

Bridging Cultures, Building Trust: Portuguese Heritage in Japan as a Platform for Economic Cooperation

Unir Culturas, Construir Confiança: A Herança Portuguesa no Japão enquanto Plataforma para a Cooperação Económica

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ABSTRACT: The relationship between Portugal and Japan, rooted in the encounters of the sixteenth century, continues to shape contemporary diplomatic, cultural, and economic interactions between the two countries. This article examines how shared historical and cultural heritage can function as an entrepreneurial resource in international relations, fostering trust and creating favourable conditions for economic cooperation. Drawing on qualitative research and insights obtained through an internship at the Embassy of Portugal in Tokyo, the study analyses how historical narratives are mobilised through diplomatic and cultural initiatives and explores their contribution to contemporary bilateral relations. Particular attention is given to the Strategic Partnership established between Portugal and Japan in September 2025, which reflects a renewed commitment to cooperation in areas such as innovation, sustainability, education, and cultural exchange. The article argues that cultural heritage is not merely a legacy of past interactions but a strategic asset that can generate trust, facilitate cooperation, and support long-term economic engagement. By examining the Portuguese–Japanese case, this study contributes to discussions on cultural heritage, intercultural entrepreneurship, and international relations, demonstrating how historically grounded trust can support innovative forms of bilateral cooperation in the twenty-first century.

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KEYWORDS: Portugal-Japan Relations, Cultural Heritage, International Cooperation, Intercultural Entrepreneurship, Cultural Diplomacy, International Relations

RESUMO: A relação entre Portugal e o Japão, enraizada nos encontros do século XVI, continua a moldar as interações diplomáticas, culturais e económicas entre os dois países. Este artigo analisa de que forma o património histórico e cultural partilhado pode funcionar como um recurso de natureza empreendedora nas relações internacionais, promovendo a confiança e criando condições favoráveis à cooperação económica. Com base em investigação qualitativa e nos conhecimentos adquiridos durante um estágio na Embaixada de Portugal em Tóquio, o estudo examina a forma como as narrativas históricas são mobilizadas através de iniciativas diplomáticas e culturais, explorando o seu contributo para as relações bilaterais contemporâneas. É dada particular atenção à Parceria Estratégica estabelecida entre Portugal e o Japão em Setembro de 2025, que reflete um compromisso renovado de cooperação em áreas como a inovação, a sustentabilidade, a educação e o intercâmbio cultural. O artigo defende que o património cultural não constitui apenas um legado de interações passadas, mas também um ativo estratégico capaz de gerar confiança, facilitar a cooperação e apoiar formas de envolvimento económico de longo prazo. Através da análise do caso luso-japonês, este estudo contribui para o debate em torno do património cultural, do empreendedorismo intercultural e das relações internacionais, demonstrando como a confiança, alicerçada em ligações históricas e culturais, pode sustentar formas inovadoras de cooperação bilateral no século XXI.

PALAVRAS-CHAVE: Relações Portugal-Japão, Património Cultural, Cooperação Internacional, Empreendedorismo Intercultural, Diplomacia Cultural, Relações Internacionais

Over the past few decades, the nature of international relations has undergone a significant transformation, with economic considerations increasingly shaping diplomatic practices. In this context, cultural perception, trust, and long-term engagement have emerged as central factors influencing bilateral cooperation, particularly in trade-oriented relationships. This dynamic is especially relevant in the case of Portugal and Japan, two countries connected by a longstanding historical relationship that continues to impact their contemporary interactions. The formal elevation of this relationship to a Strategic Partnership in September 2025 reflects a renewed political commitment to deepening cooperation across multiple domains, including energetic, technological, educational, and cultural sectors.

This article examines how historically grounded cultural ties, mediated through diplomatic structures, contribute to the development of bilateral trust and, consequently, to the strengthening of economic relations between Portugal and Japan. It argues that cultural diplomacy and economic diplomacy are not separate dimensions, but rather interconnected tools that, when strategically mobilized, can enhance cooperation and reduce barriers to engagement – particularly in geographically and culturally distant contexts.

The analysis combines a theoretical perspective – drawing on literature on bilateral trust, cultural commonalities, and economic diplomacy – with empirical insights derived from direct experience at the Portuguese Embassy in Tokyo. This dual approach allows for a more comprehensive understanding of both the structural dynamics and the practical challenges involved in fostering Luso-Japanese cooperation.

First, this article explores the role of trust, perception, and cultural proximity in shaping economic relations, before examining the evolving function of embassies as economic actors. It then contextualizes the Portugal-Japan relationship through its historical development and contemporary diplomatic framework, with particular emphasis on the 2025 Strategic Partnership. Finally, it identifies key sectors as promising areas for future cooperation, highlighting both existing opportunities and current limitations.

