

Long-Horizon State Capacity and an East Asian Regional Community

A Strategy White Paper on Governance Continuity, Population and Territorial Planning, and Regional Economic Strategy in an Era of Reconfigured Globalization

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Executive Summary

This white paper addresses a strategic question that cuts across national borders: as the reconfiguration of globalization, population ageing and geopolitical competition all accelerate, can states still set and sustain strategies that run for two or three decades? It begins with leadership turnover in three parliamentary democracies, the United Kingdom, Australia and Japan; examines Australia's population and territorial planning; turns to the shift in East Asia's development model and the impasse in China–Japan–South Korea cooperation; and closes with policy recommendations and indicators to watch.

Five judgments anchor the analysis.

First, globalization is being reconfigured, not ended. The average effective US tariff rate has reached its highest level since 1943, yet world merchandise trade volume is still forecast to grow 3.9% in 2026, with Asian imports growing fastest. Trade has not disappeared; it is changing direction, and regional markets matter far more than before.

Second, strategic continuity has become a core component of state capacity. The UK has had seven prime ministers in ten years; Australia's governing parties removed four sitting prime ministers between 2007 and 2018; Japan has had ten prime ministers in twenty years. Cross-country evidence associates frequent changes of government leaders and cabinets with slower economic and productivity growth.

Third, the root of the problem is not parliamentary government as such but the low cost of removing a leader and the absence of long-term strategic institutions insulated from the electoral cycle. Germany's constructive vote of no confidence, and the leadership-rule changes adopted by Australia's two major parties in 2013 and 2018, show that stability can be designed in.

Fourth, East Asia's export-led development model is reaching the limits of its external conditions. Exports amount to about 46% of GDP in South Korea and roughly 21–22% in Japan and China, and all three face severe ageing alongside protectionism in their main export markets. Together the three economies account for about 22% of world GDP and roughly 1.58 billion people, with substantial complementarities in market scale, industrial structure and technology.

Fifth, the binding constraint on East Asian cooperation is political trust, not economic arithmetic. The trilateral leaders' summit has met only four times since 2012, trilateral free-trade negotiations launched in 2012 have long stalled, and close to nine in ten Chinese and Japanese respondents hold unfavourable views of the other country. European experience suggests that binding economic interests together depends on a shared historical understanding, institutionalized youth exchange and political commitments that outlast electoral cycles.

Four sets of recommendations follow: raise the threshold for removing heads of government and create statutory long-term strategy bodies; tie population policy to industrial anchors and infrastructure; advance East Asian cooperation in three phases of stabilization, functional cooperation and institution-building; and rebuild regional trust on the principles of acknowledging facts, refusing to instrumentalize history and looking to the future.

Chapter 1. The Strategic Environment: Globalization Reconfigured

1.1 Rising tariffs and shifting trade flows

The Yale Budget Lab estimates that as of April 2026 the average effective US tariff rate stood at 11.0%, the highest since 1943 excluding 2025 (Yale Budget Lab). In October 2026, however, the World Trade Organization raised its forecast for world merchandise trade volume growth in 2026 from 1.9% to 3.9%, mainly because AI-related capital investment surged more than expected. By region, Asian imports are projected to grow 9.5% in 2026, against 1.4% in North America and 0.5% in Europe (WTO).

Taken together, these figures show that the old globalization centred on US and European end markets is contracting while overall trade is not; the centre of growth is moving within Asia. For East Asian economies, “the end of globalization” is an imprecise description. It is more accurate to say that models dependent on a single external end market are losing viability while regional markets gain weight.

1.2 The cost of fragmentation

The IMF estimates that if the world split into two isolated trading blocs, global output could fall permanently by about 2.3%, and by as much as 7% if adjustment costs are high (IMF). The burden would not be shared evenly. Economies with high export dependence, heavy reliance on imported energy and limited domestic markets would be hit hardest.

1.3 The mismatch between long-term challenges and short-term politics

The structural challenges now facing states, from population ageing and energy transition to industrial upgrading and territorial development, unfold over twenty to fifty years. Electoral cycles in parliamentary systems typically run three to five years, and changes of party leader can shorten a government’s effective horizon to a year or even months. This mismatch between long-term problems and short-term politics is the central tension examined here.

