



CHATHAM HOUSE

Chatham House, 10 St James's Square, London SW1Y 4LE
T: +44 (0)20 7957 5700 E: contact@chathamhouse.org
F: +44 (0)20 7957 5710 www.chathamhouse.org

Charity Registration Number: 208223

Transcript

UK-Japan Global Seminar: Fostering Strategic Partnerships

Ambassador Hiroaki Fujii

Chairman, Mori Arts Center; Japanese Ambassador to the UK (1994-97)

20 June 2013

The views expressed in this document are the sole responsibility of the author(s) and do not necessarily reflect the view of Chatham House, its staff, associates or Council. Chatham House is independent and owes no allegiance to any government or to any political body. It does not take institutional positions on policy issues. This document is issued on the understanding that if any extract is used, the author(s)/ speaker(s) and Chatham House should be credited, preferably with the date of the publication or details of the event. Where this document refers to or reports statements made by speakers at an event every effort has been made to provide a fair representation of their views and opinions, but the ultimate responsibility for accuracy lies with this document's author(s). The published text of speeches and presentations may differ from delivery.

Hiroaki Fujii:

Minister Hugo Swire, Excellencies, distinguished guests, ladies and gentlemen,

At the outset of the meeting today, I thought it might be of some help to give my personal *tour d'horizon* of the topics that we are going to discuss in this seminar.

The most urgent task for Japan today is economic revival.

More than two decades of deflation and stagnation, an aging and dwindling population, and mounting public debts all required Japan to change.

During the past decades, however, something positive also took place in Japan, such as spread of civil society, increased transparency, outstanding urban development in Tokyo, progress in ecology and a deeper appreciation of human bonds and community due to the natural catastrophe.

Many of us here today heard the speech made by Prime Minister Abe at Guildhall last night.

Therefore, I shall not dwell on the question of economy. I commend the direction and substance Prime Minister Abe aims at and I am looking forward to seeing his second shots of his third arrow after the Upper House election next month.

I do hope the prime minister will spend his political capital to implement the programs against the wall of vested interests that impede change and de-regulation.

In this connection, Japan joined the negotiation of the Trans-Pacific Partnership (TPP) Agreement, which constitutes, at least so far, the most advanced form of EPA. Intensive negotiations will start next month. I hope that the TPP will facilitate Japan's reforms in agriculture and other areas.

Aside from the economy, Japan today faces at least three major and somewhat longer-term questions that are all interconnected, namely population, governance and China.

The first is the aging and shrinking population.

The aging of the population is also taking place in Korea, China, and Western Europe. Japan is a vanguard in this respect. The greater participation of women in the workforce and other measures such as educational reforms are being considered. I believe that Japan should start considering seriously the question of immigration.

The second question is concerned with governance and democracy.

As a political issue it is presented more as amendments of the constitution. It is high time for the Japanese people to discuss seriously the constitution. At the same time, I believe that two aspects among others are more urgent, both of which can be implemented without amending the constitution. One is to admit the constitutional right of collective self-defence in order to strengthen and deepen our defence cooperation with the US and also to make Japanese troops easier for PKO operations abroad.

Another aspect concerns durable government.

During the past six years, six prime ministers have come and gone.

The Great East Japan Earthquake and the conflict with China over the Senkaku Islands served, so to speak, as a wake-up call and drove home to the Japanese public the need for a strong and durable cabinet.

I believe that how to ensure a durable government is of particular importance in order to implement the sweeping reforms.

In this connection, according to an eminent long-time observer of the Japanese politics, Prime Minister Abe may stay as PM for a very long time and he can be tough towards the vested interests after the Upper House election in next month, for there will be no national election until 2016.

The third question is how to restore the cooperative relations with China. Concerning the legality of Japan's claim on the Senkaku Islands, I will merely point out that China never claimed the islands until 1971, after a survey by a United Nations-related organization found potential for hydro-carbon resources near the islands. Even the *People's Daily* referred to the territory by its Japanese name – the Senkaku Islands. The greatest danger is an accidental clash between the two countries in the sea or in the air. Since the Senkaku Islands were administrated by the US under the San Francisco Peace Treaty and returned to Japan in 1972 as part of Okinawa, the US has a treaty obligation to defend the islands if the islands were to be attacked. However, a high-level defence officials' meeting between China and Japan was held in April to avoid an accidental clash.

Japan learned and imported what it wanted from China's rich civilization, but Japan has never been under either political or military pressure from China itself.

From that point of view, what is happening today is not necessarily, as some people say, the re-emergence of China. It could be the rise of a new China with more assertiveness in terms of expansion in maritime activities.

