

Chatham House Report

Edited by John Nilsson-Wright

# The UK and Japan Forging a Global and Proactive Partnership

*Final report of the UK–Japan Global Seminar series*

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Edited by John Nilsson-Wright  
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# The UK and Japan Forging a Global and Proactive Partnership

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Cover image: Japanese Prime Minister Shinzo Abe reviews an honour guard at the Foreign & Commonwealth Office in London before his meeting with UK Prime Minister Theresa May on 10 January 2019.  
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## Preface

*Yohei Sasakawa, Chairman, The Nippon Foundation*

The Nippon Foundation, together with The Great Britain Sasakawa Foundation, has been engaged in a wide range of activities to promote exchange between the UK and Japan. Intellectual and cultural exchange has focused on developing leaders with the capacity to promote the bilateral relationship and address common challenges.

Chatham House is a world-leading source of independent analysis, informed debate and influential ideas on how to build a prosperous and secure world for all. The institute has long had strong ties in Europe and Japan, and its work on the latter aims to promote understanding of Japan's economic, political and social development, and its impact upon the world.

In the early years of the 21st century the world witnessed rapid change and instability. The issues were complex, and went beyond the scope of Japan and the UK alone. We began to see a need for a forum where experts in both Japan and the UK could come together to analyse and understand not just bilateral but also global issues from a comprehensive perspective, and to consider how the two countries could cooperate and contribute ideas in this broader framework.

In this context, the three organizations embarked on a project to examine global issues of shared concern, ranging from international affairs and trade to social issues. Together, we initiated the UK–Japan Global Seminar series in 2013 as a forum to discuss these issues, and possible solutions, over a period of five years. Chatham House was ideally placed to host this series of conferences and to disseminate the resulting publications through its global networks.

A total of five seminars were held between 2013 and the end of 2017. In the process, the UK–Japan Global Seminar evolved into a stimulating forum where policy experts, researchers and leaders came together to share their knowledge and experience.

This final report is the culmination of the UK–Japan Global Seminar series, bringing together contributions from Japanese and UK authors who participated in the discussions in 2013–17. It is our hope that the report will help stimulate a deeper interest in, and further understanding of, the key international challenges among policymakers, researchers, the media and the general public.

I would like to express my deep appreciation to all the experts and analysts who took part in the seminar series for their cutting-edge research on pressing global issues, and to those who have contributed articles to this final report, which will serve as the legacy of the series.

In closing, let me extend my heartfelt gratitude to everyone at Chatham House, and especially the institute's Director, Dr Robin Niblett, and to The Great Britain Sasakawa Foundation for their help in realizing the UK–Japan Global Seminar series and producing the final report. I hope that all of you will continue your important work in the future.

# Executive Summary

*John Nilsson-Wright*

In 2013, Chatham House and The Nippon Foundation launched an ambitious five-year project to examine bilateral relations between the UK and Japan. The resulting UK–Japan Global Seminar series aimed to explore ways in which the two countries can deepen and expand their cooperation to address a number of pressing regional and global challenges.

The focus of this partnership has been a series of high-profile annual conferences, alternating between London and Tokyo, at which leading academics, politicians, journalists and representatives from business and the non-profit sector have exchanged views on the roles of the two countries and considered the specific opportunities and challenges faced by the UK and Japanese governments. In addition to the annual conferences, the project convened numerous smaller workshops and discussion seminars (funded in part by The Great Britain Sasakawa Foundation), and produced a series of podcasts and audio and video interviews, as well as conference reports and research publications (see <https://www.chathamhouse.org/about/structure/asia-pacific-programme/uk-japan-global-seminar-series>).

This report represents the culmination of the project. It brings together a select number of conference participants from both countries to take stock of the current bilateral relationship, and to offer their personal views on how best to enhance and expand mutual cooperation in the immediate future.

The need for such a perspective is especially important today, given the serious challenges that both countries are facing. At a global level, the critical challenges to the rules-based international order are a source of acute concern to policymakers in both Tokyo and London – in the form of a more explicitly unilateral and transactional US under President Donald Trump, the increased assertiveness of Russia and China, or the spread of authoritarian and populist political movements that threaten to undermine support for democratic values.

Regionally, too, there are a host of equally pressing challenges. In Europe, the UK's decision to leave the European Union as a result of the referendum in June 2016 has had a profound impact, raising important questions about the character and resilience of the EU and the nature and durability of the UK's broader international engagement. The uncertainty surrounding outgoing Conservative Prime Minister Theresa May's negotiation of a withdrawal agreement with the other 27 EU members has created profound concern in Japan over how best to manage its substantial trade and investment commitments in the UK. Following May's resignation announcement on 24 May, this uncertainty has increased given the ensuing leadership contest within the Conservative Party, and what impact this will have on the prospects of the UK government realizing its commitment to deliver Brexit. Moreover, Brexit has raised important questions about the integrity of the UK, given the practical difficulties of avoiding a return to a hard border between Northern Ireland and the Republic

of Ireland should the UK choose not to remain in a customs union in any future deal with the EU, or in the event that it leaves the EU without a deal.

The integrity and stability of nation states have also come under threat elsewhere in Europe for reasons independent of the Brexit decision. For example, Russia's annexation of Crimea in 2014, and the continuing presence of Russian-backed separatists in Donbas, eastern Ukraine, have amplified fears of the fragmentation of once stable and politically secure countries. Moreover, Moscow's apparent willingness to use cyberattacks, misinformation and propaganda to influence national election campaigns in a number of European countries, including the UK's referendum and France's 2017 presidential and National Assembly elections, has highlighted the threat to liberal democratic governments from any outside power intent on fostering disunity and division abroad.

In East Asia, North Korea's long-term pursuit of a nuclear weapons programme, including a sixth nuclear test in 2017 and rapid advances in high-profile long-range missile capabilities, has increased the existential threat to neighbouring countries such as Japan and South Korea, as well as to the US and, theoretically, Europe, including the UK. The risk of political, diplomatic and potentially military tension in the East and South China seas has also increased as China has expanded its maritime capabilities and become more assertive in advancing its own contentious territorial claims, against Japan and many other states in Southeast Asia.

Alongside these recent developments, there are long-term and systemic threats, including the challenge of climate change; adapting to the long-term economic impact of the 2008 financial crisis; maintaining the stability of world financial markets and the international production supply chains that rely on a resilient global free-trade regime; adapting to demographic changes and the ageing of advanced societies; confronting the rise of populist reactions against mainstream politics; promoting sustainable development among less developed countries; combating global pandemics; and offsetting the threat of fundamentalist Islamist terrorist organizations in the Middle East and their affiliates across the world.

The report's authors, in considering how the UK and Japan can best work together, debate many of these critical global and regional issues, while also reflecting on the specific internal, political, economic and social challenges faced by the two countries.

Introducing the report, Chatham House Director Dr Robin Niblett surveys the history of bilateral ties between the UK and Japan since the 19th century, and compares and contrasts their differing approaches to foreign policy in the post-1945 period, as well as their respective long-standing relationships with their primary ally, the US. Niblett strikes an optimistic note, emphasizing how, rhetorically at least, in the UK commitment to being a 'Global Britain' and Japan's 'proactive pursuit of peace', both countries have demonstrated their willingness to remain fully engaged in international affairs, at a time when the US appears to be withdrawing from its traditional role as a guarantor of international stability. The extent to which either country's prime minister will be able to realize the ambitious plans associated with these slogans is dependent on the ability of their respective countries to confront their domestic economic challenges and the willingness of their publics to support an outward-looking vision. The UK and Japan should, in Niblett's view, avoid reacting defensively to the new dynamics of international politics, and work together by focusing on three areas of cooperation:

1. Sustaining the rules-based international order by bolstering the UN, the G7 and G20 process, and by working cooperatively in bodies such as the World Bank, the Asian Development Bank, and the Asian Infrastructure Investment Bank (AIIB). Thematically, there are a number of priority areas where Tokyo and London can join forces, most notably in combating climate change and global pandemics, and in enhancing cybersecurity, fostering human security and, where feasible, promoting democratic governance.
2. Enhancing security in the Asia-Pacific region, especially by addressing the nuclear threat from North Korea, minimizing security risks in the East and South China seas, and fostering greater joint defence cooperation. The latter is an area where notable progress has been made since 2017, especially in the framework of the regular ‘two plus two’ meetings between the defence and foreign ministers of both countries.
3. Bolstering economic, cultural, educational and other forms of social cooperation, with the UK using its extensive experience of service-sector reform to establish a post-Brexit bilateral trade agreement with Japan that might complement and advance the structural changes envisaged in Prime Minister Shinzo Abe’s three prolonged ‘Abenomics’ agenda. This could, in theory, go beyond the terms of the new EU–Japan Economic Partnership Agreement (EPA), which entered into effect in February 2019. Closer educational collaboration at the primary, secondary and tertiary levels may also be a promising area for further cooperation. Japan has also been especially receptive to recent suggestions that the UK might ultimately become part of the Comprehensive and Progressive Agreement for Trans-Pacific Partnership (CPTPP).

In Chapter 2, Baroness Pauline Neville-Jones, former head of the UK’s Joint Intelligence Committee (JIC), and Dr Harukata Takenaka of Japan’s Graduate Research Institute for Peace and Security (GRIPS) focus on the practicalities of implementing security policy in Japan and the UK by analysing the role of the National Security Council (NSC) decision-making process in their respective countries. Neville-Jones considers the external context for the establishment of the UK’s NSC in 2010, particularly the threat of terrorism and the impact of the second Gulf war, and also analyses the domestic shortcomings of cabinet government under Tony Blair. She notes the critical importance of ensuring a balance across different ministries in Whitehall and the decisive chairing role played by UK prime ministers in managing the NSC process. Over time, the UK approach towards security has become more holistic and integrated, with a particular focus on resilience as a defining concept for thinking about national security needs. Neville-Jones’s assessment of the NSC is broadly positive, noting that the new structures are likely to persist despite the absence of a formal statutory definition of the NSC. At the same time, it remains an open question whether the NSC has facilitated genuine strategic decision-making given the relatively small size of its secretariat, the resource constraints faced by the UK government, and the need to balance the role of the national security adviser against the position of more well-established and powerful bureaucratic and political actors such as the foreign secretary.

Takenaka carefully traces the evolution of Japan’s national security policymaking from the 1950s onwards, noting the important changes introduced by various prime ministers – Yasuhiro Nakasone in the 1980s, Jun’ichiro Koizumi in the 2000s, and,



most notably, Shinzo Abe after 2012, especially the establishment of the NSC in 2016. Procedurally, national security decision-making in Japan is coordinated by the prime minister, the foreign and defence ministers and the chief cabinet secretary. This concentration of government decision-making is part of a steady strengthening of executive authority in Japan, encouraged indirectly through changes in the country's voting system that have undermined the power of party factions and bolstered the authority of the prime minister. Takenaka analyses a number of areas for closer bilateral security cooperation, highlighting the importance of the August 2017 UK–Japan Joint Declaration on Security Cooperation and the progress that has been achieved in terms of defence-equipment collaboration and recent agreements to bolster joint exercises between different branches of the armed forces of both countries.

In Chapter 3, Dr John Nilsson-Wright of Cambridge University and Chatham House explores the broader internal political dynamics of the UK and Japan. In particular, he considers the impact of the rise of populist politics and its role in shaping the Brexit vote in the UK. Populism, he notes, is an essentially contested concept and a political pathology that has undermined faith in leadership and institutions in a number of countries, raising important questions about the capacity of governments to respond to contemporary policy challenges. He argues that part of the populist phenomenon in the UK can be explained by the impact of relative economic decline and misgivings over increasing immigration, which in turn have encouraged a rise in political nostalgia and identity politics. In Japan, by contrast, the impact of economic uncertainty and the challenge of immigration have been less immediate, even though some politicians, especially at the local level, have embraced populist themes. Notwithstanding the apparent durability of mainstream politics in Japan, Nilsson-Wright warns against complacency in assuming that a more radicalized, extremist populist form of politics is unlikely in Japan. He notes the increasingly ideological polarization that is emerging, particularly on the far right. He also emphasizes the importance of not overlooking subtle efforts to qualify media freedom and diversity in Japan, as well as a tendency towards self-censorship that may restrict open political discourse in a way that could undercut effective and responsive government decision-making.

In Chapter 4, Professor Yukiko Fukugawa of Waseda University explores the economic dimension of potential bilateral cooperation. She notes that Japan remains broadly committed to fostering an open economy, and has not retreated into narrow economic nationalism in the face of regional and global challenges. She stresses the success of the Abe administration in encouraging the Japanese public to accept the country's need for greater economic integration, both regionally and globally – a trend reflected in Japan's support for CPTPP and other bilateral and multilateral regional free-trade agreements. Fukugawa documents a number of important economic reforms, including Abe's 2018 New Economic Policy Package and the Society 5.0 initiative, intended to attract more foreign talent to Japan to bolster innovation at home. While acknowledging the considerable anxieties in Japan about the impact of Brexit, she also emphasizes the longer-term opportunities for cooperation in the form of an economic partnership agreement between the UK and Japan. This would enable the UK to capitalize on existing regional trade agreements such as CPTPP and the Regional Comprehensive Economic Partnership (RCEP). Japan, for its part, can learn from the UK's considerable experience in fostering corporate governance reform and could gain from embracing public–private partnerships (PPPs) and private finance initiatives (PFIs) similar to those undertaken in the UK.

Other areas for greater collaboration include social innovation to deal with ageing populations, the adoption of fintech, smart cities technology, and new healthcare and value-added tourism initiatives.

In Chapter 5, Hans Kundnani of Chatham House and Professor Ken Endo of Tokyo University focus on the distinctive relationships that the UK and Japan have had with their respective continental neighbours, and their contrasting attitudes towards regionalism in Europe and Asia. Despite a long history of isolationism, the UK's attitude towards Europe became more accommodating and proactive after 1973, following its entry into the European Economic Community, but has experienced a reversal since the Brexit vote.

Japan, by contrast, has in the post-war period lacked any obvious regional project to identify with in Asia. Its relations with the region have been largely shaped by the primacy of its relationship with the US, and the latter's bilateral hub-and-spoke approach towards security in East Asia. At times, US intervention has limited Japan's ability to support regionwide initiatives, such as Tokyo's abortive effort to establish an Asian Monetary Fund in the 1990s. Asia's identity has been multifaceted and sometimes riven by internal disagreements over ideological loyalties and the priority assigned to state sovereignty over intraregional cooperation. Japanese officials have tended to conceive of Asia as a 'milieu', a fluid and shifting environment, rather than a distinct and coherent region. This is despite past and present attempts to articulate a regional agenda, such as Abe's call for a 'Free and Open Indo-Pacific'.

Despite these differences in attitudes towards regionalism, the UK and Japan remain important partners for each other in their respective regions and have been making significant progress in developing new bilateral partnerships, whether through defence-equipment cooperation, the signing of an important Acquisition and Cross Servicing Agreement (ACSA) in 2017, continued progress in combating the threat from North Korea, cybersecurity challenges or vocal support for the rules-based international system. There remain two critical, broadly defined security areas where Tokyo and London could do more together. First, on the promotion and support of democracy for open societies and the defence of press freedom, the approach in both countries has been more rhetorical than substantive. Second, when it comes to each acknowledging the primary long-term security threats in their respective regions – Russia in the case of Europe, China in the case of East Asia – there arguably needs to be more genuine cooperation. The UK's desire to foster wider economic opportunities with China, and Japan's wish to reach a post-war settlement with Russia over the contested 'Northern Territories' have sometimes stood in the way of officials in Tokyo and London fully and actively embracing efforts to confront each other's key regional security rival.

In Chapter 6, Professor Yuichi Hosoya of Keio University provides a detailed analysis of the concept of the rules-based international order, and notes the contrast between the approach of the Trump administration and past US efforts to support this order during and after the Cold War. He examines the UK's formal articulation of its national security policy via the publication of the 2015 National Security Strategy and its Strategic Defence and Security Review. Hosoya highlights the important steps taken by the UK to use aid to promote global stability since 2016 via the creation of its RBIS (rules-based international system) Fund to strengthen the UN and the Commonwealth, and to provide support for the International Criminal Court.

He notes the UK's considerable efforts to enhance the role of women in peacekeeping, in combating sexual violence, and wider measures to combat corruption and promote employment, as well as efforts to develop new alliance partnerships. For its part, Japan has shown a similar enthusiasm for strengthening international institutions by developing a more strategically focused use of official development assistance (ODA), and through its involvement in international initiatives, most notably at the Ise-Shima G7 summit in 2016. Japan's support for efforts to combat piracy and its rhetorical commitment to conflict avoidance, most strikingly in Abe's 2015 statement on the 70th anniversary of the Second World War, are a further reminder of its commitment to diplomacy as a means of minimizing the risk of conflict regionally and globally. In terms of future bilateral initiatives, Hosoya advocates the expansion of freedom of navigation operations between UK and Japanese navies in the South and East China seas, and points to the recently concluded Strategic Partnership Agreement (SPA) between Japan and the EU as a model for wider cooperation between London and Tokyo.

In Chapter 7, Professor Tomohiko Taniguchi of Keio University (and an adviser to Abe) discusses the concept of 'soft power' and explores some of the areas for closer bilateral collaboration, which he argues is likely to increase notwithstanding the impact of Brexit. He considers initiatives in the field of education and foreign aid, noting important existing collaboration between Japan's International Cooperation Agency (JICA) and the UK's Crown Agents. He emphasizes the value of deeper UK–Japan cultural engagement via the creation of Japan House in the UK in 2018, arguing that this can foster greater awareness of Japan's global role by capitalizing on the UK's prominence within the English-speaking world. Taniguchi also notes the role of the Japanese government in fostering new scholarship schemes to improve foreign students' access to Japan, especially those from Africa and from South and Southeast Asia, despite historically low levels of immigration to Japan. He argues that new dual-degree programmes for African students to study in both Japan and the UK could be one way of building on both countries' comparative advantage in education and training. Finally, looking ahead to the Rugby World Cup of 2019 and the Tokyo Olympics and Paralympics of 2020, Taniguchi considers the relatively under-explored question of sports diplomacy as a basis for strengthened UK–Japan collaboration.

In Chapter 8, Akiko Yamanaka, formerly parliamentary vice-minister for foreign affairs and Japan's special ambassador for peacebuilding, offers a personal reflection on the discussions over the five years of the UK–Japan Global Seminar series. She sets out some of her suggestions on a range of policy areas where the UK and Japan might collaborate.

In conclusion, in Chapter 9, John Nilsson-Wright offers an assessment of the current political factors in both Japan and the UK that might affect the capacity and willingness of the two governments to enhance their bilateral relationship, at least in the short term. Notwithstanding these factors, he argues that there is scope for the two countries to expand their joint efforts as international partners, if not formal allies, with a focus on common values and the importance of maintaining open, resilient societies and the safeguarding of liberal democratic norms.

Our findings in this report are partial rather than exhaustive, and the views of the individual authors represent just one subset of a wider and more diverse range of opinions that have been canvassed and documented over the course of the past five years. In essence, these individual views represent a baseline for thinking about a much more extensive set of opportunities for closer UK–Japanese engagement. Potential obstacles to a deeper bilateral partnership remain, particularly capacity constraints, and uncertainty regarding the receptivity of public opinion in both Japan and the UK with regard to further joint initiatives to combat a host of global challenges.

Nevertheless, the UK–Japan Global Seminar series has highlighted not only the urgency of the problems facing government leaders in Tokyo and London; it has also revealed the multiple arenas in which the expertise of Japanese and UK individuals, drawn from many branches of public and private life, can be creatively combined to advance each country’s national interests as well as wider global concerns. It may be premature to characterize this as the start of a new UK–Japanese alliance, but there is little doubt that the opportunity for a strengthened and genuinely *global* and *proactive* bilateral partnership is real, and demands serious and sustained attention from the governments and the people of both countries.



# 1. Prospects for the UK and Japan as International Actors and Partners

*Robin Niblett*

Japan and the UK both benefited greatly from the period of international stability that accompanied first the Cold War and then the post-Cold War era. That stability helped them to protect their national interests and to sustain their citizens' welfare. Today, with nationalism on the rise across the world, with China and Russia challenging the foundations and dominance of the Western-led post-Second World War order, and with the US appearing to step back from its global leadership role, both countries face major challenges to their status as beneficiaries of that order. This chapter considers the nature of these challenges and the possible responses that the two countries might make together as partners and allies, and as prominent mid-sized powers – even if their power is often manifested and exercised in different ways. The chapter focuses on the ways in which both countries will need to take a more proactive stance in standing up for the principles, institutions and policies that will sustain a rules-based international order, rather than seeking defensive ways to manage its decline.

## Historical review

Relations between the UK and Japan have undergone periods of closeness and of severe strain over the past 150 years. The UK was used as a model for Japan's modernization as the country transitioned from the Tokugawa era to the Meiji period in the 19th century, and it provided assistance to Japan during the Russo-Japanese War (1904–05). Relations deteriorated in the 1930s as Japan challenged the collective security structure of the League of Nations that Britain supported after the First World War. They reached their nadir during the Second World War, when Japanese brutality towards Allied forces and civilians left deep scars on British public opinion and limited the scope for political reconciliation. The process of healing did not begin properly until some 30 years later. The UK played only a limited role in Japan's post-war reconstruction (British Expeditionary Forces were stationed in Japan during the US-led occupation of Japan from 1945 to 1952), but the relationship deepened as Japan's industrial and technological prowess expanded in the 1980s. Its companies became major foreign direct investors in the UK economy, particularly under prime ministers Margaret Thatcher and Yasuhiro Nakasone.

Alongside this growing economic relationship, the two countries deepened their political and cultural relations through a number of cumulative steps. These included the creation of the UK's Sir Peter Parker Awards for Spoken Business Japanese in 1990; a long history of educational exchanges, including the UK's inclusion in the Japan Exchange and Teaching (JET) Programme; and the establishment of the UK–Japan 21st Century Group (formerly the UK–Japan 2000 Group) in 1985. This last still brings together ministers, leading members of the two parliaments, business leaders, academics and journalists every year to explore new opportunities for cooperation.

There are numerous important parallels between Japan and the UK that influence their role as international actors and point to them serving as allies on the international stage. Both countries have evolved as island states, and have difficult – and at best ambivalent – relations with their immediate continental neighbours. Japanese and UK leaders in politics and business have always looked beyond their regions, as much as to their neighbourhoods, for economic opportunity. For example, the UK and Japan hold the third and sixth largest shares respectively in the global stock of outward foreign direct investment (FDI),<sup>1</sup> with Japan being the fifth largest exporter in the world, and the UK the 11th.<sup>2</sup>

At the same time, on the security front, both countries have a recent history of acting as the principal regional allies of the US,<sup>3</sup> which provides the security umbrella on which they depend. Both are active supporters and beneficiaries of the international political and economic order that the US established and has led since the end of the Second World War; both play important roles within the Bretton Woods institutions such as the International Monetary Fund and World Bank. Both countries have also sought to contribute in their own capacity to Western structures and approaches to international security and development – the UK through one of the largest and most comprehensive development budgets, and Japan through its substantial foreign assistance programmes – in addition to their contributions to the World Bank and relevant UN agencies.

Nevertheless, there are also important differences between the two countries in their international roles and outlooks. Although they are both island nations, in the 19th century the UK succeeded in building a world empire, which has enabled it to retain global connections and ambitions, including through the Commonwealth, long after the empire's demise in the 1960s. As a victor in the Second World War, the UK remains a recognized nuclear weapons state and a permanent member of the UN Security Council. For much of the recent past, therefore, and especially during the Cold War, the UK played an elevated role in managing the international order, as a regular contributor to military operations around the world. It has also sought to use its status to advise and try to influence (sometimes encouraging, sometimes restraining) US administrations – from Prime Minister Clement Attlee's advice to President Harry Truman in the Korean War, to Margaret Thatcher's role in George Bush's response to the Iraqi invasion of Kuwait and Tony Blair's close relationship with George W. Bush in the lead-up to the 2003 invasion of Iraq.

For its part, Japan has traditionally been a relatively passive beneficiary of the international order. On security issues, its long-term pursuit of the Yoshida Doctrine<sup>4</sup> and Article 9 of the Japanese Constitution,<sup>5</sup> enabled it to avoid major military

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<sup>1</sup> UNCTAD (2015), 'Foreign direct investment: Inward and outward flows and stock, annual, 1970–2015', <http://unctadstat.unctad.org/wds/TableViewer/tableView.aspx?ReportId=96740> (accessed 20 Dec. 2018).

<sup>2</sup> CIA World Factbook (2016), *The World Factbook*, <https://www.cia.gov/library/publications/the-world-factbook/rankorder/2078rank.html> (accessed 20 Dec. 2018).

<sup>3</sup> In the case of Japan, this dates from 1952, with the ratification of the US–Japan Security Treaty, subsequently revised as the US–Japan Mutual Security Treaty of 1960; in the case of the UK, there is a much longer pedigree, with diplomatic relations with America dating back to the 18th century, and with the 'special relationship' established in 1940.

<sup>4</sup> Named after Yoshida Shigeru, who served as prime minister in 1946–47 and 1948–54.

<sup>5</sup> Article 9, which came into effect following the Second World War, saw Japan 'renounce war as a sovereign right of the nation and the threat or use of force as means of settling international disputes' (see Prime Minister of Japan and His Cabinet (1947), *The Constitution of Japan*, [https://japan.kantei.go.jp/constitution\\_and\\_government\\_of\\_japan/constitution\\_e.html](https://japan.kantei.go.jp/constitution_and_government_of_japan/constitution_e.html) [accessed 1 Oct. 2018]). Since this period, Japan has, however, maintained Self-Defense Forces, which have been seen as de facto armed forces.

*There now exists an element of uncertainty in the internal character of both countries that could affect their future capacity for bilateral cooperation*

commitments while following a low-profile, non-offensive defence policy heavily reliant on US security guarantees. On economic issues, Japan was initially content to focus on infant-industry development and protection, and a mercantilist trade policy. Since China's economic opening from the 1980s onwards, Japan has, like other Western powers, chosen on occasion to balance its support for Western values with the need to retain access to its neighbour's growing market – for example, by not disrupting its economic engagement with China after the violent suppression of the Tiananmen Square protests in 1989.

While the UK and Japan have both been among the leading supporters of the liberal international order in recent decades, the UK has been far more open to the world, whether in terms of inward FDI or immigration. Even after the British decision to leave the EU, UK governments will find it difficult to disentangle their economic model from the international connections that many of the country's citizens resent but that have been central to its relative prosperity. In contrast, Japan still has markedly low levels of FDI as a share of GDP as a result of informal – including linguistic – barriers to foreign business penetration. These, in turn, often reflect a deep-seated culture favouring economic self-sufficiency and a suspicion of market-led, capitalist risk-taking. Moreover, Japan's immigration levels remain remarkably low despite its rapidly ageing, and now declining, population. Partly because of these different policies, the UK runs a persistently high current account deficit, reflecting its low levels of private saving and public investment, while Japan's high domestic savings rates have underpinned long periods of current account surpluses and a rising level of public indebtedness.

Alongside these historical parallels and differences, there now exists an element of uncertainty in the internal character of both countries that could affect their future capacity for bilateral cooperation. Since the Second World War, there has not been a clear consensus in Japan about national identity. Those on the political right have struggled to find a way of sustaining pride and confidence in the country's historical traditions and institutions, while the left has embraced a low-profile pacifism and postmodern identity founded on internationalism. Many conservatives at home criticize that stance as anodyne and lacking in emotional, effective resonance. This context explains, in part, Prime Minister Shinzo Abe's determination to try to forge a more confident and assertive sense of identity from the increasingly uncertain geopolitical environment in which Japan finds itself.

In reality, since Prime Minister Nakasone's era, and especially since the end of the Cold War and the first Gulf war, Japan has been inching away from its previous low-profile diplomacy and from its image as an 'economic giant but political pygmy',<sup>6</sup> towards becoming a more activist state that publicly embraces stronger diplomatic engagement, alongside its traditional focus on economic self-interest. Abe has sought to build on the progress of earlier leaders from both the governing Liberal Democratic Party (LDP) and the main opposition Democratic Party of Japan (DPJ),<sup>7</sup> with a view to bringing the country closer to a position like the UK's – as a proactive contributor to international as well as its own regional order.

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<sup>6</sup> Samuels, R. (2007), *Securing Japan: Tokyo's Grand Strategy and the Future of Asia*, Ithaca, NY: Cornell University Press, p. 63.

<sup>7</sup> Including the LDP's Jun'ichiro Koizumi (2001–06) and the DPJ's Yoshihiko Noda (2011–12).



But then came the shock of the UK referendum decision in June 2016 to leave the EU. This decision, taken by a majority of the UK electorate against the advice of most British political, business and civil society leaders, will detach the UK from its main regional institution, the EU, and complicate its relationship with its main strategic ally, the US. It also calls into question the popular base for the UK's traditional role as a proactive international power, irrespective of its continued position as a permanent member of the UN Security Council and its important roles in NATO, the G20, the G7 and the Bretton Woods institutions. At a minimum, the process over the coming years of disentangling the UK from its decades-long relationship with the EU and its forerunner institutions (assuming there is no second referendum that reverses the 2016 vote) will distract British policymakers from pursuing the rhetorical ambitions of a 'Global Britain', and may limit the resources available. The internal cleavages and debates over what defines British national 'identity' – including interpretations of the UK's historical trajectory, persistent resentment between the regions and London, tensions over cultural diversity, and the continuing potential of the break-up of the UK – could make it a less confident and assertive player on the international stage.

Can Japan and the UK capitalize now on their diverse experience of foreign policy activism – deep-seated and historically grounded in the case of the UK; newer and developing in the case of Japan – to advance their common interests? These could be advanced functionally (for example on climate change, non-traditional security threats, fragile states) or in relation to their individual relationships with the US, China and Russia. Can they serve as leading, order-enhancing international actors, offset the revisionist, anti-status quo powers of Russia and China, and work with and advise a US that seems increasingly uncertain of its role and identity, either as a status quo or a revisionist power? Or will both countries remain mired in domestic debate over their appropriate international roles and distracted by the complexities of managing relations with their near neighbourhoods? Both countries have much to lose should the liberal international order weaken any further or move into retreat. And yet this is precisely what appears to be happening.

### The liberal international order in retreat

Since the mid-2000s, from the administration of George W. Bush to the end of Barack Obama's presidency, US global leadership in determining world order has waned. In part, this simply reflects the economic growth of emerging powers such as China and their increasing political assertiveness about their international interests. It also reflects Western uncertainty about how to deal with Russia's challenges to Western powers at home and abroad as it moves to reassert its position as a global 'great power'. But Western states' declining influence is also a result of the disruptive domestic effects that economic globalization has had on the welfare and security of large segments of their populations, with people now calling their political leaders to account and demanding a greater focus on protection from, rather than engagement with, globalization.

The election of Donald Trump in 2016 was a symptom of this process, but it has also had a seismic effect on international relations. The US president's determined advocacy of an 'America First' doctrine, particularly in terms of US trading

and security relationships, not only poses risks to its economic competitors and security challengers. It also creates a more unpredictable and potentially dangerous environment for both the UK and Japan, two of its most important international allies.

One risk is that the US will now respond to China's inexorable economic rise and the rebalancing of global economic power by stepping back from multilateral leadership and by trying to apply a toxic combination of political isolationism, economic bilateralism and self-interested, values-free foreign and security policy. After his inauguration in January 2017, Trump immediately withdrew the US from the Trans-Pacific Partnership (TPP) and sounded the death knell for the Transatlantic Trade and Investment Partnership (TTIP). Since then, he has imposed punitive tariffs on countries with which the US runs trade deficits, and has proposed company-specific restrictions on those who do not meet his personal standards of domestic job creation. He has also bracketed German Chancellor Angela Merkel and Russian President Vladimir Putin together as leaders he could 'trust', if not for the long term;<sup>8</sup> has accused Germany of dominating the EU and undermining US economic interests, and Japan of manipulating its currency; and has threatened long-standing US military allies, from NATO members to South Korea and Japan, with a withdrawal of the US security umbrella if they fail to shoulder a greater share of defence spending commitments.

The series of resignations, firings and hirings of senior officials in his first two years in office suggests that Trump is gradually drawing around him a team that shares his zero-sum world view. In response, America's competitors – and rivals – may seek to expand their own influence and resist US efforts to assert dominance in discrete areas. Russia may acquire even more room for manoeuvre across the Middle East. China may become more influential both regionally, expanding its own increasingly important economic sphere of influence in East Asia, as well as further afield, in sub-Saharan Africa and Latin America for example.

With increased ambiguity around the extent of support they can expect from the US, traditional allies such as Japan and the UK may be exposed to the re-emergence of submerged rivalries in their own regions. For instance, Germany may try to compensate for the perceived loss of US protection by further deepening EU integration; South Korea may be forced to favour its economic dependence on China over its security dependence on the US; and the countries of the Association of Southeast Asian Nations (ASEAN) may also be drawn further into China's orbit.

Meanwhile, the global economy has entered a far less benign period. Trade may no longer serve as an engine of global growth, while the disruption of global supply chains from Trump's 'America First' trade policies may increase inflationary pressures across the world. At the same time, domestic-led job creation is threatened in the developed and developing worlds alike by the rapid spread of automation into the service sector, high-skilled manufacturing and many hitherto protected white-collar jobs. The loss of secure employment opportunities and the flattening of wage differentials that accompanies this 'Fourth Industrial Revolution' will sharpen the current mood of

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<sup>8</sup> 'Well, I start off trusting both — but let's see how long that lasts. It may not last long at all.' Quoted in Gove, M. (2017), 'Donald Trump interview: Brexit will be a great thing', *Sunday Times*, 15 January 2017, <https://www.thetimes.co.uk/article/donald-trump-interview-brexit-britain-trade-deal-europe-queen-5m0bc2tns> (accessed 10 May 2019).

‘counter-politics’ and strengthen the appeal of populist messages – even potentially in Japan, where these have yet to fracture the post-war political status quo. From here, it could be a short step to the rise of competing nationalisms, in both developing and developed countries, and a further weakening of the glue of economic globalization.

In such a scenario, who will manage the inescapable impacts of interdependence in areas as diverse as climate change, pandemic outbreaks, weapons proliferation, international terrorism and resource competition? Are major powers likely to cooperate bilaterally or plurilaterally,<sup>9</sup> if traditional institutions no longer carry the authority that they did in the era of permissive US hegemony? Are new institutions like the G20 likely to step up in their place?

### Can the UK and Japan come together, or will they be pulled apart?

The changing strategic context carries potentially important implications for the bilateral relationship between the UK and Japan. Can the two countries approach this new environment cooperatively? Do they still share a similar outlook?

*The increasingly bellicose commentary about how the US will need to confront China’s rise, including through military means, runs counter to the more pragmatic instincts of leaders and officials in London and Tokyo*

Superficially, the rise of China poses more concerns for Japan than for the UK, where this rise is seen by some as a significant economic opportunity for post-Brexit Britain.<sup>10</sup> The current reality, however, is that China remains Japan’s most important bilateral trading partner. Whatever the impact of the cooling or cold political relationship, China’s rise is not strictly a zero-sum development for Japan. As a result, the governments in Tokyo and London may have more in common with each other than with Washington as regards China. The increasingly bellicose commentary about how the US will need to confront China’s rise, including through military means, runs counter to the more pragmatic instincts of leaders and officials in London and Tokyo. To date, Japan has sought to compartmentalize its strategic concerns about China. It wants US support over Chinese pressure in the East China Sea and the Senkaku/Diaoyu islands, but it wants to avoid being dragged into a conflict in the South China Sea.<sup>11</sup> Consequently, it worries simultaneously about being both entrapped and abandoned by the US and its China policy.<sup>12</sup> With this in mind, Prime Minister Abe has pursued a hedging strategy. He has devoted greater attention to maintaining a diplomatic dialogue with China through such mechanisms as the Trilateral Partnership between Seoul, Tokyo and Beijing; and in October 2018 he made an official visit to Beijing (the first by a Japanese premier

<sup>9</sup> The US–China bipolar narrative does not accurately reflect the pluralism of the Asia-Pacific region. For further information see Nilsson-Wright, J., Summers, T. and Wickett, X. (2015), *The Asia-Pacific Power Balance: Beyond the US–China Narrative* London: Royal Institute of International Affairs, <https://www.chathamhouse.org/publication/asia-pacific-power-balance-beyond-us-china-narrative> (accessed 1 Aug. 2018).

<sup>10</sup> Foreign Secretary Jeremy Hunt visited China in 2018 to discuss a potential free-trade agreement as part of the UK’s attempt to revitalize the golden era in Anglo-Chinese relations. See Kuo, L. and Wintour, P. (2018), ‘UK will seek talks on trade deal with China, says Jeremy Hunt’, *Guardian*, 30 July 2018, <https://www.theguardian.com/politics/2018/jul/30/jeremy-hunt-visits-china-seeking-revive-golden-era-relations> (accessed 1 Aug. 2018).

<sup>11</sup> Although there are some signs of a shift; for example, in July 2018 Japan deployed an Izumo warship, its largest class, to the South China Sea to patrol for two months prior to deployment in the Indian Ocean. See Panda, A. (2018), ‘Japan to Dispatch Izumo-class Carrier to South China Sea, Indian Ocean’, *The Diplomat*, 4 July 2018, <https://thediplomat.com/2018/07/japan-to-dispatch-izumo-class-carrier-to-south-china-sea-indian-ocean/> (accessed 1 Aug. 2018).

<sup>12</sup> The reassuring statements by President Trump and Defense Secretary James Mattis in March 2017 about the US’s Article V commitment have helped to reassure Japan, but have not fully dispelled these anxieties.

since 2011) for a major summit with President Xi Jinping that put into place a range of new bilateral economic cooperation projects.<sup>13</sup>

China's wider ambitions pose a deeper problem for UK–Japan relations, as exemplified by their attitudes to the Belt and Road Initiative (BRI), led by China, to create a major new set of transport and infrastructure interconnections across Eurasia. Japan has long (in its earlier variant of Beijing's more recent 'Silk Road' diplomacy) been promoting its own set of connectivity plans in Eurasia via bilateral ties in Central Asia with Uzbekistan and Kazakhstan. Abe's new Indo-Pacific strategy also offers opportunities to leverage ties with India to offset China's infrastructure plans. Moreover, Japan has been lobbying vigorously for Indonesia, India and the Philippines to consider its *Shinkansen* 'bullet' train for their own high-speed rail investments, in competition with Chinese bids that have sometimes – as in the case of Indonesia<sup>14</sup> – proved more attractive.

In the UK, in contrast, Prime Minister May and her cabinet colleagues have remained focused on increasing economic interaction with China. This is despite intense pressure from the Trump administration to take a more hawkish line, and May's own early efforts to cool the 'golden era' rhetoric associated with the previous government of David Cameron – and particularly with his chancellor of the exchequer, George Osborne. Recent examples include the May government's decision to allow a continuing role for Chinese companies in the UK's 5G telecoms and civil nuclear infrastructure. And one of the main opportunities lies in the City of London's role as a financier of the BRI, to which it can bring experience in the long-term financing of major infrastructure projects, and advice on how to ensure its environmental sustainability.

In this more competitive global context, the Japanese government has begun to tilt its political and economic diplomacy in Europe more proactively towards Germany. This reflects Japan's perception that Chancellor Merkel has become more cautious and in some cases critical of Germany's close economic engagement with China. This applies particularly in the grey zone of dual-use technology, and China's efforts to acquire sensitive leading-edge technology companies – most notably its successful takeover of the robotics specialist Kuka, and the blocked takeover of German chip-maker Aixtron in 2016.

Japan's Ministry of Economics, Trade and Industry, under the instructions of the Abe cabinet, has joined US officials in lobbying European governments to restrict their dual-use technology exports to China and deals with Chinese companies involving mergers and acquisitions. The UK government will need to decide whether to give equal attention to the risks as to the opportunities of its deepening relationship with Chinese companies.

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<sup>13</sup> The second trilateral meeting between China, Japan and South Korea took place in Tokyo in May 2018. See Hurst, D. (2018), 'China-Japan-South Korea Trilateral (Finally) Meets Again', *The Diplomat*, 12 May 2018, <https://thediplomat.com/2018/05/china-japan-south-korea-trilateral-finally-meets-again/> (accessed 1 Aug. 2018). For details on the Xi–Abe summit, see Fifield, A. (2018), 'China and Japan pledge to take their relationship in "new historic direction"', *Washington Post*, 26 October 2018, [https://www.washingtonpost.com/world/asia\\_pacific/china-and-japan-pledge-to-take-their-relationship-in-new-historic-direction/2018/10/26/0aeb5a32-d90f-11e8-83a2-d1c3da28d6b6\\_story.html?utm\\_term=.b0fca054e9](https://www.washingtonpost.com/world/asia_pacific/china-and-japan-pledge-to-take-their-relationship-in-new-historic-direction/2018/10/26/0aeb5a32-d90f-11e8-83a2-d1c3da28d6b6_story.html?utm_term=.b0fca054e9) (accessed 23 Nov. 2018).

<sup>14</sup> Harding, R., Chilkoti, A., and Mitchell, T. (2015), 'Japan cries foul after Indonesia awards rail contract to China', *Financial Times*, 1 October 2015, <https://www.ft.com/content/eca4af84-67fa-11e5-97d0-1456a776a4f5> (accessed 23 Nov. 2015).

In an echo of the concern felt in Tokyo about British backsliding in its commitment to rules-based economic relations over China, Abe's efforts to rekindle Japan's bilateral relations with Russia are proving a source of irritation in London. The UK government is deeply – and increasingly – concerned about Russia's deliberately disruptive impact on European political stability and security. These concerns were greatly exacerbated by the nerve-agent attack on Sergei and Yulia Skripal in March 2018, in response to which the US and most NATO European allies expelled Russian intelligence agents – a step that Abe chose not to emulate. Underscoring its shift in strategic posture, the UK has deployed troops to Estonia in the latter's capacity as one of NATO's new 'Framework Nations'. So, while the Japanese government privately criticizes the UK for adopting an overly mercantilist policy towards China, UK officials are concerned about what may be a short-sighted warming of Japanese relations with Russia.<sup>15</sup>

These tensions over China and Russia are all the more important because, for the next few years at least, the UK's decision to leave the EU has put the bilateral relationship with Japan under serious strain. Japanese officials and corporate leaders feel betrayed by a partner that has long promoted the UK's role as a gateway for Japanese exports to the rest of the EU, but which is now seemingly pulling up the drawbridge. While a future bilateral Japan–UK trade deal will be possible, the outcome of the Brexit negotiations may disadvantage Japanese companies currently invested in the UK, relative to their previous status. At the same time, the successful completion and ratification of the new EU–Japan Economic Partnership Agreement (EPA) may disadvantage the UK, as Japanese firms increasingly turn to the EU as an alternative, attractive destination for FDI, or simply find that they can export more to the EU market directly from Japan.

Officials and academics in Japan are already starting to discount the UK's influence not only in Europe, but also with the US and internationally. The profound sense of disillusionment with the UK that has taken hold since the Brexit vote gives weight to the argument that Japan should look towards Germany as an alternative first-tier partner both within Europe and globally. At a time when Tokyo is interested in diversifying its regional and global partners beyond the US – to include not only the UK and Germany, but also France, Australia and India – UK policymakers cannot afford to take the bilateral relationship for granted.

One driver of a closer relationship may come as a result of both countries' changing relationship with the US. The Trump administration appears to be taking a predatory approach to the UK's current discomfort over Brexit, looking to prise the UK away from the EU regulatory orbit and into that of the US. This comes at a time when UK leaders are struggling to manage the fallout from the Trump administration's actions in withdrawing the US from the Paris Agreement on Climate Change and the Joint Comprehensive Plan of Action (JCPOA) with Iran, formally recognizing Jerusalem as the capital of Israel and moving the US embassy there from Tel Aviv, as well as its support for populist, anti-EU parties in Italy, Hungary and Poland. Ironically, in this context, the UK may find itself cooperating more – rather than less – closely with its Western European neighbours on foreign and security policy after Brexit.

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<sup>15</sup> Regarding Russia, the primary goal for Prime Minister Abe is resolving the two countries' still contentious territorial dispute dating from the Second World War. Russia occupies the two southern Kuriles of Etorofu and Kunashiri and the smaller islands of Shikotan and the Habomais. Abe has failed to get a deal on this from Putin (over whether two or four islands will be returned) and the two countries have yet to sign a peace treaty formally ending this wartime anomaly.