Chapter 2. Strategic Continuity: Leadership Turnover in Parliamentary Systems

2.1 The record in three countries

Table 1. Changes of head of government in the UK, Australia and Japan (as of October 2026)

Country	Period	Heads of government	Key features
United Kingdom	2016–2026	7 (Cameron, May, Johnson, Truss, Sunak, Starmer, Burnham)	Starmer resigned amid a party leadership crisis in 2026; Burnham took office on 20 July
Australia	2007–2022	6 (Rudd, Gillard, Rudd, Abbott, Turnbull, Morrison)	Sitting prime ministers removed by their own party in 2010, 2013, 2015 and 2018
Japan	2006–2026	10 people (Abe, Fukuda, Aso, Hatoyama, Kan, Noda, Abe, Suga, Kishida, Ishiba, Takaichi; Abe served twice)	Most tenures lasted about a year; Abe's nearly eight-year second term is the exception

Sources: [UK Government](#); [2026 Labour Party leadership crisis](#); [Parliamentary Library of Australia](#); [List of prime ministers of Japan](#).

The British case is representative. In June 2026 Andy Burnham, the former Mayor of Greater Manchester, entered Parliament through a by-election, which made him eligible to challenge for the leadership. Keir Starmer announced his resignation on 22 June; Burnham, nominated by more than 90% of Labour MPs, was elected unopposed and became prime minister on 20 July ([Wikipedia](#)). No general election was involved.

Japan is equally instructive. Yukio Hatoyama, who proposed an “East Asian Community” after taking office in 2009, served only 266 days ([List of prime ministers of Japan](#)). A regional strategic vision paired with a brief tenure links the two main threads of this paper.

2.2 The mechanism

In a parliamentary system the prime minister leads the majority party or coalition. The design aligns the executive and legislature closely, but it also means a prime minister's survival depends mainly on party support rather than a fixed term. When polls slide, factional interests fall out of balance or an election approaches, the governing party can change leaders without going to the country. The resulting incentive is for leaders to prefer quick, low-risk policies and defer reforms that carry long-term political costs, such as tax, pensions, energy and regional development. Successors seeking to distinguish themselves often revise or cancel their predecessors' major projects.

2.3 The evidence

An IMF working paper using panel data on 169 countries from 1960 to 2004 finds that political instability is associated with lower growth in GDP per capita. Measured by cabinet changes, one additional cabinet change per year reduces annual growth by about 2.39 percentage points, mainly through slower productivity growth and, to a lesser extent, slower accumulation of physical and human capital ([IMF Working Paper](#)). The sample is weighted toward developing countries, so the magnitude for high-income parliamentary democracies should be read with caution, but the direction of the finding is informative.

The UK supplies concrete cases. In September 2022, the Truss government's "mini-budget" of large unfunded tax cuts triggered a sell-off in gilts, and the Bank of England committed to buy up to £65 billion of government bonds over two weeks to stabilize the market ([Central Banking](#)). In October 2023 the Sunak government cancelled the HS2 high-speed line north of Birmingham, citing a cost estimate that had risen from £56 billion in 2015 to more than £106 billion in 2020; business groups and unions warned the decision would hurt productivity ([Reuters](#)). On investment, analysis by the Institute for Public Policy Research shows UK business investment at just 11.1% of GDP, ahead of only Canada in the G7, with manufacturing capital intensity 47% below that of peer economies ([IPPR](#)).

The UK has not, however, suffered a systemic collapse. The Resolution Foundation estimates that output per hour grew by an average of 1.1% a year in the two years to June 2026, up from an annual decline of 0.7% in the previous two years ([Reuters](#)), and the IMF projects that UK nominal GDP will overtake Japan's in 2027 ([Japan Times](#)). Britain's problem is better described as structural drag from chronic underinvestment and repeated changes to major projects than as a wholesale breakdown of state capacity.

