

Research Article

Japan's Balancing Act: Assessing Japan's Foreign Policy towards Myanmar in the Emerging Indo-Pacific Era

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Abstract

Prime Minister Abe officially introduced the FOIP in 2016 at the TICAD VI in Kenya aiming to preserve the RBO against increasing challenges to the vital interests of Japan. Because of Myanmar's geostrategic location, democratization, and rich natural resources, Myanmar became an important country in fostering Japan's FOIP. In this context, this paper aims to examine Japan's foreign policy towards Myanmar in the emerging Indo-Pacific era. This paper is mainly focused on Japan's balancing strategy in Indo-Pacific, the significance of Myanmar in Japan's FOIP, and the foreign policy tools of Japan in Myanmar. The paper finds that Japan rapproach Myanmar by using significant 3Ds (diplomatic engagement, defense cooperation, and development assistance) in the emerging Indo-Pacific era. Japan's foreign policy readjustment towards Myanmar in the emerging Indo-Pacific era can be interpreted as one of Japan's limited hard balancing strategies against China.

Keywords: Japan, Myanmar, Indo-Pacific, foreign policy, balancing

I. Introduction

In terms of geographic and geostrategic factors, Myanmar was strategic for hegemonic powers in Asia in the past. In contemporary regional politics, it is still essential for the objectives of great powers in Asia, especially in Indo-Pacific (Myo, 2020,

p.3). Indo-Pacific region is the essential area of the world's liveliness and provision over half of the population of the world (Diplomatic Bluebook of Japan, 2019, p.27). Recently, the term "Indo-Pacific" has been created the rounds in academic and diplomatic documents. According to Rory Medcalf, the term "Indo-Pacific" has taken on geopolitical and strategic significance while it could view as a simple geographical location linking India and Pacific Oceans. Together with the rise of India and China, the Indian and Pacific Oceans are essential parts of the region from the outlook of promoting military and commercial connectivity with safeguarding regional sea lanes. Though, Beijing endorses the Belt and Road Initiatives (BRI) and extends its military activities to the Western Pacific and Indian Oceans (Suzuki, 2020, p.2). The growing assertiveness of Beijing's geo-economics and geopolitics has inspired anxiety in other major powers like the United States, India, and Japan and has forced them to establish their strategies to counteract Beijing in the Indo-Pacific region (Gupta, 2020).

Japan's security policy was consistently established on balancing against China. Although the government of Japan was hesitant to mention explicitly that Beijing was a possible threat, this trend changed when Japan faced both 2010 and 2012 Senkaku Islands Events. Both critical junctures forced Japan to change its security stance into more precise balancing against China (Koga, 2016, p.8). In 2016, Prime Minister Shinzo Abe officially declared a "Free and Open Indo-Pacific (FOIP)" strategic vision to preserve the rule-based order (RBO) against increasing challenges to the vital interests of Japan (Arase, 2019, p.1). Japan's FOIP is intended to achieve political and economic influences over

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East and Southeast Asian countries, especially Myanmar (Berkofsky, 2019, p.97).

In this context, this paper aims to examine the readjustment of Japan's foreign policy towards Myanmar in the emerging Indo-Pacific era. The main research question is why Japan readjusts its foreign policy towards Myanmar in the emerging Indo-Pacific era. The paper is structured as follows. In the next part, the paper describes the balance of power theory and the ideal types of balancing strategy. The third part is Japan's balancing strategy in Indo-Pacific. The fourth part explores the significance of Myanmar in Japan's FOIP. Finally, this paper examines the foreign policy tools of Japan in Myanmar, focusing on 3Ds (diplomatic engagement, defense cooperation, and development assistance).