While the UK has upheld regional security in Europe for the past 70 years, now Japan, under Abe, is gradually but steadily evolving to become an upholder of Asia-Pacific security, in the context of its rapidly changing and symbolically important commitment to collective self-defence – and especially since September 2015, when changes were enacted to Japan’s security legislation to enable a broader interpretation of the country’s right to ‘collective self-defence’.<sup>16</sup>

Historically, Japan has tended to follow rather than advise, or seek to limit, US actions internationally. Now, despite his early (and ultimately unsuccessful) attempts at using flattery to win favour with Trump, Abe appears to be pursuing a more balanced bilateral relationship. As one indicator, Abe and other Japanese officials have sought to highlight the benefits of Japanese-sponsored infrastructure investment in the US, while responding relatively cautiously to US pressure to establish a new bilateral trade agreement, anxious as Tokyo is to avoid having to make politically costly liberalization concessions in Japan’s agricultural sector.<sup>17</sup> Meanwhile, Japan has ramped up its engagement across Asia, whether through ‘minilateral’ partnerships with India and Australia, which were begun, respectively, in 2006 and 2007;<sup>18</sup> through strengthened trilateral initiatives (Japan–China–South Korea); or through new security partnerships and training exercises with a number of Southeast Asian countries, including the ASEAN Regional Forum. Japan has also succeeded in relaunching the TPP, following the US withdrawal, as the Comprehensive and Progressive Agreement for Trans-Pacific Partnership (CPTPP).

In addition, Japan is seeking to position itself individually in more international debates, such as over measures to counter sea piracy and promote stability in the Horn of Africa – Japan’s first permanent overseas navy base was opened in Djibouti in 2017 – and on the future of nuclear non-proliferation. In particular, its long-standing oil interests in Iran<sup>19</sup> have given rise to strong diplomatic and political ties, which, as in the UK but not the US, are currently focused on keeping the JCPOA alive. In 2017, the Institute for International Policy Studies proposed that the Japanese government might request that it be a party to the P5 + 1 framework in the event that the US embarked on a revision of its policy towards Iran.<sup>20</sup>

Japan’s reinvigorated focus on its Asian neighbourhood stands in contrast to the UK’s protracted process of separation from the EU, which may leave it with a weaker regional role. Yet Brexit, in combination with the behaviours of the Trump administration, may also create new opportunities for the UK–Japan bilateral relationship. Just as Japan is raising its international profile, the UK will have to embark on a concerted effort to

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<sup>16</sup> For a fuller discussion, see Nilsson-Wright, J. and Fujiwara, K. (2015), *Japan’s Abe Administration: Steering a Course between Pragmatism and Extremism*, London: Royal Institute of International Affairs, <https://www.chathamhouse.org/publication/japans-abe-administration-steering-course-between-pragmatism-and-extremism> (accessed 5 Apr. 2017).

<sup>17</sup> *Japan Times* (2019), ‘Japan is next on U.S. trade talks list after China, likely in April or May before Trump’s visit’, 25 February 2019, <https://www.japantimes.co.jp/news/2019/02/25/business/japan-next-u-s-trade-talks-list-china-likely-april-may-trumps-visit/#.XJ4-aC3Mx0s> (accessed 8 May 2019).

<sup>18</sup> See Nilsson-Wright, J. (2017), *Creative Minilateralism in a Changing Asia: Opportunities for Security Convergence and Cooperation Between Australia, India and Japan*, London: Royal Institute of International Affairs, <https://www.chathamhouse.org/publication/creative-minilateralism-changing-asia-opportunities-security-convergence-and-cooperation> (accessed 1 Aug. 2018).

<sup>19</sup> Japan’s Inpex Corporation is currently in negotiation with National Iranian Oil Co. regarding the development of the Azadegan oil field in southwest Iran.

<sup>20</sup> Institute for International Policy Studies (2017), ‘The Trump Administration and Japan: Challenges and Visions for Japan’s Foreign and Security Policy in the New Era’, *Japan-US Alliance Study Group Report*, January 2017, <http://www.iips.org/en/research/usjr2017en.pdf> (accessed 1 Oct. 2018).

sustain its global relevance; the success of this endeavour will depend, to a large part, on the strength of its bilateral relations with international partners, such as Japan, that share its commitment to a rules-based international order.

### So what can they do together?

Deepening the bilateral relationship in this fluid environment will require more than rhetorical diplomacy, especially on the UK side. Both the UK and Japan need to develop concrete opportunities for working more closely together – and particularly to offset the risks implicit in the ‘America First’-led nationalism of the Trump administration.

In response to the changing context, bilateral defence and security relations have strengthened latterly. Recent examples include joint training of special operations forces; joint participation in counter-piracy operations off Somalia; coordinated defence training missions in Senegal, and past participation in significant peacekeeping operations in South Sudan; the visit by four British Typhoon fighters to Japan in October 2016 to take part in joint exercises with Japan’s Self-Defense Forces (SDF); and joint military exercises in October 2018, the first of their kind to take place in Japan. Security cooperation is also extending into the area of defence research, with an ongoing programme to develop a Joint New Air-to-Air Missile (JNAAM). Furthermore, the UK and Japanese navies partnered with their French and US counterparts in 2017 on joint military drills in the Western Pacific. There is also talk of Japan potentially joining the Five Eyes agreement,<sup>21</sup> the signals intelligence cooperation agreement with Australia, Canada, New Zealand, the UK and the US.

### Supporting a strong, rules-based order

Looking ahead, there are three priority areas for the UK and Japan. The first is to support the structures and processes of a strong, rules-based multilateral order – one that, ideally, sustains this order via effective institutions. Japan has been a UN member since 1956, and has regularly served, often in politically influential roles, as a non-permanent member of the Security Council.<sup>22</sup> It has long had ambitions to reform and expand the Security Council and to acquire a permanent seat – a position that UK governments have consistently supported in recent years.

Now, in a context in which the US may no longer feel compelled to uphold international rules via broad-based institutions like the UN or the World Trade Organization (WTO), the UK and Japan, along with Canada and like-minded European partners Germany, France and Italy, need to form a united caucus in more informal groupings such as the G7 and G20 to advocate for deepening the rule of law and increasing transparency within the global economy. The OECD may also play its part, developing norms and processes to bring G20 and G7 initiatives to fruition.

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<sup>21</sup> Herman, A. (2018), ‘Time for Japan to join the Five Eyes’, *Nikkei Asian Review*, 12 September 2018, <https://asia.nikkei.com/Opinion/Time-for-Japan-to-join-the-Five-Eyes> (accessed 9 May 2019).

<sup>22</sup> As is customary for non-permanent members, Japan has periodically chaired meetings of the Security Council, in which capacity it has, *inter alia*, pushed for sanctions against Pyongyang as well as strong condemnatory statements in response to nuclear tests and missile launches by North Korea.

Reflecting their separate but close economic relationships with China, the UK and Japan might also work together to help deepen China's stakes in more open, well-regulated and governed global markets. They could leverage their leadership roles in the World Bank and the Asian Development Bank (ADB), for example, in order to work within and with the Asian Infrastructure Investment Bank (AIIB – of which the UK is a founding member, although Japan has not yet joined) to support high-quality and sustainable infrastructure projects across Asia.<sup>23</sup>

There is no shortage of other specific areas where UK–Japanese cooperation could help to make the international system more resilient to the challenges and opportunities of the global interdependence agenda. These include environmental protection, deployment of renewable and sustainable energy, pandemic preparedness, standards for managing cyberspace, and supporting the rapid provision of humanitarian assistance to vulnerable countries and communities.

There will also be questions to resolve. Should both governments choose to advocate and promote democratic reforms around the world? For the foreseeable future, each is likely to be selective in this area, not least given the imperative for the UK to open up new market opportunities post-Brexit, and Japan's tendency to favour promoting political stability and securing economic opportunities.<sup>24</sup> The more likely joint priority, therefore, will be to deepen trade with emerging and developing countries, while helping to strengthen their administrative capabilities, market practices and social capacities in areas such as health and education.

### Security cooperation in Asia-Pacific

A second priority area for joint cooperation is in tackling the heightened insecurity in Japan's Asia-Pacific neighbourhood. This remains the priority for Japan; and the UK, as a major trading nation as well as a long-standing ally of Japan, would regard a significant deterioration in Asian security as damaging to its interests. The most immediate threat has been from North Korea and its combined programme of nuclear weapons testing and investment in ever more sophisticated, powerful and diverse missile capabilities. Breakthrough summits in 2018 – first, in April, between North Korea's leader Chairman Kim Jong-un and South Korea's President Moon Jae-in, and then between Trump and Kim in Singapore in June – offered the prospect of a marked improvement in ties between North Korea and the US and other regional actors. However, the high hopes of the Singapore declaration have yet to be realized, and have now been set back by the failure of the Trump–Kim summit in Hanoi in February 2019. A number of international actors, including both Japan and the UK, remain sceptical – or at the very least cautious – about assuming that past progress will translate into comprehensive, verifiable and irreversible (nuclear) disarmament (CVID). If talks between Washington and Pyongyang continue to stall, there may be a return to

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<sup>23</sup> In May 2016, the ADB and AIIB signed a memorandum of understanding to strengthen their cooperation and set the stage for co-financing projects. Their joint project with the UK's Department for International Development (DFID) to co-fund Pakistan's M4 highway project was approved in June 2016.

<sup>24</sup> Japan's contribution of more than 10,000 ballot boxes worth \$7.5 million to Cambodia's legislative elections in July 2018 has been criticized by some commentators as direct support for Hun Sen's regime. For further details see Chandran, N. (2018), 'The Japan-China rivalry is playing out in Cambodia's election', CNBC, 19 July 2018, <https://www.cnbc.com/2018/07/18/japan-and-china-compete-for-influence-incambodia.html> (accessed 1 Aug. 2018).



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a more rigorous sanctions regime and the renewed application of pressure on North Korea, necessitating once again close coordination between the US and its allies.

A reversion to a stand-off with North Korea, especially given recent signs that it may be expanding rather than reducing its missile testing regime, may provide further incentives for the UK and Japan to cooperate in addressing this challenge. There are more than 40,000 Japanese and nearly 8,000 UK civilians residing in South Korea,<sup>25</sup> with no immediately apparent evacuation strategy in place should a conflict break out. The UK and Japanese governments could plan jointly for evacuation, as discussed at past meetings of the UK–Japan 21st Century Group.

Although Tokyo has refused for now to normalize its relations with Pyongyang, the UK has maintained formal diplomatic ties with North Korea since 2000. This experience provides opportunities for greater information-sharing, at one end of the spectrum, while coordinating on initiatives to try to open up the country, such as through the new BBC Korean language service.

Beyond these areas of pragmatic cooperation lies the more strategic but equally vexed issue of China's claims to the Spratly and Paracel islands in the South China Sea, and to the Senkaku/Diaoyu Islands in the East China Sea. As a permanent member of the UN Security Council and of the Five Powers Defence Arrangements,<sup>26</sup> the UK cannot ignore China's decision to reject the 2016 international tribunal ruling that its actions in the South China Sea are in violation of the UN Convention on the Law of the Sea (UNCLOS). However, the extent of the UK's involvement in deterring more aggressive moves by China to secure its claims will be dependent on the position taken by the US, as the principal military power and UK ally in the region. President Trump and former US Secretary of State Rex Tillerson were clear that they would come to Japan's aid should China undertake any aggressive steps *vis-à-vis* the Senkaku/Diaoyu Islands. Tillerson's successor, Mike Pompeo, along with senior US Department of Defense officials, has consistently underlined the US commitment to protecting Japan's territorial possessions in the East China Sea under the provisions of Article V of the US–Japan Mutual Security Treaty. However, they have been more ambiguous about how to confront China's action in the South China Sea, beyond sustaining their operations to ensure freedom of navigation.

The probability of continued tensions between China and the US, exacerbated by the retaliatory trade war that has played out since 2018, creates a new urgency for Japan and the UK to explore avenues for cooperation in the region. The UK undertook its own freedom of navigation operations through the South China Sea in 2018, and has increased its security cooperation with Australia. There could be options for additional unilateral regional consultation mechanisms linking Japan and the UK with Australia, New Zealand, South Korea and India. There might also be specific reasons for the UK and Japan to coordinate with the regional major powers in trilateral or quadrilateral combinations, such as UK–Japan–US, UK–India–Japan, or UK–Japan–US–Australia.

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<sup>25</sup> Korea Immigration Service (2016), 체류외국인 연도 및 국적·지역별 현황, [chaeryo e kuk-in yeodo mit kukcheok chi yeokpyol hyeon hwang], 31 July 2016, [http://www.immigration.go.kr/doc\\_html/attach/imm/f2016//20160830263386\\_1\\_1.hwp.files/Sections1.html](http://www.immigration.go.kr/doc_html/attach/imm/f2016//20160830263386_1_1.hwp.files/Sections1.html) (accessed 6 Apr. 2017).

<sup>26</sup> The Five Power Defence Arrangements were established through a series of mutual security agreements to bring together the UK, Australia, Malaysia, New Zealand and Singapore with the aim of enhancing the regional security of Southeast Asia. The agreements state that all five members will consult with each other in the case of significant threat or attack.

It also makes sense to deepen bilateral defence cooperation. At the December 2017 ‘two plus two’ meeting, the UK and Japan agreed a three-year defence cooperation plan – an issue that had also been discussed during May’s visit to Japan a few months earlier.<sup>27</sup> Military planners could also prepare together for security contingencies, such as a flare-up in the South China Sea or an aggressive act by North Korea.

#### Economic cooperation post-Brexit

Third, there is economic cooperation. Japanese investment in the UK economy will continue to be essential for a successful, post-Brexit Britain. The degree to which Japanese companies decide to reduce, sustain or increase their commitment will depend on the quality of the agreement the UK secures with the EU27 in the coming years. Even if the UK does secure an orderly withdrawal that allows for a close future economic relationship, its departure from the EU will inevitably entail new frictions in the flow of goods and services between the two. But these frictions need not mean a fundamental migration of Japanese investment from the UK to continental Europe, as long as the UK government makes a concerted effort to invest more in education, in research and development and in infrastructure, and provided it ensures that UK-based companies do not encounter increased obstacles to bringing talented non-British workers into the country when necessary.

An important question for the future is whether the UK can in turn help to boost the Japanese economy. One area where the UK’s experience can be brought to bear is in Japan’s efforts to deliver the third arrow of structural reform and deregulation under ‘Abenomics’.<sup>28</sup> Abe has already taken real risks here, especially in the agricultural sector, but particularly in the absence of a TPP that includes the US, promoting deregulation of other sectors of the economy will bring additional challenges. A way to help move these reforms forward could be a post-Brexit comprehensive bilateral trade agreement between the UK and Japan that includes service sectors not covered in the EU–Japan agreement, and in which the UK can capitalize on its role as one of the world’s leading service markets and exporters. Similarly, UK involvement in CPTPP, as the May government has suggested, could give a further boost to the partnership’s agenda for modernizing its members’ regulatory infrastructure.<sup>29</sup>

The UK might also help upgrade Japan’s relatively underperforming university sector. Overall, declining enrolment in Japanese universities as a result of societal ageing could serve as a driver for greater educational engagement between the UK and Japan. This is especially applicable in areas of joint scientific research, given the significant risk of British exclusion from some EU research programmes after Brexit. For example, Japan and the UK could integrate their expertise in robotics to help Japan adapt to the needs of its ageing society, and to enable the UK to enhance its current low levels of labour productivity.

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<sup>27</sup> Foreign & Commonwealth Office (2017), ‘UK and Japan strengthen defence ties’, 14 December 2017, <https://www.gov.uk/government/news/uk-and-japan-strengthen-defence-ties--2> (accessed 2 Oct. 2018).

<sup>28</sup> See Abe, S. (2013), “‘Japan is Back’”, Policy Speech by Prime Minister Shinzo Abe at the Center for Strategic and International Studies (CSIS), Prime Minister of Japan and His Cabinet, [https://japan.kantei.go.jp/96\\_abe/statement/201302/22speech\\_e.html](https://japan.kantei.go.jp/96_abe/statement/201302/22speech_e.html) (accessed 2 Oct. 2018).

<sup>29</sup> HM Government (2018), ‘Statement from HM Government’, 6 July 2018, [https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment\\_data/file/723460/CHEQUERS\\_STATEMENT\\_-\\_FINAL.PDF](https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/723460/CHEQUERS_STATEMENT_-_FINAL.PDF) (accessed 2 Oct. 2018).

## Conclusion

Does, then, the combination of the changed international environment and these three areas of potential enhanced bilateral cooperation – on sustaining international order and security and a strong bilateral economic relationship – add up to a forward-looking UK–Japan global agenda? Currently, the idea of a ‘Global Britain’ – one that remains globally engaged and at least as open to international trade and investment after Brexit as before – has close parallels with the idea of a ‘proactive Japan’ – a Japan that is committed to playing a more forward-leaning role on the regional and world stages. Both countries want to be internationalist, to look beyond the oceans that surround them, rather than being fixated about their neighbourhoods, even though these neighbourhoods are increasingly unstable and demand their attention. Both countries are therefore being pulled in two directions.

A key challenge will be whether the two countries can avoid building what might be (or might be perceived to be) principally a defensive bilateral partnership – i.e. one in which each counts on the other to try to hold on to its past international status and advantages within an increasingly competitive and multipolar international system. The fact is that Japan and the UK both benefit enormously from the rules-based order that has defined the post-war era, and which has encompassed the major as well as the smaller powers. As the pressures of globalization intensify – despite the rise in international competition – protecting and promoting a rules-based order becomes even more important. Doing so proactively together should therefore form the core of any future global partnership between Japan and the UK.

For this UK–Japan partnership to be truly viable, however, both countries will need to ensure that they are working from a strong national economic, political and social platform. Both have enormously complex domestic economic agendas. The UK must ensure that its post-Brexit relationship with the EU does not worsen long-standing social and regional divisions or undermine growth and prosperity nationwide. Abe must kick-start sustainable growth in Japan, despite resistance to structural reform, a rapidly ageing society and a heavy domestic burden of debt. These are serious challenges. But for both the UK and Japan, domestic success will be inextricably linked with their international policies and ambitions. And in this sense, the leaders of both countries will have a better chance of navigating to a more prosperous and secure future if they do so in partnership, where and whenever it makes most sense.

## 2. Institutional Innovation: Strategy and Policymaking for National Security

*Pauline Neville-Jones and Harukata Takenaka*

In an increasingly unstable international environment where states face multiple threats to their national security, strategic thinking is paramount. While there is no formally accepted definition of ‘strategy’, Lawrence Freedman notes that ‘having a strategy suggests an ability to look up from the short term and the trivial to view the long term and the essential, to address causes rather than symptoms, to see woods rather than trees.’<sup>30</sup> According to Freedman:

[Strategy is about] maintaining a balance between ends, ways, and means; about identifying objectives; and about the resources and methods available for meeting such objectives ... By and large, strategy comes into play when there is actual or potential conflict, when interests collide and forms of resolution are required.<sup>31</sup>

*There is little doubt that policymakers in both Japan and the UK are increasingly concerned with improving their ability (individually and jointly) to respond to critical global challenges*

For some countries, such as the US, these features of strategy are long-standing challenges that demand institutional responses. The need to reconcile conflicting institutional interests in the face of threats to US security at home and abroad forced the government to focus on how best to balance means, ways and ends in countering the Soviet Union in the Cold War. The clearest expression of this response was through the establishment of the US National Security Council in 1947. For other countries, less accustomed in modern times to playing a leading role in global affairs, the apparatus and practice of thinking strategically about national security is less developed. This is true for both the UK and Japan. However, over the past decade this has begun to change as civil servants and politicians have sought to improve their strategic capabilities.

In considering the opportunities for Japan and the UK to cooperate more closely, it is important to contemplate the potential policy *outcomes* and *objectives*, as well as the *process* both countries adopt to develop policy. In this chapter, two experienced analysts provide their perspectives on this issue. Pauline Neville-Jones offers a uniquely detailed and personally informed assessment of the birth and evolution of the UK’s National Security Council (NSC) since 2010 and its capacity to enhance the UK’s ability to think strategically about the country’s core security concerns. Harukata Takenaka, a specialist in Japan’s institutional politics, provides an equally detailed account of the evolution of Japan’s National Security Council, which was established in 2013. While it may be too early to provide a definitive assessment of how well these two sets of institutional innovations are working, there is little doubt that policymakers in both countries are increasingly concerned with improving their ability (individually and jointly) to respond to critical global challenges, not only as they affect national security, but in terms of national prosperity and economic resilience.

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<sup>30</sup> Freedman, L. (2013), *Strategy: A History*, Oxford, UK: Oxford University Press, p. ix.

<sup>31</sup> Ibid. p. xi.

## National security decision-making in the UK (Pauline Neville-Jones)

### Background to the creation of the UK National Security Council

The framework for decision-making in foreign and defence policy in the UK barely altered in the decades after the Second World War. The formation of an NSC in 2010 marked a significant new departure. It sprang out of the need to respond more effectively to the changing international context, which followed the collapse of the Soviet Union and the emergence of terrorism as a direct threat to Western democracies. The development was long overdue. This section looks at the factors that led to bureaucratic change; it discusses the effect of the NSC on the way policy is made in the UK; and comments on the extent to which it has led to more strategic and better policymaking.

During the Second World War, the Cabinet Office emerged as the department responsible for coordinating Whitehall. Under a committee structure, it brought areas of the government together to consider cross-departmental issues and, at the ministerial level, make decisions within the boundaries of policy agreed by the cabinet. Representatives of departments of state were expected to attend Cabinet Office meetings and to take account of the views of other departments on issues that had been the object of collective discussion.

It was a solid system, but was ill-equipped to respond swiftly to changes in the conduct of intergovernmental relations or to the post-Soviet world. Presidential rather than parliamentary systems had become dominant, with the head of government being primarily responsible for foreign and defence policy. This meant that the UK prime minister played a growing role in foreign affairs, often at the expense of the foreign secretary. After the European Council was established in the 1980s, this tendency also became increasingly common in the European Union (EU). The period of Western military interventionism beginning in the 1990s reinforced the status of the prime minister in international affairs, but also exposed the weakness of the exiguous dedicated personal support available – consisting of one private secretary for foreign affairs.

The system was further tested at the turn of the millennium, when the relatively slow pace of the Cold War was replaced by a much faster-moving and volatile global context, which bred unfamiliar, mainly terrorist-related threats. As a result, the UK found itself engaging in military interventions abroad while simultaneously defending itself against terrorist attacks. Countering these related events effectively meant bringing external and internal affairs analysis and policymaking together.

However, the cabinet committee structure did not provide for this. When the Security Service warned Prime Minister Tony Blair that military intervention in Iraq would lead to an increased risk of terrorism in the UK, there was no preventive action as a result. The lack of a readily available forum, while not in itself a valid reason for the omission, helps to explain why no action took place. Al-Qaeda carried out a major terrorist attack in London on 7 July 2005; on that occasion 52 people died and more than 700 were injured in four coordinated bombings.

Blair was prone to make decisions with small numbers of officials, avoiding normal ministerial procedures. This unaccountable ‘sofa government’ – the product

of outdated governmental structures and Blair's personal style – was arguably unconstitutional and certainly brought government policy into disrepute. The result was an ill-prepared military campaign in Iraq conducted while the government was weakened by resignations, lacking in accountability and facing controversy in parliament and the country at large. Blair's successor as prime minister, Gordon Brown, brought more order to policymaking through the National Security, International Relations and Development (NSID) subcommittee, which he set up in 2008. However, its potential was thwarted by the overwhelming scope of its remit and Brown's lack of commitment to his own creation, which seldom met.

There was no well-functioning structure at the centre of government to give strategic direction to manage increasingly complex security settings. This was the context in which David Cameron, the leader of the Conservative Party and new prime minister, chaired the inaugural meeting of the newly minted NSC, on the coalition government's first day in office in May 2010. The NSC exists as the result of a simple executive decision and has no statutory basis.

#### *Realizing the need for a security strategy*

Relatively minor alterations to government were required to create the NSC, which crowns part of a pre-existing cabinet committee system. The decision to introduce the term 'national security' stemmed, in part, from the perception that defence, foreign affairs and domestic security had to be brought together in a dedicated forum where ministers had time for adequate discussion; the customary 10 to 15 minutes spent on foreign and defence affairs at the end of the weekly cabinet meeting were insufficient.

Furthermore, it was recognized that governments needed to assure the resilience of the interconnected systems that modern societies depend on. This meant that discussions of security needed to include a broader set of issues, for example energy policy. Appropriate sectoral policies, such as for cybersecurity, needed to be developed in the cabinet committee structure under the NSC. National security was no longer regarded as the purview of a few departments providing security to the rest of government and society but as an undertaking for the whole government, which needed the participation of the private and voluntary sectors.

Lastly, security and prosperity are strategically linked: without the first, the second is unattainable over the long term; but, equally, a security guarantee could be a benefit of prosperity. As such, a strategy is vital.

The coalition's first National Security Strategy (NSS), accompanied by a Strategic Defence and Security Review (SDSR) on capabilities, was published in the autumn of 2010. It was based on risk assessments, with each threat tiered according to likelihood and impact – a fairly crude measuring rod but one that, for the first time, gave a public rationale for the allocation of scarce resources. The second NSS, which incorporated the SDSR and a second iteration of the cybersecurity strategy, was published in 2015.<sup>32</sup>

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<sup>32</sup> HM Government (2018), *National Security Strategy and Strategic Defence and Security Review 2015*, [https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment\\_data/file/555607/2015\\_Strategic\\_Defence\\_and\\_Security\\_Review.pdf](https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/555607/2015_Strategic_Defence_and_Security_Review.pdf) (accessed 23 Nov. 2018).

### **The organization of the NSC**

The prime minister chairs the NSC. It meets at his or her bidding (under Cameron it was usually once a week for an hour when parliament was sitting and as necessary otherwise) and the prime minister can vary its membership. Typically, this will include the senior office-holders of government such as the chancellor of the exchequer, the foreign, home and defence secretaries, and other relevant cabinet members. At present, attendees include those responsible for the Cabinet Office, business, energy and industrial strategy, international development, and the government's chief law officer, the attorney general. At fewer than 10 members, it is substantially smaller than the full cabinet of 22.

The NSC is supported by ministerial cabinet committees, the remit and membership of which is also decided by the prime minister. Currently there are two major standing subcommittees with overlapping membership: one dealing with nuclear deterrence and security, chaired by the prime minister; and another, larger subcommittee, handling threats, hazards, resilience and contingencies, under the chairmanship of the Cabinet Office minister. They ensure implementation of NSC decisions and make recommendations to it.

Official attendance at the NSC is headed by the national security adviser (NSA), a senior official who is also secretary to the NSC and appointed by the prime minister. In an advisory capacity, the council includes the chief of the defence staff, the heads of the three main intelligence agencies and the chairman of the Joint Intelligence Committee. Other ministers and officials, including the head of the Metropolitan Police, will be present when an agenda item, such as counterterrorism, requires it.

Officials prepare the weekly agenda. The NSC (Official), a committee comprising the heads of relevant Whitehall departments, meets to identify items requiring ministerial discussion, agree on recommendations and, if possible, resolve any disagreements. The NSA is responsible for issuing instructions to departments and/or committees to implement ministerial decisions. The National Security Secretariat, which has incorporated various pre-existing units in the Cabinet Office, is about 200-strong, with two deputy NSAs responsible respectively for intelligence, security and resilience, and for conflict, stability and defence. Since its inception, the secretariat has remained small, in line with a broader policy of successive Conservative-led governments of reducing the size of central government. The effect this has had on its role is discussed later.

#### *Decision-making remit and crisis management*

Decision-making on all but major national security matters has been effectively relocated from the cabinet to the NSC. However, some fundamentals of the UK system of government remain unchanged. The constitutional position is that when it meets, the NSC is exercising authority delegated from the full cabinet. The prime minister still does not dispose of executive power independently from cabinet colleagues. In practice, members of the cabinet have not disputed positions agreed in the NSC. When major matters such as the deployment of UK armed forces abroad are in contemplation, the cabinet makes the final decision, thus specifically engaging collective responsibility. Issues of the scope, scale and political sensitivity of, for example, the referendum on Scottish independence or Brexit have also been decided directly within the cabinet.

Since the inception of the NSC, the crisis management mechanisms under its aegis have expanded and received considerable publicity. In the case of terrorist incidents, the announcement of ministerial meetings in ‘COBRA’ – the secure and specially equipped Cabinet Office room where these take place and which now operates on a 24/7 basis – has been seen as a way of reassuring the public that the situation is under control. COBRA is also used to monitor military operations such as the UK–French-led intervention in Libya in 2011. Orders to commanders on operational matters remain with military command, but in COBRA ministers can give guidance on overall political objectives, address international challenges, ensure interdepartmental coordination and monitor the provision of resources. In the case of civil emergencies such as widespread flooding (a serious hazard in the UK), COBRA would set in motion and monitor the management and rescue efforts led by the police and frequently aided by the army. Following the 2011 tsunami and Fukushima nuclear accident, travel and evacuation advice for UK citizens in Japan was decided in COBRA. In all cases, the NSC supervises crisis management in COBRA.

### **How well does the NSC work?**

#### *Transparency and accountability*

Regular meetings of the NSC, with agendas and minutes announced publicly and with procedures for follow-up, have corrected the disarray and much of the mistrust engendered by the previous ‘sofa’ style of government. The presence of the NSA at the centre of government injects discipline into national security decision-making and implementation. It reduces the opportunity for intentional avoidance of collective ministerial discussions on controversial issues of the kind that occurred in the lead-up to the second Gulf war, which were heavily criticized by Sir John Chilcot in his Iraq Inquiry report.<sup>33</sup> There is less opportunity to pursue divergent policies at the departmental level, and it is harder for departments to bury policies they do not favour.

Accountability has been strengthened by three important changes in parliamentary procedure initiated by the government when the NSC was established. First, the House of Commons is now able to vote on membership of its committees, making them more independent-minded; secondly, the joint committee of both houses of senior parliamentarians that oversees the intelligence agencies has been given more powers, most crucially for inquiring into operations; and, lastly, a separate joint committee of both houses has been set up to examine the NSS, providing parliament with an opportunity to examine its validity in detail.

#### *NSC: driver or merely coordinator of national security policy?*

One of the objectives in creating the NSC was to change the culture at the centre of government so that it drives, rather than merely coordinates, policy. Setting the direction of policy in this way, it was argued, could and would make it more strategic in character and more coherent across Whitehall departments, and would promote greater interdepartmental collaboration. The result would be better government.

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<sup>33</sup> The Iraq Inquiry chaired by Sir John Chilcot published its *Report of the Iraq Inquiry*, HC264, in London on 6 July 2016.



The second and third objectives – coherence and collaboration – have been realized to some extent. The domestic and overseas aspects of security receive focused attention and, as the top national priority, have mostly received the resources needed. Many departments now have a better understanding of the security aspects of their portfolios, and there have been experiments in joint policy operation and funding.

Whether the NSC has made policymaking more strategic is less clear. The NSC controls the drafting of the NSS, which sets an overall framework for policy and determines priorities. This is a considerable power. The 2010 NSS and subsequent NSC decisions have had a major effect on defence priorities, enhancing the role of the armed forces in national security and significantly diminishing the emphasis on expeditionary warfare. The Lancaster House bilateral defence and security cooperation treaty with France, one of the early decisions of the NSC in November 2010, can fairly be classed as strategic.

However, the NSC adviser is too busy and the secretariat too thinly spread to do much long-range independent thinking themselves; this is still largely left to departments. Some of the horizon-scanning at the centre of government is thus wasted. The same limitations apply when it comes to policy implementation. The secretariat lacks the muscle to drive the system, resulting in momentum being lost; the Prevent strand of the government's otherwise well-developed counterterrorism strategy is a case in point.

Much depends on the energy the prime minister puts into chairing. There is no doubt that David Cameron wanted the NSC to have a high profile, but even for him there were limitations. Having persuaded a reluctant William Hague to return to active politics as foreign secretary, he did not want the NSC – or the option of a politically appointed NSA, which he rejected – to interfere with that role. (Indeed, the Foreign & Commonwealth Office (FCO) has benefited from the existence of the NSC, recovering some of the authority lost under Blair.) Meanwhile, Cameron was not interested in 'strategizing', as he disparagingly called it. His view was that once the NSS had been written – a periodic activity in which he took an interest – it should be good for the five years of the parliament, irrespective of what happened in the interim. What remained was to get on with action. At least one recent NSA takes the view that the main function of the NSC is to coordinate policy.<sup>34</sup> So far, the NSC's record in developing a strategic approach to policymaking has been patchy.

### **Has the NSC led to better policy?**

Regardless of its record, it is worth asking whether, within the bounds of its capacity, the NSC has led to better policy than might otherwise have been the case. It is hard to deliver a verdict on the counterfactual. The general view of those involved is that policymaking has improved and that the NSC has enabled government to cope better with the challenges of a turbulent period. There have been failures. An episode to which the measuring rod is frequently applied is the UK–French-led intervention in Libya in 2011. The UK decision was taken in the NSC and monitored by ministers in COBRA. The military intervention itself was largely successful but reforms of the political system were not. Adequate funding for the reconstruction effort was not

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<sup>34</sup> Author interview, November 2017.

*So far, the NSC's record in developing a strategic approach to policymaking has been patchy*

available until 2015. However, without the NSC it is likely such funding would not have been agreed.

The NSC is only eight years old, and is not immune to challenge. Its lack of statutory footing means it can be bypassed by a future government. However, the signs are that it will survive a change of party. After Brexit, a vision for the UK's role in the world and a national strategy to realize it will be needed. The foundation for this must surely lie in the continued defence of the rule of law and the promotion of the international order created by democracies in the wake of the Second World War. In this task, there is plenty that the UK and Japan can do together.

## National security decision-making in Japan (Harukata Takenaka)

### Japan's National Security Council and strategic policy

In Japan, the structure for security policymaking remained largely unchanged following the establishment of the Security Council in 1986.<sup>35</sup> Nearly three decades later, in 2013, Prime Minister Shinzo Abe's second cabinet reorganized the Security Council into the National Security Council (NSC).<sup>36</sup> This marked a watershed in the history of Japanese policymaking, as the NSC became a platform for the prime minister to routinely influence the formation of security policies.

Before the reform, two ministerial councils were responsible for Japanese security policy: the National Defence Council (1956–86) and the Security Council (1986–2013). Their remit included formulating the principles of Japanese defence policy and responding to emergencies, such as direct attacks on Japan or international crises in its neighbourhood. In other words, they were not involved in the cabinet's formulation of security and foreign policies on a daily basis.

The changing geopolitical environment was a major driver of this reform. In submitting the bill to establish Japan's NSC, Chief Cabinet Secretary Yoshihide Suga acknowledged in the lower house of the Diet that the aim was to enable the prime minister to exercise more effective leadership 'in the international environment, which has become more serious'.<sup>37</sup> At that time, North Korea was developing nuclear weapons and ballistic missiles, China had recently accelerated its penetration of the South China Sea, and tensions continued to rise since 2010 between Japan and China in the East China Sea. Another reason behind this reform was a need to make communication between the governments of Japan and the US more effective regarding foreign and security policies. Shinzo Abe, who was then the chief cabinet secretary in the Koizumi administration, first revealed this objective when he proposed introducing the NSC in 2006, shortly before officially announcing his candidacy in the LDP presidential election.<sup>38</sup>

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<sup>35</sup> The Security Council replaced the Defence Council, which was established in 1956.

<sup>36</sup> Liff, A. P. (2018), 'Japan's National Security Council: Policy Coordination and Political Power', *Japanese Studies*, 38(2), pp. 253–79; Chiyoji, Y. (2015), *Kawari yuku Naikaku Anzen Hoshō Kikō* [Evolutions of the Security Organizations of the Cabinet], Tokyo: Hara Shobō, pp. 161–234; Mulgan, A. (2018), *The Abe Administration and the Rise of the Prime Ministerial Executive*, Milton Park, Abingdon: Routledge, pp. 35–36.

<sup>37</sup> *Shuugiin Gijiroku* [Minutes from the Lower House], 25 October 2013.

<sup>38</sup> *Sankei Shinbun* (2006), 'Abe Kanbo Chokan, NSC Sosetsu wo Teisho' [Chief Cabinet Secretary Abe proposes to establish the NSC], 23 August 2006; Liff (2018), 'Japan's National Security Council', p. 260; Sunohara, T. (2014), *Nihon ban NSC to ha nanika* [What is a Japanese version of the NSC?], Tokyo: Bunshun Shinsho, pp. 39–40; Chiyoji, Y. (2015), *Kawari yuku Naikaku Anzen Hoshō Kikō* [Evolutions of the Security Organizations of the Cabinet], pp. 162–63.

The development of the NSC is part of a series of institutional changes undertaken since the 1990s to enhance the power of the prime minister. The political clout of this office has now come to resemble that of the UK prime minister, although it remains much more limited in several aspects of policymaking.

These changes have attracted much attention in recent years. Many scholars argue that the reforms have allowed the prime minister to exercise stronger leadership in the policymaking process. Two earlier institutional reforms contributed to this expansion of power.<sup>39</sup> In 1994, the single non-transferrable vote (SNTV) political system, also known as the system of medium-sized constituencies, changed to a combination of the first-past-the-post system and a proportional representation system. The second institutional reform in 2001 increased the prime minister's legal authority and expanded the supporting institutions of the office, in terms of both formal legal power and organizational resources. While most researchers have focused on the prime minister's leadership in domestic policies,<sup>40</sup> those that have examined this role in formulating foreign and security policies<sup>41</sup> agree that the reforms have increased the capacity of the prime minister. With these findings in mind, the following section analyses the creation and structure of the NSC from a historical perspective.

### Organization of the NSC

The NSC is composed of different ministerial committees, known as the Nine Ministers Committee and the newly created Four Ministers Committee and Emergency Situation Committee.<sup>42</sup> The Four Ministers Committee in particular has increased the influence of the prime minister in formulating Japanese security policy. The objective of this meeting is to discuss important issues of foreign and defence policy related to national security. The main attendees include the prime minister, the chief cabinet secretary, the foreign minister and the defence minister, but the prime minister can also nominate other ministers to attend. Currently the deputy prime minister, who also serves as the finance minister, attends.

The Nine Ministers Committee consists of those present at the Four Ministers Committee as well as the minister of internal affairs and communications, minister of economy, trade and industry, minister of land and transportation and the chairman of the Public Safety Commission. They discuss basic defence policy, national defence programme guidelines, basic principles of response to a direct attack on Japan, participation of the Self-Defense Forces (SDF) in UN peacekeeping operations,

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<sup>39</sup> Estevez-Abe, M. (2006), 'Japan's Shift Toward a Westminster System: A Structural Analysis of the 2005 Lower House Election and Its Aftermath', *Asian Survey*, 46(4) (July/August 2006): pp. 632–51; Machidori, S. (2012), *Shusho Seiji no Seido Bunsek* [An Institutional Analysis of Prime Ministerial Politics], Tokyo: Chikura Shobo; McCall Rosenbluth, F. and Thies, M. F. (2010), *Japan Transformed*, Princeton: Princeton University Press; Shinoda, T. (2013), *Contemporary Japanese Politics*, New York: Columbia University Press; Takenaka, H. (2006), *Shusho Shihai—Nihon Seiji no Henbō* [Dominance of the Prime Minister – Transformation of Japanese Politics], Tokyo: Chukō Shinsho.

<sup>40</sup> Machidori (2012), *Shusho Seiji*; Uchiyama, Y. (2007), *Koizumi Seiken* [The Koizumi Administration], Tokyo: Chukō shinsho; Takenaka, (2006), *Shusho Shihai*.

<sup>41</sup> Estevez-Abe, M., Takako, H., Toshio, N. (2009), 'Japan's New Executive Leadership: How Electoral Rules Make Japanese Security Policy', in Kohno, M. and Rosenbluth, F. (eds) (2008) *Japan and the World: Japan's Contemporary Geopolitical Challenges – A Volume in Honor of the Memory and Intellectual Legacy of Asakawa Kan'ichi*, New Haven: Council on East Asian Studies at Yale University, pp. 251–82.

<sup>42</sup> Mochizuki, K. (2013), 'Nihonban NSC Hossoku' [The Introduction of Japanese NSC], *Yomiuri Shimbum*, 12 December 2013.

and other defence and security issues. The Emergency Situation Committee involves the prime minister, the chief cabinet secretary and other designated ministers, and discusses responses to emergency situations.

In January 2014, Abe's cabinet set up the National Security Secretariat (NSS) as the administrative office for the NSC. The NSS has six divisions – coordination, strategic planning, intelligence, the first policy division, the second policy division and the third policy division.<sup>43</sup> The coordination division handles overall NSS organization. The strategic planning division formulates medium- to long-term strategy. The intelligence division pulls together information from various government ministries. The first policy division observes the Americas, Europe and Association of Southeast Asian Nations (ASEAN) countries; the second policy division oversees northeast Asia and Russia; and the third policy division surveys the Middle East and Africa.

### **Institutional reforms and the impact on security policymaking**

#### *The 1955 system*

Between 1955 and 1993, the LDP controlled both chambers of the Diet and ruled as a single-party government. Japan's political system during this era is known as the '1955 system'. Under this arrangement, LDP cabinets were similar to coalition governments, consisting of several factions, each of which had strong autonomy within the party and were led by powerful politicians who aspired to become prime minister. However, these factions severely curtailed the prime minister's power.

These autonomous factions persisted due to the SNTV electoral system for the lower house, in which several politicians were elected from each district. For the LDP to win a majority in the lower house, it needed more than one candidate elected in each district. This gave those candidates significant sway and contributed to the autonomy of the various factions, itself a product of the relative independence enjoyed by individual backbenchers compared to the prime minister.

In a parliamentary system the prime minister has various carrots and sticks to discipline backbenchers and the ultimate sanction can be expulsion from the party.<sup>44</sup> However, the threat of expulsion had always been rather empty as the SNTV system makes it relatively easy to be elected as an independent. Likewise, the prime minister could not use this threat against any unified faction, each of which is made up of individual backbenchers. Thus there was no effective way to counter opposition to the prime minister's policies. To ensure agreement, the prime minister eventually came to distribute ministerial portfolios among the various factions according to their relative size, and also considered their recommendations for ministerial candidates.

Furthermore, the prime minister, along with the Prime Minister's Office and the Cabinet Secretariat, had neither the legal power nor the resources to formulate policies. Legally, individual ministers had the power to propose policies, while the prime minister's mission was to coordinate policymaking.

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<sup>43</sup> Chiyoji (2015), *Kawari yuku Naikaku Anzen Hoshō Kikō* [Evolutions of the Security Organizations of the Cabinet], p. 225.

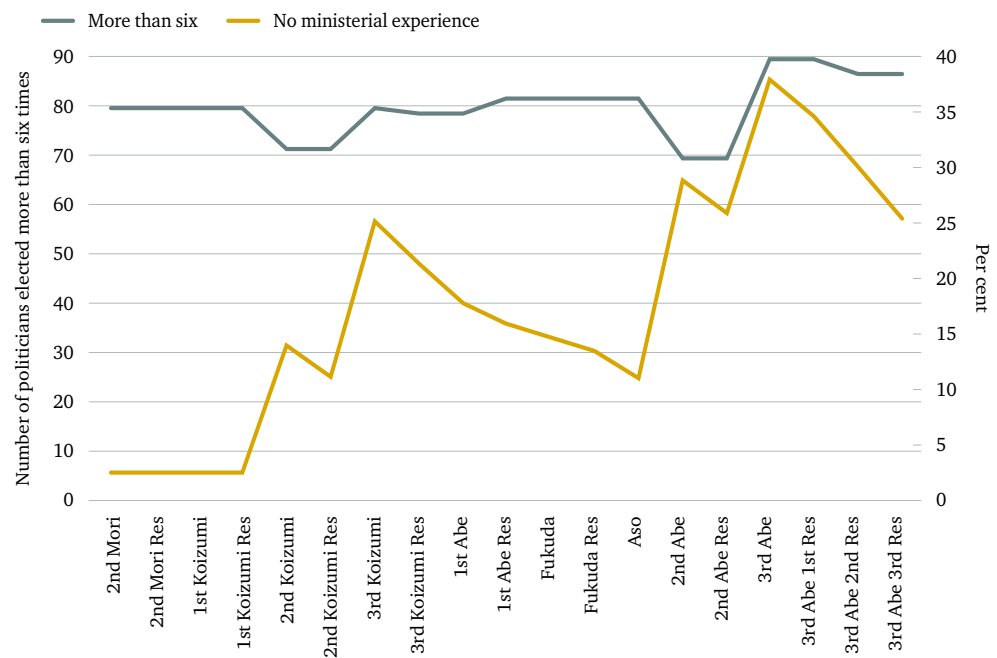
<sup>44</sup> Others include promoting backbenchers to senior posts in the government, providing election support and helping them to implement their policies; or conversely withholding a high-profile post in government or withdrawing various means of assistance.