2.4 Institutional comparison: stability can be designed

Germany is a parliamentary democracy, but Article 67 of its Basic Law allows the Bundestag to remove the chancellor only by electing a successor, the "constructive vote of no confidence." The provision reflects the lessons of the Weimar Republic, and the Bundestag has never been plagued by chronically fragile coalitions and powerless chancellors ([German Bundestag](#)). Spain, Poland, Belgium and others have since adopted similar mechanisms ([Wikipedia](#)).

Australia offers a party-level remedy. In 2013 the Labor caucus adopted rules requiring 75% of MPs to force a ballot against a sitting prime minister and 60% against an opposition leader; after Scott Morrison became prime minister in 2018, the Liberal Party also changed its rules to raise the bar for removing a sitting prime minister ([Parliamentary Library of Australia](#)). No sitting Australian prime minister has since been removed by their own party.

Japan shows that an electoral mandate can also confer stability. In the February 2026 lower-house election the Liberal Democratic Party won 316 seats, its largest lower-house

victory since the party's founding in 1955, and together with the Japan Innovation Party holds more than two-thirds of the chamber ([NUS East Asian Institute](#)). Such stability rests on electoral results and personal popularity rather than institutional guarantees, and stability by itself does not ensure the right strategic direction, a point taken up in Chapter 5.

2.5 Assessment

Long tenures that depend on personal standing are a matter of chance and cannot serve as the institutional basis for strategic continuity. Two directions are workable. One is to raise the threshold for removing leaders, tying changes to a clear alternative and a popular mandate. The other is to move cross-generational strategy out of the prime minister's personal agenda and into statutory, cross-party long-term institutions, so that policy direction does not swing with every change of personnel.

Chapter 3. Population and Territory: Australia's Spatial Pattern

3.1 Population scale and the back-and-forth of long-term planning

At 31 March 2026 Australia's population was 27.92 million, up 1.4% over the year, with net overseas migration contributing 292,100 ([ABS](#)). In 2009 Prime Minister Kevin Rudd publicly backed a "big Australia," and the third Intergenerational Report, released in January 2010, projected a population of 35.9 million by 2050. The idea proved contentious and was not pursued by the Gillard government, which shifted the emphasis to "sustainable" population ([Parliamentary Library of Australia](#)). The 2023 Intergenerational Report projects 40.5 million by 2062–63 ([Australian Treasury](#)).

Two points emerge. Long-term population growth is a baseline expectation across governments; the disagreements concern its pace, spatial distribution and supporting investment, not whether it occurs. Leadership turnover has made it hard to turn these questions into a stable national plan.

3.2 Coastal concentration and regional retention

Australia's population is heavily concentrated in its capital cities, where people aged 20 to 44 make up 38% of residents, against 30% elsewhere ([ABS](#)). To steer migrants toward the regions, Australia offers regional skilled visas. Research by the e61 Institute using ABS data finds that, of regional-visa recipients still in Australia five years later, about 45% lived in Sydney, Melbourne or Brisbane and about 80% in capital cities more broadly, and that regional-visa holders earn 10–40% less than other skilled permanent migrants. The same research notes that outside Sydney, Melbourne, Brisbane and their satellite cities, around 70% of regional-visa holders stay in their region over the longer term ([e61/ABS](#)).

This evidence supports a more precise conclusion: residence requirements alone do not retain migrants; local jobs and incomes do. Retention can be high in genuinely non-metropolitan areas with an economic base, while in places without industrial anchors, moving to the big cities once visa conditions lapse is a rational choice.

3.3 The Canadian contrast

Canada's population grew by nearly 1.3 million, or 3.2%, in 2023, almost entirely through immigration. The government then cut its 2025 permanent-resident target sharply and, for the first time, capped international students and temporary foreign workers ([Financial Post/Yahoo](#)). Canada's experience shows that population expansion without matching plans for housing, infrastructure and jobs quickly provokes backlash and abrupt policy reversals.

3.4 Assessment

A larger population can enlarge the domestic market and mobilize underused resources, but only if industry and infrastructure come first and people follow. For resource-rich

countries whose populations cluster on the coast, the more workable path is to build regional industrial anchors around critical-minerals processing, new energy, agricultural technology and logistics hubs; to lead with long-term infrastructure investment; and then to match it with targeted migration tied to real jobs. Such plans run far longer than any single government and require cross-party statutory bodies to carry them through.