II. Theoretical Framework

Since the last four centuries, the balance of power has been the foundation of the realist international relations concept and international politics (Paul, 2018, p.7). Although the balance of power theory has many different definitions, it starts with the hard-core notion of realist theory: the international system is anarchic, the main players are states, their aims are security and they perform logically to promote those ambitions (Levy, 2004, p.31). According to Stephen Walt, the states are usually more sensitive to threats from geographically proximate states than distance states. The number of bordering states is also a significant matter in modeling the foreign policy of states (Amorim & Silva, 2014, p.74). The instrument of the balance of power aims to safeguard equilibrium of power, where neither single state nor coalition of states in a situation to dominant others (Schmidt, 2012, p.194). The balances of power are viewed as the outcomes

at the global and regional level while balancing is regarded as foreign policy behavior or strategy of a state. The fundamental aim of balancing strategies is to reduce the capabilities of a threatening actor or a powerful state (Paul, 2004, pp. 2-3).

According to T.V.Paul, the ideal types of balancing include hard balancing, soft balancing, and limited hard balancing. Hard balancing is the traditional balancing of power that uses military capabilities (internal balancing) and formal military alliances (external balancing). Soft balancing is centered on diplomatic coalitions, institutions, and economic sanctions, but not on the military instruments. Limited hard balancing is based on limited military buildup and strategic partnership or informal alliances (Paul, 2018, pp.20-21).

This study adopted the limited hard balancing strategies to analyze Japan's balancing act in Indo-Pacific against a perceived threat (China) through its foreign policy towards Myanmar in the emerging Indo-Pacific era. To answer the research question, this paper employed a qualitative method by relying on primary and secondary sources, such as government statements, official documents, speeches, declarations, reports, papers, journal articles, published books, and online sources from reliable websites.

III. Japan's Balancing Strategy in Indo-Pacific

Prime Minister Abe firstly touched upon the Indo-Pacific concept in his speech for the Indian Parliament on August 22, 2007, which expressed the convergence of the Indian Ocean and the Pacific Ocean is important for freedom and prosperity in the broader Asia (Baldauff, 2018, p.1). In December 2012, Prime Minister Abe proposed a security diamond strategy that is a strategy where the United

States (US), Japan, India, and Australia form a diamond to protect the maritime area of the Indo-Pacific region (Scott, 2019, p.139). This concept reflects the strong geopolitical thinking of Tokyo about the region (Vandenbrik, 2017, p.20). In August 2016, Prime Minister Abe formally announced FOIP at the TICAD VI in Kenya (Kikuchi, 2019, p.9).

According to the 2019 Diplomatic Bluebook of Japan, Tokyo is enhancing the FOIP strategy to develop the region as 'international public goods' that create prosperity and stability for any state. This vision includes preserving and bolstering a free and open maritime order centered on the rule of law within the region by eliminating various threats and advancing the quality of connectivity infrastructures within the region (Diplomatic Bluebook of Japan, 2019, p.28). The Ministry of Foreign Affairs of Japan posits that Japan's FOIP is based on three pillars. They are (1) Enhancing and formation of the rule of law, free trade, freedom of navigation, etc.; (2) Search of economic prosperity; and (3) Pledge for stability and peace by capacity-building and disaster reliefs and humanitarian assistance. In realizing its FOIP aims, Japan is practicing a comprehensive strategy that will protect its national interests (Singh, 2017, p.103). In terms of economy, Prime Minister Abe's government initiated a reform program named Abenomics amid "three arrows": more aggressive monetary policy, fiscal consolidation, and structural reform to increase the economic growth of Japan (Yoshino & Taghizadeh-Hesary, 2014, p.18). In terms of military, the defense budget of Japan sustained to limit to about 1 percent of its GDP, and modifications to its military guideline continue to highlight defensive operations. The constitutional reinterpretation of Prime Minister Abe in 2014 permits Self Defense Force (SDF) to perform more closely with the armies of the US and other security partners (Smith, 2017, pp.1-2). The quadrilateral

security dialogue (or quad) is a unique example that is proceeding by democracies, namely the United States, Japan, India, and Australia (Eto, 2019, p.4). However, the post-war military of Japan has a very severe set of situations in using force. Even Prime Minister Abe, who encouraged security policy reforms, pursues to structure the use of force in own security requirement of Japan (Smith, 2017, p.2).

