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The Political Economy of Trading States and the Renaissance of Japanese Industrial Policy in the Global Chip War

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Amid the convergence of multipolarity and polycrisis, great powers leverage their strengths to adapt, while “trading states” such as Japan and Germany must recalibrate foreign policies long aligned with the liberal order. At the same time, the Japanese LDP-led government, seeing the risks and opportunities associated with the global AI boom and the global chip war, has ushered in a renaissance of its historical industrial policy, adopting an “economic security” strategy and “new capitalism”-labelled industrial policy that places semiconductor manufacturing at the center of its endeavors.

Using an updated version of Rosecrance's “trading state” concept and theory-testing process tracing in two case studies, Steven Schwarz sheds light on the political economy behind Germany's and Japan's foreign policy-making in the context of the Russian war in Ukraine and the crisis in “Chimerica”. Separately, he analyzes the formulation and subsequent adoption of Japan's new industrial policy in the semiconductor industry, applying the multiple-streams framework to examine the role of bureaucratic and economic actors in Japan's industrial policy renaissance.

Steven Schwarz is a research associate at the Heidelberg Academy of Sciences and Humanities. His PhD project focuses on the role of domestic sectors and economic actors such as multinational corporations in the foreign-policy decision-making of Germany and Japan in international relations. His qualifications include a BA in history and political sciences from Technical University of Darmstadt, a Certificat d'Études Politiques from Institut d'études politiques de Lille (Sciences Po Lille), and a master's degree in political sciences from University of Heidelberg. During his undergraduate studies at Technical University of Darmstadt, Schwarz spent an exchange semester at the department of international politics at Aberystwyth University in Wales.

About:

The DIJ Study Group is a forum for scholars from all disciplines conducting research on contemporary or modern Japan. The event is open to all.

This session is organized by Harald Kümmerle.

This is a public event. Please be aware that audio-visual recordings may be made, stored, and published during and after the event.

Hybrid Event:

On-site participation: please register via email to kuemmerle@dijtokyo.org until November 18, 2025.

Online participation: please register via our webpage.

Venue:

Online and DIJ Tokyo: <https://www.dijtokyo.org/access/>