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EU-Japan Relations: Moving Forward

By [Céline Pajon](#) and [Eva Pejsova](#) | 25 May 2021

Key Issues

- Like-minded partners in a challenged world order, the EU and Japan have built up a comprehensive institutional framework to enhance their cooperation across a variety of domains.
- The two partners are making efforts to deliver concrete achievements to deepen their bilateral ties and address many of the geoeconomic and geostrategic issues in the Indo-Pacific.
- Distance and complexities aside, a strong EU-Japan partnership can be the driving force of the Liberal International Order in the Indo-Pacific and beyond.

Introduction

The EU-Japan partnership has undergone a major uplift over the past 5 years. Tokyo and Brussels are now tied by [Economic and Strategic Partnership Agreements](#) (EPA and SPA), as well as a [Partnership on Sustainable Connectivity](#), forming a comprehensive institutional framework for enhanced bilateral cooperation across a variety of domains. The recently published [EU Strategy for Cooperation in the Indo-Pacific](#) adds to the overall enabling structural environment for the bilateral relationship to flourish.

Shared values and willingness to uphold the multilateral rules-based world order are indeed solid foundations on which to build. That said, the EU and Japan remain distant and complex players with often diverging foreign policy priorities, making

the path to cooperation gradual and concrete achievements still modest. Despite the many obstacles and challenges, the partnership represents an immense potential not only for deepening bilateral ties and for addressing many of the security issues in the Indo-Pacific, but also for becoming a major steering force for the renewal of the Liberal International Order (LIO) globally.

What stands behind the growing appetite for cooperation between the EU and Japan, and how can it be capitalised on? Ahead of the EU-Japan summit at the end of May, this Policy Brief aims at taking stock of the current state of play, assessing the concrete progress achieved and remaining challenges ahead, and offering some food for thought on how to boost bilateral cooperation in order for the partnership to fulfil its potential.

The path towards the strategic partnership

The EU and Japan devoted tremendous energy to developing their partnership in recent years. More than ever, the crisis of the LIO made them realise that, as like-minded partners, they should work together to address these challenges.

In particular, three key developments brought the EU and Japan closer: Brexit, the election of Donald Trump, and a more assertive China.

The departure of the UK from the EU, decided after the June 2016 referendum, signalled that the European Union was experiencing a deep crisis, fed by populism, protectionism, and unilateralism. Tokyo also considered Brexit with anxiety, as the UK has been the gateway for Japanese companies to access the EU market. In this context, it was all the more important for Brussels and Tokyo to speed up the negotiations towards an EPA and SPA.

A few months later, Donald Trump was elected to the White House, and one of his first decisions was to withdraw the US from the Trans-Pacific Partnership (TPP). A mega free trade agreement gathering 12 countries, the TPP was a key instrument of the US pivot to Asia, to influence the rules of international trade and shape China's choices. This decision shook the Abe government, which invested a lot of political capital to join the deal to get the agricultural lobbies on board. The unilateralist "America First" policy of the new US administration and its transactional approach towards partners and allies also convinced the EU and Japan that they, as key economic players, should uphold the multilateral LIO if the traditional hegemon was defaulting.

A third factor of rapprochement is the growing concern caused by a more assertive China. In particular, the implementation of the Chinese Belt and Road Initiative (BRI) in Europe resulted in a growing Chinese presence in some strategic economic sectors and expanding political clout. This triggered alarms in some European capitals, such as Paris and Berlin. In 2019, the EU's Strategic Outlook qualified China as a "partner, competitor and strategic rival". Since then, the perception of China in Brussels moved gradually closer to the

Japanese vision of China as a security threat and a systemic risk.

In this international setting, the EU and Japan realised that, despite belonging to two very different strategic environments, they face similar challenges. Moreover, they are bound by a shared commitment to democratic and liberal values, rule of law, multilateralism, and a free and fair trade system. As such, they should stand up as two key players to support the rules-based multilateral world order.

The enabling framework: the EPA, the SPA, and the Connectivity Partnership

The negotiations of the EPA started in 2013 and accelerated considerably in 2017. The agreement entered into force in February 2019 as the largest free trade agreement ever, covering a third of the world's GDP. Although PM Shinzo Abe considered that it made the EU and Japan "flag bearers for free trade", the agreement is not only about trade liberalisation. Its most significant added value lies in its contribution to setting norms at a high level in areas like environmental protection, social, and labour standards.