The question of what kind of country China will become is one of the most important questions the world faces during the early part of this century. The American dream was shared by many human beings. Many people would like to know what the Chinese dream means to the rest of the world. I would like to congratulate China on its remarkable progress, for putting behind '170 years of foreign humiliation'. I admit that Japan is quite responsible for the humiliation. History shows, however, that the rise of a power with a grudge or a sense of aggrievement does not necessarily create a harmonious world. I used to be present at the meetings between the Japanese leaders and Mr Zhou Enlai as well as Mr Hu Yaoban, the first and second generation of the Chinese Communist Party.

Both of them must have had very complex feelings toward Japan. But, I can say for certain that there was also an element of affection for Japan. After the Tiananmen Square incident in June 1989, however, anti-Japanese education was introduced.

At the same time, I know from my own experience that many people in China, including both the cultural elite as well as the ordinary people, love Japan's traditional culture, much of which has Chinese roots, as well as Japan's pop culture.

I sincerely hope that China will work constructively under the current rules and not try to change the status quo by force and will positively contribute to building a harmonious global community in which China will occupy a truly honourable place.

Today, it is important to contain the issue of the Senkaku Islands, and it is essential for China and Japan to work together, for example, for the denuclearization of the Korean Peninsula, as well as to mitigate the problems of air and water pollution in China.

Prime Minister Abe wishes to pursue the 'Mutually Beneficial Relationship Based on Common Strategic Interests' that was agreed upon between the two countries when Mr Abe was the prime minister the last time. He hopes to be as calm as possible and is ready to extend a friendly hand of cooperation.

Ladies and gentlemen,

Now I would like to turn to the potential areas of further cooperation between the UK, the EU and Japan.

One area concerns Asia.

Aside from the TPP, Japan is making efforts to proceed with two other schemes in Asia. One is the trilateral FTA among China, Korea, and Japan. The negotiations started last March. The other is what is called the Regional Comprehensive Economic Partnership, or RCEP, which includes India, the ASEAN nations, Australia and New Zealand, in addition to China, Korea, and Japan.

ASEAN is aiming at formulating an 'ASEAN Community' encompassing the political, security, economic, social, and cultural fields by 2015.

Japan has long enjoyed an excellent relationship with the countries of ASEAN. For example, opinion poll surveys of major ASEAN countries indicated that more than 92 per cent of the people thought that Japan was a reliable partner.

This year is the 40th anniversary of ASEAN–Japan friendship and cooperation and a special ASEAN Japan Summit will be held in Tokyo in December.

The ASEAN nations, including Myanmar, have been increasingly sharing common values with Japan and in many respects enhancing ASEAN's status as a stabilizing force in Asia.

In a speech in Washington, DC last January, Prime Minister Abe used the terminology 'Asia-Pacific or Indo-Pacific region'. Last month, Prime Minister Manmohan Singh of India visited Japan and he also used the phrase 'Indo-Pacific region'. India and Japan agreed upon a wide range of questions, including infrastructure, joint maritime exercises on a regular basis, and exchange of youth. Their Majesties the Emperor and the Empress of Japan plan to visit India towards the end of this year.

The Indo-Pacific Region will increasingly acquire substance. Japan has been cooperating with the construction of the Southern Economic Corridor in the Mekong River Basin region between Vietnam and Myanmar, which connects the Pacific and Indian Oceans.

Today, we have the pleasure of Mr Yohei Sasakawa with us. He has been appointed as special Japanese government envoy to Myanmar's national reconciliation process and is exerting every effort to help bring it to fruition.

President François Hollande of France, who visited Japan 10 days ago, described France as a Pacific nation.

In the Indo-Pacific region, there are many countries that belong to the British Commonwealth.

I think it is of great benefits to the region, including Japan, that the British and EU presence will be enhanced in the whole region of Asia.

Aside from the Indo-Pacific region, Japan is the second largest aid donor after the US in Afghanistan, Pakistan, Iraq, and Palestine.

Another area of cooperation between us is Africa.

This month, Japan hosted the fifth TICAD, namely, the Tokyo International Conference on African Development, in Yokohama, and it was attended by top leaders of 51 African nations.

Japan pledged ODA and private capital amounting to 3.2 trillion yen within the next five years. Emphasis will be placed upon hard as well as human infrastructure.

Also, at the time of the terrorist incident last January in Algeria, Japan and the UK maintained close contacts with each other at all levels.

Furthermore, cooperation between the EU and Japan has made progress this year on at least two fronts.

