lacking and needs to renegotiate as Japan is standing firm to maintain its appearance in each country by balancing the influence of its development assistance.

5.4. The Balancing in Southeast Asia

With the early start to step up the BRI, China was able to gain support on procuring two projects in Laos and Thailand, but of Indonesia's project, it was a start of a confrontation competition between the two great powers in the region. For China's high-speed railway projects, China was more successful than Japan's because particularly from the support of China's immense financial resources that allow the railway companies to package the project cheaper with a "lower overall costs, lower interest rates and longer grace periods on loans provided from China's policy banks, as well as fewer liabilities for the host government" (Pavlicervic & Kratz, 2016, p. 6). This made China's high-speed railway projects not only cheaper than the Japanese but also flexible on altering the technology types and operational models for the needs of

DOI:10.6814/NCCU202001824

the host countries. An example of a competition between China and Japan on the high-speed railway would be of Indonesian project on building a high-speed railway from Jakarta to Bandung. Through multiple changes of the proposal on both sides to Indonesia, China was able to win the bid, mainly because its plan of the high-speed railway did not need Indonesia's fiscal spending or debt guarantees. In contrast, Japan's had required "Indonesian government funding and sovereign guarantees." However, as China started the project, it was at a stall, due to the land issues and financial risks (Jiang, 2019, p. 14).

Nevertheless, during and after the competition for Indonesia's high-speed railway project between China and Japan, which led to the loss of Japan's bid, Japan has contemplated altering its approach to its ODA, particularly of the infrastructure assistance on developing countries. To the Japanese perspective, with many restrictions on ODA, Japan needed to create a new direction to manage to balance the competition and influence with China on other projects. Japan wanted to become "more proactive and flexible." (Jiang, 2019), like of China's approach. Thus, there was a new charter for ODA, the Development Cooperation Charter, in 2015. Japan started to interlink on how developing countries, such as China, assist in other developing countries. With that, Japan had continued to implicate development cooperation as a part of "Proactive Contribution to Peace" of having the notion of international cooperation and, at the same time, maintaining the foundation of the ODA (MOFA, Japan, 2019). This was the emergence of Japan's global role, as China maintains its approach, which would eventually face several challenges in the coming future. Therefore, there is a need to continue analyzing the relationship between China and Japan as they invest in infrastructure development in developing countries, such as in Southeast Asia, on whether China is a threat to the countries with its expanding

DOI:10.6814/NCCU202001824

influence in the region and whether Japan is capable of maintaining the peace and stability of the countries in the region. Thus, the next section will present the break down of the region, from the Mekong region to several countries of Southeast Asia.

5.4.1. The Mekong Region

Again, there is a strong assumption of the ongoing rivalry between China and Japan over influence in Southeast Asia even as each has its own problems in the past and currently, but China and Japan still also maintain their relationship in the region to cooperate. An example of this was a meeting between China and Japan on April 25, 2008, to discuss the Mekong region "to establish a mutually beneficial relationship among the three parties (Japan, China, and Mekong regional states) and [to agree] to continue this policy dialogue. And nevertheless, even Southeast Asian states still expect Japan "to counterbalance China and play a more active role" in the region as they are still wary of the possibility of the China threat (Shoji, 2009, pp. 182-183).

The Mekong region is an essential region to both China and Japan, and some would even consider the region as an 'economic battleground' between the two to compete "to gain and sustain economic influence" (Nicolas, 2018). Nevertheless, it is considerably more crucial to China, with the need for the region's natural resources, including the water resources from the Mekong River. It is also considered a geo-strategic region for China as being a 'southern backyard' (Yoshimatsu, 2015). However, there have been issues by China's development in the region, notably when they finished the construction of the Three Gorges Project to give power upstream to China's southern province. As it was mainly focused upstream, downstream of the Mekong River, which includes five countries of Southeast Asia, had "resulted in [an] increased scarcity of water supplies, nutritional imbalances from upstream sediment entrapment and changes to local ecological topography" (Wallace, 2019, p. 6). Thus,

DOI:10.6814/NCCU202001824

it would be blamed for China, which would significantly affect China's credibility to cooperate with the countries that cross the Mekong River.

Nevertheless, though China is still becoming more involved in the Mekong region, Japan would instead "balance China's influence in Southeast Asia, [which they tend] to care about 'relative gain' rather than 'absolute gain' from institutional building for Mekong development" (Yoshimatsu, 2010, pp. 105-106). As Japan's perspective of the Mekong region, its policy was to "balance China's influence in the region (Yoshimatsu, 2010, p. 98), and preferably not offensively compete against China's influence. Even before China's BRI investments in Southeast Asia were gaining influence, Japan had wanted to "retain influence in the development of transport infrastructure" with continuing its focus on the horizontal economic corridors (EWEC and SEC) to balance out China-initiated vertical economic corridor (NSEC) of the region (Yoshimatsu, 2010, p. 99).

Recently, there was the annual meeting of the 12th Mekong-Japan Foreign Ministers' Meeting in August 2019, where Foreign Minister Kono had repeatedly stated the importance of the Tokyo Strategy 2018 for the Mekong-Japan cooperation with three main pillars: Vibrant and Effective Connectivity, People-Centered Society and Realization of a Green Mekong. Of the Mekong-Japan Foreign Ministers' Meeting, the Southeast Asian members continue to appreciate Japan's assistance of its "smart cities as smart sustainable cities to promoting economic and social development alongside with environmental protection" with continuing Japan's PQI and the Expanded PQI (Pramudwinai, 2019). The Tokyo Strategy 2018 was an upgraded from the Tokyo Strategy 2015, where Japan had pledged on continuing the high-quality development cooperation, such with "improving their industrial infrastructure, cultivating human talent in various industries, sustainable development

DOI:10.6814/NCCU202001824

in the field of disaster prevention, climate change, water resource management, collaborating with international organizations and NGOs, etc." (Bi, 2017, p. 196).

Of the Tokyo Strategy 2018, Japan had vowed to assist several ASEAN countries, such as Thailand, Vietnam, Cambodia, Laos, and Myanmar, more than 150 projects to complete them by 2021 (Duggan, 2018). To the Japanese, they were able to show the countries of the Mekong region a better development of assistance, thus heading China into complications on continuing its investments in the region as it is still the central region for China's BRI. However, the ADB's estimated cost to meet the Mekong region's total infrastructure needs for 2010 to 2020 was about US$ 29.9 billion. Most of these needs were still related to energy, information and communication technology, transport, water, and other urban infrastructure as 163 of 270 ADB infrastructure-related projects in the region from 2005 to 2015 were related to the before-stated sectors. Nonetheless, though there have been improvements and expansion of infrastructure in the region in the past two decades, it has been reported that the ADB had only spent US$ 11 billion on these infrastructure projects since 1992 (OpenDevelopment Mekong, 2019).

China still needs to continue the regions' need for infrastructure investment. Though, of course, China's appearance would always be in the region, even if these countries want it or not, but would the region be dominated by China eventually? Here, China-led multilateral forum, the Lancang-Mekong Cooperation (LMC) was cooperated in 2015 to expand its influence of the region. Though the LMC is considered mostly led by China, the LMC still offers other Mekong countries "to coordinate with Beijing regarding water resources." In other words, there are possible "constraints on China's autonomy or sovereign in managing its dams on the Lancang

DOI:10.6814/NCCU202001824

River" (Wu S.-s. , 2018). China has its 'obligations' and responsibilities to the effects of the river downstream to the other countries, as being a great power of the region.

Though the countries of the Mekong region do not fully follow Japan's policy of the Free and Open Indo-Pacific (FOIP), they are resonated by the FOIP's principle, as according to the November 2019 Mekong-Japan Summit, to maintain the "equality, shared benefit and respect for the rule of law." As China seems to have constructed 11 dams on the upper Mekong River and been sending back the water to China, there were multiple droughts to the lower parts of the Mekong area, especially of the previous year, 2019. The water level had fallen dramatically to its lowest level in more than 50 years. To the region's perspective, unlike China, they see that Japan offers more support with its quality infrastructure investment and to "guarantee that the benefits are shared by all the people who depend on the river for their survival" (Glosserman, 2020). Even Cambodia, still being a close ally to China, had aimed to upgrade its relationship with Japan, with a 'strategic partnership' in 2013 (Gong, 2018).

China's projects in the Mekong region has been long perceived as negative, particularly with the exhaustion of natural resources and the loss of biological diversity in forests around the region. In addition, as more grants of projects are given to Chinese companies in the region, more and more locals are facing the loss of lands and the forced of migration (Diokno, Hsiao, & Yang, 2019). Even in Laos, there is still a concern with the combination of the Xayaburi and Don Sahong dams to be the Sanakham dam as the existing dams had already "negatively affected fisheries, farms, livelihoods, and riverbanks downstream" (Kipgen & Gupta, 2020). If this continues, the BRI will have a deep confrontation with the locals. The whole of the Mekong region, of which is considered the influenced, could actually influence China, the

DOI:10.6814/NCCU202001824

influencer, on how the BRI would approach its investment to the region, and Japan, indirectly in the region, has been playing the role to maintain the existing norms and rules.

5.4.2. Indonesia

Again, as though Japan had lost the bid of Indonesia's railway for Jakarta- Bandung to China in 2015, Indonesia distinctly chose Japan for another railway in 2017, a medium-speed railway between Jakarta and Surabaya. A Japan-led project of the Jakarta-Surabaya line is estimated at a cost between US$4 billion and US$5 billion, and it was considerably much cheaper than the China-led Jakarta-Bandung project for that Japan's project requires less land acquisition.

Nevertheless, with the delay of China's high-speed railway from Jakarta to Bandung, President Joko Widodo had recently proposed an unexpected extension of the Jakarta-Bandung railway project to Surabaya and is requesting Japan "to join the Indonesian-China project" on May 29, 2020. According to railway experts, they expect it would be difficult to integrate two projects together, in particular of the shift of gears with different width of the tracks from China and Japan. From the Indonesian perspective, they see having only one route would be 'more efficient' than separate routes. However, this new proposal could have been driven by the rise of the cost of the Jakarta-Bandung project from US$5.5 billion to US$6 billion because of the delay of another year from 2019 to 2021. Even so, as Indonesia and Japan are continuing to begin their study for the project, this possible cooperation if Japan decides to conjoint China's project, it would "push for Sino-Japanese cooperation" on their infrastructure in third countries like in Thailand (Kyoda News, 2020; Jibiki, 2020).

