

State Transformation and Social Forces Under the Shadow of Economic Security: The Case of Japan

Trissia Wijaya, Ali Hayes

Abstract: *At a cursory glance, much of Japan's new economic security policy resonates with US-Biden policy language of building resilient supply chains and strengthening strategic partnerships. Mainstream scholarship has been quick to interpret this as a new form of economic statecraft and the strengthening of the US-Japan partnership. However, little has been discussed about how the adoption of economic security policy has entailed state restructuring and reconnected different social forces. There has been a shift in the functions of state institutions which are, to some extent, becoming fused. Security institutions are drawn into economic domains while economic institutions increasingly adapt to discourses on military issues. This fusion has been facilitating the reconnection of industrial capital, military capital, and state elites who attempt to leverage the interlocking components of US-led policies and economic security, that in turn reproduces the developmental form of the Japanese state. This paper offers a theoretically-informed way of understanding new geopolitical lines underpinning state transformation in Japan and sheds light on the constitutive elements we currently see as 'networked security architecture' such as the Quad or 'friendshoring' industrial policy.*

Keywords: *economic security, Indo-Pacific, developmental state, friendshoring industrial policy, value chain*

Introduction

The logic of geopolitics, often identified with military strength and the defense budget, has found a new home in Japan in “economic security” (*Keizai anzen*) and its corresponding geoeconomic vision and strategies. Originally, this bureaucrat-made strategy was intended to bring economics and national security into the policy-making process together, with the particular intent to dissolve policy silos. Its development can be traced back to 2019, when the Ministry of Economy, Trade, and Industry (METI) set up an Economic Security Section and the Ministry of Foreign Affairs added three sub-divisions—Emerging Security Challenges, Space and Maritime Security Policy, and International Peace and Security Cooperation—to its Foreign Policy Bureau. An economic division within the National Security Council (NSC) was later established in 2020 (Armstrong and Urata 2021).

A confluence of US Biden administration-led policies—widely called the New Washington Consensus (NWC)—has provided further impetus for Japan to institutionalize its economic security policy. The NWC encompasses the Inflation Reduction Act and CHIPS Act, as well as trade sanctions, new security partnerships, and the move towards building resilient supply chains or, more bluntly, moving supply chains out of China (see

The White House, 2022; Wadham, 2021). These all constitute combative policies that could alienate China and, at the same time, pose new risks and opportunities for Japan's economic security domain.

Soon after coming to power in late 2021, Prime Minister Fumio Kishida created a new ministerial post for economic security and rushed through economic security legislation, which was passed in May 2022 (Koyu et al., 2023; Fraioli, 2022). Widely known as the Economic Security Promotion Act, the legislation is comprised of four pillars: (1) resilience of supply chains; (2) security and reliability of essential infrastructure; (3) development of a framework to foster and support critical technologies in public and private sectors; and (4) protection of sensitive technical developments by non-disclosure of their respective patents (Igata 2022). While not explicitly mentioning China, Japan's economic security program shares policy characteristics with the NWC. Namely, it pursues collaboration between like-minded countries to secure supply chains from geopolitical conflicts and promote national strength. This was reiterated in January 2023, when Japan and the US collectively asserted "the convergence of their nations' new national security and defense strategies" (MOD 2023a).

What do these developments tell us about Japan's new policy trajectory? This topic has been the subject of a growing literature in Japanese foreign policy and international relations. The bulk of this scholarship gives pride of place to geoeconomics and economic statecraft in explaining the new policy trajectory. Such literature contends that tools of economic security overlap with economic statecraft, which is the use of economic means to pursue foreign policy goals (Baldwin 1985). In response to perceived risk, Japan weaponizes interdependence, shaping and managing their strategic environment to pursue national interests using economic

means (Vihma 2018; Igata & Glosserman 2021), and shifting their strategic principles from *seikei bunri* (separation of politics and economics) to "economic realism," where economic coercion and selective diversification of the supply chain away from China are unavoidable (Nagy 2023). Other explanations link grand strategy with the development of regional security architecture. Proponents argue that NWC-induced imperatives, particularly "de-risking China," can facilitate a networked security architecture where US allies, including Japan and South Korea, increase their cooperation and deterrence power—"plan together, train together, and operate together" (Carter 2016, 72)—while sharing the burden for regional stability (Kim & Raswant 2023; Liff 2023). In this setting, policy instruments critical to the NWC and its likenesses are reduced to economic statecraft, or strategic tools that operate through the network of US alliances. These alliances are seen as helping to produce the kind of global geopolitical economy the US finds commensurate with its strategic interests (Breslin & Nesadurai 2023) in which like-minded states leverage interdependence within the global value chain for strategic advantage. This can be seen through the strengthening of the Quad and a renewed strategic commitment to Taiwan (Editorial Board ANU 2022). Alternatively, some highlight the nexus between domestic politics and Japan's foreign policy in positing that the implementation of economic security has in fact brought together a coalition of groups of actors who otherwise compete—such as the pro-China and anti-China factions—to navigate strategic uncertainties including but not limited to managing relationships with China while simultaneously strengthening the partnership with the US (Nagata 2022; see also Katsumata and Shibuichi 2023). Kishida's political circle illustrates this dynamic. At one extreme, Toshihiro Nikai, a heavyweight lawmaker and former Liberal Democratic Party (LDP) Secretary General (2016–2021) who has long

been known for his pro-China attitude returned to the political stage in April 2023. He was appointed as the new chairman of the Japan-China Parliamentary Friendship Association (*The Yomiuri Shimbun* 2023). Meanwhile, the economic security ministerial position is held by a conservative LDP lawmaker, Sanae Takaichi, who is known, among other things, for accompanying Prime Minister Junichiro Koizumi to the Yasukuni Shrine in 2007.

While recognizing the potential reshaping of networked security architecture, the enabling of new domestic coalitions, and the desire of politico-bureaucrats to advance long-delayed policy reforms through the “economic security” platform, our argument rests on the largely unnoticed entanglement between this emerging geopolitical economic system and state transformation. We identify that parallel implementation of the NWC and economic security has engendered a new composition of transnational capital, while fusing security and economic imperatives in state institutions (see Wijaya & Jayasuriya 2023). This institutional dynamic has significant implications for Japanese state actors and businesses, as formerly discrete economic and security silos—the layering of security imperatives on economic institutions and vice versa—are being integrated, ultimately reshaping the developmental form of the Japanese state. A distinct feature of this new developmental form is the blurring of boundaries between economic statecraft and industrial policy as security agendas and national development objectives become increasingly fused. More importantly, this transformation entails a new complex and dynamic relationship between domestic industrial capital, political blocs, and the transnational capital class, all of whom unite under the banner of “like-minded states.” Here lies the crux of the argument put forth in this paper.

These entanglements have been obscured throughout the existing literature. The reason

for this lacuna is twofold. First, some critics still see the US as the sole superpower and are locked into the old debates around strategic choices in the post-Cold War period, which have much in common with mainstream state-centric realism (Green 2022). This elides the importance of different social forces—military groups, industrial capital, bureaucrats, oppositions, and civil society—that underpin policy development and reproduce what we see in this new form of geoeconomics, where “such traditional geopolitical concerns no longer have much purchase” (Essex 2013, 130). Second, existing literature has focused predominantly on power transition. As Jayasuriya (2021) insists, such treatment “reduces new forms of geopolitical contestation to notions of economic statecraft where the nature of state transformation is untheorized” (see Jessop 2007; Jones and Hameiri 2021). Specific crisis response tendencies, such as moves towards increased supply chain resilience, energy security, and technology protection, are thus constructed under the mantle of economic security. Efforts to ensure economic security involve, then, pragmatic policy adjustments and shifts in the functions of state agencies. This state transformation has been largely ignored, despite it constituting new forms of geoeconomics. The central objective of this paper is to underline the imperatives driving the connection of state transformation with the geopolitical economy while avoiding the geopolitical fetishism that is central to current strategic and policy debates.

Our analysis draws on a range of data including archival documents, parliamentary records, public policy documents, public opinion surveys, secondary academic literature, and interviews with experts in the semiconductor and defense industry. In the following section, we will unpack the entanglement of economic security and state transformation by focusing on: (1) the transformation of security apparatuses alongside the securitization of supply chains and technology; (2) realignment

with AUKUS (Australia, the United Kingdom, and the United States' trilateral security partnership); and (3) broader changes in economic interests and industrial policy with the semi-conductor industry as a case in point. This paper offers a theoretically informed way of understanding new geopolitical lines underpinning state transformation in Japan. It also sheds light on the constitutive elements of the "networked security architecture" or the re-emergence of minilateralism, such as the Quad, supported by a Free and Open Indo-Pacific (FOIP) vision.

