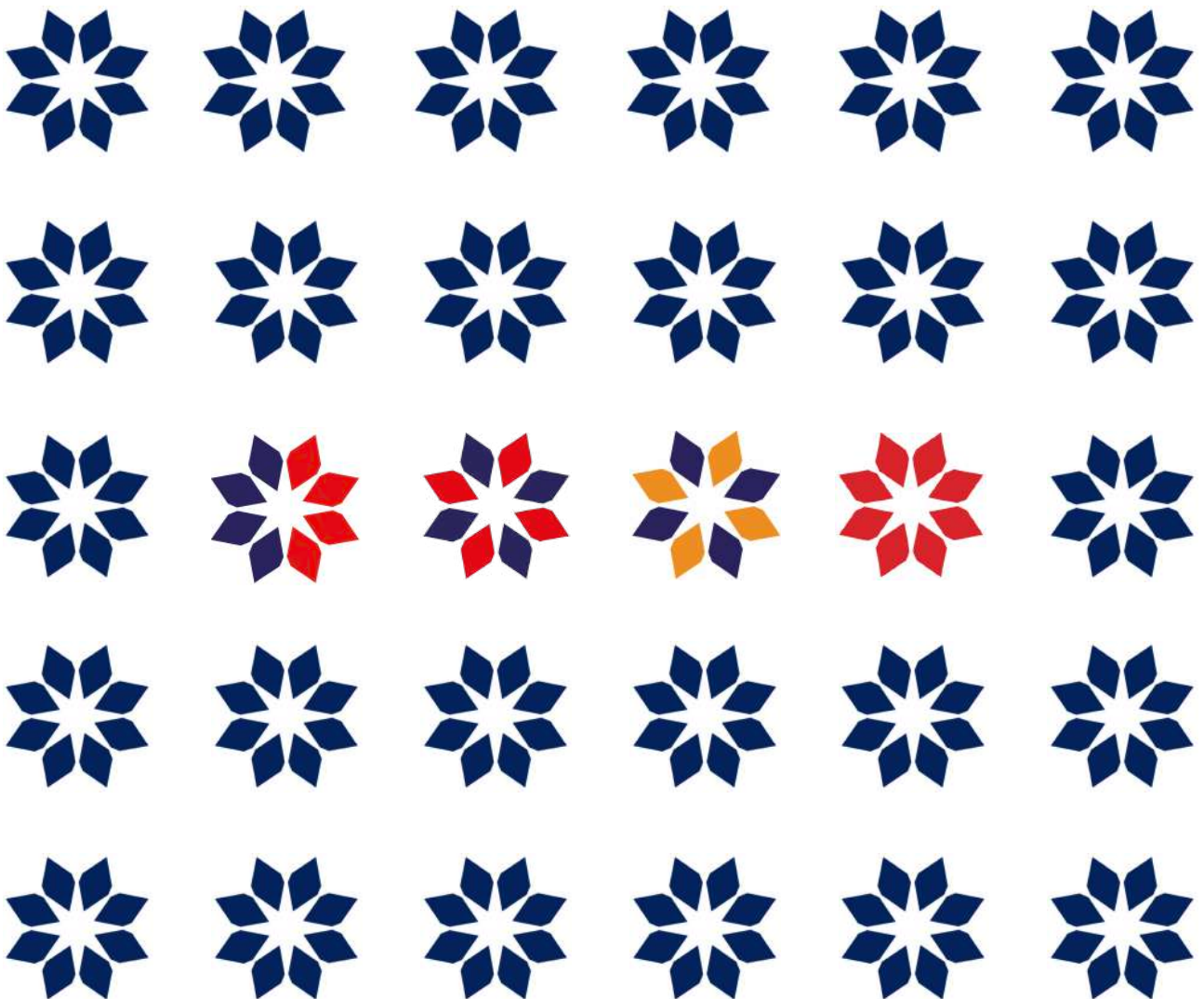




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May 20

China Outlook

Decoding China's Five-Year Plan: From
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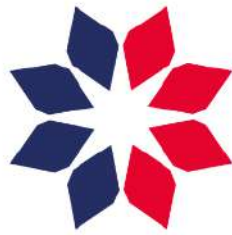
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Jean-Raphaël Peytregnet

Editorial Director and former diplomat

EDITORIAL

Twenty years ago, Asia was often described as "the world's factory." It produced at low cost, industrialized innovations from the West, and operated within a catch-up logic. That reading is now obsolete. Within a single generation, Asia has become a central and sometimes dominant player in global innovation, driven by a spectacular rise in its research and development (R&D) capabilities and its strategic positioning in cutting-edge technologies.

This shift is first and foremost quantitative. Asia now concentrates the bulk of global innovation momentum.

In 2024, even if their content would warrant closer scrutiny, more than 3.7 million patents were filed worldwide, the majority in Asia, with China alone accounting for nearly half of all filings. In the specific field of artificial intelligence (AI), the dominance is even more pronounced: 64.7% of global AI patents are Chinese, compared to 18.3% for the United States. By comparison, Europe remains well behind (3% of global patents), both in volume and in industrial transformation capacity.

But beyond these impressive volumes, it is the momentum that stands out. Over the past twenty-five years, the combined share of the United States and the European Union in AI scientific publications has fallen from over 57% to less than 25%, while China alone reached nearly 36% in 2025. This shift in the scientific center of gravity reflects a profound change: Asia is no longer catching up, it has become an engine of knowledge production.

This movement rests on a model distinct from that of the West. Where the United States favors disruptive innovation driven by startups and

tech giants, Asia relies on a close articulation between a strategic state and industry. In China, public plans massively direct investment toward sectors deemed critical: AI, semiconductors, digital infrastructure. This coordination enables rapid, large-scale implementation of innovations. AI, for example, is integrated into concrete applications, logistics, finance, healthcare, security, at a speed few Western countries can match.

But reducing Asia to China alone would be incomplete.

Japan is a world leader in industrial robotics, precision sensors, advanced materials, and critical electronic components. Tokyo maintains a steady R&D effort of around €130 billion annually. Companies such as Toyota, Sony, and Fanuc (Fuji Automatic Numerical Control) exemplify this excellence.

In the field of AI, Japan takes a different approach from China or the United States. Less focused on digital platforms, the archipelago favors AI embedded in physical systems: robots, autonomous vehicles, and medical devices. This approach is part of a broader strategy, sometimes referred to as "Society 5.0," aimed at integrating digital technologies across society as a whole, particularly to address structural challenges such as demographic ageing.

South Korea, for its part, represents perhaps one of the most accomplished models of integration between innovation, industry, and national strategy. With more than 4.5% of its GDP devoted to R&D, it ranks at the very top globally. This investment intensity translates into a high concentration of technological capabilities in key sectors: semiconductors, displays, telecommunications, and AI.



Seoul also stands out for its ability to deploy new technologies rapidly. South Korea was among the first countries to roll out 5G at scale, and is investing heavily in AI-related infrastructure. It aspires to become one of the world's leading AI hubs, with coordinated public and private investment and strong involvement from the education sector.

Unlike the Chinese model, which is more centralized, or the American model, which is more entrepreneurial, the Korean model is built on close coordination between the state and large conglomerates, including Samsung Electronics and SK Hynix, global leaders in electronic memory, enabling fast and efficient execution. This capacity for strategic alignment is one of its key strengths.

It is within this ecosystem that one finds a player that is often discreet but absolutely crucial: Taiwan. This territory alone plays a decisive role in the global technology economy. It accounts for 60% of global semiconductor production and more than 90% of the most advanced chips, which are indispensable for AI applications, smartphones, and military infrastructure.

The heart of this dominance rests on a single company: TSMC. This industrial giant produces the most sophisticated chips for companies such as Apple, NVIDIA, and AMD. By comparison, neither the United States nor Europe currently has an equivalent capability at the most advanced technology nodes (3nm and beyond). This dependency places Taiwan at the center of a major geopolitical issue: controlling semiconductors means, to a large extent, controlling the global digital economy.

But one of the most interesting and most ambivalent cases is that of India. Often presented as the next great technological power, it embodies both the potential and the limits of the Asian model.

On one hand, the indicators are impressive. India ranks among the top three countries in the world by volume of scientific publications and possesses an enormous talent pool. Its AI market could reach nearly €25 billion as early as 2025, with estimated demand for one million professionals by 2026. The country has also launched ambitious public programs, including a package of more than €10 billion for research and innovation and a dedicated national AI strategy.

Yet behind these ambitions, the weaknesses are significant. India devotes only 0.65% of its GDP to R&D, far behind China (over 2.4%) or the

United States (around 3.5%). This structural weakness is reflected in outcomes: between 2017 and 2024, India accounted for just 0.33% of global AI patents, with approximately 2,100 patents in total, compared to hundreds of thousands for China.

Moreover, the Indian ecosystem remains defined by a paradox: a strong pool of talent, but a limited capacity to transform those skills into disruptive innovation. Fewer than 10% of companies have deployed AI at scale, and the majority remains at the experimental stage. The country captures barely 1.3% of global funding in this area, which constrains the emergence of foundational technologies.

This contrast reveals a broader fault line within Asia. On one side, powers such as China and South Korea, capable of dominating entire segments of the technology value chain. On the other, countries like India or certain Southeast Asian states, which are progressing rapidly but remain more positioned in adaptation, services, or implementation than in disruptive innovation.

