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# Japan's Engagement with the Global South: Shaping the Future of International Order

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The escalating tensions between the U.S. and China, the ongoing war in Ukraine with no resolution in sight, and the emergence of protectionism across various nations signal that the world is on the brink of fragmentation, marking the potential end of globalization. China and Russia are endeavoring to foster a "multipolar world," challenging the international order that has traditionally been dominated by the West. It is imperative for the West to uphold its commitment to values such as freedom and democracy, without forcing them on the Global South. Instead, the West should seek to engage with these nations, aiming to establish a stable international order that encourages their active participation. Japan is uniquely positioned to serve as a bridge between the Western values and frameworks and the Global South. It is essential for both governments and businesses to utilize this strategic position.

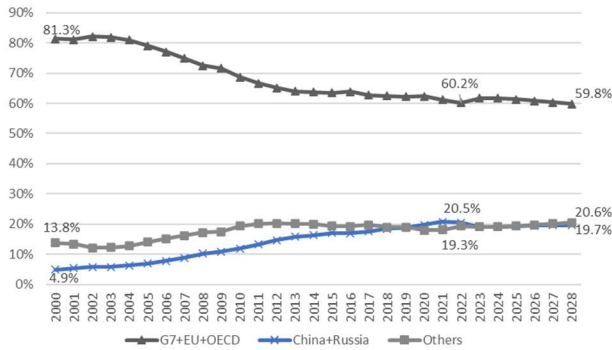
## **Ultimately, what is the Global South?**

The term "Global South" has increasingly entered the discourse since late 2022, without a precise definition. Typically, it refers to "developing countries," a categorization grounded in the geographical location of many such nations within the southern hemisphere. However, its usage clearly extends beyond mere "developing countries", excluding the China-Russia bloc and carrying connotations reminiscent of Third World

during the Cold War era. This suggests that the term has garnered attention amidst the escalating tensions between the Western bloc and the China-Russia bloc, highlighting the rising significance of "other countries." While the Global South is experiencing growth, it currently represents only about 20% of the global GDP (Material 1). The dramatic rise of China has somewhat diminished the erstwhile dominant influence of the West, spotlighting instances where the Global South increasingly plays a pivotal role.

The concept of the Global South raises the question: what exactly does it encompass? India's initiative in hosting the inaugural "Voices of the Global South Summit" in January 2023 positioned it as a spokesperson for this group, evident in its G20 presidency and its role at the COP28. The Japanese government and its ruling party have underscored the significance of Global South, as a result fostering the impression of a unified entity. Nonetheless, it is crucial to recognize that the reality is far from homogeneous or unified, and certainly not a pole.

## Material 1 Trends in GDP world share (nominal US\$)



(Source) Compiled by DLRI from IMF World Economic Outlook Database 2023.10.

(Note) "G7, EU, and OECD" are Western frameworks; "Others" is the image of the Global South.

## The Global South is not a "Third Pole"

As we have explored, the Global South refers to developing countries as a whole that are not part of the West or China and Russia. But it is by no means a third pole.

ASEAN, which is also familiar to Japan, is a diverse group of member states that has been able to demonstrate its presence in the international community by acting as a single entity. However, its member states exhibit remarkable diversity in aspects such as religion, political regimes, and economic disparity, with per capita GDP differences reaching up to 67 times between Singapore and Myanmar.

BRICS is another framework that represents emerging economies, is far from homogeneous. Notably, at the summit held in August 2023, six new members were approved, highlighting a polarization in governance as reflected by the Freedom House's freedom scores (Material 2). Furthermore, Argentina's recent withdrawal under President José Manuel Millay underscores the absence of

democratically governed newcomers.

There can be no one-size-fits-all approach to these diverse countries, and we must treat them with care at all layers.

## Material 2: Freedom Score and GDP pc of ASEAN and BRICS Countries

| ASEAN       |               |                      | BRICS          |               |                      |
|-------------|---------------|----------------------|----------------|---------------|----------------------|
| Country     | Freedom Score | GDP pc US\$(current) | Country        | Freedom Score | GDP pc US\$(current) |
| Brunei      | 28            | 37,851               | Brazil         | 72            | 9,455                |
| Cambodia    | 24            | 1,802                | Russia         | 16            | 15,646               |
| Indonesia   | 58            | 4,798                | India          | 66            | 2,392                |
| Laos        | 13            | 2,047                | China          | 9             | 12,670               |
| Malaysia    | 53            | 12,466               | South Africa   | 79            | 6,684                |
| Myanmar     | 9             | 1,228                | (Argentina)    | 85            | 13,620               |
| Philippines | 58            | 3,624                | (Egypt)        | 18            | 4,587                |
| Singapore   | 47            | 82,808               | (Ethiopia)     | 21            | 1,156                |
| Thailand    | 30            | 7,070                | (Iran)         | 12            | 4,043                |
| Vietnam     | 19            | 4,087                | (Saudi Arabia) | 8             | 34,441               |
|             |               |                      | (UAE)          | 18            | 51,400               |

(Source) Compiled by DLRI from Freedom House and IMF.

