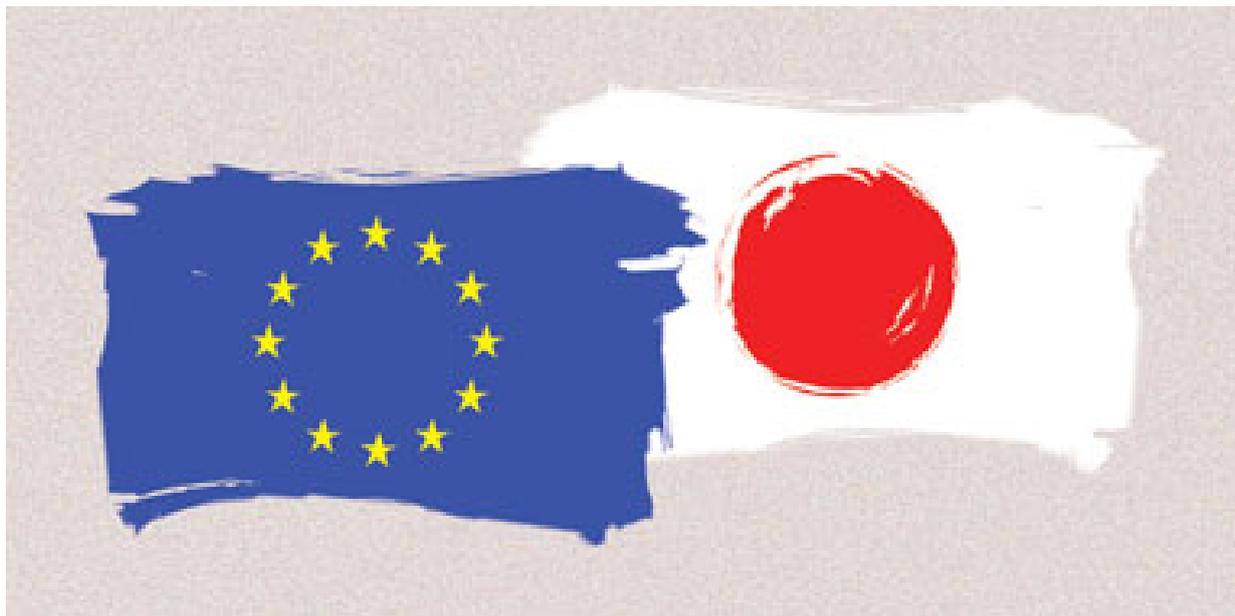


EU Centre Background Brief

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EU-Japan: A Partnership of Renewed Importance

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(Image: European Commission)

Abstract

This background brief explores the prospect of a stronger European Union's (EU) economic and political leverage in the Asia Pacific region through the analysis of EU-Japan relations. The paper delves into the main drivers and implications of the two bilateral treaties recently concluded between the EU and Japan, the Economic Partnership Agreement (EPA) and Strategic Partnership Agreement (SPA). The political environment that surrounded the agreements is deeply marked by crisis and uncertainty. However, this paper develops the view that increased bilateral cooperation between the EU and Japan offers opportunities for the EU to boost its presence in Asia as well as increases both parties' ability to face new challenges and adapt to a fast-changing international system.

The EU in Asia: General Interests and Immediate Context

As the political and economic centres of power are moving towards the East and with Trump shifting Washington's foreign policy towards unilateralism, the EU has been forced to look beyond its immediate surrounding. Economic growth rates in the Asian continent have surpassed those in Europe and America and brought Asia's increased political importance. The continent's enlarged economic weight and geostrategic relevance highlight the need of inter-regional cooperation for obtaining European policy goals as well as for securing its economic interests and communication routes.

Over the last few years, the EU has repeatedly stated its intention to deepen its diplomatic and economic role in Asia. In July 2016, Federica Mogherini presented the EU's Global Strategy. The Strategy calls for unity, responsibility and the promotion of peace, security, prosperity, democracy and a multilateral global order. Most importantly, it describes the EU as a global stakeholder and states its intention of building stronger partnerships with Asia, a region that the document links to European prosperity and security.