*Two institutional reforms*

The electoral reform of 1994 and the reorganization of the government in 2001 enhanced the power of the prime minister and changed the nature of the cabinet, which now more closely resembles the UK’s single-party government.

The 1994 reform expanded the prime minister’s power to discipline backbenchers and factions. As a result, the LDP became a more cohesive party. The increase in the prime minister’s influence in the LDP is demonstrated by the expansion of their power in making ministerial appointments. In the past, most long-standing LDP politicians in the lower house were appointed to a ministerial position at least once. According to previous research, of the LDP politicians who had been elected more than six times, fewer than 15 per cent were not appointed ministers.<sup>45</sup> This proportion has risen, before the 2014 election this figure stood at 27.5 per cent.<sup>46</sup> Data for all cabinets after 2001 (see Figure 2.1) demonstrates the steady increase in the prime minister’s power in terms of ministerial appointments. Under the current Abe administration the proportion of long-term lower house members not appointed a ministerial role rose as high as 38.2 per cent.

**Figure 2.1: Ratio of politicians without ministerial experience**



Source: Data collected by the author from various editions of *Kokkai Benran* [Diet Handbook]. Tokyo: Kosaido Shuppan.  
 Note: Res = reshuffled administration.

*Growth of the Cabinet Secretariat*

The administrative reforms of 2001 gave the prime minister the right to propose new policies at cabinet meetings, and the authority to formulate policies even in areas that were already part of another minister’s portfolio. The reforms

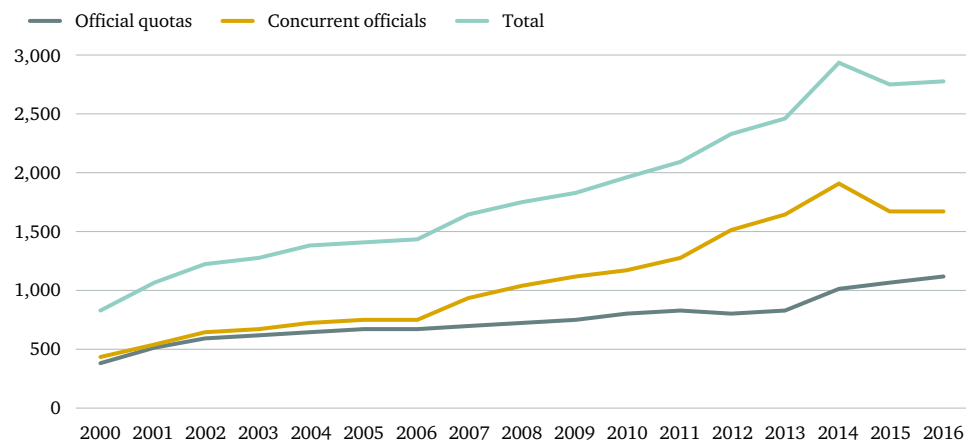
<sup>45</sup> Nakakita, K. (2017), *Jiminto* [Liberal Democratic Party], Tokyo: Chukoshinsho, p. 66.

<sup>46</sup> *Ibid.*, pp. 66–67.

also officially empowered the Cabinet Secretariat to design policies and draft legislation.<sup>47</sup> In addition, the ineffective Prime Minister's Office was replaced by the Cabinet Office, which was established to support the prime minister in policymaking and implementation.

After the reforms, the Cabinet Secretariat has steadily increased its capacities and its role in policymaking, thus strengthening the prime minister's authority within government.<sup>48</sup> The number of civil servants working in the Cabinet Secretariat has grown (see Figure 2.2). Moreover, the number of sections under the cabinet affairs officer and assistant deputy chief cabinet secretaries expanded from 10 in 2001 to 39 in 2017. These sections formulate and coordinate policies that the cabinet deems important.

Figure 2.2: Number of civil servants working in the Cabinet Secretariat, 2000 to 2016



Source: Data collected by the author through inquiries to the Japanese government.

The number of bills drafted by the Cabinet Secretariat soared since the 2001 reforms. Between 1990 and 2000, the Cabinet Secretariat only drafted eight bills. It now prepares a number of bills every year, drafting more than 10 in both 2005 and 2012. The Cabinet Secretariat's role has also expanded in the field of security policy since 2001. First it came to play a larger role in formulating security policies and prepared a number of important bills.<sup>49</sup> This included the Anti-Terrorism Special Measures Law, ratified in October 2001, which enabled the SDF to provide supplies to foreign troops engaged in war.

The Cabinet Secretariat also drafted legislation that would prepare for situations in which Japan was directly attacked by a third country. It finalized three bills by April

<sup>47</sup> Originally set up in 1924, the Cabinet Secretariat was responsible for the promulgation and archiving of laws, decrees and orders. After the war, its role was revised. The Cabinet Law, which was introduced in 1947, stated that the Cabinet Secretariat was responsible for issues related to cabinet meetings and the general affairs of the cabinet. Responsibilities of the Cabinet Secretariat gradually grew to include coordination of important policies involving various ministries, collection of intelligence and management of public relations of the cabinet. It also came to be responsible for crisis management in the 1990s.

<sup>48</sup> The newly created Cabinet Office also played an important role in policymaking, especially in the Koizumi administration. Due to space limitations, this chapter concentrates on the expansion of the Cabinet Secretariat.

<sup>49</sup> For expansion of the role of the Cabinet Secretariat under the Koizumi administration, see Shinoda, T. (2004), *Kantei Gaiko* [Diplomacy by the Prime Minister's Office], Tokyo: Asahi Shimbunsha; Shinoda, T. (2007), *Koizumi Diplomacy: Japan's Kantei Approach to Foreign Affairs*, Seattle: University of Washington Press.

2002: the Situations for Armed Attack Bill, which stipulated the measures that the government could take when Japan was under armed attack or when the government could foresee such attacks; the bill to revise the SDF Law; and the bill to revise the Security Council Law. All three were passed in June 2003.

It also played an important role in preparing Japan's response to the second Gulf war. It prepared the Special Bill to Carry out Reconstruction Activities and Security Preservation Activities in Iraq, which was passed by the Diet in July 2003, and the Land SDF were dispatched to Iraq in February 2004.

### **Creation of Japan's NSC**

Abe's first cabinet began attempts to restructure the Security Council in 2006. It drafted and submitted a bill to the Diet in April 2007 to reorganize the Security Council into the NSC. The structure of the NSC proposed at that time was similar to that of the current NSC, except for the inclusion of a permanent and independent secretariat for the council. However, the Abe cabinet could not pass the bill. When the prime minister's health deteriorated, prompting Abe's resignation, the cabinet was dissolved in September 2007. The succeeding Fukuda cabinet abandoned the bill in view of heavy LDP losses in the elections to the upper house of the Diet in June 2007. The resulting divided Diet, in which the opposition Democratic Party of Japan controlled the powerful upper house, derailed much of the LDP government legislation emanating from the lower house.

On becoming prime minister for the second time in December 2012, Abe quickly reaffirmed that he would strengthen the government's security policy formulation capacity.<sup>50</sup> In June 2013, the cabinet submitted two bills to the Diet to establish the NSC and amend certain laws to enable reform. Both bills passed into law in November 2013. In January 2014, the second Abe cabinet set up the NSS within the Cabinet Secretariat. It is worth noting that the NSS was crucial in drafting the legislation on collective self-defence, which became law in 2015.

By the end of 2018, the Four Ministers Committee had met two or three times a month to discuss national security since the formation of the NSC. Its agendas covered events in Ukraine, the Asia-Pacific area, the North Korean ballistic missile and nuclear tests, and security-related bills enabling Japan to exercise the right of collective defence.

The introduction of the Four Ministers Committee is a marked shift in the history of Japanese security policymaking, for two reasons. First, the regular meetings and its close proximity to the Cabinet Secretariat have enhanced the capacity of the prime minister to formulate security policies. Second, coordination of security policy among different ministries – mainly between the foreign and defence ministries – is more efficient, thanks to the way NSS deputy secretaries-general are assigned. Coordination between the two ministries had traditionally been a time-consuming process.

However, just as it is still unclear whether the UK's NSC has achieved its objectives, it is difficult to draw definitive conclusions about whether Japan's security policymaking

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<sup>50</sup> *Nihon Keizai Shimbun* (2012), 'Abe Naikaku ga Hossoku, Shusho Kaiken, "Tsuyoi Keizai wo Kaifuku," Kinyu, Zaisei, Seicho Ittai de' [Abe Cabinet is formed. Prime Minister Press Conference, 'The Cabinet Recovers Strong Economy,' with the Combination of Monetary, Fiscal and Growth Policies], 27 December 2012.

*In future, it may be necessary to create a new meeting group to include the finance minister and the minister for economy, trade and industry, in order to fully integrate international economic policy into Japanese security policymaking*

has become more effective. The establishment of the NSC is still fairly recent. Moreover, Japan has not yet experienced a crisis on the same scale as the Gulf conflict of 1990–91 or the 9/11 terrorist attacks and subsequent conflicts. Whether the NSC in Japan has made crisis response more effective is yet to be tested.

Nonetheless, there is evidence suggesting that the existence of a permanent body has enabled more effective security policymaking. For example, soon after the introduction of the NSC, the Four Ministers Committee swiftly decided to send ammunition to the South Korean Army, which was participating in peacekeeping operations in South Sudan with the SDF, in December 2013.<sup>51</sup> The Four Ministers Committee also permitted Japanese companies to provide parts and intelligence for the manufacture of submarines in Australia if they were successful in securing a contract to supply submarines to the Australian government.<sup>52</sup>

As a result, ministers and ministries are much more inclined to take direction from the prime minister and the Cabinet Secretariat than in the past.

The current challenge for security policymaking is how best to include economic policy in cabinet level deliberations. Some countries may resort to international economic policy for security purposes. The NSC and the Cabinet Secretariat are for now centred around the Ministry of Foreign Affairs (MoFA) and the Ministry of Defence. In future, it may be necessary to create a new meeting group to include the finance minister and the minister for economy, trade and industry, in order to fully integrate international economic policy into Japanese security policymaking.

## Collaboration between Japan and the UK

Japan's strengthened national security process has opened the door for closer security cooperation with the UK. The 1960 Treaty of Mutual Cooperation and Security between the US and Japan provides Tokyo with its security 'anchor'. The relationship with the UK is not a substitute, but it can complement the formal defence alliance with the US. As the US 'pivot' to balance China's rising power in Asia becomes an increasingly serious military undertaking, regional allies are expected to contribute more to their own defence and to uphold democratic values. Strengthening existing diplomatic consultations, cooperation within the UN and in peacekeeping missions, staff discussions and joint exercises would all contribute to this goal.

The UK–Japan bilateral security relationship has deepened steadily in recent years. The summit meeting held between prime ministers Yoshihiko Noda and David Cameron in April 2012 increased the momentum for deepening cooperation between the two countries.<sup>53</sup> Areas for increased cooperation were specified at that meeting, and both governments signed a memorandum on defence cooperation in June 2013.

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<sup>51</sup> *Asahi Shimbun* (2016), 'NSC Tsuyomaru Kantei Shudo Saishu Handan ha Shusho, Himitsu Atsukai Tettei' [NSC Strengthening of Prime Minister's Lead Policy Formulation Ultimate Decision by Prime Minister, Through Protection of Intelligence], 6 June 2016.

<sup>52</sup> *Asahi Shimbun* (2015), 'Shin Sensuikan Keikaku, Go Seifu he Teishutu, Seifu, Kongetsu Sue ni' [New Submarine Plan, Submitted to Australian Government by Japanese Government by End of This Month], 27 November 2015.

<sup>53</sup> Tsuruoka, M. (2016), 'Nichiei, Nichifutsu no Anzen Hosho Boei Kyoryoku' [Anglo–Japanese and Franco–Japanese Security and Defence Cooperation], in Boei Kenkyujo Kiyo [*Bulletin of the National Institute for Defense Studies*], 19(1): pp. 147–78.



Since then, the leaders of both countries have continued to foster cooperation. A total of seven dialogues took place between October 2012 and late 2018. One meeting focused on strategic dialogues between foreign ministers to discuss the international and regional environment. In May 2014, at the Abe–Cameron summit, the two countries agreed to set up foreign and defence ministerial meetings. Three meetings have been held so far, in January 2015, January 2016 and December 2017.

Cooperation on defence-equipment development between the two countries has made steady progress. The UK and Japan signed an agreement in July 2012 on the transfer of arms and military technology necessary to implement the joint development of defence equipment, and an agreement on the security of information. The initial cooperation focused on developing clothing to protect against chemical weapons.<sup>54</sup> In July 2014, joint research was initiated on the co-development of Joint New Air-to-Air Missiles (JNAAM). In December 2017, in the third foreign and defence ministerial meeting, the two countries agreed to extend this cooperation to pilot missile production and launch tests.

There has also been steady progress in the field of practical operations. In October and November 2016, the Japan Air SDF and the UK's Royal Air Force carried out joint fighter exercises in Japan. In January 2017, the countries signed an Acquisition and Cross Servicing Agreement (ACSA) to allow the mutual provision of supplies and services, joint training exercises, peacekeeping operations and other activities.

Cooperation is likely to expand further given that in August 2017, at the summit between Abe and May, the two countries adopted the 'Japan–UK Joint Declaration on Security Cooperation', which outlined a comprehensive set of areas for deeper cooperation between the two countries. The aim is now to expand joint military exercises, enhance mutual support through the ACSA, deepen cooperation on the development of defence equipment, and work together more closely on capacity-building in developing countries, for example in maritime security.

### **Implications for UK–Japan cooperation prospects**

The available evidence regarding the impact of Japan's NSC on deepening cooperation between the two countries is inconclusive. The record of NSC involvement in formulating Japanese security policy suggests that it will remain an important mechanism. In particular, for continued cooperation on the development of defence equipment and for SDF cooperation with UK armed forces in peacekeeping operations. More important, the implications of the legislation on collective self-defence in 2015 must be taken into account when considering the impact of the NSC on future security cooperation.

While the laws on collective self-defence made it possible for Japan to defend itself in certain conditions, it also expanded the scope of SDF activities. It has now become possible for the SDF to engage more flexibly in support activities for foreign armed forces in the event of an international crisis similar to the 1990–91 Gulf conflict or in an armed conflict in a region near Japan. If the UK is involved in such crises, the

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<sup>54</sup> *Nihon Keizai Shimbun* (2013), 'Boei Sobi Hin, susumu Kokusai Kaihatsu, Nichi-Ei, Kagaku Bogofuku de Goihe, Buki Sangensoku Kanwa, Bei Igai de Hatsu' [Progress Made on the International Co-Development of Defence Equipment, Japan and UK Likely to Agree on Protective Clothing Against Chemical Weapons], 10 March 2013.

NSC will enable the Japanese government to make timely decisions on possible cooperation between the SDF and UK armed forces.

### **Beyond bilateral cooperation**

If the UK government's proclaimed vision of a 'Global Britain' is to have meaning, it should include projecting power beyond Europe. There is an opportunity to achieve this with Japan, particularly as it is developing closer relations with Australia. The UK has a long-standing intelligence and defence relationship with Australia through the Five Power Defence Arrangements. The relationship was reinvigorated by a bilateral agreement signed in Perth in 2013, which broadened the range of regular consultations and activity. As such, tripartite naval exercises between the UK, Australia and Japan should be a possibility, especially when British aircraft carriers come into service.

In terms of cybersecurity, while the US is undoubtedly Japan's primary partner, the UK has developed a working relationship in this area. As a result, there is scope to develop the private-sector side of cybersecurity particularly in the civilian sphere. Secure networks are an essential precondition for the development of robotics and artificial intelligence as well as the 'internet of things'. Increased security, technological and regulatory cooperation would serve the interests of both countries. As a major exporter of electronic devices, Japan will benefit from international consumer and other regulatory standards. Post-Brexit, unless the UK is prepared to accept international standards decided by others, it should strive to retain its leading position in their formulation. There is room for cooperation here, as well as for joint investment in research and development in new technologies, and in nuclear energy.

### **Future priorities and beyond the NSCs**

The UK's industrial strategy, which promotes advanced technologies such as big data, artificial intelligence, robotics, biosciences and fintech, and Japan's 'Society 5.0', provides the ideal context for a long-term intergovernmental cooperation agreement. The two countries' respective NSCs would be indispensable to such a cooperation agreement, since without good security and data protection many future technologies will not be socially acceptable in democracies like the UK and Japan. Both countries have the means and the intellectual resources, and should have the will to collaborate on such a wide-ranging future project.

### 3. Foreign Policy and Domestic Politics: The Populist Wave and the Impact of Public Opinion in Japan and the UK

*John Nilsson-Wright*

#### Introduction

Democracy is in crisis. Across the globe, particularly in Europe and the US, disruptive and unanticipated political forces have undercut the once-confident assumption that liberal democratic governance and a stable international order would survive and flourish in the modern era. The centre ground of politics, marked by the convergence of left- and right-wing mainstream parties around a model of pragmatic governance, technocratic management and a commitment to internationalism, has abruptly disappeared – or at the very least appears under threat and in many places is in retreat.<sup>55</sup> In its place has emerged a populist wave that has threatened to sweep aside established political elites in favour of political newcomers. With varying degrees of enthusiasm, these new figures have fostered a politics of anger, fear, resentment and radical change, threatening the institutional practices and values of tolerance, dialogue and openness that have been at the heart of the West's post-1945 democratic culture.

The victory of Donald Trump in the November 2016 presidential election signalled an abrupt discontinuity in US foreign and domestic politics. The electorate threw its support behind a candidate intent on unilaterally abandoning the country's traditional post-1945 role as the guarantor of international strategic, political and economic order, in favour of a policy of narrow, zero-sum, competitive nationalism. In the process, critical international alliances (most notably NATO and US alliance partnerships with Japan and South Korea) have been downgraded – or at least called into question. The US has instead embraced a crude, transactional trade protectionism that seems a throwback to the beggar-thy-neighbour mutually destructive economic rivalries of the 1920s and 1930s.

In Europe, new authoritarian leaders have come to power in Hungary and Poland, while xenophobic, nativist parties backing anti-immigration policies – such as

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<sup>55</sup> By way of a counter-argument, some have pointed to Emmanuel Macron's victory in the French presidential election of May 2017 and the tidal wave of electoral success for his En Marche movement in the National Assembly elections of June 2017 as the triumph of centrist politics in resisting the appeal of the far right. While superficially true, this underestimates the extent to which Macron's victory had a distinct populist hue, represented a clear rejection of established politics and traditional party loyalties, and involved critical grassroots support (and not a small amount of luck) in propelling a relative newcomer into the Elysée. Macron's presidential style of governing has also been recently criticized by many observers as overly authoritarian and *dirigiste*. Macron himself has made it clear that failure to deliver on his ambitious campaign promises will leave the country once again seriously exposed to the risk of right-wing, extremist politics at the next presidential election, including a renewed challenge from the Front National, which received the backing of a third of those voting in the presidential contest. See BBC News (2017), 'Emmanuel Macron: French President-elect to fight "forces of division"', 8 May 2017, <https://www.bbc.com/news/world-europe-39841707> (accessed 1 Feb. 2019); BBC News (2018), 'Macron aide: French police raid disgraced Benalla's office', 25 July 2018, <https://www.bbc.com/news/world-europe-44957657> (accessed 1 Feb. 2019).

Sweden's Democrats, Germany's Alternative for Germany (AfD) or France's Front National (renamed in June 2018 as The National Rally) – have acquired greater political prominence. In some cases, parties such as Italy's Northern League or Austria's Freedom Party (FPÖ) have been able to enter government in coalition with more centrist political parties. Such changes have threatened both the political values and the institutional practices that have been at the heart of post-war Europe's collective identity, as reflected, most powerfully, in the European Union (EU). The most notable challenge to the EU has, of course, been the surprise outcome of the UK referendum on 23 June 2016, with the electorate deciding to leave by a narrow margin of 52 per cent to 48 per cent. The resulting turmoil has reinforced a polarization and potential splintering of the UK political landscape, apparently undermining and paralysing cabinet government, and raising the prospect of a much-diminished status and international role for the UK as a foreign policy actor in Europe and further afield.

*In contrast to the disruption and uncertainty that appear to have taken hold in Europe, leading Asian polities such as Japan or South Korea appear more stable*

In Asia, the forces of anti-establishment political reaction appear less powerful, at least in the region's politically and economically advanced countries. In contrast to the disruption and uncertainty that appear to have taken hold in Europe, leading Asian polities such as Japan or South Korea appear more stable. Established mainstream parties, such as Japan's Liberal Democratic Party (LDP) or South Korea's Democratic Party (DP, or Minjoo Dang), remain in government; political institutions, whether South Korea's Constitutional Court, or Japan's National Assembly, retain an important mediating or deliberating role, ensuring an effective and confidence-enhancing political dialogue between voters and their elected representatives. Global economic uncertainty and stagnation or slow economic growth at home do not appear to have fostered the forces of political reaction in either country. Populism appears to have had little traction in influencing either national elections or government policy in Tokyo or Seoul.

The dominant impression in Europe and the West has been one of political change, uncertainty, disruption and a retreat from liberal internationalism in favour of narrow national interests. Meanwhile, in Asia, at least for the region's leading democratic states, the picture is one of continuity, predictability, sustained international engagement and strong support for liberal values and global order.

Considering this contrast, it is tempting to reach for simple, analytical answers. Culturally deterministic interpretations that highlight the consensual norms of relatively homogeneous societies, such as Japan, might explain why populism is apparently less relevant there than in the UK.<sup>56</sup> Materially focused interpretations that emphasize the gradual adaptivity of flexible economies long inured to slow economic growth (in Japan's case, over more than 20 years) might explain why economic pain has apparently not fostered political radicalization or a blowback against mainstream political elites of a type seen in Europe or the UK. Alternatively, stressing the relatively closed character of some Asian societies and economies such as Japan and South Korea – as evidenced by migration, and foreign trade and investment figures – might help explain the apparent greater stability and democratic durability of these Asian states compared with their European counterparts.<sup>57</sup>

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<sup>56</sup> For an early study of the role of culture as a source of consensus decision-making in post-war Japan, see Richardson, B. M. and Flanagan, S. (1984), *Politics in Japan*, Boston, MA: Little, Brown & Company.

<sup>57</sup> Lind, J. (2018), 'Nationalist in a Liberal Order: Why Populism Missed Japan', *Asia-Pacific Review*, 25(1): pp. 52–74.

First impressions can, however, be misleading, and there may be a risk in rushing too quickly and confidently to pronounce the health of liberal democracy in some parts of Asia. A more cautious analysis needs to start by examining the nature of populism as a complex, multidimensional and essentially contested concept. Uncovering the dynamic character and causes of populism can help to make sense of some of the changes affecting politics to varying degrees in the UK and Japan. It is natural and commonplace to judge the political process in any polity according to the outcomes that emerge over time in terms of domestic or foreign policy. But just as important as outcomes are the values, norms and beliefs embraced by all political actors – both the governed and the governing. Democracy is not only defended as a model of government because of its efficiency in meeting the collective but sometimes competing needs of its adherents. It is also supported because it is underpinned by universal values of tolerance, openness, inclusivity and pluralism that are seen as desirable in their own right. Today's crisis of democracy has arisen not merely because of doubts about the efficiency of the democratic model in dealing with the challenges of an increasingly complex and rapidly changing world; it has also emerged from profound doubts (sometimes imperfectly or indirectly articulated) about the values of inclusiveness and mutual tolerance that have been at the heart of modern political life. A close look at recent political changes in the UK and Japan suggests that below the surface, there are populist pressures that, in important but differing ways, may perhaps decisively shape the future of both countries, whether separately or jointly. The following analysis examines the nature and significance of these politically important seismic trends and the impact they may have on leadership capacity in Japan and the UK.

### Populism and definitional challenges

Populism, as the distinguished Cambridge political theorist John Dunn has noted, is not 'a clear and distinct idea'.<sup>58</sup> It is rather a 'political pathology',<sup>59</sup> a degrading or distortion of democracy based on a false reading of who governs. In place of the familiar system of popular sovereignty in which the people (i.e. the electorate) rule via the periodic selection of their elected representatives, populists substitute an abstract and moral, rather than empirical, definition of the 'people'. In the words of Jan-Werner Müller:

Populism ... is a particular moralistic imagination of politics, a way of perceiving the political world that sets a morally pure and fully unified – but ... ultimately fictional – people against elites who are deemed corrupt or in some other way morally inferior. It is a necessary but not a sufficient condition to be critical of elites in order to qualify as a populist. Otherwise, anyone criticizing the powerful and the status quo in any country would by definition be a populist. In addition to being anti-elitist, populists are always antipluralist; populists claim that they, and only they, represent the people.<sup>60</sup>

Populism manifests itself most strikingly in a politics of fear, anger and deep resentment directed at national political elites who are accused of being out of touch with the sentiments, frustrations and hopes of ordinary people. It is a phenomenon

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<sup>58</sup> Dunn, J. (2018), 'The Challenge of Populism: why populist politics spreads in the world and how to keep democracy from its danger', Address at Seoul National University, May 2018, p. 1.

<sup>59</sup> Ibid.

<sup>60</sup> Müller, J.-W. (2016), *What is Populism?*, Philadelphia, PA: University of Pennsylvania Press, p. 19 [online edition].

that transcends traditional class politics and, in principle, can appeal to radicalized forces on both the far left and the far right. It can therefore help to explain the rise of the left with Podemos in Spain or Syriza in Greece, or equally of the right with the Tea Party in the US, the Front National in France, or the UK Independence Party (UKIP). In its extreme form, populism encourages xenophobia, nativism and a strong resistance to foreign migration based on the perception that immigration dilutes and threatens the interests of the legitimate, authentic ‘people’. In a more moderate form, populism, by stressing the importance of reforming the political process to re-establish an effective connection between the governed and the governing, advances a more positive message in support of grassroots politics based on local, communitarian values, but one that at the same time typically rejects multiculturalism.

Importantly, populism is not unique to one particular type of political environment or historical moment. While the label ‘populist’ has been used to describe different mass political phenomena such as the ‘back to the people’ (*narodniki*) movement in mid-19th century Russia or agrarian radicalism in late 19th-century America, it has wide-ranging relevance today.<sup>61</sup> Indeed, the salience of the populist phenomenon can be attributed to a combination of critical global changes that have accentuated the sense of alienation on the part of those most receptive to the populist narrative.

At one level, the critical drivers of change have been material developments, particularly the economic dislocation associated with the 2008 global financial crisis. This shock is just one part of a wider set of structural changes reflecting the growth in relative inequality within Western economies as the global centre of economic gravity has shifted to China, India and the newly emerging economies of Asia. For the ‘squeezed middle’ classes of Europe and North America, relative economic deprivation can be measured by the decline in the availability of affordable education and housing. Added to this are the pressures of the ‘Fourth Industrial Revolution’ and the associated technical advances that are eliminating traditional employment in manufacturing and creating a new, expanding industrial precariat.<sup>62</sup> National governments have proved ill-equipped to grapple with the challenges of globalization. All too often, they have taken refuge in neo-liberal dogmatism and the assertion that market forces, free trade and global finance have fatally compromised and undercut the policy autonomy of national governments.

In the face of the powerlessness of the state and its leaders, voters have, not surprisingly, lost faith in governing elites, both politicians and bureaucrats. European electorates have become dealigned from mainstream political parties, and there has been an increase in volatility and variability in the voting patterns of individual voters, who are more inclined to support new, third parties. These new parties have frequently tended to advance a radical, right-wing, nativist agenda; traditional centrist social democratic parties have seen their influence diminish.<sup>63</sup> These marked political shifts have been amplified by the growth of new social media that have eroded trust in traditional news sources, given greater opportunity for the dissemination of distorted and inaccurate stories,

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<sup>61</sup> *Ibid.*, pp. 18–19.

<sup>62</sup> Luce, E. (2017), *The Retreat of Western Liberalism*, Boston, MA: Little, Brown.

<sup>63</sup> Chatham House Asia-Pacific Programme (2018), ‘Open Economies and the Challenge of Innovation in an Era of Populism and Economic Nationalism’, Meeting Summary, Chatham House, May 2018, London: Royal Institute of International Affairs, p. 3.

and curtailed the space and time in which political leaders have been able to exercise the critical judgment needed to make informed policy choices.<sup>64</sup>

This last phenomenon – the tyranny of compressed decision-making timetables – has become especially acute given the scale and intensity of the policy challenges faced by national governments. These range from environmental degradation, the mass migration pressures arising from the crisis in Syria and the Middle East, and the perennial threat posed by radical, fundamentalist Islamist terrorism. Faith in modernity as a technocratic solution to various social, economic and political problems has been eroded, along with trust in mainstream politics.

*Alongside the growth in tribalism and the new ‘post-truth’ politics, has been a decline in rational and evidence-based decision-making*

In its place, a new generation of populist leaders has deliberately embraced a new politics of nostalgia.<sup>65</sup> It is striking how often these new leaders have deliberately resurrected and embraced historical narratives designed to bolster a mythologized view of an idealized and all too often ethnically and socially purified image of the nation (Müller’s ‘moralistic imagination’). These ‘imagined communities’ and ‘invented traditions’<sup>66</sup> are part of a revival in identity politics, sometimes designed to bolster traditional nation-state narratives, and sometimes used to foster more localized, tribal identities, which share with their national counterparts a sense of exclusivity and exceptionalism that intentionally discriminates against and marginalizes outsiders.<sup>67</sup> In the process, internationalism and the universalism that underpinned much of the post-1945 ethos associated with the UN and other supranational bodies have been increasingly exposed to challenge.

Alongside the growth in tribalism and the new ‘post-truth’ politics, has been a decline in rational and evidence-based decision-making. Emotion has become more prominent as a factor shaping the actions of populist leaders and their followers. It is easy to dismiss this as the triumph of ignorance and narrow prejudice. A more sophisticated interpretation of this trend, solidly grounded in the recent, empirical research of social psychologists such as Jonathan Haidt, sees it as arising from a predisposition on the part of human societies to reach moral decisions based on intuition rather than on systematic, reasoned thought. We are, according to Haidt, both as individuals and especially as members of groups, conditioned (for good Darwinian, evolutionary reasons of collective survival) to be self-righteous and exclusive in framing our moral choices. Cognition – our ‘thinking’ – depends as much on gut instinct as it does on careful rational analysis.<sup>68</sup>

This retreat into sectional identity politics can be seen in a wide number of political contexts. Sometimes this can be aggressively uncompromising and adversarial, as in the growth of often violent Hindu nationalism in Prime Minister Narendra Modi’s India, or the alt-right ‘blood and soil’ white nationalism of parts of the US. Sometimes it is expressed in a more moderate form, such as in the rise of Scottish nationalism, or the attempt by different political actors across the French political spectrum

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<sup>64</sup> Kissinger, H. (2014), *World Order: Reflections on the Character of Nations and the Course of History*, London: Allen Lane, pp. 354–60.

<sup>65</sup> Lilla, M. (2016), *The Shipwrecked Mind: on Political Reaction*, New York: New York Review of Books Inc.

<sup>66</sup> The cited terms allude to Anderson, B. (1993), *Imagined Communities: Reflections on the Origin and Spread of Nationalism*, New York: Verso; Hobsbawm, E. and Ranger, T. (1983), *The Invention of Tradition*, New York: Cambridge University Press.

<sup>67</sup> For a recent study on the new tribalism see Chua, A. (2018), *Political Tribes: Group Instinct and the Fate of Nations*, London: Bloomsbury.

<sup>68</sup> Haidt, J. (2013), *The Righteous Mind: Why Good People are Divided by Politics and Religion*, London: Penguin, p. 53.

(whether the Front National's Marine Le Pen or President Emmanuel Macron) to appropriate the political symbolism and memory of Jeanne d'Arc (Joan of Arc) as a means of bolstering their national leadership credentials.

Railing against the weaknesses and limitations of traditional politicians and established institutions, highlighting the failures of conventional governments to address contemporary global challenges, and retreating into a politics of symbolism, morality and mythologized, historical identity has allowed populist leaders to tap into a new mass politics that transcends traditional class loyalties and conventional left-right distinctions. As a formula for winning power, this strategy has sometimes proved remarkably effective. Once in power, populist leaders have often had to adopt slightly different techniques. Those with a strong authoritarian bent have sought to co-opt or 'hijack' other elements of the state decision-making structure, often by undermining the autonomy or political independence of rival branches of government; such leaders have also frequently used corruption, financial inducements and manipulative, clientelist politics to 'buy' support from key sections of society; they have also been willing to act aggressively to undercut and weaken civil society as a way of consolidating their power in government.<sup>69</sup>

This power has been enhanced by the tendency of such leaders to command monolithic political parties or movements in which rank-and-file members are usually subordinate to the leadership, with limited decision-making autonomy.<sup>70</sup> Whether in the form of Donald Trump's co-option of the Republican Party, or Emmanuel Macron's dominance of En Marche (a movement that not coincidentally shares the initials of its leader) and its new cohort of 313 party loyalists elected to France's National Assembly in June 2017, there is powerful evidence of the strength of populist leaders who not only command their parties but also can use this dominance to appeal directly to the public at large and their core supporters.<sup>71</sup>

### The UK: Brexit and populism as a source of political paralysis

To what extent does populism explain recent trends in UK politics? The Brexit decision itself and the events leading up to the fateful vote reveal a sharp decline in British voters' confidence in their traditional elected representatives. Some of this was foreshadowed by earlier decisions. In the summer of 2014, for example, the UK Independence Party startled the political establishment by securing more votes than any of its British rivals in the European parliamentary elections; in the 2015 general election, the Scottish National Party swept the board in Scotland, winning virtually every parliamentary seat and routing the Labour Party, which traditionally had been the leading party in the region; and following that election, Jeremy Corbyn – the quintessential political outsider and serial rebel within the Labour Party – stunned political mainstream opinion by winning the party's leadership election.<sup>72</sup>

This rebellion against the mainstream has been explained in a number of ways. David Goodhart has characterized the change as arising from the division between

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<sup>69</sup> Müller (2016), *What is Populism?*, p. 4.

<sup>70</sup> *Ibid.*, p. 35.

<sup>71</sup> There are limits to the power of even populist-aware politicians to control this process as Emmanuel Macron's apparent inability to placate the grievances of the *gilets jaunes* movement in France demonstrates.

<sup>72</sup> Richards, S. (2017), *The Rise of the Outsiders: How Mainstream Politics Lost its Way*, London: Atlantic Books, pp. 1–2.



‘Anywheres’ and ‘Somewheres’.<sup>73</sup> The former are those committed to international, cosmopolitan, liberal, multicultural values and who typically live in ethnically diverse, relatively prosperous urban environments in the UK; the latter are those who are more socially and politically conservative, receptive to authoritarian values, inclined to embrace communitarian, local interests, far removed spatially and temperamentally from an ethnically diverse and internationally connected urban centre such as London,<sup>74</sup> and who tend to feel left behind and marginalized by mainstream politics. Goodhart characterizes the populist surge in the UK as a result of the ‘Anywheres’ over-reaching and failing to pay attention to the interests of those who feel the system has failed them.

Steve Richards offers a similar but slightly different interpretation in his distinction between ‘insiders’ and ‘outsiders’ – which he sees as a general, global phenomenon but especially relevant in the case of the Brexit decision. The outcome of the referendum was not inevitable, in Richards’ view, but can be explained critically by the tactical and strategic failures of the mainstream parties, both left and right.<sup>75</sup> For the Labour Party of Tony Blair and Gordon Brown, the principal shortcoming was an excess of political timidity. New Labour, because of its obsession with focus groups and fear of antagonizing middle-class voters, failed to make the case for state intervention as a tool for addressing the material interests of UK citizens. Redistributive policies were adopted, along with important social welfare programmes, but these were implemented almost covertly with no effort to sell them explicitly as positive initiatives to the electorate. At its heart, Labour’s mistake, according to Richards, was to abandon any positive notion that the state had agency and could be used to offset the effects of globalization. Within the Conservative Party, under the leadership of David Cameron and his chancellor, George Osborne, Richards identifies a similar tendency to denigrate the state.<sup>76</sup> Here, however, the limited faith in the state stemmed less from political nervousness and a tactical desire to avoid antagonizing certain voters, but rather from an excess of ideological zeal. This was seen particularly in the party’s blinkered faith in austerity and the policies of fiscal retrenchment as a means of tackling rising government debt – a common problem among the advanced European economies.

The analytical and policy shortcomings of mainstream politicians were, of course, just one of a number of key factors that weakened faith in the EU. For the UK, a major source of public anxiety, cleverly exploited by populist politicians such as Nigel Farage, Boris Johnson and Michael Gove, was the controversial issue of immigration. The reality has been that net migration from the EU to the UK has contributed to the country’s economic growth, and most migrants are well educated and less likely than their UK counterparts to claim state benefits. Yet the issue seized upon by critics as a major problem was the increasing pace of immigration. After 2004, when a number of East European countries joined the EU, there was a sharp rise in the number of immigrants entering the UK. The government’s predictions of a rise of a few

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<sup>73</sup> Goodhart, D. (2017), *The Road to Somewhere: The Populist Revolt and the Future of Politics*, London: Hurst & Company, pp. 3–4.

<sup>74</sup> Elliott, L. (2018), ‘Most capital cities are well off, but London is like another country’, *Guardian*, 29 July 2018, <https://www.theguardian.com/business/2018/jul/29/most-capital-cities-are-well-off-but-london-is-like-another-country> (accessed 1 Feb. 2019).

<sup>75</sup> Richards (2017), *The Rise of the Outsiders*, pp. 14–15.

<sup>76</sup> *Ibid.*, p. 151.

thousand were sharply at odds with the reality of more than a million newcomers who arrived in the course of a few years.<sup>77</sup> While other European countries had sought exemptions to limit the inflow of new East Europeans, the UK adopted a more permissive attitude, thereby providing an easy opportunity for anti-EU populists to attack the government for failing to protect the interests of UK workers.<sup>78</sup>

For the anti-EU lobby, other techniques from the populist toolkit that could be deployed to bolster its arguments included the blanket rejection or denigration of reliable empirical evidence, or the promotion of its own factually dubious arguments, such as the notion that leaving the EU would free up £350 million per week to be spent on strengthening the National Health Service. Through their campaign, the populists were cleverly reclaiming the argument in favour of state activism, and in the process sharply distinguishing themselves from mainstream politics. They were also very deliberately appealing to the electorate in terms that were essentially more emotional than rational, by advancing a set of moralistic arguments that would resonate with voters in a manner consistent with the theories of social psychologists such as Haidt. These played neatly into the identity politics and intensifying tribalism that appealed to a significant cross-section of the population – those who felt insufficiently committed or connected to the abstract ideas of European communitarianism and the thinking of remote Brussels bureaucrats.

To talk of ‘taking back control’ from the EU was to advance a point of view that was essentially vacuous and meaningless – and consistent with a campaign that offered virtually no concrete details on the type of post-Brexit world that Britain would inhabit. However, such unfocused, aspirational language is arguably little different from the type of vague sloganeering that all skilled politicians are prone to adopt, be it Bill Clinton’s faith in ‘a place called hope’, Barack Obama’s ‘yes, we can’ mantra, or Franklin Roosevelt’s reminder that ‘there is nothing to fear but fear itself’.

It is tempting to view the pro-Leave Brexit campaign as a manipulation of public opinion by cynical politicians interested in maximizing their own interests. There is substantial evidence that some Brexiteers have exploited weaknesses in the democratic process to advance their cause. A. C. Grayling, one of the strongest critics of the Brexit process, sees the Leave campaign as part of a wider effort to subvert democracy itself: ‘Without overexaggerating, it is arguable that the EU referendum itself and the government’s subsequent actions resemble something like a coup.’<sup>79</sup> Such subversion has been pursued by using a strengthened political executive to weaken the power and authority of a sovereign parliament, through the deliberate use of misinformation (for example, by the government’s disingenuous suggestion, before the June vote, that the Brexit referendum was merely advisory) or by using the intimidatory power of government whips to undermine the independence of members of parliament.<sup>80</sup>

Notwithstanding the strength of these claims, it is also important to understand the motivations of those who remain committed to Brexit, both among the general public and within the ranks of the Conservative Party, and of a not insignificant number of Labour politicians (including Corbyn) who remain sympathetic to an anti-EU position.

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<sup>77</sup> Goodhart (2017), *The Road to Somewhere*, p. 100.

<sup>78</sup> *Ibid.*, p. 124.

<sup>79</sup> Grayling, A. C. (2017), *Democracy and its Crisis*, London: OneWorld Publishing, p. 189.

<sup>80</sup> *Ibid.*, p. 137.

If we accept Haidt's view that our moral arguments and our group identity are based more on instinctive reasoning than on rational analysis, then we should be prepared to accept that the sentiment in favour of Leave is a genuine, principled conviction rather than the result simply of an opportunistic desire to seize power by one political factional interest.

The trouble for the UK today is of course that the different constituencies on either side of the post-referendum debate do not only remain sharply divided and equally emotionally committed to their separate and potentially irreconcilable views. They are also operating in a political context in which deciding how best to implement Brexit remains exceptionally difficult, if not impossible.

Prime Minister Theresa May, as a result of her misjudged decision to hold a general election in June 2017, has since then led a minority Conservative government, critically dependent on the support of the Democratic Unionist Party (the socially conservative, pro-UK, Eurosceptic, and largest protestant party in Northern Ireland), in order to form a government. On the issue of Brexit, the Conservatives are split between 'soft Brexiters' who wish to see the UK remain part of a customs union with the EU, and hard-right Leave ultras who are implacably opposed to any agreement that dilutes UK sovereignty. May's attempt to square the circle with her Chequers plan of July 2018 – an effort to sign up to a 'common rule book' on trade with the EU while exempting services and asserting the freedom of the UK to decide how best to harmonize trade provisions with the EU in future<sup>81</sup> – looked like a compromise too far; it would not satisfy the EU leadership, and it provided the illusion of sovereign independence for the UK while delivering at best marginal economic benefits for the country.

The UK parliament retains the right to agree any negotiated settlement between the government and the EU. Its refusal to support May's draft withdrawal agreement, based on the Chequers plan, for a time left the distinct and unnerving possibility that the country would simply crash out of the EU in March 2019 without any formal agreement. Such an outcome would have potentially devastating consequences for the UK economy, and would raise substantial doubts about the country's ability to maintain key elements of day-to-day governance, including access to European goods and commodities, along with unfettered air, rail and road travel to and from the European continent. With Prime Minister May now committed to stepping down as Conservative Party leader on 7 June, a contest is already under way among multiple Conservative rivals to become the next prime minister. It remains unclear whether May's successor will commit to a no-deal Brexit, but already a number of the leading candidates have signalled that this is a possibility should no agreement be reached before the revised deadline for the UK's departure from the EU on 31 October.

In foreign affairs, it is also unclear what opportunities there are for the prime minister to seize. Unless and until an agreement has been reached with Brussels, the UK is blocked from reaching any new trade agreements with other international actors. While there has been talk of new bilateral trade agreements with India, Japan, Singapore or the US, or of the possibility of the UK joining the 11 members of the Comprehensive and Progressive Agreement for Trans-Pacific Partnership (CPTPP), these remain aspirational rather than realistic immediate possibilities.

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<sup>81</sup> Walker, P. (2018), 'What the Cabinet has agreed at Chequers Brexit meeting', *Guardian*, 6 July 2018, <https://www.theguardian.com/politics/2018/jul/06/what-the-cabinet-has-agreed-at-chequers-brexit-meeting> (accessed 1 Feb. 2019).

Rhetorically, the UK remains committed to being globally engaged and supportive of international order and the rule of law, but it is difficult to see where it has been able to make its mark in foreign affairs, despite its long-standing role in key international forums such as the UN, the G7 and the G20.<sup>82</sup> In its traditional ‘special relationship’ with the US, the UK is a much-diminished power – a point painfully underlined by Trump’s humiliating and dismissive treatment of May during his July 2018 visit to the UK. Relative to other European countries, the UK’s defence spending remains high, but its decision to leave the EU has deprived it of the opportunity to participate in the recent effort to bolster collective European defence partnerships. Moreover, the previously talked-of new ‘golden era’ in cooperative economic relations with China remains unrealized. The UK retains substantial aid and defence budgets and has, in principle, the capacity to act as an assertive ‘middle power’. Yet amid the current crisis over Brexit, it is hard to discern a strategic direction for the country in foreign affairs: the government has insufficient time and political bandwidth to chart a clear course for the future. In the short term, the UK is likely to remain more reactive than proactive and increasingly eclipsed by peer competitors such as France, which under Macron has shown a more obvious capacity to innovate and lead in foreign affairs.<sup>83</sup>

### Japan: assertive abroad, constitutionally deadlocked at home

At first glance, Japan seems immune to the populist contagion that is spreading across Europe and parts of North America. The governing LDP is the quintessential party of the establishment, having first come to power in 1955 and remained securely in place with the exception of two brief interludes (in 1993–94 and 2009–12).

