

Strengthen Japan-EU relations in a new era

Russia's invasion of Ukraine changed history

February 24, 2022 changed history. Since that day, Russia's invasion of Ukraine has cast a dark cloud over the world. Ukraine is in Europe, and Russia's threat to Europe has become apparent. Germany's Eastern Diplomacy, or policy of engagement with Russia, was betrayed by Russia and collapsed. Many people did not imagine that the invasion of national sovereignty by force would occur in this era. It's like going back to the age of war.

Europe condemns Russia's outrage and pushes to support Ukraine. Although the energy crisis will inevitably have a short-term negative impact on the economy, Europe is prepared to say, "It's a price worth paying." That's why Russia's actions this time are unforgivable. Following Russia's move, Sweden and Finland applied to join NATO and are waiting for approval. This shows that the security environment in Europe has completely changed.

The EU strengthens its decarbonization efforts with the crisis as a springboard

Given the EU and the world's dependence on Russian energy, the EU has faced the classic energy challenge of fossil fuel energy security. Russia is the world's third largest producer of crude oil and the world's second largest producer of natural gas. Dr. Fatih Birol, Executive Director of the IEA calls it a "global energy crisis." The EU's Green Deal policy toward carbon neutrality by 2050 seemed to be stalled, but the EU took advantage of the crisis. It launched policies such as

“REPowerEU” in quick succession, and is strengthening efforts to break away from dependence on Russian fossil fuels (30% for oil, 40% for natural gas, and 50% for coal) and aim for energy independence. In the short term, the EU is returning to coal and will extend operations, but is accelerating the clean energy transition for energy independence and decarbonization.

History of Japan-EU relations

The relationship between Japan and Europe, and their sense of distance, have historically seen twists and turns. The 1970s and 1980s were dominated by trade friction, just like Japan-US relations. At that time, Japan-Europe relations were more distant than Japan-U.S. relations, which were military alliances. Although Japan-U.S. trade friction was a fierce confrontation, the alliance’s nature had created workable solutions. In contrast, both Japan and EU struggled to resolve the friction, partly because they were not in a military alliance. Nevertheless, thanks to the efforts of our caring predecessors, the EU-Japan Centre for Industrial Cooperation was established in 1987, and since the completion of the European single market at the end of 1992, new partnerships have been announced in joint declarations and other documents. Thus, Japan and the EU began to cooperate. In 1999, the Japan-EU Business Round Table (BRT) was launched, which continues to this day.

Even so, the Japan-EU EPA had to be concluded before the Japan-EU relationship could become a true partnership. Discussions leading to a Japan-EU EPA began in 2007 when then Prime Minister Abe met the then President of the European Commission (José Manuel Barroso) in Brussels. After that, preliminary discussions continued, and formal negotiations started in 2013. The negotiations reached agreement in

2017 which was formally signed in 2018 and entered into force in 2019. During this long process, the Japanese business community consistently lobbied for an early agreement through forums such as the BRT.

The reason it took so long was the influence of the world situation. The EU was originally not willing to have a free trade agreement with Japan, concerned about Japan's industrial competitiveness in automobiles, electrical machinery and electronics. During the lengthy preliminary discussions and negotiation process, the EU side had been watching Japan's position and the world situation. The fact that the Abe administration in Japan reached an agreement in the TPP negotiations in 2016 had a large impact on the EU moving towards an agreement. Witnessing Japan's commitment to regional free trade agreements, the EU sought to avoid being left behind in the global trend.

Japan-EU relations entering a new era

Since the Japan-EU EPA agreement in 2018, Japan-EU relations have been elevated to a new height. A Strategic Partnership Agreement (SPA) was also signed at the same time as the EPA. This is a confirmation of the strengthening of political relations between Japan and the EU. It is, so to speak, a pledge of comradeship as well as providing a basis for future enhanced political and sectoral cooperation and joint actions in areas of common interest.

The background to this is the changing world situation. In recent years, due to China's economic, political and military rise, the relationship between the United States and China has taken on the aspect of hegemonic rivalry and competition. The United States has stepped

down as the world's policeman, and the world has entered the era of G-Zero. In 2017, the Trump Administration was established in the United States, pursuing America First. The Trump Administration withdrew the United States from the TPP and declared its withdrawal from the Paris climate agreement. The EU had a tough time under the Trump Administration. The EU has also become more concerned about China, with which it once had strong economic ties, in terms of both economic and security aspects. As a result, the EU began to reassess its relationship with Japan as a like-minded partner with which it shares basic values.