Furthermore, Japan is moving forward in concrete cooperation with any countries that share the vision of FOIP (Diplomatic Bluebook of Japan, 2019, p.28). Although the value-based diplomacy of Japan was viewed as excluding China, Japan has taken dual approaches towards China: cooperative strategy and competitive strategy (Eto, 2019, p.11). In his speech at the Japanese Parliament on January 22, 2018, Prime Minister Abe stated that the FOIP is complementary to the BRI of China. Moreover, during his visit to China in October 2018, Prime Minister Abe asserted that he desires to enhance Japan-China relations from competition to collaboration. During the bilateral meeting, the two governments discussed possible bilateral infrastructure development collaboration that is a goal of the FOIP (Kikuchi, 2019, p.10).

The diplomacy of Japan has extended to Southeast Asia bilaterally and multilaterally (Scott, 2019, p.148). A well-linked Indo-Pacific is impossible without an open and active Southeast Asia because it occupies a strategic geopolitical location in the maritime and aviation networks of the Indo-Pacific (Aizawa, 2014, p. 1). After taking office in 2012, Prime Minister Abe practiced the pro-Association of Southeast Asian Nations (ASEAN) policy and became the first Prime Minister of Japan who visited all ASEAN countries in 2013 (Vandenbrink, 2017, p.21).

According to Mr. Ben Bland (2020), Japan has stepped up its assistance and maritime security cooperation with Vietnam and the Philippines, but the post-World War II

constitution restricts Japan's possibility to bring direct military balance to China in the region. Besides, Japan is reluctant to use its diplomatic weight in the region explicitly. Tokyo toned down its talk of FOIP "strategy" to "FOIP vision" when diplomats from Southeast Asian countries complained that FOIP of Japan seemed a plan to contain China. Given these restrictions, Tokyo has been enhancing its position in Southeast Asia as an important economic partner and a trusted and predictable regional player (Aizawa and Bland, 2020). Japan has also been increasingly involved in regional and subregional mechanisms in the Indo-Pacific region, namely, ASEAN Regional Forum, East Asia Summit, the ASEAN Defense Ministers' Meeting-Plus (ADMM-Plus), Trans-Pacific Partnership (TPP), the Indian Ocean Rim Association (IORA), and Japan-Mekong Summit, etc. (Scott, 2019, p.42-43).

One of the leading projects of the FOIP is the Quality Infrastructure Investments, with partners involving the European Union (EU). Japan has been an Official Development Assistance (ODA) donor to Asia. Japan supports several connectivity projects linked to economic infrastructure in Africa, ASEAN, and South Asia (Yanagida, 2020, p.56).

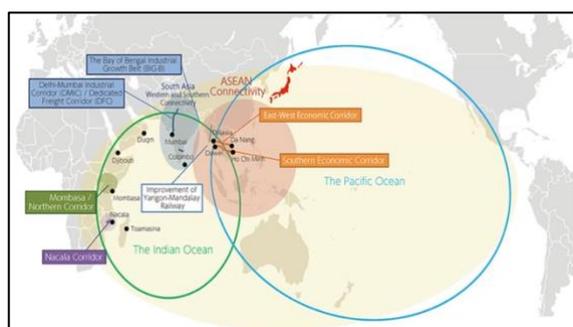


Fig. 1. Japan's Connectivity Initiatives

Source: Japan's Diplomatic Bluebook (2019)

According to the above mentioned-Map, Japan's connectivity initiatives include: (1) Northern Corridor connects East African countries; (2) Nacala Corridor in Mozambique;