To understand these dynamics, it is first necessary to consider how perception, trust, and cultural proximity influence economic interactions between countries. As found and sustained by Chang and Fujii (2012, p. 2), a small increase in the positive response ratio – namely, a one percentage point rise in the proportion of individuals in the importing country who view the exporting country positively – is associated with at least a one percent increase in aggregate bilateral trade flows. Linking this perspective to the idea that most of the significantly positive effects on bilateral relations come from “cultural commonalities” (Guiso, Sapienza, & Zingales, 2009, p. 1097), it’s safe and logical to infer that shared beliefs, values, practices and structures can positively impact economic relations

between different countries. This dynamic becomes particularly relevant in the Japanese context, where perceptions of reliability and reputation play a central role in partnership selection.

As noted by Silva (2023, pp. 74-75) business in Japan is rather different from business in the west. Japanese firms place a strong emphasis on trust and long-term relationship, over short-term cost advantages. It's trust over profit, likely because "where there is trust there are increased possibilities for experience and action" (Luhmann, 1979, p. 42). Möllering (2005, p. 8), drawing from Garfinkel, explains that "to say that one person "trust" another" means that both parties make an ongoing effort to respect preestablished conditions and rules – and both parties assume this reality will never change². Taken together, these perspectives help explain why trust occupies such a central position in Japanese business culture.

If, as Luhmann suggests, trust expands the possibilities for action by reducing uncertainty, and if, as Möllering argues, it relies upon the expectation that established norms and commitments will continue to be respected over time, then long-term relationships become valuable strategic assets. Rather than focusing exclusively on immediate gains, Japanese firms may prefer partners with whom they have developed a history of reliable interaction, shared expectations, and mutual understanding. Such relationships reduce perceived risks, facilitate communication, and create a stable environment for cooperation and growth. In this sense, the preference for long-term partnerships often observed in Japan can be understood not simply as a cultural characteristic, but also as a rational response to the uncertainties inherent to business.

The longer a relationship endures (and the more commitments are successfully fulfilled), the greater the confidence that, in the future, obligations will likewise be respected. Consequently, trust is not only a social value, but also becomes an economic resource that supports sustained cooperation and facilitates commercial relations.

This notion that trust is intertwined with past exchanges falls heavily on what Möllering tells us that Zucker describes as "process-based trust" (Möllering, 2005, pp. 10-11). In this concept, Zucker theorizes that trust does not exist automatically – instead, it develops through repeated interactions and experiences between actors. This interaction can be 'first-hand', when a company has worked with another company that has been proven to be reliable, for example, or 'by reputation'. Taking on the words of Rana & Chatterjee, "A positive country image might also favour trade and overall economic relations" (2011, p. 8). This is true in general, of course, but it seems especially relevant when it comes to Japan. Regardless of the topic of discussion, status is highly valued in Japan. Hence, one can only

² For more information the author recommends reading Luhmann's *Trust and Power* (1979).

infer that the better a country's image is, and the more it has proven to be reliable overtime, the likelier it is to be chosen by the Japanese as a possible partner.

This reality is closely linked to what Guiso, Sapienza and Zingales (2009, p. 1096) define as “bilateral trust”. A clear illustration of this can be found in the 2008 food safety incident involving contaminated dumplings exported from China to Japan. Following this event, public perception shifted significantly, demonstrating how negative experiences can directly affect trade relations (CHANG & FUJII, 2012).

Notably, as explored by Coates (2020) similar incidents involving domestic producers did not generate the same level of concern, highlighting the role of pre-existing perceptions and bilateral trust in shaping consumer responses. Walravens goes a step further and associates the consumer's response to this incident to “wider concerns about impurity, violence, and geopolitics” (Coates, 2020, p. 385).

For these concerns to exist, there has to be precedent on which these beliefs draw from. All relations have a past – a history – which shapes the way two (or more) entities interact. The way this history is thought and represented has a direct impact on current economic relations. It is through diplomatic structures that these historical narratives are mediated, preserved, and – more importantly – strategically mobilized in the present. As stated in the 2025 Joint Statement between Portugal and Japan:

Importance of enhancing economic resilience and economic security, including the stable supply of strategic goods, diversification of supply chains, and building resilience of critical infrastructure. Also, recognition that transparency, diversification, security, sustainability, trustworthiness, and reliability are essential principles for building and strengthening resilient supply-chain networks with trusted partners in line with international norms, obligation, as well as free, fair and mutually beneficial economic and trade relationships. (Joint Statement on the Strategic Partnership between Japan and the Portuguese Republic, 2025)