The EU has also reinforced its commitment to deepen economic diplomacy in the region by attaching great importance to political considerations included in its Free Trade Agreements (FTAs) with Asian parties. Brussels is seeking to conclude comprehensive trade partnerships that advance both economic and non-economic matters ranging from human rights to non-proliferation. Growing awareness about Asia's economic and political importance triggered a flurry of FTAs negotiations with Asian nations, some of which have materialized such as the FTA with Korea, Singapore and Vietnam, and negotiations for a bilateral investment treaty with China and, the focus of this paper, Japan.

Despite steady economic development, Asia is still home of inter-state rivalries and regional instability. The rise of China and Xi Jinping's growing assertiveness in the East and South China Seas together with Beijing's geopolitical tensions with Washington and New Delhi has increased anxieties among neighbouring nations. Also, the inability of the international community to deter Pyongyang's nuclear program are factors that threaten to destabilize Asia's steady progress. With North Korean missiles flying over Japanese territory and China claiming sovereignty for the Senkaku/ Diaoyu islands, Tokyo has been particularly exposed to the geopolitical turmoil of the region in recent years.

In the more immediate context to the final stages of the EPA and SPA agreements, the United States' (US) shift towards protectionism has further exacerbated regional agitation and Japan's vulnerability. US has been pivotal in the post-World War II economic and security architecture in Asia, yet its current position has become unclear since the Trump administration took over last year. Washington withdrew from the Trans-Pacific Partnership (TPP) in 2017, and Trump has since appeared intent to wreck the multilateral trading order with his trade tariffs and war against both allies and strategic competitors. Trump's protectionism and unilateralism together with his ambivalent declarations regarding the future of the alliance with Japan further expose Tokyo to regional instability.

US unilateralism has not only adversely affected its Asian partners but also the EU. Last May 2018, Washington announced the establishment of tariffs on EU's steel and aluminum. Additionally, Trans-Atlantic Trade and Investment Partnership (TTIP) negotiations stalled following Trump's election. As with Japan's alliance, Trump has also questioned US need of the North-Atlantic Treaty Organization (NATO), fundamental for European security. Besides the obvious economic and security implications of US protectionism regarding the EU, these moves also shake the very bases of the international liberal order and trading system.

Further, recent developments in US foreign policy come at a critical point for both Japan and the EU. Amidst growing divergence within the EU, Brexit and economic decline, Brussels is undergoing times of uncertainty regarding the future of the Union. Besides its increasing vulnerability in the field of security, Japan also faces important economic challenges which the International Monetary Fund (IMF) forecasts will exacerbate next year 2019.

In this context of incertitude, Brussels' relations with Japan are of renewed relevance, given their shared interests, concerns, values and priorities. This paper presents the EPA and SPA as fundamental steps in EU-Japan relations as well as an opportunity for Brussels to deepen its overall engagement with Asia.

The two agreements are of course, not a panacea to the current challenges of the international order. Also, their specific implications are yet to be seen, as they can only be assessed in correlation with other actors and forces. However, this background brief presents the view that they offer significant opportunities for the advancement of multilateralism as well as for strengthening both parties' position in adapting to the changing international system.

The rest of the paper aims at developing these ideas by asking the following question: what are the potential economic and political implications of an EU-Japan stronger partnership? In order to answer it, the paper is structured as follows: first, the essay presents a brief overview of EU-Japan relations and areas of cooperation in the post-cold war era. The main objective of this section is to provide a background for understanding how the EPA and SPA may readjust previous relations between the EU and Japan. The following section introduces the basic elements of the strategic and economic agreements. The third and final section assesses the implications of the EPA and SPA in relation to the context in which they will come into force; it presents Japan and the EU as natural partners in responding to current challenges and opportunities. The analysis will discuss how the agreements may affect both structural trends in the international system as well as to internal challenges faced by both, Brussels and Tokyo.

Overview of EU-Japan Relations Since the Cold War till Today: Milestones in Economic and Security Cooperation

Political and Security Cooperation

Official EU (then the EEC)-Japan bilateral relations began in 1959 with the Japanese Prime Minister visit to Brussels. However, during the Cold War, Japanese foreign interactions were mainly focused on its security alliance with Washington. With the fall of the Soviet Union, Tokyo began to diversify its global policies leading to the adoption of The Hague Declaration by the EU and Japan in July 1991. The declaration established a framework for dialogue and consultations aimed at greater cooperation. Following this, during the 90s, Japan made significant contributions to the reconstruction of the Balkans and was granted observer status at the Council of Europe in 1996.