(3) Delhi-Mumbai Industrial Corridor in India; (4) Bay of Bengal Industrial Growth Belt in Bangladesh; (5) Yangon-Mandalay Railway in Myanmar; (6) East-West Economic Corridor from the port of Danang in Vietnam through Laos and Thailand and on to Myanmar; and (7) Southern Economic Corridor, which is intended to track from Ho Chi Minh City in Vietnam via Cambodia and southern Laos to Thailand as well as Dawei, Myanmar (Kikuchi, 2019, p.10). To enhance infrastructure buildings in Asia, the 2015 Partnership for Quality Infrastructure provides US\$110 billion by cooperating with the Asian Development Bank (ADB). For financing infrastructure worldwide, the Expanded Partnership for Quality Infrastructure offered US\$200 billion in 2016. While it is difficult for Japan to compete with China on the investment size, the Japanese government is betting on the quality of its offer and its virtues in terms of ethics, transparency, and compliance with environmental and social standards. Consequently, FOIP has a twofold nature. As a geo-economic initiative, it is designed to include many countries in the area and exist as a public good. Likewise, it exists as a geostrategic alternative to BRI (Pajon, 2019).

IV. The Significance of Myanmar in Japan's FOIP

From the geopolitical perspective, the primary axis for Japan to realize its diplomacy is to enhance "value-oriented diplomacy" and then make an "arc of freedom and prosperity" around China alongside the Eurasia rim (Bi, 2016, pp.159-160). Myanmar is strategically located at the western rim of Southeast Asia, adjacent to East, Southeast, and South Asia. Myanmar connects with the main geopolitical area, the Indian and Pacific Oceans. Its deep-sea ports could be possible spots of naval and commercial strategy. As a country that faces the Indian Ocean and Bay of Bengal, Myanmar

becomes an important area that cannot be avoided by all powers in Indo-Pacific (Myo, 2020, pp.3-4). Therefore, the US regards Myanmar as a focal point for its strategic goal of maintaining a leading position in the Indian Ocean (Dai & Liu, 2014, p. 13). A series of diplomatic visits and actions in 2012 reflected a normalization of Myanmar and US diplomatic relations and the US's pragmatic engagement (Myo, 2020, p.4). As a major US ally in Asia, Prime Minister Abe's government seeks to repeat strategically the condition during World War II in which Japan utilized Myanmar to encircle China and cut off the international aid channel to China (Dai & Liu, 2014, p. 13).

For Myanmar, China is a diplomatically backer in the international community and a major facilitator for its peace process. In addition, it has been Myanmar's major donor, investor, and important trading partner. China's foreign policy of non-interference in the internal affairs of other states has been an important factor in shaping the Myanmar-China special relationship (Myo, 2020, pp.4-5). Following Myanmar's transition to democracy and the suspension of the Myitsone dam project in 2011, Chinese businesses faced larger competition in bidding for projects in Myanmar. However, the Rohingya issue in Myanmar caused a rift between the international community and the Myanmar government and resulted in rebuilding cordial relations between Beijing and Myanmar government (TNI, 2019, p.1).

The National League for Democracy (NLD) government has changed to the 'fast-forwarded' route in its economic collaboration with China. For instance, in September 2018, Myanmar and China signed a memorandum of understanding (MoU) for the China-Myanmar Economic Corridor (CMEC), the important corridor for China's BRI in Myanmar. Also, in November 2018, an agreement to develop a deep-sea port and a special economic zone (SEZ) at Kyaukphyu in Rakhine State was signed

(Myint, 2019, p.2). In Myanmar, most of the projects under the BRI are focused on the port of Kyaukphyu from where twin oil and gas pipelines run throughout the country to Kunming, China's Yunnan province. This pipeline is of strategic importance to China because it can use as an alternative energy import route to bypass the Malacca Straits (Henrik & Richard, 2017, p.6).