Diplomacy has been drifting away from the political, and the economic has been gaining ground. It is true that “embassies are political and social centers just as much as they are cultural and economic hubs” (Silva, 2023, p. 42). However, in a deeply trade-oriented world, international relations and politics are increasingly serving the economy. Yakop and Bergeijk (2009), for instance, state that embassies and consulates are of interest because:

Firstly, good and stable political relations by building on mutual trust provide the first best instrument to reduce the risk of future distortions and trade disruptions. Secondly, embassies and consulates help to generate knowledge about (future) opportunities for trade and investment and thus may add to the stock of knowledge about foreign markets which – if shared with (potential) exporters – reduces the costs that may have to be incurred for exporting to and investing in these markets. (Yakop & Bergeijk, 2009, pp. 5-6)

In the same sense, Pedro Sousa (2019, p. 48) states that power seems to be shifting from the political-military sphere to the economic one, causing economic diplomacy to gain importance in external relations.

This transformation reinforces the idea that embassies are no longer merely political intermediaries – they are now active economic agents, responsible for shaping perceptions and mobilizing (historically grounded) relationships to advance national interests. A specific Portuguese case illustrates this dynamic clearly: in 2011, in response to the economic crisis, the Portuguese government set new objectives³ to “strengthen the export market and seek new destinations, especially in Africa, Asia, and Latin America”, leading to a reorganization of foreign missions and the transformation of some into “business centers” (Pacheco & Matos, 2021, p. 151).

Embassies now play an increasingly important role in operationalizing economic dynamics. Beyond their traditional political functions, foreign missions are responsible for providing information and facilitating international cooperation (Rana & Chatterjee, 2011, pp. 4-5). In this context, embassies can effectively function as export promotion agencies (EPAs), shaping the country’s image abroad, supporting export services, promoting national products, and analysing local markets to identify opportunities for domestic companies.

However, their perceived relevance varies depending on the context. On the one hand, Pacheco and Matos (2021, p. 164) note that firms tend to attribute a relatively minor role to embassies and consulates in supporting export activities. On the other hand, when it comes to geographically and culturally distant markets – such as those in Asia – companies assign greater importance to institutions like AICEP and diplomatic missions. This suggests that embassies may play a particularly significant role in contexts where cultural distance and informational barriers are more pronounced.

In this regard, Japan represents a particularly relevant case. The 2011 reorientation of Portuguese foreign policy, aimed at expanding into distant markets, highlights the strategic importance of countries such as Japan. Despite the geographical distance and distinct cultural frameworks, Japan emerges as a key partner, not only due to its economic significance but also because of the longstanding historical ties that connect the two nations. This relationship dates back to 1543, when a Portuguese vessel arrived in Tanegashima, marking the beginning of sustained contact. These early encounters fostered exchanges of goods, knowledge, and cultural practices, contributing to the development of mutual perceptions that continue to influence bilateral relations today (Costa, 1995, p. 185).

³ These objectives, among others, were: to promote exports, market diversification, FDI attraction, and tourism attraction. For more information please refer to (Pacheco & Matos, 2021, pp. 151-152).

If, on the one hand, Portugal brought new goods and commercial routes to Japan, on the other hand, Japan represented a strategic market for Portuguese traders in the 16th and 17th centuries – “Connecting Japan to the rest of the Portuguese trade routes translated into enormous profit for the Portuguese” (Silva, 2023, p. 8), who were then bridging the commerce between China and Japan. Furthermore, it was also through the Portuguese that the Jesuits took knowledge on the existence of Japan, and started their missions to Christianize it, revolutionizing not only culture and religion, but also medicine, science and education⁴.

It is true that it was, in a way, because of the Jesuits that the relationship between the two countries ceased. Jesuits were harshly opposing to Buddhism (Japan’s main religion at the time), which ended up causing displeasure for some *Shoguns*⁵. Because trade was seen as being inseparable from religion, *Shogun* Ieyasu Tokugawa forbade “not only the practice and defense of Christianity, but also trade and relations with the Portuguese altogether” (Silva, 2023, p. 14). Even so, the Portuguese had already left a significant mark on Japanese society and culture. Despite the issues surrounding Christianity, the seeds of trust had already been sown, and these would not be undermined by a problem that stemmed, above all, from concerns regarding political stability and both religious and external influence.