Chapter 4. The Turning Point in East Asia's Development Model

4.1 The external conditions of the “flying geese” model

After the Second World War, Japan pioneered a path built on imported raw materials, high-quality manufacturing and exports to Western markets. South Korea followed, and China joined the system on a far larger scale after reform and opening, gradually building the world's most complete manufacturing supply chain. The model rested on relatively open US and European end markets and stable international trade rules.

4.2 Export dependence and demographics

Table 2. Key structural indicators for China, Japan and South Korea

Indicator	China	Japan	South Korea
Exports of goods and services, % of GDP	21.1% (2025)	22.0% (2024)	45.8% (2025)
Nominal GDP, 2026 (IMF)	US\$21.55 trillion	US\$4.34 trillion	US\$2.25 trillion
Ageing	15.87% aged 65+, 22.86% aged 60+ (2025)	29.4% aged 65+ (2025)	Total fertility rate 0.80 (2025)

Sources: [World Bank](#); [IMF World Economic Outlook, October 2026](#); [National Bureau of Statistics of China](#); [Kyodo/Bernama](#); [Statistics Korea](#).

On IMF October 2026 figures, the three economies' combined nominal GDP of about US\$28.1 trillion is roughly 22% of the world's US\$128 trillion, and their combined population is about 1.58 billion. South Korea's total fertility rate rose to 0.80 in 2025, a second consecutive increase, but remains among the lowest in the world ([Statistics Korea](#)). The IMF projects that Japan's nominal GDP will slip to sixth in the world in 2027 ([Japan Times](#)).

4.3 Comparing two responses

As external markets contract, the three countries have, in principle, two options: rely mainly on their own domestic markets, or build a wider regional circulation.

Table 3. Domestic versus regional circulation

Dimension	Mainly domestic circulation	Regional circulation
Market scale	South Korea (about 52 million people) and Japan (about 120 million and ageing) cannot absorb auto, semiconductor and electronics capacity designed for global markets; China's market is large but still raising household income and consumption shares	About 1.58 billion people and roughly 22% of world output can provide steadier demand for the three countries' advanced manufacturing

Dimension	Mainly domestic circulation	Regional circulation
Factor structure	Japan and Korea depend heavily on imported energy and raw materials; China still needs breakthroughs in some advanced equipment, materials and foundational software	China's market, manufacturing base and infrastructure capacity complement Japan's materials and precision equipment and Korea's memory chips and displays
External risk	Each faces tariffs, export controls and energy shocks alone, with limited bargaining power	Greater redundancy in regional supply chains and less dependence on any single external market
Political prerequisites	Low	Requires substantial political trust and mutual security reassurance

Regional circulation does not mean regional closure. East Asia's prosperity was built on open trade, and the sensible aim of regional cooperation is to raise the resilience and bargaining power of South Korea, Japan and China within the global system, not to replace global markets with regional barriers. ASEAN Plus Three already provides some institutional foundations. The Regional Comprehensive Economic Partnership, in force since 2022, is the first free-trade agreement between Japan and China and between Japan and South Korea ([Congressional Research Service](#)); the Chiang Mai Initiative Multilateralisation is a US\$240 billion currency-swap arrangement supported by the ASEAN+3 Macroeconomic Research Office ([AMRO](#)).

Energy security underlines the practical case. About 94% of Japan's crude imports and 61% of South Korea's pass through the Strait of Hormuz, compared with about half of China's ([East Asia Forum](#)). With the Middle East in turmoil, all three are major energy importers with a shared interest in coordinating stockpiles, swaps and procurement.

Chapter 5. The Trust Deficit: History, Public Opinion and Security Structures

5.1 Trust once existed

In 1978 China and Japan signed their Treaty of Peace and Friendship and Deng Xiaoping visited Japan. Japanese official development assistance to China began in 1979 and ended in March 2022, totalling about ¥3.3165 trillion in yen loans, ¥157.6 billion in grant aid and ¥185.8 billion in technical cooperation ([Ministry of Foreign Affairs of Japan](#)). China has repaid the yen loans and interest on schedule, with the final repayment due in 2047 ([nippon.com](#)). This history shows that, when political will and strategic consensus exist, East Asian states can build substantive cooperation.