Japan has also economic interests in Myanmar where it is a rival for energy and resources with China (Dai & Liu, 2014, pp. 13-14). Myanmar's abundant natural resources offered interests to Japan to maintain its army and its military aims in Asia. During the Cold War, Japan and the US were the biggest investors in ASEAN countries. Both countries used economic development as a means to exclude communism in the region. Together with the changes in international society and Asia since the end of the Cold War, Japan's interests towards Myanmar have been a natural resources supply base, qualified and cheap labor forces, and a future economic possible market and an increasingly important place to reduce the Chinese expanding power into the region and the future economic integration of South Asia and Southeast Asia via Asian highway projects (Pongyelar, 2007, p.12).

By taking Myanmar into its "value-oriented diplomacy," Japan aims to weaken and balance the influence of China in Myanmar, to reemerge its influence in Myanmar and to develop bilateral relations, and promote political transition of Myanmar, build the "arc of freedom and prosperity" to guarantee its strategic and security interests in Myanmar (Shihong, 2013, p.162). Consequently, Myanmar has gradually developed as an important country in a new great game between the US and Japan on one side and China on the other, causing a partial return of a Cold War power structure in which interactions with smaller nations are strategic

concerns of the greater powers (Seekins, 2015, p.131).

V. Japan's Foreign Policy Tools in Myanmar

a. Diplomatic Engagement

Although Japan has usually friendly relations with Myanmar, it distances from Myanmar during the military rule (1988-2011) to avoid international condemnation. Bilateral relations were rapidly resumed and increased together with Myanmar's democratization process in 2011 (Yamamoto, 2021). Japan enhanced its renewed relations with Myanmar via formal meetings at government levels and trips of Japanese commercial leaders. Many economic delegations had already paid visits to Myanmar (Myo, 2016, p.147).

Among the high-level visits of Japan to Myanmar, the milestone visit of Prime Minister Abe in 2013 was the first official visit of the Japanese Prime Minister to Myanmar since 1977 (Steinberg, 2013). During the meeting between the two leaders, they issued a joint statement in which they decided to cooperate economically and to enhance political, security, and people-to-people relations (MOFA, 2013). The two sides discussed several areas involving cooperation in health and education sectors, the founding of Myanmar-Japan Legal Center, investment for SMEs development, and aids in HRD and technology. Moreover, Japan has forgiven Myanmar's 12.5 billion yen debt (Myo, 2016, p.150). The Declaration of Prime Minister Abe reflected Japan's complete ASEAN policy, which realizes the development of Myanmar, is an important element for ASEAN community building and ASEAN-Japan partnership (JICA, 2013).

When State Counsellor Daw Aung San Suu Kyi visited Japan in 2016, Prime Minister Abe said that Japan planned to donate 800 billion yen

over five years at private and public levels (Kikuchi & Unzaki, 2019, p.11). Since then, Tokyo has been developing its cooperation in several fields, involving electricity, transportation infrastructure, and urban development. During the 10th Mekong-Japan Summit in Tokyo in October 2018, State Counsellor Daw Aung San Suu Kyi and Prime Minister Abe held a bilateral meeting and discussed the realization of new aid projects to improve civic life in Yangon (Diplomatic Bluebook of Japan, 2019, p.67).

To support Myanmar's peace process, Japan has enhanced dialogues between stakeholders with the help of Mr. Yohei Sasakawa, Special Representative of the Japanese government for Myanmar's National Reconciliation (ibid., p.68). Regarding the situation in Rakhine State, Japan is not only supporting the Myanmar government's efforts but also encouraging it to implement a transparent as well as credible investigation on accusations of human rights violations in Rakhine State with the involvement of the international community, and to take suitable measures (The Global News Light of Myanmar, 2018, p.6).

b. Defense Cooperation

Japan is conducting defense cooperation both by exchanging officials and by receiving trainees from Tatmadaw (the Myanmar armed forces) (Myoe, 2016, p.145). For instance, during his visit to Japan in December 2013, President Thein Sein and Prime Minister Abe welcomed the defense authorities' exchanges between the two countries and shared the opinion that they will more enhance cooperation and interactions between defense authorities (Japan-Myanmar Summit Meeting, 2013).