However, though China has been leading Japan in the number of infrastructure projects in Indonesia, of 55 projects, and Indonesia being the top of China's projects

DOI:10.6814/NCCU202001824

in Southeast Asia, China still has maritime disputes that weaken China's connection to Indonesia, but ignited Indonesia to be closer to Japan. Of the dispute of maritime territory between China and Indonesia, there is only a small area of the sea that overlaps China's nine-dash line in the South China Sea and Indonesia's EEZ in the northern Natuna Sea. However, the tension seems to be escalated in the coming years as three Indonesian naval cruisers forcefully navigated more than 50 Chinese ships, which included fishing and coast guard vessels, out of the northern Natuna Sea on January 11, 2020. For Indonesia to continue its defense in the area, it had turned to Japan for help (Fritz, 2020). With the concern of Chinese vessels, Indonesian President Joko Widodo quickly responded to Japan that he wants "to share [his] priorities for investment with Japan, [and wants] to invite Japan to invest in Natuna" (Maulia, 2020). For that, according to Japanese Minister of Foreign Affairs Toshimitsu Motegi, he promised Indonesia that Japan would continue to provide technical assistance for the Indonesian coast guard and financial assistance for the islands as Japan has already offered JPY¥ 2.5 billion to develop fishing ports on six islands and the construction of fish markets in 2018 (Fritz, 2020; Maulia, 2020). Nonetheless, Indonesia sees Japan as a reliable great power to maintain the norms and rules in the region. In addition, the development assistance by Japan seems obvious that Indonesia trusts Japan and wants Japan to continue its investment as Japan has already invested an estimated US$31 billion in Indonesia from the past decade (Fritz, 2020).

5.4.3. The Philippines

Since the Filipino President Rodrigo Roa Duterte won his election in 2016, he had been pushing for development assistance, of which he promised to build various new infrastructure projects all around the Philippines that could worth as much as US$180

DOI:10.6814/NCCU202001824

billion (Trinidad, Strategic Foreign Aid Competition: Japanese and Chinese Assistance in the Philippine Infrastructure Sector, 2019). For that, he initiated the Build, Build, Build program. Again, similar to Indonesia, Japan has been regarded with a 'solid reputation' by its trustworthiness and reliability for four decades already. Nevertheless, Japan continues to push its investment to the Philippines, especially in January 2017, with pledging JPY¥1 trillion for infrastructure assistance for the next five years. Of the pledged agreement, several of them are about infrastructure development of transportations, energy development, improvements of living standards, redeveloping cities, public safety, information and communications, environmental issues, agriculture, and disaster risk reduction (Trinidad, Strategic Foreign Aid Competition: Japanese and Chinese Assistance in the Philippine Infrastructure Sector, 2019, pp. 97-98).

While for China, as of January 2020, China was able to finance 49 infrastructure projects during the Duterte administration. However, though Duterte was considered more 'pro-China,' most of the China-led projects have not even started (Trinidad, Strategic Foreign Aid Competition: Japanese and Chinese Assistance in the Philippine Infrastructure Sector, 2019). Ten of China's major proposed infrastructure projects in the Philippines were not even able to pass through the preliminary phases of implementation. Such as the Subic-Clark cargo train and the Trans-Mindanao Railway were stuck in limbo, and the Chico River Pump Irrigation and Kaliwa Dam projects were in concern of a possible 'debt trap' and ecological dislocation. As China's projects in the Philippines are at a stall, Japan's projects in the Philippines, such as the Metro Manila subway and the North-South Commuter Railway project, are still continuing (Heydarian, 2020). In addition, it is also noted that the North-South Commuter Railway project was actually previously led by China

DOI:10.6814/NCCU202001824

during the Arroyo administration, but was eventually canceled in 2012, considering the contract of the project was considered illegal with the failure during the process of a bidding process (Wallace, 2019). Overall, it is obvious that Japan is a better investor in the Philippines than China is, considering Japan's long relationship of infrastructure assistance with the Philippines and China being a 'new entrant' and somewhat of an aggressor in the disputed sea. More or less, Japan is 'more trusted' and 'less controversy' to the public (Trinidad, Strategic Foreign Aid Competition: Japanese and Chinese Assistance in the Philippine Infrastructure Sector, 2019), and that allows the Japanese-led projects to continue, unlike China's.

5.4.4. Malaysia

During Prime Minister Najib Razak's term, in 2016, the East Coast Rail Link (ECRL) project was approved by the government, but less than two weeks after the approval he directedly requested China to fund the project and was soon able to sign the financing and construction agreement with China Communication Construction Company (Russel & Berger, 2019). However, with the shift of the Malaysian government cabinet, the 1Malaysia Development Berhad (1MDB) scandal appeared, which linked to the former PM Razak. Of the investigation, it was found that the ECRL project's contract prices were 'vastly inflated,' and it appeared that there were money laundering schemes (Russel & Berger, 2019). However, by May 2018 of the election, PM Mahathir Mohamad quickly suspended three main China-led projects, and one of them was the ECRL project. After that, PM Mahathir called to Japan for the assistance of debt sustainability and service. He had also reinitiated his previous 1980s 'Look East' policy, but instead of changing the dependency on the West, he shifted the aim to change the dependency on China (Wallace, 2019). He had even mentioned in public that China seems to be leading a "new version of colonialism,"

DOI:10.6814/NCCU202001824

which worsened the Malaysians' attitude toward China (Tüter, 2019, p. 68). However, after a year-long suspension, Malaysia decided to restart the talks for renegotiations of the 'unfair' China-led projects.

Nevertheless, again, it must be noted the time when PM Mahathir Mohamad had suspended the several projects that were invested by China, the ECRL project and the two planned gas pipelines in June 2018 because of the high cost of the projects. During that time, this shows an example of 'negotiated hegemony' as though China does have a robust military appearance in the disputed territories in the South China Sea; China needs to continue its influence from the BRI. Therefore, Malaysia was able to negotiate with China to reduce the ECRL deal from decreasing the cost of the ECRL project from US$16.4 billion to US$5 billion (Zhou, 2019). Here, if China did not agree to deal with Malaysia, it would weaken its influence not only in Malaysia but to other Southeast Asian countries as well. Therefore, with the negotiation, it abled these countries to begin having a say of power to negotiate with China or to allow Japan to have a more crucial role in supporting the developing countries to support the balance with China's influence.

5.4.5. Myanmar

Similar to the other countries, Myanmar was also able to balance China's power with Japan's appearance in the country. Even though Myanmar was considered more sided with China in the past, the current status is slightly more balanced. In Myanmar, during the early 2000s, with the start of the economic sanctions by the cause of the human rights violations, most of the country's investors had changed swiftly from being the Western countries and Japan to China. China's FDI stock in Myanmar between 1988 and 2011 was estimated worth of US$13.9 billion. Of the Western countries, the U.K., France, and the U.S., they had only invested US$2.66 million,

DOI:10.6814/NCCU202001824

US$469 million, and US$243.6 million, respectively. For Japan, it had only supported Myanmar US$211.9 million from 1988 to 2011 (Chen, 2019, p. 71). However, though China became Myanmar's largest economic partner, Myanmar was changing to become pro-human rights and pushing for democracy by 2012. Its behavior to China also changed, particularly of China's projects in Myanmar. With the dissatisfaction from the locals of several projects, many of the projects were suspended, such as the Myitsone Dam project in 2011, the Letpadaung copper mine project in 2012, and the railway project between Kunming to Myanmar's west coast (Chen, 2019). Only after a spread of fear by Sri Lanka's debt trap, Myanmar was able to renegotiate with China, and one example was of the cost of a deep seaport project in Kyaukphyu that was able to decrease the cost dramatically from US$7.3 billion to US$1.3 billion in 2018 (Bernhardt, 2020).

In addition, in Myanmar, there are three SEZs: Kyaukphyu in Rakhine state, Thilawa in the Yangon region, and Dawei in the Tanintharyi region. Of the three SEZs, China had heavily funded and started to develop the Kyaukphyu SEZ since February 2016, but could be rooted back as of 2004 from the master plan for 'Thanlyin-Kyaukda Industrial zone.' The rest of the two SEZs were not interested to China, especially of the Thilawa SEZ, as Japan later developed the zone with Myanmar and was able to operate the SEZ in September 2015, of which led to being the first SEZ and the most successful SEZ in Myanmar, so far (Atsuko, 2016). For the other, the Dawei SEZ, it was signed of an agreement between Japan, Thailand, and Myanmar in 2015 with the JBIC's fund, but there are still vacant areas in the SEZ and an unbuilt port since 2019 (Tsuji, 2019). However, Myanmar State Council Aung San Suu Kyi had recently announced a new development of another SEZ in Mon State, that's actually between the Japanese-led Thilawa and Dawei SEZs, to the Japanese

DOI:10.6814/NCCU202001824

investors. She plans to construct a seaport and an industrial park and aims to have the SEZ be connected to the highway that would link through Thailand and Vietnam. Also, according to a Nikkei article, another new industrial park is planned to be developed initially to the Chinese, but apparently, Myanmar would rather "invite Japanese companies to participate in the project" (Naing, 2020). Even as of July 2020, three Japanese companies, Marubeni, Sumitomo Corp., and Mitsui & Co., were approved by the Myanmar government to construct a US$1.5 billion to US$2 billion liquefied natural gas-fired (LNG) power plant near Yangon by a joint venture with a local conglomerate, the Eden Group. This project is considered the 'one of the biggest investments' in Southeast Asia and is considered 'a win for Japan' as China had previously competed hard for infrastructure deals since 2018, of securing the rights to another LNG power plant project in Myanmar (Nitta & Tanaka, 2020).

Nevertheless, according to Shang-su Wu, China and Japan are "not competing in Myanmar," unlike the previous railway project in Indonesia, the Jakarta- Bandung railway project in 2015. One reason for that is the standard gauge line of the railway system as China is different from Myanmar, causing them to build from scratch, which would cost more than Japan's approach. Rather than China, Japan mostly aimed to upgrade the current railway network that was already placed, which required less land and only had to either retain or modify the existing facilities (Wu S.-w. , 2019). In addition, it must be noted that the direction of the railway projects is aimed at different routes. Here, of Myanmar's railway system, Japan was able to "financially and technologically modernized the [Myanmar Railway] network, mostly near the Yangon circle line and the line between Yangon and Mandalay, in addition with the improvements of five railway maintenance sites, which is planned to be finished by 2024. While for China, it had restarted the high-speed railway plan of the line

DOI:10.6814/NCCU202001824

between Muse, a region near the border between China and Myanmar, and Mandalay and eventually connect to Kyaukphyu, the Chinese-led SEZ (Wu S.-w. , 2019). Overall, though China had a strong relationship with Myanmar in the past, Japan is still resembled as the most trustworthy state. Again, Myanmar does not want to avoid China's projects, but it would rather renegotiate with China for the better of its country.

5.4.6. Thailand

China's plans of the high-speed railways in Thailand started during the Abhisit government (2008-2011) and continued through the Yingluck administration (2011-2014). However, Thai Prime Minister Prayuth Chan-o-cha undoubtedly stop any joint venture talks of the plans with China by March 2016. To an extent, he stated he would rather go alone in the construction of the Bangkok-Nakhon Ratchasima section of the railway and suspend the rest of the line. Again, similar to in Myanmar, of the same year, Thailand had pushed the progress of more high-speed railway projects with Japan, such as the Bangkok-Hua Hin line and the Bangkok-Rayong line. Nevertheless, by September 2016, Thailand agreed with China to allow China to lead the Bangkok-Nakhon Ratchasima line with a total cost of around US$5.14 billion. Understandably before the agreement, the negotiations between China and Thailand was difficult with multiple issues, such as the burden sharing, financing costs, development rights to land, rice-for-rail, technology transfer, and even the construction costs which China was assumed to value the project a cost beyond of US$11.7 billion (Lauridsen, 2019, pp. 233-234). Also, the Japanese-led high-speed railway projects are distinctly different from China's, in particular of differentiates between passenger and freight transport. An example of this is the Bangkok-Chiang Mai railway that is led by Japan to construct a line specifically for passengers only

DOI:10.6814/NCCU202001824

(Lauridsen, 2019). That is an example of the differentiation of the goals to both China and Japan.

