

# **An Unlikely Alliance? Canada-Japan Relations in the Justin Trudeau Years**

Written by Sarah Clifford and Scott N Romaniuk

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SARAH CLIFFORD AND SCOTT N ROMANIUK, DEC 19 2020

After Justin Trudeau's ascendance to power in Canada following the 2015 federal election, he declared that 'Canada is back' and is ready to take its formal place on the global stage – foreshadowing his later attempt at expanding Canada's economic and military partnerships around the globe (Welch 2018, 4). Japan, an unlikely ally due to both historic disagreements between the two nations and its inconvenient geographical location, is becoming one of Canada's strongest partners in the Pacific. Yet, their unlikely relationship has confused many scholars, such as Patrick James, as to why Canada is choosing to align with Japan instead of employing more resources towards its rapidly deteriorating relationship with the People's Republic of China (PRC). Canada, instead of employing resources towards its relationship with the PRC, is attempting to re-enter negotiations with other Pacific nations to guarantee it a position in the fastest growing economic region of the world and therefore gain both stronger trading and military alliances. With Japan having the world's third largest economy and an increasingly stronger military presence in the Asia-Pacific region, Canada is aligning with Japan to reposition itself in the Pacific to expand its soft power, facilitate Canada's entrance into trading partnerships in the region, help diffuse tensions over China's renewed militarization, and to help decrease its dependency on the United States of America (US) for trade and military protection (ibid., 3).

Soft power, first coined by Joseph Nye, occurs when a state achieves its international objectives "because other states want to follow it or have agreed to a situation that produces such effects" (Nye 1990, 166). States thus implement soft power to avoid the threat of military force and to instead, co-opt others to follow their wishes. States also have used soft power more frequently due to the emergence of the 'rules based international order' (RBIO), or a "shared community by all countries to conduct their activities in accordance with agreed rules that evolve over time, such as international law..." (United Nations Association of Australia 2016, 3).

Canada, due to its lack of hard power, or military force, has increasingly gravitated towards a soft power oriented diplomatic policy, resulting in its concern towards the recent downfall of the United States as the global hegemon and the inherent decrease in the existing globally 'shared community.' The lack of a multilateral global order prompts the question towards whether the RBIO is under threat and if the downfall of the United States is the main perpetrator, or if its seeming deterioration on the world stage is also partially due to China's global ascendance to power. Stephanie Martel, in particular, views the Chinese threat to the RBIO as one of the main reasons that Canada seeks to become more involved in the Pacific region (Martel 2018, 9). She secondly acknowledges that, although economics play an important role in influencing a country's decision to seek out new allies, China's threat to the current international order is very serious and requires some much-needed attention by surrounding nations, such as Japan and Canada (ibid.).

Often, the recent history of Canadian-Japanese relations falls into two sections: before 2000 and after 2000. Before 2000, Canada's involvement in Asia was "sporadic and inconsistent" and often, scholars such as James split Canada's engagement into 3 main categories (James 2014, 1). Firstly, due to obligations with the United Nations, Canada fought in the Korean war from 1950-1953, but retreated from Asia during the Vietnam conflict (ibid., 2). Secondly, under the leadership of Prime Minister Pierre Trudeau, Canada attempted to differentiate its foreign policy directives and looked towards Asia to do so, but due to India's increasing involvement with nuclear weapons in the 1970s, Canada cut ties with the region (ibid., 3). Lastly, Canada became involved in a humanitarian mission in East

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Timor from 1999-2001, but once again, retreated once the situation lessened in severity (Veterans Affairs Canada 2019). Thus, Canadian engagement in Asia prior to 2000 was merely a “response to crises” instead of representing a more concerted effort at developing stronger relations in the region (James 2014, 3). After 2000, Canada instead became more aware of its need to diversify its trading partners, but still moved towards completely dismantling its military’s presence in the region (Martel 2019, 11). Thus, due to historical developments and the recent shift in global alliances, Canada should take a multifaceted approach with its new ‘re-engagement’ in Asia that will both re-establish a military presence in the region, but also expand its trading partners to increase its own economic potential in an attempt to shift its dependence away from the United States.