Faced with this Asian rise, the West nonetheless retains certain structural advantages. The United States still largely dominates foundational technologies, particularly in AI models, advanced software, and computing architectures. Its ability to attract talent and fund extremely high-risk projects remains unmatched. Europe, for its part, retains strong scientific capacity but suffers from an industrialization deficit and fragmentation that hinders the emergence of technological champions.

What is taking shape today is therefore not unilateral dominance, but a deeply reconfigured technological world. Asia now concentrates critical mass, in terms of scientific output, patents, and industrialization. The United States retains a qualitative lead in disruptive innovation. And Europe is attempting to carve out a role as a normative and scientific power. In this configuration, the central challenge is no longer simply to innovate, but to master the entire value chain: from fundamental research to industrialization, including infrastructure and data. On this front, Asia holds decisive assets: massive markets, strong strategic coordination, and rapid execution capacity.

But these strengths come with major challenges. Persistent dependence on certain critical technologies, growing geopolitical tensions, and limitations in radical innovation could slow this momentum. India, in particular, illustrates this dilemma: rich in human and economic potential, it will need to significantly increase its R&D investment and strengthen its innovation ecosystem to avoid remaining a mere testing ground.



At its core, global technological competition is no longer played out solely between nations, but between models. The West invents, Asia industrializes, and certain territories like Taiwan become critical links without which no system can function.

In this unstable equilibrium, one thing is certain: global technological power has shifted eastward. But it remains deeply interdependent. And that may be where both its greatest strength and its principal vulnerability lie.

Jean-Raphaël Peytregnet

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Pierre Haski
Journalist

Asian news

Géopolitique, a podcast offering a perspective on international affairs.

By Pierre Haski sur France Inter

April 16 - What if China were to emerge as the winner of the war in Iran?

Even though a blockade of the Strait of Hormuz could cut China off from Iranian oil, Beijing has the assets to emerge stronger from this turbulent period, starting with the opportunity to reinforce its image as a responsible power in contrast to Donald Trump's erratic and unpredictable behavior.

◉ [Listen to the podcast](#)

May 4 – What the Taiwanese president's visit to the African kingdom of Eswatini reveals.

China did everything in its power to prevent the Taiwanese president's visit to the Kingdom of Eswatini, the last African country to recognize Taiwan, but the visit went ahead in the end. China's strategy toward the island claimed by Beijing raises questions.

◉ [Listen to the podcast](#)

Pierre Haski

French journalist, former correspondent in South Africa, the Middle East, and China for Agence France Presse (AFP) and then for the newspaper Libération, co-founder of the news website Rue89, Pierre HASKI has been president of Reporters Without Borders since 2017. Since 2018, he has been providing insight into international politics through his morning show "Géopolitique" broadcast on France Inter.



Emmanuel Lincot

Professor at Institut catholique of Paris and
Research Director at IRIS

Interview Nouveaux Regards

From history to current tensions: *China-India, the war of the worlds.*

Interviewed by Jean-Raphaël Peytregnet

Jean-Raphaël Peytregnet: You have just published a reflective work bringing China and India into relation or into parallel, in the relations they maintain with each other, sometimes agreeing and sometimes opposing one another, these two great powers in Asia. First of all, why this subtitle "*The War of the Worlds*"?

Did you draw inspiration from the famous science-fiction novel written by H. G. Wells describing a world subjected to the attack of technologically superior powers, embodying a new imperialism (I am thinking in particular of China), a possible source of concern for the West? This subtitle also evokes a conflict between civilizations, between cultures and deep identities (here Chinese vs. Indian), to take up the thesis of the American professor Samuel P. Huntington (1927–2008).

Emmanuel Lincot: It was my publisher Jean-François Colosimo who chose this title. It is a fitting one, I believe, and if it indeed evokes Wells or Huntington, it is because it resonates with very current concerns. The authoritarian drift of the Indian government is one of them. That of China is more widely known. However, the idea of a war between two civilizations is not the intention of the book. Because in reality, were it not for Buddhism, which partly structured exchanges between India and China, the elites of both

countries were rather indifferent to their respective trajectories. Only Liang Shuming [1] or Rabindranath Tagore (1861–1941) showed a sincere interest, the former in Buddhism and its origins as a religion of salvation for China, the latter from Calcutta where, after receiving the Nobel Prize in 1913, he became one of the great figures of Pan-Asianism.

On the political and then strategic level, it was only much later that the two countries were brought to know each other better. On the one hand because the Chinese invasion of Tibet made it a neighbor of India, against which it went to war in 1962, seizing the territory of Aksai Chin that New Delhi still claims today. On the other hand because of the ideological convictions shared by the two states [2], whether regarding the Third World, whose leadership they contest, or their shared fascination for Russia.

It remains the foundational reference for both of these powers in the field of their partnership linked to armaments. One of the theses of this book is to say that the gap, demographic in particular, will widen between the two countries and that their rivalries will grow.

Geographical determinism obliges: they do not share the same vision of the world.



Despite this gap, many sites of memory refer them back to a shared history. And it is this history that I have recounted, knowing that, as curious as it may seem, there was no book linking both the geopolitical and cultural aspects of relations between the two countries.

This is now done, and we can say that this work forms a trilogy with successively *China and the Lands of Islam: A Millennium of Geopolitics*, and *The Very Great Game: Beijing Facing Central Asia* [3]. These geographical realities, their comparison and their stakes, are most often ignored in Europe. Yet they engage our future.

In the first chapter of your book, *Political mythologies, cultural and heritage issues*, it emerges very clearly, as I had myself observed, that India—particularly through Buddhism—strongly influenced China on the level of ideas, whereas conversely this does not seem to be the case, except materially via the Silk Roads, although the Indian kingdoms of the time already knew how to produce plant-based silk. Did you yourself reach this conclusion? And if so, how do you explain it?

There is clearly an asymmetry in Sino-Indian perceptions. India's spiritual heritage had a much greater influence on China than the reverse. And this since the Han period (206 BC – AD), which is also that of the great thinker Nāgārjuna (around 2nd–3rd century) on the emptiness of things, until the end of the Tang dynasty (618–907).

This long period forms an episteme where the Indian reference for China becomes both a source of inspiration and of rejection. The Confucian reaction under the Song dynasty (10th century), followed by the Turco-Muslim invasions from Central Asia, marginalizes Buddhism both in India and in China. Nevertheless, the memory of the great figures who contributed to its spread (e.g. Bodhidharma / Damo, Xuanzang) remains.

Buddhism would finally experience a new revival through contact with Tibet and through the intermediary of the Mongol and then Manchu empires, which would see it as a unifying element in consolidating their imperial hold.

In return, a prestige is attributed to Indian civilization, even a precedence recognized by Chinese historiography until the beginning of the 20th century. It must be said that the latter is largely inspired by the European orientalist assumptions of the time. They confer on India a more eminent status than that then attributed to China. The discovery of the site of Anyang [4] about a century ago in Henan province, with its earliest writings, allowed China to raise its own

prestige and gain chronological depth. As shown in her lectures at the Collège de France by Anne Cheng, this race for the most ancient civilizational chronology is an obsession of China and its regime.

However, and you are right, the cultural influence of China in India seems to have stopped at the Himalayan barrier. On the other hand, interactions between China and its periphery are evident in regions that geographers call "Outer India," that is, the Indochinese peninsula, with which maritime exchanges were numerous.

The tributary relations between Indochinese kingdoms and the Chinese empire also explain the persistence of these relations over the long term.

You explain very well and in great detail, both culturally, historically, and geopolitically, in *China-India: The War of the Worlds*, this rivalry between these two continents each populated by more than a billion inhabitants. This mutual mistrust is notably fueled by the Sino-Indian war of 1962, unresolved territorial disputes (Aksai Chin, Arunachal Pradesh), and a border that is still not clearly defined (the Line of Actual Control). Do you think, in your reflection that led you to write this book, that Beijing and New Delhi will one day manage to overcome this foundational conflict with multiple causes still unresolved? Are you rather optimistic or pessimistic on this subject?

Weapons can speak. They have already spoken in relatively limited clashes. At Doklam, in Ladakh... But there is a legacy that foreshadows the worst for the future, and which you rightly recall: the border dispute on the one hand, China's claim over Arunachal Pradesh on the other, disputes related to control of rivers—particularly the Brahmaputra, which Chinese authorities wish to divert—, the far from anecdotal issue of the succession of the current Dalai Lama, in exile in India since 1959, and finally competing transcontinental connectivity projects (Belt and Road Initiative, BRI, on one side, India Middle East European Corridor on the other), which are accompanied by fundamentally antagonistic strategic relationships.

One thinks of the Indo-Pacific or of India's order of around one hundred French Rafale fighter jets, not to mention the historical rivalry opposing it to one of China's closest regional partners, Pakistan. So, to summarize, economic relations will develop (if only because the Indian market cannot leave Chinese entrepreneurs indifferent), each of these powers will try to reaffirm its ideological opposition to the West, through BRICS or the Shanghai Cooperation Organization, but their rivalries are systemic and struggles for



influence are beginning to take place in Central Asia or Kashmir through proxy actors, with a clear advantage for India compared to China.

It is a power opened up by its access to the ocean, and which Europeans hope to use as a counterweight to China. The context is therefore favorable to it. Its time has come, and this is probably not good news for Beijing.