In addition, Thailand became the first third country project with both China and Japan after October 2018. With the start of agreements in October 2018 between Abe and Xi, a Thai company was also present as a guest which led to a new beginning of cooperation between China and Japan. With the agreement of 52 Japan-China joint projects in October 2018, the first set of projects for both China and Japan was in Thailand, on centering on building a smart city. One of the projects in Thailand is planning to upgrade an industrial park in the Chonburi province by cooperating with Japan's Yokohama Urban Solution Alliance (YUSA), China's construction company JSCC, and Thailand's Amata. Though Japanese companies already owned most of the factories in the area, of around 70 percent of the 700 factories, Japan still needed China for the low-cost construction to continue the advancement of the projects while Japan's YUSA would be focusing on supplying urban development know-how and green technology. As stated, both states have a common interest in international society, but each of the states would approach it differently, having different roles as being investors and being great powers of the region. Even though it would be different, joint cooperation with each other would actually reach their interests. Nevertheless, a more joint cooperation between China and Japan would continue, such as between companies on both states, the Japan Bank for International Cooperation with China Development Bank, Mitsui Sumitomo Insurance with China Pacific Insurance, Panasonic with Baidu, and JXTG Nippon Oil & Energy with Sinopec (GCR, 2018; Shigeta, 2018).

DOI:10.6814/NCCU202001824

5.4.7. Vietnam

For Vietnam, with the concern of the needs of infrastructure, they are requesting between US$18-20 billion per year from foreign investment (Tam, 2019). Like in other countries of China's investment, some China-led projects are "experiencing delay, low quality, and increasing investment capital." Such example would be the Cat-Linh-Ha Dong sky train project in Hanoi, where the project had already dealt with the extension of the initial deadline four times and the raise of cost from US$316 billion to US$868 million (Thuy, 2018).

Vietnam's relationship with China had already been rough, especially in 2014 of the Hai Yang Shi You (HD) 981 standoff. This standoff had started when a Chinese state-owned oil company moved one of its oil platforms near the Paracel Islands, which is under Vietnam's claim of the EEZ. Nevertheless, the incident had caused several anti-Chinese riots and eventually led many of the Chinese-led projects in limbo or delayed. Also, to the Vietnamese elites and public, many called the Chinese-led projects as a 'national security concern' and commented on them as "poor quality to low positive spillover effects for the Vietnamese economy" (Liao & Dang, 2019, p. 17). And as could be expected, Vietnam had started to negotiate with Japan on previous China-led projects, such as several thermal power projects.

To Japan, Vietnam became a vital country for its investments. As stated before, as thirty Japanese companies are leaving China to move its manufactures to Southeast Asia, half of them have chosen to move their companies to Vietnam (Kana, 2020). Even. according to a 2020 survey from NNA Japan Co, a Kyodo Newsgroup company, that focused on which destination has better-promising investment, Vietnam was considered the top of the ranks with over 40 percent while India, being ranked second, only had 12.2 percent of the respondents (Maini, 2020). Within the

DOI:10.6814/NCCU202001824

report from Fitch Solutions that was cited by Bloomberg, around US$209 billion was invested by Japan for Vietnam. Among the total cost of investment, some of the big infrastructure projects were the high-speed railway project that aims to connect Hanoi and Ho Chi Minh City (with the cost of US$58.7 billion), the Line 1 and 2 Hanoi Urban Railway, Line 1 of Ho Chi Minh City Metro, Terminal 2 at Noi Bai International Airport, Nhat Tan Bridge, Nhat Tan-Noi Bai expressway, Cai Mep-Thi Vai port, and the infrastructure upgradation for Lach Huyen Port in the northern part of Haiphong.

Nevertheless, Vietnam's relationship with Japan is strong, and Japan is more trusted than China, just as with the differences of its debt to the countries. For example, as Vietnam owes a total of US$36.6 billion in the government-back external debt from 2011 to 2016, Vietnam owes US$10.73 billion and US$6.66 billion to Japan and the ADB, respectively. While for China's, as the numbers are confidential, it is assumed that it could be only around US$2 billion to US$4 billion. Thus, Vietnam owes almost 30 percent of its external debts to Japan, and China's ranges from 5 percent to 10 percent (Liao & Dang, 2019). Nonetheless, Japan holds its trustworthiness and reputation to the country, like any other Southeast Asian country, while China lacks its transparency, the quality of projects, and the connection with the locals.

5.5.Conclusion

Overall, according to Pavlicevic and Kratz (2016, pp. 14, 16), each of the Southeast Asian countries sees the two Asian giants as "important sources of investment, important markets, and key trade partners." They only hope for the continuity of the positive relationship between them and have "some sort of balancing position between the two." Corey Wallace stated that Japan has been "seeking to mediate how

DOI:10.6814/NCCU202001824

China turns its material resources into influence." However, though Japan is indeed pushing to maintain its influence in Southeast Asia, Japan is not aiming to mediate China's transformation from its material capabilities to influence. Still, the country would rather mediate the influence of the international society's norms and rules, as Wallace (2019, p. 1) even noted that Japan had been allowed "to influence China's regional strategy. China's BRI needs to relearn in-depth of Japan's ODA approach, of not only of its cooperation of business or its 'win-win' approach but of its 'trust' approach with a 'heart-to-heart' relationship with its host countries.

As stated before, Trinidad (2019, p. 93) had called a need for a "framework of analysis of foreign aid." He believed that the roles and rivalry of foreign aid do not distinguish the quality of the aid, but rather the acceptance of lending practices and normative values (Trinidad, 2019, pp. 107-108). Thus, the English School perspective with its focuses on normative influence and values has allowed to open an alternative aspect of the relationship between influencers and the influenced states. China currently lacks its transparency and trust among its recipient countries for development assistance which weakens its sphere of influence in the region. In contrast, Japan was able to maintain its sphere of influence, not by the quantity or quality of the aid, but rather being trusted and accepted by the Southeast Asian countries.

Of these Southeast Asian states, it shows that China does not have complete or even influential power to compel "Southeast Asian nations to do things that China wants and that these nations otherwise would not have wanted to do" (Wallace, 2019; Goh, 2014). China has only "limited improvement of trust" among the states (Gong, 2018, p. 21). Nevertheless, again, as on both sides of China and Japan, they are beginning to cooperate, China knows that Japan is more influential in the region than

DOI:10.6814/NCCU202001824

China, particularly with the tensions in the South China Sea. Plus, Japan has no intention to confront or win against China in investments in the area. Therefore, Japan is aiming to mediate China's influence that could be involved in the region of Southeast Asia and to be a crucial player in the region for the developing countries there to support the balance and maintain the norms and rules.

DOI:10.6814/NCCU202001824

Chapter Six: Conclusion - A Transitional International Order?

During the near end of the twentieth century, Julius Caesar Parreñas (1990) had indicated that the next century, the twenty-first century, a beginning of the 'Pacific Century' with an approach of a transition between the 'old and new powers' in the emerging international order. Overall, there is a change in the international environment among adjusting policies as it is shaped by perceptions, which also change. However, as quoted Ikenberry,

> "What is the future of liberal international order in East Asia…what direction [of the transition] is it headed? Is it moving in a liberal direction—toward a move open and loosely rule-based order…or is it moving in the opposite direction—toward conflict, fragmentation, balancing and competing sphere of influence?"
>
> (Ikenberry, 2018b, p. 81)

To answer that, this transition of the future international order, as Ikenberry (2018b, p. 95) believes, "neither China nor the United States will be able to dictate the future of relations within East Asia…[rather] a great deal will depend on what states 'in between' these rival hegemonic states decide to do." Even Parreñas (1990, p. 208) stated before the end of the Cold War that there would be a transition from a bipolar character of international relations to a 'new order' where 'independent powers' began to be able "to coexist and compete with each other." Even before the twenty-first century, Japan was considered an 'emerging' power in Southeast Asia not only by its economic power but also by holding a 'significant political factor' among the U.S. and China, as the U.S.'s claim of leadership erodes (Parreñas, 1990, p. 208). There is an understanding that Japan is capable of becoming a strong leader in the region, even without material or military power. According to Ba (2014, p. 146), great powers "cannot simply decide to lead; others must also be persuaded to follow." In

DOI:10.6814/NCCU202001824

other words, to become a leader for other states, there is a need for social acceptability and not just capability and political will.

Again, Trinidad (2019, pp. 107-108) had believed that the roles and rivalry of foreign aid are not perceived by the quality of the aid, but instead the acceptance of lending practices and normative values. These recipient countries are aiming a path of a multilateral order. Thus, from the English School perspective, the current international order seems to shift the order as the norms and rules are changing, in particular the donor-recipient relationship on development assistance. Once more, an order transition is not like a power transition, but instead of a "significant alterations in the common goals and values, rules of the game, and social structure of international society" (Buzan & Goh, 2020; Goh, 2013). In addition, the transitional international order would also affect the relationships among the great powers, as precisely between China and Japan in the international society.

As there will always be competition and cooperation between China and Japan, there must be a 'healthier mixture' between the two as it would be beneficial to not only between the two giants of Asia but of the whole of the Indo-Pacific region, and the leaders of Japan acknowledge that. They know that the use of ODA, especially of infrastructure projects, has the inherent capability for the "strategic interests and the balance of influence." Nevertheless, Japan, currently, is the "only country that consistently dares to compete with China for connectivity projects" (Duchâtel, 2018), and that shows Japan's approach to having a global role. Though again, China and its BRI are powerful and have capabilities of benefiting many countries in the future, Japan opens up an alternative to countries in the developing world and not narrowing down the choices of power for them. This also presented an impending pathway of the evolution of the regional international society from a 'U.S.

DOI:10.6814/NCCU202001824

hub-and-spokes' bilateral system to a multilateral order with a "more networked system" (Ba, 2019, p. 1) where states who were not considered a great power, are emerging with enough power to have a say in the society. As Koga Kei states:

> The rise of emerging powers, including the rise of China in East Asia, is a main cause to alter the concentration of power that we witnessed in the past seventy decades, namely the bipolar system and unipolar system in the global setting…But secondary powers have also begun to gain more material capabilities relative to great powers as they achieve a high level of economic development. Given that the number of such secondary powers is increasing, their political influence also rises. Under such a strategic circumstance, secondary powers' behavior has become more important in shaping the distribution of power in the region and beyond.
>
> (Koga, 2018, p. 656)

Thus, there is an evolution of a different world order, not indeed because of the decline of the U.S.'s global leadership or the rise of China's global involvement, but rather of the emergence where each state of the international society is becoming more balanced with power and act more independently. Nevertheless, Japan is the one that is moving the order to that path by the utilization of development assistance, to balance China's expansion of influence from its BRI and to allow other countries, certainly developing countries, to have an alternative choice of power.