In May 2014, the Japan Self-Defense Force (JSDF) represented by Chief of Staff Gen. Shigeru Iwasaki visited Myanmar and

discussed bilateral military collaboration and disaster relief attempts. In December 2014, the Nippon Foundation launched a Japan-Myanmar Military Officials Exchange Programme for the next five years (Nippon Foundation, 2014). In March 2015, the Japanese Ministry of Defense started training in disaster relief and maritime security for the military personnel of Myanmar.

During the Japan-Myanmar Summit Meeting held in Japan in July 2015, Prime Minister Abe and President U Thein Sein asserted to promote more defense exchanges, involving inviting the army of Myanmar to join Japan's National Defense Academy. This plan was again reaffirmed in the meeting between Japanese Defense Minister Nakatani and Myanmar's Chief of Defense, Senior General Min Aung Hlaing. In the meeting, both sides discussed a potential joint military training between Myanmar's and Japanese armies in the future (Nirmala, 2016, p.54). For Myanmar's military officers, JSDF supported training for aviation meteorology and underwater medicine (Myoe, 2016, p.145). During 14-17 January 2020, six military officers from Myanmar have joined the underwater medicine capacity building program at the Japanese Navy's Undersea Medical Center.

c. Development Assistances

Myanmar has long depended on Japan as a key source of foreign assistance. During the military rule period (1988-2010), Japan exercised limitation in aid-giving because of pressure from the US. During the post-military government, Japan resumed its ODA (Banerjee & Basu, 2021, p.9). Japan offers more development assistance to Myanmar than other governments through the Japan International Cooperation Agency (JICA). Besides, Japan provides Myanmar indirectly through multilateral institutions like the

United Nations (UN), International Monetary Fund (IMF), and ADB (Schoff, 2014, p.11). In 2019, Japan provided about US\$ 497 million in loan assistance, US\$ 177 million in grant aid, and US\$ 80 million in technical assistance to Myanmar (JICA, 2020). The three priority areas in Japan's ODA policy towards Myanmar are improvement of livelihood; the capacity building and development system to sustain economy and society; and development of infrastructure and related systems necessary for a sustainable economic system (Hai, 2015, pp.6-7).

For Agriculture and infrastructure development in rural areas, Japan support (1) the development of agricultural funding through the Myanmar Agricultural Development Bank (MADB) to provide low-interest and long term loans for farmers, (2) guidance for agricultural technology related to rural and agricultural development, (3) upgrading research and improvement capacity, and (4) establishment of functional extension system to effectively deliver the necessary farming techniques to farmers (Japan-Myanmar Cooperation Program, p.3-5). To support the progress in the industrialization of Myanmar, Japan has supported capacity building training to elite bureaucrats of the Ministry of National Planning and Economic Development (MNPED) of Myanmar and worked together with ADB for micro-level legal modifications in Myanmar, resulting in producing the 2014 Myanmar SEZ Law and 2016 Myanmar Investment Law (Hartely, 2018, p. 298).

Furthermore, as support to Myanmar's national reconciliation process, Japan is improving reconstruction and development assistance in Southeast Myanmar (e.g.; Kayin State) (Ichihara, 2015). For the requirements of the people in Rakhine State, Japan has been assisting both international organizations and Japanese Non-Governmental Organizations (NGOs). For example, a Japanese NGO Bridge

Asia Japan (BAJ), funded by the Nippon Foundation, has been providing vocational training and aid for maintaining community infrastructures in Rakhine State. The BAJ has constructed 100 schools to provide opportunities for the children and youth from different communities in Rakhine State to study together and increase mutual understanding (The Global News Light of Myanmar, 2018, p.6).