(Note) Brackets indicate countries scheduled to join; Argentina recently withdrew the application. GDP per capita is as of 2022, including estimates.

## Active participation from the Global South in the current order is crucial

As noted at the beginning of this article, divisive and protectionist trends are accelerating around the world in the wake of the U.S.-China confrontation and the war in Ukraine. This shows that security and economics are inextricably linked. Kristalina Georgieva, the Managing Director of the International Monetary Fund (IMF), pointed out in her August 2023 Foreign Affairs article that the world has transitioned from globalization to a phase of 'slowbalization' since the 2008 financial crisis. This shift is evidenced by a significant increase in trade restrictions, surging from approximately 1,000 in 2019 to nearly 3,000 by 2022. Georgieva warns that such fragmentation could ultimately reduce global GDP by 7%.

Globalization has been instrumental in driving unparalleled growth and improving the quality of life and welfare for people worldwide. Despite China and Russia's

repeated references to "multipolarization" in their 2023 summit discussions as a challenge to the Western-established order, it is evident that they, too, have reaped benefits from the rule-based international economic order led by the West. It is clear that pursuing division is not the path forward. Ensuring the stability of the international order, amidst the overt rivalry between China, Russia, and the West, necessitates active participation from the countries of the Global South in the Western-led current order. However, achieving this involvement is far from straightforward.

### **Difficulties in the Global South - The Enemy of My Enemy is My Friend**

The Global South has also grown by benefiting from globalization. However, as it becomes easier to disseminate low-quality information and disinformation through social networking services, the "negative aspects" of relations with the West, such as disparity and exploitation, are more easily amplified than ever before. This situation presents an opportunity for China and Russia, adversaries of the West, to exploit. This vulnerability, encapsulated by the adage "the enemy of my enemy is my friend," poses a significant challenge for the West.

Many Western industrialized nations ought to demonstrate a greater commitment to supporting the Global South, reflecting on their historical colonial policies. Yet, the core values of the West, including freedom, democracy, and the rule of law, remain indispensable. To reject these principles would only further the narrative promoted by China and Russia, which advocates for a world dominated by

the rule of power, where smaller and medium-sized nations are subjected to the will of the major powers.

### **Japan should take advantage of its position**

Japan stands at a pivotal juncture, uniquely positioned as both a part of the Western bloc and a bridge to the Global South. Its historical journey since the late Edo period, marked by adaptations to and integrations with the Western international order—however it might have had some errors and challenges—serves as a testament that the global order is not a prerogative of the West alone. No nation is better positioned than Japan to share the benefits of the current international system with the Global South, fostering mutual understanding and appreciation. No nation is better positioned than Japan to share the benefits of the current international order with the Global South. Since World War II, Japan has committed to a path of peace in its foreign policy endeavors, gaining substantial trust from nations such as those in ASEAN through its thoughtful Official Development Assistance (ODA) and other initiatives that resonate with the unique needs of each country. This earned trust, along with Japan's distinctive narrative and integrity, forms a valuable asset that Japan should leverage not only in diplomatic and security spheres but also in the private sector, including corporate expansions abroad.

The leadership Japan displayed in steering the Comprehensive and Progressive Agreement for Trans-Pacific Partnership (CPTPP) to fruition, especially after the United States withdrew from the negotiations, underscores Japan's critical

role in the multilateral framework. This role is poised to expand significantly, especially if the U.S. presidential election in fall 2024 highlights a more inward-looking American stance. Recently, Indonesia announced its intention to join the Organization for Economic Cooperation and Development (OECD), a Western framework. February 2024, OECD made a decision to begin the accession process.

Japan should set an example for even one more country from the Global South that finds value in the Western framework and wants to be proactively involved in it.

Japan must continue to carefully support each nation in the Global South with the goal of shared peace and prosperity. This approach embodies Japan's vision and commitment to play a meaningful and constructive role on the global stage, and demonstrates Japan's way of valuing partnership, progress and peace.

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