Japanese borders eventually reopened for the Portuguese in the 19th Century, with the “Treaty of Peace, Amity and Commerce”⁶, and article 2nd of said treaty established, for the first time, that “both crowns could delegate representatives [...] allowing them to move freely within the countries” (Silva, 2023, p. 23). It is important to notice that, from then on, political relations between the two countries were not always amicable. Some of the most important diplomatic and political relations landmarks between the two countries, according to the Japanese Embassy in Portugal (2000), include:

- First Legation of Japan in Portugal – 24th March 1880.
- Portugal was an important footholder⁷ of Japan in Europe during World War II, due to its neutrality.
- Deterioration of relations in 1942 due to Japanese occupation of East Timor and Macau control.

⁴ For further information please refer to (Fuzii, 2004) and (Silva, 2023).

⁵ “By the time the Portuguese arrived in Japan, the country was ruled by the members of the court, in a military government called *bakufu* or *Shogunato* (Fuzii, 2004, p. 15). In 16th Century Japan, the *daimyo* – feudal lords – were the ones in charge of the nation, and the ‘higher rank *daimyo*’, titled *Shogun*, was the military commander.” (Silva, 2023, p. 7)

⁶ “Tratado de Paz, Amisade e Commercio entre Portugal e o Japão” was signed by Portuguese King D. Pedro V and Japanese Emperor in 1860.

⁷ As defined by the Oxford Learners Dictionary (2026) a foothold is “a strong position in a business, profession, etc. from which somebody can make progress and achieve success”

- Japan admitted defeat in 1945, and was occupied by the Allied. Diplomatic relations were broken off until April 1952.
- Reestablishment of diplomatic relation in 1953, and establishment of first Portugal Legation in Japan in March 1954.

From then on, relations were smooth and gradually improving. According to the same source, “The Portuguese Legation was raised to the status of Embassy” in October 1958, and the same to the Japanese one in April 1959. Despite periods of tension and interruption, diplomatic relations were repeatedly restored and progressively institutionalized. This continuity is significant because it demonstrates that the bilateral relationship survived political disruptions and continued to generate channels of trust and cooperation over time. In this sense, it is important to note that an Embassy’s responsibility is “to maintain and manage the diplomatic bound between the two countries [...] by being governmental centers which take care of all decisions concerning both countries, organizing official visits and meetings, and guaranteeing communication between the two governments” (Silva, 2023, p. 42).

As we have seen, Embassies have been increasingly becoming economic facilitators – probably a result of their close work with Representation Offices, such as AICEP. The dissemination of national culture also constitutes a central component of an embassy’s purposes, often carried out through a wide range of cultural initiatives. For this reason, most embassies include a dedicated cultural section or center, responsible for promoting and representing the country’s cultural interests abroad. Beyond their symbolic role, these structures also operate as effective instruments of diplomacy, contributing to the strengthening of bilateral relations through cultural engagement. In fact, culture and representation play a crucial role in diplomacy. “Cultural Diplomacy” is considered a form of *soft power*, as opposed to *hard power*, that offers “means to foster influence through attraction rather than imposition” (Institute for Cultural Diplomacy, 2026).

In an increasingly globalized world, it is important to focus on ways through which diversity can be a propeller for cooperation and dialogue. The main objective of cultural diplomacy is to foster positive perceptions and lasting impressions of the sending state among the population of the receiving country. By projecting its values and interests abroad, it contributes to the development of bilateral trust—an essential factor in shaping economic relations. In this sense, the creation of a shared cultural space, encompassing art, heritage, and collective meaning, not only strengthens mutual understanding but also facilitates trade and investment by reducing perceived risks and enhancing the attractiveness of the sending state as a reliable partner.

Cultural Diplomacy, even if not addressed by name, emerges as a particularly relevant instrument in shaping contemporary relations, especially in cases where history and culture play a significant role. In this sense, the relationship between Portugal and Japan, rooted in a shared historical legacy while operating within distinct cultural frameworks, illustrates how cultural engagement can be strategically mobilized to foster trust and strengthen economic cooperation. Through diplomatic and cultural initiatives, historical heritage ceases to function merely as a record of past interactions and becomes an entrepreneurial resource capable of generating relational value, facilitating cooperation, and creating new opportunities for economic engagement.

Luso-Japanese cultural relations stem from the 16th Century, as previously addressed. This contact left several changes – in language, sciences, art, and others. As in the words of Spencer Low (2023), “The arrival of the Portuguese set off a chain of technological, religious and cultural developments that fundamentally changed Japan's history and outlook”. Nowadays, the two countries engage in initiatives aimed at the maintenance of shared culture.

Portugal and Japan share a list of “sister towns”, whose intent is to foster youth, business, culture and prominent figures exchange. The author’s participation in the preparation of commemorative materials related to the Portugal-Japan relationship, such as the translation and correction of Basílio Horta’s homage to Omura, provided direct insight into the continuing efforts undertaken by the diplomatic institutions to preserve and promote bilateral cultural ties.