The party itself has long been a broad church of different personal and policy interests and does not fit the populist model of a cohesive movement united around loyalty to a single, charismatic leader. Moreover fear, anger and resentment do not appear to have been critical animating factors in shaping Japanese voters’ participation in politics. It is true that, especially since the early 1990s, Japan has experienced increasing volatility, dealignment and political fragmentation as strong party identification has declined. The splintering of politics on both the left and the right of the political spectrum has allowed new parties to emerge to challenge the political establishment.<sup>84</sup> At no point, however, has there been a decisive breakthrough that shattered the norms of mainstream politics, allowing voters to embrace an entirely new form of politics.

The closest the country came to departing from conventional politics was in 1993, when Hosokawa Morihiro, leader of the aptly entitled Japan New Party (JNP, or *Nihon Shintō*) formed an eight-part anti-LDP coalition (with 243 out of 511 seats in the House of Representatives). This relied on public disaffection with the LDP’s

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<sup>82</sup> Wright, G. and Bevington, M. (2018), ‘Britain must decide what kind of power it wants to be after Brexit’, Chatham House Expert Comment, 18 July, <https://www.chathamhouse.org/expert/comment/britain-must-decide-what-kind-power-it-wants-be-after-brexite> (accessed 1 Feb. 2019).

<sup>83</sup> *Ibid.*

<sup>84</sup> For detailed discussions of changes in Japanese politics in the 1990s and the early 2000s, see Pempel, T. J. (1998), *Regime Shift: Comparative Dynamics of the Japanese Political Economy*, Ithaca, NY: Cornell University Press; Krauss, E. and Pekkanen, R. J. (2010), *The Rise and Fall of Japan’s LDP: Political Organizations as Historical Institutions*, Ithaca, NY: Cornell University Press.

ability to grapple adequately with the challenges of political corruption, poor economic management in the wake of the country's speculative property bubble bursting, and the challenges of integrating Japan's economy into a more open international trading environment. Hosokawa's success was short-lived (he served as prime minister for just 10 months) and support for mainstream conservative candidates remained strong in the 1993 general election, with the LDP hanging on to 223 seats in the lower house. Moreover, Hosokawa himself, despite his new political credentials as the head of the JNP, came from an established political family: his grandfather, Prince Fumimaro Konoe, had been prime minister in the days before the Second World War, and before rising to national prominence, Hosokawa had served eight years as governor of Kumamoto prefecture. Given his well-established political pedigree, he was far from being the political outsider typically associated with populist politics.

Even in 2009, when the main opposition party, the Democratic Party of Japan (DPJ), seized power in a landslide, part of its success was again the result of frustration with the outgoing LDP's economic record. In the election campaign there were relatively limited differences between the manifestos of the two parties, and while the DPJ focused on generous economic redistribution policies and pledged to limit the policymaking authority of the country's civil service, its policy shift once in power was more cosmetic than radical. Both the LDP and DPJ have been, and continue to be, pragmatic parties. Both are inclusive but distinctly heterogeneous coalitions of interests, incorporating politicians who, on a range of critical issues (such as large versus small government, deregulation versus *dirigiste*, state-led economic planning, UN-centred internationalism versus security-focused, realist defence policymaking), share much in common not only with colleagues within their own party, but often with their counterparts across the political aisle.

Centrist politics, at least at the level of national politics, is thus a key feature of contemporary Japan. Indeed consensus decision-making has dominated post-war Japanese political culture (with the notable exception of the 1950s, when politics was sharply polarized around the twin issues of constitutional revision and the US–Japan alliance in the context of Cold War politics). Citizens' protests are not uncommon, and the country has a history of vocal, well-organized and publicly active protest campaigns, including in the aftermath of Japan's triple earthquake, tsunami and nuclear disaster in 2011. Yet even the demonstrations in 2015 against Prime Minister Shinzo Abe's more active national security policy and commitment to new collective self-defence initiatives operated within the framework of mainstream politics. They have had little impact on the government's ability to develop a more centralized and, in the view of some critics, more *dirigiste* style of decision-making. Public attitudes towards politics appear to have been dominated by low expectations, limited enthusiasm and scepticism, rather than intense anger or resentment. Even in the face of widespread and continuing political corruption (Abe has himself been bedeviled by two major financial scandals), the public has tended to give the benefit of the doubt to whichever party can demonstrate general economic competence. In this respect, Abe's careful promotion of 'Abenomics', with its three-pronged focus on monetary easing, fiscal expansion and structural reform, has been able to reinforce an image of policymaking continuity, pragmatic problem-solving and the ability to keep the Japanese economy afloat. He has achieved this even in the face of major structural challenges such as the rapidly ageing

population and a ballooning public debt that, at 253 per cent of GDP, is one of the world's largest.

How best to explain this apparent lack of populist reaction at a time when other countries have departed from mainstream politics? Jennifer Lind has recently suggested that economic and cultural nationalism is the key to understanding this apparent anomaly. She points to the closed nature of the Japanese economy, the country's long post-war history of centralized economic planning, a highly protected agricultural sector and a mercantilist approach to trade and investment policy, along with the country's unwillingness to open itself up to large-scale immigration, as key factors in the country's relatively muted response to the disruptive impact of globalization.<sup>85</sup> It is as if Japan's anti-liberal credentials have inoculated it against any reactionary, populist backlash.

*It is as if Japan's anti-liberal credentials have inoculated it against any reactionary, populist backlash*

The absence of large-scale immigration has certainly allowed the country to avoid a major, potentially disruptive social pressure point. Nevertheless it is worth noting that in recent years there has been a disturbing increase in incidents of social discrimination and attacks against Japan's small but high-profile minority communities, particularly against long-term Korean and Chinese resident communities, many of whose members can trace their families' arrival to forced migration to Japan during the country's colonial period.<sup>86</sup> Cultural and racial discriminatory identity politics are therefore not unknown in Japan and in some cases are on the rise. In the past, too, there have been unprincipled, demagogic politicians who have shamelessly exploited race and ethnicity issues to appeal to right-wing public sentiment (most notably the former four-term governor of Tokyo, Ishihara Shintarō).

On the question of economic liberalism, it is also important to distinguish between the past and the present. While Japan's early post-war economic development embraced a 'plan-rational development state' model, which combined both indicative planning and restricted access to the Japanese market by foreign firms and exporters, the country went through a wave of economic liberalization in the 1980s that sharply curtailed the restrictive economic nationalism of the past. As Paul Krugman and Jagdish Baghatti have argued,<sup>87</sup> Japan became an increasingly global player in that decade, embracing the notion of internationalization, or *kokusaika*. Much of its success as an exporting country at that time was a function of macroeconomic structural conditions both at home and in the US (the country's largest export market in the 1980s), rather than of any restrictive, illiberal domestic economic practices.<sup>88</sup>

Far from adhering to a closed economic agenda, Japanese administrations have sought to embrace successive waves of economic reform. These started with the policies of the 1960s designed to limit government growth; Thatcherite privatization initiatives of the Nakasone era followed in the 1980s; deregulation continued under Prime Minister Koizumi Jun'ichiro between 2001 and 2006; and reforms have

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<sup>85</sup> Lind (2018), 'Nationalist in a Liberal Order'.

<sup>86</sup> Brasor, P. (2016), 'Japan's resident Koreans endure a climate of hate', *Japan Times*, 7 May 2016, [https://www.japantimes.co.jp/news/2016/05/07/national/media-national/japans-resident-koreans-endure-climate-hate/#.W1m34i17E\\_U](https://www.japantimes.co.jp/news/2016/05/07/national/media-national/japans-resident-koreans-endure-climate-hate/#.W1m34i17E_U) (accessed 1 Feb. 2019).

<sup>87</sup> Krugman, P. (1998), *Pop Internationalism*, Boston, MA: MIT Press; Bhagwati, J. (1994), 'Samurais no more', *Foreign Affairs*, May/June.

<sup>88</sup> A notable exception to this trend towards internationalization was in the non-traded goods sector, particularly in agriculture and construction, where market rigidities and excessive regulation persisted.

culminated most recently in Abe's ambitious agricultural policies as part of the Trans-Pacific Partnership (TPP) process, and most dramatically the signing in July 2018 of the new Japan–EU Economic Partnership Agreement, creating a free-trade agreement that encompasses one third of global GDP.

Japan's cushioning from the full impact of globalization may stem less from any inherent economic nationalism and more from a residual confidence by all parties in the state as an important actor, although not necessarily the decisive one, in shaping economic and social outcomes for ordinary Japanese citizens. It also may reflect the distinctive nature of economic expectations among voters. The gradual nature of the country's economic adjustment following the bursting of the growth bubble in the 1990s has allowed workers to adjust to a slow or stagnant growth trajectory.<sup>89</sup> Younger voters have either had to become reconciled to a gradual diminution of traditional career opportunities, or have responded to economic change by opting in some cases to lower their economic and social expectations, forgoing both traditional lifetime employment and conventional marriages in favour of a *furitā* lifestyle of part-time employment and greater social choice. Far from channelling their disappointments and resentments into a populist effort to 'throw the (establishment) rascals out', Japan's marginalized and disadvantaged have simply dropped out of the conventional 'rat race'. The result of such changes may have been to increase the gap between economic winners and losers in Japan, but this may have been less the result of abrupt, corporate downsizing and more a function of gradual economic changes and a long-term hollowing-out of the country's traditional employment structures.

Internationalization in trade and the partial embrace of neo-liberal values have their parallels in the foreign policy space. Under Abe, Japan has renewed and expanded its commitment to a range of international initiatives. It is seeking to consolidate its traditional alliance with the US while also pursuing a range of new 'minilateral' initiatives with states in Southeast Asia, along with Australia and India. Expanding defence spending, the relaxation of legal constraints on the deployment of the country's Self-Defense Forces, and most recently the launch of the country's bold Indo-Pacific Strategy (recently reformulated as a 'vision') are all markers, rhetorically at least, of a confident, outward-looking Japan that seems little inclined to retreat into the chauvinistic, competitive nationalism associated with populism elsewhere. Even allowing for moments of diplomatic tension with historical rivals such as China and South Korea, pragmatism rather than radical revisionism appears to be the key factor shaping Japan's foreign policy agenda. Abe, as an actor on the world stage, appears confident and well equipped to deliver on his rhetorical commitments to defend the rule of law and his assertion of the need to maintain international order at a time of sharply rising uncertainty. In this regard, he appears well ahead of his UK counterpart and genuinely able to pursue a proactive rather than reactive foreign policy. This ability reveals the weakness and fragmentation of the opposition in Japan and the absence of any obvious leadership rivals within Abe's own party capable of launching a credible challenge in the LDP, particularly in the wake of Abe's successful re-election, for a third term, as LDP President in September 2018. It also marks the steady strengthening of executive power since the turn of the century, which has accelerated since Abe became prime minister in 2012.

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<sup>89</sup> Samuels, R. (2013), *3.11 Disaster and Change in Japan*, Ithaca, NY: Cornell University Press.

A strengthened system of cabinet government, while helping to streamline policymaking, can of course also be a potential challenge to democratic openness, transparency and accountability. Critics have pointed to the steady erosion of parliamentary checks and balances in the Japanese Diet and the relative absence of single-member legislation or a robust system of parliamentary scrutiny to hold the government to account.<sup>90</sup> Indeed, if one wanted to find evidence for the imperfect functioning of democracy in Japan, plenty of phenomena could be cited: the narrowing of media debate; the weakness of investigative journalism; efforts by the Abe administration to manage public discourse by appointing LDP loyalists to senior positions in the national broadcaster, NHK; a public diplomacy programme that all too often denies access to public platforms to academics deemed too critical of the government; the strengthening of state security legislation; and a growing general climate of self-censorship.<sup>91</sup>

Debate on these issues is, in part, a discussion about the efficiency of the democratic process in Japan. A more fundamental concern is the nature of the norms and values that shape the political process employed by leading political actors in Japan. Here there are distinct grounds for suggesting that Japan may not in fact be as immune as it appears to the appeal of populist politics.

Clear proof that Japan, like other states in the grip of a populist reaction, is firmly wedded to its own powerful politics of nostalgia comes from the right of the political spectrum, in the growth of controversial historical revisionist organizations such as Nippon Kaigi (the Japan Conference), which boasts a membership of 38,000 and includes most of the members of the Abe cabinet, and the prime minister himself in a special advisory role. Mythologized historical identity based on questionable arguments surrounding the unbroken ruling lineage of the Japanese monarchy, or attempts to advance highly controversial, revisionist accounts of Japan's actions during the Pacific War, or the routinized commitment by Nippon Kaigi members to visiting the controversial Yasukuni shrine commemorating the country's war dead, are all indicators of a type of tribal, cultural conservatism that is much more about identity politics than practical policymaking.

Parallel examples of this nativist drive can be found in the arguments for constitutional revision (a key agenda issue for Abe), the promotion of new patriotic education from primary school upwards, and the broad support within the LDP for the continuation of an explicitly traditional, male-centric Emperor system. None of these views need be seen as inherently illegitimate or necessarily threatening, but they remain sharply divisive and polarizing. It is striking, for example, that roughly 58 per cent of the Japanese public remain either opposed to or hesitant about supporting Abe's desire to revise Japan's 1947 constitution.<sup>92</sup> By contrast, for some of Abe's conservative colleagues and supporters, the promotion of conservative values is a zero-sum, non-consensual process and constitutes a form of cultural anti-pluralism apparently straight out of the populist playbook.

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<sup>90</sup> See, for example, Hikotani, T. (2018), 'The Japanese Diet and defence policy-making', *International Affairs* 94(4): p. 792.

<sup>91</sup> Asahi Shimbun (2018), 'Latest Diet session shows democracy failing in Japan', *Asia and Japan Watch*, 23 July 2018, <http://www.asahi.com/ajw/articles/AJ201807230030.html> (accessed 29 Mar. 2019).

<sup>92</sup> Asahi Shimbun (2018), 'Poll: 58% oppose constitutional revision with Abe in charge', *Asia and Japan Watch*, 2 May 2018, <http://www.asahi.com/ajw/articles/AJ201805020051.html> (accessed 29 Mar. 2019); Osaki, T. and Daisuke, K. (2018), 'Abe's dream to revise Japan's Constitution drifts farther from reach as long-running scandals chip away at support', *Japan Times*, 3 May 2018, <https://www.japantimes.co.jp/news/2018/05/03/national/politics-diplomacy/abes-dream-revise-japans-constitution-drifts-farther-reach-long-running-scandals-chip-away-support/#.XMB7Mmj0nIU> (accessed 29 Mar. 2019).



The key challenge for contemporary Japan is to balance these controversial and contentious historical and cultural arguments against the more internationalist outlook of rival sections of Japanese society, particularly on the left and among older voters, many of whom remain fiercely committed to Japan's post-war culture of pacifism and internationalism and adamantly opposed to any form of constitutional change. To revert to Steve Richards' terminology, it is as if Japan's 'outsiders' (if only when it comes to historical arguments) have figuratively seized power in government and ousted the 'insiders', who for much of the post-war period have embraced a cosmopolitan outlook that has been hostile to any efforts to re-legitimize some of the cultural, nativist arguments dominant in the pre-1945 period.

*A key challenge for analysts and policymakers will be identifying the salience, intensity and impact of Japan's newly invigorated cultural nationalism, both at home and abroad*

The reality of this 'transfer' of power is, to be accurate, more complicated. The LDP remains a broad church that includes committed internationalists and those whose priorities are more domestically focused. Nevertheless, when it comes to identity politics, Abe's past cabinet appointments have frequently included a preponderance of members of Nippon Kaigi.<sup>93</sup> Many cultural conservatives in the LDP have in fact long served in government, but it is only relatively recently that they have acquired more confidence in articulating their views publicly and forcefully. In Abe they have found a confident and sincere supporter who shares their views. But he also recognizes the need to tread carefully in advancing them for fear of antagonizing unsympathetic groups both at home and abroad, particularly in Asia among those countries, such as China and the two Koreas, which bore the brunt of Japan's colonial and wartime expansion in the 1930s. Abe's pragmatism in foreign affairs is therefore not necessarily incompatible with his revisionist sympathies and his strong views on some aspects of the country's contentious identity politics.

Looking ahead, a key challenge for analysts and policymakers will be identifying the salience, intensity and impact of Japan's newly invigorated cultural nationalism, both at home and abroad. It will also be important to address the question of the legitimacy of these views and their relevance to their individual adherents. Seeking to revisit and reclaim the past may seem anachronistic and irrational, but to those Japanese conservatives who look to their imperial heritage for personal and collective inspiration, and those UK Conservatives who are intent on revitalizing the nation state and freeing it from the encumbering influences of a distant and overly bureaucratic European super-state, the past is anything but a foreign country. This explains the populist impulse in some parts of British and Japanese life and demonstrates why instinct as well as reason will remain a core part of the political (and ideally democratic) process in both countries.

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<sup>93</sup> See, for example, *Korea JoongAng Daily* (2014), 'Abe's reshuffle promotes right-wingers', 5 September 2014, <http://koreajoongangdaily.joins.com/news/article/article.aspx?aid=2994558> (accessed 1 Feb. 2019).

## 4. Japan's Response to Globalization and the Prospects for Closer Cooperation with the UK

*Yukiko Fukagawa*

### Introduction

In recent years, supporters of the liberal international order have had little to cheer about. Particular low points include the introduction of the Trump administration's 'America First' trade policy and the UK formally announcing its intention to leave the EU. Observers have highlighted commonalities in these events, primarily the anti-establishment or anti-globalization sentiments, which reflect weakened social cohesion in the West. Meanwhile, in Japan, partly due to 'Abenomics',<sup>94</sup> there is a growing consensus that traditional protectionism is no longer sustainable. Over the same period, Japan has taken a more open approach to trade as demonstrated by its signing of the original Trans-Pacific Partnership (TPP)<sup>95</sup> in 2016 and the EU–Japan Economic Partnership Agreement, which increased liberalization of agricultural trade. After Washington walked away from the TPP, Tokyo led the process with the remaining 11 TPP members to revise the agreement in the form of the Comprehensive and Progressive Agreement for Trans-Pacific Partnership (CPTPP), which came into force at the end of 2018. The Abe administration has stressed that increasing economic integration will enhance growth momentum, and arguably it is this approach that has enabled it to survive several successive general elections; in February 2019 it became the second longest administration in the history of Japan's constitutional government.

Why does Japan remain positive about having an open trade policy, at a time when historically open economies are shifting to a more closed agenda? This chapter seeks to answer this question by exploring Japan's response to globalization. It also considers the opportunities for enhanced cooperation between Japan and the UK after Brexit, keeping in mind that, at the time of writing, there remains much uncertainty regarding the nature, timing and even the likelihood of any possible Brexit agreement between the UK and the EU.

### Lessons from the 'two lost decades' and catching up with globalization

One important factor that differentiates Japan from Western liberal economies is that it did not reap the early benefits of globalization. It took more than a decade to recover from the unprecedented economic shocks of the 1990s, which lasted until Prime

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<sup>94</sup> 'Abenomics', the policy package launched in 2013, is now well known for its 'three arrows', the first being quantitative easing, the second agile fiscal spending and the third private-sector-led growth strategies.

<sup>95</sup> The TPP originated in the P4 Agreement signed in 2006 by Singapore, Chile, New Zealand and Brunei. In 2010, the US, Australia, Peru, Vietnam and Malaysia joined, followed by Canada, Mexico and Japan, to form the TPP-12.

Minister Jun'ichiro Koizumi restructured the economy in the early 2000s. In retrospect, the country was slow to make these reforms a priority, as at that time the world economy was enjoying vigorous growth, which continued until the global financial crisis in 2008. The government's perception that Japan lagged far behind in the globalization process meant it was surprisingly naive about the impact the 2008 crisis would have on its economy. In fact, Japan was one of the most severely affected among OECD members, recording a fall in GDP of 5.4 per cent in 2009. In the same year, the policy failures of the ruling Liberal Democratic Party (LDP), combined with a series of political scandals, triggered a historic political change and the Democratic Party of Japan (DPJ) came to power. The DPJ ambitiously tried to crack down on the LDP's vested interests in areas including public works, agriculture and big business, claiming that switching subsidies from these traditional sectors to benefit households would boost private consumption, which represented more than 70 per cent of GDP. However, political instability and the DPJ's inexperience in the policymaking process meant that domestic demand-led growth, as envisaged by the new government, never happened. Instead, deflationary pressure accelerated. Furthermore, the shock of the Tōhoku Earthquake followed by the Fukushima nuclear tragedy in Japan in 2011 ended the DPJ's rule after just three years and ushered in a comeback for the LDP with the second Abe administration beginning in 2012.

*The launch of Abenomics signalled that economic integration between Japan and the wider world was to become the centrepiece of the country's growth strategy*

During its time in office, the DPJ criticized former Prime Minister Koizumi's restructuring as a type of 'market fundamentalism' and vigorously advocated a narrowing of the income gap between high and low earners, while simultaneously avoiding the anti-globalism narrative. With the support of the unions, it tried to increase labour protection but did not embrace the arguments of critics who suggested that the preoccupation of Japanese multinationals with global supply chains had eliminated jobs at home (the so-called 'hollowing out' phenomenon). Indeed, at the very end of the DPJ's time in government, its leaders, including Prime Minister Naoto Kan, had put forward the idea of Japan joining the TPP – a commitment to a high-standard, market-opening trade agreement that seemed to reflect an acceptance of the inevitability of globalization. When Shinzo Abe returned to power with the LDP in 2012, his launch of Abenomics signalled that economic integration between Japan and the wider world was to become the centrepiece of the country's growth strategy.

Since the introduction of Abenomics, the government has developed different growth strategies including the 'Japan Revitalization Strategy' (JRS), which was revised annually until 2016, followed by a 'Future Investment Strategy' (FIS) in 2017, and the 'New Economic Policy Package' (NEPP) in 2018. The early period of the JRS concentrated on industrial restructuring through deregulation and investment promotion (see Table 4.1), but since 2016 the focus has been on promoting initiatives such as 'Society 5.0',<sup>96</sup> which includes IT-driven innovation. Within these growth strategies, economic integration is considered the way forward for expanding markets, encouraging FDI and promoting productivity. In addition, Society 5.0 has sought to attract talent and ideas to Japan from across the world by substantially deregulating residency conditions.

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<sup>96</sup> A Japanese government policy that seeks to harness technologies, such as AI and the 'internet of things', in response to social challenges in sectors including healthcare, mobility and infrastructure.

## The UK and Japan: Forging a Global and Proactive Partnership

Japan's Response to Globalization and the Prospects for Closer Cooperation with the UK

**Table 4.1: The changing focus of growth strategies – JRS, FIS and NEPP**

	JRS	JRS 2014	JRS 2015	JRS 2016	FIS 2017	NEPP
Industry focus	Healthcare/nursery	●	●	●	●	●
	Industry 4.0		●	●	●	●
	Telecom/logistics				●	●
	Fintech			●	●	●
	Next generation SC				●	●
	Energy/environment	●	●	●	●	●
	Sharing economy					●
Sectors	SME	●	●	●	●	●
	Agriculture	●	●	●	●	●
	Inbound tourism	●	●	●	●	●
Integration	FTA/EPA	●	●	●	●	●
	Inbound FDI	●	●	●	●	●
	Infrastructure/content export	●	●	●	●	●
Infrastructure	PPP/PFI	●	●	●	●	●
	Digitization/cybersecurity	●	●	●	●	●
	Innovation/venture system	●	●	●	●	●
Regulation reform	Strategic zones/sandbox system	●	●	●	●	●
	Corporate tax reduction	●	●	●		
	Corporate governance reform	●	●	●	●	●
	GPIF reform	●	●	●	●	●
	Electricity system reform	●	●	●	●	●
Human capital	Women's empowerment's	●	●	●	●	●
	Working style reform	●	●	●	●	●
	Education reform					●

Key: SC = Supply Chain; GPIF = Government Pension Investment Fund; PPP = Public-Private Partnership; PFI = Private Finance Initiative.

Note: Very significant (●) and Significant (●) are as judged by the author, depending on whether the quantitative goals were set and checked as 'Key Performance Indicators', and what budgetary allocation was received.

Source: Prime Minister of Japan and His Cabinet (2018), 'これまでの成長戦略について' [On the Growth Strategies up to the Present], <https://www.kantei.go.jp/jp/singi/keizaisaisei/kettei.html> (accessed 3 Jan. 2019).

Elements of Abenomics have been sustained partly by echoing the 'make America great again' phenomenon associated with Donald Trump's election in the US.<sup>97</sup> This has been justified by the need to respond to China's growing economy (which is now

<sup>97</sup> Abenomics shares some elements of policies implemented by the Trump administration including cutting corporate tax, claiming there is 'unfair' competition from China and other emerging economies with state enterprises and exchange rate intervention, and reducing the commitment to environmental protection. The only notable difference, albeit a fundamental one, is the Abe administration's commitment to globalization and maintenance of the rule of law – an issue that presumably requires a reinforcement of a free and open international trade regime.

more than double the size of Japan's) and the fact that Japan's domestic market is plagued by deflation. The role of trade and its benefits for domestic growth have been pivotal in gaining public support for further global economic integration. In addition, since 2016, demographic changes and labour shortages have become a bottleneck for sustained growth. Changing global realities, shifting public perceptions and lessons from the country's 'two lost decades', have pushed Japan towards a path of globalization.

#### Lesson 1: Business environment reform matters

During the period of economic stagnation in the 2000s, manufacturing firms in South Korea and China rapidly caught up with their competitors in Japan. After the global financial crisis, Japanese firms were challenged by South Korean business conglomerates (*chaebols*), which had the advantage of speedy decision-making and a commitment to globalization. Japanese firms lost global market share in various hardware manufacturing sectors, from heavy and chemical industries to high-tech machinery such as telecom devices, semi-conductors and even, in part, the car market. This experience highlighted the importance of reforming the business environment to ensure global competitiveness. During this time, Japan was disadvantaged in several ways relative to South Korea. The yen appreciated consistently against most major currencies and electricity prices soared, particularly after the Fukushima tragedy. Japan's effective corporate tax remained among the highest in the world, and businesses had to comply with high environmental standards and labour protection policies initiated by the DPJ. FTA negotiations were slow and Japanese firms were restricted by higher tariffs and inferior market access relative to South Korean and other Asian exporters.

Japan's first bilateral FTA was signed with Singapore in 2002, although it was several years before it signed its second, with Mexico (see Table 4.2). This can partly be linked to agro-protectionism within the Japanese economy.<sup>98</sup> Japan later shifted to a plurilateral FTA focus, including the TPP and Regional Comprehensive Economic Partnership (RCEP, see Table 4.3).<sup>99</sup> Compared with other trading powers, Japan has fewer FTAs covering export markets. However, Japan's successful conclusion of an FTA with the EU, agreement on CPTPP, and the anticipated conclusion at the end of 2019 of the RCEP, will mean that most of Japan's major export markets will fall under these trade liberalizing agreements.

As opening the economy will not automatically kick-start growth or generate jobs, integration strategies have been carefully designed to complement the government's growth strategies. Table 4.3 shows these strategies and their links to prospective major trade pacts. In order to cope with increased competition from the prospective TPP, an Industrial Competitiveness Enhancement Act was introduced in 2014 to promote effective deregulation and rationalization of excessive competition and supply, and the corporate tax rate was cut from 37 per cent in 2013 to 29.7 per cent

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<sup>98</sup> Japan's tariffs on manufactured goods are the lowest in the world, leaving the agricultural sector as the focus in every FTA negotiation.

<sup>99</sup> Japan is the largest importer of meat, and in the original TPP, the US, Australia, New Zealand and Mexico competed with each other to mitigate the speed of liberalization for Japan.

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in 2018.<sup>100</sup> In addition, the government has put in place electricity reforms to lower prices through deregulation of sales and price controls, and power generation and distribution systems are to be separated by 2020. The regulatory sandbox<sup>101</sup> has also been utilized to promote experiments in innovation, and authorities are encouraging investors to adopt the Stewardship Code that governs UK company law to reform corporate governance. Furthermore, the government has encouraged women to participate in the workforce and improved conditions for irregular workers to enhance flexibility in the labour market. The yen has also effectively been made cheaper by quantitative easing. As a result, Abenomics has made Japan's business environment more competitive in the global market.

**Table 4.2: Progress of Japan's FTA/EPA\* negotiations (as of April 2019)**

Date	FTA/EPA	Status
Nov. 2002	Japan–Singapore	In effect
Apr. 2005	Japan–Mexico	In effect
Jul. 2006	Japan–Malaysia	In effect
Sep. 2007	Japan–Chile	In effect
Nov. 2007	Japan–Thailand	In effect
Jul. 2008	Japan–Indonesia	In effect
Jul. 2008	Japan–Brunei	In effect
Dec. 2008	Japan–ASEAN	In effect
Dec. 2008	Japan–Philippines	In effect
Sep. 2009	Japan–Switzerland	In effect
Oct. 2009	Japan–Vietnam	In effect
Aug. 2011	Japan–India	In effect
Mar. 2012	Japan–Peru	In effect
Jan. 2015	Japan–Australia	In effect
Feb. 2016	TPP	Signed
Jun. 2016	Japan–Mongolia	In effect
Dec. 2018	CPTPP	In effect
Feb. 2019	Japan–EU	In effect
	Japan–Colombia	In negotiation
	Japan–Turkey	In negotiation
	RCEP	In negotiation
	Japan–China–S. Korea	In negotiation

Source: Ministry of Foreign Affairs (<http://www.mofa.go.jp/mofaj/gaiko/fta/>).

\* Japan has negotiated package deals, including combined trade in goods, services and investment, and the title Economic Partnership Agreement (EPA) has been used officially instead of FTA.

<sup>100</sup> Ministry of Finance (2018), '法人実効税率の国際比較' [International Comparison of Effective Corporate Tax Rates], [https://www.mof.go.jp/tax\\_policy/summary/corporation/084.pdf](https://www.mof.go.jp/tax_policy/summary/corporation/084.pdf) (accessed 25. Jan. 2019).

<sup>101</sup> This refers to project-based deregulation, where the government creates a special deregulatory environment to enable businesses to test new products, services or business models.

**Table 4.3: Japan's growth strategies and their interface with prospective mega-FTAs**

		TPP	RCEP	CJK	UK
Industry focus	Healthcare/nursery	●		●	●
	Industry 4.0	●		●	
	Telecom/logistics	●	●	●	
	Fintech			●	
	Next generation SC	●	●	●	
	Energy/environment	●	●	●	●
	Sharing economy	●			●
Sectors	SME	●	●	●	●
	Agriculture	●	●	●	●
	Inbound tourism	●	●	●	●
Integration	FTA/EPA	●	●	●	●
	Inbound FDI	●	●	●	●
	Infrastructure/content export	●	●	●	●
Infrastructure	PPP/PFI	●	●	●	●
	Digitization/cybersecurity	●	●	●	●
	Innovation/venture system	●	●	●	●
Regulation reform	Strategic zones/sandbox system	●			
	Corporate governance reform	●			●
	Electricity system reform	●	●	●	●
Human capital	Women's empowerment				●
	Education reform		●	●	●

Key: SC = Supply Chain; GPIF = Government Pension Investment Fund; PPP = Public-Private Partnership; PFI = Private Finance Initiative; CJK = China-Japan-South Korea; UK = United Kingdom.

Notes: 1) Very significant (●) and Significant (●) are as judged by the author, depending on whether the quantitative goals were set and checked as 'Key Performance Indicators', and what budgetary allocation was received; 2) There were 12 original TPP members: Australia, Brunei, Chile, New Zealand, Singapore, Peru, Malaysia, Vietnam, Mexico, Canada, Japan and the US. After the US decided to leave, the new pact was renamed CPTPP; 3) There are 16 RCEP members, including the 10 ASEAN countries, Australia, China, Japan, South Korea, New Zealand and India.

Source: Prime Minister of Japan and His Cabinet (2018), 'これまでの成長戦略について' [On the Growth Strategies up to the Present], <https://www.kantei.go.jp/jp/singi/keizaisaisei/kettei.html> (accessed 3 Jan. 2019).

## Lesson 2: Open innovation matters

Globalization has continued to challenge Japan's traditional innovation system. In the past, the country's manufacturing companies were characterized by comprehensive, in-house R&D activities. It is these firms that have typically manufactured 'truly innovative' products, which bear a significant R&D cost that leads firms to go to great lengths to protect their intellectual property. However, 'truly innovative' products are not guaranteed to be a success if consumers are not considered in their development, particularly due to their complexity and often excessive functionality. Sluggish revenues from 2008 to 2012 have restrained R&D budgets. As a result, innovative engineers and workers have ended up employed

in the high tech companies of Japan's rivals, such as China or South Korea, which has contributed to a vicious competitive cycle.

Since the 2000s, innovation has shifted to become a more market- or consumer-driven activity, rather than focusing on the latest engineering technology. The rise of manufacturing capabilities across Asia has made it difficult for Japanese firms to compete, while continuing to take risks in R&D. This is because their competitors avoid basic research costs by focusing on production of the most marketable technologies to produce customer-friendly products that are influenced by constant changes in trends and fashions. While originally committing to open innovation, these competitors gained their advantage by introducing modularized production processes. Even though these structural changes deprived Japanese firms of market share, it has taken a long time for Japanese companies to recognize them and respond by abandoning expensive in-house R&D. In response, the government has recently begun to push for open innovation by increasing coordination between business and academia. For instance, it has attempted to double the number of large joint research projects between universities and businesses from 690 in 2013 to 1,380 in 2020, as well as significantly increase the level of company investment into academia.<sup>102</sup> Both of these initiatives are listed as key performance indicators to which Abenomics is committed.

*The rise of manufacturing capabilities across Asia has made it difficult for Japanese firms to compete, while continuing to take risks in R&D*

The shift towards open innovation is slow. Previously, open innovation was narrowly interpreted in Japan simply as cooperation among government, business and academia. In an open innovation environment that requires exchange and cooperation, businesses had limited understanding of how to access and acquire research. Reforms in state universities were also slow, as they struggled to establish a platform to promote research exchange with companies. Technology licensing organizations in universities became common around 2000, but the lack of professionals necessary to manage and coordinate them remained a long-term challenge, as is the declining number of researchers in science itself. Moreover, introducing a flexible, efficient and transparent accounting system in state universities also required an enormous amount of trial and error, and failed to provide sufficient incentives for organizations and individuals to engage in open innovation. In recent years, big business has finally started to show more interest in cooperating with venture firms, including Asian firms, rather than universities, to shape the venture ecosystem through active M&As. Whether this alternative approach will really lead to open innovation in Japan remains to be seen.

### Lesson 3: Market pressure matters

Market pressures have prompted Japan to respond to the challenges of global competition by improving the domestic business environment and creating an open innovation system. In the face of political constraints at home, policymakers strategically used outside pressures (so-called *gaiatsu*<sup>103</sup>),

<sup>102</sup> Prime Minister of Japan and His Cabinet (2016), '日本再興戦略2016' [Japan Revitalization Plan 2016], <https://www.kantei.go.jp/jp/singi/keizaisaisei/miraitoshikaigi/dai13/siryoushiki2-2.pdf> (accessed 11 Feb. 2019).

<sup>103</sup> For the well-researched role of *gaiatsu* in the Japan-US political economy, see, for example, Calder, K. (1988), 'Japanese Foreign Policy Formation: Explaining the Reactive States', *World Politics*, 40(4), pp. 517-41; Rosenbluth, F. M. (1989), *Financial Politics in Contemporary Japan*, Cornell University Press; Schoppa, L. J. (1997), *Bargaining with Japan: What American Pressure Can and Cannot Do*, Columbia University Press; Suzuki, K. (2013), *Political Process of Japan-U.S. Structural Impediments Initiative*, Kyoto: Minerva Shobo.



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such as standards and market rules stemming from the TPP, to bring about economic reform. The government has spent enormous political capital on gaining support from the agricultural sector for the TPP, which required much deeper trade liberalization than most other FTAs.<sup>104</sup> The TPP has thus been used to push comprehensive agricultural reform.

The labour market has tightened rapidly since 2016, and even conservative, traditional firms have started to feel the pressure. This was partly the impetus for labour market reform, in the shape of the 2016 Act on Promotion of Women's Participation and Advancement in the Workplace. This policy set numerical targets for the employment of women and for the dissemination of information on employment vacancies for women. As a result, there has been a marked increase of women in the Japanese workforce.

The Japanese government also passed an immigration law, which enabled 345,000 foreign workers to work in 14 specific areas, including nursery care, restaurants, construction, fisheries and various manufacturing sectors. The number of foreign workers has almost doubled, from 682,000 in 2012 to 1,279,000 in 2017.<sup>105</sup> These quantitative changes do not mean there is a qualitative improvement for those employed, for example in the proportion of regular (versus irregular) workers<sup>106</sup> or in terms of minority empowerment, but they do provide incentives for both government and business to work towards increased diversity management through market pressures, rather than having policy dictated by political ideologies.

### Integration as a strategy for growth

As shown above, Japan's globalization has been shaped by both its domestic situation and external market pressures. The third arrow of Abenomics, 'structural reform', targets annual GDP growth of JPY 600 trillion by 2020, with economic integration regarded as an essential part of this.

Japan was the last of the G7 economies to define R&D and other business services as 'investment' when it adopted the System of National Accounts (SNA) policy. Following the application of this new standard, Japan's nominal GDP stood at JPY 547 trillion in 2017.<sup>107</sup> However, its potential growth rate is currently only around 1 per cent, having bounced back from zero in 2009, but still unable to recover the 2 per cent level it enjoyed in the early 1990s.<sup>108</sup> Therefore, substantial reforms are still required to increase productivity while countering the impact of the country's

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<sup>104</sup> In the TPP, Japan agreed to abolish tariffs on 81 per cent of all agricultural trade, while in the 13 other FTAs before the TPP, including with Australia, the average was only 56 per cent. However, in TPP, Japan tried to exclude rice, wheat, beef, pork and dairy goods but even among these, 30 per cent of tariff lines were eventually lifted.

<sup>105</sup> Ministry of Health, Labour and Welfare (2017), 'Report on Foreign Worker Employment', <https://www.mhlw.go.jp/stf/houdou/0000192073.html> (accessed 3 Jan. 2018).

<sup>106</sup> Since the Japanese labour market had relied on the long-term employment system for decades, which did not promote mobility, the largest wage gap is between regular workers and irregular (temporary) and part-time workers. This reflects working experience rather than productivity itself. Labour shortages have encouraged the participation of women and seniors in the labour force, but their working style cannot converge with that of male workers fully committed to their traditional working style with long working hours.

<sup>107</sup> Cabinet Office (2017), 'National Accounts for 2017 (2008SNA, benchmark year = 2011)', [https://www.esri.cao.go.jp/en/sna/data/kakuhou/files/2017/2017annual\\_report\\_e.html](https://www.esri.cao.go.jp/en/sna/data/kakuhou/files/2017/2017annual_report_e.html) (accessed 3 Jan. 2019).

<sup>108</sup> Before the standard changes in the SNA, the Cabinet Office revised its estimation of the potential growth rate and published the results. The latest estimate from 2016 is used here. See 'Monthly Economic Development' for figures, <http://www5.cao.go.jp/keizai3/getsurei-e/index-e.html> (accessed 3 Apr. 2019).

rapid population decline. As the labour reserve provided by women, seniors and even those with disabilities has started to decline, Japan's growth needs to focus more on boosting labour productivity through reform of working practices as well as total factor productivity through innovation. Experiments in the use of robots in elderly care, driverless cars to counter truck driver shortages, and product distribution by drones are currently taking place. These are encouraged by subsidies, tax breaks and deregulation until 2020. However, in an ageing society there are constraints on adopting these new technologies. For instance, the slow spread of smartphone use among older people and a preference for cash-based commercial transactions have remained and provide a poor basis for effective service innovation. Economic integration is therefore needed, not only to tap export potential, but also to accelerate innovation through the input of new ideas from abroad and competitive pressures.

### The TPP: Supply chains, leverage and new rules

The TPP played a central role in Japan's strategy for catching up in terms of globalization. Following the US withdrawal, Japan took a leading role in designing the replacement regional trade body, CPTPP. It left the door open for the US to rejoin, thus offsetting the risk of having to engage with it in bilateral trade negotiations.

Despite concerns over agricultural protectionism, Japan has been a strong advocate of the TPP/CPTPP and understands its economic significance. First, in response to a succession of yen appreciations, Japanese multilateral firms have extended a complex supply chain network across the whole Asia-Pacific region. Since the performance of overseas production and business networks affects the integrated profits of companies, ensuring the network is covered by a single set of rules is essential. For example, the rules of origin<sup>109</sup> specification in CPTPP has a strategic significance in that it allows full recognition of values among its members. Therefore, if a Japanese firm assembles an electronic appliance in Vietnam for export to Australia, using parts supplied in Japan, the value originating in Japan can be aggregated with the relatively minor value accrued in Vietnam, enabling the products to enjoy free market access to Australia. For Japan's extensive supply chains, generous rules of origin are regarded as a significant benefit.

Second, on the basis of profits from the supply chain, Japan has tried to increase membership of the TPP/CPTPP to achieve deeper and broader integration in the region. Again, rules of origin are expected to play an important role; for example, as a result of the wage hike in China, South Korean firms have recently shifted their major assembly lines to Vietnam, a member of CPTPP. However, the value of parts and other necessary input from South Korea, which is not a member, cannot be aggregated with the values in Vietnam when goods are exported to a member country. As a result of this discrimination and competition with Japan, the South Korean government is under pressure to enter into discussions on joining CPTPP. If it joined, this would encourage competition with Taiwan, and if Vietnam continues to attract FDI thanks to CPTPP, this might also lead to competition between Vietnam and other ASEAN members, such as Thailand, the Philippines and Indonesia. Japan hopes that

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<sup>109</sup> As an exclusive trade pact, an FTA usually needs specific rules of origin. In determining these rules, one typical standard is to aggregate the value produced among the member countries, but CPTPP generously allows full aggregation in order to promote free trade among the members.

*The strategic character of the TPP faded when it became CPTPP without US market power, but it retains the original framework*

this domino effect might pressure China to become serious about rules-based FTAs that require members to adhere to higher standards.

Originally the TPP had the strategic purpose of creating a group that could collectively bargain with large emerging economies, such as China, which tends to leverage its market power politically. Unlike the WTO, which could not make the necessary changes to its rules to avoid this type of behaviour, the TPP, a plurilateral agreement among like-minded members, was created to initiate new rules with a specific focus on investor protection and the competition environment on a 'WTO-plus' basis. For instance, the TPP guaranteed stricter national treatment measures in investment and banned various government interventions into private business such as access to source code, server controls and restrictions on data movement. Under the TPP, intellectual property rights (IPR) protection was substantially enhanced, above the WTO level. It also introduced investor-state dispute settlement (ISDS) measures to better protect investors, and the transparency principle to ensure members are accountable for import inspection, sanitary and phytosanitary measures and technical barriers to trade, as well as focusing on competition rules for state enterprises, restricting non-commercial aid and favourable lending by government-controlled financial institutions.

The strategic character of the TPP faded when it became CPTPP, without US market power – especially in terms of IPR protection for pharmaceutical businesses and others – but it retains the original framework. While the Trump administration has stuck to bilateral negotiations, interestingly, the revised North American Free Trade Agreement (NAFTA) and South Korea–US FTA have much in common with the original TPP, indicating that US national interests have not changed. Japan has the largest financial assets and FDI stock in the region, so the alliance and cooperation with the US in creating the original agreement remain an essential part of CPTPP.

### **The RCEP: Supply chains, market growth and market-led integration**

Expectations regarding the RCEP have been far lower than for CPTPP.

Negotiations began in 2012, but progress has been extremely slow. China's interests have shifted away from FTAs towards a stronger focus on its leadership in regional *cooperation*, rather than *liberalization*. This is symbolized by the Belt and Road Initiative and the establishment of the Asian Infrastructure Investment Bank (AIIB). Meanwhile India has remained rather negative about opening its market. The RCEP was originally an initiative by ASEAN, which coordinated FTA agreements with individual members (China, Japan, South Korea, Australia, New Zealand and India). ASEAN continues to try to control the RCEP process. It stresses that these partnerships should be based on common tariffs among members, as is the case in its intraregional ASEAN Free Trade Area. However, while Japan is supportive, both China and South Korea oppose this idea, and this has constrained the pace of negotiations from the start.