Between China and Japan, their relationship is more "complementary and even synergetic" in Southeast Asia as both are aiming to close the infrastructure gap in the region. In short, neither China nor Japan can match the infrastructure gap by itself as Japan needs "China's financial and logistical capacity to provide large-scale basic economic infrastructure…[while] Japan lacks the capacity to implement such projects affordably" (Yamamoto, 2020a, p. 337). While for China, China's BRI should be self-aware of its responsibility and its limit of power, especially of its trade with developing countries by having fair trade and competition. They should not give "false and misleading advertisements and [operate in] the abuse of superiority bargaining position" (Chaisse & Matsushita, 2018, p. 184).

DOI:10.6814/NCCU202001824

Yet as the 2020 Coronavirus Pandemic continues, China has to be careful with its BRI projects. China's Ministry of Foreign Affairs had stated that about 20 percent of the BRI-linked projects have been "seriously affected" by the pandemic, while about 40 percent of projects have a little negative impact with another 30 to 40 percent being 'somewhat affected.' Though there are no reports of any cancelation of any of BRI projects since June 2020 (Reuters, 2020), China should be worried about the projects' recipients' response. Overall, as Yamamoto (2019, p. 2) states, "China cannot afford to ignore the increasing number of problems and criticisms." China needs to initiate a similar doctrine of Japan during the 1970s to form a more 'heart-to-heart' relationship with its recipient countries to continue its BRI. It needs to be more responsive to the BRI recipient countries, such as Pakistan. Though Pakistan was a 'devoted BRI partner,' Pakistan seems to be having doubts about China-led projects in the CPEC areas (Yamamoto, 2019).

Nonetheless, with the 'return to multi-polarity' or a 'rise of the non-West' (Ikenberry, 2018a), the dwindling of U.S.'s global leadership status, and China's global role rise, as Ikenberry (2018c, p. 18) asserted, the characteristics of the international order—"openness, rules, multilateral cooperation—are deeply rooted and likely to persist," even if China continues to confront the norms and rule of the international society. Even in Southeast Asia, Shambaugh (2018) stated if the United States' leadership is declining in the region, the United States would hardly withdraw its influence and appearance in Asia. Besides, China is not even considered a 'global juggernaut,' of what people could expect, as China would encounter 'difficulties and suspicions' of its 'ambitions and actions in the area, in particular of the BRI. Therefore, the norms and rules cannot change quickly or by one state. There would be necessary common norms and rules among the states of the society to evolve the

DOI:10.6814/NCCU202001824

current status quo, which Japan is able to lead the developing countries on development assistance to move for a more 'balanced' international order.

Again, Japan will continue to play an essential player in this transitional international order as it plans its strategy to balance China's influence with not only itself but with China and other partners (Brînză, 2018). Japan does not want to act aggressively or compete against China, but rather to initiate a 'balancing' act as other countries do not want to be divided in the region. Thus, this also opens up a broader role, a global role for Japan. In the global arena, Japan is not only balancing China's influence by itself but also expanding its influence of development assistance on other extra-regions with its coming partners, such as India (RIS, ERIA, IDE-JETRO, 2017), the United States, Australia (The White House, 2018), and the European Union (EU, 2019). Here Japan is bringing the West and other states to consider concentrating their ODA by loans and investment to balance the equality between donors and recipients to be more considered as cooperation than 'giving gifts.'

Overall, within the six questions of the thesis, the relationship between China and Japan is obviously complex, but with the focus on development assistance and infrastructure investment, there seems to be a steady path between China and Japan. First, the status of the relationship between China and Japan has been positively changing from 2012 to 2020, even with its continuous rivalry between the two countries, but there is a necessity of coexistence and cooperation between two giants as more talks call for cooperation. Secondly, China's BRI is still considered too early to be claimed fully dangerous to the world, but China is beginning to realize the challenges of its investment in the region and is considering improving its approach in the future to reach its goals of the BRI. Thirdly, there is no direct infrastructure development race between China and Japan. Even if there is, Japan would win the

DOI:10.6814/NCCU202001824

race by its trust and long-standing reputations from the Southeast Asian countries. Fourthly and fifthly, Japan is on a path to become a crucial player in this transitional (regional) international order by allowing other countries to have an alternative power to balance the influence. These developing countries (nongreat powers) are then able to negotiate with China, even to a great power, to balance the power. Thus finally, within the transitional international order, Japan and China have allowed an opening for an evolution of the society of states and order with maintaining the norms and rules to be more balanced between the developed countries and developing countries, the donors and the recipients, and the influencer and the influenced. China may be a leader of the region, but this country must also allow Japan and the other countries to have the same power of the region in this upcoming transitional international order to have a 'peaceful rise.'

Nevertheless, this is just a glimpse perspective of the transitional international order. The relationship between China and Japan seems to offer a different direction on development assistance between countries. China seems to be the one that was able open up the opportunities of a shift of norms and rules on development assistance, but Japan brings the aspect to be more balanced between great powers and nongreat powers, the donors and the recipients, and the influencers and the influenced ones. Thus, there must be more research of this transitional order in-depth in Asia and in other regions. In addition, the English School and even of other IR theories would need further analysis on influence among states in this growing topic of development assistance. Overall, this transitional international order is a crucial matter as we are shifting to a more multilateral order than during the end of the Cold War.

DOI:10.6814/NCCU202001824

References

Aamir, A. (2019, October 19). *Pakistan's stalled China-backed rail project prompts turn to Japan.* Retrieved from Nikkei: Asian Review: https://asia.nikkei.com/Spotlight/Belt-and-Road/Pakistan-s-stalled-China-backed-rail-project-prompts-turn-to-Japan

ADB. (2017). *Meeting Asia's Infrastructure Needs.* Manila: Asian Development Bank.

ADB. (2018). *Review of Configuration of the Greater Mekong Subregion Economic Corridors.* Manila: Asian Development Bank.

AEI. (2020). *China Global Investment Tracker*. Retrieved from American Enterprise Institute: https://www.aei.org/china-global-investment-tracker/?ncid=txtlnkusaolp00000618

Arase, D. (2019, November 12). 2019. *ISEAS Perspective*(94), 1-10. Retrieved from https://www.iseas.edu.sg/images/pdf/ISEAS_Perspective_2019_94.pdf

ASEAN. (2019). *ASEAN Investment Report 2019 - FDI in Services: Focus on Health Care.* Jakarta: ASEAN Secretariat.

ASEAN Secretariat, The. (2019). *ASEAN Statistical Yearbook 2019.* Jakarta: The ASEAN Secretariat. Retrieved from https://www.aseanstats.org/wp-content/uploads/2020/01/ASYB_2019.pdf

Atsuko, M. (2016, April 5). *Sino-Japanese competition heats up over Myanmar's SEZs*. Retrieved from East Asia Forum: https://www.eastasiaforum.org/2016/04/05/sino-japanese-competition-heats-up-over-myanmars-sezs/

Ba, A. D. (2014). Is China leading? China, Southeast Asia and East Asian Integration. *Political Science, 66*(2), 143-165. doi:10.1177/0032318714557142

Ba, A. D. (2019). Multilateralism and East Asian Transitions: The English School, Diplomacy and a Networking Regional Order. *International Politics*, 1-19.

Barry Jones, R. J. (1998). The English School and the Political Construction of International Society. In B. A. Roberson, *International Society and the Development of International Relations Theory* (pp. 231-245). London: Continuum.

Baumann, M. (2019). Eurasianist Rhetoric in Russia and Kazakhstan: Negotiating Hegemony Through Different Visions of Society. *Central Asia and the Causcasus, 20*(1), 34-43.

Beeson, M. (2019). *Rethinking Global Governance.* London: Red Globe Press.

Bernhardt, T. (2020, May 27). *Myanmar's unsteady exit from China's orbit*. Retrieved from East Asian Forum: https://www.eastasiaforum.org/2020/05/27/myanmars-unsteady-exit-from-chinas-orbit/

DOI:10.6814/NCCU202001824

Bi, S. (2017). China and Japan, in the Mekong Region: Competition and Cooperation. In P. E. Lam, *China-Japan Relations in the 21st Century: Antagonism Despite Interdependency* (pp. 185-202). Singapore: Palgrave Macmillan.

Brautigam, D. (2009). *The Dragon's Gift: The Real Story of China in Africa.* Oxford: Oxford University Press.

Brînză, A. (2018, November 8). *Japan's Belt and Road Balancing Act.* Retrieved from The Diplomat: https://thediplomat.com/2018/11/japans-belt-and-road-balancing-act/

Brown, K. (2020). Chinese Foreign Policy under Xi Jinping. In T. Inoguchi, *The SAGE Handbook of Asian Foreign Policy: Volume 2* (pp. 579-596). London: SAGE Publications Ltd.

Building the Belt and Road for win-win development. (2017, April 17). Retrieved from Belt and Road Forum for International Cooperation: http://2017.beltandroadforum.org/english/n100/2017/0417/c25-195.html

Bull, H. (2012). *The Anarchical Society: A Study of Order in World Politics* (4th ed.). Hampshire: Palgrave MacMillan.

Buzan, B. (1983). *People, States, and Fear: The National Security Problem in International Relations.* Sussex: Wheatsheaf Books Ltd.

Buzan, B. (2010). China in International Society: Is 'Peaceful Rise' Possible? *The Chinese Journal of International Politics, 3*, 5-36.

Buzan, B. (2015). The English School: A Neglected Approach to International Security Studies. *Security Dialogue, 46*(2), 126-143.

Buzan, B., & Goh, E. (2020). *Rethinking Sino-Japanese Alienation: History Problems and Historical Opportunities.* Oxford: Oxford University Press. doi:10.1093/oso/9780198851387.001.0001

Buzan, B., & Yongjin, Z. (2014). *Contesting International Society in East Asia.* Cambridge: Cambridge University Press.

Cannon, B. J. (2018). Grand Strategies in Contested Zones: Japan's Indo-Pacific, China's BRI and Eastern Africa. *Rising Powers Quarterly, 3*(2), 195-221.

Carrai, M. A. (2018). It is Not the End of History: the Financing Institutions of the Belt and Road Initiative and the Bretton Woods System. In J. Chaisse, & J. Górski, *The Belt and Road Initiative: Law, Economics, and Politics* (pp. 107-145). Leiden: Brill Nijhoff. doi:10.1163/9789004373792_006

Carvalho, P. M. (2015). China's and Japan's Foreign AId Policies vis-a-vis Lusophone Africa. *Africa Spectrum, 50*(3), 49-79.

Chaisse, J. (2019). China's International Investment Law and Policy Regime - Identifying the Three Tracks. In J. Chaisse, *China's International Investment Strategy: Bilateral, Regional, and Global Law and Policy* (pp. 1-22). Oxford: Oxford University Press.