5.2 Divergent historical narratives

In 2015 Shinzo Abe's statement on the 70th anniversary of the war's end said future generations should not be predestined to keep apologizing. On 10 October 2025, shortly before leaving office, Shigeru Ishiba issued a personal reflection on the 80th anniversary that focused on why Japan failed to avoid the war, listing the Meiji Constitution's lack of civilian control, the military's expansive reading of its command prerogative, and the failure of parliament and the press to act as a brake. The reflection avoided outward-facing terms such as "remorse" and "apology," was not adopted by cabinet decision and was presented as a personal view. Sanae Takaichi, then LDP president, had said during the leadership race that such a statement was "unnecessary" ([Jiji Press](#)).

On 19 October 2026 Ishiba criticized the Takaichi government on television for pursuing what he called a "rich country, strong army" agenda that had not actually made Japan's economy stronger. He questioned the government's habit of describing the security environment as "the most severe ever" without asking why it had deteriorated, and remarked that "saying brave things may go down well at the time, but is that really right?" and that "caring only about what works for the moment is not conservatism" ([J-CAST/Yahoo Japan](#)).

These statements reveal divisions within Japan's governing party over historical understanding and external strategy. From a comparative-politics perspective, the positions that win elections are not necessarily those that best serve long-term regional trust, which is consistent with the short-term political incentives discussed in Chapter 2.

5.3 The state of bilateral ties and the trilateral framework

On 7 November 2025 Takaichi told the Diet that a Chinese attack on Taiwan threatening Japan's survival could constitute grounds for a Japanese military response. China demanded a retraction, urged its citizens to avoid travel to Japan and informed Tokyo that it would halt all imports of Japanese seafood ([Seafood Media](#)). A Teikoku Databank survey

found 10,118 Japanese companies operating in China as of June 2026, more than 20% fewer than in 2024 and the lowest since the survey began in 2010 (nippon.com).

The trilateral framework has hollowed out accordingly. The China–Japan–South Korea summit was designed to meet annually but has convened only four times since 2012, in 2015, 2018, 2019 and 2024; Japan took over as coordinator after the May 2024 Seoul summit, and the tenth summit has no date. Trilateral free-trade negotiations launched in 2012 have long stalled ([East Asia Forum](#)). Japan–South Korea relations, by contrast, are warming. President Lee Jae-myung’s visit to Japan in January 2026 opened the year’s “shuttle diplomacy,” with both sides agreeing to deepen cooperation on the economy and economic security ([Ministry of Foreign Affairs of Japan](#)); at their May 2026 meeting in Andong they agreed to expand cooperation on crude oil and LNG stockpiling and product swaps ([East Asia Forum](#)).

5.4 Mutually reinforcing public opinion

The joint poll by Japan’s Genron NPO and the China International Communications Group, released in December 2024, found nearly nine in ten respondents in each country holding a poor impression of the other, described as the worst deterioration in the poll’s twenty years: 87.7% of Chinese respondents viewed Japan unfavourably and 89% of Japanese respondents viewed China unfavourably ([Christian Science Monitor](#); [SCMP/Yahoo](#)). The same survey offered one encouraging finding: 55% of Chinese respondents who had visited Japan held a good impression of it, against fewer than 3% of those who had not ([Christian Science Monitor](#)).

This suggests an analytical framework. In the domestic politics of all three countries, a hard line toward neighbours often wins short-term voter support; one country’s hard-line rhetoric then becomes ammunition for hard-liners in another, creating a mutually reinforcing cycle. Within that cycle, politicians who favour forward-looking, pragmatic cooperation are easily labelled “weak.” Direct contact through tourism, study abroad and youth exchange is, on current evidence, the most clearly effective moderating factor.

5.5 Security constraints

Regional cooperation is also constrained by security structures. Japan and South Korea are US allies, and Taiwan, territorial disputes and military deployments are long-standing sensitivities in China–Japan and China–Korea relations. East Asian cooperation therefore cannot proceed, as Europe’s did, within a single security bloc; it has to find cooperative economic and social space across different security arrangements.