Despite increasing relations and mutual commitment to democracy, cooperation in the field of security was not explicit until 2001. This year Tokyo and Brussels signed the ambitious EU-Japan Action Plan for Cooperation which, besides economic goals, included global peace and security as a common objective upon which to build a decade of cooperation. However, the agreement fell short of expectations since, as Berkofsky argues, it lacked focus and the capabilities for its implementation were very limited.

During the early 2000s, the EU and Japan cooperated on non-military security, signing joint declarations and protocols relating to human security, development and non-proliferation. Since 2003, Japan also contributed to the Common Security and Defence Policy (CSDP) missions in Afghanistan and Iraq. In 2005, both parties established the EU-Japan Strategic Dialogue on East Asian Security, after the EU considered the possibility of lifting the arms embargo on China, which led to increased fears in Tokyo.

Yet as Kirchner notes, significant development began to occur only after 2010, when structural and domestic changes forced both parties to address their previous failures in building a stronger partnership. In 2010, the EU-Japan High-Level Group (HLG) was established and one year after, negotiations for the EPA and SPA began. Since 2013, Japan reformulated its National Security Strategy (NSS) and established the National Security Council (NSC) in the light of growing tensions and determination to make a contribution to international security, something which facilitates more active collaboration. Cooperation has been particularly remarkable in relation to piracy control in the Gulf of Aden, where data-sharing and coordination resulted in the successful capture of pirates in January 2014. Japan has also cooperated with the CSDP capacity-building missions in Niger and Mali (EUCAP Sahel) and peace-building operations in Timor Leste.

Economic cooperation

EU-Japan economic relations began in the late 1960s. However, trade frictions marked the first phase of these economic relations until the 1980s. As the US, Brussels accused Japan of abusing free trade rules and causing unemployment. Tokyo's exorbitant exports rapidly flooded European markets resulting in an EU-Japanese trade imbalance. Japan had an inter-industry oriented trade

architecture, which meant that the impact of this asymmetry became very acute in specific industries and that it was not compensated with equal business opportunities to foreign companies. As this took Japan's trading partners by surprise, their inability to react on time caused serious economic losses and unemployment and led to friction with Japan. However, despite these tensions, in the 1970s, the EU opened a delegation in Tokyo and set up a program to train Europeans in Japanese businesses and language.

Tensions were gradually reduced as Japan opened factories in America and Europe, which reduced imports from Japan, thus equalizing the trade balance and favouring employment. In 1987, the European Commission and the then Japanese Ministry of International Trade and Industry jointly established the EU-Japan Centre for Industrial Cooperation to enhance trade, investment and industrial relations.

As in the field of security, the turning point for strengthened Japan-EU relations was the end of the Cold War with The Hague Declaration in 1991 and the Action Plan of 2001. Despite growing commitment and closer relations, initially, diverging priorities hindered any major progress. However, both parties have increasingly become key trade players and very active actors in multilateral economic forums. Additionally, in the 1990s, economic frictions finally faded away as the Japanese economic bubble burst, thus reducing its exports while Brussels exports to Tokyo were on the rise.

In the 2000s, both parties began to establish economic dialogues on de-regulation, industrial policy and a framework for trade cooperation. Major agreements include the EU-Japan Mutual Recognition Agreement, which came into force in January 2002, the Agreement on Co-operation on Anti-Competitive Activities, adopted in 2003, the Science and Technology Agreement, signed in 2009, and the Agreement on Cooperation and Mutual Administrative Assistance, in force since 2008. A Cooperation Framework aimed at promoting mutual investment and other round tables and initiatives have been also launched to ease trade tensions and promote economic relations.

The SPA and EPA are therefore the culmination of both parties' natural progress towards mutual understanding and cooperation in the fields of economy, politics and security. The agreements could help address some of the shortcomings of previous cooperation arrangements, hence consolidating the EU-Japan partnership. The rest of the paper introduces the main components of the agreements and delves into their possible implications.