Japan and Canada are very similar nations. They both have high income and education levels, have highly developed industries, are both liberal democracies and lastly, are strong supporters of the ‘rules-based’ international order (Welch Lecture 2019). Yet, Japan and Canada are currently not trading with each other in greater quantities, and thus, both countries look to change this. In 2017, Canada exported a mere \$11.8 billion CAD to Japan and imported \$17.5 billion CAD from Japan (Government of Canada). In comparison, Canada exported \$332.3 billion USD to the United States in 2017 and imported \$340.7 billion USD (Office of the United States Trade Representative, 2017). Canada, unlike its American counterpart, has yet to sign a free trade agreement (FTA) with Japan, and is thus one of the largest reasons that trade has not increased (Wallace 2019). By aligning with Japan and moving towards signing an FTA, Canada can reduce its dependence on the United States for trade while also inadvertently expanding its trading capacity overseas. Currently, over 70% of all Canadian exports and 98% of Canada’s energy products go solely to the United States, therefore demonstrating an overt dependence on the American market to fuel the Canadian economy (Houlden 2019). Secondly, by signing a free trade agreement with Japan and importing more technological products, Canada can differentiate its trading portfolio and limit potentially negative effects that American instability and volatility poses to Canada’s economy in the future. Therefore, Canada and Japan are aligning together with the goal of signing a FTA to not only increase stability and accessibility for products, but to also decrease Canada’s dependence upon the United States (Daly and Sekine 1990, 67).

Secondly, with the current diplomatic disruption between Canada and China and the seemingly inherent removal of all Huawei products from the Canadian market, Huawei will leave a gap in the supply of cheap yet reliable technological products that Japanese goods can fill (Cecco 2019; Nossal 2019). In comparison, Japan consumes a large quantity of crude oil products that it is currently importing from Saudi Arabia (Observatory of Economic Complexity 2017). Due to the relative instability of Saudi Arabia, it is in Japan’s best interest to slowly shift away its imports from Saudi Arabia and move its demand for crude towards Canada. Although geography limits the accessibility of trade, both Japan and Canada have equally useful products that, if trade increased, would be very beneficial for both countries and is thus another reason towards why Canada and Japan are attempting to strengthen their relations.

Due to Canada’s withdraw from the Pacific region before 2000, it has been unable to enter into many Asian economic organizations that would drastically alter its financial prospects and thus, allow it to become less dependent on the United States for trade (Martel 2018, 11). With the United States’ expanding volatility under the new Trump administration, Canada is beginning to look elsewhere for allies – which the Pacific region offers. Canada has recently attempted to enter the East Asian Summit (EAS) and the ASEAN Regional Forum (ARF), has obtained observer status in ASEAN (Association of Southeast Asian Nations) and is sending its defense minister to the upcoming ADMM+ (ASEAN Defense Ministers’ Meeting Plus) (James 2014, 6) Once in these organizations, Canada can drastically expand its trading partners to give Canadian products more market attention while moving away from its dependence on the American consumer base. Patrick James has argued that “a symbiotic relationship has emerged between Asia and the rest of the world,” thus enticing Canada to enter into a partnership that would also solve many of its economic and stability concerns (James 2014, 6). But, in order to enter into these organizations, Canada needs an ally to advocate for its entrance. Japan is a key member of all of the aforementioned organizations but is also a country who boasts one of the largest economies in the region. By enhancing its ties with Japan, Canada inadvertently increases both its chance of entering into more Pacific trading organizations but also the opportunity to gain more economic trading partners, thus expanding its soft power in the region.

With both Canada and Japan greatly concerned over the fragility of the global market because of the political

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instability of both the United States and China, Canada also wants to become more involved in multilateral forums in Asia to help stabilize China's position in the region and once again, exert its soft power influence. World War II saw the creation of the European Union in an effort to better integrate many European nation's economies together to decrease the likelihood that a war between them would occur again. Thus, Canada needs to help Asia do the same thing. Both China and North Korea have been steadily increasing their military capacity and although Canada has been attempting to expand its military presence in the region, it simply cannot compete with China militarily or economically and must turn to other forms of persuasion. With both Japan and Canada greatly concerned over their military capacity in the region due to China's increasing volatility, Japan and Canada are looking towards integrating China into the "East Asian security order as a responsible Great Power" to better tie it financially to the countries surrounding it, thus limiting the likelihood China will go to war (Goh 2011, 888). In 2001 after a great effort by Japan, China entered the World Trade Organization – representing its official emergence onto the world stage but also its change from more socialist economic policies to that of capitalist, *laissez-faire* policies (Goh 2011, 894). China has since entered the World Health Organization (WHO), the Asia-Pacific Economic Cooperation (APEC), the ASEAN Regional Forum (ARF) and ASEAN 3+ (Association of South-East Asian Nations) but has not become a key player in any of the organizations as of yet (Goh 2011, 894).