Transformation of State and Extended Capitalist Relations

Our analysis situates state transformation within the new geopolitical economy. The key proposition here is that Japan's economic security is pulling classic geopolitical considerations, such as its post-1945 security posture, closer into geoeconomic agendas, repositioning Japanese state actors within a central global economic network (on the point of geopolitical consideration, see Sparke 1998). As such, it is becoming difficult to draw a simple categorical dividing line between "security issues under the heading of geopolitics" and "economic issues under the heading of geoeconomics." This is in line with Breslin & Nesadurai's (2023, 930) question of "whether simply trying to enhance national economic autonomy in response to the strategic objectives of others counts as a geopolitical goal or not?" It is under this messy interpretation of geopolitics and geoeconomics—as embedded in economic security policy—that state transformation prevails.

In Japan, as the following section will evidence, state transformation involves overly intellectual abstraction from the praxis of Japanese state institutions such as the Ministry of Defense (MOD), the Ministry of Foreign Affairs (MOFA),

the Ministry of Economy, Trade, and Industry (METI), and the Self-Defense Forces (SDF). Through and within these institutions, internationalized elite actors including state planners, military leaders, and industries help set in motion policies and projects connected to geoeconomic projects, such as 'de-risking' China. In this setting, security institutions under the popular discourse of "supply chain security" and "energy transition" have increasingly been dragged into the economic domain, while economic institutions have in turn adapted their discourses on the security agenda.

At a cursory glance, this is illustrated in the similar tone of language and terminology adopted by orthodox security and economic institutions that, previously, would have had less in common. Policy makers, instead of literally adopting the US-led geopolitical framework—'de-risking' China—seek to reproduce it through the linking of economic and security domains. Such reproductions are evident in the 2023 METI White Paper, the 2022 New National Security Strategy, the 2023 MOFA Diplomatic Bluebook and the 2023 Defense White Paper. They can be seen, for example, in how threats to critical infrastructure and leadership over advanced technologies, the strengthening and securing of supply chains, and the pursuit of cooperation between like-minded countries under the vision of the FOIP, have been addressed (MOD 2023b; MOFA 2023e; METI 2023b; National Security Council of Japan, 2022). The priority placed on economic security within Japan's defense architecture was articulated in the MOD's (2023b: 19) Defense of Japan White Paper, which stated that "Japan will also build an overall national defense architecture by integrating its national power, which includes its diplomatic, intelligence, economic, and technological capabilities, and systematically combining all policy means." This statement suggests an overarching and coordinated policy approach across various government agencies.

Yet, delving into details, the seemingly coordinated policy approach provides an important context in which different social forces—military capital, state elites, and industrial capital—can reorganize their interests. The function of state institutions gets further reshaped; economic and security institutions obtain complementary roles and responsibilities as economic policy is gradually incorporated into the defense agenda and vice versa. This is marked by three striking developments: (1) securitization of the supply chain, which simultaneously factors in sustainability, energy transition, and advanced technology; (2) Japan's attempt to realign with the AUKUS alliance, which attracts segments of the conservative domestic bloc in Japan; and (3) a shift in the developmental role of METI, whose industrial policies are increasingly conflated with economic statecraft, as reflected in the semi-conductor industry.

It is worth noting that these developments are not separate from post-Abe Japanese politics, which are facing a period of crisis (*hijoji*). A storm of challenges on the home front, including revelations over the extensive electoral collaboration the LDP forged with the Unification Church, dysfunction in the prime minister's office, a series of ministerial departures, and issues of coordination with the Lower House of the Diet, have become important political problems for the ruling coalition to face in order to restore public confidence (Fee 2022). In addition, the depreciation of the yen and rising food prices have posed challenges for Prime Minister Kishida who already has limited room to maneuver. Hailing from the traditionally pro-China leaning faction of the LDP (the *Kochikai*, traditionally dovish), Kishida has been urged to commit to the foreign policy of the Abe era, while also counterbalancing a powerful conservative force (*Seiwakai* faction) in the LDP (Sasada and Iwami 2022). These otherwise competing groups are in harmony on the vague narrative of "economic security". Geoeconomic

projects such as "de-risking China" have indeed provided an overarching conceptual regional landscape that has effectively brought together the interests of diverse groups, from conservative blocs to progressive forces, as well as domestically-oriented capitalist interests.

Despite splits in the ruling coalition over how to fund the economic security framework, divisions appear less a question of substance than form, reflecting a consensus on the importance of the new National Security Strategy (NSS). This sentiment is expressed throughout the highest echelons of government, including the scandal-ridden *Seiwakai*, former prime minister Taro Aso's bloc (*Shikokai*), and Prime Minister Kishida's faction (*Kochikai*) who each seek to maintain power in the LDP's leadership race in 2024 (Editorial Board ANU 2022). On 22 December 2022, the NSC approved Japan's new National Security Strategy (NSS).

In a nutshell, the new NSS applied the geoeconomic norms of NWC, namely "de-risking China" and designating Russia as a "potential threat." This is evident in the stated core aims of the NSS. When announcing the new NSS, former Foreign Minister Yoshimasa Hayashi declared that the "international order is being shaken" and that Japan is in "the most severe and complex security environment since the end of World War II" (MOFA 2022a). Guided by the vision of a Free and Open Indo-Pacific (FOIP), the new NSS also highlights key principles that Japan will maintain its "proactive Contribution to Peace" and Japan's own security; set an example by applying security policy according to universal values such as freedom, democracy, respect for human rights and the rule of law; maintain an "exclusively national defense-oriented policy" which does not pose a threat to other countries; maintain the Japan-US Alliance; and emphasize multilateral cooperation and coprosperity with "like-minded countries" (National Security

Council of Japan 2022, 5). Importantly, it also explicitly addresses China's "prompt buildup of the People's Liberation Army", citing rapidly increased defense spending as well as China's ability to exert economic influence over the countries which are dependent on it for finance (National Security Council of Japan 2022, 8). This is different from the previous 2013 iteration of the NSS when China's external posture was coined more vaguely as "an issue of concern for the international community" (Fukuda 2023). Additionally, the NSS aims to ensure Japan's economic security by "working to solidify international norms in cooperation with its allies and like-minded countries" to reduce the incidence and impact of attempts by other states to exert "non-military pressure" which is "aimed at impeding... sound economic development" (National Security Council of Japan 2022, 31). In this setting, the new NSS also signifies the importance of trade pacts and economic multilateralism—including the Comprehensive and Progressive Agreement on Trans-Pacific Partnership (CPTPP); Regional Comprehensive Economic Partnership (RCEP) agreement; and other economic partnership agreement negotiations under the Indo-Pacific Economic Framework (IPEF) (National Security Council of Japan 2022, 31).

The adoption of an economic security policy has also coincided with historically high domestic public support for an increased defense budget, as seen during the Upper House election in July 2022 (Jimbo and Tan, 2022). An opinion poll conducted by the Japanese government showed that the proportion of people who agree that the size of the Self-Defense Forces (SDF) should be expanded hit a record high of 41.5 percent in 2022. This is the highest figure since the government began asking that controversial question in 1991. The results of these polls are due to increased public awareness of the severe security environment surrounding Japan in the face of North Korea's unstoppable nuclear and missile development, China's

growing hegemonic military clout, and Russia's ongoing aggression. However, it is important to highlight that the adoption of economic security is not only about deploying strategic tools in response to such circumstances. Security institutions and economic agencies are adopting each other's imperatives and acting collectively to enact policies which are advantageous to particular interest groups.

Security Apparatuses: Mobilizing Interests and Safeguarding Industrial Capital

As a consequence of economic security policies, the roles of the MOD and MOFA have shifted, with implications for the manifestation of economic security in general. First is the case of startup ventures. An important observation here is that, under the new NSS, security and economic apparatuses, along with their institutional protégé, have committed to a similar narrative of ensuring "supply chain security" and pushing "decarbonization." Especially striking is how both control of critical technologies and energy transition efforts, as well as industrial policies and economic statecraft, are being conflated. A recent startups case exemplifies this dynamic.