As you mention, China and India are both members of BRICS, cooperate on certain issues (trade, climate, for example), but are also competing in terms of their respective influence in Asia and leadership of the “Global South.” Can the rise of these two Asian giants be peaceful, in your view, or will it inevitably lead them, due to lack of space and opposing interests in this geostrategic space vital both for themselves and for the West, to confront each other in a deadly conflict?

In continuity with what has just been said, the intensification of economic exchanges and membership in the same multilateral frameworks cannot suffice to ease tensions. Paradoxically, the proximity each maintains with Moscow should make us think that in this trilateral relationship, Russia has a balancing role between Beijing and New Delhi that is far more credible and longstanding than that of Brussels or Washington. Does Moscow still have the means to do so?

Less and less, it is true. To avoid the worst, a third party must be able to exert influence. We do not yet see it emerging today. What is certain, however, is that the nodal region of the current and future Sino-Indian confrontation is Tibet and more broadly the Himalayas, a true “new Central Asia,” as I describe it in the book.

One can also already see an indirect geostrategic confrontation, with China developing new Silk Roads that India may perceive as a form of strategic encirclement (the “string of pearls” strategy), but also a visible rivalry on both sides in the Indian Ocean and in South Asia. From this point of view, can we speak of an “Asian Cold War” currently being waged by Beijing and New Delhi?

It is clear that from the Indian point of view, China is a structural threat. 1962 and India’s defeat against China remain in memory. In a more tangible way, the Chinese threat is perceived as such in the north (Tibet), in the west (Pakistan), in the east (Myanmar, Bangladesh), in the south (Sri Lanka)... all relay points of Chinese power that reinforce New Delhi’s feeling of encirclement.

For now, India cultivates this multi-alignment, which it values greatly to distinguish itself from Western powers and thus not alienate the Global South. But for how much longer? India will be faced with difficult choices. Can it play both the

Russian and European cards at the same time without encountering contradictions?

Do two incompatible visions of the world oppose these two great Asian powers, if we take into account their political models—centralized authoritarian for China, democratic pluralist for India? In other words, do their cultural and especially political differences make a clash inevitable?

You are right to emphasize the difference between the nature of their political systems. What is generally called the question of values, and what I would call the representation of each of their cultures. Diversity is at the heart of Indian representations. Moreover, Europeans were not mistaken: they long spoke of “the Indies,” while they definitively use “China” in the singular.

However, both of these countries share an imperial culture. It explains many things in the irredentist claims of their leaders. Each of these civilizations also aspires to become a nation-state, either through the sinicization of its margins for one, or through the construction of an ethnic and religious democracy, as defined by the political scientist and Indianist Christophe Jaffrelot, for the other.

We observe, as you yourself point out, attempts at diversification by India (as in the case of other countries) in response to dependence on China, particularly toward the United States and the European Union. Trade between Beijing and New Delhi is significant but unbalanced, with an Indian trade deficit exceeding 100 billion dollars. There is also growing technological mistrust between them. Would you say that globalization brings these two global powers closer together or sets them against each other? Can you illustrate your answer with concrete examples?

India’s diversification of partners accelerated from 1991 and the fall of the USSR. In this context, it adopted the Look East policy toward ASEAN countries, then in 2014 under Narendra Modi, its counterpart, the Look West policy. It was then brought to encounter its Chinese competitor. The case of Iran is particularly significant in this regard. Coveted by both China and India for its oil resources, Iran is a major key piece for China in its Belt and Road Initiative, just as it is for India in the survival of its North-South International Corridor linking India to Russia via Iran. Let us also note that India is one of the few states in the world not to have joined the Belt and Road Initiative, taking major measures such as banning TikTok on its territory.

This mistrust toward China goes hand in hand for India with fierce competition in the aerospace sector. India and the



European Union have also signed a free trade agreement and confirm their desire for rapprochement.

With the United States, rapprochement is far less obvious. Among Indian military and diplomats, there is a clear mistrust toward Washington, which is not seen as a reliable partner. Let us recall that during the Cold War, the United States favored Pakistan over India, which was aligned with the former Soviet Union. The recent admonitions of Donald Trump threatening 50% tariffs on Indian imports have reinforced this mistrust. As Heraclitus wrote, “the opposite cooperates.” In other words, these power relations constitute an opportunity for Europeans.

Finally, one last question which seems central to me: in your view, will China and India be led to cooperate as two pillars of the multipolar world, or to confront each other durably in a race for dominance of the Asian space?

We are not heading toward cooperation. A revealing example is the fight against global warming and the melting of glaciers in the Himalayas. Millions of people will be affected by these upheavals. Yet neither New Delhi nor Beijing shows signs of a willingness to cooperate. While China is truly giving itself the means to achieve real eco-sustainability, India is not concerned with environmental issues or pollution.

From a theoretical point of view, both of these powers consider that the current international system is no longer representative of the emergence of countries which in 1945 had little weight, simply because they were still governed by colonial powers. Beijing and New Delhi are also sensitive to the de-dollarization of the global economic system.

Thus, India buys Russian hydrocarbons in rupees, while China buys Iranian oil or Brazilian soybeans in yuan. What does this mean? Each of these powers continually reaffirms its sovereignty. Globalization will continue to exist but in silos and in a more fragmented way. In short, in Asia, and between these two powers, there will be only one bed for two dreams...

[1] Liang Shuming (1893–1968) was a 20th-century Chinese Neo-Confucian philosopher (who incorporated Buddhist thought), educator, and social reformer. A leading figure in the Confucian revival, he sought to demonstrate the relevance of Chinese tradition in the face of the political and cultural upheavals of modern China.

[2] PUF, 2021, 348 pages.

[3] Éditions du Cerf, 2025, 275 pages.

[4] Site of one of the last capitals of the pre-imperial Shang dynasty (c. 1300–1046 BCE).

Emmanuel Lincot

Emmanuel Lincot is a professor at the Institut Catholique de Paris and a sinologist. He is also a research director at IRIS. He advises the highest levels of the French state and organizes study trips of a geopolitical and cultural nature in these regions.



CHEN Yo-Jung
Former French diplomat



Analysis Nouveaux Regards

Japan-USA: a summit like no other.

By CHEN Yo-Jung

Ms. Sanae Takaichi, Japan's new head of government, made a highly noticed official visit to Washington on March 19th as the first leader of a G7 country to meet President Donald Trump following the opening of hostilities launched by the latter against Iran.

A butterfly fluttering toward a lit candle

The visit was originally set within a normal bilateral context aimed at reconfirming the Japan-US alliance following Ms. Takaichi's arrival at the head of the Japanese government last November. Since the end of the war, such a visit constitutes an unavoidable ritual for any new Japanese leader.

Beyond the confirmation of the sacred alliance between the two countries, the Prime Minister's program included cooperation projects and Japanese investments totaling 550 billion dollars to which Tokyo had committed itself last year vis-à-vis Washington within the framework of tariff negotiations, including the launch of cooperation in the field of shipbuilding and more specifically in the sector of critical materials, including rare earths. Added to this was Trump's cherished project of Japan purchasing Alaskan oil. Furthermore, faced with a worrying deterioration in its relations with its large neighbor following remarks made last November by Ms. Takaichi on Taiwan, the Japanese side hoped to use this visit to consult with its main American ally on a common position vis-à-vis China ahead of

President Trump's postponed visit to Beijing on May 14 and 15, 2026.

However, the nature of the visit took an unexpected turn following the hostilities opened by America and Israel against Iran on February 28, barely two weeks before Ms. Takaichi's departure for Washington. This war of aggression, with its grave repercussions for the entire world and above all for Japan, whose 93% of energy resource imports pass through the Strait of Hormuz, threatened to completely change the stakes of the visit.

In particular, Trump's demand addressed to his allies, including Europeans and Japan, to take part in a military operation to unblock the Strait of Hormuz, placed Tokyo before a trilemma: between its strategic loyalty toward America, its obligation to maintain good relations with oil-producing countries in the Middle East including Iran, and above all its legal obligation, under Article 9 of its "pacifist" Constitution, to abstain from any armed action, notably in an ongoing international conflict.

On the eve of Ms. Takaichi's visit, Trump was still nursing a dark anger toward NATO allies who had all refused to take upon themselves the task of securing maritime traffic in the Strait of Hormuz, rather than leaving this responsibility primarily to the United States. Considering the irascible behavior of the White House occupant, Japanese public opinion was convinced that its Prime



Minister, like a butterfly fluttering toward a lit candle, was going to singe her wings by being unable to give her consent to the deployment of the Japanese Self-Defense Forces (JSDF) in the Strait of Hormuz, at the risk of violating the archipelago's Constitution [4].

It should be recalled that Japan has already been obliged on several occasions in the past to lend its support to "American wars" in various non-combat forms, at the limit of its constitutional constraints: a massive financial contribution of 13 billion dollars to the Gulf War in 1990, maritime refueling of American ships during the war in Afghanistan in 2002, construction of infrastructure in Iraq by the JSDF from 2003 to 2009. In the case of Iraq, Tokyo had to promulgate a new special law to allow its Self-Defense Forces to leave national territory in order to build hospitals and roads in Iraq, but only on the condition that this be far from the theaters of military operations.

An unexpected success through embraces and flattery

To general surprise, viewed from the Japanese side, the March 19th meeting at the White House between Ms. Takaichi and her American host proved, in the end, a clear success.