For Japan, it does not matter that progress on the RCEP is slow or that the standard may end up lower than what was outlined in the original TPP. Emerging economies are growing at a much faster rate than developed ones, and as the markets change, opportunities for renegotiation remain. In fact, RCEP members have agreed to the liberalization of 'substantially all trade within a certain period'

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(GATT Article 24, and GATS Article 5)<sup>110</sup> and have committed to 'substantially improved, wider, and deeper integration than in the ASEAN plus ones' individual agreements. RCEP members have also agreed on a comprehensive pact, which includes services, investment and trade enhancement, among other considerations. Through its global supply chains, Japan has experienced benefits from the process of integration – including through tourism and business exchanges – and hopes to realize the potential of these emerging markets gradually.

It is worth highlighting that the RCEP framework is essentially the closest possible framework to a Japan–China FTA for which bilateral negotiations are politically too difficult. Like CPTPP, the RCEP also may provide a platform for competitive liberalization in Japan, South Korea and China. Once the RCEP is agreed, any future Japan–China agreement will theoretically be more liberal than the 2015 China–South Korea FTA. This may create an incentive for South Korea to upgrade its pact with China, at least to the level of the Japan–China concession. On the other hand, if South Korea joins CPTPP, it will effectively constitute a virtual FTA between Japan and South Korea in the plurilateral framework.<sup>111</sup> Since achieving an FTA with China is politically the most challenging of all, Japan has taken a detour by pursuing the two plurilateral approaches, CPTPP and the RCEP. It has also taken a similar approach with India; the Japan–India FTA was established in 2011 but needs substantial review. Japan has encouraged positive relations between ASEAN and India through the former's supply chain, and in this context the ASEAN-led RCEP has the potential to improve relations between Japan and India. Thus, while committed to CPTPP's rule-based institutional approach, Japan has tried to take a more realistic and flexible approach to the emerging economies through the RCEP. This may be at a lower institutional level than CPTPP, but as the growth potential is far higher and economic impact is greater for Japan, an early agreement to the RCEP negotiations is necessary, especially since this will also help to counterbalance the Trump administration's unilateral trade policies.

#### China–Japan–South Korea (CJK) FTA: Competition policy, innovation and IPR

At present, progress in negotiating a China–Japan–South Korea (CJK) FTA has been slow. This can primarily be attributed to a lack of political will among the three countries, but the process has also stalled due to a loss of vision,<sup>112</sup> which reflects market changes since talks began. When negotiations started in 2012, there was an established division of labour among the three countries, mainly in hardware manufacture. In electronics, vertical integration was common: Japan focused mostly on value-added materials and parts, which it exported to South Korea or Taiwan, where various devices were processed, with China assembling them into the final products such as home appliances, audio-visual devices and mobile phones. However, in the past decade this vertical division of labour has changed. China has tried to

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<sup>110</sup> World Trade Organization (1994), 'Article XXIV of the General Agreement on Tariffs and Trade', [https://www.wto.org/english/tratop\\_e/region\\_e/region\\_art24\\_e.htm](https://www.wto.org/english/tratop_e/region_e/region_art24_e.htm) (accessed 2 May 2019); World Trade Organization (2018), 'GATS – Article V (Jurisprudence)', December 2018, [https://www.wto.org/english/res\\_e/publications\\_e/ai17\\_e/gats\\_art5\\_jur.pdf](https://www.wto.org/english/res_e/publications_e/ai17_e/gats_art5_jur.pdf) (accessed 2 May 2019).

<sup>111</sup> As CPTPP does not allow newcomers to renegotiate and requires that they simply accept the liberalization programme, there will be no negotiation between Japan and South Korea.

<sup>112</sup> CJK had spent more than seven years of joint research on a shared vision for integration before negotiations started in 2012. See the various reports on CJK integration by the National Institute for Research Advancement (NIRA) from 2003 to 2009, Abe, K. and Urata, S. (eds.) (2008), *Japan-China-Korea FTA: The Significance and Challenges*, [http://www.nira.or.jp/outgoing/report/entry/n080206\\_146.html](http://www.nira.or.jp/outgoing/report/entry/n080206_146.html) (accessed 21 May 2019).

gain a larger part of the process to reflect the increase in its value-added production. The Chinese government has also encouraged outward FDI through M&As in order to acquire advanced technologies.

As the division of labour increasingly shifts from vertical to horizontal, and the structure of trade becomes more competitive than complementary, competitive tension among CJK has increased. Unlike the EU integration process, the cross-border M&A market in CJK is far from developed and is often affected by industrial nationalism<sup>113</sup> rather than governed by rules. As industrial structures converge and competition intensifies, the CJK business sectors need a comprehensive competition policy.<sup>114</sup> Both the US and the EU have recently started to tighten scrutiny of China's M&As, and these trends tend to justify the industrial nationalism in CJK. At the same time, there has been a lack of research and discussion on competition policy coordination, which may diminish the potential for integration. A further impediment to advancing strategic competition policy is the fact that Japan and other Western economies have yet to acknowledge China as a genuine market economy within the WTO regime.<sup>115</sup> Competition policy requires serious dialogue and greater efforts to achieve mutual understanding.

Prior to the trilateral negotiations, the shared vision for CJK integration focused solely on hardware manufacturing,<sup>116</sup> but China's industrial restructuring over the last decade has changed this vision. China has tried to lead the new industrial paradigm, including the 'internet of things', fintech and AI-applied IT platforms. These new economies do not necessarily need inward FDI or a traditional market-opening framework and are based heavily on the Chinese market with its unique regulatory context. At the same time, China has tried to lead the technology shift to electric cars. While petrol-based engines require complicated and subtle connections among the components – an area where China has found it difficult to catch up – the development of electric cars may be an opportunity for Chinese companies to be more competitive.

Elsewhere in China's economy, the pace of restructuring in heavy industries such as steel or cement tends to be far slower, and there are now fewer incentives for liberalization in hardware manufacturing in the country. CJK need to reconsider the strategic and specific gains of integration. For China, with its lead in the AI and IT platform-based industries, IPR and data-related regulations should be a priority to protect its own development. With Japanese companies lagging behind Chinese companies in this sector, there is increasing pressure on Japan to forge better, cooperative relations with its neighbours.

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<sup>113</sup> Examples of large electronics manufacturers that lost competitiveness include Sharp, which was acquired by the Foxconn group, based in Taiwan, and Toshiba, which sold its home appliances section to the Midea group, based in China. However, the number of large-scale M&As is still limited in Japan.

<sup>114</sup> In Toshiba's restructuring, China intervened in the semiconductor M&A by a US and South Korea-based fund in 2018, on the basis of Chinese anti-monopoly law.

<sup>115</sup> China has pushed market economy status almost as the precondition for FTA negotiations, but the only major countries in the region that have accepted China's market economy status are Australia and South Korea.

<sup>116</sup> At the time of the joint research process, published by NIRA, China strongly rejected trade issues related to the exchange rate regime, and the IPR protection agenda, trying instead to limit the focus to hardware manufacturers and their tariffs. See National Institute for Research Advancement (NIRA), China Development Research Center (DRC), and Korea Institute of International Economic Policy (KIEP) (2008), '日中韓共同研究 中国・日本・韓国間の経済協力強化に関する共同研究報告書及び政策提言' [*Joint Report and Policy Proposal on Economic Cooperation among China, Japan and Korea*] [http://www.nira.or.jp/outgoing/report/entry/n080206\\_146.html](http://www.nira.or.jp/outgoing/report/entry/n080206_146.html) (accessed 4 Apr. 2019).

At this stage, it remains to be seen whether the CJK countries will be able to finalize an independent agreement. It is possible that developments may occur on the sidelines of plurilateral frameworks such as CPTPP or RCEP, but these will not necessarily fit unique CJK economic structures. The question then remains whether CJK should base integration on existing frameworks, or proactively revise their trilateral engagement to match their own specific circumstances. Future trilateral negotiations could be based on the vision and recommendations laid out in the China–Japan–Korea Joint Study Group (2011),<sup>117</sup> which wrapped up discussions on cooperation potential from 2003 to 2011. However, since then the industrial structure has converged rapidly, and the 2011 report ignores items such as competition policy coordination, deregulation in FDI and services, IPR and trade-enhancing measures. As in Japan, the rate of ageing in the populations of South Korea and China is accelerating. This means healthcare and elderly care, as well as innovative technology and services in these sectors, have become significant focus areas. CJK are not only hardware manufacturers, but also the leading markets for next-generation services, including 5G mobile communications. Based on these development and market changes, CJK have the highest use of robotics in industry, and their future supply chains will be fully integrated with the internet. These developments show that Japan has shared interests with South Korea and China, and future trilateral integration should focus more on innovation and the service sector, rather than hardware manufacturing and other ICT businesses found in conventional FTA packages.

### Prospects for cooperation between Japan and the UK

As outlined above, economic integration within Asia has been perceived as a specific growth strategy in Japan, which has been driven by the need to catch up on globalization and the conscious use of market pressures for reform. As Table 4.3 shows, the major growth strategies and integration packages are interlinked. With regard to political stability, there is a high expectation that Japan will continue to promote integration with the UK, although the prospects for this post-Brexit (in whatever form) remain very uncertain. However, both countries can benefit, if they use the changes associated with Brexit as an opportunity, not a misfortune. Since the Japan–EU EPA was implemented in 2019, Japan and the UK will need to agree on a new bilateral integration package immediately after Brexit.

Traditionally, the two countries' mutual economic relations have been at a relatively minor level, with the exception of Japan's FDI into the UK. Japan's exports to the UK were worth \$13.7 billion (2 per cent of all trade exports) in 2017 and its imports from the UK only \$7 billion (1.1 per cent of all imports). In the same year, Japan accounted for only 1.6 per cent of UK trade exports and 2.1 per cent of imports. However, its FDI into the UK reached \$152.6 billion, or 9.8 per cent of its whole portfolio, in 2017, making Japan the UK's second largest investor after the US. Through this investment, approximately 1,000 Japanese firms created around 160,000 jobs in the UK.<sup>118</sup> Japan has invested not only in the financial sector, but also in the automotive, electronics

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<sup>117</sup> Ministry of Foreign Affairs of Japan (2011), 'Joint Study Report for an FTA among, China Japan and Korea', 16 December 2011, [https://www.mofa.go.jp/mofaj/press/release/24/3/pdfs/0330\\_10\\_01.pdf](https://www.mofa.go.jp/mofaj/press/release/24/3/pdfs/0330_10_01.pdf) (accessed 3 Jan. 2018).

<sup>118</sup> JETRO (2018), 世界貿易投資報告 [Global Trade and Investment Report], <https://www.jetro.go.jp/world/gtir/2018.html> (accessed 3 Jan. 2019); Ministry of Foreign Affairs (2018), 英国基礎データ [Basic Data, United Kingdom of Great Britain and Northern Ireland], <https://www.mofa.go.jp/mofaj/area/uk/data.html> (accessed 30 Jan. 2019).

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and other manufacturing and services sectors. The main attraction being the UK's business-friendly climate before Brexit and the English-speaking environment.

It is clear that bilateral UK–Japan FDI is underperforming. The major reason for this asymmetric relationship is that while the UK has been the main gateway to the EU for Japan, for the UK, Japan represents just one independent market, which has not experienced much growth and is not very well integrated with the rest of Asia. Japan's poor return on inward FDI has also been a major contributory factor.

Reflecting upon these asymmetric relations, it is natural for both parties to talk about the priority of minimizing the negative shock of Brexit. From Japan's point of view, a soft Brexit may allow more time for discussion to establish a free-trade area for goods with the EU, 'based on the common rulebook for all goods', as suggested by the UK government in its Chequers statement.<sup>119</sup> In the case of a hard Brexit, if 'a highly streamlined customs arrangement' and 'a new customs partnership'<sup>120</sup> are established, Japan may cooperate with the UK, for instance, by coordinating the Japan–EU EPA and a future Japan–UK FTA in terms of rules of origin and trade facilitation measures. For practical purposes, it may be beneficial to enable broad rules of origin to cover the supply chains among the three parties, as in CPTPP. Especially if the UK leaves the EU customs union, determining the extent to which rules of origin cover supply chains and trade facilitation is essential for economic efficiency.

After any post-Brexit 'interim period', another challenge for Japan will be to ensure that the relationship with the UK becomes more interactive and balanced. This can be approached from two angles. Since Japan is expected to pursue integration as its growth strategy, through mega-FTAs like CPTPP, the RCEP and CJK, the UK could, in principle, enjoy increased access to the Asia-Pacific market by using Japan as its gateway, much as Japan has used the UK to access the EU market in the past. Though it is not certain at this stage whether the UK will pursue its 'Global Britain' strategy, assuming it is no longer in a customs union with the EU after Brexit, joining CPTPP actually would offer it the first group of candidates for FTAs: Japan, Australia, New Zealand and Canada. Were the US to return to CPTPP (although this is unlikely), CPTPP's economic coverage would be almost identical to the whole of the UK's non-EU trade. Even without the US, it would still cover more than 30 per cent of non-EU trade, which is growing rapidly. Since CPTPP requires newcomers to accept the whole pact as it stands, bargaining for special treatment would not be easy. However, it is essentially *a business-oriented FTA, not a customs union* binding the external trade policies of its members. It has no common immigration policies, no common safety standards or beyond-the-border regulations, and the sovereignty of members is tactfully observed. There is no equivalent to the EU Commission, and without the US, the controversial ISDS has become more restricted. Other rules such as expanded IPR, server controls or data movement rules would generally fit the UK's service- and IT-driven economy, especially in trying to cultivate and compete fairly in the emerging Asia-Pacific markets. Within CPTPP, the UK may be able to bargain more efficiently bilaterally with China and India, on the basis of their own particular interests. However, given that

*While the UK has been the main gateway to the EU for Japan, for the UK, Japan represents just one independent market, which has not experienced much growth and is not very well integrated with the rest of Asia*

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<sup>119</sup> HM Government (2018), 'Statement from HM Government', 6 July 2018, [https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment\\_data/file/723460/CHEQUERS\\_STATEMENT\\_-\\_FINAL.PDF](https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/723460/CHEQUERS_STATEMENT_-_FINAL.PDF) (accessed 3 Oct. 2018).

<sup>120</sup> HM Government (2017), 'Future customs arrangements: A future partnership paper', 15 August 2017, <https://www.gov.uk/government/publications/future-customs-arrangements-a-future-partnership-paper> (accessed 3 Oct. 2018).

the unilateral trade policy of the US has shaken the WTO, the larger the market, the faster it grows, the stronger its bargaining power. If CPTPP or any kind of plurilateral pact offers a better bargaining position for 'Global Britain' *vis-à-vis* the US, it may be worth discussion.

Finally, there may be questions about how to promote 'bilateral' Japan–UK cooperation independently from the context of economic integration. Japan has borrowed many ideas from the UK in trying to benefit from globalization. The reform of corporate governance through the introduction of a stewardship code originated in the UK, and open innovation in Japan needs many market-enhancing services, including corporate venture capital, accelerators for venture firms, business matching services, application program interface (API) services, and various kinds of technology consulting where the UK has experience. Since the UK has been competitive in business services, seeking out the market potential in Japan should create a positive agenda for the bilateral relationship. Both parties may be able to share knowledge and experience in cultivating the market not only through their successes but also through sharing lessons learned from failures.

With regard to public–private partnership (PPP) and private finance initiatives (PFI), Japan is in a totally different position to the UK. PPP/PFI has been severely criticized in the UK, even after the introduction of the new approach to PPP in the form of Private Finance 2 (PF2) to allow minor equity holding by government, exclusions for 'soft services' (like cleaning), limitations on risk transfer to the private sector, transparency rules, and diversified capital allocation, which led to the failure of Carillion in 2018. On the other hand, Japan lags far behind in terms of PPP/PFI, and through Abenomics the government is now trying to double the total size of such projects to JPY 21 trillion (£141.8 billion) by 2022, from the current level of JPY 10–12 trillion,<sup>121</sup> expanding the coverage to schemes ranging from airports, waterworks, sewerage and roads to housing and schools. In Japan, there is no criticism of the excessive profits or windfall gains in the private sector, but it has the opposite kind of problem in that the private sector lacks adequate incentives for participation, typically because of regulations on equity transactions. Major projects have still been limited to infrastructure building only, and service-purchasing-type PFIs are regarded by firms as merely 'low-risk, low-return' projects. For Japan, learning how to share the risk burden between the government and the private sector flexibly and reasonably in changing market conditions remains a major challenge, and if Japan and the UK can together successfully shape reasonable PPP/PFI standards in Japan for the Asia-Pacific market, this may promote more fruitful investment in the emerging markets.

Moreover, as a mature economy and mid-sized country with an ageing demographic, Japan has come to see social innovation as a potential resource for growth. Abenomics has shown the country that, no matter how desperately the government may seek success from sandbox deregulation, entrepreneurship motivated by social purpose is desperately required to realize it. In general, Japan has been slow to develop IT-based services, but this is because Japanese users have been fairly satisfied with existing ones. For instance, public services in Japan never became too costly or

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<sup>121</sup> Prime Minister of Japan and His Cabinet (2016), 日本再興戦略 2016 [Japan Revitalization Plan 2016], [https://www.kantei.go.jp/jp/singi/keizaisaisei/pdf/2016\\_zentaihombun.pdf](https://www.kantei.go.jp/jp/singi/keizaisaisei/pdf/2016_zentaihombun.pdf) (accessed 30 Jan. 2019).



*Mature economies may be destined to decline in size relative to emerging economies, but both Japan and the UK need to find a way to survive globally, while maintaining their rich local traditions and realizing their business and innovative strengths*

degraded, even after the global financial crisis, but examined in detail there are many potential opportunities for innovation as the labour shortage has started to threaten service provision.

Sharing knowledge and expertise in social innovation may become a strategic area for cooperation between the UK and Japan, partly because of their similar situations. In democratic states with local authorities, neither central government nor national parties can implement the sort of radical deregulation that is possible in emerging economies. Ageing is slower in the UK than in Japan but remains an inevitable conundrum given progress in medical innovations. Issues such as how to sustain social welfare services therefore need intensive discussions. Both countries wish to have an arm's-length form of economic integration with their immediate regions. As recent reflections over PPP/PFI have suggested, the generation of new ideas for project efficiency may benefit from the active participation of the public, local communities and NGOs in similar settings, as well as cultivating strategic and practical discussions on social innovation markets. Mature economies may be destined to decline in size relative to emerging economies, but both Japan and the UK need to find a way to survive globally, while maintaining their rich local traditions and realizing their business and innovative strengths.

## Conclusion

Under Abenomics, Japan has focused on economic integration as a part of its growth strategy. Labour shortages that have not been met by a rise in foreign workers have been somewhat mitigated by the increasing participation of women and older people, and the application of AI and other new technologies has started to replace human labour, though at a slower rate than in other Asian countries. Meanwhile, the pace of wage rises has remained slow and the government has committed to increasing productivity and innovation in an attempt to address this. It is difficult to encourage private consumption in Japan without higher wages as would normally be expected if there is a shortage of labour.

On the other hand, while trying to control or even to utilize industrial nationalism in competition with South Korea and China, the government has succeeded in convincing the Japanese public that economic integration is a necessary and proactive policy to compete with Japan's neighbours and improve living standards through market growth. An example of this is the resulting rise in tourists visiting Japan, which has contributed to boosting small businesses and in some cases increased property prices. In addition to CPTPP and the Japan–EU EPA, Japan is likely to continue its integration efforts, for example by signing up to the RCEP or by concluding FTAs with China, South Korea, and probably with the UK after Brexit.

Assuming that the Japanese commitment to globalization lasts for at least another decade, while the UK tries to muddle through the Brexit aftermath, Japan–UK cooperation on more balanced development may be discussed in three areas. First, Japan's FDI into the UK may be significantly undermined, depending on what kind of Brexit occurs. Brexit may influence Japan's supply chains and its assets in the City of London. If a post-Brexit UK seeks to promote a 'Global Britain', Japan may be happy to discuss the coordination of practical rules of origin and other trade enhancement measures to link both the Japan–EU EPA and any future Japan–UK FTA.

Second, if the UK were to participate in CPTPP it may bolster Britain's preparation for talks with the larger emerging economies including China and India. In addition, Japan is negotiating the RCEP and a CJK FTA. Considering the high level of liberalization and comprehensiveness of all these agreements, 'Global Britain' may therefore be able to enjoy access to the Asia-Pacific market by making Japan its gateway to the region. Japan has become far more serious about attracting inward FDI under Abenomics, and promoting FDI with service sector cooperation in an interactive way will help make any future UK–Japan relationship more balanced.

Finally, even in a bilateral context, both markets may reveal opportunities that are as yet untapped. Japan's efforts to take advantage of globalization have often been influenced by the UK, including corporate governance reform, sandbox deregulation, start-up environmental reform and PPP/PFI. UK investors may occupy an advantageous position in various business services such as marketing, consultancy or information transmission, and thus be good advocates for service-sector growth strategies in Japan, while learning from Japan's economic progress and how it has dealt with low growth, a potential long-term outcome for the UK given the turbulence of Brexit. While enjoying a third boom in start-ups, though modest both in volume and in pace compared with China, Japan has steadily shifted its focus to types of business that focus on social innovation, including fintech, healthcare, more varied and value-added tourism and smart cities, all of which are based on AI/IT technologies. As mature economies, Japan and the UK share many similarities in their market environments. Redefining each other's potential in both global and bilateral contexts may lead to successful outcomes for both post-Abenomics Japan and post-Brexit Britain, while also enabling a better balance and a deepening of the bilateral relationship that has lasted for more than a century.

## 5. Regionalism in Retreat? The UK's post-Brexit Relationship with Europe, and Japan's Asian Ambitions

*Hans Kundnani and Ken Endo*

### Introduction

The UK and Japan have much in common that ultimately derives from their similar geographic situation as groups of islands at opposite ends of the Eurasian landmass. Both have an ambivalent relationship with their respective regions, Europe and East Asia. While geographically and culturally close to the continent, they pride themselves on their self-defined uniqueness and originality, and have remained separated from it. Even when they have engaged in regional affairs, they have tended to do so in a half-hearted way, and have often shown some degree of mistrust and even animosity towards the main continental power of the time.

Since the end of the Second World War, both Japan and the UK have attempted to become integrated into regional structures, though often in a limited way. The UK became an active – though semi-detached member – of the EU. Yet its referendum decision in 2016 to leave the bloc after 43 years both reflected and further contributed to divisions at home about the UK's identity and role in the region and the world. Similarly, Japan was active in a number of initiatives such as the Asian Development Bank (ADB), the Chiang Mai Initiative and the East Asian summit, but its attempts to create a tighter East Asian community failed disastrously. Meanwhile, both powers have prioritized a close relationship with the US, and are its closest allies in their respective regions.

Despite their ambivalence about their respective regions, the UK and Japan cannot change the realities of geography. Intraregional transactions have deepened significantly in the post-war period, and both powers have also helped to shape the regional structures into which they are integrated. The UK drove the EU's single market project, and – whatever arrangement is eventually reached after Brexit – it will remain closely linked to the European economy and deeply committed to European security. Japan has also helped its region – particularly through development aid and other financial instruments. Although political integration has not gone as far in Asia as it has in Europe, Japan nevertheless benefits enormously from economic interdependence with its neighbours.

It is therefore impossible for either country to isolate itself completely from its region. As regional power shifts towards China's increasing dominance in Asia and, to a lesser extent, Germany's in Europe, the future of both the UK and Japan will be determined to a large extent by these developments – whether they like it or not. For these reasons, it is useful to compare their relations with the respective regional structures in Europe and East Asia. This chapter examines each relationship in turn, and concludes by exploring the implications for UK–Japanese relations.

## The UK and Europe

The UK's traditional geopolitical role in Europe was as offshore balancer. As a sea power, it sought to remain aloof from the European continent while maintaining a balance of power on it. In particular, it sought to stay out of continental European conflicts in order to pursue trade – and later an empire – beyond Europe. To borrow from Henry Kissinger, the UK was 'the one European country whose *raison d'état* did not require it to expand in Europe'.<sup>122</sup> However, it periodically intervened in Europe in order to prevent the emergence of a dominant continental power that could threaten its own security. As Churchill declared: 'For four hundred years the foreign policy of England has been to oppose the strongest, most aggressive, most dominating Power on the Continent, and particularly to prevent the Low Countries falling into the hands of such a Power.'<sup>123</sup>

Each time the balance of power had been restored and the UK was safe, it tended to revert to 'splendid isolation' in relation to Europe in order to concentrate once again on its global empire. As noted by the American strategist Nicholas Spykman, a believer in the significant impact of geography on international politics, its focus was the problems of the Congo rather than problems on the Vistula.<sup>124</sup> The danger, however, was that when London thought it was in a commanding position in relation to its continental counterparts and focused on the world, it often took its eye off the European ball.<sup>125</sup> As equilibrium in Europe eventually gave way to the domination of another continental power, the UK would once again be forced to intervene. Thus Spykman wrote in 1942, 'British policy towards the European Continent seems to move in a long series of cycles in which with monotonous repetition occur the stages of isolation, alliance, and war; shift of powers, isolation, alliance, and war; and so on *ad infinitum*.'<sup>126</sup> He thought that the UK would always choose isolation from Europe if it could: 'If Great Britain had her wish, she would never leave the stage of isolation, that happy situation that gives her freedom from worry about the eternal quarrels of the continental states, freedom to attend to her imperial affairs.'<sup>127</sup> However, he wrote, although the UK sought to avoid alliances for as long as possible, the 'enchanted illusion' of 'splendid isolation' would always eventually be shattered. Ultimately, the UK was geographically part of Europe – 'how much, she is now learning reluctantly under constant air-bombardment'.<sup>128</sup>

Even as the UK lost its empire after the Second World War, it continued to aspire to a global role. But following the Suez crisis in 1956, British foreign policy focused above all on the 'special relationship', and, in the context of the Cold War, collective security through NATO. This also changed the UK's attitude to Europe. It initially distanced itself from the first steps towards European integration in the 1950s. But by the early 1970s, as trade with the Commonwealth declined and trade with Europe increased, the UK's national interest had changed. In 1973 it joined what was then the European Economic Community (EEC) – a decision endorsed by two-thirds of voters in a referendum held two years later.

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<sup>122</sup> Kissinger, H. (1994), *Diplomacy*, New York: Simon and Schuster, p. 70.

<sup>123</sup> Churchill, W. (1985 [1948]), *The Second World War. Vol. 1: The Gathering Storm*, London: Guild, pp. 186–87.

<sup>124</sup> Spykman, N. (1942), *America's Strategy in World Politics*, New York: Harcourt Brace, p. 105.

<sup>125</sup> See Simms, B. (2008), *Three Victories and a Defeat: The Rise and Fall of the First British Empire, 1714–1783*, London: Allen Lane.

<sup>126</sup> Spykman (1942), *America's Strategy in World Politics*, p. 104.

<sup>127</sup> *Ibid.*, p. 104.

<sup>128</sup> *Ibid.*, p. 105.

All the same, the UK remained ambivalent about its membership of what eventually became the EU. While it played a leading role in the single market project in the 1980s, as the bloc continued to deepen as well as widen in the 1990s, after German reunification, increasingly its attitude towards the EU as a whole was semi-detached. In particular, the UK's response to the creation of the single currency, a new phase in European integration, was essentially to negotiate 'opt-outs' – for example, from Economic and Monetary Union. This approach frustrated its EU partners, who saw the UK as pursuing the kind of narrowly defined national interest that the European project was meant to overcome (although Denmark and others also emulated the UK approach to some degree). But the approach allowed the UK to remain within the EU even as popular Euroscepticism increased from the 1990s onwards.

*Since the euro crisis began at the end of 2009, multiple fault lines have opened up between member states that raise fundamental questions about the viability of the entire European project*

Three years after voters in the UK opted to leave the EU, there remains great uncertainty about its relationship with the bloc – not least because it is also not clear how the EU itself will develop without the UK as a member. Since the euro crisis began at the end of 2009, multiple fault lines have opened up between member states that raise fundamental questions about the viability of the entire European project. The crisis created a new division between creditor and debtor countries in Europe, and raised a series of complex economic and institutional questions that, almost a decade on, have still not been resolved. Moreover, the refugee crisis that began in 2015 further increased tensions between member states.

Since the election of Donald Trump as US president in 2016, fundamental questions have also arisen about European security. Historically, European integration took place in the context of the US security guarantee, which Trump has questioned in an unprecedented way.<sup>129</sup> The logical response to this radical uncertainty – particularly given the threat from a resurgent and revisionist Russia – would be for the EU to develop greater 'strategic autonomy'. German Chancellor Angela Merkel seemed to suggest that she would lead Europeans in doing exactly this when she declared in May 2017 that Europeans must now take their destiny into 'our own hands'.<sup>130</sup> But, quite apart from the difficult institutional and technical questions involved, Europeans (and in particular Germans) remain reluctant to make the kind of dramatic increase in defence spending that would be necessary to become genuinely independent of the US in security terms.

While there are objective pressures on the EU27 to integrate further – particularly on economic, refugee and security policy – it is by no means clear that they will do so. Many in Europe now believe the solution is the kind of 'flexible' or 'differentiated' integration that would allow each member state to integrate only in the specific policy areas for which there is public support – in other words, something like a generalized version of the approach to European integration taken by the UK from the 1990s. The problem is that this kind of integration is likely to make it even more difficult to reach the kind of grand bargain that is needed in the EU's 'core' – that is, the group of member states that are part of both the euro and Schengen areas. In particular,

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<sup>129</sup> On the consequences of the uncertainty about the US security guarantee for European integration, see Kundnani, H. (2017), 'President Trump, the U.S. security guarantee and European integration', German Marshall Fund of the United States Policy Brief, <http://brussels.gmfus.org/publications/president-trump-us-security-guarantee-and-future-european-integration> (accessed 4 Feb. 2019).

<sup>130</sup> Meiritz, A., Reimann, A. and Weiland, S. (2017), 'What Was Merkel Thinking?', *Spiegel Online*, 29 May 2017, <https://www.spiegel.de/international/germany/merkel-and-trump-a-trans-atlantic-turning-point-a-1149757.html> (accessed 29 Apr. 2019).

it would allow Germany to resist the further debt mutualization that many believe is necessary to make the euro sustainable.<sup>131</sup>

In this context, it is difficult to know what the future relationship between the EU and the UK might look like. There are important shared interests – particularly in European security – that could help drive continuity. While collective defence will continue to be organized through NATO, it is possible that the EU and the UK can cooperate on foreign policy in a kind of ‘EU27 + 1’ format. For example, the UK could coordinate sanctions against Russia with the EU (and the US), much as Japan and other countries have done. But a lot will depend on the outcome of the negotiations on the UK’s withdrawal from the EU, and on an eventual trade deal. If these become more acrimonious, it is likely to undermine the goodwill that will be needed to ensure that cooperation in other areas such as security will work.

It is also unclear what the UK’s withdrawal from the EU will mean for its relations with other powers, including with Japan. On the one hand, the UK will be preoccupied with Brexit for years – perhaps even decades – and could therefore become more inward-looking, which may limit the possibilities for deepening relations with Japan in any meaningful way.<sup>132</sup> On the other hand, it will want to reach out to other powers around the world as part of the vision of ‘Global Britain’ – in the interests of deepening trade ties in order to compensate for the likely new barriers to trade with Europe, as well as demonstrating that the UK is a ‘fully engaged global power’, as Prime Minister Theresa May put it in 2017.<sup>133</sup> This could create opportunities for cooperation, particularly around the maintenance of the liberal international order that both Japan and the UK see as crucial to their prosperity and security.

## Japan and East Asia

Japan was long a recipient of civilization from the Asian mainland, notably from China and Korea, and slowly nurtured its own national culture out of this interaction with the continent. It sometimes consciously promoted itself as distinct from, or even superior to, the continental civilization. However, apart from sporadic episodes such as Toyotomi Hideyoshi’s failed attempt to conquer the Ming dynasty in the 16th century, or Yamada Nagamasa’s brief political ascendancy in Siam in the 17th century, Japan largely confined its political ambitions to the main and surrounding islands.

Rather exceptionally, in the 1930s and 1940s Japan made an explicit bid for regional dominance and thereby sought to rewrite Western-centric history. In fact, imperialist expansion by Japan had started in the early Meiji period in the 1870s, and the annexation of Korea and the series of invasions of China in the early 20th century can be seen as the culmination of that activity. Yet what particularly distinguished the 1930s and 1940s was Japan’s undisguised ambition to rule the region. The

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<sup>131</sup> Kundnani, H. (2017), ‘The Opportunity and Danger of a “Multi-speed Europe”’, Transatlantic Academy, 15 March 2017.

<sup>132</sup> See Fujiwara, K. and Nilsson-Wright, J. (2016), *Brexit and its Consequences: Anglo-Japanese Relations in a Post-EU Referendum World*, Chatham House Research Paper, London: Royal Institute of International Affairs, <https://www.chathamhouse.org/sites/files/chathamhouse/publications/research/2016-10-03-brexit-consequences-anglo-japanese-relations-nilsson-wright-fujiwara.pdf> (accessed 4 Feb. 2019).

<sup>133</sup> HM Government (2017), ‘HMS Queen Elizabeth, Portsmouth: Theresa May’s Speech’, 16 August 2017, <https://www.gov.uk/government/speeches/hms-queen-elizabeth-portsmouth-theresa-mays-speech> (accessed 4 Feb. 2019).

Greater East Asia Co-Prosperity Sphere remains a reminder of Asia's bad experience with regionalism. Since then, Japan has remained reticent about promoting its own version of regionalism. When it has done so, it has let other actors – such as Australia or, at the multilateral level, the Association of Southeast Asian Nations (ASEAN) – take the lead.

In the post-war period, regional integration in East Asia evolved quite differently from that in Europe. As a result, Japan has not had a robust regional bloc with which to engage, even in the semi-detached way that Britain did with its European partners. Instead, there was a 'hub-and-spoke' structure of regional security architecture that centred on the US. This meant that the single priority for Japan was its bilateral relationship with the US, on which it continues to depend for its external security. Article 9 of the Japanese constitution (the so-called 'peace clause' that renounced war and the use of military force) and the 1960 Japan–US Security Treaty made the alliance with the US the cornerstone of Japan's international political life over the past seven decades.

While intraregional economic interdependence in East Asia started to deepen during the Cold War, it was never translated into an institutional structure comparable to the EU. It should come as no surprise that regional actors such as South Korea, Taiwan and the Philippines are all keen to protect their independence and much-valued bilateral relations with the US, preferring not to build any multilateral framework reminiscent of the pre-war Greater East Asia Co-Prosperity Sphere. What has emerged instead is a complex set of competing regional structures.<sup>134</sup>

For its part, the US also obstructed Japan's efforts to form regional structures in Asia. When Japan co-founded the ADB in the 1970s, the US provided only lukewarm support and rejected a Japanese proposal to host the bank's headquarters in Tokyo. In the 1980s, Japan and Australia initiated the Pacific Economic Cooperation Council, a forerunner of Asia-Pacific Economic Cooperation (APEC), which itself was also viewed with scepticism by the US when launched in 1989.<sup>135</sup> During the 1997 Asian financial crisis, Japan's efforts to establish an Asian Monetary Fund were firmly opposed by the US. This led to the Chiang Mai regional currency swap arrangement – a much softer initiative.

Japan is now faced with a set of interrelated uncertainties that are relevant to its current regional thinking. The most important is the rise of China, which is today taking the initiative in the region. Its Asian Infrastructure Investment Bank (AIIB) is widely seen as a success – everybody except Japan and the US rushed to join. An increasingly assertive China has also started to express its desire to shape the region through the Belt and Road Initiative (BRI). The once hegemonic US is struggling to find a way to respond to such initiatives. Meanwhile ASEAN, seen previously as the central arena for any regional formation in East Asia, has been used by China to 'divide and rule' the region.

At the same time, the pressing issue of the North Korean nuclear programme leaves Japan with little option but to continue to rely militarily on the US. Yet any cohesion that might have been created by US-led economic sanctions against North Korea

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<sup>134</sup> Oba, M. (2016), 'TPP, RCEP, and FTAAP: Multilayered Regional Economic Integration and International Relations', *Asia-Pacific Review*, 23(1): pp. 100–14.

<sup>135</sup> In 1993, with US President Bill Clinton's hosting of APEC's first ever summit in Seattle, the US positively promoted the agenda of trade liberalization and investment.

has not proved strong enough to create a meaningful regional bloc. The acute crisis has also frozen South Korea's conception of an Asia-Pacific region along the lines imagined by its former president Kim Dae-jung, who tried to create a favourable regional environment within which Korean unification might become possible.<sup>136</sup>

All this means there is little appetite or capacity for most Asian countries to promote some sort of regionalism – except perhaps an increasingly powerful and financially resourceful China. The AIIB is a case in point – an organization in which only one country, China, has veto power. The BRI is much more vague and is wider in terms of its implications than the AIIB. While China sells it as its contribution to an open and mutually beneficial form of globalization, many outside China suspect it to be a strategic tool designed to project influence and create dependence (as well as to digest China's excess capacity in industries such as cement and steel).

Japan has now begun to set out its own regional plans and ambitions. After the US withdrew from the Trans-Pacific Partnership (TPP) following the election of Donald Trump as president, Prime Minister Shinzo Abe pushed ahead with negotiations with the other 11 members of the agreement. In early 2018 they signed the Comprehensive and Progressive Agreement for Trans-Pacific Partnership (CPTPP), also known as 'TPP11'. In April 2018, Japan concluded an economic partnership agreement with ASEAN. Under Abe, it has gone beyond regional groupings, for example by signing an Economic Partnership Agreement (EPA) and Strategic Partnership Agreement (SPA) with the EU in July 2018. Japan has also induced the US to refocus on a strategy for the Indo-Pacific region that emphasizes the importance of the rule of law and freedom of navigation.

However, instead of a firmly institutionalized form of regionalism in Asia or the Asia-Pacific region, there remains a set of competing visions. The fundamental obstacle to creating such an institutionalized form of regionalism in East Asia analogous to what exists in Europe lies in the rivalries between the regional visions and political ideologies of the two principal actors: China and Japan.

Strictly speaking, China is not in search of a region at all. Its initiatives are primarily based on geopolitical calculations and aim to create a favourable environment for the pursuit of Chinese power and interests. For example, the BRI is not so much a concept of regionalism as a form of global connectivity that includes a land-based element (the so-called Silk Road Economic Belt) and a sea-based element (the so-called Maritime Silk Road Initiative).<sup>137</sup> Through these elements, China aspires to expand its influence throughout the Eurasian landmass as a base from which to project power.<sup>138</sup>

As a sea power and island nation, like the UK, Japan tends – or wishes – to see the space that surrounds it as open and free. It too looks for a milieu, rather than a region, in which it can live comfortably. In the mid-2000s the then foreign minister, Taro Aso, talked about an 'Arc of Freedom and Prosperity' that included the vast areas from Japan's sea lanes in East Asia and the Indian Ocean through the Middle East to Eastern Europe. Then, in 2012, Prime Minister Abe identified a 'democratic security

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<sup>136</sup> It remains to be seen where efforts by President Moon Jae-in of South Korea to offer an olive branch to North Korea and build an international coalition for bringing peace to the peninsula will lead.

<sup>137</sup> Foucher, M. (2017), 'L'Euro-Asie selon Pékin', *Politique étrangère*, 1(Spring): pp. 99–113.

<sup>138</sup> Xi Jinping is the country's first leader in decades who has expressed its willingness to shape the entire world. Unlike his predecessors, he has made no use of the phrase '韬光養晦' ('conceal one's strengths and bide one's time'). See, for example, Kawashima, S. (2016), *China in the 21st Century: China under Xi Jinping and East Asia*, Tokyo: Chuo-koron, in Japanese.



diamond', made up of Australia, India, Japan and the US, as the cornerstone for Japan's diplomacy.<sup>139</sup> More recently, there has been much discussion of Indo-Pacific strategies, which set out a geopolitical focus but not quite a vision of regionalism.

Nevertheless, Japan and China share some, particularly commercial, interests. As the Trump administration takes an increasingly mercantilist approach to trade, the two countries are looking for ways in which to cooperate. But they have very different world views. Although it has several defects and has in some ways regressed over recent years,<sup>140</sup> Japan's liberal democracy remains stable, generally respecting basic human rights and in particular freedom of expression. China, by contrast, is far from liberal or democratic: the Communist Party is the sole body that establishes the rules, interprets them, and bends them if necessary. After a brief period of loosening under Hu Jintao, Xi Jinping has brought power back to the centre and the state has become increasingly repressive.<sup>141</sup> A number of lawyers, journalists and activists have been detained for no justifiable reason;<sup>142</sup> in Hong Kong booksellers have been kidnapped;<sup>143</sup> and in Xinjiang there are reportedly massive 're-education' camps for Uighur Muslims.<sup>144</sup> Moreover, many 'average' citizens in China are reported as being cynical about the human rights activism and democratic movements.<sup>145</sup>

In an interdependent world, the implications of such practices by a country as large and powerful as China are huge. Even in a distant region like Europe, for instance, the publishers of some prestigious academic journals have, at the request of the Chinese authorities, started to withdraw thousands of articles that deal with such sensitive themes as Tiananmen Square and Tibet.<sup>146</sup>

For most Japanese policymakers, therefore, the principal task is not to pursue a vision of regionalism. Rather, beyond the immediate challenge of how to reduce – or at least contain – the threats posed by a nuclearized North Korea, their minds are more or less fixed on how to prevent a region – or even a world – that is dominated by China.

<sup>139</sup> Abe, S. (2012), 'Asia's Democratic Security Diamond', Project Syndicate, 27 December 2012, <https://www.project-syndicate.org/commentary/a-strategic-alliance-for-japan-and-india-by-shinzo-abe?barrier=accessreg> (accessed 4 Feb. 2019).

<sup>140</sup> Notably, The Economist Intelligence Unit categorized Japan as falling from 'full democracy' to 'flawed democracy' in its Democracy Index for 2015. It has retained this classification in each year in 2016–18, although the 2018 index, for instance, noted Japan's recent efforts to increase women's and youth participation in democracy. See The Economist Intelligence Unit (2019), *Democracy Index 2018: Me too? Political participation, protest and democracy*, [http://www.eiu.com/Handlers/WhitepaperHandler.ashx?fi=Democracy\\_Index\\_2018.pdf&mode=wp&campaignid=Democracy2018](http://www.eiu.com/Handlers/WhitepaperHandler.ashx?fi=Democracy_Index_2018.pdf&mode=wp&campaignid=Democracy2018) (accessed 15 May 2019).

<sup>141</sup> See Endo, K. (2017), 'Against the "depreciative empire" – in memory of Liu Xiaobo', *Mainichi Shimbun*, 26 July 2017, <https://mainichi.jp/articles/20170726/ddm/004/070/010000c> (accessed 4 Feb. 2019). On pressures from, and infiltration by, illiberal regimes, see Benner, T. (2017), 'An Era of Authoritarian Influence? How Democracies Should Respond', *Foreign Affairs*, 15 September 2017, <https://www.foreignaffairs.com/articles/china/2017-09-15/era-authoritarian-influence> (accessed 4 Feb. 2019).

<sup>142</sup> BBC News (2019), 'Wang Quanzhang: China jails leading human rights lawyer', 28 January 2019, <https://www.bbc.co.uk/news/world-asia-china-47024825> (accessed 1 May 2019); Hsu, I. and CPU China Correspondent (2019), 'How many journalists are jailed in China? Censorship means we don't know', Committee to Protect Journalists, 12 March 2019, <https://cpj.org/blog/2019/03/journalists-jailed-china-censored.php> (accessed 1 May 2019); Haas, B. (2018), 'Student activists detained in China for supporting workers' rights', *Guardian*, 12 November 2018, <https://www.theguardian.com/world/2018/nov/12/ten-student-activists-detained-in-china-for-supporting-workers-rights> (accessed 1 May 2019).

<sup>143</sup> Palmer, A. W. (2018), 'The Case of Hong Kong's Missing Booksellers', *New York Times*, 3 April 2018, <https://www.nytimes.com/2018/04/03/magazine/the-case-of-hong-kongs-missing-booksellers.html> (accessed 1 May 2019).