In July 2023, the Defense Ministry, together with METI, elected about 200 startups to enter the defense industry in a bid to leverage their cutting-edge technologies. These startups are expected to tap into space as well as advanced dual-technologies, or what are listed in the Economic Security Promotion Act as "designated critical technologies" (DCTs). These technologies include sensors, drones, artificial intelligence, quantum computing, and robots, which are not only critical for the development of military applications, but also to fight climate change, security breaches of critical infrastructure, and threats to economic security. This new political development has stimulated the minds of some historians and Japanese political economy observers who

consider the economic security policy as an extension of former Prime Minister Masayoshi Ohira's idea of a "comprehensive security strategy" (Satake 2022). The idea suggested is that Japan must scale up its efforts to achieve strategic autonomy and indispensability by strengthening its military capabilities and investing in defense technology.

Through further analysis, we contend that economic security gives a new emphasis to the MOD's role in developing financial tools for emerging capitalist groups who are likely benefiting from the scheme. Through dual-use technology, the MOD is trying to create similar conditions as exist in the US where venture capital-backed startups are active in the defense industry. This is an interesting institutional development, through which we see state security apparatuses' increasing attempts to develop critical technology through market mechanisms and multilateral public investment programs, such as venture capital (Takeuchi 2023a). This shift has seen a new role open for orthodox security institutions in facilitating financial globalization and embedding security agendas in broader industrial policy. The MOD even committed to pursuing measures to help new companies enter the industry by connecting them with venture capital and government funds, as well as major defense companies, as it sees homegrown technology as critical to national security (Takeuchi 2023b).

To some extent, the Japanese government has also recognized the value of the US Department of Defense's "Other Transaction Authority Trends" (OTA) and is attempting to follow a similar path. The OTA gives specific federal agencies greater flexibility in designing a contract approach that can incentivize and attract non-traditional defense contractors and increase efficiency. Such contracting mechanisms allow for rapid development of technology prototypes among start-ups and small businesses not typically equipped to

navigate the complicated regulatory requirements of traditional contracting. Lately, the MOD and METI jointly funded a program to train Japanese companies on how to apply for an OTA and other available innovation funding (Boekenstein 2023). The MOD and the SDF also seek to create a framework for holding regular talks with the Science Council of Japan (SCJ) on sharing research on dual-use technology. For decades, the SCJ's ability to block the MOD's access to research findings or involvement in scientific research was an obstacle keeping the defence industry from being able to "fully take advantage of cutting-edge technology on its own" (Yoshino, 2023). The enactment of the Economic Security Promotion Act serves as an interim tool to mitigate such resistance, and the SCJ has begun to show some flexibility, acknowledging that it has become difficult to draw a clear line between strictly civilian technology and dual-use technology (Suzuki 2023).

The second and interrelated point is that security institutions increasingly serve as a domain through which some of the interests of industrial capital are expressed and accommodated. Japanese legislators have become keen on drafting legislation that will strengthen Japan's supply chain resilience. On top of the NSS, the Japanese government also announced the National Defense Program Guidelines and Medium-Term Defense Program in December 2022, in which Kishida's administration committed to doubling defense spending to 2 per cent of GDP by 2027 and investing in Tomahawk missiles to develop missile counter-strike capabilities (Igata & Glosserman 2021). This signifies tremendous shifts in Japanese grand strategy that has long been informed by the Yoshida Doctrine—an interim grand strategy in postwar Japan—which established a number of policy self-restraints, such as a defense budget ceiling of 1 per cent of GDP (Ishihara 2023).

Furthermore, as of August 2023, it was

reported that the Defense Ministry requested about 80 billion yen (\$547 million) for the development and production of hypersonic guided missiles for the 2024 budget to counter those being developed by China, North Korea and Russia ([The Asahi Shimbun, 2023](#)). The government also claimed that it is preparing 72 billion yen (\$490 million) for the ongoing joint development of the Mitsubishi Heavy Industries next-generation fighter jet with the UK and Italy ([Yamaguchi 2023](#)). In June 2023, the MOD announced that it inked a deal worth nearly 314 billion yen (\$2.3 billion) with Mitsubishi Heavy Industries and Kawasaki Heavy Industries to develop and mass produce their own standoff missiles ([Kosuke 2023](#)). This policy development tells us that the pursuit of economic security requires pivoting the center of geopolitical gravity towards industrial capital, which has long been constrained due to Japan's export control policy, the "Three Principles on Arms Export." Under the Principles, companies are only allowed to export jointly-developed defense equipment to partner countries. In July 2023, the ruling LDP and its long-standing partner, Komeito, pledged that the government would push through the revised guidelines to allow exports of such equipment to other countries, including but not limited to those in Southeast Asia ([Takeuchi 2023c](#)).

FOIP and Climate Efforts

The adoption of economic security is inseparable from the securitization of FOIP itself, which has in turn reshaped the role of Japanese state institutions. Japan under the late Shinzo Abe launched the FOIP concept in 2016, with three key pillars: (1) promotion and establishment of the rule of law, freedom of navigation, and free trade; (2) pursuit of economic prosperity (improving connectivity); and (3) commitment to peace and stability ([MOFA 2016](#)). It placed MOFA, along with

development agencies such as JICA and JBIC, center stage in the implementation of derivative programs of the FOIP, such as ODA and Partnership for Quality Infrastructure, while Defense is in charge of defense cooperation and exchange activities aimed at securing the stable use of major sea lanes ([MOD 2016](#)). However, with the enactment of the economic security policy, derivatives of the FOIP are becoming entangled with defense agendas, leading to the transformation of roles among key FOIP institutions, including the MOFA and MOD. This is reflected in their shared objective of realizing climate change resiliency.

In March 2023, Kishida articulated Japan's new vision for a FOIP ([MOFA 2023a](#)), redirecting its original principles towards an approach that further strengthens and ensures networked coordination between like-minded countries ([MOFA 2023d](#)). Further, at a leaders summit in 2023, the Prime Ministers of Japan and Australia agreed on strengthening their cooperation with the United States as their common ally, as well as the United Kingdom, as "like-minded" countries with the objective of realising a "Free and Open Indo-Pacific" ([MOFA 2023b](#)). What is particularly striking here is that the new vision for the FOIP entails engagement with and provision of funds to Indo-Pacific partners, the objective being to address present challenges faced in the region, with climate efforts being positioned as the key priority ([MOFA 2023c](#)).

These engagements are enacted through MOFA and MOD which, consequently, have overlapping scope to act to realize these economic and security agendas within the FOIP. We begin analysis with the MOD and SDF. These security apparatuses have started privileging non-traditional forms of security, such as energy security and climate change, and as a result have become important stakeholders in the green industry. This is implicitly reflected in the MOD's Response

Strategy on Climate Change that the “Ministry of Defense and the Self-Defense Forces have to consider the energy shift for defense equipment from now with a view to a game change of the way we fight in the future,” making it clear that the MOD’s role is shifting away from focusing purely on defense, and expanding to active involvement in Japan’s decarbonisation and economic security efforts (MOD, 2022). Interestingly, while these security apparatuses concede that risk mitigation measures are necessary to combat climate change, the measures they promote are aimed at boosting defense procurement. Thus, their emphasis on the importance of making investments in “green” infrastructure and military systems is a method of cashing in on “climate efforts” rhetoric (see also MOD 2023b). This shifting role underlines our point that economic security involves piecemeal shifts in the functions of security agencies while new geopolitical economic reconstruction brings into play different factions of capital, such as military, industry, start-up, and financial capital that gradually coalesce with (like-minded) investment regimes.

In addition, one argument that is frequently made by proponents of the new NSS is that security and climate efforts are not mutually exclusive. This places greater emphasis on the role of the MOD and SDF in developing tools and collective responses that can address climate change beyond military operations (Cook 2023). During the Leaders’ Summit on Climate convened by Biden in April 2021, Japan announced the creation of the Ministry of Defense Climate Change Task Force. Later the following year, the MOD released its “Response Strategy on Climate Change,” which outlined the defense and security sectors’ climate commitments. The Strategy declares that responding to climate change and strengthening defense capabilities are compatible objectives. As such, the MOD and SDF will respond to both objectives by: seizing the opportunity to make their facilities and

equipment more robust, resilient, and efficient in light of the threats posed by climate change; improving SDF operation, training and maintenance of facilities to engage the efficacy of deterrence and response capabilities in all strategic and climate environments; and continue to reduce greenhouse gas emissions with the goal of being carbon neutral by 2050 (MOD 2022).