The Strategic Partnership Agreement (SPA) was signed in parallel to the EPA. Its dominant trait is that it legally commits the two partners to promoting common values on the international stage. A comprehensive list of 40 areas defines the domains, such as climate change, data protection, and maritime security.

A third important document is the [Partnership on Sustainable Connectivity and Quality Infrastructure](#), signed during the first Europe-Asia Connectivity Forum in September 2019. It signals the synergy between the EU-Asia connectivity strategy (2018) and Japan's efforts to promote quality infrastructure, in particular through its Free and Open Indo-Pacific (FOIP) initiative. It demonstrates the common willingness to provide a liberal alternative to the Chinese Belt and Road Initiative (BRI).

All together, these texts provide fertile ground to step up the bilateral cooperation and increase

Japan's and the EU's leverage vis à vis China and the US.

Challenges and limitations: complicated and distant players

To be fair, the strategic partnership between the EU and Japan is still nascent, and it might be too early to ask for concrete results. That said, it is important to acknowledge the current challenges in the cooperation to offer relevant recommendations for the future:

First, the two bureaucracies have to learn to work together: neither the EU transnational character nor the Japanese consensus-seeking administration is known for quick decision making. However, once a decision is made, implementation is assured.

of the Member States, especially those who do not have direct economic stakes or military presence in the region, remain reluctant to engage their diplomatic resources on geographically remote security challenges. Whether or not the strategy will manage to bridge the expectation gap will depend on how much concrete action it manages to generate.

From words to (more) action

Aware of these difficulties, the EU and Japan have set up a series of coordination mechanisms, such as the Joint Committee of the SPA, which meets twice a year to decide on next steps and priorities under the framework. The EU-Japan High-Level Policy Dialogue on Development Cooperation, held annually since 2010, has also become an avenue to discuss convergences and identify cooperation

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Second, despite all commonalities in values, the EU and Japan remain geographically distant. This means that they are ready to devote only limited resources to their relations. The EU's resources are concentrated in its immediate vicinity, and so are Japan's, especially in the security field. Another impediment to a rapid concretisation of the partnership is the lack of common priority in the cooperation areas. Therefore, the 40 areas of cooperation proposed by the SPA look like a wish list rather than an operational framework.

Finally, distance also creates inevitable perception and expectation gaps. For example, one of Japan's main expectations is to see the EU and European countries more actively engaged in the Indo-Pacific: despite the recently announced EU Indo-Pacific Strategy, warmly welcomed by Tokyo, some

in connectivity projects worldwide. Moreover, the annual government-led EU-Japan ICT Policy Dialogues and Strategy workshops deal with all matters related to digital technologies and cyber security, including 5G and AI.

So far, the most tangible progress has been made on global issues, such as climate change, renewables, circular economy, and digital cooperation. Japan has been improving its climate action, committing to 46% CO2 cuts by 2050 (EU 55%), with both parties striving to reach a common position for the next climate summit (COP 26) in November 2021. Europe's support for Japan's G20 Data Free Flow with Trust initiative, a possible joint agreement on 5G, and joint promotion of related data regulation within the OECD, G7, and G20 frameworks are examples of low-hanging fruits. Addressing some

of these important global governance challenges is one concrete way to breathe life into some of the normative foundations of the SPA.

Connectivity has been constantly high on the bilateral agenda, both for its economic potential and for the strategic implications it has on the Indo-Pacific security environment. Many countries participating in the BRI—ranging from South and Southeast Asia to the Balkans to Africa—have been disappointed by some of the negative side effects of the Chinese investments and are eager to see more European and Japanese involvement to step up the connectivity competition with more quality infrastructures and sustainability. However, while the expectations and pressure to deliver on the ground remain high, the implementation has been slow and not many concrete projects have seen the light of day. This is partly due to the on-going COVID-19 crisis, as well as the high standards set by Tokyo and Brussels in terms of quality and sustainability.

Even so, the connectivity partnership helped to give extra impetus to ongoing projects—notably in aviation and digital connectivity—and create an overall more positive momentum for future ones. The EU's Indo-Pacific Strategy, as well as the recently announced connectivity cooperation with India, further contributed to building a favourable strategic environment. There are many opportunities for bilateral or trilateral cooperation among the EU, Japan, and India, such as within the Asia-Africa Growth Corridor. The EU and Japan are both engaged in building the West Africa Growth Ring Corridor and the Uganda-Kenya-Rwanda Northern Corridor as well as other energy and road infrastructure projects in Africa. In the maritime area, enhancing maritime safety, port security, and domain awareness across the Indian Ocean region offers the chance to cooperate. In order to identify the projects best suited for cooperation, a detailed mapping of existing projects is ongoing.