Chapter 6. European Experience: What Transfers and What Does Not

6.1 The Franco-German path

On 9 May 1950 French Foreign Minister Robert Schuman proposed placing all Franco-German coal and steel production under a common High Authority open to other European countries, declaring that the solidarity in production thus established would make any war between France and Germany “not merely unthinkable, but materially impossible” ([Fondation Robert Schuman](#)). The 1963 Élysée Treaty announced the creation of the Franco-German Youth Office, through which more than ten million young French and Germans have taken part in some 400,000 exchange programmes ([FGYO](#)). In 2006 the two countries published a common high-school history textbook with identical content ([Wikipedia](#)).

The Franco-German model combined three elements: functional cooperation starting with key industries, social reconciliation through youth exchange, and a shared historical understanding symbolized by a common textbook. Each reinforced the others over decades.

6.2 East Asia's own attempts

East Asia has made comparable attempts. In 2005 more than forty scholars from China, Japan and South Korea, after three years of work, published a jointly written modern history simultaneously in all three countries, titled in Chinese “The Modern and Contemporary History of the Three East Asian Countries” ([Guangming Online](#); [National Diet Library](#)); a second-phase “New Modern and Contemporary History of East Asia” followed in 2012–13 ([J-STAGE](#)). These civil-society collaborations prove that historical dialogue is possible, but they have lacked institutional follow-through at the government level.

6.3 Factors that do not transfer easily

First, the security context differs. Western European integration enjoyed US support during the Cold War, and France and Germany sat in the same security camp; the three East Asian states do not. Second, the balance of power differs. France and Germany were of similar size, whereas China's economy and population far exceed Japan's and Korea's, sharpening concerns in Tokyo and Seoul about asymmetric dependence. Third, unresolved disputes differ. East Asia still faces territorial disputes and the highly sensitive Taiwan question.

The more realistic path for East Asia is therefore not to replicate Europe's supranational institutions, but to proceed function first, sector by sector and with open participation: build mechanisms first where interests align closely and political sensitivity is low, anchored in ASEAN Plus Three and RCEP, and accumulate trust step by step.

Chapter 7. Strategic Recommendations

7.1 Governance: institutionalizing strategic continuity

Recommendation 1: Raise the threshold for removing a head of government. Drawing on Germany's constructive vote of no confidence and Australia's party-rule reforms, require any removal to be paired with a successor commanding majority support, or to clear a high threshold of party support, and seek a popular mandate through a general election within a reasonable period after an intra-party change.

Recommendation 2: Create statutory long-term strategy bodies. Assign cross-generational issues such as population, infrastructure, energy and industry to statutory bodies appointed on a cross-party basis, with terms longer than the electoral cycle, to prepare 15- to 30-year plans and report regularly to parliament. Australia's Intergenerational Reports show how long-range projection can work, but they need to evolve into plans with binding follow-through.

Recommendation 3: Introduce policy-reversal assessments. Any cancellation or major revision of an approved national project should be accompanied by a public account of sunk costs, alternatives and long-term effects, raising the political cost of arbitrary reversal.

Recommendation 4: Adopt multi-year capital budgets. Place major infrastructure and R&D spending in capital budgets that span electoral cycles, so that annual budgets and political turnover do not repeatedly interrupt them.

7.2 Population and territory: anchor industry first, then guide people

Recommendation 5: Plan regional development around industrial anchors. In resource and regional areas, prioritize critical-minerals processing, new energy, agricultural technology and logistics hubs so that regional jobs and incomes are genuinely attractive.

Recommendation 6: Tie visa policy to jobs and infrastructure. Regional visas should be designed in step with local job openings, housing and public services, and evaluated on five- and ten-year retention and income outcomes rather than the number of visas issued.

Recommendation 7: Avoid abrupt swings in population policy. Set population targets as long-term ranges, adjust them gradually in line with housing and infrastructure supply, and avoid Canada-style cycles of rapid expansion followed by sudden braking.