DOI:10.6814/NCCU202001824

Chaisse, J., & Matsushita, M. (2018). China's 'Belt And Road' Initiative: Mapping the World Trade Normative and Strategic Implications. *Journal of World Trade, 52*(1), 163-186. Retrieved from https://ssrn.com/abstract=3134429

Chaisse, J., Ishikawa, T., & Jusoh, S. (2017a). *Asia's Changing International Regime: Sustainability, Regionalization, and Arbitration.* Singapore: Springer Nature Singapore Pte Ltd. doi:10.1007/978-981-10-5882-0

Chaisse, J., Ishikawa, T., & Jusoh, S. (2017b). The Changing Patterns of Investment Rule-Making Issues and Actors. In J. Chaisse, T. Ishikawa, & S. Jusoh, *Asia's Chaing International Investment Regime* (pp. 13-23). Singapore: Springer Nature Singapore Pte Ltd. doi:10.1007/978-981-10-5882-0_2

Chajdas, T. (2018). BRI Initiative: A New Model of Development Aid? In J. Chaisse, & J. Górski, *The Belt and Road Initiative: Law, Economics, and Politics* (pp. 416-453). Leiden: Brill Nijhoff. doi:10.1163/9789004373792_018

Chen, I. T.-y. (2019). China's Economic Offensive and Its Discontent in Southeast Asia: Diminishing Footprints in Myanmar. In M. S. Diokno, H. M. Hsiao, & A. H. Yang, *China's Footprints in Southeast Asia* (pp. 63-89). Singapore: NUS Press.

Chiang, M.-H. (2019). Contemporary China-Japan Relations: the Politically Driven Economic Linkage. *East Asia*, 1-20. doi:10.1007/s12140-019-09321-x

Chongkittavorn, K. (2019, July 9). *How to Engage China and Japan Constructively.* Retrieved from Bangkok Post: https://www.bangkokpost.com/opinion/opinion/1709267/how-to-engage-china-and-japan-constructively

Ciociari, J. D., & Haacke, J. (2019). Hedging in International Relations: An Introduction. *International Relations of the Asia-Pacific, 19*, 367-374. doi: 10.1093/irap/lcz017

Ciorciari, J. D. (2009). The Balance of Great-Power Influence in Contemporary Southeast Asia. *International Relations of the Asia-Pacific, 9*, 157-196. doi:10.1093/irap/lcn017

Costa Buranelli, F. (2018). Spheres of Influence as Negotiated Hegemony - The Case of Central Asia. *Geopolitics, 23*(2), 378-403.

Cui, S., & Buzan, B. (2016). Great Power Management in International Society. *The Chinese Journal of International Politics, 9*(2), 181-210.

Cui, T. (2016, June 2). *How to Bridge the Divide Over the S. China Sea: From Chinese Embassy in America.* Retrieved from Ministry of Foreign Affairs, the People's Republic of China: https://www.fmprc.gov.cn/nanhai/eng/dshd_1/t1368676.htm

Dadabaev, T. (2016). *Japan in Central Asia: Strategies, Initiatives, and Neighboring Powers.* Hampshire: Palgrave Macmillan.

Dadabaev, T. (2018). Discourses of rivalry or rivalry of discourses: discursive strategies and framing of Chinese and Japanese foreign policies in Central Asia. *The Pacific Review*, 1-35. doi:10.1080/09512748.2018.1539026

DOI:10.6814/NCCU202001824

De Castro, R. C. (2013). China and Japan in Maritime Southeast Asia: Extending their Geo-strategic Rivalry by Competing for Friends. *Philippine Political Science Journal, 34*(2), 150-169. doi:10.1080/01154451.2013.851491

Diokno, M. S., Hsiao, H. M., & Yang, A. H. (2019). China's Soft Footprints in Southeast Asia: Accommodation and Contestation. In M. S. Diokno, H. M. Hsiao, & A. H. Yang, *China's Footprints in Southeast Asia* (pp. 1-30). Singapore: NUS Press.

Dollar, D. (2020, April). China and the West Competing over Infrastructure in Southeast Asia. *Foreign Policy at Brookings*, 1-12. Retrieved from https://www.brookings.edu/wp-content/uploads/2020/04/fp_20200424_infrastructure_southeast_asia.pdf

Donde, R., & Chaisse, J. (2017). The Future of Investors-State Arbitration: Revising the Rules? In J. Chaisse, T. Ishikawa, & S. Jusoh, *Asia's Changing International Investment Regime* (pp. 209-227). Singapore: Springer Nature Singapore Pte Ltd. doi:10.1007/978-981-10-5882-0_12

Dreyer, J. T. (2006, July/August). Sino-Japanese Rivalry and Its Implications for Developing Nations. *Asian Survey, 46*(4), 538-557.

Duchâtel, M. (2018, October 1). *Japan-China Relations: Confrontation with a Smile.* Retrieved from European Council on Foreign Relations: https://www.ecfr.eu/article/commentary_japan_china_relations_confrontation_with_a_smile

Duggan, A. (2018, November 6). *Japan, China and the Contest for Influence in Contemporary Asia.* Retrieved from Asia Pacific Foundation of Canada: https://www.asiapacific.ca/blog/japan-china-and-contest-influence-contemporary-asia

Dunne, T. (2016). The English School. In T. Dunne, M. Kurki, & S. Smith, *International Relations Theories: Discipline and Diversity* (pp. 107-126). Oxford: Oxford University Press.

Ebuchi, T., & Hadano, T. (2018, October 23). *Japan to end China aid, and proposes joint assistance for others*. Retrieved from Nikkei: Asian Review: https://asia.nikkei.com/Politics/International-relations/Japan-to-end-China-aid-and-proposes-joint-assistance-for-others

EU. (2019, September 27). *The Partnership on Sustainable Connectivity and Quality Infrastructure between the European Union and Japan.* Retrieved from European Union: External Action: https://eeas.europa.eu/headquarters/headquarters-homepage/68018/partnership-sustainable-connectivity-and-quality-infrastructure-between-european-union-and_en

Feng, S. (2005). Japanese aid to China: A comparison of ODA from Japan and Europe. In D. Arase, *Japan's Foreign Aid: Old Continuities and New Direction* (pp. 203-223). Oxon: Routledge.

Ferguson, I., & Hast, S. (2018). Introduction: The Return of Sphere of Influence? *Geopolitics*, 1-8. doi:10.1080/14650045.2018.1461335

DOI:10.6814/NCCU202001824

Foot, R. (2019). China's rise and US hegemony: Renegotiating hegemonic order in East Asia? *International Politics*, 1-16. doi:10.1057/s41311-019-00189-5

Fritz, M. (2020, January 26). *Japan and China vie for influence in Indonesia*. Retrieved from DW: https://www.dw.com/en/japan-and-china-vie-for-influence-in-indonesia/a-52156813

Gady, F.-S. (2020, April 10). *Japan Intercepted Chinese Military Aircraft 675 Times in Fiscal Year 2019*. Retrieved from The Diplomat: https://thediplomat.com/2020/04/japan-intercepted-chinese-military-aircraft-675-times-in-fiscal-year-2019/

GCR. (2018, October 26). *Japan, China agree to cooperate on 50 international infrastructure projects.* Retrieved from Global Construction Review: http://www.globalconstructionreview.com/new/japan-china-agree-cooperate-50-international-infra/

Glosny, M. A. (2016). Chinese Assessments of China's Influence in Developing Asia. In E. Goh, *Rising China's Influence in Developing Asia* (pp. 24-53). Oxford: Oxford University Press.

Glosserman, B. (2020, April 15). *The Mekong is the test of China's leadership*. Retrieved from The Japan Times: https://www.japantimes.co.jp/opinion/2020/04/15/commentary/world-commentary/mekong-test-chinas-leadership/#.XwbacigzZEa

Goh, E. (2011a). How Japan Matters in the Evolving East Asian Security Order. *International Affairs, 87*(4), 887-902.

Goh, E. (2011b). Japan, China, and the Great Power Bargain in East Asia. *EAI Fellows Program Workshop Paper Series. 32*, pp. 1-21. Seoul: The East Asia Institute.

Goh, E. (2013). *The Struggle for Order: Hegemony, Hierarchy, and Transition in Post-Cold War East Asia.* Oxford: Oxford University Press.

Goh, E. (2014). The Modes of China's Influence: Cases from Southeast Asia. *Asian Survey, 54*(5), 825-848. doi:10.1525/AS.2014.54.5.825

Goh, E. (2016). *Rising China's Influence in Developing Asia.* Oxford: Oxford University Press.

Gong, X. (2018). The Belt & Road Initiative and China's Influence in Southeast Asia. *The Pacific Review*, 1-31. doi:10.1080/09512748.2018.1513950

Gong, X. (2020). Non-Traditional Security Cooperation between China and South-East Asia: Implications for Indo-Pacific Geopolitics. *International Affairs, 96*(1), 29-48. doi:10.1093/ia/iiz225

Gyamfi, A. K. (2017, December 7). *A Speech by Ghana's President calling for Africa to End its Dependency on the West is a Viral Hit*. Retrieved from Quartz: https://qz.com/africa/1145953/ghanas-president-akufo-addo-shocks-frances-macron-with-africa-non-dependent-speech/

Haqqani, H. (2020, May 18). *Pakistan Discovers the High Cost of Chinese Investment*. Retrieved from The Diplomat:

DOI:10.6814/NCCU202001824

https://thediplomat.com/2020/05/pakistan-discovers-the-high-cost-of-chinese-investment/

Harwit, E. (1996, October). Japanese Investment in China: Strategies in the Electronics and Automobile Sectors. *Asian Survey, 36*(10), 978-994.

Hast, S. (2014). *Spheres of Influence in International Relations: History, Theory and Politics.* London: Routledge.

Heydarian, R. (2020, January 18). *Scepticism rises in Philippines about Chinese projects and Duterte's support of them*. Retrieved from South China Morning Post: https://www.scmp.com/news/china/diplomacy/article/3046666/scepticism-rises-philippines-about-chinese-projects-and

Hillman, J. (2018, February 6). *China must play fair over BRI contracts*. Retrieved from Nikkei: Asian Review: https://asia.nikkei.com/Viewpoints/Jonathan-Hillman/China-must-play-fair-over-BRI-contracts

Hirono, M. (2019). Asymmetrical rivalry between China and Japan in Africa: to what extent has Sino-Japan rivalry become a global phenomenon? *The Pacific Review*, 1-32. doi:10.1080/09512748.2019.1569118

Hosoya, Y. (2019). FOIP 2.0: The Evolution of Japan's Free and Open Indo-Pacific Strategy. *Asia-Pacific Review, 26*(1), 18-28.

Howe, C. (1996). *China and Japan: History, Trends, and Prospects.* Oxford: Oxford University Press.

Hsu, L. (2020). ASEAN and the Belt and Road Initiative: Trust-building in Trade and Investment. *China and the World: Ancient and Modern Silk Road, 3*(1), 1-43. doi:10.1142/S2591729320500029

Huang, M. (2016). Policies and Practices of China's Foreign Aid: A Comparision with Japan. In H. Kato, J. Page, & Y. Shimomura, *Japan's Development Assistance: Foreign Aid and the Post-2015 Agenda* (pp. 135-148). Hampshire: Palgrave Macmillan.