The Treaties

Economic Partnership Agreement (EPA), "the Mammoth trade deal"

On 6 July 2017, ahead of the G20 Hamburg meeting, Brussels and Tokyo announced they had reached an agreement in principle with regards to the Economic Partnership Agreement. The timing chosen for sealing the agreement was no coincidence, as it occurred amidst more Trump's protectionist threats. The joint EU-Japan statement was also filled with symbolism. As Abe acknowledged, the deal intended to send "a strong message to the world" regarding both parties'

support for the liberal system. On 8 December 2017, negotiations were finalised and the treaty was signed on 17 July 2018, at the 25th EU-Japan summit. European Trade Commissioner Malmström said the EPA is the biggest trade deal ever negotiated by the EU.

Indeed, regarding the economic and trade weight of both parties to the EPA, the partnership looks promising. Bilateral goods exports reached €58 bn in 2016 from EU to Japan and €67 bn from Japan to the EU. The two signatories account for around 30% of the world's GDP and 40% of global trade. Japan is the EU's second biggest trade partner in Asia and the EU is the third trading partner for Japan.

The ambitious deal aims at enhancing economic ties between the two parties and to promote growth. Upon completion EPA will substantially reduce tariff (94% in Japan and 99% in the EU) and, most importantly non-tariff barriers. Specific sectors will have even more far-reaching consequences. The EPA partially liberalizes services, transport and finance sectors and allows the EU to obtain more access to the Japanese government procurement in infrastructure projects. Tariffs for chemical products, plastics, cosmetics, textiles and clothing will be completely eliminated. Non-tariff barriers, which were the most important obstacle and source of friction for trade and investment between the Tokyo and Brussels, will also be substantially reduced. Besides economics, the agreement could open the door for greater cooperation in handling common socioeconomic challenges such as sustainability, inequality, and ageing population.

Despite the promising outcomes and the boost that the negotiations received in 2017, several issues hindered the negotiations. Coming to terms in the agricultural arena proved to be one of the most difficult challenges of the agreement. Analysts feared that it could even lead the EPA to collapse owing to the protectionist pressure exerted by Japanese farmers regarding dairy products. European officials' visit to Tokyo gave the final boost to the negotiations and an agreement was finally reached. Europe accepted to ease its market access for soft cheese in exchange for almost complete access for hard cheeses. As a result, substantial liberalization has been accomplished and EU agricultural exports to Japan are expected to be boosted by one-third.

Data flows, investment protection and investment dispute settlement were also contentious. Regarding dispute settlement, Japan advocates for an investor-state dispute settlement system whereas the EU prefers a special standing international court for investment matters. Both parties finally agreed not to include these issues in the initial text but rather deal with them at a later stage. Regarding data flows, the EU and Japan agreed to acknowledge each other's data protection systems as equivalent, allowing data to circulate safely in the world's biggest area of safe data flows.

Strategic Partnership Agreement (SPA), "EPA's political twin"

In parallel to its economic agreements, the EU is adding a political and security dimension to its alliances in Asia, as reflected in the security related EU-South Korea Framework Participation Agreement (FPA), which regulates Seoul involvement in the EU's CSDP missions. With Japan,

Brussels concluded negotiations on 25 April 2018 and signed the SPA together with its economic counterpart, on 17 July 2018.

For Japan, the SPA will go beyond previous EU-Japan joint statements, as it is envisioned to be a binding agreement encompassing security cooperation on global challenges. The agreement will comprise and upgrade over 30 areas of mutual cooperation. Although at the heart of the agreement is non-traditional security, hard military cooperation is also expected to be covered, especially now that Abe is more interested in expanding Japanese capabilities. The text also covers matters such as terrorism, cyber-security, science and technology, energy, disarmament and non-proliferation in their dialogues. Complementarily, the EU and Japan are also negotiating a set of guidelines for Tokyo's involvement in the CSDP.

However, the actual scope and the amount of resources allocated to the agreement have not yet been defined. As with the 2001 Joint Plan, the conciseness of the text and the capabilities employed to fulfil its goals is something that could change the bilateral and regional impact of the SPA.

An Alliance Below Potential- EU and Japan as “natural partners”

Despite the parties' long record of launching initiatives and joint approaches to politico-security cooperation as well as growing economic relations, there is wide consensus that the EU-Japan strategic and economic partnerships have remained below potential.

The SPA and EPA are intended to bring both parties closer and ease the implementation of their common commitments. Though substantial changes may not necessarily occur, the conclusion of a strategic agreement sends a powerful message in terms of mutual commitment for closer cooperation, particularly important at this point in time.