In an attempt to boost China's involvement in the region, Japan is lastly advocating for a CAFTA, or a China and ASEAN free trade agreement, which Japan proposed in 2000 but has yet to come to fruition (Goh 2011, 894). Multilateralism, or greater involvement in international forums while pursuing alliances with a subset of countries, will only strengthen China's ties in the region and make it less likely that China will pursue further isolationist trade policies and continue to build up militarily (Ford 2018, 59). As of recent, Japan has almost independently pushed for China's inclusion in these forums which displays that currently, not enough countries understand the need for China to become better connected in the Pacific region. Canada, like Japan, is an overt advocate of multilateralism and believes strongly in maintaining the rules based international order – which China currently threatens (Ford 2018, 59). Canada is also a member of a plethora of organizations, such as the G7, mostly due to its extreme desire to have a large presence on the international stage regardless of its economic capacity (Welch 2018). If Canada was allowed to enter into ASEAN 3+ or similar economic organizations in the Asia-Pacific, it would be a second advocate for greater Chinese integration and also an ally for China on an increasingly threatening global stage (ibid.).

Although economic integration is a top priority for the Canadian state, it also looks towards Japan as a potential military ally to offer it a stronger security presence in the Asia-Pacific region. Due to the current weakness of Canada's Pacific fleet, Canada needs to develop better security alliances in the region in case multilateralism with China fails and the Chinese continue escalating their military capacity (Wallace 2019). Most recently, Canada and Japan signed the Acquisition and Cross Servicing (ACSA) agreement which will "strengthen cooperation between the Canadian and Japanese military forces" but, most importantly for Canada, it will allow both countries access to each other's equipment (Miller 2018, 2). Japan thus warrants Canada the opportunity to expand its military capacity in the area without greatly increasing its financial obligation (Miller 2018, 2). Secondly, Canada relies greatly on the United States for protection in the Pacific but due to the increase in the United States' unipolar rhetoric and instability, Canada needs to align with Japan to gain another ally in the region in case of an escalation of tensions with China. Thus, the military opportunities presented to Canada will help develop a military dialogue and partnership that will also help differentiate Canada's allies and decrease its dependence on the United States for security.

## **Differing Opinions**

Patrick James, a well-known scholar who studies Indo-Pacific relations and Canadian international relations, believes the direct opposite of what we have been arguing throughout this paper, which is that Canada should not be focusing expanding its relationship with Japan and instead should specifically focus on fixing its relationship with China. James also argues that "it would be inadvisable for Canada to fully commit to any standing security strategy to deal with the rise of China's military power" because Canada lacks commitment and resources that would be necessary to be even minutely successful in the region (James 2014, 1). Although Canadian-Chinese relations do presently pose a concern to Canada's economic and security relations in the Asian-Pacific region, Canada, as pointed to by Kim Nossal, needs to have the foresight to look beyond China, and instead, work to better integrate itself in the whole region of Asia (2019). By expanding Canada's relations in the region, it will better stabilize its

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economy and increase its alliances, which will inadvertently decrease Canada's dependency upon the United States while also expanding its relationship with China (ibid.). Thus, through aligning with Japan, Canada can also work to strengthen its relationship with China while also enhancing its relations with other countries in the Asia Pacific region.

Throughout this paper, we have addressed the multitude of reasons that showcase why Canada is deciding to align itself with Japan. Firstly, Canada is looking to differentiate its trading partners to decrease its dependence on the United States due to the increased volatility of the Trump administration. By signing a free trade agreement and increasing trade relations with Japan, Canada gains greater access to the Asian market that could then help expand its economy. Secondly, Canada is looking towards entering multilateral organizations in Asia to enhance both its trading partners and its soft power in the region. By aligning with Japan, Canada has a powerful ally who can help facilitate its entrance into the many Asian economic organizations which will in turn, strengthen Canada's economy and trading relations in the region. Thirdly, both Canada and Japan are increasingly concerned over China's recent military build-up. Thus, Canada aims to both integrate China into more multilateral economic partnerships in the region while also developing a military alliance with Japan to move away from both American protection and economic dependence. Therefore, although Japan seemed an unlikely ally to continue to develop relations with, Japan offers Canada access to the Asian market as well as protection from the increasing 'China threat' in the region which will enhance Canada's economic and security prospects in the future.

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