<sup>144</sup> Feng, E. (2018), 'Forced labour being used in China's 're-education' camps', *Financial Times*, 16 December 2018, <https://www.ft.com/content/eb2239aa-fc4f-11e8-aebf-99e208d3e521> (accessed 1 May 2019).

<sup>145</sup> Palmer, J. (2017), 'The Chinese Think Liu Xiaobo Was Asking For It', *Foreign Policy*, 11 July 2017, <https://foreignpolicy.com/2017/07/11/the-chinese-think-liu-xiaobo-was-asking-for-it/> (accessed 2 May 2019).

<sup>146</sup> See for example Bland, B. (2017), 'China censorship drive splits leading academic publishers', *Financial Times*, 5 November 2017, <https://www.ft.com/content/b68b2f86-c072-11e7-b8a3-38a6e068f464> (accessed 2 May 2019).

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## Implications for UK–Japanese relations

Thus, although the UK and Japan are strikingly similar in terms of geography, regionalism has developed quite differently for each. Now, for the former, there is deep uncertainty about the future relationship with Europe; for the latter, the dominant relationship is one of competition with China over geopolitical groupings in Asia. So what are the implications of these differences for their bilateral relations? There has long been discussion about the potential for a kind of ‘special relationship’ that would complement the relationship that each has with the US. In 2013, Prime Minister Abe described Japan and the UK as ‘*a priori* partners’.<sup>147</sup> But what does this mean in practice?

*With the exception of each country’s traditional alliance partnerships with the US, for the UK, Japan is its closest security partner in Asia, while the UK is Japan’s closest security partner in Europe*

There has been a significant deepening of security cooperation between Japan and the UK in recent years. A series of bilateral agreements have been signed, beginning with a memorandum on defence cooperation in 2012 and agreements on defence equipment cooperation and security of information in 2013. Since 2015 the two countries’ foreign and defence ministers have convened for ‘two plus two’ meetings. A Defence Logistics Treaty, or Acquisition and Cross Servicing Agreement (ACSA), was signed in 2017, intended to facilitate cooperation between the two countries’ armed forces in activities including UN peacekeeping operations and joint humanitarian aid and disaster relief missions.<sup>148</sup> With the exception of each country’s traditional alliance partnerships with the US, for the UK, Japan is its closest security partner in Asia, while the UK is Japan’s closest security partner in Europe. The question remains, however, whether the bilateral relationship can go beyond such security cooperation – and indeed whether developments in other policy areas have the potential to undermine this cooperation.

One particularly important variable for the future of the bilateral relationship is UK policy towards China. As, under former Prime Minister David Cameron, the UK sought to attract investment from China and to make the City of London a centre for renminbi trading, ministers spoke of a ‘golden era’ in relations between the two countries. On a visit to China in September 2015, the then chancellor of the exchequer, George Osborne, said he wanted the UK to be China’s ‘best partner in the West’. This somewhat sycophantic approach to China caused concern in Tokyo and Washington. Notably, after the UK announced it would join the AIIB in March 2015, an official in the Obama administration criticized the UK’s ‘constant accommodation’ of China,<sup>149</sup> and some spoke in private of a ‘betrayal’ – though many influential figures in the US also thought that the UK had taken the right decision.

Under Theresa May, there were initially tentative signs of a recalibration of UK policy towards China away from the so-called ‘Osborne doctrine’ to what one British China expert called ‘a more sober phase in relations between Beijing and London’.<sup>150</sup> In particular, May announced a review of Osborne’s decision to

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<sup>147</sup> Abe, S. (2013), ‘Rejuvenating UK–Japan Relations for the 21st Century’, speech given at RUSI–SPF Conference on UK–Japan Relations, Tokyo, 30 September 2013, <https://www.rusi.org/events/past/ref:E523986CE3C7C7/info:public/infoID:E524AC5B28DC7F/> (accessed 4 Feb. 2019).

<sup>148</sup> Foreign & Commonwealth Office, Ministry of Defence, The Rt Hon Sir Michael Fallon MP, and The Rt Hon Boris Johnson MP (2017), ‘Press release: UK and Japan strengthen defence ties’, 26 January 2017, <https://www.gov.uk/government/news/uk-and-japan-strengthen-defence-ties> (accessed 1 May 2019).

<sup>149</sup> Dyer, G. and Parker, G. (2015), ‘US attacks UK’s ‘constant accommodation’ with China’, *Financial Times*, 12 March 2015, <https://www.ft.com/content/31c4880a-c8d2-11e4-bc64-00144feab7de> (accessed 4 Feb. 2019); Bergsten, F. (2015), ‘US should work with the Asian Infrastructure Investment Bank’, *Financial Times*, 15 March 2015, <https://www.ft.com/content/4937bbde-c9a8-11e4-a2d9-00144feab7de> (accessed 4 Feb. 2019).

<sup>150</sup> Small, A. (2016), ‘China-U.K. Relations: Come What May’, *German Marshall Fund* blog, 31 August 2016, <http://www.gmfus.org/blog/2016/08/31/china-uk-relations-come-what-may> (accessed 4 Feb. 2019).

allow the state-owned China General Nuclear Power Company to invest in the Hinkley Point nuclear plant. Although, the investment ultimately went ahead, the UK – like other European countries – has taken steps to tighten rules on Chinese investment.<sup>151</sup> Notwithstanding these moves, the recent debate over the potential security risks associated with Huawei's possible role in the creation of Britain's 5G communications network suggests that government, political and public opinion remain divided over the merits of a closer relationship between the UK and China.<sup>152</sup>

UK officials insist that the country is taking a tough approach on China. The then foreign secretary Boris Johnson said in December 2016 that the UK's approach to the region 'must go beyond the quest for exports and commercial contracts'.<sup>153</sup> In August 2018 a Royal Navy vessel, HMS Albion, conducted a freedom of navigation operation close to the disputed Paracel Islands in the South China Sea. Admiral Sir Philip Jones, the head of the Royal Navy, subsequently stated that the UK had an obligation to demonstrate support for its allies in the Asia-Pacific region, and to resist Chinese violations of international law.<sup>154</sup>

However, the concern in Tokyo, as well as in Washington, is that the UK's increasing economic dependence on China, especially in a post-Brexit context, could undermine such values and also have potentially troubling security implications. If the UK wants to develop a close relationship with Japan, it will need to cooperate with it to challenge Chinese violations of the international rule of law. (For its part, Japan needs to maintain economic sanctions on Russia, notwithstanding Prime Minister Abe's desire to finally resolve the issue of the Northern Territories and to peel Russia away from China.)

In August 2017, during an official visit by Theresa May to Japan, the two prime ministers took a further step in deepening security cooperation, signing a joint declaration that emphasized their countries' shared interests and values, and set out priorities such as North Korea, maritime security, capacity-building and cybersecurity.<sup>155</sup> While the declaration did not make explicit reference to China, it emphasized the importance of the rules-based international order and of free and open access to oceans. At the same time, the two prime ministers signed a joint declaration on prosperity cooperation that stated: 'As the UK exits the EU, we will work quickly to establish a new economic partnership between Japan and the UK based on the final terms of the EPA.'<sup>156</sup> (Negotiations on

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<sup>151</sup> See Masoudi, A., Mitchell, T. and Pickard, J. (2018), 'Tighter rules on foreign investment have China in their sights', *Financial Times*, 24 July 2018, <https://www.ft.com/content/9554e45e-8f54-11e8-bb8f-a6a2f7bca546> (accessed 4 Feb. 2019).

<sup>152</sup> See for example Sabbagh, D. (2019), 'May to ban Huawei from providing 'core' parts of UK 5G network', *Guardian*, 24 April 2019, <https://www.theguardian.com/technology/2019/apr/24/may-to-ban-huawei-from-supplying-core-parts-of-uk-5g-network> (accessed 16 May 2019); Payne, S. and Bond, D. (2019), 'May sacks UK defence secretary over Huawei leak', *Financial Times*, 1 May 2019, <https://www.ft.com/content/248b5e68-6c32-11e9-80c7-60ee53e6681d> (accessed 16 May 2019).

<sup>153</sup> Johnson, B. (2016), 'Global Britain: UK Foreign Policy in an Era of Brexit', speech at Chatham House, 2 December 2016, <https://www.chathamhouse.org/sites/files/chathamhouse/events/special/2016-12-02-Boris-Johnson.pdf> (accessed 4 Feb. 2019).

<sup>154</sup> Bond, D. (2018), 'Royal Navy chief vows to send ships through South China Sea', *Financial Times*, 22 October 2018, <https://www.ft.com/content/efe13b86-d507-11e8-ab8e-6be0dcf18713> (accessed 22 Feb. 2019).

<sup>155</sup> Ministry of Foreign Affairs (2017), 'Japan-UK Joint Declaration on Security Cooperation', Tokyo, 31 August 2017, <http://www.mofa.go.jp/mofaj/files/000285569.pdf> (accessed 4 Feb. 2019).

<sup>156</sup> Ministry of Foreign Affairs (2017), 'Japan-UK Joint Declaration on Prosperity Cooperation', Tokyo, 31 August 2017, <https://www.mofa.go.jp/files/000285436.pdf> (accessed 1 May 2019).

the EPA, which were ongoing between Japan and the EU at the time of May's visit, were concluded in December 2017, and the agreement entered effect in February 2019.<sup>157</sup>)

The two declarations illustrate UK and Japanese priorities and sensitivities. The UK is of course keen to avoid disruption to trade and investment with Japan after Brexit, particularly in the context of the EU–Japan EPA. Recently, the UK government has also expressed a desire to be part of CPTPP.<sup>158</sup> Meanwhile, ever mindful of a rising China, Japan seems to have succeeded in securing an enhanced British military presence in the Indo-Pacific region, which Abe has long said he wanted – and which is also aligned with the notion of a 'Global Britain'.<sup>159</sup> For both sides, the cost of doing nothing is high: the UK does not want Japanese banks and manufacturers to relocate to the European mainland, and Japan wants to prevent the UK from forging a closer relationship with China, as it seemed to be doing particularly under the Cameron government.

However, this sort of security cooperation is unlikely to change China's behaviour significantly – and there is little more that Japan and the UK could do to prevent a Chinese military build-up in the South China Sea. Likewise, given the May government's precarious position, its commercial policy may not be stable; Japan may have to wait and see what the UK truly wants. Moreover, conspicuous by its absence in the joint declarations between Japan and the UK is a joint strategy to combat authoritarian influence on universal values, whether that emanates from Beijing or from Moscow (or elsewhere). Both Japan and the UK express a strong rhetorical commitment to the shared values of democracy, human rights and the rule of law. But their words are not yet sufficiently backed up by concrete actions – except perhaps in the area of cybersecurity. Apart from passing references to climate change and sexual exploitation, there seems to be no aspiration on either side to take action to even maintain, let alone enhance, safety, labour and environmental standards.

This absence points to the limits of the interests that are shared by Japan and the UK. This is in part a function of the different ways in which regionalism has evolved in Europe and East Asia, and the different approaches that the two countries take to their respective regions. But it is also a function of the evolution of the relationship between Japan and the EU, now embodied in the EPA, and of the potentially disruptive way in which the UK is developing relations with other powers in East Asia, and in particular with China. In other words, the way that both countries are forging relations within the other's region could to some extent hinder the further consolidation of the bilateral relationship between the UK and Japan.

The situation is, however, somewhat asymmetrical. The EU does not represent a real threat to the UK – at least not in security terms – in the way that China is for Japan. Consequently, for the UK, Japan's relationship with the EU is not as problematic as the

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<sup>157</sup> European Commission (2019), 'EU-Japan trade agreement enters into force', press release, 31 January 2019, [http://europa.eu/rapid/press-release\\_IP-19-785\\_en.htm](http://europa.eu/rapid/press-release_IP-19-785_en.htm) (accessed 30 Apr. 2019).

<sup>158</sup> Department for International Trade (2018), 'Press release: CPTPP will be a 'force for good' in promoting free trade', 30 December 2018, <https://www.gov.uk/government/news/cptpp-will-be-a-force-for-good-in-promoting-free-trade> (accessed 1 May 2019).

<sup>159</sup> In an op-ed in 2012, Abe wrote: 'I would also invite Britain and France to stage a comeback in terms of participating in strengthening Asia's security. The sea-faring democracies in Japan's part of the world would be much better off with their renewed presence.' He even said he wanted Japan to join the Five Power Defence Arrangements, the security treaty between the UK, Malaysia, Singapore, Australia and New Zealand. Abe (2012), 'Asia's Democratic Security Diamond'.

UK's relationship with China is for Japan. In fact, the UK could benefit from the Japan–EU EPA, and may even seek to replicate it in the interests of maintaining Japanese investment in the UK after Brexit. There is an imbalance, too, in the area of commercial cooperation: because China is not a direct military threat to the UK, the latter will resist pressure to choose between China and Japan and will want to work with both. Moreover, there are also limits to the contribution that the UK can realistically make to Asian security. Any future efforts towards deepening UK cooperation with Japan will have to be made with some awareness of these constraints.

## 6. Defending the Liberal International Order: The UK–Japan Partnership in an Uncertain World

Yuichi Hosoya

### Introduction

Since Donald Trump became US president in 2017, a number of foreign policy experts have commented on the decline of the liberal international order as a stabilizing force in global politics.<sup>160</sup> John Ikenberry, a professor of international politics at Princeton University and a leading theorist of the liberal international order, wrote that:

U.S. President Donald Trump’s every instinct runs counter to the ideas that have underpinned the post-war international system. Trade, alliances, international law, multilateralism, environmental protection, torture, and human rights – on all of these core issues, Trump has made assertions that, if acted on, would bring to an end the United States’ role as guarantor of the liberal world order.<sup>161</sup>

The international system today differs significantly from the 19th-century classical order in the sense that it incorporates several important norms and values that restrain the behaviour of great powers. It has become more institutionalized and more rules-based. Against this backdrop, states can collaborate more effectively and more predictably with other like-minded powers. Ikenberry stated that ‘over the last two hundred years, Western democratic states have made repeated attempts to build international order around open and rules-based relations among states – that is, they have engaged in liberal order building’.<sup>162</sup> However, current political leaders who do not respect these rules and norms are now damaging this liberal international order.

Ikenberry underlined the importance of the US’s leading role in establishing the liberal international order:

In the second half of the twentieth century, the United States engaged in the most ambitious and far-reaching liberal order building the world had yet seen. The result was a particular type of liberal international order – a liberal hegemonic order. The United States took on the duties of building and running an international order, organizing it around multilateral institutions, alliances, special relationships, and client states. It was a hierarchical political order with liberal characteristics.<sup>163</sup>

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<sup>160</sup> Several leading international relations scholars do not agree with this position. For example, Graham Allison, professor of government at Harvard, disagrees with liberal theorists, claiming that the “long peace” was not the result of a liberal order but the byproduct of the dangerous balance of power between the Soviet Union and the United States during the four and a half decades of the Cold War and then of a brief period of U.S. dominance.’ See Allison, G. (2018), ‘The Myth of the Liberal Order: From Historical Accident to Conventional Wisdom’, *Foreign Affairs*, July/August 2018, p. 125, <https://www.foreignaffairs.com/articles/2018-06-14/myth-liberal-order> (accessed 5 Feb. 2019).

<sup>161</sup> Ikenberry, G. J. (2017), ‘The Plot Against American Foreign Policy: Can the Liberal Order Survive?’, *Foreign Affairs*, May/June 2017, <https://www.foreignaffairs.com/articles/united-states/2017-04-17/plot-against-american-foreign-policy> (accessed 5 Feb. 2019).

<sup>162</sup> Ikenberry, G. J. (2011), *Liberal Leviathan: The Origins, Crisis, and Transformation of the American World Order*, Princeton, NJ: Princeton University Press, p. xi.

<sup>163</sup> *Ibid.*

However, it is often argued that the term ‘liberal international order’, or ‘liberal internationalism’, is vague in definition, and scholars use it inconsistently.<sup>164</sup> Tim Dunne, Trine Flockhart and Marjo Koivisto argue that the type of liberalism that has been successful possesses the following characteristics: (1) it has a history; (2) it embodies contradictions; and (3) it takes into account both politics and economics.<sup>165</sup> Scholars tend to avoid defining the term ‘US-led liberal international order’ but they would agree that Western democracies have repeatedly tried to build an international order based on rules and open relations between states. As the US’s closest allies in Europe and Asia, respectively, both the UK and Japan have enjoyed peace and prosperity in the rules-based order for decades. Through their alliances, they have been collaborating with the US on ways to sustain and enhance the current system. However, with Trump’s unwillingness to operate in the system created by the US and his lack of commitment to the norms, values and institutions that underpin liberal order, the UK and Japan now face a serious question: namely, whether or not to continue to base their security strategies on their close alliances with the US. If the US government is capable of radically changing its relationships with its own allies, then the UK and Japan may need to rethink how they themselves prioritize the US alliance.

*If the US government is capable of radically changing its relationships with its own allies, then the UK and Japan may need to rethink how they themselves prioritize the US alliance*

If the US loses interest in maintaining the liberal international order, this would undoubtedly affect its allies and partners. Robin Niblett, director of Chatham House, stated that ‘the U.S. commitment to global leadership, which until now has sustained the order through good times and bad, looks weaker than at any point since World War II’.<sup>166</sup> It is natural to doubt the continuation of the rules-based order as we know it, not only because of Trump’s actions since he began his term, but also from his campaign. Niblett lists Trump’s ‘explicitly “America First” platform’, his pleas to renegotiate US trade deals, his praise of Russian President Vladimir Putin, and his questioning of US commitments to NATO.<sup>167</sup> If existing rules and norms are at odds with the US national interest, Trump is more willing to undermine them than any previous president in order to promote his ‘America First’ policy.

Elements of this policy are already coming through in practice. In his foreword to a new US National Security Strategy document published in December 2017, Trump wrote: ‘In pursuit of that future, we will look at the world with clear eyes and fresh thinking. We will promote a balance of power that favors the United States, our allies, and our partners.’<sup>168</sup> While he underlined the importance of ‘a balance of power that favors the United States’, Trump did not mention the importance of the rules-based international order. This indication of greater dependence on US military power rather than on the norms and institutions that form the basis of the post-war liberal international order has provoked widespread anxiety over the future of that order.

The UK and Japan are two leading powers with a strong interest in defending the current system. Compared with the US and China, both are more prepared

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<sup>164</sup> Jahn, B. (2013), *Liberal Internationalism: Theory, History, Practice*, Basingstoke: Palgrave, pp. 13–15.

<sup>165</sup> Dunne, T., Flockhart, T. and Koivisto, M. (2013), ‘Introduction: Liberal World Order’, in Dunne, T. and Flockhart, T. (eds) (2013), *Liberal World Orders*, Oxford: Oxford University Press, p. 4.

<sup>166</sup> Niblett, R. (2017), ‘Liberalism in Retreat: The Demise of a Dream’, *Foreign Affairs*, January/February 2017, p. 17, <https://www.foreignaffairs.com/articles/2016-12-12/liberalism-retreat> (accessed 21 Feb. 2019).

<sup>167</sup> *Ibid.*

<sup>168</sup> The White House (2017), *National Security Strategy of the United States of America*, December 2017, Washington, DC: The White House, p. ii.

to commit to non-proliferation, a sign that they are more willing to enhance the rules-based order. However, as two of the US's major allies, they need to coordinate more frequently in the policy space than before in an effort to preserve the liberal international order. This chapter will examine their individual approaches to maintaining that order, and countering its decline.

The rules-based international order should be the foundation of the broader and more value-embedded 'liberal' international order. A significant current problem with the latter is that several leading powers are now essentially reluctant to respect those liberal values, but do agree on the importance of defending international rules that benefit their own national interests. In general, international rules are more easily respected by authoritarian regimes than liberal values such as democracy, human rights and international institutions. In this sense, in order to secure broader support, both the UK and Japan tend to prefer the term 'rules-based international order' to 'liberal international order'. As such, defending the former should be the focus of their strategy for creating a more stable and more predictable international order.

### The decline of the liberal international order

Ikenberry is not alone in presenting his concerns over the decline of the liberal international order. Even before Trump's election, many foreign policy experts had already expressed anxieties over the future of the system. For example, a World Economic Forum White Paper entitled 'Strengthening the Liberal World Order' argued that the:

... liberal order is being challenged by a variety of forces – by powerful authoritarian governments and anti-liberal fundamentalist movements, as well as by long-term shifts in the global economy and changes in the physical environment.<sup>169</sup>

This sense of pessimism was shared by several leading scholars, including Stephen Walt, a Harvard professor of international politics, who wrote that 'the heady optimism of the 1990s has given way to a growing sense of pessimism – even alarm – about the existing liberal order'.<sup>170</sup> Just four days after Trump took office, Robert Kagan, a leading Republican foreign policy expert, wrote likewise that 'the liberal world order established in the aftermath of World War II may be coming to an end, challenged by forces both without and within'.<sup>171</sup> A few months later, *Foreign Affairs* magazine asked experts whether they agreed or disagreed with the argument that 'the postwar liberal international order is in grave danger'. No respondents answered 'Strongly Disagree', while 11 experts answered 'Strongly Agree' and 14 'Agree'. Four were 'Neutral' and only three responded 'Disagree'.<sup>172</sup>

On the other hand, Michael Anton, US deputy assistant to the president for strategic communications at the National Security Council, has tried to dispel criticisms that

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<sup>169</sup> World Economic Forum (WEF) (2016), *Strengthening the Liberal World Order: A World Economic Forum White Paper*, April 2016, p. 2, [http://www3.weforum.org/docs/WEF\\_US\\_GAC\\_Strengthening\\_Liberal\\_World\\_Order\\_White\\_Paper\\_US.pdf](http://www3.weforum.org/docs/WEF_US_GAC_Strengthening_Liberal_World_Order_White_Paper_US.pdf) (accessed 5 Feb. 2019).

<sup>170</sup> Walt, S. M. (2016), 'The Collapse of the Liberal World Order', *Foreign Policy*, 26 June 2016, <http://foreignpolicy.com/2016/06/26/the-collapse-of-the-liberal-world-order-european-union-brexite-donald-trump/> (accessed 7 Jan. 2018).

<sup>171</sup> Kagan, R. (2017), 'The Twilight of the Liberal World Order', 24 January 2017, <https://www.brookings.edu/research/the-twilight-of-the-liberal-world-order/> (accessed 7 Jan. 2018).

<sup>172</sup> Foreign Affairs Brain Trust (2017), 'Is the Liberal Order in Peril?', *Foreign Affairs*, May/June 2017, <http://www.ForeignAffairs.com/LiberalOrderinDanger> (accessed 7 Jan. 2018).



Trump threatened the liberal international order. While attacking some aspects of the US-led order, Anton argued that ‘America’s national interests are to pursue and promote prosperity, prestige and peace’.<sup>173</sup> In part, this highlighted the fact that the Trump administration does not share its predecessors’ commitment to defend that order.<sup>174</sup> Anton concluded that:

the uncertainty of the present moment does not derive from President Trump’s supposed disregard for the fundamentals of the liberal international order. On the contrary, the uncertainty arises from a growing awareness of the disconnect between the instrumental policies of that order and its overriding purpose.<sup>175</sup>

By this, he meant that Trump’s administration does not care much about whether the US defends the liberal international order, as long as the US government can protect its own ‘prosperity, prestige and peace’ by other means.

Anton asked: ‘Why is it that no one quite got around to saying what, exactly, the “liberal international order” is?’<sup>176</sup> Other commentators and practitioners share his criticism of the vagueness of the definition. In particular, a number of Republican foreign policy experts are opposed to using the term ‘liberal’ in describing their ideas, as ‘liberal international order’ is generally regarded as an order with liberal norms and values.

### Enhancing the rules-based international order

‘Rules-based international order’ is a more appropriate and much clearer description of the post-war rules, norms and institutions that govern relations between countries than ‘liberal international order’. Although it was created chiefly by the US and the UK through several bilateral meetings including the Atlantic Summit of 1941 and the Dumbarton Oaks Conference of 1944, other, illiberal powers such as the Soviet Union and the Kuomintang government of China were also present on some of these occasions.<sup>177</sup> They agreed on the fundamental rules of the post-war international order, but not all of them agreed on liberal norms such as democracy, human rights and market capitalism. Thus liberal international order is a more contested concept given that some major powers (both now and in the past, including even certain US allies) do not share the values that underpin it.

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<sup>173</sup> Anton, M. (2017), ‘America and the Liberal International Order’, *American Affairs*, 15 February 2017, <https://americanaffairsjournal.org/2017/02/america-liberal-international-order/> (accessed 7 Jan. 2018).

<sup>174</sup> For example, see Wolf, M. (2018), ‘Trump’s war on the liberal world order’, *Financial Times*, 4 July 2018, <https://www.ft.com/content/bec33c02-7de1-11e8-8e67-1e1a0846c475> (accessed 2 May 2019). On the other hand, some scholars argue that it would be misleading to emphasize the difference between the current administration’s foreign policy and that of previous administrations. See, Staniland, P. (2018), ‘Misreading the “Liberal Order”: Why We Need New Thinking in American Foreign Policy’, *Lawfare*, 29 July 2018, <https://www.lawfareblog.com/misreading-liberal-order-why-we-need-new-thinking-american-foreign-policy> (accessed 13 Sep. 2018); Allison (2018), ‘The Myth of the Liberal Order’, pp. 124–33; Schweller, R. (2018), ‘Three Cheers for Trump’s Foreign Policy: What the Establishment Misses’, *Foreign Affairs*, September/October 2018, pp. 133–43, <https://www.foreignaffairs.com/articles/world/2018-08-13/three-cheers-trumps-foreign-policy> (accessed 21 Feb. 2019).

<sup>175</sup> Anton (2017), ‘America and the Liberal International Order’, pp. 113–25.

<sup>176</sup> *Ibid.*

<sup>177</sup> On the importance of the Anglo–American cooperation during the war years, regardless of friction and disagreements, see for example, Dimpleby, D. and Reynolds, D. (1988), *An Ocean Apart: the relationship between Britain and America in the Twentieth Century*, London: Hodder & Stoughton, pp. 138–61; Baylis, J. (1997), *Anglo-American Relations since 1939: The Enduring Alliance*, Manchester: Manchester University Press, pp. 18–37. Nevertheless, these historians focus more on the difficulties of fostering cooperation between the two Atlantic allies during the war years.

*While the UK is facing the challenge of Russia's assertive and unlawful activities in Ukraine as well as in the UK, Japan is being challenged by Chinese maritime activities in the South and East China seas*

In recent years, both Japanese and UK governments have used the term 'rules-based international order' more frequently than before in official documents. This is partly due to the fear that authoritarian states and terrorist groups are now seriously challenging this order on many fronts. Additionally, neither Japan nor the UK has economic or military power to equal that of the US and China. It is understandable, therefore, that they must both rely more on these rules than the two leading powers.

Prime ministers Shinzo Abe and Theresa May have been particularly keen to defend the rules-based international order. While the UK is facing the challenge of Russia's assertive and unlawful activities in Ukraine as well as in the UK, Japan is being challenged by Chinese maritime activities in the South and East China seas. US goodwill alone is not capable of resolving every difficult problem in international security. It is therefore in the best interests of the UK and Japan to defend and advance the rules-based order that both Russia and China should abide by.

When May visited Japan at the end of August 2017, she agreed with Abe on the importance of enhancing the rules-based order. The 'Japan–UK Joint Vision Statement', signed on 31 August, began by declaring that 'Japan and the UK are global strategic partners, sharing common interests as outward-looking and free-trading island nations with a global reach, committed to the rules-based international system'.<sup>178</sup> In this context, the two governments reaffirmed the value of enhancing the bilateral partnership, and the phrase 'the rules-based system' was repeated several times.

Furthermore, in the 'Japan–UK Joint Declaration on Security Cooperation', issued on the same date, the two leaders declared their commitment 'to exercising their leadership to maintain the rules-based international system as the closest security partners [of the US] respectively in Asia and Europe'.<sup>179</sup> The UK and Japan are 'the closest security partners' because they share the same vision in defending the rules-based international order. It is not always easy for the US's two closest allies to include phrases relating to liberal norms and the importance of international rules and agreements in their joint documents with the US government, as Trump often openly attacks liberal values and multilateral institutions.

Both the UK and Japan, individually and jointly, have been enhancing the rules-based international order in a variety of ways. Together with a few European powers, they have underlined the importance of defending it; for example, they took the initiative in drafting the Charlevoix G7 Summit Communiqué, which starts:

We, the Leaders of the G7, have come together in Charlevoix, Quebec, Canada on June 8–9, 2018, guided by our shared values of freedom, democracy, the rule of law and respect for human rights and our commitment to promote a rules-based international order.<sup>180</sup>

This statement is particularly important in demonstrating the G7's commitment to promoting this order, since Trump disagreed with his European counterparts on several key agenda items, including trade, and reportedly repudiated the communiqué, causing huge concern among the G7 leaders.

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<sup>178</sup> Ministry of Foreign Affairs (MoFA) (2017), 'Japan–UK Joint Vision Statement', 31 August 2017, <http://www.mofa.go.jp/files/000285428.pdf> (accessed 7 Jan. 2018).

<sup>179</sup> MoFA (2017), 'Japan–UK Joint Declaration on Security Cooperation', 31 August 2017, <http://www.mofa.go.jp/files/000285569.pdf> (accessed 7 Jan. 2018).

<sup>180</sup> MoFA (2018), 'The Charlevoix G7 Summit Communiqué', Charlevoix, Canada, 9 June 2018, [https://www.mofa.go.jp/ecm/ec/page4e\\_000847.html](https://www.mofa.go.jp/ecm/ec/page4e_000847.html) (accessed 24 Jun. 2018).

## The UK's strategy for the rules-based international order

The UK has had a proud history of helping to establish, protect and enhance the rules-based order for more than a century. The UK government upholds this diplomatic tradition, and this is reflected in many major documents relating to it. Without a continuing and active UK contribution to this tradition, the rules-based international order as we know it cannot be maintained.

In the National Security Strategy and Strategic Defence and Security Review 2015 (NSS/SDSR 2015), one of the three priorities in Britain's security strategy for the next five years is to 'help strengthen the rules-based international order and its institutions, encouraging reform to enable further participation of growing powers'. Furthermore, the UK will work with its 'partners to reduce conflict, and to promote stability, good governance and human rights'.<sup>181</sup> Japan can be defined as one of the major 'partners' with which the UK can collaborate on these goals, as outlined in the Japan–UK Joint Vision Statement.

The NSS/SDSR 2015 states that:

[The UK's] long-term security and prosperity also depend on a stable international system that reflects our core British values ... Democracy, the rule of law, open, accountable governments and institutions, human rights, freedom of speech, property rights and equality of opportunity, including the empowerment of women and girls, are the building blocks of successful societies.<sup>182</sup>

At a time when the US president is disregarding several important liberal values including civil liberties, human rights, gender equality and environmental protection, and the UK is distancing itself from the EU through its Brexit decision, Japan is now regarded as the UK's main partner in promoting the rules-based international order. Thus the UK government has been taking the lead in seeking to strengthen its bilateral security cooperation with Japan.

The UK government is proud of being 'at the heart of the rules-based international order', according to NSS/SDSR 2015, which notes that the UK is the only nation that is a permanent member of the UN Security Council, and is in NATO, the EU, the Commonwealth, the G7 and G20, the Organization for Security and Cooperation in Europe, the Organisation for Economic Co-operation and Development (OECD), the World Trade Organization (WTO), the International Monetary Fund (IMF) and the World Bank.<sup>183</sup>

Regarding the UK's exceptional international position, the NSS/SDSR 2015 notes:

We use our membership of these organizations as an instrument to amplify our nation's power and prosperity ... In all of these organizations, we play a central role in strengthening international norms and promoting our values.<sup>184</sup>

This suggests that the UK's leadership in promoting the rules-based international order has become a major component of its identity within the international community.

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<sup>181</sup> Ministry of Defence (2015), *National Security Strategy and Strategic Defence and Security Review 2015*, Cm 9161, November 2015, London: Her Majesty's Stationery Office, p. 10.

<sup>182</sup> *Ibid.*

<sup>183</sup> *Ibid.*, p. 14.

<sup>184</sup> *Ibid.*, p. 14.

In NSS/SDSR 2015, a specific section is devoted to explaining the details and the reality of the rules-based international order, which it says is:

... founded on relationships between states and through international institutions, with shared rules and agreements on behaviour. It has done much to encourage predictable behaviour by states and the non-violent management of disputes, and has led states to develop political and economic arrangements at home which favour open markets, the rule of law, participation and accountability. The UK has consistently championed this framework.<sup>185</sup>

There are of course some states that do not share these values. Russia and Syria, among others, do not welcome the UK's leading role in criticizing their violations of international laws and agreements. This has caused some serious provocation and antagonism. The NSS/SDSR 2015 asserts:

The rules-based international order also relies on enforcement of standards and laws covering a wide range of activities and behaviours, from the Geneva Conventions to the UN Convention on the Law of the Sea. There have been successes, in particular the work of the E3+3 (the UK, France, Germany, the US, China and Russia) and the EU to conclude the Joint Comprehensive Plan of Action with Iran so that it meets its obligations to ensure its nuclear programme is exclusively peaceful. Some powerful state and non-state actors, however, are increasingly ignoring international norms that they believe run contrary to their interests, or favour the West. Russia's illegal annexation of Crimea, Assad's use of chemical weapons, and the challenges around non-state actors' compliance with international humanitarian law are examples of this.<sup>186</sup>

In May 2016, the Multilateral Policy Directorate within the UK Foreign & Commonwealth Office (FCO) launched a new aid strategy entitled the RBIS (rules-based international system) Fund. The FCO identified five specific priority areas in relation to enhancing this system:

- Strengthening the efficiency and capacity of the UN, 'the world leading multilateral institution';
- Strengthening the Commonwealth, a 'worldwide partnership of diversity and shared values';
- Supporting the International Criminal Court and other tribunals involved in 'global efforts to end impunity for the most serious crimes of international concerns';
- Promoting the 'active participation of women in peace-building discussions' and expanding the reach and implementation of the UK's Preventive Sexual Violence in Conflict Initiative; and
- Dealing with the drivers of instability through 'increased support for tackling corruption, promoting good governance, developing security and justice, and creating jobs and economic opportunity' and 'building stability overseas with allies, the private sector and civil society organizations'.<sup>187</sup>

Although the concept remains relatively vague and underdeveloped, the FCO has started to implement this approach in enhancing the rules-based international order, particularly in the field of official development assistance (ODA). The RBIS

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<sup>185</sup> Ibid., p. 20.

<sup>186</sup> Ibid.

<sup>187</sup> Multilateral Policy Directorate (FCO) (2016), *The RBIS Fund: working through the Rules-Based International System to promote security and prosperity, Financial Year 2016-17, Strategy*, May 2016, [https://www.gov.uk/government/uploads/system/uploads/attachment\\_data/file/548740/RBIS-S-01\\_RBIS\\_Fund\\_-\\_RBIS\\_Programme\\_Strategy.docx](https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/548740/RBIS-S-01_RBIS_Fund_-_RBIS_Programme_Strategy.docx) (accessed 5 Feb. 2019).

Fund will allow the FCO to extend its multilateral programme work into new areas in a way that complements both FCO diplomacy and existing cross-Whitehall programme activity.<sup>188</sup>

However, the UK lacks the economic resources and faces the challenge of securing public support as it seeks to take the lead in defending the rules-based international order. This comes at a time when new difficulties are emerging and as leading military powers such as China and Russia are critical of liberal democracy and supportive of authoritarian political regimes. Now that fewer powers are interested in defending the well-established liberal system, the UK needs to find partners with the same interest to collaborate in protecting the rules-based international order.

### Japan's strategy for the rules-based international order

In December 2013, Abe's cabinet adopted a National Security Strategy that clearly outlined Japan's long-term, strategic purposes, goals and visions – its first opportunity to do so. One of the document's main features is its focus on the importance of the rule of law in the international community. It states that 'Japan will continue to faithfully comply with international law as a guardian of the rule of law.' It adds that, to 'establish the rule of law in the international community, Japan will participate proactively in international rule-making from the planning stage, so that Japan's principles and positions based on fairness, transparency and reciprocity are duly reflected.'<sup>189</sup>

Japan's approach to the rules-based international order is best exemplified by its assistance to countries developing their own legal systems. The strategy therefore mentions that Japan will 'actively engage' in this area.<sup>190</sup> In particular, Japan has been working hard to promote an 'Open and Stable Seas' policy based on the rule of law. Its *Diplomatic Bluebook 2017* states that:

Japan is strengthening its cooperation with various countries by actively participating in initiatives to ensure the security of sea lanes of communication through anti-piracy measures off the coast of Somalia and in the Gulf of Aden as well as Asia, international rule-making to strengthen the rule of law in outer space and cyberspace, as well as the efforts of the international community regarding the Arctic.<sup>191</sup>

One of the reasons underpinning Japan's respect for the rule of law in the international community relates to its historical path in the 20th century. At the 70th anniversary commemoration of the end of the Second World War, Abe declared: 'With deep repentance for the war, Japan made that pledge ... Upon it, we have created a free and democratic country, abided by the rule of law, and consistently upheld that pledge never to wage a war again.'<sup>192</sup> His statement went on to highlight Japan's commitment to the rules-based liberal international order, reflecting on the circumstances leading up to the Second World War in Asia:

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<sup>188</sup> Ibid.

<sup>189</sup> Japan's Cabinet Secretariat (2013), *National Security Strategy*, Tokyo, 17 December 2013, <https://www.cas.go.jp/jp/siryou/131217anzenhoshou/nss-e.pdf> (accessed 5 Feb. 2019).

<sup>190</sup> Ibid.

<sup>191</sup> MoFA (2017), *Diplomatic Bluebook 2017*, Tokyo, <https://www.mofa.go.jp/policy/other/bluebook/2017/html/index.html> (accessed 5 Feb. 2019).

<sup>192</sup> Prime Minister of Japan and his Cabinet (2015), 'Statement by Prime Minister Shinzo Abe', Cabinet Decision, 14 August 2015, [https://japan.kantei.go.jp/97\\_abe/statement/201508/0814statement.html](https://japan.kantei.go.jp/97_abe/statement/201508/0814statement.html) (accessed 5 Feb. 2019).

Japan attempted to break its deadlock with force... Upon this reflection, Japan will continue to firmly uphold the principle that any disputes must be settled peacefully and diplomatically based on the respect for the rule of law and not through the use of force, and to reach out to other countries in the world to do the same.<sup>193</sup>

At the end of the Second World War, Japan chose to become a peace-loving nation with a limited military force. Largely owing to Article 9 of the Constitution, Japan has refrained from relying on its military power to resolve international disputes. Under the banner of 'proactive contributor to peace based on international cooperation', Abe has placed Japan's policy for consolidating the rules-based international order at the core of the country's own diplomatic strategy.<sup>194</sup> The White Paper on Development Cooperation 2017 focuses on Japan's efforts in 'maintaining free and open international order based on the rule of law'.<sup>195</sup> Japan's current ODA policy broadens these goals to include the maintenance and enhancement of the rules-based international order, and both the UK and Japan use their development assistance policy to defend it.

With both Russia and China challenging previous international rules and agreements, respectively, in Ukraine and the South China Sea, the UK and Japan have begun to collaborate with other like-minded countries. However, several difficulties have emerged.

### Difficulties in defending the liberal international order

The UK currently faces challenges from Russia in Europe, while Japan is confronted by challenges from China in Asia. In some areas Russia and China are hostile to existing international agreements and rules, but they also seek to create new rules and agreements that are based on, and more suited to, their own visions for regional order.<sup>196</sup> Former Chinese Ambassador to the UK Fu Ying has argued that the 'existing world order is built and led by the US, which is also known as "Pax Americana"'.<sup>197</sup> She complained that 'China has long been alienated politically by the Western world' and the 'US-led military alliance puts their interests above others', and pays little attention to China's security concerns.<sup>198</sup>

G7 summits have become important gatherings where leaders from seven liberal democracies agree to enhance the rules-based international order. In 2016, the G7 Ise-Shima Leaders' Declaration reaffirmed the 'serious threats' that violent extremism, terrorist attacks and other challenges pose 'to the existing rules-based international order, as well as to common values and principles for all humanity'.<sup>199</sup>

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<sup>193</sup> Ibid.

<sup>194</sup> Hosoya, Y. (2017), 'Why Abe's Global Strategy is important: Japan's Foreign and Security Policy under Prime Minister Shinzo Abe', 17 January 2017, ISPI (Istituto per gli Studi di Politica Internazionale) online, <https://www.ispionline.it/it/publicazione/why-abes-global-strategy-important-japans-foreign-and-security-policy-under-prime-minister-shinzo-abe-16181> (accessed 5 Feb. 2019).

<sup>195</sup> MoFA (2017), *Kaihatsu Kyoryoku Hakusho 2017*, White Paper on Development Cooperation 2017, Tokyo, pp. 6–7.

<sup>196</sup> For example, Fu Ying, Chairperson of the Foreign Affairs Committee, National People's Congress of China, and former Ambassador of China to the UK (2006–09), presented the Chinese conception of international order, which differs from the Western conception in certain respects. See Ying, F. (2016), 'China and the Future of International Order', speech at Chatham House, London, 6 July 2016, [http://www.chathamhouse.org/sites/default/files/events/special/2016-07-08-China-International-Order\\_0.pdf](http://www.chathamhouse.org/sites/default/files/events/special/2016-07-08-China-International-Order_0.pdf) (accessed 5 Feb. 2019).

<sup>197</sup> Ibid.

<sup>198</sup> Ibid.

<sup>199</sup> MoFA (2018), 'G7 Ise-Shima Leaders' Declaration', 26–27 June 2018, <https://www.mofa.go.jp/files/000160266.pdf> (accessed 5 Feb. 2019).

Abe hosted this summit and led the process of drafting its joint declaration, which stated: ‘We remain bound together as a group guided by our common values and principles, including freedom, democracy, the rule of law and respect for human rights’.<sup>200</sup> This position was reaffirmed at the Third Japan–UK Foreign and Defence Ministerial Meeting on 14 December 2017, when the two governments expressed their commitment to maintaining the rules-based international system, described as ‘the foundation of global security and prosperity, including through harnessing the UK’s vision of “Global Britain” and Japan’s vision of “Proactive Contribution to Peace” based on the principle of international cooperation’.<sup>201</sup>

In recent years, both the UK and Japanese governments have had to address new security challenges. Christopher Walker and Jessica Ludwig, researchers at the National Endowment for Democracy (NED), warned in their report that:

the regimes in Moscow and Beijing are essentially exploiting the opportunities of globalization while rejecting its underlying principle of free and open exchange ... This basic hostility to universal liberal norms is most clear in their propaganda narratives, which typically frame democratic values as ‘Western values’ that have no place in other parts of the world. As an alternative, the two governments promote nationalist, ‘traditional’ cultural constructs and revisionist histories that seem to justify authoritarian rule and the violation of basic human rights.<sup>202</sup>

Walker and Ludwig labelled authoritarian regimes such as Russia and China as ‘sharp powers’.<sup>203</sup> The activities of these ‘sharp powers’ have become the source of new challenges to the rules-based international order.

North Korean nuclear proliferation is another serious challenge, which the UK and Japan agreed to address on the basis of previous international rules and agreements. In a joint statement on 14 December 2017, both countries affirmed that they would:

apply maximum pressure upon North Korea to urge it to take concrete actions towards abandoning its nuclear and ballistic missile programs in a complete, verifiable and irreversible manner, thus realizing denuclearization of the Korean Peninsula.<sup>204</sup>

The question is whether or not the UK and Japan are capable of resolving these difficult problems. North Korean denuclearization is discussed and negotiated mainly by the US, North Korea and South Korea. Given that the UK and Japan have clear limitations in their efforts to settle difficult international conflicts and disputes, they must still rely on the rules-based international order.

## Conclusion

The UK and Japan currently face serious challenges to the liberal international order that they have defended for decades. Meanwhile, Russia and China are frustrated

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<sup>200</sup> Ibid.

<sup>201</sup> MoFA (2017), ‘Third UK-Japan Foreign and Defence Ministerial Meeting’, Joint Statement, 14 December 2017, <https://www.mofa.go.jp/files/000317794.pdf> (accessed 5 Feb. 2019).

<sup>202</sup> Walker, C. and Ludwig, J. (2017), ‘From “Soft Power” to “Sharp Power”’: Rising Authoritarian Influence in the Democratic World’, in National Endowment for Democracy (2017), *Sharp Power: Rising Authoritarian Influence*, Washington, DC: National Endowment for Democracy and International Forum for Democratic Studies, p. 21, <https://www.ned.org/sharp-power-rising-authoritarian-influence-forum-report/> (accessed 5 Feb. 2019).