Indeed, what distinguishes these agreements from the previous ones is the fast-changing and uncertain external environment in which they are being negotiated and will enter into force. The context played a key role in driving the conclusion of the EPA negotiations, as growing incertitude gives the EU-Japan relationship a sense of purpose. Trump's unilateralism, Brexit, both parties' economic difficulties as well as geopolitical rivalries in Asia provide the bases for common EU-Japan positions, regarding rule of law, peaceful resolution of disputes and open trade. The EPA and SPA are deeply conditioned by the external environment, which has the potential of transforming their shared values into common policies and coordinated responses.

Hence, the relevance of the agreements lies not only in the content of the documents but also in the converging values of the parties as well as in the context in which the agreements take place. Also important for the success of the EU-Japan alliance is their common understanding and priorities. Both, Tokyo and Brussels, share common goals of multilateral trade, peace and stability and advocate for similar courses of action to attain these objectives, which make them natural partners.

Regarding security, whereas their common ally, the US, places relatively more weight on military power, the EU and Japan have traditionally emphasized human security and therefore have been more inclined towards addressing social and economic aspects of war and providing humanitarian assistance and post-war development. Tokyo and Brussels have also generally opted for a non-combatant, peacebuilding approach to conflict resolution. Though both hard and soft approaches are not necessarily incompatible, they reflect a converging EU-Japanese approach vis-à-vis their American counterpart, which opens a door for greater understanding and cooperation.

Besides these similarities in terms of values and priorities, Tokyo and Brussels share geographical interests. First and foremost, the EU and Japan have the common strategic objective of preserving freedom of navigation in the Indian Ocean, Gulf of Aden and the Arctic to ensure a stable maritime system that enables trade. As Mario Esteban argues, the importance of the Indian Ocean for EU-Japan relations is difficult to exaggerate, as 90% of inter-regional trade is seaborne, mainly through that ocean. The Indian Ocean borders with the Arabian Sea and the Persian Gulf, from where Europe and Japan obtain oil and gas, and therefore is key for the energy security of Brussels and Tokyo. These common concerns align both parties' objectives to maintain stability and balance of power in Asia and security in the Sea Lanes of Communication (SLoC). Most importantly, as with the Gulf of Aden, common strategic concerns offer an incentive for increased security cooperation in areas such as intelligence, surveillance and reconnaissance. Although it is still early to quantify the extent to which both parties' interests will converge in the Arctic, it hosts important sources of energy and, increasingly, key lanes for East-West communications. Besides geographical interests, the EU and Japan share other common objectives such as non-proliferation and challenges from a rising China and revanchist Russia.

Hence, although EU-Japan strategic relations have so far been relatively limited, Brussels and Tokyo increasingly share similar geographical and strategic concerns. Therefore, the SPA could be a catalyst for more effective and substantial cooperation in these areas.

Euro-Japanese emphasis on soft power in the field of security goes hand in hand with their focus on trade and multilateralism. This is hardly a surprising position for the EU. However, Japan had previously rejected multilateral security initiatives in Asia, in accordance with US policy in the region. Only after the Cold War did Tokyo revisit this position. The changing balance of power forced Japan to take a more active role in international security. Hence, since 1991 Tokyo actively championed regional initiatives such as the Nakayama proposal, which aimed at keeping China and the socialist countries constrained, US engaged, and its neighbours assured of Tokyo's intentions and security policy. Nowadays, both are key players in multilateral institutions as well as international trade and benefit greatly from liberalism. The common interests in safeguarding the liberal system strengthens the importance of their economic partnership, particularly amidst fears of unilateralism and a US-China trade war.

EU-Japan shared perspectives on conflict and the international liberal system provide fertile grounds for cooperation and opens many doors for closer collaboration. Besides these normative and general aspects, the following section develops the view that current changes in the

international system are affecting Tokyo and Brussels similarly and that reinforced cooperation through the SPA and EPA offers opportunities for both, EU and Japan. This is not to say that the EU-Japan alliance is automatically derived from shared values. Contrarily, shared values set the potential; much efforts need to be done to overcome their geographical distance and address the previous failures that left the partnership below potential. Nonetheless, the fact that the EU and Japan share interests and values as well as prioritize similar courses of action is a major strength of the partnership, as it contributes to the better understanding and cooperation of these natural partners.