Hurley, J., Morris, S., & Portelance, G. (2018, March). Examining the Debt Implications of the Belt and Road Initiative from a Policy Perspective. *Center for Global Development Policy Paper*(121), 1-37. Retrieved from https://www.cgdev.org/sites/default/files/examining-debt-implications-belt-and-road-initiative-policy-perspective.pdf

Iida, M. (2009). Japan-China Relations in East Asia: Rivals or Partners? In M. Iida, *China's Shift: Global Strategy of the Rising Power* (pp. 125-146). Tokyo: The National Institute for Defense Studies. Retrieved from http://www.nids.mod.go.jp/english/publication/joint_research/series3/pdf/3-6.pdf

Ijiri, H. (1996). Sino-Japanese Controversy since the 1972 Diplomatic Normalization. In C. Howe, *China and Japan: History, Trends, and Prospects* (pp. 60-82). Oxford: Oxford University Press.

Ikenberry, G. J. (2018a). The End of Liberal International Order? *International Affairs, 94*(1), 7-23. doi:10.1093/ia/iix241

DOI:10.6814/NCCU202001824

Ikenberry, G. J. (2018b). The Future of Liberal Order in East Asia. In P. Hayes, & C.-I. Moon, *The Future of East Asia* (pp. 81-101). Singapore: Palgrave Macmillan. doi:10.1007/978-981-10-4977-4_4

Ikenberry, G. J. (2018c). Why the Liberal World Order will Survive. *Ethics & International Affairs, 32*(1), 17-29.

Iriye, A. (1996). Chinese-Japanese Relations, 1945-1990. In C. Howe, *China and Japan: History, Trends, and Prospects* (pp. 46-59). Oxford: Oxford University Press.

Jamrisko, M. (2019, June 22). *China No Match for Japan in Southeast Asia Infrastructure Race.* Retrieved from Bloomberg: https://www.bloomberg.com/news/articles/2019-06-23/china-no-match-for-japan-in-southeast-asia-infrastructure-race

Jennings, R. (2019, May 9). *Japan, Vietnam Teaming up to Resist China Expansion*. Retrieved from Voice of America: https://www.voanews.com/east-asia-pacific/japan-vietnam-teaming-resist-china-expansion

JETRO. (2018, October 26). *1st Japan-China Third Country Market Cooperation Forum.* Retrieved from Japan External Trade Organization: https://www.jetro.go.jp/en/jetro/topics/2018/1810_topics11/

Jiang, Y. (2019). Competitive Partners in Development Financing: China and Japan expanding Overseas Infrastructure Investment. *The Pacific Review*, 1-31. doi:10.1080/09512748.2019.1569117

Jibiki, K. (2020, June 8). *Indonesia woos Japan as China-led high-speed-rail project stalls*. Retrieved from Nikkei: Asian Review: https://asia.nikkei.com/Business/Transportation/Indonesia-woos-Japan-as-China-led-high-speed-rail-project-stalls?utm_campaign=RN%20Subscriber%20newsletter&utm_medium=daily%20newsletter&utm_source=NAR%20Newsletter&utm_content=article%20link&del_type=1&pub_

Joint Communique of the Leaders Roundtable of the Belt and Road Forum for International Cooperation. (2017, May 16). Retrieved from Belt and Road Forum for International Cooperation: http://2017.beltandroadforum.org/english/n100/2017/0516/c22-423.html

Jones, L. (2019). Does China's Belt and Road Initiative Challenge the Liberal, Rules-Based Order? *Fudan Journal of the Humanities and Social Sciences*, 1-21. doi:10.1007/s40647-019-00252-8

Kana, G. (2020, July 24). *Malaysia eyes Japan projects.* Retrieved from The Star: https://www.thestar.com.my/business/business-news/2020/07/24/malaysia-eyes-japan-projects

Kang, D. C. (2007). *China Rising: Peace, Power, and Order.* New York: Columbia University Press.

Katayama, K. (2013). *China's Rise and Japan's Malaysia Policy.* Kuala Lumpur: University of Malaysia Press.

DOI:10.6814/NCCU202001824

Kawashima, S. (2018, November 1). *A New Norm in China-Japan Relations?* Retrieved from East Asia Forum: http://www.eastasiaforum.org/2018/11/01/a-new-norm-in-china-japan-relations/

Keal, P. (1983). *Unspoken Rules and Superpower Dominance.* London: Palgrave Macmillan. doi:10.1007/978-1-349-06224-9

Kikuchi, T., & Unzaki, S. (2019, May). Japanese Infrastructure Investment in Southeast Asia. *RSIS Policy Report*, 1-17. Retrieved from https://www.rsis.edu.sg/wp-content/uploads/2019/05/PR190503_Japanese-Infrastructure-Investmentin-in-SEA.pdf

Kipgen, N., & Gupta, M. (2020, June 10). *China's BRI strategy and Laos: The Statesman contributors*. Retrieved from The Straits Times: https://www.straitstimes.com/asia/chinas-bri-strategy-and-laos-the-statesman-contributors

Kitano, N. (2004). Japanese Contribution in Supporting China's Reforms: A Study based on ODA Loans. *China Report, 40*(4), 461-488.

Koga, K. (2018). The Concept of "Hedging" Revisited: The Case of Japan's Foreign Policy Strategy in East Asia's Power Shift. *International Studies Review*(20), 633-660.

Koga, K. (2019). Japan's "Free and Open Indo-Pacific" Strategy: Tokyo Tactical Hedging and the Implications for ASEAN. *Contemporary Southeast Asia, 41*(2), 286-313.

Kuik, C.-C., & Rozman, G. (2015). Light or Heavy Hedging: Positioning between China and the United States. *Joint U.S.-Korea Academic Studies*, 1-9.

Kuo, Y. (2018). Japan's Roles in the Indo-Pacific Strategy. *Prospect Journal*(19), 23-52.

Kurlantzick, J. (2007). *Charm Offensive: How China's Soft Power Is Transforming the World.* New Haven: Yale University Press.

Kyoda News. (2020, June 27). *Japan puzzled by Indonesia's policy shift over high-speed rail plan*. Retrieved from Kyoda News: https://english.kyodonews.net/news/2020/06/c51c37eedd49-japan-puzzled-by-indonesias-policy-shift-over-high-speed-rail-plan.html

Lam, P. E. (2013). The Fukuda Doctrine: Origins, ideas, and praxis. In P. E. Lam, *Japan's Relations with Southeast Asia: The Fukuda Doctrine and beyond* (pp. 10-23). Oxon: Routledge.

Lam, P. E. (2018). Japan's Rivalry with China in Southeast Asia: ODA, the AIIB, Infrastructural Projects, the Mekong Basin and the Disputed South China Sea. In J. D. Brown, & J. Kingston, *Japan's Foreign Relations in Asia* (pp. 158-172). Oxon: Routledge.

Lauridsen, L. S. (2019). Changing Regional Order and Railway Diplomacy in Southeast Asia with a Case Study of Thailand. In L. Xing, *Mapping China's 'One Belt One Road' Initiative* (pp. 219-248). Cham: Palgrave Macmillan. doi:10.1007/978-3-319-92201-0_9

DOI:10.6814/NCCU202001824

Lee, C.-J. (1983, November). Japanese Policy Toward China. *Current History*, 371-375, 391-392.

Lee, P. P. (2002, June). The Asian Financial Crisis: Understanding Japanese Assistance to Southeast Asia. *Kajian Malaysia, 20*(1), 33-55.

Lee, P. P. (2003). Southeast Asian Political Relations with Japan (1952 to 1977): From San Francisco Peace Treaty to the Fukuda Doctrine. *Institut Kajian Malaysia dan Antarabangsa Occasional Paper Series*(25).

Li, M. (2009). Cooperation for Competition: China's Approach to Regional Security in East Asia. *Security Politics in Asia and Europe*, 121-134.

Liao, J. C., & Dang, N.-T. (2019). The Nexus of Security and Economic Hedging: Vietnam's Strategic Response to Japan-China Infrastructure Financing Competition. *The Pacific Review*, 1-28. doi:10.1080/09512748.2019.1599997

Lincoln, E. J. (2017). Japan's Relationship with Southeast Asia: The Perpetual Potential Partner. In D. B. Denoon, *China, the United States, and the Future of Southeast Asia* (pp. 239-266). New York: New York University Press.

Linklater, A. (2013). The English School. In B. Scott, & A. Linklater, *Theories of International Relations* (pp. 88-112). Hampshire: Palgrave Macmillan.

Linklater, A., & Suganami, H. (2006). *The English School of International Relations: A Contemporary Reassessment.* Cambridge: Cambridge University Press.

Little, R. (1998). International System, International Society and World Society: A Re-evaluation of the English School. In B. A. Roberson, *International Society and the Development of International Relations Theory* (pp. 59-79). London: Continuum.

Little, R. (2007). *The Balance of Power in International Relations: Metaphors, Myths and Models.* Cambridge: Cambridge University Press.

Little, R. (2009). History, Theory and Methodological Pluralism in the English School. In C. Navari, *Theorising International Society: English School Methods* (pp. 78-103). Hampshire: Palgrave MacMillan.

Liu, T. T.-T. (2016, March). Undercurrents in the Silk Road: An Analysis of Sino-Japanese Strategic Competition in Central Asia. *Journal of International and Advanced Japanese Studies, 8*, 157-171. Retrieved from http://japan.tsukuba.ac.jp/research/JIAJS8_ON3_Liu.pdf

Liu, Z. (2016, July 9). *Actively Practice the Asian Security Concept and Jointly Create a New Future of Asia-Pacific Security.* Retrieved from Ministry of Foreign Affairs of the People's Republic of China: https://www.fmprc.gov.cn/mfa_eng/wjb_663304/zygy_663314/gyhd_663338/t1379376.shtml

Luskin, A. (2014). International Politics in Northeast Asia: A Case for Stability. In M. Maas, *Foreign Policies and Diplomacies in Asia* (pp. 73-92). Amsterdam: Amsterdam University Press.

Maini, T. S. (2020, January 16). *Japan-Vietnam Ties: The Economic and Strategic Relevance for Asia*. Retrieved from The Geopolitics:

DOI:10.6814/NCCU202001824

https://thegeopolitics.com/japan-vietnam-ties-the-economic-and-strategic-relevance-for-asia/

Marquez, J., & Spanakos, A. (2014). South-South Relations and the English School of International Relations: Chinese and Brazilian Ideas and Involvement in Sub-Saharan Africa. *Revista Brasileira de Politica Internacional*(57), 138-156. doi:10.1590/0034-7329201400209

Masuo, C. T. (2019). Competitive Cooperation for Regional Development: Japan's New Strategy to towards Rising China. *Australian Journal of Politics and History, 65*(3), 430-448.

Maulia, E. (2020, January 10). *Indonesia asks Japan to invest in islands amid China standoff*. Retrieved from Nikkei: Asian Review: https://asia.nikkei.com/Politics/International-relations/Indonesia-asks-Japan-to-invest-in-islands-amid-China-standoff

METI. (2018, October 26). *52 MOCs Signed in Line with Convening of First Japan-China Forum on Third Country Business Cooperation.* Retrieved from Ministry of Economy, Trade and Industry: https://www.meti.go.jp/english/press/2018/1026_003.html

Miller, B. (1995). *When Opponents Cooperate: Great Power Conflict and Collaboration in World Politics.* Ann Arbor: The University of Michigan Press.