Reminders of these relations, and hence mutual recognition, come as festivals, celebratory weeks, and other celebrations and initiatives. For the past 12 years, in Lisbon, the Japan Festival⁸ is celebrated, “whose goal is to spread awareness and celebrate the long relationship between the two countries” (Silva, 2023, p. 34). In Japan, the most famous good brought by the Portuguese to Japan – the Arquebus⁹ – has its own annual festival, the *Teppo Matsuri*. This Arquebus Festival is meant to represent and keep alive in the memory of the Portuguese sailors that first arrived to Tanegashima.

The current effort made by the institutions to maintain the relations between the two countries is good – but it can be argued that (at least from Portugal’s side) it could be better. Participant observation conducted during the author's internship at the Portuguese Embassy in Tokyo included attendance at the EU Member States’ Press & Cultural Counsellors Meeting, whose goal is to “discuss the cultural agendas of the various countries of the European Union in Tokyo, and to work together to stimulate new and/or varied activities to celebrate the EU’s presence in Japan” (Silva, 2023, p. 58).

⁸ At the date of this article, there have been 12th annual celebrations. The CCILJ (Portuguese-Japanese Chamber of Commerce and Industry) has announced through social media that the festival would not be having an edition in 2026, due to internal restructuration.

⁹ Long, portable, firearm, commonly called *espingarda*, in Portuguese.

Discussions were broadly organized around three themes: upcoming EU events in Japan, reports on national cultural activities, and matters related to press and communication¹⁰, and provided insight into the cultural diplomacy strategies pursued by European diplomatic missions in Japan.

The initiative seemed to be an excellent opportunity for Portugal to deepen its relationship with Japan. By participating in activities such as “EU Film Days in Japan” or “EU Comes to Your School”, Portugal could present its culture to a broader audience on its own terms, shaping how it is perceived by the Japanese public. In doing so, cultural representation becomes an important complement to economic diplomacy, fostering a more positive image of the country and, consequently, creating more favourable conditions for the development of trade and economic relations. Furthermore, the participation in the European Higher Education Fair, which aims to attract Japanese students to European Universities, represents another important dimension of cultural diplomacy. By engaging in such events, Portugal would have the opportunity to position itself as an attractive academic destination, fostering people-to-people connections that can strengthen long-term bilateral relations and generate positive economic spillovers. However, this potential is not fully realized due to existing structural constraints within the Portuguese higher education admission system for international students. Observations conducted during the internship at the Portuguese Embassy in Tokyo indicated that certain regulatory limitations may create barriers for prospective students of Portuguese descent who completed their education abroad. For instance, students of Portuguese descent who have completed their education abroad may find themselves excluded from both international and national application regimes, resulting in delays or, in some cases, the impossibility of applying altogether. This misalignment between policy and practice ultimately undermines Portugal’s capacity to attract international talent and weakens the broader objective of deepening bilateral relations. In this sense, facilitating academic mobility should be understood not only as an educational policy issue, but as a strategic tool of economic and diplomatic engagement.

There was no past nor future intent of participating in EU’s initiatives. Informal discussions conducted during the internship suggested a perception among some diplomatic personnel that Japan was not considered a priority market within Portugal’s broader international economic strategy, hence the lack of investment in these initiatives. This positioning raises important questions regarding the alignment between Portugal’s diplomatic practices and the opportunities identified within the Japanese context. Given the importance of trust, long-term engagement, and cultural presence in Japan, as we have seen, a limited institutional investment may ultimately constrain the development of deeper

¹⁰ For further information on all matters discussed in the meeting, please refer to (Silva, 2023, pp. 58-59)

economic relations. In this sense, reassessing the strategic relevance attributed to Japan could constitute a crucial step toward unlocking the full potential of Luso-Japanese cooperation.

On 11th September 2025 the two countries formally elevated the status of their relationship to a Strategic Partnership. As defined by Anna Michalski (2019, p. 5), a Strategic Partnership is “a specific form of bilateral relations between states and between states non-state actors which through their presence shapes the social structures of the international system and provides venues for bilateral interaction and the realization of international roles.”.

The encounter, between Prime Minister Luís Montenegro and Prime Minister Shigeru Ishiba was a structured diplomatic programme, which encompassed several distinct moments¹¹. The summit meeting, the core reunion of this visit, helped define the agreeing points between the two parties, and ultimately resulted in the issuing of the joint press statement.