On the other side, with the enactment of the new FOIP, it is interesting to see how MOFA pivots toward security assistance that is provided to ‘like-minded’ developing countries. Referred to in the new NSS approved in December 2022, Official Security Assistance (OSA) is a new cooperation framework to facilitate enhancement of the military and related organizations of “like-minded countries for the purpose of deepening security cooperation.” (MOFA 2023e, 1). OSA, sitting within the purview of MOFA, is described by that ministry as being “apart from Official Development Assistance (ODA)” which was started in 1954 in a bid to promote the region’s “comprehensive defense architecture” (Dominguez 2023). This OSA is at odds with decades of policy in the MOFA-led ODA program, which is characterized by its support of “self-help efforts,” sustainable economic growth, and human security in developing countries. It had, notably, avoided the use of development aid for military purposes (MOFA 2023). This further illustrates the convergent intertwining of economic and security agendas within the MOFA, making it a core part of the new architecture of security cooperation alongside the MOD.

Realignment with AUKUS

The strengthening of alliances under the ‘de-risking China’ project gives leeway for actors who sit at or near strategic nodes to unleash considerable amounts of congealed social power, sending it hurtling through the grids of

state and society complexes. This could be in the form of new industrial projects employing millions of people, or military projects imperiling millions. AUKUS evidences this dynamic and Japan's economic security narrative gives credence to the importance of economic security realignment with AUKUS, giving the security apparatuses reasoning to not only double defense spending to strengthen capacity building, but also to chart out territorial domains for industrial capital. This can be seen in specific regulatory arrangements that provide particular defense contractor advantages vis-à-vis competitors, or the much more contemporary efforts of Japanese companies to gain exclusive export rights for AUKUS-related services or goods.

As briefly mentioned above, Japan's export control policy has long been a stumbling block for defense contractors trying to thrive in post-war Japan. With the government now revising its operational guidelines to allow the export of jointly-developed defense equipment, major defense contractors, including London-based BAE Systems and Maryland-based Lockheed Martin in partnership with Mitsubishi, are shifting Asian regional management functions from Singapore to Japan, with the relocations to be complete by the end of 2023 (Yumae 2023). French company Thales is also increasing its employment of Japanese workers in its collaboration with Mitsubishi to develop and produce mine detectors (Yumae 2023).

The relaxation of operational guidelines is linked with Japan's potential contribution to AUKUS, and occurs as Tokyo pledges a significant increase in defense spending, reinforcing Japan's active and significant strategic security role among like-minded partners in the Indo-Pacific region. In early April 2023, Admiral Ryo Sakai, chief of staff of the Japanese Maritime Self-Defense Forces, visited what is expected to become one of the most strategic ports in the Indo-Pacific region with the expected increase of nuclear-powered

submarine operations off Australia's west coast. During his visit to HMAS Stirling, Admiral Sakai considered Australia's acquisition of nuclear-powered submarines as "an extremely positive development" and stated that the Japanese Maritime Self-Defense Forces seeks to deepen its collaboration with Australia. Elaborating this point, the Admiral expressed a desire for a division of roles and increased collaboration between Japan and Australia, together with the US as a mutual ally, with the objective of ensuring stability in the Indo-Pacific region (Moriyasu, 2023).

Japan's efforts to actively engage in such security partnerships as AUKUS under the broader strategic imperatives of the FOIP and 'de-risking China' contribute to our observations that specific politico-economic coalitions, comprising defense contractors, green businesses, and security apparatuses, have been increasingly brought into play. Likewise, an interim institutional means has also emerged, namely the Japan-Australia Reciprocal Access Agreement (RAA), to facilitate a strengthening of the defense collaboration between the two countries and, importantly, help mobilize industrial-military capital (Defence Australia 2023). While negotiations began in 2014, the agreement was signed in January 2022, after the announcement of AUKUS in 2021 (MOFA 2022b; Department of Prime Minister and Cabinet of Australia, 2023).

In a speech at the Sasakawa Peace Foundation in December 2022, Australian Deputy Prime Minister and Defence Minister Richard Marles stated that the updated Joint Declaration on Security Cooperation and Reciprocal Access Agreement (RAA) signed by the Australian and Japanese governments "give Japan and Australia the bilateral architecture to ensure our defense and security cooperation is commensurate with our strategic alignment" (Defence Australia, 2022). In a Japan-Australia Summit Meeting on 14 March 2023, Australian

Prime Minister Anthony Albanese assured that Australia's plan to acquire nuclear-powered submarines would not alter its obligations under the Nuclear Non-Proliferation Treaty (NPT). In response, Prime Minister Kishida expressed his view that the "undertakings of AUKUS will contribute to the peace and stability of the Indo-Pacific region amidst an increasingly severe security environment in the region" and that "Japan has consistently supported these efforts." (MOFA, 2023b). On the more ambitious end of the spectrum, the RAA can pave the way for Japan to turn the tables on the Australian submarine deal secured by France in 2016—one of the world's most lucrative defense contracts (Greene 2019).

Reproducing the Developmental State (DS) Form: The Semiconductor Industry Case

Apart from the transformation of state security institutions and their increasing realignment with capitalist projects, as mentioned earlier in the introduction, economic security fetishism obscures broader changes in the constellation of economic interests both inside and outside Japan. These reproduce the developmental form of the Japanese state. Yet, what we mean by developmental state (DS) here is different from the mainstream portrayal of state developmentalism by a group of influential neo-Weberian scholars (Johnson 1982, Wade 1990, Weiss & Hobson 1995) that has long gained popularity within international political economy.

The seminal work by Johnson (1982, 1994) has inspired much of the DS literature in East Asian political economy. In particular, Johnson (1982: 305–6) depicted post-war Japan as "a capitalist developmental state" and "a plan rational state," which was identified with a wide range of institutional arrangements and a system of central coordination that linked businesses into the state's policy-making framework,

facilitating effective developmentally-oriented industrial policies (see also Weiss 1998, p.38; Thurbon 2014). The Ministry of Trade and Industry (MITI, now METI), as a pilot agency, controlled industrial policy by exerting influence over planning, the energy sector, domestic production, international trade, finance, and government funds (Johnson 1982: 314–20). It also formed developmental partnerships with businesses, or in Weiss and Hobson's words, the "governed interdependence" of state and business (1995). Overall, the tenor of these claims is to highlight the importance of state capacity and a cohesive set of institutions to resolve market failures, capital scarcity, and lack of coordination. In the wake of the Asian economic crisis, DS theorists found that the much-vaunted policy capacities of the Japanese state had weakened in part due to progressive financial liberalization by which firms had become more global and competitive (Maswood 2002; Wilson 2003; Katada et.al, 2023). Social coalitions were a critical glue in keeping different politico-economic groups while firms have become largely "disembedded" from their respective state's regulatory power (Carroll & Jarvis 2017; Yeung 2016). Meanwhile, the state itself was "unwilling" to take risks on nurturing industries, characterized by Wong (2011: 179) as "the retreat of the state." Since then, DS proponents struggle to find common ground in grasping what constitutes the post-developmental state (Wong 2011).

Despite those methodological challenges, following the logic of state transformation, the central task of this paper is to highlight the shifting forms of state power and policy approaches in response to changes in social coalitions and the geopolitical economy that DS theorists pushed to the background. What we emphasize here is a more constitutive conception of the DS that does not see the state as a 'fixed entity.' Its developmental form constitutes a different set of relationships between domestic groups, transnational

capitalist networks, and the international political economy, thereby enabling us to “explore how state transformation...is always a socially constituted and dynamic process” (Jayasuriya 2005: 383). While admittedly in the context of the Cold War, Glassman (2018) provides ample grounds for the transformation of the developmental state. Striking features of “Japanese accomplishment,” as construed by neo-Weberians scholars—employee security, MITI as a nodal economic planning agency, and techno-industrial transformation—were an artefact of collaboration between US and Japanese elites. As Glassman argues (2018: 198), the fusion of economic and military interests had strengthened the coalition of the Pacific ruling class—with Japanese industrial and financial capitalists played leading roles alongside political actors within Japan and military capital in the US—which found expression through institutional features of DS. In essence, Glassman sought to give conceptual clarity to different analytical dimensions of DS—state-society relations, international forces, and domestic groups. Likewise, the deeper entanglement of economic and security interests, including the strong push for ‘decoupling from China’ or ‘derisking from China’ have now led to changes in the internal architecture of the state, combined with new political projects, such as creating greater national self-reliance, that seek to develop means of state power and reorganize state authorities in a way that are more congruent with the transformations in the nature of the global geopolitical economy.