MOFA, Japan. (2019). *Diplomatic Bluebook 2019: Japanese Diplomacy and International Situation in 2018.* Tokyo: Ministry of Foreign Affairs, Japan.

MOFA, Japan. (2020, March 18). *Opinion Poll on Japan*. Retrieved from Ministry of Foreign Affairs of Japan: https://www.mofa.go.jp/press/release/press4e_002784.html

MOFA, Japan. (2020, July 9). *Records of Intrusions of Chinese Government and Other Vessels into Japan's Territorial Sea*. Retrieved from Ministry of Foreign Affairs of Japan: https://www.mofa.go.jp/region/page23e_000021.html

MOFA, Japan. (2020, February 17). *White Paper on Development Cooperation / Japan's ODA White Paper*. Retrieved from Ministry of Foreign Affairs of Japan: https://www.mofa.go.jp/policy/oda/page_000017.html

MOFA, Japna. (2019). *Diplomacy Bluebook 2019: Japanese Diplomacy and International Situation in 2018.* Tokyo: Ministry of Foreign Affairs, Japan. Retrieved from https://www.mofa.go.jp/files/000527162.pdf

MOFA, the People's Republic of China. (2016, September 3). *Xi Jinping attends Opening Ceremony of the 2016 B20 Summit and delivers Keynote Speech, Stating that China has reached a New Historic Starting Point and G20 Should Advance the Construction of an Innovative, Open, Interconnected and Inclusive World Economy.* Retrieved from Ministry of Foreign Affairs, the People's Republic of China: https://www.fmprc.gov.cn/mfa_eng//topics_665678/XJPCXBZCESGJTLDRDSYCFHJCXYGHD/t1395086.shtml

DOI:10.6814/NCCU202001824

Moramudali, U. (2019, May 14). *Is Sri Lanka Really a Victim of China's 'Debt Trap'?* Retrieved from The Diplomat: https://thediplomat.com/2019/05/is-sri-lanka-really-a-victim-of-chinas-debt-trap/

Myers, S. L., & Rich, M. (2018, October 26). *Shinzo Abe Says Japan Is China's 'Partner,' and No Longer Its Aid Donor.* Retrieved from The New York Times: http://www.nytimes.com/2018/10/26/word/asia/shinzo-abe-china-japan.html

Naing, S. T. (2020, July 29). *Suu Kyi courts Japan investment with new economic zone.* Retrieved from Nikkei: Asian Review: https://asia.nikkei.com/Economy/Suu-Kyi-courts-Japan-investment-with-new-economic-zone

Nicolas, F. (2018). *Catching Up or Staying Ahead: Japanese Investment in the Mekong and the China Factor.* Paris: Institut francais des relations internationales.

Nikkei: Asian Review. (2020, January 6). *Japan and Vietnam vow to uphold rule of law in South China Sea*. Retrieved from Nikkei: Asian Review: https://asia.nikkei.com/Politics/International-relations/Japan-and-Vietnam-vow-to-uphold-rule-of-law-in-South-China-Sea

Nikkei: Asian Review. (2020, July 17). *Japan reveal 87 projects eligible for 'China exit' subsidies*. Retrieved from Nikkei: Asian Review: https://asia.nikkei.com/Economy/Japan-reveals-87-projects-eligible-for-China-exit-subsidies

Nikkei: Asian Review. (2020, August 6). *Pakistan approves most expensive China-aided project to date.* Retrieved from Nikkei: Asian Review: https://asia.nikkei.com/Spotlight/Belt-and-Road/Pakistan-approves-most-expensive-China-aided-project-to-date

Nitta, Y., & Tanaka, Y. (2020, July 24). *Japan Marubeni wins deal for $2bn Myanmar LNG power plant*. Retrieved from Nikkei: Asian Review: https://asia.nikkei.com/Business/Energy/Japan-Marubeni-wins-deal-for-2bn-Myanmar-LNG-power-plant

Nye, J. S. (2011). *The Future of Power.* New York: Public Affairs.

OECD - DAC. (2020). *Net ODA*. Retrieved from Organisation for Economic: http://www.oecd.org/dac/financing-sustainable-development/development-finance-data/aid-at-a-glance.htm

OECD. (2018). *China's Belt and Road Initiative in the Global Trade, Investment and Finance Landscape.* OECD Business and Finance Outlook 2018. Paris: OECD Publishing.

Onishi, T., & Iwamoto, K. (2020, June 26). *ASEAN stresses freedom of overflight above South China Sea*. Retrieved from Nikkei: Asian Review: https://asia.nikkei.com/Politics/International-relations/ASEAN-stresses-freedom-of-overflight-above-South-China-Sea

OpenDevelopment Mekong. (2019, February 18). *Infrastructure*. Retrieved from OpenDevelopment Mekong:

DOI:10.6814/NCCU202001824

https://opendevelopmentmekong.net/topics/infrastructure/#return-note-85432-5

Paikin, Z. (2020). Great Power Rivalry and the Weakening of Collective Hegemony: Revisiting the Relationship between International Society and International Order. *Cambridge Review of International Affairs*. doi:10.1080/09557571.2020.1720602

Parreñas, J. C. (1990). China and Japan in ASEAN's Strategic Perceptions. *Contemporary Southeast Asia, 12*(3), 198-224.

Pavlicervic, D., & Kratz, A. (2016, November). High-Speed Railways and Sino-Japanese Rivalry in Southeast Asia. *EAI Background Brief*(1187), 1-17.

Pramudwinai, D. (2019, August 3). *Co-Chair's Statement of the 12th Mekong-Japan Foreign Ministers' Meeting.* Retrieved from Ministry of Foreign Affairs, Japan: http://www.mofa.go.jp/files/000504081.pdf

Quayle, L. (2019). Southeast Asian Perspectives on Regional Alliance Dynamics: The Philippines and Thailand. *International Politics*, 1-17.

Reeves, J. (2016). *Chinese Foreign Relations with Weak Peripheral States: Asymmetrical Economic Power and Insecurity.* Oxon: Routledge.

Reuters. (2019, May 30). *Cambodia PM dismisses fears of Chinese debt trap.* Retrieved from Reuters: https://www.reuters.com/article/us-cambodia-china/cambodia-pm-dismisses-fears-of-chinese-debt-trap-idUSKCN1T00U8

Reuters. (2020, June 19). *China says one-fifth of Belt and Road projects 'seriously affected by pandemic*. Retrieved from Reuters: https://uk.reuters.com/article/uk-health-coronavirus-china-silkroad/china-says-one-fifth-of-belt-and-road-projects-seriously-affected-by-pandemic-idUKKBN23Q0HZ?il=0

Reuters. (2020, February 29). *Toyota plans new $1.2 billion EV plant in Tianjin with FAW: document*. Retrieved from Reuters: https://www.reuters.com/article/us-toyota-china-electric/toyota-plans-new-1-2-billion-ev-plant-in-tianjin-with-faw-document-idUSKBN20N0H0

RIS, ERIA, IDE-JETRO. (2017). Asia Africa Growth Corridor: Partnership for Sustainable and Innovative Development. *African Development Bank Meeting* (pp. 1-30). Ahmedabad, India: Research and Information System for Developing Countries (RIS), Economic Research Institute for ASEAN and East Asia (ERIA), IDE-JETRO.

Roy, D. (2005). Southeast Asia and China: Balancing or Bandwagoning? *Contemporary Southeast Asia, 27*(2), 305-322. doi:10.1355/cs27-2g

Russel, D. R., & Berger, B. (2019, June). Navigating the Belt and Road Initiative. *Asia Society Policy Institute*, 7-44. Retrieved from https://asiasociety.org/sites/default/files/2019-06/Navigating%20the%20Belt%20and%20Road%20Initiative_2.pdf

Sakamoto, K. (2018). *Japan and China: A Contest in Aid to Sub-Saharan Africa.* Singapore: World Scientific Publishing Co. Pte. Ltd.

DOI:10.6814/NCCU202001824

Sakuwa, K. (2009). A Not so Dangerous Dyad: China's Rise and Sino-Japanese Rivalry. *International Relations of the Asia-Pacific, 9*, 497-528. doi:10.1093/irap/lcp011

Sciorati, G. (2019). Friends or Foes? China and Japan's Southeast Asian Battleground. *Italian Institute for International Political Studies*, 20-22. Retrieved from https://www.ispionline.it/sites/default/files/pubblicazioni/commentary_sciorati_16.04.2019.pdf

Shambaugh, D. (1996). China and Japan towards the Twenty-First Century: Rivals for Pre-eminence or Complex Interdependence? In C. Howe, *China and Japan: History, Trends, and Prospects* (pp. 83-97). Oxford: Oxford University Press.

Shambaugh, D. (2018). U.S.-China Rivalry in Southeast Asia: Power Shift or Competitive Coexistence? *International Security, 42*(4), 85-127. doi:10.1162/ISEC_a_00314

Shigeta, S. (2018, October 25). *Thai 'smart city' to be first of 50 Japan-China joint projects.* Retrieved from Nikkei: Asian Review: http://www.asia.nikkei.com/Politics/International-relations/Thai-smart-city-to-be-first-of-50-Japan-China-joint-projects

Shoji, T. (2009). Pursuing a Multi-dimensional Relationship: Rising China and Japan's Southeast Asia Policy. In J. Tsunekawa, *The Rise of China: Responses from Southeast Asia and Japan* (pp. 157-184). Tokyo: The National Institute for Defense Studies.

Sims, K. (2019, October 24). *Cooperation and contestation between the ADB and AIIB*. Retrieved from East Asia Forum: https://www.eastasiaforum.org/2019/10/24/cooperation-and-contestation-between-the-adb-and-aiib/

Smith, T. W. (1999). *History and International Relations.* London: Routledge.

Söderberg, M. (2018). Japanese Development Assistance as a Multipurpose Political Tool. In M. M. McCarthy, *Routledge Handbook of Japanese Foreign Policy* (pp. 306-317). Oxon: Routledge.

Söderberg, M., & Reader, I. (2000). *Japanese Influence and Presences in Asia.* Surrey: Curzon Press.

Sohn, Y., & Pempel, T. (2019). *Japan and Asia's Contested Order: The Interplay of Security, Economics, and Identity.* Singapore: Palgrave Macmillan.

Stallings, B., & Kim, E. M. (2016). Japan, Korea, and China: Styles of ODA in East Asia. In H. Kato, J. Page, & T. Shimomura, *Japan's Development Assistance: Foreign Aid and the Post-2015 Agenda* (pp. 120-134). Hampshire: Palgrave Macmillan.

Stallings, B., & Kim, E. M. (2017). *Promoting Development: The Political Economy of East Asian Foreign Aid.* Singapore: Palgrave Macmillan.

Stern, G. (1995). *The Structure of International Society: An Introduction to the Study of International Relations.* London: Pinter Publishers.