In the health sector, Japan provides technology for capacity building of the Ministry of Health and targeted areas in Myanmar, in healthcare services delivery and administrative management. As the grant aid, Japan provides a medical kit to central hospitals, and development of facility and apparatus in-state/region general hospitals through Projects for Improvement of Medical Equipment in Hospital in Yangon and Mandalay, and Projects for Improving Loikaw General Hospital in Kaya State and Lashio General Hospital in Shan State.

For the capacity building of healthcare experts, Japan provides technology to enhance education, research, and medical skills through the Project for Enhancement of Medical Education. In controlling infectious diseases in Myanmar, Japan provides strategic planning for HIV and TB control, improvement of clinical laboratory services, and development of malaria pre-elimination model cooperating with community health staffs (Japan-Myanmar Cooperation Program, p.11). When the COVID-19 occurred in Myanmar, Myanmar received US\$ 19 million from Japan to foster COVID-19 health care and medical kits such as patient monitors, X-ray imaging equipment, and ICU beds from Japan. On 1 June 2020, Japan provided a US\$ 46.5 million emergency loan to Myanmar (Southeast Asia Covid-19 Tracker, 2020).

In terms of education, Tokyo is supporting basic education curriculum reform, engineering universities, human capital

development, and business capacity building in Myanmar (JICA, 2013). Japan has supported ASEAN University Network (AUN)'s sub-network in an engineering field (AUN-SEED) network in cooperation with Japanese universities to foster a regional academic network for progressive research and education among ASEAN countries, including Myanmar. The University of Yangon and Yangon Technological University is a member university of AUN-SEED-Net (JICA Project Office For AUNSEED-Net).

Since 2007, the Japanese government has continued provide to ASEAN via the Japan-East Asia Network of Exchange for Students and Youth (JENESYS). This is a two-way exchange program for youths from ASEAN countries and Japan to promote understanding and mutual trust between the ASEAN and Japanese peoples and to build a basis for future friendship and cooperation. This program contributes significantly to people-to-people exchange and interaction and promotes youth development following the ASEAN Work Plan on Youth 2016-2020 (ASEAN, 2017).

In addition, the Japanese government has been implemented the project for Human Resource Development Scholarship (JDS) since 1999 to contribute to human capacity building that could increase the socio-economic development of Asian and African countries. The JDS projects have provided substantial opportunities to study several academic fields in Japanese universities for young people, especially government officials (JICA, Myanmar). Up to 2019, over 2,500 scholars from ASEAN countries, including 557 Myanmar scholars, have got a Master's Degree, and most scholars are currently playing an essential role in public sectors that could enhance good governance and formulate comprehensive policies in developing states (JDS Performance 2019) (JDS Alumni News, 2018).

Japan is supporting quality infrastructure development in developing countries with the belief that infrastructure development contributes to quality development in developing countries (Diplomatic Bluebook of Japan, 2019, p.25). In Myanmar, Japan is focusing on the upgrading of road projects under the Ayeyawady-Chao Phraya-Mekong Economic Cooperation Strategy (ACMECS) Master Plan 2019-2023 that was adopted by the leaders of ACMECS member countries (Cambodia, Laos, Myanmar, Vietnam, and Thailand) at the Eight ACMECS Summit in Bangkok in June 2018. The ACMECS Master Plan involves 54 projects in Myanmar. Some of the major projects are the New Thaketa Construction project, the East-West Economic Corridor improvement project, and the Yangon-Mandalay Railway improvement project, etc (Lwin, 2018).

Japan has supported trade and investment-setting development in ASEAN countries, including Myanmar through ODA (Japan ODA White Paper 2013, 2014, p.12). Together with Japan's ODA resume in Myanmar in 2011, Myanmar-Japan economic relations became gradually increasing. According to World Bank, Japan was the third-largest trading partner of Myanmar with a total trade volume of over US\$1billion after China and Thailand in 2019 (World Bank, 2019). Japan's main import goods from Myanmar are fishery products, agricultural products, and garments while key export goods are machinery and car (MOFA, Japan).