According to some Japanese observers, the Japanese Prime Minister managed to escape miraculously, without having to submit to Trump's pressure. The surprise was all the greater as Donald Trump seemed, without losing his temper as is customary, to have come around to the arguments of his interlocutor, who patiently and in detail explained to him "what Japan could and could not do within the country's legal framework."

This fact alone led all political observers in Japan, including journalist Kenji Minemura of the daily Sankei Shimbun (a specialist in Chinese political issues, Asian security and geopolitics), to award this Japan-US summit a score of 95/100 in favor of Sanae Takaichi.

With the thorny question of Japan's involvement in the Strait of Hormuz thus set aside (pending Trump changing his mind, which he seems to have done on April 6 by complaining again that Japan "does nothing to help us"), the Japanese side was able to address with the American president the subjects previously set on the agenda. For Japanese public opinion, which had in mind the stormy discussions at the White House between its occupant and leaders of other countries, this smooth conduct of the talks constituted in itself a success to be credited to Ms. Takaichi.

According to Japanese participants in this discussion, Trump seemed to appreciate in particular the Japanese offer to purchase

Alaskan oil as well as the package of Japanese energy and industrial projects within the framework of the Japan-US agreement (estimated at 550 billion dollars in total), covering for the second tranche an amount of 73 billion dollars, focused on the development of small modular nuclear reactors (40 billion dollars) and natural gas power plants (33 billion dollars) spread across several sites (Tennessee and Alabama for the reactors, Pennsylvania and Texas for the power plants). It seemed to them that the American president, isolated from his traditional European allies, wanted to make Japan a model partner distinguishing itself "from those ungrateful NATO members." This would explain his restraint in exerting too much pressure on the Japanese leader.

But the success achieved by Ms. Takaichi was not without its controversies.

Controversy 1: A diplomacy of flattery deemed excessive.

This unexpected success was attributed to a sense of flattery, described as "personal charm" on the part of the Japanese leader by the *New York Times*, but judged crude, shameful and obsequious by many of her fellow citizens. Liberal-leaning dailies, foremost among them the Asahi Shimbun, criticized the "lack of dignity" on the part of a head of government.

Even if 69% of Japanese applauded their Prime Minister for having managed to navigate what was a priori a difficult summit with a feared interlocutor, a significant portion of Japanese public opinion expressed irritation and embarrassment at seeing their leader behave "like a bar hostess striving to please the customer in a complete absence of the dignity that in principle befits a head of government": more embraces and hugs than usual, exaggerated praise, uninhibited dancing at the official dinner, complicity with her host in ridiculing former President Joe Biden, and so on.

Speaking on a YouTube program, Hama Noriko, economist and university professor known for her critical analyses of contemporary Japanese economic policy, said she was overwhelmed with shame to see her Prime Minister display before the entire world such a lack of restraint and dignity. For his part, Tanaka Hitoshi, former senior diplomat and now international relations analyst specializing in Asian diplomacy, questioned whether it was normal for the leader of a sovereign country to rely on her "feminine charm" to negotiate with the American president.

In a country where 80% oppose Trump's "illegal war" against Iran, Ms. Takaichi's flattery shocked many of her fellow citizens, particularly when she declared, with a straight face, to the man who had just launched a war against Iran: "Donald,



you are the only person capable of bringing peace and prosperity to the world and I am here to support you in this endeavor." For Saruta Sayo, president of the think tank *"New Diplomacy Initiative,"* this *"ignominious"* declaration of support for a war deemed illegal from every standpoint, even if intended to flatter a difficult interlocutor, could well risk one day turning like a boomerang against Japan.

Despite all these negative reactions provoked by what Valérie Niquet, an expert on strategic issues in Asia, calls "the art of the hug" of Ms. Takaichi, the majority of political commentators in Japan are rather of the opinion that the visit was a great overall success.

They agree in estimating that Ms. Takaichi's flattery, however annoying and humiliating it may be, was the only possible recourse for a country like Japan to disarm an interlocutor as difficult as Trump and thus guarantee its national interests. Agreeing with Kenji Minemura cited above, political journalist Iwata Akiko particularly appreciates the fact that the Japanese leader very successfully pulled off the diplomatic acrobatics of "saying no to Trump without having to utter the word no." For his part, Sato Yu, former diplomat and widely known geopolitics essayist, admires the way Ms. Takaichi adroitly sidestepped President Trump's wrath "by opposing him with a 'no' (on the immediate deployment of Japanese armed forces) without however excluding the possibility of a 'yes' in the future."

Controversy 2: Did someone say "Pearl Harbor"?

The Japan-US summit of March 19 was marked by a brief remark, deemed out of place toward Japan, let slip by President Trump during the press conference.

When asked by a Japanese journalist why he had not warned his allies before launching attacks against Iran, the American president replied: "Who knows better about surprise than Japan? Ok? Why didn't you tell me about Pearl Harbor? Ok? Right?" This response was seen by Western media as potentially embarrassing for Tokyo, especially in a context supposedly aimed at reinforcing the American-Japanese alliance, even if delivered in the ironic and customarily joking tone that distinguishes Trump.

But the reaction of Japanese media and commentators to the American head of state's remark was globally more measured and cautious than in part of the Western press, with several important nuances however.

Major Japanese media outlets such as NHK, Asahi Shimbun and Yomiuri Shimbun mostly reported Trump's "unfortunate" remark factually, avoiding strong emotional judgments in their headlines and instead emphasizing the overall

diplomatic context of the visit, namely security and the US-Japan alliance.

International relations specialists generally stressed that Trump often used simplified historical references to speak about military strategy, that what mattered diplomatically was US-Japan cooperation and not the remark itself, and that the official Japanese reaction had to remain neutral to avoid any unnecessary friction.

In short, in Japan, the reaction was above all cautious, factual and diplomatic, with a degree of discomfort but without any major controversy, in contrast to certain more critical readings in the Western press.

It was moreover not the first time Trump had engaged in such an exercise. Already in 2018, Trump reportedly said to his interlocutor at the time, Shinzo Abe: "I remember Pearl Harbor," in the context of a tense discussion on trade and the American deficit.

A portion of Japanese commentators, including former diplomats and editorial writers, was however more critical of the Prime Minister, judging that the failure to react to such remarks (even if she showed a degree of discomfort on screen) could give an impression of imbalance in the bilateral relationship. Some even spoke of a posture deemed too "passive" in the face of a remark perceived as out of place.

Others did not fail to draw the contrast with Chancellor Merz, who had managed to put Donald Trump in his place when the latter evoked Germany's Nazi past before him during the anniversary of D-Day on June 6, 2025. Critics from the media, including the TV Asahi channel, were nonetheless obliged to admit at the same time that in such circumstances the Prime Minister's regrettable silence was inevitable given the importance of prioritizing a cordial relationship with the current occupant of the White House.

Furthermore, a portion of opinion expressed on social networks placed the blame rather on the Japanese journalist whose question had led Trump to make this clumsy response.

The contrast between the phlegmatic reactions of the Japanese and the outcries of the foreign press can be explained by different cultural codes, diplomatic priorities and media systems.

Japanese society traditionally attaches itself to "wa" (和), the spirit of harmony and restraint, which leads to avoiding overly direct and vehement reactions, especially when it concerns the United States, Japan's major ally, protector and in some sense overlord since the end of the Second World War. Openly contesting a superior authority, in this case Washington, is simply something that is not done in Japan, especially at the official level.



Pragmatism is an old tradition in Japan. This pragmatism led it in 1868 to pass overnight from the status of a feudal country to that of a modern imperial power. It allowed it in 1945 to welcome without any resistance the military occupation of the former American enemy. Today, this pragmatism leads the Japanese to weigh on one hand the advantage of an emotional and confrontational reaction to Trump's brief remark, at the risk of alienating him, against on the other hand the benefits of maintaining a cordial relationship with the American strongman. The choice appears obvious.

Even if they may have been embarrassed by the American president's tasteless "joke," the majority of Japanese find even more embarrassing the obsequiously flattering behavior of their own Prime Minister before the White House occupant. Economist Hama Noriko, for example, says she is more offended by the inelegance of Ms. Takaichi's flattery than by the all things considered stupid joke of an equally inelegant American leader.

For many young Japanese, the Second World War and the controversy of the surprise attack on Pearl Harbor are now nothing more than a distant memory. They are part of that unfortunate history of their ancestors with which they no longer identify. There is even a not insignificant proportion of young people who are unaware that their country was once at war with America. Asking them to express indignation at Trump's dubious Pearl Harbor joke is therefore a long stretch.

Controversy 3: What about Article 9 of the Constitution?

It became evident that the most precious gain collected by Sanae Takaichi at this Japan-US summit was her success in dodging the American president's pressure for Japan's entry into the war against Iran. She owes this success to Article 9 of Japan's "pacifist" Constitution, which the Prime Minister managed to make her American interlocutor understand, who declared after the meeting: "I understand that Japan has its own particular constraints." In Japan, several commentators went so far as to say that Ms. Takaichi had "saved her skin thanks to Article 9."

This is not without irony when one knows that the Prime Minister, an ultra-nationalist and advocate of Japanese rearmament, is precisely known for her hostility toward that very Article 9. She heads a party that has always called (unsuccessfully until now) for the revision of the "pacifist" Japanese Constitution imposed 80 years ago by the American occupation forces. The LDP (the ruling party) has always wanted to modify, if not completely eliminate, Article 9 so that Japan could formally equip itself with a military power daring to take the name of "army" instead of "Japanese Self-Defense Forces," and which could

legally participate in conflicts beyond its borders such as the one currently being waged by the United States with Iran.