One important observation being made here is that striking features of the DS form have reappeared in Japan, specifically picking the winner, the pursuit of techno-industrial transformation and competitiveness, and institutionalized relationships with business. However, the DS form is underpinned by a complex and dynamic relationship between domestic industrial capital, political blocs, and the transnational capital class, expressed via a

hegemonic relationship between “like-minded states”—a specific territorial conception of ad hoc coalitions that Japan has frequently echoed. There are two distinguishing elements in the DS current form. Firstly, the boundaries between economic statecraft and industrial policy become blurry due to broader strategic imperatives and the reconfiguring of the geopolitical economy through economic security programs. This simultaneously promotes transnational coalitions for the developmental state, especially in ways that articulate a defense of interventionist policies under the guise of pursuing value chain resilience. As such, the more important process of state transformation taking place is that of the crucial transformation of the role of METI. The entanglement of economic and security agendas in industrial policies not only empowers METI to exercise industrial policies that constitute economic statecraft, but also give it the discretionary power to “pick the winners” who would otherwise have been elided should the current geopolitical climate not prevail.

Secondly, the new form of governed interdependence in Japan draws medium-sized firms as well as international capitalists that are seen as “like-minded,” or allied nations-affiliated companies into the state’s strategic orbit. This does not mean that the long-standing dominant groups, such as *keiretsu* and *sogo sosha* are omitted, but that they are being grouped together with the international capitalists in an effort to upgrade the capabilities of the selected firms under broader national security agendas. The following case of the semiconductor industry exemplifies these two elements of Japanese current DS.

Semiconductor Industry and Transnational Coalitions Behind DS

Following the panic that surrounded Covid-19 supply-chain disruptions, semiconductors have

been revived as a litmus test for US power. A series of Executive Orders by Biden, as well as the enforcement of the CHIPS Act and a Green New Deal, demonstrate a return to earlier US policies which foregrounded state intervention and promote “onshoring” to “make America(n industry) great again” (Ettinger 2023; Peters 2022). Trumpism, rather than being abolished, is translated into onshoring certain industries, such as semiconductors and raw materials for clean energy. An ideological commitment to free trade, has been dramatically shifted into import bans, friend-shoring supply chains, and other forms of government intervention. These all serve as a means to a national security end, namely containing China.

State intervention, export controls, and onshoring of supply chains, which have been met with much fanfare among middle-class Americans, have been replicated in Japan with a greater focus on the semiconductor industry. Soon after the US imposed restrictions on technology exports to China, as mentioned previously, in May 2022, the Japanese Parliament passed a new bill called “The Economic Security Promotion Act” wherein the boundaries between economic statecraft and industrial policies become increasingly blurry. The bill was drafted in November 2021, the Kishida Cabinet established an Expert Advisory Panel in late 2021, and on February 2022, the Panel released its “Opinions regarding Economic Security Legislation” that served as the basis of the Economic Security Promotion Bill (Prime Minister’s Office of Japan, 2021; Matsumoto & Goto, 2022). Essentially, the “Opinions” reflects the transformation of the state in the sense that state policy measures no longer serve the purpose of “fixing the market.” They are becoming embedded within broader strategic imperatives, including specific “riskification” on rare earth mineral and technology sectors that can be seen as providing specific transnational economic groups a particular route to financial capital that is beholden to the state. To illustrate,

semiconductors which are now religiously targeted and subsidized through the state have been envisioned as not only contributing to economic growth, but also to national security. The Panel explicitly cited the emergence of new risks to security as one of the grounds for the need to redesign economic policy in light of national security. As it was put, “As for semiconductors, domestic production capacity has declined and Japan has been relying on imports from other countries. In the event when international conflict is unavoidable, companies may not be able to bear the risk. Therefore, it is necessary to take measures to prepare for such a scenario and place efforts on boosting domestic capacity of the semiconductor industry as part of Japan’s economic security policy” (translated by the authors, from Cabinet Secretariat 2023: 2).

With the enactment of the bill, such institutionalization of economic security has notably extended specific capitalist relations. Big industries, including AI, semiconductors, and electronics, bring together like-minded (US-allied) international capital and segments of the domestic bloc within the narrative of “enhancing the resilience of supply chains.” Furthermore, these groups tap into a variety of state financial resources—including resources garnered through taxation.

The realignment of ‘national security’ concerns between Japan and like-minded nations further forces transnationalism into particular political economic forms, including the aggressive formation of economic alliances. This becomes an important context in which the geographic expansion of like-minded international capitalists can be organized and developmental functions of the state can be further exploited by the “national” capitalists and like-minded “international” capitalists. On 4 May 2022, Japan and the US reached an agreement on semiconductor cooperation: by sharing the objective of strengthening supply chain resiliency in Japan, the US, and other like-

mind ed countries and regions, and by doing so in a mutually accepted and complementary manner. As METI's official website (2022) emphasizes, "For the research and development of semiconductors and the resilience of their supply chains, it is essential that allies and like-minded countries and regions work together. Japan and the US are making progress in cooperation on semiconductors at the summit and ministerial levels." One of the important components of the industrial partnership is a METI-led new subsidy program, called "the Next Generation Semiconductor Technology through Japan-US Collaboration," with its key aims including coordinating R&D strategies and creating new standards (*ibid* 2022).

Thus far, the program has led to the establishment of two entities. First, the LSTC (Leading-Edge Technology Center), which will facilitate an open R&D platform for Japan and cooperation with the US NSTC (National Semiconductor Technology Center). LSTC will become an umbrella organization that forges national research institutes, academia, and industry to foster collaboration for the strengthening of Japan's competitiveness in semiconductor-related industries (Park 2023). Second was the establishment of a mass production entity called "Rapidus," endorsed by major Japanese electronic and telecommunication companies (consisting of Kioxia, Sony, Softbank, Denso, Toyota, NEC, NTT, MUFG). Rapidus is aimed to build a mass production base for next-generation semiconductors. It also secured development funds of 70 billion yen under the Post-5G Fund Project to conduct R&D on integration technology for 2 nm-node semiconductors along with IMB—the US-based logic chip producer that developed the world's first 2nm technology in 2021—and short TAT production technology (Nagao 2023).

Interestingly, despite the ambitious plan to produce cutting-edge 2 nanometer

semiconductors in 2027, Rapidus is not positioned to directly compete with Korea's Samsung and Taiwan's TSMC (Eguchi 2023). Rather, it is joining those two leading suppliers that also benefit indirectly from expanded state spending, while METI takes the lead on pursuing like-minded players for potential partnerships. Japan itself shoulders a portion of capital investments related to a variety of semiconductors in exchange for 10 years of guaranteed production, dedicating 368.9 billion yen (\$2.8 billion) from a 1.3 trillion yen supplementary fiscal 2022 budget to fund the new subsidies, designed by METI. Among the beneficiaries are TSMC, building its first Japanese plant in Kumamoto prefecture, and Samsung, building its first Japan-based chip production facility in Yokohama. The TSMC's Kumamoto R&D facility received a subsidy of 19 billion yen from the Japanese government to help cover total project costs of approximately 37 billion yen (Horigome 2022). Additionally, with the Japanese parliament passing chip subsidies legislation in December 2021, TSMC, partnering with a subsidiary of Sony Group, received a ¥400 billion subsidy for the establishment of a new foundry in Kumamoto prefecture. The subsidy covers half of the fab's construction costs, under the condition that the foundry must ensure continuous manufacturing for 10 years (Horigome 2022). Similarly, the Japanese government is also arranging subsidies for Samsung's chip facility in Yokohama. The total project cost is estimated to be 40 billion yen, of which about a third would be provided by the Japanese government (Shiraki 2023).