DOI:10.6814/NCCU202001824

Storey, I. (2013). Japan's Maritime Security Interests in Southeast Asia and the South China Sea Dispute. *Political Science, 65*(2), 135-156. doi:10.1177/0032318713508482

Suganami, H. (2003). British Institutionalists, or the English School, 20 Years On. *International Relations, 17*(3), 253-271.

Sugiura, E. (2019, May 31). *Laos can 'manage' debt to China, PM insists.* Retrieved from Nikkei: Asian Review: https://asia.nikkei.com/Spotlight/The-Future-of-Asia-2019/Laos-can-manage-debt-to-China-PM-insists

Suleman, M. (2020, June 30). *How CPEC Left Behind the People of Gwandar*. Retrieved from The Diplomat: https://thediplomat.com/2020/06/how-cpec-left-behind-the-people-of-gwadar/

Suzuki, S. (2014). Europe at the periphery of the Japanese world order. In S. Suzuki, Y. Zhang, & J. Quirk, *International Order in the Early Modern World* (pp. 76-93). Oxon: Routledge.

Szechenyi, N., & Hosoya, Y. (2019, October). Working Toward a Free and Open. *Carnegie Endowment for International Peace*, 1-6.

Tam, M. (2019, July 3). *Vietnam tops priority of Japanese infrastructure investment*. Retrieved from Hanoi Times: http://hanoitimes.vn/vietnam-tops-priority-of-japanese-infrastructure-investment-45337.html

Tang, S. M., Hoang, T. H., Saelaow, A. Q., Ong, G., & Pham, T. P. (2020). *The State of Southeast Asia: 2020 Survey Report.* Singapore: ISEAS-Yusof Ishak Institute.

Taube, M. (2002). Japan's Role in China's Industrialization. In H. G. Hilpert, & R. Haak, *Japan and China: Cooperation, Competition and Conflict* (pp. 103-120). Hampshire: Palgrave.

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

Thu, H. L. (2014). An Opportunity, a Challenge and a Threat: An Assessment of the Sino-Japanese Competition in CLMV. In S. Teo, & B. Singh, *Impact of the SIno-Japanese Competitive Relationship on ASEAN as a Region and Institution* (pp. 9-11). Singapore: RSIS Policy Report.

Thuy, N. (2018, August 15). *Vietnam investment ministry warns over China's ODA loans*. Retrieved from Hanoi Times: http://hanoitimes.vn/vietnam-investment-ministry-warns-over-chinas-oda-loans-3609.html

Tiezzi, S. (2019, December 11). *The Belt and Road: Calculating Winners and Losers.* Retrieved from The Diplomat: https://thediplomat.com/2019/12/the-belt-and-road-calculating-winners-and-losers/?fbclid=IwAR3mj2Qgag_sJa6SFx9nl3Z4R9cULt0zz2BoCIFbJE8HRKK470WL4ToswRw

DOI:10.6814/NCCU202001824

Trinidad, D. (2018). What Does Strategic Partnerships with ASEAN Mean for Japan's Foreign Aid? *Journal of Asian Security and International Affairs, 5*(3), 267-294. doi:10.1177/2347797018798996

Trinidad, D. (2019). Strategic Foreign Aid Competition: Japanese and Chinese Assistance in the Philippine Infrastructure Sector. *Asia Affairs: An American Review, 46*(4), 89-122. doi:10.1080/00927678.2020.1723295

Tsuji, T. (2019, July 8). *Myanmar economic zone reimagined as export hub to India*. Retrieved from Nikkei: Asian Review: https://asia.nikkei.com/Politics/International-relations/Myanmar-economic-zone-reimagined-as-export-hub-to-India

Tudoroiu, T. (2008, September). From Sphere of Influence to Energy Wars: Russian Influence in Post-Communist Romania. *Journal of Communist Studies and Transition Politics, 24*(3), 386-414.

Tüter, M. (2019). China's Infrastructure Diplomacy in Southeast Asia: Explaining Asymmetric Bargaining with Four ASEAN Countries. *International Journal of Political Studies, 5*(2), 60-75.

Uemura, T. (2020). China-Japan Relations: Balance of Soft Power. In T. Inoguchi, *The SAGE Handbook of Asian Foreign Policy: Volume 2* (pp. 1075-1093). London: SAGE Publications Ltd.

Urosevic, A. (2018, January 9). *The Return of the 'Spheres of Influences'?* Retrieved from Nouvelle-Europe: http://www.nouvelle-europe.eu/en/return-spheres-influences

Vidal, L. L., & Pelegrín, À. (2018). Hedging Against China: Japanese Strategy Towards A Rising Power. *Asian Security, 14*(2), 193-211. doi:10.1080/14799855.2017.1333983

Wallace, C. (2019). Japan's Strategic Contrast: Continuing Influence Despite Relative Power Decline in Southeast Asia. *The Pacific Review*, 1-35. doi:10.1080/09512748.2019.1569115

Waltz, K. N. (1979). *Theory of International Politics.* Reading: Addison-Wesley Publishing Company.

Wan, D. (2018, February 23). *China and Japan rivalry in ASEAN*. Retrieved from EU-Asia Centre: http://www.eu-asiacentre.eu/pub_details.php?pub_id=233

Wang, H. Y., & Miao, L. (2019). China's Outward Investment: Trends and Challenges in the Globalization of Chinese Enterprises. In J. Chaisse, *China's International Investment Strategy: Bilateral, Regional, and Global Law and Policy* (pp. 41-55). Oxford: Oxford University Press.

Wang, J. (2013). Great Power Relations and their Impact on Japan-Southeast Asian Relations: A Chinese Perspective. In P. E. Lam, *Japan's Relations with Southeast Asia: The Fukuda Doctrine and beyond* (pp. 63-83). Oxon: Routledge.

World Bank, The. (2020). *GDP Growth (Annual %) - China*. Retrieved from The World Bank: https://data.worldbank.org/indicator/NY.GDP.MKTP.KD.ZG?locations=CN

DOI:10.6814/NCCU202001824

Wu, S.-s. (2018, December 19). *2018The Trouble with the Lancang Mekong Cooperation Forum*. Retrieved from The Diplomat: https://thediplomat.com/2018/12/the-trouble-with-the-lancang-mekong-cooperation-forum/

Wu, S.-w. (2019, February 13). *Myanmar: A New Pattern of CHina-Japan Interactions?* Retrieved from The Diplomat: https://thediplomat.com/2019/02/myanmar-a-new-pattern-of-china-japan-interactions/

Xi Jinping Meets with Special Envoy of Prime Minister Toshihiro Nikai of Japan. (2019, April 26). Retrieved from The Second Belt and Road Forum for International Cooperation: http://www.beltandroadforum.org/english/n100/2019/0426/c22-1256.html

Xi, J. (2017, May 14). *Work Together to Build the Silk Road Economic Belt and The 21st Century Maritime Silk Road*. Retrieved from Ministry of Foreign Affairs of the People's Republic of China: https://www.fmprc.gov.cn/mfa_eng/wjdt_665385/zyjh_665391/t1465819.shtml

Xi, J. (2019, April 26). *Working Together to Deliver a Brighter Future For Belt and Road Cooperation*. Retrieved from Ministry of Foreign Affairs of the People's Republic of China: https://www.fmprc.gov.cn/mfa_eng/zxxx_662805/t1658424.shtml#:~:text=The%20joint%20pursuit%20of%20the,win%20outcomes%20and%20common%20development.

Xinhua Net. (2019, September 12). *China welcomes more Japanese investments: Premier Li*. Retrieved from XinhuaNet: http://www.xinhuanet.com/english/2019-09/12/c_138384906.htm

Yahuda, M. (2019). *The International Politics of the Asia-Pacific* (Fourth Edition ed.). Oxon: Routledge.

Yamamoto, R. (2019, June 26). Overestimating the Power of China's BRI - Lessons Drawn from Japanese ODA Engagement in Asia. *Asia Pacific Bulletin*(483), 1-2.

Yamamoto, R. (2020a). China's Development Assistance in Southeast Asia: A Threat to Japanese Interests? *Asian Survey, 60*(2), 323-346. doi:10.1525/AS.2020.60.2.323

Yamamoto, R. (2020b). Understanding Abe's Free and Open Indo-Pacific Vision through Japan's Development Assistance. *Issue & Insights: Working Paper, 20*(1), 7-11.

Yoshimatsu, H. (2010). The Mekong Regional Integration, and Political Rivalry among ASEAN, China and Japan. *Asian Perspective, 34*(3), 71-111. doi:10.1353/apr.2010.0014

Yoshimatsu, H. (2015). The United States, China, and Geopolitics in the Mekong Region. *Asian Affairs: An American Review, 42*(4), 173-194. doi:10.1080/00927678.2015.1106757

DOI:10.6814/NCCU202001824

Yoshimatsu, H. (2018). New Dynamics in Sino-Japanese Rivalry: Sustaining Infrastructure Development in Asia. *Journal of Contemporary China, 27*(113), 719-734. doi:10.1080/10670564.2018.1458059

Yoshimatsu, H. (2019). Partnership against the Rising Dragon? Japan's Foreign Policy towards India. *The Pacific Review*, 1-27. doi:10.1080/09512748.2018.1563210

Yoshimatsu, H., & Trinidad, D. D. (2017). Realist Objectives, Liberal Means: Japan, China and Maritime Security in Southeast Asia. In S. B. Rothman, U. Vyas, & Y. Sato, *Regional Institutions, Geopolitics and Economics in the Asia-Pacific: Evolving Interests and Strategies* (pp. 127-143). London: Routledge. doi:10.4324/9781315265902

Zala, B. (2019). Regionalism and Great Power Management in the Asia-Pacific: Complementary or Competing Forces? *Asian Studies Review*, 1-18. doi:10.1080/10357823.2019.1690425

Zala, B. (2020, February). Interpreting Great Power Rights in International Society: Debating China's Right to a Sphere of Influence. *Journal of International Political Theory*, 1-21. doi:10.1177/1755088220905607

Zhang, F. (2011). Reconceiving the Balance of Power: A Review Essay. *Review of International Studies*(37), 641-651. doi:10.1017/S0260210510001282

Zhao, H. (2018a). China–Japan Compete for Infrastructure Investment in Southeast Asia: Geopolitical Rivalry or Healthy Competition? *Journal of Contemporary China*, 1-17. doi:10.1080/10670564.2018.1557946

Zhao, H. (2018b). Chinese and Japanese Infrastructure Investment in Southeast Asia: From Rivalry to Cooperation? *IDE Discussion Paper*(689), 1-31. Retrieved from https://ir.ide.go.jp/?action=pages_view_main&active_action=repository_view_main_item_detail&item_id=50170&item_no=1&page_id=39&block_id=158

Zhou, M. (2019, September 27). *Mahathir: 'We have to go to the Chinese' for infrastructure.* Retrieved from Nikkei: Asian Review: https://asia.nikkei.com/Politics/International-relations/Mahathir-We-have-to-go-to-the-Chinese-for-infrastructure2

DOI:10.6814/NCCU202001824