Prospects of the EPA and SPA in a Tumultuous yet Promising Environment

It is still early to quantify the exact economic impact of the EPA. The agreement is still pending ratification and therefore, it is only expected to come into force in 2019. Some economists have been cautious regarding its potential economic benefits which, they argue, should not be overstated. Brussels and Tokyo have some specific economic agreements already in force, which diminishes the actual effect of preferential access and tariffs. However, as remarked in the previous section, bilateral relations have remained below potential and the EPA could finally give a decisive boost to EU-Japan trade. The European Commission is optimistic, forecasting a boost between 0'34% and 1'9% to EU's GDP by 2020. The agreement is also expected to increase EU exports to Japan by 34% and Japanese exports to the EU by 29% as well as will save both partners €1 billion in custom duties per year.

Beyond economic benefits, a report on the sustainability impact of the EPA published by the European Commission in 2016 highlights its positive social and environmental repercussions. The document highlights the EPA's potential for creating "smart, sustainable and inclusive growth" by contributing to the creation of jobs without negative environmental repercussions and favouring gender equality. Hence, the EPA reinforces the influence of the partners as global powers and the commitment towards sustainable economic collaboration. This is something of particular importance, as the Paris Climate agreement is greatly damaged after Trump withdrew from the treaty. Additionally, sticking to international environmental standards increases the public's acceptance of the EU-Japan agreement vis-à-vis the controversial EU-US TTIP.

The immediate political and economic context to the agreement offers an opportunity for the EU to strengthen its role in the Asian region. The withdrawal of the US from the TPP gives the EU an incentive to become an even more relevant player capable of protecting its economic and strategic interests in Asia.

For Japan, since the end of World War II, it has almost exclusively relied on its security alliance with the US, which is also its biggest trading partner. However, Washington's growing protectionism and disregard for its allies spurs a more active Japanese foreign policy in Asia as well as more substantial cooperation with the EU. This is not to say that the EU will take over Washington's role but rather that, as the US reevaluates its engagement with Asia, Tokyo and

Brussels run in the opposite direction by reinforcing their leadership in the region, which renews the importance of their partnership.

It is no coincidence that the negotiations that had been close to failure throughout 2016 received a boost in January 2017, when Trump announced the withdrawal of the US from the TPP. EU officials recognized that the erosion of the international environment to have been a catalyst for the push towards the EPA and SPA. Concurrently to the negotiations with the EU, the Japanese also took the lead in saving the TPP 11. During the early stages of the EPA, a fundamental obstacle was the fear that concessions to the EU would need to be extended to the US in the TPP, an impediment that was overcome with Washington's withdrawal from the treaty. Abe himself also made clear references rejecting Trump's protectionism in his public statements. In another unambiguous rebuff to the US, Tokyo and Brussels have included a series of declarations upholding a rules-based order and defending the Paris climate agreement. Besides boosting EU-Japan negotiations and commitment, Trump's new "America first" policy is among the main factors that have shifted public opinion towards globalization and free trade in European countries such as Germany, which previously resisted EU free trade deals.

Additionally, with no possible progress on the World Trade Organization (WTO) Doha Round, the EPA together with the TPP 11 (CP-TPP) have the potential to become the most important economic liberalization agreement of the decade. Both parties, frustrated with the current state of affairs, aim at preserving the current liberal trade system. As Frenkel and Walter observe, the fact that the partnership uses the word economic rather than trade emphasizes multi-layered cooperation rather than merely trade benefits. The message is therefore that cooperation is not over but still evolving. Hence, the EPA could strengthen Tokyo and Brussels' leadership in Asian trade as well as their role in setting new international standards for economic cooperation, as some of the rules are applied to third countries. Indeed, some of the precepts of the EU-Japan agreement could apply to trade negotiations between the EU and other ten Asian countries with which negotiations are open but deadlock. Therefore, from a broader perspective, the conclusion of the ambitious EU-Japan deal could revive stalled negotiations and serve as a catalyst for enlarging the EU's and Japan's network of economic and political partners in Asia.