The Summit started with condolences and cordial remarks from Prime Minister Ishiba, followed by Prime Minister Montenegro’s reference of the “long-standing friendship and deep cultural ties” between the two countries (Ministry of Foreign Affairs of Japan, 2025). Then, both Ministers discussed their intentions of: strengthening economic cooperation, as well as security and defence; coordinate on global issues such as the Russia-Ukraine war, and Indo-Pacific security; cooperating with Portuguese-speaking countries; and finally, intellectual and strategic exchange of disaster prevention strategies and technologies. At the end, both parties agreed to elevate relations to a Strategic Partnership.

This Partnership, as stated by Prime Minister Montenegro, “is not just a vague term, an expression; it is a commitment to further our cooperation at the cultural and economic levels, and in developing new areas of relationship” (The Portugal News, 2025). This new *status quo* of the relationship allows it to move beyond the symbolic and position the relationship as more strategic and forward-looking. With this strategy, the two countries emphasise their cooperation in high-value and future-oriented sectors such as innovation and technology, green sustainability, digital economy and education and scientific exchange.

Montenegro stated that “This strategic partnership illustrates a common desire to work together, to converge, and to treat our political, economic, and cultural relationship with a positive and efficient purpose” (The Portugal News, 2025). On the one hand, economic relations deepened by encouraging trade and investment, creating new opportunities for companies, and reducing barriers to cooperation. On the other hand, cultural and institutional collaboration is also promoted, focusing on cultural exchange, academic mobility, and people-to-people cooperation. In fact, both parties recognize that:

¹¹ For more information on the several steps of the encounter, please refer to (Prime Minister's Office of Japan, 2025).

Japan and Portugal share a rich history of diverse and dynamic people-to-people exchanges, spanning culture, sports, tourism, education, science and technology and innovation. They shared the view that these interactions serve as a solid foundation for fostering long-term collaboration between the two countries, particularly among future generations. (Joint Statement on the Strategic Partnership between Japan and the Portuguese Republic, 2025)

What this agreement shows is that both governments are actively investing in culture, education, cooperation, and trade. What we have seen thus far is that such an arrangement is facilitated by a mutual recognition of economic importance, and it stems from a relationship that has been being built for almost 500 years.

If participation and interest has been somewhat limited, as previously addressed, this new Partnership agreement not only shows more will to connect, but also opens and facilitates communication and cooperation. This policy backs-up the idea that Portugal and Japan can indeed become a strategic platform – it is a significant step in the modernization of bilateral relations.

Moving beyond historically grounded cultural ties, the agreement emphasizes cooperation in strategic sectors such as innovation, green technology, and education, reflecting a shared commitment to future-oriented development. This development reinforces the argument that cultural and historical connections, while important, are increasingly being mobilized as instruments to support economic and strategic objectives. In this sense, the agreement can be interpreted as an institutional recognition of the role of trust, mutual understanding, and long-term engagement in facilitating sustainable economic cooperation.

It is, however, important to note that the existence of such framework does not automatically translate into effective implementation. The limited participation in certain cultural and promotional initiatives indicates a potential gap between strategic intent and practical engagement, highlighting an area where Portugal could further strengthen its presence in the Japanese context. *ronews*

Building on this renewed strategic framework, the Luso-Japanese relationship can be further understood not only in terms of its historical depth, but also through its future-oriented economic potential. While cultural diplomacy and longstanding ties have contributed to the development of bilateral trust, the challenge now lies in translating this foundation into concrete and sustainable forms of economic cooperation. In this context, sectors such as green energy and sustainability, technological innovation, education and scientific exchange, and cultural and creative industries stand out as particularly promising areas for collaboration. These domains not only reflect global economic trends, but also align with the respective strengths and priorities of both countries, offering concrete opportunities to translate this bilateral friendship into sustained economic engagement.

Green Energy and Sustainability

Green energy refers to the production of energy by renewable, environmentally friendly sources (such as hydropower and sunlight, for example), that generate little or no greenhouse gas emissions. This goes hand in hand with sustainability, which, in broader terms aims at reducing environmental impact, using resources efficiently, and ensuring long-term ecological balance. Overall, green energy and sustainability focus on giving society and economy what they need, in an environmentally responsible way.

Portugal is a very strong actor in this area – it ranks “among the top European Union countries for the consumption of energy from renewable sources” (Portugal Pathways, 2026). In fact, hydropower and wind generated energy are the main sources of electricity in the country, representing 72% of overall production (Euronews, 2026). Electricity trade requires physical interconnections¹², which makes the direct export of energy from Portugal to Japan unfeasible. This limitation does not preclude meaningful cooperation in the field of green energy. On the contrary, it highlights the potential for alternative forms of collaboration based on knowledge exchange, technological development, and joint innovation.