There has been since the end of the Second World War a national debate in Japan between, on one hand, liberals who defend the pacifism made possible by Article 9 and, on the other, nationalists who wish to be rid of it and thus eliminate the legal ambiguity deemed troublesome for the country's national defense.

Upon Ms. Takaichi's return to Japan, this debate resumed with renewed vigor.

Liberal and pacifist forces, represented by media such as the daily Asahi Shimbun, are satisfied that Article 9 allowed Japan to avoid being drawn into a war they consider undesirable. As for the nationalists, they reproach this article of the Constitution for having, once again, prevented the archipelago from honoring its obligations as a faithful ally of the United States, which in their eyes constitutes yet another dishonorable stain on the country.

Traditionally, a majority of Japanese favor the maintenance of Article 9, which has allowed Japan until now to be one of the rare countries in the world never to have fired a single shot in any conflict for 80 years. But this feeling seems to be evolving in recent years following the rise in the perceived Chinese and North Korean threat and the progression of xenophobic sentiment within Japanese society.

In this context, Ms. Takaichi, who now commands an absolute majority in the lower house (House of Representatives) of the Diet (316 seats out of 465), seems well on her way to achieving what none of her predecessors was able to do: launching the long and difficult process toward a very first amendment of the Constitution in the history of this country.

Conclusion

The holding of a Japan-US summit is such a commonplace routine that it generally only interests Japanese public opinion alone, with very few reactions in the American or international press.

The most recent one, on March 19, 2026, between Sanae Takaichi and Donald Trump, contrary to its predecessors, attracted international attention, in a particular geopolitical context, due to a brief remark by the White House chief and the absence of reaction from his Japanese interlocutor, who was more inclined to show deference toward her host.

While the two parties concluded mutually beneficial agreements on industrial cooperation, investment and defense matters, the attention



paid on both sides to the American verbal slip and to the excessively polite Japanese conduct led to reflections on the cultural differences and sensitivities between Japanese and Westerners.

One learns notably from this Japan-US summit that a misplaced remark about Japan that causes the Western press to cry scandal leaves the Japanese, by contrast, unmoved. And one observes that the Japanese Prime Minister's excess of flattery toward her American host is appreciated as "personal charm" on her part by the *New York Times*, while it irritates Japanese public opinion, which finds it by contrast "vulgar" and "undignified."

So, to each their own culture and way of interpreting things.

[1] See *In Japan, a woman at the helm! – So what?, Nouveaux Regards sur l'Asie*, March 2026.

[2] Since 2019, following U.S. sanctions against Iran, Japan is no longer directly dependent on the country for its oil and gas imports. However, it remains strongly indirectly dependent on Tehran, as approximately 95% of its oil comes from the Middle East and transits through strategic areas influenced by Iran, such as the Strait of Hormuz.

[3] Article 9. Sincerely aspiring to an international peace based on justice and order, the Japanese people forever renounce war as a sovereign right of the nation, as well as the threat or use of force as a means of settling international disputes. In order to accomplish the aim of the preceding paragraph, land, sea, and air forces, as well as any other war potential, will never be maintained. The right of belligerency of the state will not be recognized.

[4] The Japan Self-Defense Forces constitute a modern military, but are legally restricted by the Constitution of Japan to the defense of the national territory, reflecting the post-war pacifist framework.

CHEN Yo-Jung

Born in Taiwan in 1947, CHEN Yo-Jung grew up in Vietnam and Hong Kong. He completed his higher education in Japan and then served for 23 years at the French Embassy in Tokyo as press attaché and translator interpreter. Naturalized as a French citizen in 1981, Chen Yo-Jung became a permanent civil servant at the Quai d'Orsay in 1994. He served as deputy consul/press advisor in several French diplomatic and consular posts, including Tokyo, Los Angeles, San Francisco, Singapore, and Beijing, before retiring to Japan in 2012.



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Analysis Nouveaux Regards

Work and conservatism in Japan.

By Bernard Thomann

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According to the Japanese prime minister, the Japanese must work ever more. This productivist discourse must be placed within the long history of Japanese conservatism and its relationship with liberalism.

Sanae Takaichi, the first woman to become head of government in Japan, came to power in October 2025 with an ambitious budgetary stimulus: a plan of 21,300 billion yen (136 billion euros) was launched as early as November 2025, and key sectors were identified to be funded.

Cultivating a voluntarist message, her arrival was marked by a shocking tirade delivered just after her election to the presidency of the Liberal Democratic Party (LDP): *"We are few, everyone must work, work like draft horses. I myself give up the idea of a balance between professional and private life. I will just work, work, work, work, work!"*

Moreover, she allowed herself wordplays that seemed to mock the main reform of recent years aimed at reducing long working hours and promoting greater equality in professional relations. The name "Atarashī hataraki-kata

kaikaku" (reform of new ways of working) was thus replaced by "Hatarakitai kaikaku" ("reform of those who want to work").

Working more, but for what salary?

These statements, widely relayed by Japanese and foreign media, break with most recent political discourses – including conservative ones – which seemed to have acknowledged the cost of productivism on workers' health. The claimed abandonment of work-life balance appears out of step with the regularly expressed need to change professional practices to promote greater equality of opportunity for women in employment.

If these remarks have generated a certain level of support, it is because they resonate with the ethos of sacrifice through work, a moral value that Japanese companies and conservative politicians have always played on.

However, on the other hand, they have also raised questions, even concerns, regarding the future of policies aimed at promoting women's work and protecting occupational health.



If Takaichi's tone is striking, one should not exaggerate the rupture it would represent compared to the policies pursued over the past three decades by successive Liberal Democratic Party (LDP) governments, marked by wage stagnation and the growing precariousness of an increasingly large share of the salaried population. Around 37% of salaried workers are now in non-regular statuses, not counting the growing number of self-employed platform workers.

En effet, depuis son arrivée au pouvoir, aucun objectif de hausse du salaire minimum n'a été annoncé, alors que celui-ci reste bien inférieur à celui des autres pays. À titre d'exemple, le salaire minimum horaire à Tokyo est de 1 226 yens, soit environ 6,7 euros.

Indeed, since coming to power, no objective of increasing the minimum wage has been announced, even though it remains well below that of other countries. For example, the hourly minimum wage in Tokyo is 1,226 yen, or about 6.7 euros. As for wage increases within companies, the government mainly relies on appeals to employers' goodwill, which leads some commentators to claim that companies can simply ignore these appeals. Takaichi also adopts rhetoric inspired by Donald Trump, with the creation of a special office within the Cabinet Secretariat (Naikaku Kanbō) tasked with tracking down "wasteful spending."

The government has thus set up a department of about thirty people to identify and eliminate such spending, in a style clearly inspired by the American "DOGE," under the name "review for waste reduction" (Muda sakugen rebyū).

For Takaichi, who remains silent on the distribution of profits between shareholders and workers, it is above all the increase in the volume of work that must enable wage growth. A February 2026 editorial entitled "The electoral debate ignores the true meaning of the reform of new ways of working," published by the national daily Mainichi, concluded: "The idea that working long hours would solve labor shortages is a simplistic approach that will do nothing to stimulate productivity or curb the decline in the birth rate. Political leaders must show wisdom to protect workers while instilling new vitality into Japanese economic and social life."

The neoliberal trajectory of Japanese neo-nationalist conservatism

Labor market reforms carried out over the past twenty years – including those advocated by Sanae Takaichi – can be interpreted as "neoliberal," insofar as they challenge the social compromises established after the Second World War in the name of a return to market mechanisms. These social compromises, concluded in the postwar years by LDP governments, were based on the idea that the country's accelerated industrialization required a social policy aimed at improving living standards, ensuring social reproduction, and integrating an increasingly numerous salaried population into the dominant political order.

With the end of the Cold War and the disappearance of the communist threat, the weakening of trade unionism, the absence of major health threats, and the hegemony of consumerist values, LDP governments felt less and less need to take into account the specific interests of employees. However, has the entire party truly converted to "neoliberalism," or does a critique of the evolution of Japanese capitalism exist within the main conservative party?

Sanae Takaichi, like Shinzō Abe, can be associated with a conservatism aimed at restoring national power through economic growth and a revision of the postwar pacifist constitution, while displaying hostility toward social movements, deemed subversive, inherited from marked anti-communism. This conservatism, present since the creation of the LDP in 1955 and whose most emblematic recent figures were Jun'ichi Koizumi and Shinzō Abe, has largely merged into a program of neoliberal deregulation.

If until the 1980s the economy as a whole had experienced Fordist growth, where rising wages and consumption reinforced each other, and a certain social compromise had been established, after the bursting of the bubble in the early 1990s, this dynamic faded. The reforms of the Japanese socio-economic system that followed culminated during Jun'ichirō Koizumi's term (2001–2006). He notably privatized the Post Office, targeting the immense postal savings system that had the power to direct industrial and regional planning policy, while contributing to financing the LDP [1].

At the same time, following the banking crisis of the early 1990s, companies needed greater recourse to direct financing and to attract foreign capital by offering higher dividends and reducing labor costs. Japanese capitalism then seemed to converge toward "Anglo-Saxon" capitalism [2].