Tokyo inspires its companies to invest in Myanmar for fostering Myanmar's sustainable reforms, the benefits of the Japanese economy, and the influence of Japan along the border of China. In September 2012, the External Trade Relations Organization of Japan began a business support center in Yangon to enhance Japanese investment (Schoff, 2014, p. 12). Myanmar and Japan bilateral investment agreements were signed

on 15 December 2013 that lead to the signing of MoU for Thilawa SEZ in May 2014 (Hartley, 2018, p.6). Since 2011, the investment of Japan in Myanmar has surpassed US\$ 1.7 billion (Myanmar Embassy, Tokyo, 2020, p.2). Among the 35 Japanese investment projects in Myanmar, the 2,400 –hectare Thilawa SEZ is the largest Japanese investment in Myanmar (Cai, 2013).

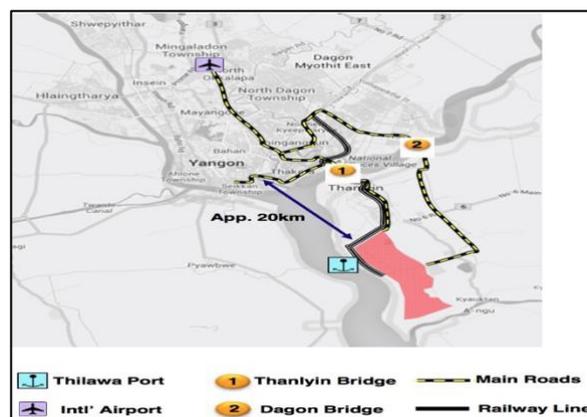


Fig. 2. Thilawa Special Economic Zone

Source: Thilawa Special Economic Zone

d. Management Committee

According to Figure 2, Thilawa SEZ, nearby Thilawa Port, is situated about 20 km southeast of Yangon city (Thilawa Special Economic Zone Management Committee). At the end of 2012, Japan and Myanmar governments signed an MoU to improve the Thilawa SEZ, and the Japanese government pledged a US\$500 million loan to start the project. The agreement joined Myanmar-Japan Thilawa Development, Ltd. (MJTD) with JICA and three Japanese companies: Sumitomo, Mitsubishi, and Marubeni corporations. The Japanese companies controlled 49 percent of MJTD, and the rest 51 percent is controlled by (1) the Thilawa SEZ Management Committee (TSEZMC), (2) the Myanmar government agency designed specifically to manage the improvement of the Thilawa SEZ, and (3) Myanmar Thilawa SEZ Holdings Public Ltd. (MTSH), a group of nine

Myanmar companies. In Thilawa SEZ, about 114 enterprises have been allowed to operate their business, including 39 Japanese businesses and 27 Singapore firms. Most of the investments are real estate, industrial, hotels and tourism, and transport sectors (Banerjee, 2020).

VI. Conclusion

According to the balance of power theory, the basic aim of balancing strategies is to lessen the capabilities of a threatening state. Japan's behavior against China shapes by such theory. Japan is practicing the limited hard balancing strategies against a perceived threat (China) by restoring economic development, military modernization, and enhancing its alliance with the US, security partnerships with other RBO countries, and developing cooperation with China. In fostering Japan's FOIP, Myanmar, one of the small power countries in the Southeast Asia region, became an important country due to its geostrategic location, democratization, and rich natural resources. During the post-military government, Japan reapproached Myanmar with three significant foreign policy tools-diplomatic engagement, defense cooperation, and development assistance although there was a distance in Myanmar-Japan relations during military rule (1988-2010). Japan's foreign policy readjustment towards Myanmar in the emerging Indo-Pacific era can be interpreted as one of Japan's limited hard balancing strategies against China.

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