For the EU internally, the successes of EPA and SPA will strengthen the Union's relevance despite the scepticism triggered by Brexit. London abandoned the Union claiming it could replicate Brussels' agreements under more beneficial conditions, which put into question the relevance of EU to as an active global trader. However, the Japanese put into question these allegations when they acknowledged that the treaty with the EU, rather than with the UK, was their foremost priority. Additionally, *The Japan Times* published an article in December 2017 claiming that the UK will struggle to even reach the terms of the EPA, as the British would lose negotiating leverage. Both the EU and Japan are now pushing for the deal to enter into force before Brexit, so the agreement extends to London. The success of the quick implementation depends however on the approval by the member states and the European Parliament (EP). However, regardless of whether the same conditions finally apply to the UK, the EPA is a blow to Eurosceptic populism as well a success story that Brussels needed after Brexit.

Also, the EPA comes at a critical point in Japan's domestic reforms. Shinzo Abe's "Abenomics", launched in 2013 to boost Japanese economic recovery, relies on liberalization and free trade, something that was becoming more difficult for Tokyo after Washington's withdrawal from the TPP.

Despite their geographical distance and relatively limited military capabilities, a strategic partnership between Japan and the EU could have significant political and international implications. Regarding hard security, Japan has traditionally been skeptical about the EU's potential as a security guarantor and relied on Washington's protection. However, US dependency has limited Tokyo's leeway when dealing with countries that oppose US military presence in the region, particularly China. Additionally, Japan is also in the making of a more autonomous foreign policy and security strategy, which makes Tokyo less dependent on the US and strengthens Brussels position as a reliable partner. Besides sharing strategic objectives with Tokyo, the EU has a more inoffensive and less controversial image that can help Japan's position in the region. Although Brussels will not take over Washington's role as a guarantor of Japanese security, it can be a reliable partner in addressing EU-Japan shared concerns, particularly regarding China.

The transformation of China's economic rise into increased political leverage matters not only to Tokyo but also to Brussels. Both the EU and Japan will need to deal with China's rapid growth and increased assertiveness as well as with the prospects of US-China relations. Additionally, both are conditioned by their relations to the US and economically interdependent with China. Brussels potential influence over China is particularly remarkable, as the EU is currently Beijing's biggest trading partner and a key destination for Chinese investment. This is important for Japan, as Beijing is its traditional rival for influence in East Asia and both countries have unresolved sovereignty claims. Additionally, the rise of China also worries Brussels, where economic dependency to Beijing already sparked tensions within the EU, regarding the Union's position towards the China assertiveness in the South China Sea. Hence, as the EU and Japan have similar positions towards China, security cooperation puts Tokyo and Brussels in a better position to address future challenges.

Finally, as with the economic partnership, the successful implementation of the SPA, could also serve as a precedent for further political alliances with other partners in the region.

In short, the economies and politics of both the EU and Japan are evolving and converging. Together, the EPA and SPA, explore a common EU-Japanese position on a wide range of issues ranging from security to trade and climate change.

Conclusion

The context in which the SPA and EPA take place is deeply marked by a crisis of the liberal order that affects both the EU and Japan. However, the current state of affairs also highlights common strategic goals and shared perceptions. This uncertain environment is therefore instrumental in

catalysing EU-Japan assertiveness and cooperation, as it strengthens mutual commitment and increases the benefits of joint efforts. A stronger EU-Japan partnership makes both parties better off economically and also in the politico-security field. It reinvigorates a seemingly declining multilateralism, damaged by the prospect of Brexit and Trump's "America first" policy. Hence, the present context provides an opportunity for Tokyo and Brussels to deepen bilateral relation by translating common values and interests into concrete policies.

Beyond EU-Japan relations, the agreements also present an opportunity for Europe to enhance its role in diplomacy, security and conflict management as well as economic and trade involvement. Cultivating bilateral ties with Japan is key for preserving European geopolitical and economic interests and strategy in Asia. Closer and more effective cooperation with Japan could give a boost to the EU's political and economic engagement with Asia. Additionally, the successful conclusion of the treaties could revive stagnant negotiations and strengthen Brussels and Tokyo role in setting international rules. Hence, amidst uncertainty and power politics the current environment is an opportunity for Europe to take the lead in defending its interests in Asia, which dictate a more coherent and decisive approach towards the region.

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About the EU Centre

Established in 2008, the EU Centre in Singapore was a joint project funded by the European Union (EU), the Nanyang Technological University (NTU) and the National University of Singapore (NUS). From 2017, the Singapore Management University (SMU) has also become a partner in contributing to the operations of the EU Centre. The EU is now a joint partnership of these three local universities.

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