The neoliberal Keynesianism of the "three arrows" of "Abenomics"?



Shinzō Abe's economic policy, Koizumi's designated successor, may have seemed to take a slightly different path from "neoliberalism." Yet the Keynesian inspiration of "Abenomics" was limited to monetary easing and fiscal stimulus measures. The "third arrow," for its part, continued the structural reforms of the 2010s, centered on labor market deregulation inspired by "neoliberalism." It was during this period that the most emblematic reforms of labor market deregulation were adopted. For example, in 2013, a reform of the labor contracts law extended the maximum duration of fixed-term contracts from three to five years, facilitating their renewal without obligation of conversion into permanent contracts.

In 2015, a reform of the temporary work law expanded the sectors allowed to use temporary work (*haken*), notably in construction, health, and services, and removed duration limits for temporary contracts in some cases, allowing indefinite use of this workforce.

These measures largely contributed to increasing the share of non-regular – and thus precarious – workers in the labor force. Yet this desire to deregulate the labor market was accompanied by an attempt to correct its hierarchical character, where women and non-regular workers were traditionally considered adjustment variables serving the stability of regular employees. Thus, the "Act on Promotion of Women's Participation and Advancement in the Workplace" (2015) (*Josei katsuyaku suishin hō*) obliges companies to publish plans to promote female employment.

But it was above all the laws related to the "reform of new ways of working" (2019) (*Hatarakikata kaikaku kanren hō*) that addressed this dual hierarchical character of the labor market. Companies were thus required to grant non-regular employees access to health and pension insurance, previously reserved for regular employees.

However, the objective of these reforms was as much to liberalize and fluidify a labor market structured by postwar social compromises with regular workers' unions as to grant more social rights to all workers. The ambiguous nature of these reforms is visible in the fact that encouraging the hiring of women was not accompanied by limits on the use of non-regular or part-time employment.

Some measures, such as the working time system for highly skilled professionals, could even further deregulate certain protections against *karōshi*, death from overwork, as

warned by the largest trade union confederation, Rengō [3].

The introduction of the principle "equal pay for equal work," which obliges companies to reduce unjustified gaps in pay and social protection between permanent and non-permanent employees, moved toward normalizing fixed-term contracts [4]. However, the sectors most reliant on non-regular workers have been slow to implement it [5].

The arrival in power of Takaichi, an affirmed successor to Shinzō Abe, might give the impression of simple continuity in LDP policies. Yet, if one examines the term of Fumio Kishida (2021–2024), one can perceive the persistence of another, more social line within Japanese conservatism.

Kishida's aborted "new capitalism"

Just after the Covid-19 pandemic, faced with the social damage it caused among the most precarious groups, but also with the disappointing results of "Abenomics" [6], Fumio Kishida campaigned against Takaichi for the LDP presidency to access the post of Prime Minister. This campaign took place in a context of renewed criticism of labor market deregulation reforms carried out since the 1980s. The monthly *Sekai* thus published a long op-ed by a "Network for the Right to Existence against Coronavirus," bringing together unions, NGOs, intellectuals, and journalists, asserting that the welfare state should be reinvented by recovering the spirit of the "right to existence" (*seizonken*) of the postwar Constitution [7].

Kishida won the LDP presidential election against Sanae Takaichi by relying on a discourse critical of what Japanese capitalism was becoming. During the campaign, he highlighted, in his programmatic book "Kishida Vision," a "new plan to double incomes," referring to the high-growth policy led by Hayato Ikeda in the 1960s.

This policy was part of an ambitious project centered on reflection on a "new capitalism," conducted within a council created upon his arrival in power (2021–2024). His ambition was to bring back a genuine income policy, but also to correct the excesses of financial capitalism by limiting dividend distribution to shareholders.

From the 2010s onward, Japanese economists such as Takehito Hara or Satoshi Fuji had updated a critique of "Anglo-Saxon" capitalism. This critique was already widespread among unions and certain heterodox economists, in opposition to the majority of economists trained in the United States and gravitating around financial circles, who had sometimes been directly involved in "neoliberal" reforms [8].



But what distinguished Hara and Fuji is that they were later appointed advisers to the Kishida government. In addition to questioning the idea of public debt dangerous for the country, the need to increase the consumption tax, and the idea that globalism would save Japan, they accused the progressive conversion of Japanese capitalism to financial capitalism of being the main cause of wage stagnation, of aggravating inequalities and precariousness, particularly among young people and non-regular workers. Satoshi Fuji, to limit the inflation of dividends to the detriment of wages, even proposed a return to much higher taxation for high incomes [9].

Indeed, after the financial crisis of the early 1990s, companies, to attract new foreign investors and compensate for the effects of the banking crisis, had begun to favor shareholders by increasing dividends at the expense of employees and long-term investment. Since 1997, wages have stagnated, while dividends have increased by more than 500%. To support his critique, Kishida drew heavily on Hara's ideas, advocating a capitalism of "public interest," where the company should serve all its stakeholders (employees, customers, society) and not only shareholders. The objective was to restore a virtuous Fordist-type cycle, where growth is redistributed to workers to stimulate consumption [10]. Kishida seemed to revive an income policy, setting an ambitious target for the national minimum wage: 1,500 yen per hour by the mid-2030s (compared to about 1,000 yen at the time). He thus achieved record increases, on the order of +4% to +5% per year in 2023 and 2024.

Kishida also attempted to support SMEs, particularly affected by this increase, with the Japan Fair Trade Commission (JFTC or Kōsei Torihiki linkai) issuing strict guidelines prohibiting large companies from systematically refusing price increases requested by SMEs to raise wages. The government even threatened to publish the names of large companies refusing to negotiate, to push them, through social and media pressure, to be more flexible. However, Kishida did not succeed in overcoming the unbalanced power relationship between workers and shareholders, nor in escaping overall wage stagnation. Companies' priority remained increasing dividends, to appear attractive to investors through higher returns on equity (ROE) [11].

The survival of Japanese liberalism

Despite Kishida's inability to profoundly change the trajectory of Japanese capitalism, his term at least

showed that there still exists within the LDP a "liberal" tendency that cannot be confused with the "neoliberalism" that Takaichi still seems to embody.

If the episode of Kishida's "new capitalism" and the criticisms addressed by a moderate press such as Mainichi to Takaichi's government attest to the persistence of a "liberal" line distinct from "neoliberalism," how should this liberalism be defined? According to socio-historian Eiji Oguma [12], liberalism in Japan does not have a stabilized definition, but it has a political existence. It lies, for Oguma, between conservatism and communism/socialism, with fault lines centered on the defense of Article 9 of the Constitution and security policy. Attached to the major principles of the postwar Constitution, including the definition of social rights, it can be considered distinct from what left-wing forces around the world call "neoliberalism." In this sense, even without a communist threat, and understood as a reflection on what it means to live in a democracy in postwar Japan, this liberalism considers that capitalism will only be sustainable if it takes into account a set of actors and if it is capable of offering a certain level of social citizenship to all, as provided by Article 25 of the Constitution with its "right to a decent material and cultural life" (seizonken).

What is Japanese conservatism in the 21st century?

What makes Japanese conservatism difficult to understand is that the keys to its interpretation are no longer quite the same, as political scientist Shigeki Uno points out [13]. The definition of conservatism has become more complex since the 1980s. Its initial function was to slow radical change, but roles have reversed.

Since the "conservative revolution" of Ronald Reagan in the 1980s, it is rather those who consider themselves conservatives who advocate radical changes, by attacking the welfare state built after the war. For Uno, the expression "conservative revolution" is in itself a contradiction: if one aims for revolution, one is no longer conservative. If this phenomenon is global, a national electoral factor must also be taken into account, Uno adds. Abe's conservatism over the past twenty years rested on four pillars: constitutional revision (Article 9); historical revisionism (minimizing war responsibility); hostility toward left-wing media; and opposition to left-wing parties. Abe had managed to broaden this base while maintaining the alliance with Kōmeitō (center). But for Sanae Takaichi, the task is more difficult. She can no longer be content to attack the left. With the emergence of right-wing populist parties such as Sanseitō or Nippon Ishin no Kai, her right-wing electoral base risks being



siphoned off by more radical parties. She is forced to drift further to the right, this time forming a coalition with Nippon Ishin no Kai and thus losing Abe's ability to reach broadly toward the center.

Hence, for example, her excessive statements on work, whose message goes far beyond social policy issues to flatter the patriotic fiber of service to the nation through work. If one attempts to place Takaichi's rightward trajectory in the long history of Japanese capitalism, should one not more deeply study the relationship between liberalism and conservatism in the Japanese identity context? This is what Satoshi Saeki, professor emeritus at Kyoto University, argues in the very conservative monthly *Seiron* [14].

For him, the major thought of modernity – even Japanese – remains liberalism. It is based on immense confidence in human reason and seeks to shape society and the state around values such as individual freedom, equality of rights, democracy, universal human rights, contractual relations, and the rule of law. Faced with this modern thought, conservatism would have the function of sounding the alarm, in the manner of Edmund Burke facing the French Revolution. It seeks to moderate the excesses of rationalism, individualism, or egalitarianism.