7.3 East Asian cooperation: a three-phase roadmap

Phase 1 (2026–2028): stabilization. Restore regular trilateral summits and ministerial mechanisms and convene the tenth leaders' summit; establish and maintain crisis hotlines and avoid normalizing trade and travel measures as tools of political pressure; build on the five-year plan for high-school and university exchanges agreed by the Chinese and

Japanese foreign ministers in December 2024 ([SCMP/Yahoo](#)) by extending it into a programme involving all three countries.

Phase 2 (2028–2035): functional cooperation. Launch trilateral mechanisms first in areas where interests closely align: population ageing, including mutual recognition of care standards, medical-device certification and elder-care services; energy security, including coordinated strategic reserves, LNG swaps and emergency procurement, bringing China into the energy cooperation already under way between Japan and South Korea; the circular economy and battery recycling; and disaster relief and public health. Within RCEP, deepen rules of origin and services liberalization, restart trilateral FTA negotiations in phases, and strengthen the usability and local-currency functions of the Chiang Mai Initiative Multilateralisation.

Phase 3 (2035–2050): institution-building. Establish an East Asian youth exchange office modelled on the Franco-German Youth Office, with a long-term target of one million exchanges a year; create a standing, government-supported and scholar-led trilateral joint history commission that builds on the civil-society work begun in 2005; and gradually expand the Trilateral Cooperation Secretariat into a permanent coordinating body that outlasts changes of government.

7.4 History and public opinion: principles for rebuilding trust

Recommendation 8: Acknowledge facts, refuse to instrumentalize history and look to the future. Acknowledging historical facts is the floor of trust; keeping history out of domestic electoral mobilization is the key to breaking the reinforcing cycle; and forward-looking cooperation gives the next generation shared interests. All three principles must be observed by all three countries at once to break the pattern in which one side's hard line becomes the other's justification.

Recommendation 9: Expand direct contact. Polling evidence shows that visiting a country markedly improves views of it. Visa facilitation, tourism, study abroad and city-to-city exchanges are relatively low-cost trust-building tools with clear effects.

Chapter 8. Scenarios and Indicators

Scenario 1: entrenched confrontation. China–Japan tensions persist, the trilateral framework stays frozen, Japan and South Korea draw closer on security and economic security, and supply chains linking China with Japan and Korea separate more quickly. Each country bears external market contraction and ageing alone, and duplicate investment rises within the region.

Scenario 2: limited functional cooperation. Political relations stabilize at a low level, trilateral meetings resume intermittently, practical cooperation emerges in energy, ageing and disaster relief, and RCEP becomes the main economic bond. On current trends this is the most likely scenario.

Scenario 3: an institutionalized community. The three countries reach manageable understandings on history and security, the FTA advances, youth exchange and joint historical research become institutionalized, and regional cooperation bodies gain a stable standing that outlasts changes of government. This would require at least fifteen to twenty years of sustained political investment.

Table 4. Indicators to watch

Area	Indicators
Governance continuity	Average tenure of heads of government; number of major projects cancelled or substantially revised; creation of statutory long-term strategy bodies
Population and territory	Five- and ten-year retention of regional-visa holders; job and income growth in regional areas; regional distribution of infrastructure investment
Regional economy	Convening of trilateral summits; progress in FTA negotiations; intra-regional shares of trade and investment; number of Japanese companies operating in China
Social trust	Mutual favourability in joint polls; tourism, study-abroad and youth-exchange flows among the three countries

Conclusion

The cases examined here point to a single problem: long-term challenges require long-term strategy, and long-term strategy requires institutions that outlast changes of personnel and electoral cycles. Britain's underinvestment and project reversals, Australia's oscillating population planning and the prolonged stall in East Asian cooperation differ in form, but each reflects a mismatch between short-term political incentives and long-term national interest.

China, Japan and South Korea have industrious workforces, complete industrial systems and deep technological capabilities, and the economic complementarity among them is real. As the centre of global trade shifts toward Asia and protectionism rises in external markets, whether that complementarity becomes institutionalized cooperation depends on whether the three countries can establish a baseline consensus on history, restrain the domestic temptation to use external confrontation for mobilization, and design regional mechanisms that survive changes of government. Whichever governance arrangements can overcome short-term incentives and build durable consensus will hold the stronger position in the competition of the coming decades.