It is also through this new developmental state that tech companies—which lost steam in the past few decades—find expression and rejuvenation, namely through their links with US geopolitical interests. A case in point is Kioxia. Previously known as Toshiba Memory Corporation, it was renamed in 2018 after Toshiba sold down its shares to a consortium led by a US private equity firm, Bain Capital,

for \$18 billion, due to its tremendous losses from its nuclear power plant business, while retaining a 40.2 percent stake. In 2020, the Japanese government, through state-backed investment vehicles INCJ (the Innovation Network Corporation of Japan) and DBJ (Development Bank of Japan), acquired shares in Kioxia to ensure Japanese ownership in the country's largest NAND flash memory manufacturers (Park 2023). Furthermore, as with TSMC, in July 2022, the Japanese government provided subsidies reaching up to 92.9 billion yen for a Mie-based semiconductor production facility by Kioxia and Western Digital. The joint venture facility will produce 3D flash memory that is commonly used in automobiles and data centers. Joining Western Digital is US-based Micron Technology that would obtain 200 billion yen from the Japanese government to facilitate their development of next-generation memory chips, called 1-gamma chips. The 1-gamma node would enter production in Taiwan and Japan from 2025 onwards (Mochizuki & King 2023).

Interestingly, instead of 'de-risking' China, Japanese developmental mentality has increasingly tilted towards China's economic protectionism. Japan spurs a protectionist spiral by scrambling to match the US CHIP ACTs with their own subsidy packages and "onshoring" programs. What is most unexpected is the recent announcement of state-financed chipmaking development. In June 2023, state-backed Japan Investment Corp (JIC) bought out and privatized JSR, the largest global producer of advanced chipmaking material photoresists, headed by a US national, for about 909.3 billion yen (\$6.35 billion). The deal signaled a deepening state role in efforts to revive Japan's chip industry. This came as a surprise for the equity market, though a pleasant one, judging by its reaction (Nussey & Kelly 2023). Overseen by the powerful trade ministry, this is the latest in a series of increasingly muscular government steps to regain Japan's lead in advanced chip

production, and to maintain its edge as a maker of materials and tools used in chip manufacture. This move is risky, bringing potential costs to financiers, such as large amounts of deficit spending that might become inflationary. It actually resembles China's national Integrated Circuit Industry Investment Fund—the Chinese government's main vehicle for semiconductor investment—to achieve "Made in China 2025," that has evidently drained the state budget (Ji 2023).

Park (2023) termed this as a shift in Japan's technonationalism from a developmentalism-oriented inward-looking industrial policy to a security-oriented geostrategy with policy coordination involving like-minded nations sharing security interests. This paper argues that what has been overlooked is that this is not only a matter of multi-state focus, but also entails the process of state transformation in the sense that the role of METI is being reshaped and extended, making it part of the architecture of the new economic-security regime. Not only focusing on leveraging domestic high-tech industries for boosting competitiveness, METI has also become part of the networked security architecture along with MOD, the SDF, and MOFA.

Not least important, it is a realignment of interests between Japanese capitalists and transnational capitalist classes across the US and US-allied nations—such as Taiwan's TSMC, Korea's Samsung, as well as US companies like Micron and Western Digital. This form of DS is an artefact of the interactive process between the geopolitical economy and domestic politics that together reterritorialize the Japanese domestic industrial base along with geopolitical axes—US, Taiwan, and South Korea. Political pressures and the perceived need for Kishida to show leadership has further fed into a strategy for the semiconductor industry, as one example, under the guise of economic security.

Conclusion

The case of Japan brings us back to the question asked by Jayasuriya: “why and how have these new relationships between economics and security become important at this particular time?” (2021, 666). For those who remain tethered to realist concepts, the economic-security domain would be equivalent to strategic containment imperatives. For those trapped within a static binary of strong and weak states, the economic security program would mirror the increasing state capacities and willingness to exercise economic statecraft and to promote national strength. However, this paper has shown that there is something more at stake in this new geopolitical line. The economic security fetishism and the reproduction of networked security rearrangements, as well as its repercussions on state institutions, transform the global capitalist economy. Central to this transformation are dynamics of competing alliances between social forces that ultimately reshape modes of geopolitical contest. It is also for this reason that we have highlighted the way the developmental state is reproduced and capitalist relationships are ensconced within a technonationalist program. This would be difficult to gauge if we considered only strategic concerns when strategic imperatives, national policy domains, and global capitalism are interconnected.

Economists and industrial observers argue that industrial policies targeted at onshoring or building supply chains with allies are unlikely to reshape the geography of critical minerals or boost national competitiveness any time soon. The government’s bold decision to use taxpayers’ money to help build the semiconductor industry and subsidize non-Japanese companies has also been questioned. Additionally, the drift away from *seikei bunri*—a policy that separates politics and economics—has raised concerns among some observers and interest groups about Japan’s

vulnerability to economic coercion and the weaponization of supply chains, particularly in prominent industries, such as rare earth metals, electronics, and automobiles. However, it is beyond the scope of this paper to assess whether or not Japanese economic security policies will have significant ramifications on supply chain resilience and increase domestic semiconductor manufacturing capacity.

The point here is to note how, in various notions of geopolitics and the capitalist economy (such as supply chain resilience, de-risking China, and focus on specific critical technologies), the nature of internal state restructuring and class relationships is obscured, thereby yielding geopolitical economic analysis to realist and institutional forms of analysis. Evidenced through the cases of the NSS, the OSA, and semiconductors, Japan’s economic security realignment with the US’ NWC leads to new developmentalism industrial policy that in fact accommodates particular factions of capital’s interests and reconfigures class-based relations—state elites, political parties and factions, security groups, as well as emerging classes such as high-tech startups. Likewise, geopolitical maneuvering by the US, Japanese, Korean, and Taiwanese class elites help underpin and shape domestic semiconductor development in a way which one could not fully capture by using a static form of analysis.

Nevertheless, it does not necessarily mean that we debunk the progressive findings of the institutionalist camp. Our paper enters into broader conversation with Weiss and Thurbon (2020) who contend that economic statecraft has been conflated with government initiatives to “reach for or push the high-tech frontier in order to fend off, outflank, or move in step with clearly defined rival powers.” While they incorporate geopolitical economy contexts into their analysis, their empirical analysis remains inward-oriented, or in their words “the exercise of domestically-focused economic statecraft.”

Our paper instead provides the basis for a progressive and challenging framework for students of political economy and international relations. By focusing on constitutive elements of the geopolitical economy, state transformation, and coalitions of politico-economic actors within it, applying this approach to other countries' cases (South Korea, Taiwan, India, and Australia) can result in a more nuanced analysis of strategic imperatives and stimulate productive debate on the role of the state in the political economy.

Acknowledgements: *This work was supported by the RARA (Ritsumeikan Advanced Research Academy), Ritsumeikan University, Japan.*

References

- Asahi Shimbun*. 2023. "Defense Ministry to Request Another Record Busting Budget." 22 August. <https://www.asahi.com/ajw/articles/14986804>
- Australian Government Ministry of Defence. 2022. "Sasakawa Peace Foundation Speech by the Hon Richard Marles MP." 9 December, <https://www.minister.defence.gov.au/speeches/2022-12-09/sasakawa-peace-foundation-speech>
- Boekenstein, Guy. 2023. "Funding innovation to deepen US-Australia-Japan defence ties." *Australian Strategic Policy Institute*, 10 March, <https://www.aspistrategist.org.au/funding-innovation-to-deepen-us-australia-japan-defence-ties/>
- Breslin, Shaun and Helen E. S. Nesadurai. 2023. "Economic Statecraft, Geoeconomics and Regional Political Economies." *The Pacific Review* 36(5): 927-948, DOI: [10.1080/09512748.2023.2200030](https://doi.org/10.1080/09512748.2023.2200030)
- Cabinet Secretariat of Japan. 2022. サプライチェーン強化に関する検討会合(第3回)議事要旨 [Summary of the meeting on supply chain resilience (3rd meeting)]. https://www.cas.go.jp/jp/seisaku/keizai_anzen_hosyohousei/dai4/siryou1.pdf
- Carter, Ash. 2016. "The Rebalance and Asia-Pacific Security: Building a Principled Security Network." *Foreign Affairs* 95(6): 65-75.
- Chung, Kuyoun. 2023. "Recalibrating South Korea's Role and Regional Network in the Indo-Pacific: An Analysis from a Network-Centered Approach." *Asian Politics & Policy* 15(1): 21-36.
- Cook, Alistair David Blair. 2023. "Climate Change in Japan's New Defence and Security Strategies, 18 January 2023." *RSIS Commentary*, S. Rajaratnam School of International Studies, Nanyang Technological University Singapore, <https://dr.ntu.edu.sg/bitstream/10356/165479/2/CO23009.pdf>
- Defence Australia. 2023. "Australia and Japan Deepen Defence Ties." 14 August, [https://www.minister.defence.gov.au/media-rel-eases/2023-08-14/australia-and-japan-deepen-defence-ties#:~:text=Australia%20and%20Japan%20are%20strengthening,%2DDefense%20Force%20\(JSDF\)](https://www.minister.defence.gov.au/media-rel-eases/2023-08-14/australia-and-japan-deepen-defence-ties#:~:text=Australia%20and%20Japan%20are%20strengthening,%2DDefense%20Force%20(JSDF))
- Department of Australian Prime Minister and Cabinet. 2023. "AUKUS Nuclear Powered Submarine Pathway." 14 March, <https://www.pm.gov.au/media/aukus-nuclear-powered-submarine-pathway>
- Editorial Board. 2022. "Japan's Big Realignment in 2022." *East Asia Forum*, 19 December, <https://www.eastasiaforum.org/2022/12/19/japans-big-realignment-in-2022/>
- Eguchi, Ryosuke. 2023. "Japan Chip Venture Rapidus Aims for 2-nm Prototype line by 2025."