Portugal’s experience in the large-scale deployment and management of renewable energy systems, particularly in wind and hydropower, positions it as a valuable source of practical expertise. In this sense, cooperation could take the form of knowledge transfer, policy exchange, and the sharing of best practices in energy transition strategies. At the same time, Japan’s advanced capabilities in energy-related technologies (particularly in areas such as energy efficiency, solar photovoltaics, and battery storage) create opportunities for complementary partnerships. By combining Portugal’s experience in renewable energy production with Japan’s technological innovation, both countries could benefit from a mutually reinforcing relationship, contributing not only to bilateral economic cooperation but also to broader global sustainability goals. In this sense, cooperation in green energy illustrates how geographical constraints can be overcome through strategic alignment of capabilities, transforming limitations into opportunities for innovation and partnership.

Technological Innovation

Closely linked to the development of green energy, technological innovation emerges as another key area for potential cooperation between Portugal and Japan. While innovation plays a crucial role in enhancing the efficiency, storage, and management of renewable energy systems, its relevance extends far beyond the sustainability domain. Broadly understood as the development and

¹² For more information please refer to (International Energy Agency, 2026).

application of new or improved technologies, technological innovation underpins competitiveness, productivity, and long-term economic growth across multiple sectors (Budzinski, 2025).

In this context, the complementarities between Portugal and Japan become particularly evident. Portugal has been increasingly positioning itself as a hub for digital innovation (Associação Nacional de Inovação, 2025), while Japan remains a global leader in advanced technology, including robotics, automation, and high-precision manufacturing¹³. This creates opportunities for cooperation not only in energy-related technologies, but also in areas such as digital transformation, industrial innovation, and artificial intelligence.

Although some forms of cooperation already exist – particularly through academic partnerships, research initiatives, and European frameworks – these interactions remain relatively limited in scope. At the academic level, collaboration has taken place through university exchange programmes, joint research projects, and co-authored publications. At a broader level, initiatives supported by frameworks such as Horizon Europe, as well as the EU–Japan Economic Partnership Agreement, have facilitated cooperation between European and Japanese institutions, including Portuguese actors, in areas related to innovation and technological development.

According to the International Trade Administration (2024), “Portugal is among the EU leaders in digital public services [...] [it’s] performance is ahead of the EU average in pre-filled online forms and digital public services for the public and business”. In contrast, from personal experience, Japanese entities tend to depend on paper processes as well as slow and inadequate digital systems. Technological innovation is not limited to the industry – it also includes how states organize and deliver services. In this sense, Portugal’s expertise in e-government and administrative digitalization may offer valuable insights for Japan, where public sector digital transformation has progressed at a slower pace despite the country’s advanced technological reality.

Education and Scientific Exchange

The third point of cooperation mentioned in the 2025 Strategic Partnership agreement refers to education and scientific exchange. This concept refers to the movement and collaboration of people, knowledge, and research between the two countries. It may include student mobility, scholarships, academic exchange agreements, joint research projects, scientific cooperation, among others. This sector of activity does not solely represent an education policy; it rather demonstrated a long-term

¹³ For further information please refer to (Hennessy Funds, 2021) and (International Trade Administration, 2025).

economic and diplomatic investment, which focuses on the bringing up of future professionals and researchers, and expects the creation of new networks.

Students, researchers, as well as other scientists, are naturally attracted to a country's technical and scientific offer. However, they are also attracted by their own interest and curiosity. Our own experience is an example – our passion for Japan and its culture, as well as the will to work there, came from years of exposure to Japanese culture and language, through a variety of means. It is hence logical to assume that culture plays major role in the attraction of academics. Then, working or studying abroad also creates lasting relationships and networks which do not go extinct even after moving back to our own country. Following the thinking of Jean Oelwang (2022), a key factor underlying many successful trajectories is not only technical expertise, but the ability to establish strong and lasting partnerships – an insight that is equally relevant in the context of international cooperation.

Japan has demonstrated a consistent and structured commitment to attracting international students through initiatives, such as the MEXT scholarship programme. This government-funded aid provides financial support – including tuition, living expenses, and travel costs – across multiple levels and areas of higher education, thereby positioning Japan as an attractive destination for foreign students¹⁴.

In contrast, Portugal does not offer a comparable, centralized programme specifically aimed at attracting students from strategic partner countries such as Japan. While some opportunities exist through European frameworks and individual institutional initiatives, these remain relatively fragmented and less visible at the international level. This asymmetry suggests that, despite the recognized importance of academic mobility in strengthening bilateral relations, Portugal has yet to fully capitalize on this dimension. Developing targeted scholarship programmes or simplifying access to higher education for Japanese students, as previously addressed, could therefore represent a strategic opportunity to enhance long-term cooperation, foster people-to-people connections, and generate positive economic and diplomatic impacts. Relations are historical and symbolic, but they can become strategic and future-oriented if properly leveraged.