The fundamental dilemma of postwar Japan lies in the fact that this country, whose values, culture, and religious consciousness differed radically from those of the United States, found itself bound by a strong alliance with the latter, which made progressive liberal thought the universal norm. The Japan–US alliance would not simply have been a reconciliation between victors and vanquished, but an asymmetric relationship where the United States, as protector, shaped Japan's reconstruction.

Eliminating traditional Japanese values, historical, religious, and natural conceptions, as well as moral systems based on Confucianism, was perceived by Saeki as an "education" of Japan, considered as a "child" by the United States, the "father" of civilization. The greatest challenge for postwar Japan has been to overcome this asymmetric relationship, and the difficulty of this task remains evident today for Takaichi, despite her electoral successes and

her discourse of national mobilization through work. One may object to this ultra-conservative and highly culturalist interpretation that Japan did not wait for the American occupation to question its traditional social values, and that conservative discourses, already in the prewar period, were largely reinvented. However, this conservative discourse can help us perceive another dimension of Takaichi's statements on work.

[1] See Bernard Thomann, "From the liberal 'rupture' to national refoundation. What future for the 'Japanese model' under Abe Shinzō?", *La Vie des idées*, March 1, 2007. ISSN: 2105-3030.

[2] See Bernard Thomann, "Are Asian economies converging toward Anglo-Saxon capitalism?", *La Vie des idées*, May 23, 2012. ISSN: 2105-3030.

[3] "Rengō kaichō ga dai hanron! Shinbun ha detarame de kō puro'yōnin ha shite inai", *Daiyamondo onrain*, 10/08/2017.

[4] Charles Weathers, Scott North, Shinji Kojima, "Abe Shinzō's campaign to reform the Japanese way of work", *Asia-Pacific Journal: Japan Focus*, volume 1, issue 23, number 3.

[5] Yonaha Yū, *Dōitsu rōdō - dōitsu chingin ha pāto yūki haken rōdō sha no taigū o kaizen shita ka*, Panel Data Research Center, Keio University PDR Discussion Paper Series, 3/2025.

[6] While the objective of "Abenomics" was to pull Japan out of deflation and restart growth, the results were very mixed: wages stagnated, job insecurity exploded, and public debt reached more than 260% of GDP.

[7] Seizon no tame no korona taisaku nettowāku, "Seizon hoshō o tettei seyo", *Sekai*, June 2020, pp. 88-122.

[8] The archetype of this type of economist was Heizō Takenaka, the architect of postal privatization and certain labor market deregulation measures, a minister between 2001 and 2006 and professor at Keio University who studied at Harvard and the University of Pennsylvania.

[9] Fuji Satoshi, *Naze, Nihonjin no 9 wari ha kanemochi ni narenai no ka*, Tokyo, Poplar Publishing, November 2021.

[10] Hara Taketo, *Kōeki shihon shugi eibeigata shihonshugi no shūen*, Tokyo, Bunshun shinsho, 2017.

[11] Return on equity (ROE) having traditionally been low in a Japanese capitalism that had long relied primarily on indirect bank financing, but from the 1990s onwards governments had encouraged an ROE of at least 8%.

[12] Oguma Eiji, "Liberal' and pacifism in postwar Japan: their given conditions and historical background", *Japan Policy Forum*.

[13] Uno Shigeki, Endō Masahisa, "Haigai shugi no kiki ni hoshu ga hatasu beki 'sekinin'", *Chūō kōron*, 2/2026, pp. 20-31.

[14] Saeki Satoshi, "Nihonryū no hoshushugi to ha nanika?", *Seiron*, 02/2026, pp. 52-62.

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Robin Rivaton
CEO, Stonal & Young Leader 2024

Analysis Nouveaux Regards

Why AI agents are being adopted faster in China than elsewhere.

By Robin Rivaton

The OpenClaw frenzy shows that China approaches artificial intelligence very differently from Western countries.

One should be wary of technological hype. It often produces more noise than reality. But the frenzy triggered by OpenClaw in China deserves attention, because it reveals something deep about the way the country conceives AI.

In just a few days, an open-source AI agent model moved beyond the circle of developers to become a mass phenomenon, with queues, collective installation sessions, and an almost carnival-like staging. Events organized by Tencent attract children, retirees, and curious onlookers, wearing lobster-shaped hats, the emblem of the OpenClaw project.

This frenzy has also taken on a very Chinese form: competitive imitation at the national level. A platform war has begun. In just a few days, Zhipu launched AutoClaw, presented as a version with more than 50 pre-installed skills. ByteDance, via Volcano Engine, released ArkClaw. Tencent put WorkBuddy online for professional use, before extending the offensive to other components such as QClaw and then ClawBot within WeChat. Alibaba responded with its own enterprise-oriented offerings. In other words, several giants

rushed simultaneously onto the same open software layer.

This is where the economic core of the story lies. OpenClaw is free. The code is open. The model therefore does not, in itself, constitute a defensible rent.

Value shifts elsewhere: default installation, interface, the implicit marketplace of skills, browser automation, integration into messaging platforms, work suites, and models. In short, the battle is not about ownership of the code but about control of distribution. It is the browser war replayed in the age of agents: the browser was free, but the real power came from controlling the entry point. The market understood this very well. Zhipu's stock jumped by nearly 13% on the day AutoClaw was launched.

Mimetic competition

The other specifically Chinese trait is the speed with which local governments have followed suit. The most tech-oriented cities—Shenzhen, Wuxi, Hangzhou, Hefei, and the development zones of Suzhou—published within days support plans for the OpenClaw ecosystem, in the name of the national AI+ initiative aimed at integrating AI across the entire economic fabric. For example, subsidies of up to 10 million yuan (1.3 million



euros) for certain companies, computing resources offered, housing, low-cost office space, and mechanisms specifically designed for the so-called “one person companies,” these micro-structures boosted by AI agents.

The mechanism is typically Chinese: a technological signal appears, territories immediately enter into mimetic competition to capture talent, projects, and political prestige.

The “lobster paradox”

Like any speculative phenomenon in China, the rush did not escape Beijing’s attention. On March 22, the Chinese National Computer Network Emergency Response Technical Team/Coordination Center (CNCERT/CC) and the Cybersecurity Association of China published an official guide to best practices. The message is clear: an agent capable of executing system commands, reading and writing files, and exchanging data with elevated privileges can become a formidable productivity machine, but

also a security sieve. The Chinese press quickly coined the expression “lobster paradox.” The precautionary rules are very concrete, notably not installing OpenClaw on one’s daily work computer but on a dedicated device, a virtual machine, or a container, with environment isolation.

This is what makes OpenClaw more of a symptom than a one-off event. Many Western observers still view Chinese AI through the lens of Silicon Valley, wondering whether Beijing is truly pursuing general artificial intelligence in the American sense of the term.

This is not the case. Chinese models are progressing but remain structurally behind so-called “frontier” models. The OpenClaw episode tells a different story: China sees AI less as a divine machine installed in a data center than as a layer to be deployed everywhere—in work, services, interfaces. And tomorrow, in robots and infrastructure.

Robin Rivaton

Robin Rivaton is the president of Stonal and a member of the scientific council of the Fondation pour l’innovation politique (Fondapol). Before joining Stonal, Robin was an investor at Eurazeo, where he focused on startups specializing in smart cities and proptech. He is also the founder of Real Estech, a leading think tank in the real estate sector, which publishes a weekly newsletter followed by 25,000 readers. The author of eight books on technology and real estate, he contributes as a columnist to the media outlets *L’Express* and *Les Echos*. Robin previously worked as an economic advisor to figures such as Bruno Le Maire, former French Minister of the Economy, Finance and Industrial, Energy and Digital Sovereignty, and Valérie Pécresse, president of the Île-de-France region.



Jean-Raphaël Peytregnet

Editorial Director and former diplomat

Analysis Nouveaux Regards

The historical origins of the resilience of the **contemporary Chinese political and economic model.**

Presentation by Jean-Raphaël Peytregnet

Xu Chenggang (born in 1957) is a Chinese political economist whose work focuses on China's transition to a market economy and the institutions of state capitalism. He taught for a long time at the Hong Kong University of Science and Technology and is now affiliated with the Stanford Center on China's Economy and Institutions. His work is situated within institutional economics and comparative politics. His main contribution focuses on how China succeeded in its economic reforms without political democratization, by analyzing the role of local governments, decentralization, and bureaucratic incentives within an authoritarian system. He is notably known for his thesis according to which the Chinese system rests on a form of authoritarian decentralization, where local authorities experiment and stimulate growth while remaining under central political control.

We wished to present to the readers of *Nouveaux Regards sur l'Asie* his latest work in which he proposes the idea that political and economic systems carry "institutional genes" inherited from their history and that durably shape their trajectories. This is the case here for China.

Published in June 2025, the book *Institutional Genes: Origins of China's Institutions and Totalitarianism*[1] by Xu Chenggang proposes a global and structured interpretation of Chinese institutional history and of the persistence of its authoritarian political regime. The central objective of the author is to explain why China, unlike other societies that have adopted the Western capitalist model, has not evolved toward a liberal democracy, but has instead produced a durable form of totalitarianism, nevertheless capable of generating rapid and sustained economic and technological growth.

To answer this enigma or paradox, Xu mobilizes an original theory based on the idea of "institutional genes," which he defines as fundamental and deeply rooted elements of institutional systems, reproducing themselves over time, shaping the behavior of actors, and strongly limiting the possible trajectories of political transformation. Through this idea, the Chinese scholar seeks to explain the remarkable continuity of the Chinese political system, beyond the major economic transformations that have taken place since the end of the 20th century.