However, noticeable progress has also been achieved at the top end of the strategic spectrum—security and defence cooperation. The need to move beyond rhetoric and start operationalising security cooperation with key Asian partners has been recognised with the May 2018 EU Council

Conclusions on [Enhanced Security Cooperation in and with Asia](#). They identify four thematic areas: maritime security, cyber security, crisis prevention, and counter-terrorism. A subsequent project of the same name was set up in April 2020 (implemented by the EU together with France and Germany), rolling out a list of concrete activities—from capacity building to table-top exercises or joint exercises—in the above mentioned domains. They are designed to boost interoperability and provide legitimacy to the agreed policies with practical initiatives and concrete substance.

Among the areas of common interest, maritime security stands out as a key priority for both partners, who are vitally dependent on safe, free, and secure maritime supply routes in the Indo-Pacific. In a landmark sign to step up cooperation in the domain, the Japanese Maritime Self Defence Force (JMSDF) and the EU NAVFOR ATALANTA held a first series of joint exercises in October 2020 off the coast of Somalia. While the two units have routinely acted alongside one another in the context of their counterpiracy deployment, the exercise combined a firing exercise, a replenishment simulation, a helicopter cross-deck landing, and tactical manoeuvres. A second joint exercise, this time conducted with the Djibouti Navy and Coast Guard patrols, was held on 10 May 2021, proving the continuous commitment of both parties to further operationalise their ties, either bilaterally or with other like-minded partners.

Way forward: food for thought

While there was a good start, much needs to be done to achieve the set goal of a comprehensive, effective strategic partnership. In light of the upcoming EU-Japan summit, the following is food for thought on how to meet the challenges ahead.

- **Working with partners.** Although the main focus of a strategic partnership is to serve the immediate interests of the respective parties, building a free, open, stable, and prosperous Indo-Pacific takes more than two actors. Working in coordination with the United States on trade and technology, joining forces on connectivity and ocean governance with India in the Indian Ocean, and overall exploring flexible minilateral settings with other like-minded

partners would better address the many functional security issues in the region and provide legitimacy for the bilateral relationship.

- **Make quality and sustainability a brand.** Beyond the context of connectivity infrastructure, the EU and Japan enjoy a reputation as reliable, trustworthy international players, setting the highest regulatory standards. At times when the future of the LIO, as well as governance of major global issues (from climate change and biodiversity conservation to cyberspace), is negotiated, the EU and Japan can act in concert and serve as a reference internationally.

- **Aim at a Framework Participation Agreement (FPA).** The FPA remains the EU's most elaborate instrument allowing third-party participation in its crisis management missions and operations under the Common Security and Defence Policy (CSDP) banner. In practice, the FPA allows parties to share information and greatly facilitates operational cooperation, which is an inevitable next step for the EU and Japan in deepening their security ties. Concrete avenues that would benefit from such arrangements abound: from enhanced naval cooperation to stepping up security engagements in Africa and other areas where both partners act in concert.

- **Join forces in and with ASEAN.** According to the 2021 State of Southeast Asia annual survey by the ISEAS-Yusof Ishak Institute in Singapore, the EU and Japan are ASEAN's most favoured and trusted third parties to hedge against the US-China strategic rivalry. Both the EU and Japan support

ASEAN centrality as part of their approach to the Indo-Pacific. Building ASEAN's capacity to promote democratic governance and human rights is not only a way to promote stability in the broader Indo-Pacific, but also a means to support multilateralism globally.

Conclusion

As is often the case in times of crisis, the COVID-19 pandemic accentuated and accelerated some of the on-going negative security trends and demonstrated the fragility of the current rules-based order. The Indo-Pacific region, torn by the lasting US-China rivalry, has become in many ways the main theatre of the shifting global balance of power. The need to address the many new security challenges in the region and beyond also has brought the EU and Japan closer together, providing a fresh impetus and a unique momentum to boost bilateral cooperation, making it more strategic at the global level.

Distance and complexities aside, a strong EU-Japan partnership can be the driving force to strengthen the ideas the LIO stands for, in particular in the Indo-Pacific. The like-mindedness of both partners in terms of their attachment to the promotion of the LIO, democracy, and human rights is difficult to match. So is their economic weight and diplomatic leverage within the UN, G7, G20, and the OECD frameworks. The closer they manage to work together, bilaterally and within multilateral frameworks, the better the chances of achieving their respective interests and maintaining a rules-based order.

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