Cultural and Creative Industries

Cultural and Creative Industries, also known as CCIs, transform creativity and cultural expression into economic, social, and diplomatic value. As defined by Cabral, Roders and Albuquerque (2022) CCIs are “Industries whose main purpose is the production, reproduction, promotion,

¹⁴ For more information on the MEXT scholarships, please refer to (Ministry of Education, Culture, Sports, Science and Technology - Japan, 2026).

distribution, or commercialization of goods, services, and activities with cultural, artistic, or heritage value”. CCIIs combine both heritage-oriented industries, such as Museums and Tourism, for example, as well as innovation-oriented industries, like Film, Music, Fashion, to name a few.

Cultural and Creative Industries operate at multiple levels, generating economic, diplomatic, and social benefits. Economically, they generate employment, attract investment, and contribute to economic growth. Diplomatically, they help shape national image, enhance international visibility, and support cultural diplomacy initiatives. Socially, they contribute to identity formation, promote cultural participation, and encourage intercultural dialogue. By creating opportunities for interaction and mutual understanding, CCIIs can also contribute to the development of trust between societies, making them a particularly relevant dimension of contemporary Portugal–Japan relations.

In fact, both countries possess rich cultural traditions and dynamic creative sectors, albeit with different global positioning. While Japan has achieved significant international reach through cultural exports such as animation, technology, and design, Portugal’s strengths lie in heritage-based industries, cultural tourism, and niche creative production¹⁵. This complementarity suggests that enhanced cooperation in CCIIs could not only strengthen cultural exchange, but also generate new economic opportunities and reinforce bilateral relations through culturally grounded forms of engagement.

Cooperation in Cultural and Creative Industries operates through concrete mechanisms such as co-production, market access initiatives, cultural tourism, and talent mobility, all of which contribute to transforming cultural exchange into measurable economic and diplomatic outcomes (UNESCO, 2021) (European Commission, 2026) (OECD, 2018). The potential for cooperation between Portugal and Japan can rest on several mechanisms. Joint creative projects, such as film co-productions¹⁶, design collaborations, or digital content partnerships, would allow both countries to combine their respective strengths while accessing new audiences. At the same time, increased participation in cultural events, festivals, and international fairs will facilitate market access and enhance the visibility of national cultural products. Finally, the mobility of artists, designers, and creative professionals – through residencies, exchange programmes, or collaborative networks – can foster long-term connections and stimulate innovation. These dynamics were observable during the author's internship period, which coincided with the organization of cultural initiatives involving Portuguese artists such as Vhils¹⁷ and Ana Aragão’s¹⁸.

¹⁵ For more information on Portugal’s CCIIs please refer to (Agência para o Investimento e Comércio Externo de Portugal, 2026).

¹⁶ According to the above mentioned source, “Portugal serves as a stage for major international film productions”.

¹⁷ Alexandre Farto, commonly known as Vhils, is a Portuguese street artist known for his wall sculptures. He is the author of the mural displayed at the Portuguese Embassy in Japan.

¹⁸ Ana Aragão is a Portuguese artist and architect, author of the series “My Plan for Japan”.

Overall, these forms of engagement illustrate how cooperation in Cultural and Creative Industries can move beyond symbolic exchange to generate tangible economic value while simultaneously strengthening bilateral relations.

The analysis developed throughout this article demonstrates that the relationship between Portugal and Japan extends far beyond its historical foundations, evolving into a multifaceted partnership with significant economic and strategic potential. While cultural and historical ties have long served as the basis for mutual recognition, their contemporary relevance lies in their capacity to foster trust, reduce uncertainty, and facilitate cooperation in increasingly complex and competitive global markets.

As explored, sectors such as Green Energy and Sustainability, Technological Innovation, Education and Scientific Exchange, and Cultural and Creative Industries offer concrete avenues through which this potential can be reached. The existence of institutional frameworks such as the 2025 Strategic Partnership does not, in itself, guarantee effective engagement. Bridging the gap between strategic intent and practical implementation remains a key challenge, particularly in light of limited participation in existing initiatives. In this sense, a more proactive and coordinated approach by Portuguese institutions, especially in the Japanese context, could significantly enhance the depth and scope of bilateral relations.

Lastly, the case of Portugal and Japan illustrates how history, culture, and intercultural understanding, when strategically used, can function not only as a symbolic asset, but also as a catalyst for sustainable economic collaboration and innovation in the 21st century. In an increasingly interconnected world, the ability to transform cultural proximity into strategic cooperation may well define the success of future international partnerships.

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