The problem of climate change is exacerbating the damage caused by abnormal weather around the world, and the necessity of responding to it has become a global consensus. Recognition that even a moment's delay is not allowed has spread. It is Europe that has led the discussion, and all the countries of the world began to recognize and strengthen their efforts to follow Europe. The United States with its replacement of the Trump Administration with the Biden Administration in 2021, renewed its commitment to addressing climate change. The EU highly appreciated Japan's carbon neutral commitment announced in 2020.

Advances in digital and other technologies are progressing exponentially. But these technologies are a double-edged sword of benefits and risks. The development of world civilization depends on how it is utilized for the benefit of humankind and society (elimination of evil). In doing so, basic values such as respecting for human rights and ensuring safety (security) are important. For example, the use of AI may make society more convenient and happier, but it must be used in a human-centered manner.

The EU, which respects basic values such as democracy, human rights, and the rule of law, cannot tolerate despotism, human rights violations, and violations of international law. Japan is a good partner in this regard. Japan shares those beliefs. It is the rediscovery of Japan for Europe and the rediscovery of Europe for Japan.

European security goes hand in hand with Asian security. The European energy crisis is the world energy crisis. The climate change crisis cannot wait for the world. Japan should also share Europe's sense of crisis, use the crisis as a springboard, and strengthen Japan-EU relations in a new era to deal with global issues.

The EU from an expert's perspective

Ian Bremmer of the Eurasia Group, an authority on global geopolitical analysis, is a big sympathizer of Japan and holds an event called the G-Zero Summit in Japan every year. Dr. Bremmer said, "The power of the EU to strengthen various systems using the crisis as a springboard is the best model for successful interstate cooperation in the 21st century" (October 26, 2022 Nikkei Shimbun). He advises that Japan should align with the United States on security, with China on the economy, and with the EU on democracy. When I exchanged opinions with Dr. Bremmer, I pointed out that alignment with the EU should be on the "rule of law," and he agreed. He further argued that alignment with EU should be on multilateralism and standards. That captures the essence of the EU.

Recently, regarding the EU's global influence, the concept of the "Brussels effect" has become widespread. It is recognized that the EU leads the world in its ability to form norms ranging from privacy to environment and food safety ("The Brussels Effect: EU's Hegemonic

Strategy" (Anne Bradford)). This is the strategy Japan should master, and therefore why Japan should partner with the EU.

What Japan-EU relationship to aim for

The governments of both Japan and the EU, as well as the business community, recognize the importance of the Japan-EU relationship and are strengthening their efforts. At the annual Japan-EU summit meeting, discussions on strengthening the partnership relationship have been substantiated in recent years. A Japan-EU Green Alliance was agreed in 2021, and a Japan-EU Digital Partnership was agreed in 2022.

The Japan-EU Business Round Table (BRT), which has continued since 1999, has supported the Japan-EU EPA for many years, but some concerns were expressed in Japanese side that the momentum might decline after its completion. Recently, however, there have been active discussions on how to use the EPA as an opportunity to further deepen the fruits of the Japan-EU partnership. In particular, the enthusiasm of the EU side is felt strongly. Each year, the BRT submits proposals to the leaders of the Japanese and EU governments as a consensus of the business community, and the two governments advance efforts in Japan-EU relations accordingly. The Green Alliance and the Digital Partnership are examples of this.

The process of strengthening Japan-EU relations does not mean that Japan should sympathize with or follow all EU positions. The EU wants to partner with Japan because it wants to take advantage of Japan's strengths. These include deep ties with Asian countries, soft power that makes many people want to visit Japan, and strengths in technology and technical detail. The fact that the EU is working with

Japan to develop business in Asia and other regions is also a sign of its expectations for Japan. Based on these strengths, Japan needs to adopt an attitude that improves the position and thinking of the EU. For example, Asian countries, where economic growth and energy demand are growing remarkably, should be supported by presenting a realistic energy transition path aimed at decarbonization while ensuring a stable supply of energy.

Under the current geopolitical world situation, an EU-Japan partnership is an inevitable undertaking. And the EU-Japan partnership should lead the world. Of course, Japan's security is based on the Japan-US military alliance. Sino-Japanese relations are tense, but economically inseparable. ASEAN is an important partner for Japan both economically and politically. The Quad as a regional coalition of like-minded countries is gaining importance. Nevertheless, a partnership with the EU is essential for Japan to raise its position in the world. Without this, Japan's position cannot be strengthened.

In particular, in order to become a model for the world, in the field of green and digital, we should promote the Japan-EU partnership concretely in terms of global rule-making, policies and regulations, technology development and social implementation, business development, etc., thereby achieve social objectives and economic growth. We should present an economic and social model that contributes to the world while simultaneously achieving growth. The year 2023, when Japan holds the G7 presidency, will be a perfect opportunity for doing so.

(This article reflects the author's personal opinion and does not reflect the official views of the organization to which he belongs.)