In this perspective, institutions are not conceived as contingent or easily reformable arrangements, but as structures endowed with strong historical inertia. They rest on three essential and interdependent dimensions: property rights, political and civil rights, and the structure of political power.

These dimensions interact cumulatively, creating feedback mechanisms that reinforce existing configurations. Thus, when an institutional system becomes established, it tends to reproduce itself in a self-sustaining manner, which leads to a particularly strong phenomenon of path dependence.[2] It is within this framework that Xu seeks to understand the Chinese specificity.

The first historical layer analyzed by the author is that of imperial China, which constitutes, according to him, the fundamental matrix of contemporary institutions. The Chinese Empire is characterized by extreme political centralization, in which power is concentrated at the top without real institutional counterweights capable of limiting it. This centralization is accompanied by tight control over property rights, particularly land rights, which are never fully secured against state intervention.[3]

Local and economic elites thus remain dependent on central power, which prevents the emergence of an autonomous class capable of challenging political authority.

However, this ideological and political centralization is not synonymous with direct and total control over society. In reality, the imperial state has limited administrative capacities at the local level. It is in this context that informal organizations emerge, notably secret societies or triads, which play an ambivalent role. Groups such as the White Lotus Society [4] or the Tiandihui[5], often perceived as subversive forces, can also function as structures of social organization at the local level.

Sometimes repressed, sometimes tolerated, even indirectly used [6], these organizations illustrate a form of indirect governance. The imperial state thus relies, in a pragmatic way, on informal networks to relay norms, maintain order, or structure society in depth.

This point is essential in Xu's argument, because it reveals that Chinese institutions are not limited to formal arrangements. These institutions also include a set of informal practices and indirect mechanisms that allow central power to compensate for its administrative limits. This articulation between political centralization, ideological legitimation, and indirect management of society

constitutes one of the fundamental "institutional genes" of China.

Another fundamental element of this imperial configuration lies in the system of bureaucratic examinations (keju) based on Confucianism. Far from being a simple moral philosophy, the latter becomes a true state ideology.

It promotes a hierarchical vision of society, based on harmony, obedience, and loyalty to authority. The emperor appears as the guarantor of moral and social order, holding a legitimacy that goes beyond mere political constraint.

These mandarin examinations allow for the formation of a homogeneous administrative elite, selected on ideological and cultural criteria favoring loyalty to the state rather than intellectual or political independence. This system thus produces a meritocratic, disciplined bureaucracy ideologically aligned with the principles of the regime in place and contributing to its reproduction.

This organization generates lasting effects: it limits the autonomy of social actors, prevents the emergence of institutional counterpowers, and establishes a tradition of state domination over society.

Unlike Europe, where political fragmentation and rivalries between powers favored the emergence of pluralist institutions, China developed a model marked, still today, by the preeminence of a political center without rival.

In parallel, the absence of an autonomous civil society, capable of organizing interests independent from the state, further limits the possibilities of institutional transformation.

To this Chinese historical base is added, according to Xu, a second set of "institutional genes" stemming from the development of modern totalitarianism in Europe, in particular through the Russian and Bolshevik experience (itself inspired by the French Revolution of 1789).

Totalitarianism, in this perspective, rests on a specific combination of universalist ideology, a centralized single party, and the will for total transformation of society.

Tsarist Russia, with its autocratic tradition and the weakness of its intermediate institutions, constitutes particularly fertile ground for the emergence of Bolshevism, which systematizes these characteristics into a coherent political



model based on total control of society by a revolutionary party.

When this Soviet model is introduced into China via the Comintern, it interacts with preexisting imperial institutional structures. Xu insists that these two sets of institutional genes are highly compatible: the Chinese imperial tradition of centralization and bureaucratic control facilitates the implantation of the communist system, while the Soviet model provides the organizational and ideological instruments to intensify and modernize this form of political domination.

The result of this fusion is the formation of an original system that Xu describes as “Chinese totalitarianism,” consolidated under Mao, in which the Party-state exercises total political and ideological control, while relying on bureaucratic mechanisms inherited from both the Empire and the Soviet model. Xu sees in the period from Mao Zedong to Xi Jinping a phase of intensification of “totalitarian genes,” where political and ideological control becomes omnipresent. Nevertheless, this system also reveals its limits, particularly in terms of economic efficiency.

However, this system does not reduce to rigid and uniform centralization. Xu introduces the concept of “administered and regionally decentralized totalitarianism” to describe the specific configuration of post-Mao China. In this model, political power maintains strict control over elites and political orientations, while allowing local authorities a margin of experimentation and management.

This hybrid structure allows a certain economic flexibility and partly explains the growth performance of contemporary China, while maintaining intact authoritarian political control. This configuration enables the emergence of competition between regions, fostering innovation and growth, while maintaining strict political discipline. In other words, decentralization does not constitute political liberalization, but a mechanism of efficiency serving a stabilized totalitarian system.

But this stabilized totalitarian system also rests on foundations that limit its prospects for evolution. The “institutional genes” of the Chinese system make the emergence of deep political reforms difficult. The elites in place indeed have an interest in preserving the existing order, and the mechanisms of institutional reproduction thus tend to perpetuate power structures. Xu therefore adopts a relatively pessimistic position regarding the possibility of a gradual transition toward a more democratic regime, as it would require a major rupture that the Chinese leaders in power obviously do not desire, insofar

as it would go against the interests of the Party and their own.

It is also true that this system partly explains the economic performance of contemporary China. Local governments are incentivized to promote the development expected by the center, since their progression within the Party hierarchy largely depends on their economic results.

At the same time, the Party ensures that no political autonomy emerges that could threaten its power. Economic liberalization is therefore not accompanied by political liberalization, contrary to what some Western theories predicted.[7]

The reforms initiated from the end of the 1970s are thus interpreted by Xu not as an institutional rupture, but as an internal adaptation of the system. The introduction of market mechanisms and economic opening did not modify the fundamental institutional genes of the regime, notably the Party’s political monopoly, the absence of an independent rule of law, and the subordination of individual rights to state imperatives. Consequently, economic growth does not mechanically lead to democratic transformation, because deep institutional structures continue to shape behaviors and lock in possibilities of political evolution.

In this comparative perspective, Xu emphasizes that the Chinese trajectory does not constitute a transitional stage toward a universal liberal model, but a stable and specific configuration, whose internal logic differs profoundly from other historical experiences such as Taiwan or certain post-Soviet countries. Where some societies have been able to transform their institutions toward democracy, China remains structured by a particular combination of imperial and totalitarian genes that reinforce the resilience of the existing system.

Thus, Xu’s thesis leads to a strong conclusion: the contemporary Chinese regime should not be understood as a temporary anomaly of development, but as the coherent expression of a deeply rooted institutional system, whose stability rests on historical mechanisms of reproduction. The concept of institutional genes thus makes it possible to think the continuity between imperial China, Maoist totalitarianism, and the current form of the Party-state, highlighting the historical depth and structural coherence of a political system that combines economic adaptation and political rigidity.

This perspective invites us to rethink political trajectories not as rapid and linear transformations, but as processes deeply constrained by their history. This leads Xu Chenggang to think that Chinese political



institutions are structurally unreformable. If it wants to survive, the centralized Chinese communist system must change, but it cannot change itself. Therefore, it is condemned to rupture rather than reform. Unable to evolve from within, change can only occur through collapse or external shock...

[1] Cambridge University Press, June 2025, 799 pages.

[2] Present decisions or situations strongly depend on choices made in the past. Even if these choices later lose their intensity, they continue to influence the system.

[3] Today, in China, private property is recognized for goods (housing, companies), but not for the land itself: urban land belongs to the state and rural land to collectives. Individuals in reality have usage rights (e.g. emphyteutic leases limited to 70 years for urban housing), which they can transfer or sell, bringing this system close to a regime of private property without fully being one. The state indeed retains significant control over land, notably through expropriations and the regulation of the land market.

[4] The White Lotus Society (Bailianjiao) refers to a set of Chinese popular religious movements, of Buddhist inspiration, which sometimes took on a political and contestatory dimension, notably through peasant revolts against imperial power, such as that of the White Lotus sect (1796–1804) under the Manchu Qing dynasty (1644–1911).

[5] The Tiandihui (Heaven and Earth Society), or Hongmen (vast family), is a Chinese fraternal organization and, historically, a popular secret religious society, in the lineage of the White Lotus sect, loyal to the (Han) Ming dynasty against its successor, the (Manchu) Qing dynasty. Created in the mid-18th century in Fujian province, it is among the most important of its kind. This society is at the origin of numerous Chinese mafias, with its triads present in Hong Kong and in Chinatowns around the world.

[6] While Hong Kong is shaken by a large pro-democracy movement against a bill allowing extradition to mainland China, between 100 and 200 men armed with sticks and iron bars attack protesters returning from the city center inside Yuen Long metro station, on July 21, 2019.

[7] Modernization theory (Seymour Martin Lipset), democratic transition theory (Guillermo O'Donnell and Philippe C. Schmitter), economic interdependence (liberalism), the capitalist bourgeoisie (Marxist/liberal), or the post-Soviet "liberal convergence" (Francis Fukuyama), the "Washington Consensus" dominant in the 1990s–2000s.

Jean-Raphaël Peytregnet

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