Spare a thought for Shinzo Abe, Japan’s beleaguered prime minister. Not because his poll numbers at home have plummeted into the 30-percent range in the face of a persistent scandal; Abe has only himself to blame for giving succor to Japan’s right-wing fringe. Rather, Abe has endured repeated surprises and slaps from President Donald Trump over North Korea and trade, most recently at their second Mar-a-Lago summit earlier this month. This is Abe’s reward for arguably doing more than any other global leader over the past 15 months both to shore up a liberal economic order under stress and to shape Trump administration strategy in the Asia-Pacific region.

Despite another friendly 18 holes of golf at Mar-a-Lago, Trump couldn’t resist getting in another dig at Japan on trade during the question-and-answer portion of the two leaders’ joint press conference. Trump lamented the “massive” U.S. trade deficit with Japan (exaggerating its size at “anywhere from $69 billion to $100 billion a year”; U.S. data show the bilateral deficit in goods and services at around $56 billion in 2017). He also declined to exclude Japan from the Section 232 steel tariffs, while brushing back Abe’s appeal for the United States to rejoin the Trans-Pacific Partnership (TPP) and forcing the Japanese leader to agree to a new trade mechanism that could lead to bilateral free trade agreement (FTA) negotiations that Tokyo doesn’t really want. Clearly the bee that flew into Trump’s bonnet more than 30 years ago about Japan and trade continues to buzz around despite Abe’s best efforts to swat it away.

To be sure, Japan is not a perfect actor on trade and investment. Its global current-account surplus is uncomfortably large at 4 percent of gross domestic product (GDP). It maintains highly restrictive tariffs and quotas on imports of agriculture products such as rice, beef, and pork. And Japan remains an outlier among advanced countries in having the lowest penetration of foreign direct investment into its economy: only 3.9 percent of GDP versus an Organization for Economic Cooperation and Development (OECD) average of 37.3 percent.

But stepping back, one could reasonably ask whether these are the most important realities in the U.S.-Japan economic relationship in 2018. At a time when the institutions, rules, and norms of the liberal economic order are under stress—both from new challengers like China and from domestic populism—it would seem more productive for the world’s first- and third-largest economies to be working together to update and uphold an order that has provided so much benefit for over 70 years. And on this score, Tokyo has not only been a more constructive player than Washington recently but has stepped out of character to fill the leadership vacuum in global economic affairs left by a distracted, disinterested, or even destructive United States.

Take TPP, where Prime Minister Abe responded to the blow of U.S. withdrawal from the trade agreement in January 2017 by rallying the other 11 partners to complete a modified deal. While Australia, Singapore, and others also deserve credit for the resulting Comprehensive and Progressive Trans-Pacific Partnership (CPTPP), signed last month in Chile, Japan played a critical leadership role not only in pushing through the deal but also in persuading the 11 partners to suspend rather than revoke 22 items of interest to Washington, to make it as easy as possible for the United States to return when it is ready.

Japan has also taken the lead in mustering a “coalition of the willing” to take on problematic trade practices by China. Over some resistance from the European Commission (see Simon Says below), Tokyo brokered a trilateral statement with the European Union and the United States on the margins of a World Trade Organization (WTO) ministerial meeting in Buenos
Aires in December 2017, calling for collaboration to push back against policies—implicitly China’s—that produce excess capacity or impose forced technology transfer and local content requirements on foreign businesses. Japan also joined the United States and European Union in April in filing a joint case at the WTO on China’s forced technology transfer policies.

In addition to its regional and global leadership on trade, Tokyo has been instrumental in shaping the Trump administration’s “free and open Indo-Pacific” strategy. Prime Minister Abe first used this term in August 2016 in laying out Japan’s own strategy for the region. It was echoed by then-Secretary of State Rex Tillerson in his first major speech (at CSIS) in October 2017 and by President Trump in his speech at the Asia-Pacific Economic Cooperation (APEC) forum in Vietnam the following month. This is no accident: officials from the national security councils of the United States and Japan have been closely coordinating their efforts to push back against Chinese assertiveness in the maritime reaches of Asia.

At the heart of the free and open Indo-Pacific strategy of both countries is “quality infrastructure” (a topic on which CSIS has been doing a lot of work). In a none-too-subtle counterpoint to China’s ambitious Belt & Road Initiative (BRI), Abe announced a “Partnership for Quality Infrastructure” in May 2015, committing $110 billion to finance the building of roads, railways, and ports around Asia. (The headline figure was expanded a year later to $200 billion, and the geographic scope became global.) Trump was less subtle in his APEC speech in declaring his administration’s intention to push back against “predatory” policies and “economic aggression” by promoting “high-quality infrastructure investment” via World Bank, Asian Development Bank, and U.S. development finance tools.

Asserting leadership in international economic affairs is an uncomfortable role for Japan. Historically, Tokyo has been risk averse and passive in these matters (again, see Simon Says below). But facing a newly assertive China under Xi Jinping and an unpredictable United States under Donald Trump, Prime Minister Abe apparently felt he had no choice but to step forward on issues as critical to Japanese interests as TPP, China’s problematic trade practices, and infrastructure competition in Asia.

The Trump administration has made clear that it sees China as a strategic competitor. Shinzo Abe’s Japan clearly shares this perspective. Rather than publicly shaming Tokyo on trade, the White House would do better to push for greater market access behind closed doors, while encouraging an uneasy but more willing Japan to work with the United States on the China challenge and other shared international economic concerns.