- Nikkei Asia*, 26 April, <https://asia.nikkei.com/Business/Tech/Semiconductors/Japan-to-give-chipmaker-Rapidus-nearly-2bn-more-in-aid>
- Ettinger, Aaron. 2023. "Truman Redux? Biden's National Security Strategy." *Survival* 65(2):103-122, DOI: [10.1080/00396338.2023.2193103](https://doi.org/10.1080/00396338.2023.2193103)
- Fee, Will. 2022. "As Multiple Crises Unfold, Kishida Forges a Path to Popularity." *Japan Times*, 25 April. <https://www.japantimes.co.jp/news/2022/04/25/national/politics-diplomacy/kishida-crises-public-popularity/>
- Fukuda, Madoka. 2023. "How can Japan Balance Deterrence and Diplomacy with China?" *East Asia Forum*, 31 March, <https://www.eastasiaforum.org/2023/03/31/how-can-japan-balance-deterrence-and-diplomacy-with-china/>
- Glassman, Jim. 2018. *Drums of War, Drums of Development: The Formation of a Pacific Ruling Class and Industrial Transformation in East and Southeast Asia, 1945-1980*. Boston: Brill.
- Greene, Andrew. 2019. "Tony Abbott 'regrets' Not Finalising Submarine Deal with Japan." *ABC*, 3 July. <https://www.abc.net.au/news/2019-07-03/tony-abbott-regrets-not-finalising-submarine-deal-with-japan/11272578>
- Green, Michael J. 2022. *Line of Advantage: Japan's Grand Strategy in the Era of Abe Shinzo*. New York: Columbia University Press, <https://cup.columbia.edu/book/line-of-advantage/9780231204675>
- Hiraki, Maki. 2023. "Japan Arranging Subsidies for Samsung Chip Facility." *Reuters*, 17 May. <https://www.reuters.com/technology/japan-arranging-subsidies-samsung-chip-facility-source-2023-05-17/>
- Horigome, Toshiki. 2022. "Subsidies Aim to Put Chip Industry Ahead of The Game." *The Asahi Shimbun*, 8 February, <https://www.asahi.com/ajw/articles/14543423>
- Hoshino, Toshiya and Haruko Satoh. 2012. "Through the Looking Glass? China's Rise as Seen from Japan." *Journal of Asian Public Policy* 5(2): 181-198, DOI: [10.1080/17516234.2012.678738](https://doi.org/10.1080/17516234.2012.678738)
- Igata, Akira. 2022. "Japan's burgeoning economic security strategy: navigating amidst US-China Competition." EUI RSC PP, 2022/07, *Global Governance Programme*, <https://hdl.handle.net/1814/74537>
- Igata, Akira and Brad Glosserman. 2021. "Japan's New Economic Statecraft." *The Washington Quarterly* 44(3): 25-42. DOI: [10.1080/0163660X.2021.1970334](https://doi.org/10.1080/0163660X.2021.1970334)
- Japan's Economic Security Promotion Act and The Implications for Businesses. 2022. *Strategic Comments* 28:8, viii-ix, DOI: [10.1080/13567888.2022.2157625](https://doi.org/10.1080/13567888.2022.2157625)
- Jayasuriya, Kanishka. 2005. "Beyond Institutional Fetishism: From the Developmental to the Regulatory State." *New Political Economy* 10(3): 381-387.
- Jayasuriya, Kanishka. 2021. "Beyond Geopolitical Fetishism: A Geopolitical Economy Research Agenda." *Australian Journal of International Affairs* 75(6): 665-677, DOI: [10.1080/10357718.2021.1992144](https://doi.org/10.1080/10357718.2021.1992144)
- Jessop, B. 2007. *State Power: A Strategic-Relational Approach*. Cambridge, UK: Polity Press.
- Ji, Elliot. 2023. "Great Leap Nowhere: The Challenges of China's Semiconductor Industry." *War on the Rocks*, 24 February, <https://warontherocks.com/2023/02/great-leap->

nowhere-the-challenges-of-chinas-semiconductor-industry/

Jimbo, Ken and Bryan Tan .2022. "In Search of a News Strategy for Japan." *East Asia Forum*, 23 September, <https://www.eastasiaforum.org/2022/09/23/in-search-of-a-new-security-strategy/>

Johnson, Chalmers. 1982. *MITI and the Japanese Miracle: The Growth of Industrial Policy, 1925-1975*. California: Stanford University Press.

Johnson, Chalmers. 1994. *Japan: Who Governs?: The Rise of the Developmental State*. New York: W.W. Norton & Company

Katada, Saori N., Ji Hye Lim and Ming Wan. 2023. "Reshoring from China: Comparing the Economic Statecraft of Japan and South Korea." *The Pacific Review* 36(5): 1005-1034, DOI: [10.1080/09512748.2023.2200025](https://doi.org/10.1080/09512748.2023.2200025)

Katsumata, Hiro and Shibuichi, Daiki. 2023. "Japan in the Indo-Pacific: Domestic politics and foreign policy." *The Pacific Review* 36(2): 305-328.

Kim, Jiye and Arpit Raswant. 2023. "Australian perspective on engaging with South Korea in the Indo-Pacific." *Asian Politics & Policy* 15(1): 48-62.

Koyu, Izumi, Chihara Takahiro, Hirosaki Takuto, Kunito Takayuki, Miyake Yuta, Nagano Hiroaki, Shimizu Ryota, Sudo Shunsuke, Takahashi Isao, Ueda Ryuta & Zakoji Taku. 2022. "Japan's Economic Security Promotion Act: Background and Overview." *Asia-Pacific Review* 29(3): 28-55, DOI: [10.1080/13439006.2022.2154520](https://doi.org/10.1080/13439006.2022.2154520)

Liff, Adam P. 2023. "Kishida the Accelerator: Japan's Defense Evolution After Abe." *The Washington Quarterly* 46(1): 63-83.

Maswood, Javed S. 2002. "Developmental States in Crisis," in *Reconfiguring East Asia: Regional Institutions and Organisations after the Crisis*. Ed. Mark Beeson. London: Routledge Curzon.

Matsumoto, Taku and Daichi Goto. 2022. "The Latest Discussion on Economic Security Legislation in Japan". *Economic Security and International Trade*, Legal Update. https://www.amt-law.com/asset/pdf/bulletins5_pdf/220302.pdf

Nagata, Kazuaki. 2022. "LDP politics take precedence over economy in Kishida's Cabinet reshuffle." *The Japan Times*, 10 August, <https://www.japantimes.co.jp/news/2022/08/10/business/kishida-economy-cabinet-reshuffle/>

Ministry of Economy, Trade and Industry (METI). 2022. "Basic Semiconductor Revitalization Strategy in Japan." https://www.meti.go.jp/english/press/2022/pdf/1111_001a.pdf

METI. 2023a. "Second Report of the Committee on New Direction of Economic and Industrial Policies." https://www.meti.go.jp/english/policy/economy/industrial_council/pdf/0628_001.pdf

METI. 2023b. "White Paper on International Economy and Trade 2023." https://www.meti.go.jp/english/press/2023/pdf/0627_001a.pdf

Mochizuki, Takashi and Ian King. 2023. "Micron, Probed by China, to Get \$1.5 Billion Funds from Japan for Next-Gen Chips." *Bloomberg*, 18 May. <https://www.bloomberg.com/news/articles/2023-05-17/micron-mu-is-said-to-get-1-5-billion-from-japan-for-next-gen-chips#xj4y7vzkg>