<sup>203</sup> Ibid., p. 13.

<sup>204</sup> MoFA (2017), ‘Third UK-Japan Foreign and Defence Ministerial Meeting’.

with the existing framework, which they do not consider sufficiently serves their own interests or represents their values. However, at the same time, these authoritarian regimes can agree to observe certain rules as long as these benefit their own national interests. Although the liberal international order is in decline, the UK and Japan should take a more proactive lead in defending it.

For example, freedom of navigation is one of the most important foundations of the liberal international order. The UK and Japan are now more willing than before to defend it in the South China Sea and the Indian Ocean. Both India and Australia can join them to enhance this commitment. Simultaneously, the UK and Japanese prime ministers are arguing more boldly about the importance of preserving multilateral institutions such as the UN and the WTO, at a time when the US president is harshly criticizing and undermining the same institutions.

The UK and Japan are not alone in undertaking this task. The leading member states of the EU are also committed to defending the rules-based international order, as stated in several published joint statements and declarations. Even Russia and China are willing to support it in some areas. The EU–Japan Economic Partnership Agreement and Strategic Partnership Agreement can further support their efforts to defend this order, from which all can benefit.

The international community continues to face challenges and risks to the world order. The UK–Japan partnership must therefore continue to be at the heart of a liberal international order based on the rule of law. With an enhanced rules-based international order, the international community is more likely to embrace some of the liberal norms that will serve to strengthen global stability and prosperity.



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## 7. Soft-power Alliance: The UK and Japan

*Tomohiko Taniguchi*

Japan and the UK seem to be at opposite ends of the soft-power spectrum. While the UK reaps disproportionate benefits from its soft-power efforts, Japan receives dramatically less credit than its efforts often merit. Part of the disparity is structural: the UK is a soft-power ‘superpower’ owing to the global prevalence of English, and the country’s dominance in news media, publishing and university education. It is also seen as a major proponent of international institutions and the rules-based international order. Although Japan is second to none in its support for and adherence to international institutions, rules and norms of the post-Second World War order, it struggles to overcome the legacy of its colonial and wartime history. Those struggles have inhibited its ability to work with Asian neighbours and have diminished the effectiveness of its national brand. It has also caused the government of Japan to work modestly, without trumpeting its contributions from which so many benefit.

This apparent disparity provides a basis for much closer soft-power collaboration between Japan and the UK – in fact, there has been no more propitious moment for such collaboration since the US forced the termination of the Anglo–Japanese Alliance in 1923. In its efforts to cut itself loose from the European Union, the UK is in need of partners that share its liberal political and economic principles – and given the criticism of the May government’s cantankerous negotiations with Brussels, bilateral agreements between Japan and the UK would serve to restore some lustre to the British reputation for pragmatic and mutually advantageous compromise.

The government of Japan has been pushed by security challenges in Asia to take a more active role on the hard-power front, revising its national perspective on military force, increasing its defence spending, and moving beyond defence of its nation and into cooperation with allies for mutual security. These are momentous changes that will be more readily accepted both in Japan and beyond if they are part of a broader strategy to reinforce Japan as a global proponent of soft power. It would also benefit from the UK’s public championing of Japan’s good work more than its own modesty would normally allow.

The other factor encouraging closer cooperation between Japan and the UK is the abdication by the US of its role in marshalling international cooperation. Its specific withdrawal from the Trans-Pacific Partnership (TPP), and more generally its hostility to multilateral arrangements, have left an America-shaped hole at the centre of the liberal trading order. Japan, along with Australia, has taken a leadership role in preserving the TPP, which has been reconfigured as the Comprehensive and Progressive Agreement for Trans-Pacific Partnership (CPTPP), despite the US absence; the UK’s support for that leadership would strengthen the ability of Asian countries to set standards and norms that shield against Chinese dominance. Cooperation on trade between Japan and the UK has the potential to set the foundation for a much broader soft-power partnership between the two countries, and to invite cooperation

*Cooperation on trade between Japan and the UK has the potential to set the foundation for a much broader soft-power partnership between the two countries, and to invite cooperation from others in Asia and beyond*

from others in Asia and beyond. For both the UK and Japan, there is an opportunity for more soft-power activism and cooperation.

### Soft power

For Joseph Nye, the concept of soft power, as distinct from hard power, can be defined thus:

The ability to establish preferences tends to be associated with intangible power resources such as culture, ideology, and institutions. This dimension can be thought of as soft power, in contrast to the hard command power usually associated with tangible resources like military and economic strength.<sup>205</sup>

Soft power is comprised of those elements of government activity that cannot coerce or compel others: art, moral authority, reputation, and voluntary economic decisions. While Nye considers economic strength to be hard power, he and most other political scientists consider trade policy to be soft power. Gross domestic product in its raw form is hard power; the arrangements that states negotiate with each other to open markets and achieve mutual gain are soft power, as is the reputational value of being considered a fair trader and a country that abides by the rule of law and the terms of treaties to which it is a signatory.

Soft power is not something that governments can always command as it is mainly about the perception of government actions. Soft power shapes how a state's policies and actions are understood by others. It can be a force multiplier (to use the US military's jargon), accruing greater effect to actions undertaken. It can also be a force minimizer, subtracting credit that ought to accrue to a country for its actions.

At first glance, it might seem that the benefits of soft-power cooperation between the UK and Japan will accrue predominantly to Japan. But there are enormous reciprocal benefits for the UK. First, Japan is a major power in Asia, something the UK no longer is, but it will be seeking to become one with its increasing estrangement from Europe and with Asia's continued economic dynamism. Working with Japan will facilitate entry points for the UK into the economies and cultures of Asia. Second, the magnitude of the two economies – especially if joined by Australia and other similarly structured economies – is sufficient to establish norms and terms of trade that can dilute Chinese economic power. The UK itself is too small an economy and too marginal in Asia to accomplish that independently. But cooperation with Japan can be a catalyst to achieve this. There are parallels, too, beyond economics.

### The current relationship

London and Tokyo could forge better synergy in agendas of mutual significance, such as development assistance, as exemplified by the collaboration between Crown Agents<sup>206</sup> and the government of Japan.

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<sup>205</sup> Nye Jr, J. S. (1990), *Bound to Lead: The Changing Nature of American Power*, New York, New York: Basic Books, p. 32.

<sup>206</sup> Crown Agents is a non-profit entity wholly owned by Crown Agents Foundation. Established in 1833, it is among the world's oldest development assistance organizations. It began by helping to build railways, roads and other infrastructure facilities primarily to support the expansion of the British Empire. At present it operates in more than 50 countries across five continents, which are mostly but not limited to English-speaking member nations of the British Commonwealth, often in collaboration with multilateral development assistance organizations such as regional development banks.

The idea has gained renewed salience of late. Japan's 'Indo-Pacific' concept, its own brand of a new grand strategy that looks at the Indian and the Pacific Oceans as a single inseparable confluence, and the UK's emphasis on its Commonwealth connections should work to bring both nations closer together. Whether it is about building infrastructure or human capacity, London and Tokyo could do more for developing nations to foster accountability and transparency, key foundations for democratic governance, project by project. They have 'talked the talk', such as the idea of the Japan International Cooperation Agency (JICA) and Crown Agents working more closely together. Now it is time for them to 'walk the walk'.

The JICA channels Japanese taxpayers' money into aid for developing countries, either in building infrastructure or by providing such countries with assistance in the form of human capacity-building, governance reforms, and by helping to facilitate universal health coverage and the like. Japan began its official development assistance (ODA) programme only after it finished paying reparations for its wartime conduct in Asian countries, in the mid- to late 1960s. At one point the assistance programmes that the JICA provided were allegedly tied to business opportunities for Japanese civil engineering companies. However, such arrangements only made up 4.8 per cent to 17.7 per cent between 2011 and 2015.<sup>207</sup> In the context of Japan's 'Indo-Pacific' concept, it is currently focusing more on this region than it did in the past, but is said to be open to cooperating with China, as hinted publicly by Prime Minister Shinzo Abe.<sup>208</sup>

### 'Japan House' comes to London

London plays a key role in the Japanese government's pursuit of soft-power diplomacy. This was demonstrated in June 2018 by the opening of a 'Japan House' in a prestigious London location,<sup>209</sup> serving as a gateway to all things Japanese for English-speaking culture connoisseurs.

Japan's Ministry of Foreign Affairs (MoFA) will spend JPY 2.4 billion to JPY 3.2 billion<sup>210</sup> (£16.5 million – £22.1 million<sup>211</sup>) in 2017–18 to run three Japan Houses worldwide.<sup>212</sup> The mission of London's Japan House is to reach out to audiences in the English-speaking world and London-based media outlets, hence making it the most ambitious of the three. It is significant that the BBC, among other international media outlets, reaches the largest audience worldwide<sup>213</sup> and that the UK is home to some of the world's highest-ranked universities.<sup>214</sup>

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<sup>207</sup> Ministry of Foreign Affairs Japan (2016), 'Regarding ODA performance up to Heisei 28', <https://www.mofa.go.jp/mofaj/gaiko/oda/files/000276378.pdf> (accessed 26 Feb. 2019).

<sup>208</sup> Prime Minister of Japan and His Cabinet (2017), 'Asia's Dream: Linking the Pacific and Eurasia' – Speech by Prime Minister Shinzo Abe at the Banquet of the 23rd International Conference on The Future of Asia, 5 June 2017, [https://japan.kantei.go.jp/97\\_abe/statement/201706/1222768\\_11579.html](https://japan.kantei.go.jp/97_abe/statement/201706/1222768_11579.html) (accessed 6 Feb. 2019).

<sup>209</sup> One might argue that in terms of attracting public interest in the country, the choice of location, 101–111 Kensington High Street, still reflects Tokyo's bias towards looking more to the higher echelons of society rather than the much larger middle class.

<sup>210</sup> Author interview with a key official at Public Diplomacy Strategy Division, Minister's Secretariat, MoFA, on 22 November 2017.

<sup>211</sup> Using the end-of-the-day exchange rate on 30 November 2018 of GBP 1: JPY 145.13 calculated at <https://www.oanda.com/lang/ja/currency/converter/> (accessed 20 Dec. 2018).

<sup>212</sup> In addition to the London-based Japan House, two more have been established in Los Angeles and São Paulo. The budget for each individual house is not disclosed.

<sup>213</sup> Newman, N. (2017), 'The Battle for Global Audiences', in Newman, N., Fletcher, R., Kalogeropoulos, A., Levy, D. A. L. and Nielsen, R. K. (2017), *Reuters Institute Digital News Report 2017*, Oxford: Reuters Institute for the Study of Journalism.

<sup>214</sup> The University of Oxford was ranked number one and University of Cambridge number two, according to the *Times Higher Education's* 2018 rankings, [https://www.timeshighereducation.com/world-university-rankings/2018/world-ranking#!/page/0/length/25/sort\\_by/rank/sort\\_order/asc/cols/scores](https://www.timeshighereducation.com/world-university-rankings/2018/world-ranking#!/page/0/length/25/sort_by/rank/sort_order/asc/cols/scores) (accessed 25 Nov. 2017).

The UK is the second biggest recipient of Japan's FDI, after the US.<sup>215</sup> This alone makes it a focus for Tokyo's public diplomacy. Yet the latest project to establish a Japan House in London stands out in that its target audience is not only the UK public but also the wider English-speaking community across the world; it is anticipated that the UK will play the role of force multiplier for Japan's public diplomacy.

### A two-way process

Japan's focus on the UK in its pursuit of stronger public diplomacy is being reciprocated, and is likely to increase due to Brexit. The two countries' soft-power projections have thus become mutually reinforcing in an unprecedented way.

After Brexit, should the UK wish to forge bilateral free-trade agreements with the aim of maximizing economies of scale, the US, China and Japan are respectively its three biggest potential partners. As a member of the EU, the UK could not seek such bilateral agreements, but once outside the multilateral framework, it will regain its sovereign power to do so. Brexit therefore serves to highlight Japan's value as a partner for the UK. It is, after all, a large economy and, unlike China, a long-established democracy.

While scarcely any solid evidence has been available, one poll, taken in early September 2016, indicates that in the UK the public appears to be of a similar view. Asked the question: 'Following Britain's decision to leave the EU, how much of a priority is it for the UK to agree a trade deal with Japan?', 27 per cent of the 1,673 respondents considered it 'a top priority'. Clearly, Japan remains an important trade partner for the UK.<sup>216</sup>

Prime Minister Theresa May sought to reassure the Japanese business community in a speech during her August 2017 trip to Japan that a post-Brexit Britain should still be their favoured partner:

I believe that this is a good moment for like-minded partners such as Britain and Japan to be doing more together. For as we become a Global Britain – a European nation still, but one that is outside the European Union – so we will be free to engage more actively and independently, particularly in key Asian markets like Japan. And against the backdrop of a more uncertain world, it is dependable and like-minded partners such as the United Kingdom who will stand with Japan in defending the rules-based international system and the open markets on which so much of our business is based.<sup>217</sup>

During that visit she also made the case that her vision of 'Global Britain' was not merely about enhancing the UK's commercial interests across the world, but also about the projection of military might. As a symbolic gesture, she flew from Tokyo to the naval port town of Yokosuka aboard a Japanese Ground Self-Defense Force helicopter and landed on one of the biggest Japanese naval ships, the helicopter

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<sup>215</sup> According to JETRO, at the end of 2017, outstanding Japanese FDI into the UK stood at \$152.6 billion, with corresponding figures for the US and China respectively at \$491.4 billion and \$118.4 billion, <https://www.jetro.go.jp/world/japan/stats/fdi.html> (accessed 25 Feb. 2019).

<sup>216</sup> What UK Thinks: EU (2016), 'Following Britain's decision to leave the EU, how much of a priority is it for the UK to agree a trade deal with Japan?', survey data, <https://whatukthinks.org/eu/questions/following-britains-decision-to-leave-the-eu-how-much-of-a-priority-is-it-for-the-uk-to-agree-a-trade-deal-with-japan/> (accessed 3 May 2019); YouGov (2016) 'YouGov Survey Results', [https://d25d2506sfb94s.cloudfront.net/cumulus/uploads/document/wp3fw1uioo/InternalResults\\_160908\\_Trade\\_W.pdf](https://d25d2506sfb94s.cloudfront.net/cumulus/uploads/document/wp3fw1uioo/InternalResults_160908_Trade_W.pdf) (accessed 25 Nov. 2017).

<sup>217</sup> HM Government (2017), 'Prime Minister's speech to UK Japan Business Forum', 31 August 2017, <https://www.gov.uk/government/speeches/transcript-of-speech-given-by-the-prime-minister> (accessed 25 Nov. 2017).

carrier *Izumo*. There she saluted both British and Japanese officers, as liaison officers from the British Royal Navy were stationed aboard the vessel.

The relationship between Japan and the UK has strengthened to the extent that their renewed partnership evokes a revival of the early 20th century Anglo–Japanese Alliance.<sup>218</sup> Post-Brexit Britain will find in Japan a receptive and trustworthy ally to help preserve its status as a global power.

At the time of writing, the trajectory for the UK's exit from the European Union remains unclear. Equally it is uncertain whether any successor to May would share her vision of 'Global Britain'. However, it is very likely that views similar to May's will continue in the UK, and that the rules-based international order will depend on the combined efforts not only of the UK and Japan but of such countries as Australia, France, India and the US.

It serves each country's national interests to jointly recognize, as both the UK and Japanese prime ministers did in their joint declaration on security cooperation, 'that Japan and the UK are global strategic partners which share strategic interests and fundamental values such as freedom, democracy, human rights, and the rule of law'.<sup>219</sup> To communicate national identity, or more precisely in this context, to let it be known to the rest of the world what values the country wishes to uphold, is an exercise in public diplomacy. Here again, the UK and Japan can find in each other a force multiplier that mutually strengthens recognition of each other's identity.

Defining national identity is no simple matter. Shinzo Abe, to the surprise of some who viewed him simply as a right-wing nationalist, has chosen to open the country to the rest of the world on an unprecedented scale. Tokyo played an instrumental role in bringing the TPP negotiations (minus the US) to a successful conclusion in the form of CPTPP. It was equally proactive in negotiations with Europe on the Japan–EU Economic Partnership Agreement.

Immigration is an area in which Japan has looked to learn from the UK. As a result, Japan has relaxed its residency criteria to allow for the sustainable inflow of immigrants that meets the needs of Japanese society. Tokyo has introduced a points-based system in which immigrants can obtain a permanent residency visa and for high-point earners the visa can be obtained faster than in any other country. Japan is pursuing greater openness and diversity, and continues to uphold the norms of the liberal international order that it still holds dear.

By close association with the UK and its strong soft-power status, Japan can seek greater recognition from the rest of the world for its own brand of national identity. Tokyo is urging overseas citizens, including students and young government officials, wishing to build professional careers to make use of the country's government-funded scholarship programme to come to Japan for extended periods. The JICA-supported JDS programme<sup>220</sup> has focused on some of the transition economies in Central

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<sup>218</sup> According to a private conversation between the author and a UK diplomat.

<sup>219</sup> MoFA and HM Government (2017), 'Japan–UK Joint Declaration on Security Cooperation', 31 August 2017, <http://www.mofa.go.jp/mofaj/files/000285569.pdf> and [https://www.gov.uk/government/uploads/system/uploads/attachment\\_data/file/641155/Japan-UK\\_Joint\\_Declaration\\_on\\_Security\\_Cooperation.pdf](https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/641155/Japan-UK_Joint_Declaration_on_Security_Cooperation.pdf) (accessed 25 Nov. 2017).

<sup>220</sup> Initially called Japanese Grant Aid for Human Resource Development Scholarship (JDS) in 2000, the programme, the Project for Human Resource Development Scholarship, has invited young government officials from 13 countries, mostly in Central Asia, to study for master's degrees in Japan. The total was nearly 4,000 as at the end of the 2017 financial year, [https://www.jica.go.jp/english/our\\_work/types\\_of\\_assistance/grant\\_aid/types\\_jds.html](https://www.jica.go.jp/english/our_work/types_of_assistance/grant_aid/types_jds.html) (accessed 6 Feb. 2019).

Asia. The African Business Education Initiative for Youth, otherwise known as the ABE Initiative, after the prime minister initiated the programme at the fifth Tokyo International Conference on African Development, has already brought more than 1,200 people from African countries, many from the private sector, to Japan to study at graduate level. However, these programmes remain relatively unknown in the UK. Tokyo needs to make London more aware of its human capacity-building activities among developing nations, and both London and Tokyo should work together to maximize impact. The first step might be to launch a small, highly selective scholarship programme for an elite group of young leaders from Africa and elsewhere to enable them to seek dual degrees in both the UK and Japan.

### Crown Agents

A little-known actor in UK–Japanese cooperation is Crown Agents, a not-for-profit business that works in development assistance.

In 1967, not long after Japan’s emergence as a growing donor nation, Crown Agents established its representative office in Kobe. Twenty years later, Crown Agents started to work as an agent on behalf of the Japanese government to provide developing nations with non-project grant aid. In 1997 the representative office moved to Tokyo, and in 2013 it became a private company incorporated under Japanese law. Crown Agents has offices in a host of developing countries, yet among advanced countries it only has fully owned subsidiary companies in Japan and the US.

In the area of development aid Japan and the UK are already undertaking a number of joint initiatives, but there is potential for expansion. In locations where the provision of development assistance has political ramifications, such as Ukraine, Crown Agents and the government of Japan are making progress in procuring and delivering medicines, including those for the treatment of neonatal respiratory distress syndrome.<sup>221</sup>

Elsewhere, Crown Agents manage Japanese non-project grant aid to provide fertilizers in Bolivia. The Japanese government and Crown Agents are also managing forest conservation programmes in Bolivia, Côte d’Ivoire, Ghana, Kenya, Malawi and Mozambique; in Tanzania, Ghana and Bosnia and Herzegovina they are helping to expand small businesses, farming and fishing enterprises.

With the Japanese government’s aid delivery organ JICA, Crown Agents delivered seminars to local JICA offices in Azerbaijan, Bangladesh, Bosnia and Herzegovina, Brazil, India, Jordan (for Iraq), Kenya, Pakistan, Romania and Zambia. Crown Agents’ team of procurement specialists trained participants in a range of procurement processes, from preparing terms of reference to tender evaluation, contract negotiations and management.

For Japan and the UK, development assistance has been a valuable soft power tool. The Japan Overseas Cooperation Volunteer (JOCV) programme, launched one year after Tokyo held the 18th Olympic Games in 1964 as the country’s coming-of-age event, and the UK’s VSO activities increasingly find in each other a similar dedication

*In the area of development aid Japan and the UK are already undertaking a number of joint initiatives, but there is potential for expansion*

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<sup>221</sup> For more information on Crown Agents’ projects, see <https://www.crownagents.com/> (accessed 21 Feb. 2019).

to helping to eradicate poverty and other problems in developing countries.<sup>222</sup> There is now an encouraging trend in both countries where there is a growing number of non-governmental and non-profit organizations, many of which are run by young volunteers focusing on development aid in Africa and elsewhere.

## Conclusion

Not long ago Japan was often referred to as an ‘economic giant’ and a ‘political pygmy’.<sup>223</sup> The country’s economic prowess has suffered since and its focus has shifted to its global political standing. One way to pursue that goal is to use its soft-power assets. The country is ranked highly in the world’s soft-power league table.<sup>224</sup>

If it is possible for Japan to partner with another established democracy, this should help to make its own brand more robust. This chapter has indicated that one such partner could well be the UK, and that what Japan and the UK already do together in development aid should be emulated in other areas.

The UK remains a permanent member of the UN Security Council and is home to top-ranking universities, media organizations and think-tanks. All of which have allowed the country to ‘punch above its weight’ on the global stage, but as it seeks to exit the EU it is debatable how long it can sustain this capacity. The ‘Global Britain’ branding exercise can be seen as a pre-emptive move to counter accusations of parochialism in the future.

Events scheduled for 2019 and 2020 in Japan are destined to bring the UK and Japan closer together. A number of ceremonies marking the change of the Japanese throne will see members of royal families from around the world invited to Tokyo, among whom the British are likely to stand out.

The UK is also ratcheting up its cooperation with Japan to help it better prepare for terror attacks – both cyber and physical – in the run-up to Japan hosting the Olympic and Paralympic games in 2020. BAE Systems, which first detected cybertheft by North Korea, is providing Japanese companies with consultancy services, and dialogue has intensified between the police and the military of both countries. Never before has there been such a strong rationale propelling both the UK and Japan to join forces to enhance each other’s soft power. The next two to three years will give them a golden opportunity to do exactly that.

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<sup>222</sup> Mark Burke recorded in his memoir as a VSO volunteer his experience of collaborating with members of JICA in Zambia. Burke, M. (2010), *Glimmers of Hope: Memoir of a Volunteer in Zambia*, North Charleston: CreateSpace, pp. 352–53.

<sup>223</sup> See, for instance, Dobson, H., Gilson, J., Hook, G. D. and Hughes, C. (2005), *Japan’s International Relations: Politics, Economics and Security*, London: Routledge, p. 7.

<sup>224</sup> McClory, J. (2017), *The Soft Power 30: A Global Ranking of Soft Power 2017*, London/Portland: USC Center on Public Diplomacy, <https://softpower30.com/wp-content/uploads/2017/07/The-Soft-Power-30-Report-2017-Web-1.pdf> (accessed 6 Feb. 2019). Japan is ranked sixth in this survey. Countries ranked first to fifth are respectively France, the UK, the US, Germany and Canada.

## 8. Strengthening the UK–Japan Partnership for Global Peace and Stability

Akiko Yamanaka

*This chapter draws on the discussions from the UK–Japan Global Seminar series. It outlines the author’s thoughts on how and why the UK and Japan might work together to address the challenges to global peace and stability facing both countries and the world at large. The opinions expressed reflect the author’s personal views in a private capacity, separate from any official Japanese government position.*

### Threats to the international order

#### An era of instability

Political dynamics in the international arena have changed radically in recent years. A fierce struggle to preserve order is being waged at many levels – international, state and individual – between stark dichotomies of, *inter alia*, development versus environmental protection, national interests versus international (common) objectives, and even military solutions versus non-military alternatives. It confirms the view that the early years of the 21st century represent an era of increased tensions and contradictory pressures, and that a balanced approach towards addressing its challenges is more important than ever before.

The international landscape has been increasingly marked by extensive inter-ethnic and sectarian conflicts. Global problems such as illegal drugs, terrorism, the proliferation of weapons of mass destruction in certain countries, the emergence of new diseases and increasingly frequent natural disasters due to climate change, are exacerbated by the scramble for control of diminishing natural resources. All these factors threaten to put peace and stability at risk. Further complicating these global issues are emerging, often more localized phenomena such as sea piracy, financial instability, cyberterrorism, and extremist-inspired violence, combined with the ongoing political and social uncertainties surrounding Brexit, and other electoral outcomes.

If the UK and Japan are to help change the world’s historical dependence on war to resolve disputes, it is very important to revisit the concept and value of ‘preventive diplomacy’. Prevention and mitigation of both natural and human-induced disasters should be rooted in this concept and predicated on non-violent means being applied to resolving international conflicts. If such preventive measures do not work, then it is imperative to have the hard capability and strength required to step in and enforce peace where necessary, as a last resort. In the case of natural disasters, too, the application of preventive diplomacy provides a platform from which any nation or state is free to choose to cooperate with the global community, regardless of conflicting politics and ideologies.



### An unstable security situation

Northeast Asia faces a number of endemic security risks with the potential to disrupt not only the immediate region, but other parts of the world as well. North Korea is a clear example.

The North Korean leader, Kim Jong-un, seems unlikely to give up his country's nuclear weapons programme and intercontinental ballistic missile (ICBM) capabilities if his regime is to survive. Nevertheless, a historic US–North Korea Summit was held in Singapore on 12 June 2018, followed by a second – apparently unsuccessful – summit between President Donald Trump and Kim Jong-un in Hanoi in late February 2019. No one knows where this process may lead – and there are many sceptics – but the hope persists that a diplomatic solution could prevent another Korean war and the termination of North Korean nuclear weapons development (and any further deployment of ICBMs). In the context of the decades-old abductee issue,<sup>225</sup> North Korea agreed with Japan in 2014 that a thorough investigation would be conducted. The agreement has yielded no results as yet, although there are signs that the two countries may be willing to reopen discussions on how best to resolve this humanitarian issue, as well as explore options for closer diplomatic contact.<sup>226</sup> In the South China Sea, sovereignty of the Spratly and Paracel islands have remained a contentious issue. These islands have caused territorial disputes among six countries – China, Taiwan, Vietnam, the Philippines, Malaysia and Brunei – ever since a UN investigation into the region's seabed resources in the 1970s. The Senkaku/Diaoyu islands in the East China Sea followed a similar pattern, and were claimed by China after a similar investigation into natural seabed resources a few years beforehand. China has been extracting oil from these reserves for years, in spite of an agreement signed with Japan in 2008 aimed at joint development of the resources there.

### Mitigating existing threats

Human security is an overriding concern for all nations. From observation of refugee camps in Jordan and elsewhere, it seems clear that the key challenge for receiving states lies in their ability to empower refugees in ways that reflect their diversity and varying needs.

There is also a critical need to empower the communities, states and nations that accept them. Jordan, with a local population of less than 7 million,<sup>227</sup> has accepted 1.5 million Syrian refugees. Lebanon is also experiencing the same phenomenon of accepting a disproportionately huge influx of refugees in relation to the original population. Assistance in providing education and infrastructure

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<sup>225</sup> See, for example, Ministry of Foreign Affairs of Japan (2018), 'Japan-North Korea relations', 28 December 2018, [https://www.mofa.go.jp/region/asia-paci/n\\_korea/abduction/index.html](https://www.mofa.go.jp/region/asia-paci/n_korea/abduction/index.html) (accessed 21 Feb. 2019).

<sup>226</sup> Takayama, Y., Shibue, C. and Horiyama, A. (2018), 'Moon: Kim will talk with Japan at "appropriate" time; comfort women issue still a problem', *The Mainichi*, 27 September 2018, <https://mainichi.jp/english/articles/20180927/p2a/00m/0na/008000c> (accessed 3 Oct. 2018).

<sup>227</sup> The 2015 census put the number of Jordanian nationals at 6,613,587, including some 1.3 million Syrians. See Department of Statistics (undated), *General Population and Housing Census 2015: Main Results*, [http://dosweb.dos.gov.jo/censuses/population\\_housing/census2015/](http://dosweb.dos.gov.jo/censuses/population_housing/census2015/) (accessed 13 May 2019). According to UNHCR data, the total number of refugees in Jordan was 756,551 in April 2019, of whom 665,498 were from Syria. See UNHCR (2019), Operation Portal, Refugee Situations 'UNHCR Jordan Fact Sheet April 2019', <https://data2.unhcr.org/en/documents/details/69371> (accessed 13 May 2019).

*Japan can and should challenge itself to contribute more to establishing enduring peace and stability*

support, including housing, is essential simply from a human security perspective, regardless of differences in race, religion or nationality.

Japan cannot just ignore the global situation despite the fact that domestically it is still grappling with the problem of 50,000 displaced people<sup>228</sup> who continue to struggle physically and mentally as a result of the Tohoku Earthquake and the Fukushima Daiichi nuclear power plant disaster of 2011. Japan has had painful first-hand experience of the challenges faced by those who have lost everything and remain stuck in limbo owing to events – whether natural or human-induced – that are beyond their control.

The refugee issue needs to be brought before the UN Security Council if there is to be any hope of achieving the goal of peace and stability in the world. Security Council members need to demonstrate to extremists, wherever they are, that world leaders can and will wield their collective power in a united way. In this regard, the UK, as a permanent member of the Security Council, can work together with Japan, which served as a non-permanent member most recently in 2016–17.

### Cybersecurity

With the growing prevalence of the ‘internet of things’ across all systems and networks, cybersecurity has become a major focus of shared concern. Much consideration is being given to the question of how Japan can cooperate with its UN partners in terms of preparing to face emerging threats from non-kinetic cyber and electronic warfare. Such a response requires a strategic combination of traditional security measures, employing military tools and perspectives, in tandem with the development of non-traditional security measures centred on conflict prevention and resolution, but extending into the realm of cybersecurity and applications of artificial intelligence. This means promoting regional confidence-building measures, as well as implementing a range of economic, political and humanitarian security objectives that take account of our shared and growing dependence on new technologies. Given the reality of state-to-state cyberattacks that require new deterrence strategies and approaches to conflict management, it has never been more necessary to clearly define the guidelines for applying these technologies in both military and non-military areas.

### The next steps for Japan

Addressing the UN General Assembly in September 2013, Prime Minister Shinzo Abe announced a new security approach for Japan, which he termed a ‘Proactive Contribution to Peace’.<sup>229</sup> This was a very timely message in that it outlined the approach he planned to take to meet the new emerging global threats to peace. Japan can and should challenge itself to contribute more to establishing enduring peace and stability, drawing on lessons from its own often painful history.

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<sup>228</sup> Matsuura, N., Sugihara, J. and Takeuchi, K. (2019), ‘8 years after Fukushima, 52,000 search for a new home’, *Nikkei Asian Review*, 11 March 2019, <https://asia.nikkei.com/Politics/8-years-after-Fukushima-52-000-search-for-a-new-home> (accessed 14 May 2019).

<sup>229</sup> Abe, S. (2013), ‘Address by Prime Minister Shinzo Abe, at The Sixty-Eighth Session of the General Assembly of The United Nations’, Prime Minister of Japan and His Cabinet, 26 September 2013, [https://japan.kantei.go.jp/96\\_abe/statement/201309/26generaldebate\\_e.html](https://japan.kantei.go.jp/96_abe/statement/201309/26generaldebate_e.html) (accessed 3 Oct. 2018).

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## The rationale for increased UK–Japan cooperation

There are two main reasons why UK–Japan cooperation is increasingly necessary in the interests of maintaining global order. First, Japan’s influence in the international community had undeniably begun to fade by 2010, in comparison with that of China and South Korea, not least because of Japan’s loss of economic competitiveness. International expectations of Japan as a global economic player, and even general cultural interest in Japan, have declined since that period, especially in Europe. Since Abe took office in 2012, however, his approach to economic policy – dubbed ‘Abenomics’<sup>230</sup> – has shown slow but steady progress in reversing this downward trend. The ratio of registered job vacancies to job applications had reached 1.48 by April 2017,<sup>231</sup> indicating that his economic policies were working well, although a stronger and more powerful ‘third arrow’<sup>232</sup> on growth strategy and structural reform is still needed. At the same time, Japan has become politically more visible internationally because of the prime minister’s commitment to his belief that ‘diplomacy is taking a panoramic perspective of the world map’. This leaves Japan well placed to collaborate with the UK in helping the international community to seek a more positive and progressive direction.

*Japan has become politically more visible internationally because of the prime minister’s commitment to his belief that ‘diplomacy is taking a panoramic perspective of the world map’*

Second, the international situation has never been more fluid or more complex. It is important to recognize the rise of new players in Southeast Asia and the BRICS that are now becoming more active in world politics. International markets are changing just as the established order is becoming more unstable. Populism is on the rise, and problems persist in the eurozone. These changes represent an opportunity for new voices to step forward as world leaders able to take a new and more positive future direction in global diplomacy.

A particularly striking global shock came in June 2016 with the UK’s referendum decision to leave the EU. Subsequent developments in the presidential contests in the US and France, in which populist, nativist political forces were seen to make considerable headway – contributing to Trump’s election in the US later that year, and the progression of Marie Le Pen, the candidate of the far-right Front National, to the second round of the French presidential election in 2017 (at which she was ultimately defeated by En Marche candidate Emmanuel Macron) showed clearly that populist movements against the established order cannot be ignored. In the face of such developments, it has become even more critical that the UK and Japan cooperate closely.

## UK–Japan cooperation in tandem with other states

Japan and the UK have actively engaged in the joint development of their defence capabilities. Their respective strengths complement each other in many ways. For example, Japan needs to develop more effective intelligence gathering and analysis capabilities, while the UK could benefit from Japanese hard technologies such as

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<sup>230</sup> ‘Abenomics’ has a three-pronged focus on monetary easing, fiscal expansion and structural reform.

<sup>231</sup> Iwamoto, K. (2017), ‘Japan’s jobs-to-applicants ratio highest in 43 years’, *Nikkei Asian Review*, 30 May 2017, <https://asia.nikkei.com/Economy/Japan-s-jobs-to-applicants-ratio-highest-in-43-years> (accessed 14 May 2019).

<sup>232</sup> Abe, S. (2013), “‘Japan is Back’”, Policy Speech by Prime Minister Shinzo Abe at the Center for Strategic and International Studies (CSIS), Prime Minister of Japan and His Cabinet, 22 February 2013, [https://japan.kantei.go.jp/96\\_abe/statement/201302/22speech\\_e.html](https://japan.kantei.go.jp/96_abe/statement/201302/22speech_e.html) (accessed 2 Oct. 2018).

car and train production, as well as soft expertise such as its Building Standard Law and the Law Concerning Special Financial Aid for Coping with Disasters (the Disaster Law) for better disaster preparedness.

Moreover, ensuring a mutual relationship of trust will have a significant impact for both Japan and the UK; for instance, in the creation of a new non-military alliance, very different in nature from the alliance struck in 1902.<sup>233</sup> Both partners have the opportunity to inject their own unique strengths into the alliance, and this would send a powerful message to the US (which is currently losing much ground in terms of its international leadership role), as well as to Russia (whose return to the international community as an influential actor would bring huge benefits – if it can address the grave concerns regarding its violation of the sovereignty and territorial integrity of Ukraine). Then, ideally, all four states would be able to work together to eliminate the danger of ISIS expansion, and cooperate to address the security challenge of North Korea. While the White House remains officially optimistic, it is unclear whether the direct talks between the US and North Korea – hindered by the need for each side to ‘save face’ – will move towards a resolution that benefits the international community.

### **UK–Japan and the US**

Democratic countries are at a critical juncture in terms of implementing traditional political concepts of democracy. They will have to work together to agree a renewed definition that will, in practice, enable a more effective application of democracy on a global scale in these uncertain times. The rise of populism in the US and the erratic behaviour of the current US leadership have made it all the more imperative that Japan and the UK should demonstrate calm, democratic leadership to which the world can look for reassurance. US signals of support to the UK after Brexit, and Japan’s historically strong relationship with the US, provide a foundation for collaboration going forward. Clearly, Japan has a strong vested interest in the role the US will play in regional security, and in turn needs to play a bridging role between the US, China and North Korea, with diplomatic support from the UK.

### **UK–Japan and ASEAN**

The UK, through its ties to the Commonwealth, has maintained strong links with South and Southeast Asia. The Commonwealth organization is a remarkable achievement, and Japan feels great respect for the UK in its handling of post-colonial relations, especially in the light of its own difficult and politically sensitive experience in attempting to maintain friendly relations with the Association of Southeast Asian Nations (ASEAN) countries. Notwithstanding its post-war ODA activity, Japan continues to struggle with anti-Japanese sentiment in this region. There is no question that the democratic growth and stability of ASEAN countries are critical to the maintenance of regional security, and the influence and experience of the UK in establishing a democratic legacy could contribute greatly to the success of this aim.

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<sup>233</sup> The first Anglo-Japanese Alliance was signed in London on 30 January 1902. The alliance was forged by a desire on both sides to stop Russian expansion into Europe and Asia.

### **UK–Japan and US cooperation over the South China Sea**

Thoughtful collaboration between Japan and the UK, as well as with the US, Australia and New Zealand, will be essential in order to minimize the risk of conflict over the Spratly and Paracel islands in the South China Sea. In addition to cooperation between the countries involved in the dispute, it is also imperative to build consensus with ASEAN countries around this issue. Every state must, moreover, be able to navigate freely on the high seas. This is particularly vital to Japan for commercial reasons, but it is also important to the US and its other allies in order to maintain free access for regional security purposes.

### **UK–Japan and US relations with North Korea**

Japan, the UK, the US and South Korea, along with other European countries that still have diplomatic relations with Pyongyang, must cooperate to avoid accidental conflicts. The UK, and other European countries, should continue, together with Japan, to facilitate dialogue and, where appropriate, engagement with North Korea.

### **UK–Japan and the US on Middle East issues**

Regarding the Middle East, Japan and the UK can encourage the US to take a more balanced approach in order to reach a fair resolution of the conflict between Israel and Palestine. The UK has demonstrated its concern and willingness to participate in the process of maintaining peace and stability in the region, and there are many aspects on which Japan can cooperate with the UK as well as with the US, Sweden, Norway and Canada. If a two-state solution can still be achieved as part of a comprehensive peace settlement between Israel and Palestine, many other associated problems, including with Iran and Saudi Arabia, could potentially be easier to resolve.

### **UK–Japan, the US and Russia and the fight against ISIS**

The international community clearly understands that it must unite in order to defeat ISIS. Japan and the UK have a common interest in working with other actors, including the US and Russia, in confronting the challenge of ISIS. Russia has been heavily involved in reducing its power. This success has shifted global concern towards ways of approaching the Russian-backed Assad regime in Syria, which continues to be a concern shared by Japan, the UK and the US. The democratic community cannot admit Russia as a member of any working group without first seeing its withdrawal from Ukraine.

### **UK–Japan and the US on the expansion of NATO**

Japan, the UK and the US can work together to see Japan included as an extended member of NATO. In Japan, the laws to expand the role of its armed forces overseas were revised in 2015 amid much controversy, but the changes now enhance the capacity of its Self-Defense Forces (SDF), in principle, to serve potentially as a member of NATO in a wider role. Japan may be free to revisit the discussion of NATO expansion, as a democratic nation in Northeast Asia that is ready to contribute more directly to promoting both regional stability and security in other parts of the world.

### **UK–Japan and the US on cyberterrorism and non-traditional security threats**

Japan, the UK and the US all have an important contribution to make towards improving global information security and tackling cyberterrorism – or, perhaps more accurately, cyberwarfare. Cyberattacks originating in particular from China, Russia and North Korea have become increasingly aggressive. How the international community should respond to and defend itself against such attacks, which target both technology and confidential diplomatic and defence information, is a critical question that must be urgently addressed.

Intelligence is the key to the survival of every nation in the 21st century, both economically and politically. Even if there is no immediate solution, the goal must be to establish universally accepted international rules by which each nation can securely manage and defend its own intellectual assets and property, as well as guidelines to govern future applications of artificial intelligence and robotics, especially related to the military.

### **UK–Japan and the US on economic stability**

Economic growth lies at the heart of stability for every developed country. In recent years, growth has relied on globalization, which has created an increasingly interconnected world. These linkages are extremely complex. The rise in populism in many countries is symptomatic of the fear that these complexities can provoke. The impacts of climate change, food and water insecurity, the reality of dwindling natural resources in the face of global population growth, and the displacement of populations arising from these factors, are all difficult to address. The US, the world's largest economy, has a responsibility to act as the leader of the international community from an ever-deepening and widening perspective. Japan and the UK can and should work strategically with the US to smooth its path back to this role.

Japan and the UK should work together to encourage the US to recognize the negative effects of protectionism and should seek to encourage the US to rethink the underlying mechanisms of economics and trade as soon as possible.

The Economic Partnership Agreement (EPA) between Japan and the EU entered into force in February 2019.<sup>234</sup> It will be beneficial for the UK to develop its own post-Brexit trade relations with Japan. One option is for the UK to become a member of CPTPP. It will also be important for the UK to resist becoming trapped in restrictive bilateral trade talks with the US, where the economic leverage of the latter might be used in a way that undercuts the UK's economic interests. Engagement with CPTPP and its signatory countries, most notably Japan, that remain committed to mutual and shared legal standards and the need to avoid trade protectionism, is likely to be in the national interest of the UK.

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<sup>234</sup> European Commission (2019), 'In Focus: EU-Japan Economic Partnership Agreement', <http://ec.europa.eu/trade/policy/in-focus/eu-japan-economic-partnership-agreement/> (accessed 13 May 2019).

### **UK–Japan and the EU**

While the UK has struggled to establish a new relationship with the EU, Japan has maintained very good relations with all European countries. Close relationships with the various royal families are very important for Japan, and there is no question that its relations with the UK's royal family are particularly close. Japan is waiting to see the long-term results of the UK's negotiations with the EU over Brexit, particularly the uncertainty surrounding the movement of people, goods, finance and legal contracts. Japan is prepared to support both the UK and the EU through this period, in the hope that good relations will be maintained on all sides. At present, the UK appears isolated within Europe. A robust UK–Japan non-military alliance should therefore work well as one approach to smoothing future relations between the UK and the EU.

### **UK–Japan and ASEAN**

All ASEAN nations are undergoing rapid economic development based on infrastructure support through Japanese ODA. However, relations between these countries and Japan remain sensitive as a result of their experiences during the Second World War. Recently, as noted above, China's economic support for the region has grown substantially, particularly for the states that lay claim to the Spratly and Paracel islands.

The UK has good access to ASEAN states. It has an opportunity for much closer economic and trade relations through a joint approach with Japan, which has a particularly good relationship with Myanmar, through both Aung San Suu Kyi and the military government. Although the UK has kept its distance from the latter, supporting the development of Myanmar in cooperation with Japan would provide the UK with the opportunity to deepen its engagement with ASEAN countries while potentially keeping open the door to an improvement in the political, economic and social conditions of all the inhabitants of Myanmar.

### **Strategic suggestions for shared projects**

In order to promote further constructive collaboration between Japan and the UK, the below three projects could benefit both, as well as contribute to regional and global economic health and stability. These would be part of a timely new UK–Japan alliance for disaster prevention and peacebuilding, based on 'best in class' British diplomacy and first-class Japanese technology:

- The establishment of a disaster prevention and peacebuilding network;
- Joint studies on the technological development of warning systems as well as recovery activities, and their transfer to third countries; and
- Promotion by the UK and Japan, together with the US, of the concept of preventive diplomacy and science-based climate change diplomacy in order to seek common ground in the new world order.

*Japan and the UK can and should aim for a comprehensive approach to peace that begins with conflict prevention*

### Why is further UN empowerment needed?

Nearly 75 years after the end of the Second World War, the UN remains the only truly worldwide organization. Its membership has expanded to 193 countries, from 51 at the time of its establishment in 1945. An upgraded management system is therefore required in order to meet current needs. Moreover, Japan – which has been a UN member since 1956 – is still counted as an ‘enemy state’ by the wording of the UN Charter. This needs to be rectified given the role that Japan now plays in the global community.