One is the EU–Japan EPA. The first round of discussions started in April this year. We are grateful to the UK, especially Prime Minister Cameron himself, who strongly pushed the EPA.

Another field is the strengthening of cooperation between NATO and Japan. Mr Rasmussen, NATO secretary-general, and the Japanese government agreed to strengthen cooperation in such fields as cyber defence, humanitarian assistance, and rescue missions after natural disasters.

In regard to climate change, which I believe is one of the greatest tasks for all governments to face squarely, the Durban platform agreed upon at COP 17 in 2011 should be implemented. That is to say, some kind of legal framework applicable to all parties must be agreed upon at COP 21 in 2015.

Climate change is one area in which Japan and the UK, as well as the EU, can cooperate further. In particular, the UK and Japan are the countries in the world with the greatest energy efficiency per unit of GDP at least so far. The question of energy is one of the most crucial issues before us and has implications for ecology, economy and geopolitics due to shale gas, renewable energy and Russia's far east.

Ladies and gentlemen,

I would like to say a little more about UK–Japan cooperation.

Prime Minister Cameron's visit to Japan in April last year was a great breakthrough.

Japan and the UK agreed on mainly four areas of cooperation: defence, civil nuclear energy, Africa and infrastructure. A characteristic feature of UK–Japan cooperation is its mutually supplementary nature. I am a long time believer that the Japanese companies benefit by cooperating with the British counterparts all over the world.

Prime Minister Cameron's visit to Japan definitely opened the door for defence cooperation. Japan has had long-standing, self-imposed restrictions on arms exports, except for technical aspects, which were possible only to our ally, the US.

The Noda administration decided to relax that policy to enable joint development and co-production of defence and security equipment. The UK is the first of such partners after the US.

Also, in the field of defence, the UK–Japan Political-Military Talks were initiated and Minister Hugo Swire visited Japan last January and held fruitful talks.

The UK and Japan are situated at the extreme ends of the Eurasian continent, but are geographically separated only by Canada and our closest ally, the US.

The UK has friends all over the world, including the countries of the British Commonwealth. The UK's worldwide outlook is a great asset, not only for the UK, but also for the global community.

I have a piece of paper that was made by the Japanese Foreign Ministry in April. It enumerates as the examples of main assets of the UK, its royalty, its media (BBC, *FT*, *The Economist*), and its Think Tanks (Chatham House, IISS, RUSI).

Mind you, the Japanese Foreign Ministry is sometimes criticized as being biased. Seriously, however, I sincerely hope that the UK will remain in some form as part of the EU as one of its most important members.

For the world desperately needs a globally oriented Europe. From the viewpoint of Japanese investors, it is of crucial importance that the UK should firmly maintain its role as the gateway to the European market.

Finally, please allow me to touch upon history briefly, for, today, which is characterized by a murky future, one has to go back to the basics.

This year is an anniversary year. One anniversary to celebrate is the 400th year since the start of official commerce between Japan and the UK, and the other is the 150th year since the so-called Choshu Five, a small group of brilliant young men from the Choshu domain were smuggled to the UK for study – and these were the men who later formed the government of Meiji Japan.

As far as Japan is concerned, the 20th century started with the Anglo-Japanese Alliance in 1902. This was the first alliance after Westphalia to be concluded between a Western and a non-Western nation on an equal footing.

Both nations also have intertwined histories with their respective continental neighbours.

Japan for one has had a close history with its northeast Asian neighbours, especially from mid-19th and throughout the 20th centuries.

For example, with respect to China, the fall of Qing Dynasty, the Japanese invasion, the formation of the Chinese Communist party, the normalization of relations between Japan and China, the reform and opening of the land by Deng Xiaoping, and the subsequent economic development – all these and many other historical events are closely related to Japan, rightly or wrongly.

Sun Yat-sen, the father of modern China, used to use Japan as one of the bases for the Xinhai Revolution of 1911, as several prominent Japanese supported him.

In 1924, Sun Yat-sen made a speech in Kobe, Japan, that many people view as a farewell speech to Japan. In this speech, he wondered which way Japan would choose 'Hado' which can be translated as the hegemonic way, or rule of might, or 'Odo', the literal translation of which is the king's way, meaning rule of right.

As a professional optimist, I believe that the wise leaders and able elite, as well as the general populace in China, will follow the precepts of Sun Yat-sen and work for the peaceful and harmonious rise of China.

I am certain that Japan will do its part to cooperate with China in that process, along with its ally the US and its most important partner in Europe, the United Kingdom.

Thank you.