Ministry of Defense (MOD). 2022. "Ministry of Defense Response: Strategy on Climate Change." August, <https://www.mod.go.jp/j/policy/agenda/meeting/>

- kikouhendou/pdf/taishosenryaku_202208_e.pdf
- MOD. 2023a. "Joint Statement of the Security Consultative Committee ('2+2')." 11 January, <https://www.mod.go.jp/en/article/2023/01/e595130b273955f65e436fa3a8150eb06bfc42a3.html>.
- MOD. 2023b. "Defense of Japan 2023." https://www.mod.go.jp/en/publ/w_paper/wp2023/DOJ2023_Digest_EN.pdf
- Ministry of Foreign Affairs (MOFA). 2016. "Address by Prime Minister Shinzo Abe at the Opening Session of the Sixth Tokyo International Conference on African Development (TICAD VI)." 27 August, https://www.mofa.go.jp/afr/af2/page4e_000496.html
- MOFA. 2022a. "Adoption of the new 'National Security Strategy (NSS)' (Statement by Foreign Minister Hayashi Yoshimasa)." 16 December, https://www.mofa.go.jp/press/release/press4e_003192.html
- MOFA. 2022b. "Japan-Australia Relations: Japan-Australia Reciprocal Access Agreement." 6 January, https://www.mofa.go.jp/a_o/ocn/au/page4e_001195.html
- MOFA. 2023a. "Free and Open Indo Pacific." 24 April, https://www.mofa.go.jp/policy/page25e_000278.html
- MOFA. 2023b. "Japan-Australia Relations: Japan-Australia Summit Telephone Meeting." 14 March, https://www.mofa.go.jp/a_o/ocn/au/page1e_000580.html
- MOFA. 2023c. "New Plan for a Free and Open Indo Pacific (FOIC)." <https://www.mofa.go.jp/files/100478784.pdf>
- MOFA. 2023d. "The Future of The Indo Pacific: Japan's New Plan for A Free and Open Indo Pacific, Together with India, as an Indispensable Partner." 20 March, <https://www.mofa.go.jp/files/100477739.pdf>
- MOFA. 2023e. "Diplomatic Bluebook 2023." https://www.mofa.go.jp/policy/other/bluebook/2023/pdf/en_index.html
- Moriyasu, Ken. 2023. "AUKUS front: Japan's Top Admiral Visits Australian Submarine Base 5." *Nikkei Asia*, 5 April. <https://asia.nikkei.com/Politics/International-relations/Indo-Pacific/AUKUS-front-Japan-s-top-admiral-visits-Australian-submarine-base>
- Nagao, Riho. 2023. "Japan to Give Chipmaker Rapidus Nearly \$2bn more in Aid." *Nikkei Asia*, 26 April. <https://asia.nikkei.com/Business/Tech/Semiconductors/Japan-to-give-chipmaker-Rapidus-nearly-2bn-more-in-aid>
- National Security Strategy. 2022. "Biden-Harris Administrations National Security Strategy." <https://www.whitehouse.gov/wp-content/uploads/2022/10/Biden-Harris-Administrations-National-Security-Strategy-10.2022.pdf>
- Nussey, Sam and Tim Kelly. 2023. "Japan-Backed Fund to Buy Chip Materials Maker JSR for \$6.4 billion." *Reuters*, 26 June. <https://www.reuters.com/markets/deals/shares-japans-jsr-untraded-surprise-possible-buyout-2023-06-26/>
- Park, Seohee Ashley. 2023. "The Evolution of Japan's Technonationalism: Shifted in Paradigm of Technonationalism from Developmentalism-Oriented Industrial Policy to Security-Oriented Geostrategy." *Asian Journal of Political Science* 31(2): 87-105.
- Peters, Michael A. 2022. "Semiconductors, Geopolitics and Technological Rivalry: The US CHIPS & Science Act." *Educational Philosophy*

and

Theory, DOI: [10.1080/00131857.2022.2124914](https://doi.org/10.1080/00131857.2022.2124914)

Prime Minister's Office of Japan. 2021. 経済安全保障推進会議 [Economic Security Promotion Council]. 19 November, https://www.kantei.go.jp/jp/101_kishida/actions/202111/19keizaianpo.html

Sasada, Hironori and Tadashi Iwami . 2022. "Abe's Death Shifts Balance of Power within LDP." *East Asia Forum*, 11 October 2022, <https://www.eastasiaforum.org/2022/10/11/abe-s-death-shifts-balance-of-power-within-ldp/>

Sparke, Matthew. 1998, "From Geopolitics to Geoeconomics: Transnational State Effects in the Borderlands." *Geopolitics* 3(2): 62-98.

Sun, Wanning and Haiqing Yu. 2023. "ASEAN and Japan." *East Asia Forum* 15(3), <https://press-files.anu.edu.au/downloads/press/n11464/pdf/book.pdf>

Takeuchi, Yusuke. 2023. "Japan Takes Step Toward Allowing Export of Next-Gen Fighter Jet." *Nikkei Asia*, 24 August. <https://asia.nikkei.com/Politics/Defense/Japan-takes-step-toward-allowing-export-of-next-gen-fighter-jet>

Takeuchi, Yusuke. 2023. "Japan to Encourage 200 High-Tech Startups to Join Defense Sector." *Nikkei Asia*, 25 July. <https://asia.nikkei.com/Politics/Defense/Japan-to-encourage-200-high-tech-startups-to-join-defense-sector>

Takeuchi, Yusuke. 2023. "Robot Suits, Long-Haul Drones: Japan Eyes Defense Tech Startups." *Nikkei Asia*, 7 September. <https://asia.nikkei.com/Business/Aerospace-Defense-Industries/Robot-suits-long-haul-drones-japan-eyes-defense-tech-startup>

Thurbon, Elizabeth. 2014. "L'État Développeur: Défense du Concept." *Critique Internationale* 63(2): 59-75.

Wade, Robert. 1990. *Governing the Market: Economic Theory and the Role of Government in East Asian Industrialization*. New Jersey: Princeton University Press.

Weiss, Linda and John M. Hobson. 1995. *States and Economic Development: A Comparative Historical Analysis*. Cambridge: Polity Press.

Weiss, Linda. 1998. *The Myth of the Powerless State*. Ithaca, NY: Cornell University Press.

Weiss, Linda and Elizabeth Thurbon. 2023. "Developmental State or Economic Statecraft? Where, Why, and How the Difference Matter." *New Political Economy* 26(3): 472-489.

Wadhams, Nick. 2021. "Biden Putting Tech, Not Troops, at Core of US-China Policy." *Bloomberg*, 1 March. <https://www.bloomberg.com/news/articles/2021-03-01/biden-putting-tech-not-troops-at-center-of-u-s-china-strategy#xj4y7vzkg>

Wijaya, Trissia and Kanishka Jayasuriya. 2023. "Militarized neoliberalism and the reconstruction of the global political economy." *New Political Economy*. Forthcoming.

Wilson, G. K. 2003. *Business and Politics: A Comparative Introduction*, 3rd ed. New York: CQ Press.

Wong, Joseph. 2011. *Betting on Biotech: Innovation and the Limits of Asia's Developmental State*, 1st ed. New York: Cornell University Press.

Vihma, Antto. 2018. "Geoeconomic Analysis and the Limits of Critical Geopolitics: A New Engagement with Edward Luttwak." *Geopolitics* 23(1): 1-21, DOI: [10.1080/14650045.2017.1302928](https://doi.org/10.1080/14650045.2017.1302928)

The Yomiuri Shimbun. 2023. "Nikai Eager to Improve Japan-China Relations in New post." 20 April. <https://japannews.yomiuri.co.jp/politics/politics->

government/20230420-104628/

Yumae, Sotaro. 2023. "Western Arms Suppliers Shift Asian HQs to Japan." *Nikkei Asia*, 27

August. <https://asia.nikkei.com/Business/Aerospace-Defense-Industries/Western-arms-suppliers-shift-Asian-HQs-to-Japan>

Trissia Wijaya is a Senior Research Fellow at Ritsumeikan University, Japan and an honorary research fellow at Indo Pacific Research Centre, Murdoch University. She has published in leading academic journals and policy outlets on issues related to green development, infrastructure financing, and public-private partnerships.

Ali Hayes is a lecturer and a fellow at the Indo Pacific Research Centre, Murdoch University, Australia. He teaches in the university's global security and sociology programs, and takes a political sociology approach to understanding issues in security and international relations.