Empowering the UN is essential. Given the prevalence and persistence of regional conflicts, the need to empower UN peacebuilding operations is clear. Japan and the UK can and should aim for a comprehensive approach to peace that begins with conflict prevention and follows through in the final phase to UN actions based on preventive diplomacy, as highlighted in the Report of the UN’s High-Level Independent Panel on Peace Operations led by José Ramos-Horta in 2015.<sup>235</sup>

### Conclusion

Japan and the UK have much in common, but also bring very different strengths to the realms of politics, economics, security, society and each country’s collective mentality. It is clear that the two countries can find many fruitful avenues for cooperation that will contribute to raising the consciousness of the international community. The most pressing issues can perhaps be best understood through the three concepts listed below:

#### Ensuring social resilience

A simple glance at the world map of conflicts highlights the threats to global security. At the same time, natural disasters such as earthquakes, droughts and floods, to name but a few, are increasing year-on-year. In 2017 alone, losses caused by natural disasters amounted to an estimated \$306 billion.<sup>236</sup> Therefore, we have to consider how to ensure societies’ resilience, from human life to infrastructure. The theory of preventive diplomacy can be applied to the prevention of natural and human-induced disasters.

#### Seeking out common interests

The UK and Japan must actively seek out common interests in order to avoid conflicts and wars, especially in the cyber and space domains, and equally through their shared interest in the world’s fragile natural resources, including the Arctic and Antarctic regions.

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<sup>235</sup> See United Nations Department of Political Affairs (2015), ‘16 June 2015, Information note on High-Level Independent Panel on Peace Operations’, <https://www.un.org/undpa/en/speeches-statements/16062015/HIPPO-report> (accessed 4 Mar. 2019).

<sup>236</sup> Swiss Re. estimate, cited in BBC News (2017), ‘Cost of global disasters ‘jumps to \$306bn in 2017’’, 21 December 2017, <https://www.bbc.co.uk/news/business-42435834> (accessed 21 Feb. 2019).



### **Preserving order**

Limiting the spread of conventional and strategic weapons is vital as new and increased threats to international order arise. The struggle to offset these threats is being waged on international, state and even individual levels in a context where, despite mutual interests, common values increasingly risk being undermined.

Through the UK–Japan Global Seminar series, speakers who represent the best and brightest of both countries have shared many diverse perspectives. In doing so, they have offered a firm base from which both countries can move to the next stage in meeting global challenges. The value that this seminar has brought far exceeds initial expectations. The world community deserves and expects this kind of practical effort to be run on behalf of the people of both Japan and the UK – an effort that is open to the public and run by NGOs in cooperation with representatives from the political arena. The UK–Japan Global Seminar series, and similar events, can ensure that global issues are addressed strategically and thoughtfully for the global good.

### **Target areas for joint UK–Japan cooperation**

- Stabilize the global security situation from the perspective of strategic logic and through physical support;
- Achieve domestic economic development for both countries through knowledge-sharing and cooperative action;
- Establish a non-military alliance involving Japan, the UK and the US to ensure that the US (with the world's strongest economy and military capability) conducts itself as a balanced world leader, in terms of both international economics and the security of the world community;
- Encourage the international community to raise its awareness of the need to enforce basic democratic principles, maintenance of the rule of law, and the importance of upholding international treaties and agreements; and
- Support the peaceful development of economic and security stability in ASEAN countries, utilizing Japan's expertise in the area of ODA, and the UK's experience in cultivating a Commonwealth-type network.

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## 9. Looking Ahead: Political Transitions and Domestic Political Uncertainty

*John Nilsson-Wright*

Forecasting in international relations is, at the best of times, a challenging undertaking. In the current climate of global uncertainty – an environment shaped by shifting power relationships, doubts about the sustainability of long-term economic growth, concerns regarding the efficient functioning of international institutions, the risks posed by climate change, and the apparent vulnerability of liberal democracy as a system of government in the face of new populist and authoritarian challenges – anticipating future trends is especially difficult. The contributions in this extended report have analysed developments in Japan and the UK across a range of areas (economic, political, cultural and in the security context), while also considering how best the UK and Japanese governments might work together more productively. Without revisiting the concrete proposals addressed in the individual chapters and summarized at the start of the report, this concluding chapter takes a brief look ahead to provide an assessment of the political conditions in both Japan and the UK that might affect the general capacity and willingness of the two governments to work together to enhance their bilateral relationship. It makes the case, too, that given the gravity and immediacy of these challenges – particularly the threats to established norms of democratic governance and the vulnerability of states to foreign propaganda via the exploitation of social media – there are clear incentives for the UK and Japan to enhance their cooperation. There is scope for both countries to expand their joint efforts as international partners, if not formal allies, with a focus on common values and the importance of maintaining open, resilient societies and the safeguarding of liberal democratic norms.

### From Heisei to Reiwa

This report is published at a time when Japan and the UK are at critical turning points in their respective domestic politics and roles in the world. For Japan, this has been marked very explicitly by the beginning, on 1 May 2019, of a new era associated with the abdication of former Emperor Akihito and the accession to the Chrysanthemum Throne of his son, former Crown Prince Naruhito. Japan's Heisei era (1989–19) – a term that can be loosely translated as 'achieving peace' or 'realizing peace' – has concluded, and the country has now embarked on Reiwa – translated variously as 'auspicious harmony/peace' or 'beautiful harmony/peace'.<sup>237</sup>

For the Abe administration, with its focus on reinforcing multilateralism, strengthening the rule of law and promoting liberal internationalism, the selection of the new era name appears to reflect a number of core objectives. The government is seemingly keen to encourage a forward and optimistic outlook on the part of the Japanese people, and to foster a climate of stability at home and abroad. Early indications are that

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<sup>237</sup> Nilsson-Wright, J. (2019), 'Akihito: A Forceful Defender of Peace', Chatham House Expert Comment, 30 April 2019, <https://www.chathamhouse.org/expert/comment/akihito-forceful-defender-peace> (accessed 3 May 2019).

*Early indications are that the transition from one emperor to another – and the choice of the new era name – has been a success in terms of public relations*

the transition from one emperor to another – and the choice of the new era name – has been a success in terms of public relations.<sup>238</sup>

The Japanese public remains supportive of the monarchy, both as an institution and in terms of the occupants of the throne. Emperor Akihito was a highly popular figure, partly due to his success in humanizing the imperial institution during his 30-year reign, and also because of his firm commitment to peace – exemplified by his willingness to visit the sites of former wartime conflicts to recognize the suffering of all victims, both Japanese and foreign combatants and civilians. Naruhito will almost certainly continue the tradition of his father, and his cosmopolitan outlook – perhaps a function of having been educated in part overseas (he studied as a graduate student in the UK at Oxford for two years in the 1980s) – is well aligned with the outward-looking and internationally engaged stance that the Abe government wishes to promote. By all accounts, the Japanese public seems broadly supportive of this stance, while remaining concerned about the importance of maintaining economic growth at home, and cautious about the circumstances and conditions under which Japan's armed forces might become involved, however tangentially, in any future security conflict.

The Abe administration continues to be actively involved regionally and globally through a variety of initiatives, and the government has shown a sustained interest in proactively engaging in a range of policy areas. This in part reflects the direct challenges facing Japan, both in its immediate neighbourhood and further afield, but is also, arguably, a response to the emerging leadership vacuum created by the emergence of a more unilateralist US under the leadership of Donald Trump.

Japan's policy activism is underlined in a number of areas: its support for CPTPP; the active promotion since 2013 of the concept of a Free and Open Indo-Pacific; its increased defence activism, symbolized by rising expenditure on defence, relaxation of the rules governing arms exports, and a commitment to participate in collective self-defence initiatives that transcend Japan's traditional focus on the US–Japan alliance; the adoption of a more dynamic defence strategy focused on a broader range of security challenges that encompass traditional and non-traditional security threats, including 'grey zone' contingencies; and the government's commitment to a range of 'minilateral' security partnerships, not just within East Asia but increasingly with a range of European partners – including most notably the UK.

Moreover, Japan's hosting – for the first time – of the G20 leaders' summit in Osaka in June 2019 offers Abe an important opportunity to underline the country's commitment to multilateralism, the rule of law and an open and liberal trading system;<sup>239</sup> and in the course of the year a number of important foreign visitors will travel to Japan for the G20 and other meetings. Donald Trump, for example, made a state visit to Japan in late May, becoming the first foreign leader to meet with Emperor Naruhito, and he is due to return in June for the G20 summit. Xi Jinping will also attend the G20 (the first visit by a Chinese leader to Japan since 2010, when Hu Jintao met with then Prime Minister Yukio Hatoyama), and there has been talk of a follow-up visit by the Chinese leader in the autumn of 2019.

<sup>238</sup> *The Mainichi* (2019), '65% like the new Imperial era name "Reiwa": Mainichi Survey', 16 April 2019, <https://mainichi.jp/english/articles/20190416/p2a/00m/0na/006000c> (accessed 3 May 2019).

<sup>239</sup> For further details of Japan's G20 presidency, see The Government of Japan (2019), 'G20 Japan 2019: G20 Summit & Ministerial Meetings to be Held for the First Time in Japan', <https://www.japan.go.jp/g20japan/> (accessed 3 May 2019).

## Brexit paralysis

Given the deep uncertainty regarding the UK's withdrawal from the EU, it remains unclear how much immediate scope there is for strengthened and lasting partnership between the UK and Japan. At an official level, the UK's 'Global Britain' strategy is intended to signal its appetite to remain actively involved in international affairs, including close cooperation with Japan. Prime Minister Abe's visit to the UK in January 2019, followed in April by UK Foreign Secretary Jeremy Hunt's visit to Tokyo, have been useful opportunities for the two governments to emphasize their joint commitment to sustaining and enhancing the bilateral relationship. But there is no doubt that many in Japan, both within government and in academic and policy circles more broadly, are worried about the UK government's ability to devote sufficient attention to global issues – including the partnership with Japan – given the ongoing failure to resolve the vexatious issue of Brexit.<sup>240</sup>

The UK's original intended departure date from the EU, 29 March 2019 (two years after the triggering of Article 50 of the Treaty on European Union), has now passed. Prime Minister May's failure to secure parliamentary support for the withdrawal agreement led her to request an extension of the negotiation period from the European Council, to avoid the UK leaving the EU without a deal. With a new deadline of 31 October 2019, the government is now under pressure to find a way of achieving a parliamentary majority for the withdrawal agreement, which the EU has said it will not reopen or renegotiate. However, the UK parliament remains deeply divided over how to implement the 2016 referendum decision, and, at present, there is no majority in support of May's deal, a second referendum, a more abrupt, 'no-deal' exit, or a modified, 'softer' future relationship – whether in the form of a customs union or membership of the internal market via the European Economic Area (EEA) agreement, sometimes dubbed the 'Norway model'.

The difficulties for the government partly reflect profound ambiguity about the substantive nature of the vote to leave the EU. While Prime Minister May had confidently proclaimed that 'Brexit means Brexit', it is clear that there is little consensus, either among the electorate or within parliament, on how to implement the 2016 referendum result. This definitional uncertainty has contributed to divisions within the UK's two main political parties, the governing Conservatives and the main opposition Labour. With parliament gripped by political paralysis as it seeks to find a way out of the Brexit deadlock, voters appear to have become increasingly disillusioned with the mainstream parties and more inclined to back smaller parties and political independents, a trend reflected in the increased share of the vote achieved by the Liberal Democrats, the Green Party and independent candidates in the local council elections held at the beginning of May 2019.<sup>241</sup> Not only did the Conservatives suffer a comprehensive loss of more than 1,300 seats, but Labour

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<sup>240</sup> See for example McCurry, J. (2019), 'Japan almost cancelled Brexit talks due to 'high-handed' letter – report', *Guardian*, 18 February 2019, <https://www.theguardian.com/world/2019/feb/18/japan-almost-cancelled-brexit-talks-high-handed-letter-liam-fox-jeremy-hunt> (accessed 6 May 2019); *Japan Times* (2019), 'Abe asks UK foreign secretary Jeremy Hunt to minimize Brexit impact on Japan firms and the world', 15 April 2019, <https://www.japantimes.co.jp/news/2019/04/15/business/abe-asks-u-k-foreign-secretary-jeremy-hunt-minimize-brexit-impact-japan-firms-world/#.XNB69S97FQI> (accessed 6 May 2019).

<sup>241</sup> Walker, P. (2019), 'Tories and Labour suffer Brexit backlash as Lib Dems gain in local elections', *Guardian*, 3 May 2019, <https://www.theguardian.com/politics/2019/may/03/liberal-democrats-conservatives-labour-local-elections-brexit-2019> (accessed 3 May 2019).

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failed to capitalize on widespread disaffection with the government, losing 60 seats in total, an outcome far below their hoped-for gain of 400 seats.<sup>242</sup>

Lack of clarity over Brexit has also fuelled uncertainty regarding the leadership of the Conservative Party, with, at the time of publication of this report, Theresa May's intended resignation as leader, effective from 7 June, now confirmed. The contest to succeed her, with multiple candidates in the running, has added to the political uncertainty, heightening the risk of a hard, no-deal Brexit – a position that has been endorsed by a number of May's would-be successors. Allied to this internal party instability are concerns that a failure to break the Brexit impasse could prompt May's successor to dissolve parliament and call a general election in an effort to establish a clear mandate with UK voters. Such a strategy may prove unwise given the poor showing of the Conservatives in the local elections, and their catastrophic performance in the EU parliamentary elections at the end of May, when the Conservatives saw their support slashed to 9 per cent of the vote, from 23 per cent five years earlier, and their elected MEPs cut from 19 to just four. If an election is judged too risky for the government, and if, therefore, the parliamentary arithmetic cannot be changed, then the only solution may be for the government to accede to demands for a second referendum, or 'people's vote', in an effort to secure popular backing for the terms of the withdrawal agreement.

It is no coincidence that a number of prominent Japanese companies have meanwhile felt compelled to reassess their investment commitments to the UK. Two leading Japanese car manufacturers, Nissan and Honda, have cut back on their production in the UK, with Honda electing to close its Swindon factory altogether.<sup>243</sup> Other companies have made similar decisions, with both Sony and National Panasonic, for example, announcing plans to move their European headquarters from the UK to the Netherlands.<sup>244</sup> With some 1,000 Japanese companies based in the UK, employing around 140,000 UK workers, it is understandable that senior Japanese government officials have been particularly anxious to secure greater clarity from the UK government and have been especially exercised by the risk of a 'hard' Brexit. Abe himself, during his April 2019 visit to Europe, which included talks with European Council President Donald Tusk and European Commission President Jean-Claude Juncker, laid out in stark terms the economic risks to the UK of the consequences of continuing decision-making paralysis or any outcome that might involve the possibility of a no-deal Brexit:

The position of Japan is that the UK is a country that is a member of the EU. Because of that, many Japanese companies have made investments in Britain. Under the backdrop of a no-deal Brexit, this is what we have to avoid by all means. For a certain period, legal stability is required, foreseeability and transparency are necessary for Japanese companies to continue to [sic] their business operations.<sup>245</sup>

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<sup>242</sup> Parker, G., Pickard, J. and Hughes, L. (2019), 'UK local elections: Tories and Labour suffer losses', *Financial Times*, 3 May 2019, <https://www.ft.com/content/215cdccc-6d71-11e9-80c7-60ee53e6681d> (accessed 6 May 2019).

<sup>243</sup> Conway, E. (2019), 'Japan's ambassador warns more firms could leave UK over Brexit', *Sky News*, 4 March 2019, <https://news.sky.com/story/japan-issues-corporate-warning-over-no-deal-brexit-11655086> (accessed 3 May 2019).

<sup>244</sup> BBC News (2018), 'Panasonic to move Europe headquarters from UK to Amsterdam', 30 August 2018, <https://www.bbc.co.uk/news/business-45351288> (accessed 3 May 2019); BBC News (2019), 'Sony to move Europe headquarters to avoid Brexit disruption', 23 January 2019, <https://www.bbc.co.uk/news/business-46968720> (accessed 3 May 2019).

<sup>245</sup> Barnes, J. (2019), 'Japanese firms could pull out of UK in no deal Brexit – Japan PM in STERN WARNING to UK', *Daily Express*, 25 April 2019, <https://www.express.co.uk/news/uk/1118998/Brexit-news-UK-EU-Japan-Shinzo-Abe-no-deal-Brexit-business-latest> (accessed 3 May 2019).

## Domestic political uncertainty in Japan

While Prime Minister Abe can take comfort from having been successfully re-elected as president of the governing LDP in September 2018, his political fortunes are not necessarily impervious to risk. On the positive side of the political balance sheet, Abe benefits from relatively stable support for his government at around the 50 per cent mark. The country also is benefiting from one of its longest periods of sustained economic growth, albeit at a relatively modest level of approximately 1 per cent per year. Given Japan's declining population, this translates into a relatively high per capita GDP; and with unemployment at historic low levels, it might be expected that this would be a source of strong political backing for the government, especially in a context where the country's opposition parties appear divided and demoralized.

*Less positively for Abe, there are reports of declining confidence in the political process on the part of both the general public and individual politicians*

Less positively for Abe, there are reports of declining confidence in the political process on the part of both the general public and individual politicians, who feel themselves increasingly detached from political life. According to the political scientist Taichiro Mitani, Japan is experiencing a 'two-fold political alienation', in which, as cited by Masaki Taniguchi, 'not only the public but also politicians, and in particular politicians centrally involved in government, lack a sense of agency'.<sup>246</sup> This growing disillusionment with mainstream politics may be the result of the perception that the LDP administration is either complacent or arrogant. Damaging corruption scandals, such as the Moritomo and Kake controversies,<sup>247</sup> and, in early 2019, a controversy regarding the reliability of government labour statistics, may be undermining support for the government.<sup>248</sup> The Abe government has also been unsettled by the forced resignation, in April, of two cabinet ministers,<sup>249</sup> as a result of politically clumsy and insensitive public statements, and the LDP has also suffered its own local election losses. Despite being able to capitalize on poor opposition performance in the April local elections, the governing party was defeated in two key by-elections in Okinawa and Osaka, and was defeated by the right-of-centre Japan Innovation Party (Isshin no Kai) in the Osaka mayoral and governorship contests.<sup>250</sup>

Prime Minister Abe will face a greater political challenge in July 2019, when voters will go to the polls again to elect just over half the membership of the House of Councillors, the powerful upper house of the Diet. The government is keen to build on its current tally of 124 seats out of 245, and in particular to secure a stable, two-thirds majority – a benchmark that is critical in being able to pursue constitutional

<sup>246</sup> Taniguchi, M. (2017), *How can Japan overcome two-fold alienation? The destabilization of the middle class and the emptying-out of the political mainstream*, NIRA Opinion Paper No. 32, August 2017, p. 6, [http://english.nira.or.jp/papers/opinion\\_paper/2017/08/how-can-japan-overcome-two-fold-political-alienation--the-destabilization-of-the-middle-class-and-th.html](http://english.nira.or.jp/papers/opinion_paper/2017/08/how-can-japan-overcome-two-fold-political-alienation--the-destabilization-of-the-middle-class-and-th.html) (accessed 3 May 2019).

<sup>247</sup> The Moritomo and Kake scandals relate to two educational institutions, Moritomo Gakuen and Kake Gakuen, involved in promoting two separate initiatives – a kindergarten and elementary school in Osaka in the case of Moritomo, and a veterinary department in Ehime prefecture in the case of Kake. Both institutions were suspected of having received favourable treatment from the government, an allegation that Prime Minister Abe has strenuously denied. While the allegations have not been proven, they were the source of extensive debate in the Diet in 2017, and threatened at one point to seriously erode public support for the government and for Abe personally.

<sup>248</sup> *The Mainichi* (2019), 'Ruling LDP trying to distance itself from labour ministry over data scandal', 1 February 2019, <https://mainichi.jp/english/articles/20190201/p2a/00m/0fp/002000c> (accessed 3 May 2019).

<sup>249</sup> BBC News (2019), 'Japan's Yoshitaka Sakurada resigns as Olympics minister', 11 April 2019, <https://www.bbc.co.uk/news/world-asia-47889356> (accessed 3 May 2019); *Nikkei Asian Review* (2019), 'Japanese vice land minister quits over remarks on favoring Abe', 5 April 2019, <https://asia.nikkei.com/Politics/Japanese-vice-land-minister-quits-over-remarks-on-favoring-Abe> (accessed 3 May 2019).

<sup>250</sup> *Japan Times* (2019), 'The falling voter turnout and no-vote elections', 8 April 2019, [https://www.japantimes.co.jp/opinion/2019/04/08/editorials/falling-voter-turnout-no-vote-elections/#.XMvps\\_MxQI](https://www.japantimes.co.jp/opinion/2019/04/08/editorials/falling-voter-turnout-no-vote-elections/#.XMvps_MxQI) (accessed 6 May 2019).

reform, a key policy goal for Abe and his allies. As already noted, Japan will host the G20 summit in Osaka in June, and Abe has been hoping that the prominent role this gives his government in demonstrating its international leadership capacity – particularly in making the case for global cooperation and the multilateral rules-based order – will boost support for the LDP during the elections.

However, the mixed local election results, together with the drip-feed of negative news in the context of scandals and resignations, have caused some conservative politicians to suggest that Abe may need to implement more substantive measures to offset public disaffection – in the form of a delay to the planned increase in Japan's consumption tax (which is scheduled to rise from 8 to 10 per cent in October 2019), or a dissolution of the lower House of Representatives. The latter would bring about joint elections to both houses of the Diet, which may, the calculation goes, boost voter turnout and thereby increase the government's standing in both chambers. Neither would be without risks, including that the government will be judged as overly opportunistic or willing to defer electorally unpopular but fiscally sensible decisions (such as the consumption tax increase) designed to address the country's parlous and persistent national debt problem.

## Conclusion

It is too early to say how electoral calculations and political volatility at home will affect and potentially limit the opportunities for bilateral cooperation between the UK and Japan. There is evidence that voters in both countries are less committed and less ideologically aligned with mainstream, traditional parties, and more volatile in their voting behaviour. This creates additional challenges for the two national governments and their leaders in retaining the support of their electorates. One way of doing so is by maintaining economic prosperity at home while also demonstrating leadership abroad – two tasks that are seemingly all the more difficult in the context of doubts surrounding the long-term resilience of the global economy and the threats to international order and the viability of international institutions.

Shinzo Abe has, by the standards of the post-1945 period, been an especially proactive and engaged Japanese leader who has benefited from an unusually long tenure as prime minister. For the immediate future, his political position looks relatively secure, both within his party and in the country. Barring a political upset for the LDP in the July elections, Abe is likely to continue unchallenged as prime minister, and there is a good prospect that he will remain in office until 2021.

It is unclear who will succeed Theresa May as Conservative Party leader and, by extension, as prime minister. Several of the declared leadership contenders have spoken forcefully in favour of a no-deal Brexit should the UK not reach a deal with the EU that can secure parliamentary approval before the deadline on 31 October. The consequences for the UK's foreign policy of a no-deal exit are hard to predict, but leaving without a deal would almost certainly be massively disruptive both economically and politically. Notwithstanding any existing or future hard-Brexit preparations, it seems unlikely that there will be much administrative capacity or political space to allow for meaningful foreign policy planning for some time.

In the case of Japan, when it comes to foreign policy, there is little sign that Prime Minister Abe has lost any appetite to remain fully engaged in promoting the diplomatic interests of his country. His visits to Europe and the US in April 2019 have provided multiple opportunities to emphasize Japan's capacity for proactivism. Meeting President Emmanuel Macron in Paris on 24 April, Abe was able to underscore his commitment to upholding the multilateral trading system through Japan's hosting of the G20 meeting in June and support for the G7 meeting that will be hosted by France in Biarritz in August. Franco-Japanese cooperation will also involve continued application of sanctions against North Korea, joint maritime deployments in the Indo-Pacific, and a commitment to promote new digital trade rules – the so called 'Osaka Track' – in part designed to address concerns about potential efforts by China to limit the free flow of information beyond its borders.<sup>251</sup>

Japan's position on China is complex and nuanced. Its substantial trade and investment exposure in the Chinese market (China is a critical destination for Japanese exports, accounting for 19 per cent of Japan's export earnings in 2017<sup>252</sup>) means that sustaining a positive bilateral relationship with Beijing is critically important – especially given the intensifying trade war between the US and China, which threatens to undercut the opportunities for Japanese firms based in China to export their goods to the US market.

It is no accident that Trump's aggressive unilateralism, particularly on economic issues, has given rise to an improvement in Sino-Japanese ties as both countries have increasingly hedged against the risks associated with a more unpredictable and transactional US. Since October 2018, when Abe visited Beijing (the first time in seven years that a Japanese premier had visited China exclusively for summit-level bilateral talks),<sup>253</sup> there have been a succession of high-level Japanese visits to China – a sign of warming ties that are likely to be reinforced when Xi Jinping visits Japan for the G20 summit. There is the possibility, too, of a state visit by Xi to Japan in the autumn of 2019.

Despite this convergence of interests, Japan's leaders remain wary of China in other areas – whether over maritime security tensions in the South China Sea, territorial disputes in the East China Sea, cybersecurity challenges, or more general Japanese defence concerns over China's expanding regional military capabilities. China's Belt and Road Initiative, and the expanding influence of the AIIB as an instrument for Beijing to deploy aid and development resources to enhance its geopolitical influence not just in Asia and Africa, but increasingly in Europe, are a persistent source of worry to the Japanese administration.

For this reason, Abe, on his visit to Europe, combined his meetings in Paris and Brussels with a trip to Bratislava on 25 April 2019 to meet with the leaders of Slovakia, the Czech Republic, Poland and Hungary. The meeting with these Visegrad Group

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<sup>251</sup> Ikeda, K. and Sakuda, N. (2019), 'Japan, France to cooperate on "digital trade" rules', *Japan News*, 24 April 2019, <http://the-japan-news.com/news/article/0005695145> (accessed 6 May 2019).

<sup>252</sup> Statistics Japan (2019), *Japan Statistical Yearbook 2019*, Chapter 6 Foreign Trade, Balance of Payments and International Cooperation, 6-1 Exports by Principal Country and Commodity (2017), <https://www.stat.go.jp/data/nenkan/68nenkan/zuhyou/y680601000.xls> (accessed 8 May 2019). For comparison, the US, the top destination for Japan's exports in 2017, accounted for 19.3 per cent of export revenue.

<sup>253</sup> Hurst, D. (2018), 'Abe wants 'new era' in China-Japan relations', *The Diplomat*, 26 October 2018, <https://thediplomat.com/2018/10/abe-wants-new-era-in-china-japan-relations/> (accessed 6 May 2019).



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leaders was an opportunity not just to sustain international pressure on North Korea and to guard against the risks of a ‘hard’ Brexit by the UK, but also, and most importantly, to counter China’s increased efforts to forge alliances in Central and Eastern European states as a leading development infrastructure partner.<sup>254</sup>

Prime Minister Abe has thus continued his energetic, peripatetic diplomatic style, following his trip to Europe with an important visit to Washington, DC, for meetings with Donald Trump, intended to address the challenging matter of bilateral trade talks (an area where Japan is anxious to avoid mercantilist pressure from the US administration), and also the perennial question of how to address the security risk of North Korea.

While the US–Japan security partnership remains strong, privately Japanese officials worry, given the impulsive and narrowly self-interested behaviour often displayed by the US president, about the reliability of US security guarantees and the danger that trade and defence issues will become intertwined and increasingly transactional.<sup>255</sup>

The Abe administration needs, therefore, to tread a fine line, maintaining as much diplomatic flexibility as possible, while remaining closely aligned with the US to limit policy initiatives that might compromise Japan’s interests. For Tokyo, this means, for example, avoiding US punitive tariffs on Japan’s car exports, blocking US Treasury-led moves to incorporate restrictive currency agreements in bilateral trade talks, or guarding against Japan’s marginalization in the negotiations with North Korea on issues such as preserving international sanctions or safeguarding the interests of the families of Japan’s abductees.

Japan and the UK, as long-standing allies of the US, and as mid-sized powers grappling with substantial security risks in their immediate neighbourhoods – as well as wider global, systemic, political, strategic and economic challenges – have powerful incentives to boost their bilateral cooperation. As this report has made clear, there is a great deal that the two countries are already doing, in a range of areas, that should be welcomed and celebrated. These include supporting international institutions such as the G7, the G20, the WTO and the International Criminal Court; strengthening ties between their respective armed forces and policy planning mechanisms; pursuing new bilateral trade accords; sharing innovative ways to address social challenges such as ageing or changing urban environments; and using cultural initiatives, education and foreign aid policy to address global problems.

Such cooperation represents a first step in the right direction. Arguably, much more could be done, particularly in respect of the broader issue of values rather than interests. Both the UK and Japan are committed to the rule of law and international order, but at a time when liberal democratic values and the values of tolerance associated with open societies are being threatened or undermined, not just by ‘familiar’ authoritarian regimes (such as China and Russia), but in some

*Japan and the UK, as long-standing allies of the US, and as mid-sized powers grappling with substantial security risks in their immediate neighbourhoods have powerful incentives to boost their bilateral cooperation*

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<sup>254</sup> Kodama, S. (2019), ‘Japan woos Eastern Europe as Belt and Road moves West’, *Nikkei Asian Review*, 18 April 2019, <https://asia.nikkei.com/Spotlight/Belt-and-Road/Japan-woos-Eastern-Europe-as-Belt-and-Road-moves-west> (accessed 6 May 2019).

<sup>255</sup> Takeo, Y. (2019), ‘What’s at stake and at risk in the US-Japan trade talks’, *Fortune*, 1 May 2019, <http://fortune.com/2019/04/30/us-japan-trade-talks/> (accessed 6 May 2019).

cases within established democracies such as Italy,<sup>256</sup> much more could be done to combat the disturbing tendency to tilt in a more distinctly illiberal direction. How best to do this is open to debate, but at the very least, a forceful rhetorical defence of the importance of sustaining values of free speech and open debate, and of guarding against efforts by foreign powers to use social media and other means to distort such debate, is important.

Potentially, the UK and Japan could work together to make this argument more openly and more vigorously. They could also work together privately and – where appropriate – publicly to signal their reservations or, in some cases, their direct opposition to a more unilateralist posture by the US, or the worrying tendency by Donald Trump to implicitly condone or in some cases actively support the actions of authoritarian regimes. A coarsening of political rhetoric, and declining respect for institutional norms and democratic freedoms, are worrying trends in which the success of ‘populist’ figures such as Trump is both a symptom and a cause of the declining resilience and increased vulnerability of universal liberal values.<sup>257</sup>

It is worth noting that, alongside the measurable material interests of securing economic markets, global prosperity and protecting national territory, the norms and values of openness, tolerance and democratic accountability were key objectives – albeit, often imperfectly pursued – for the powers that prevailed in the key conflicts (the two world wars and the Cold War) at the heart of international politics in the 20th century.

The UK, including through its long support for the British Council and its network of international connections and support for self-governance via the Commonwealth, is well placed to defend and promote these values through the active use of its not inconsiderable soft power. Japan, with its considerable international status and resources as the world’s third largest economy, and as a country able to draw on an accomplished and highly professional civil service as well as a number of prominent charitable and educational foundations, is also well positioned to support these values. A sustained and energetic bilateral commitment to upholding common values would be an important way of demonstrating the lasting benefits of the global and proactive perspectives of the UK and Japanese governments, and would help to establish a new and appropriately ambitious agenda for addressing the critical challenges of the 21st century.

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<sup>256</sup> Saviano, R. (2019), ‘Wake up, Italians – our country is in a state of democratic emergency’, *Guardian*, 12 March 2019, <https://www.theguardian.com/commentisfree/2019/mar/19/italy-democratic-emergency-migrants-racist-attacks> (accessed 6 May 2019).

<sup>257</sup> Bardella, K. (2019), ‘Trump’s subpoena obstruction has fractured the Constitution’s systems of checks and balances’, *NBC News*, 5 May 2019, [https://www.nbcnews.com/think/opinion/trump-s-subpoena-obstruction-has-fractured-constitution-s-system-checks-ncna1002101?fbclid=IwAR2EJF0\\_Fmh2\\_j9CyXbXI6yr1fA8saqzl8mWMa0XRU9gzct3F1ZTmLkV9Ls](https://www.nbcnews.com/think/opinion/trump-s-subpoena-obstruction-has-fractured-constitution-s-system-checks-ncna1002101?fbclid=IwAR2EJF0_Fmh2_j9CyXbXI6yr1fA8saqzl8mWMa0XRU9gzct3F1ZTmLkV9Ls) (accessed 8 May 2019).

## Acronyms and Abbreviations

ACSA	Acquisition and Cross Servicing Agreement
AfD	Alternative für Deutschland
AI	artificial intelligence
AIIB	Asian Infrastructure Investment Bank
APEC	Asia-Pacific Economic Cooperation
API	application program interface
ASEAN	Association of Southeast Asian Nations
BRI	Belt and Road Initiative
BRICS	Brazil, Russia, India, China, South Africa
CJK	China, Japan, [South] Korea
CPTPP	Comprehensive and Progressive Agreement for Trans-Pacific Partnership
CVID	comprehensive, verifiable and irreversible (nuclear) disarmament
DFID	Department for International Development
DPJ	Democratic Party of Japan
EEC	European Economic Community
EPA	Economic Partnership Agreement
EU	European Union
FCO	Foreign & Commonwealth Office
FDI	foreign direct investment
fintech	financial technology
FIS	Future Investment Strategy
FPÖ	Freiheitliche Partei Österreichs
FTA	free-trade area/agreement
GATT	General Agreement on Tariffs and Trade
GPIF	Government Pension Investment Fund
GRIPS	[National] Graduate Research Institute for Peace and Security
ICBM	intercontinental ballistic missile
IMF	International Monetary Fund
IPR	intellectual property rights
ISDS	investor–state dispute settlement
JCPOA	Joint Comprehensive Plan of Action
JET	Japan Exchange and Teaching
JETRO	Japan External Trade Organization
JIC	Joint Intelligence Committee
JICA	Japan International Cooperation Agency
JNAAM	Joint New Air-to-Air Missile
JNP	Japan New Party
JOCV	Japan Overseas Cooperation Volunteer
JRS	Japan Revitalization Strategy
LDP	Liberal Democratic Party [of Japan]

## The UK and Japan: Forging a Global and Proactive Partnership

### Acronyms and Abbreviations

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M&A	mergers and acquisitions
MoFA	Ministry of Foreign Affairs
NAFTA	North American Free Trade Agreement
NATO	North Atlantic Treaty Organization
NEPP	New Economic Policy Package
NIRA	National Institute for Research Advancement
NSA	National Security Adviser
NSC	National Security Council
NSID	National Security, International Relations and Development
NSS	National Security Strategy/Secretariat
ODA	official development assistance
OECD	Organisation for Economic Co-operation and Development
PFI	private finance initiative
PPP	public–private partnership
RBIS	rules-based international system
RCEP	Regional Comprehensive Economic Partnership
SDSR	Strategic Defence and Security Review
SNA	System of National Accounts
SNTV	single non-transferrable vote
SPA	Strategic Partnership Agreement
SPC	special purpose company
TICAD	Tokyo International Conference on African Development
TLO	technology licensing organization
TTIP	Transatlantic Trade and Investment Partnership
TTP	Trans-Pacific Partnership
UNCLOS	United Nations Convention on the Law of the Sea
WTO	World Trade Organization

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## UK–Japan Global Seminar Series: Past Events and Publications

May 2013	Roundtable	Japan’s Abe Administration: Economic and Foreign Policy Challenges <a href="https://www.chathamhouse.org/events/view/190935">https://www.chathamhouse.org/events/view/190935</a>
June 2013	Conference	UK–Japan Global Seminar: Fostering Strategic Partnerships <a href="https://www.chathamhouse.org/events/view/190373">https://www.chathamhouse.org/events/view/190373</a>
July 2013	Roundtable	Japan’s Changing Defence Policy <a href="https://www.chathamhouse.org/events/view/192639">https://www.chathamhouse.org/events/view/192639</a>
February 2014	Roundtable	Year Two of the Abe Administration: Prospects for the Future of Japanese Foreign Policy and UK–Japan Relations <a href="https://www.chathamhouse.org/events/view/196887">https://www.chathamhouse.org/events/view/196887</a>
March 2014	Conference Report	UK–Japan Global Seminar: Fostering Strategic Partnerships <a href="https://www.chathamhouse.org/publications/papers/view/198757">https://www.chathamhouse.org/publications/papers/view/198757</a>
June 2014	Roundtable	Japan’s ‘Proactive Contribution to Peace’: Implications for Regional Security <a href="https://www.chathamhouse.org/event/japan-s-proactive-contribution-peace-implications-regional-security">https://www.chathamhouse.org/event/japan-s-proactive-contribution-peace-implications-regional-security</a>
June 2014	Roundtable	Japan’s Maritime Disputes: Contested History and Geopolitical Realities <a href="https://www.chathamhouse.org/event/japans-maritime-disputes-contested-history-and-geopolitical-realities">https://www.chathamhouse.org/event/japans-maritime-disputes-contested-history-and-geopolitical-realities</a>
October 2014	Conference	The Role of the Nation State in Addressing Global Challenges: Japan–UK Perspectives <a href="https://www.chathamhouse.org/event/role-nation-state-addressing-global-challenges-japan-uk-perspectives">https://www.chathamhouse.org/event/role-nation-state-addressing-global-challenges-japan-uk-perspectives</a>
November 2014	Roundtable	Media and Politics in Japan: Fukushima and Beyond <a href="https://www.chathamhouse.org/event/media-and-politics-japan-fukushima-and-beyond">https://www.chathamhouse.org/event/media-and-politics-japan-fukushima-and-beyond</a>
March 2015	Conference Report	The Role of the Nation-State in Addressing Global Challenges: Japan–UK Perspectives <a href="https://www.chathamhouse.org/publication/role-nation-state-addressing-global-challenges-japan-uk-perspectives">https://www.chathamhouse.org/publication/role-nation-state-addressing-global-challenges-japan-uk-perspectives</a>
March 2015	Roundtable	Demography, Gender and the Problems of Japan’s Economy <a href="https://www.chathamhouse.org/event/demography-gender-and-problems-japans-economy">https://www.chathamhouse.org/event/demography-gender-and-problems-japans-economy</a>

## The UK and Japan: Forging a Global and Proactive Partnership

### UK–Japan Global Seminar Series: Past Events and Publications

July 2015	Roundtable	The Role of Europe in East Asian Strategic and Territorial Issues <a href="https://www.chathamhouse.org/event/role-europe-east-asian-strategic-and-territorial-issues">https://www.chathamhouse.org/event/role-europe-east-asian-strategic-and-territorial-issues</a>
September 2015	Research paper	Japan's Abe Administration: Steering a Course between Pragmatism and Extremism <a href="https://www.chathamhouse.org/publication/japans-abe-administration-steering-course-between-pragmatism-and-extremism">https://www.chathamhouse.org/publication/japans-abe-administration-steering-course-between-pragmatism-and-extremism</a>
September 2015	Conference	The Future of Capitalist Democracy: UK–Japan Perspectives <a href="https://www.chathamhouse.org/event/future-capitalist-democracy-uk-japan-perspectives">https://www.chathamhouse.org/event/future-capitalist-democracy-uk-japan-perspectives</a>
November 2015	Roundtable	Japan and the Rise of China <a href="https://www.chathamhouse.org/event/japan-and-rise-china">https://www.chathamhouse.org/event/japan-and-rise-china</a>
February 2016	Conference Paper	The Future of Capitalist Democracy: UK–Japan Perspectives <a href="https://www.chathamhouse.org/publication/future-capitalist-democracy-uk-japan-perspectives">https://www.chathamhouse.org/publication/future-capitalist-democracy-uk-japan-perspectives</a>
February 2016	Roundtable	The UK, Japan and the Changing International Order <a href="https://www.chathamhouse.org/event/uk-japan-and-changing-international-order">https://www.chathamhouse.org/event/uk-japan-and-changing-international-order</a>
May 2016	Roundtable	Banking on Asia: The United States, Japan and Asia's Multilateral Development Banks <a href="https://www.chathamhouse.org/event/banking-asia-united-states-japan-and-asia-s-multilateral-development-banks">https://www.chathamhouse.org/event/banking-asia-united-states-japan-and-asia-s-multilateral-development-banks</a>
October 2016	Research paper	Brexit and its Consequences: Anglo-Japanese Relations in a Post-EU Referendum World <a href="https://www.chathamhouse.org/publication/brexit-and-its-consequences-anglo-japanese-relations-post-eu-referendum-world">https://www.chathamhouse.org/publication/brexit-and-its-consequences-anglo-japanese-relations-post-eu-referendum-world</a>
October 2016	Conference	Challenge and Uncertainty in a Volatile World: Japan–UK Perspectives <a href="https://www.chathamhouse.org/event/challenge-and-uncertainty-volatile-world-japan-uk-perspectives">https://www.chathamhouse.org/event/challenge-and-uncertainty-volatile-world-japan-uk-perspectives</a>
October 2016	Roundtable	Addressing Crises and Promoting Peace Around the World: The Evolution of Japan's Approach <a href="https://www.chathamhouse.org/event/addressing-crises-and-promoting-peace-around-world-evolution-japans-approach">https://www.chathamhouse.org/event/addressing-crises-and-promoting-peace-around-world-evolution-japans-approach</a>
January 2017	Roundtable	Japan's Grand Strategy and the US–Japan Alliance <a href="https://www.chathamhouse.org/event/japans-grand-strategy-and-us-japan-alliance">https://www.chathamhouse.org/event/japans-grand-strategy-and-us-japan-alliance</a>
February 2017	Conference Paper	Challenge and Uncertainty in a Volatile World: Japan–UK Responses <a href="https://www.chathamhouse.org/publication/challenge-and-uncertainty-volatile-world-japan-uk-responses">https://www.chathamhouse.org/publication/challenge-and-uncertainty-volatile-world-japan-uk-responses</a>

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### UK–Japan Global Seminar Series: Past Events and Publications

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June 2017	Roundtable	Coping with Gray Zone Situations: Japan’s Strategy and Challenges <a href="https://www.chathamhouse.org/event/coping-gray-zone-situations-japan-s-strategy-and-challenges">https://www.chathamhouse.org/event/coping-gray-zone-situations-japan-s-strategy-and-challenges</a>
September 2017	Conference	Anglo-Japanese Cooperation in an Era of Growing Nationalism and Weakening Globalisation <a href="https://www.chathamhouse.org/event/anglo-japanese-cooperation-era-growing-nationalism-and-weakening-globalization">https://www.chathamhouse.org/event/anglo-japanese-cooperation-era-growing-nationalism-and-weakening-globalization</a>
October 2017	Roundtable	Implications of a Power Vacuum in East Asia <a href="https://www.chathamhouse.org/event/implications-power-vacuum-east-asia">https://www.chathamhouse.org/event/implications-power-vacuum-east-asia</a>
December 2017	Roundtable	Korea and a Japan Divided <a href="https://www.chathamhouse.org/event/korea-and-japan-divided">https://www.chathamhouse.org/event/korea-and-japan-divided</a>
February 2018	Conference Paper	Anglo-Japanese Cooperation in an Era of Growing Nationalism and Weakening Globalization <a href="https://www.chathamhouse.org/publication/anglo-japanese-cooperation-era-growing-nationalism-and-weakening-globalization">https://www.chathamhouse.org/publication/anglo-japanese-cooperation-era-growing-nationalism-and-weakening-globalization</a>

Various multimedia outputs from the UK–Japan Global Seminar series, including its ‘Japan and the World’ podcast series, can be found at <https://www.chathamhouse.org/about/structure/asia-pacific-programme/uk-japan-global-seminar-series>.

## The UK and Japan: Forging a Global and Proactive Partnership

### About the UK–Japan Global Seminar Series

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#### About the UK–Japan Global Seminar Series

The UK–Japan Global Seminar series explored how the two countries can work together more effectively to address a number of critical challenges that the world is facing in the economic, security and social spheres.

Both countries are in a position to capitalize more fully on their respective comparative advantages in order to confront these common challenges. Closer cooperation will offer increased scope and opportunity to identify common strategic priorities and to devise appropriate solutions.

To this end, the annual conferences of the UK–Japan Global Seminar series, held alternately in London and Tokyo, discussed these shared concerns and identified practical ways to deepen UK–Japan cooperation. The project produced a range of publications and hosted discussion groups to provide opportunities for policy experts, analysts and decision-makers from the UK and Japan to assess their respective approaches to a range of challenges.

The UK–Japan Global Seminar series, coordinated and led by Chatham House, was funded by The Nippon Foundation and held in partnership with The Nippon Foundation and The Great Britain Sasakawa Foundation.

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