



INNOVATION AND CHANGE

THE EU-JAPAN STRATEGIC PARTNERSHIP AGREEMENT

THE COVID-19 CRISIS DRIVES THE NEED
FOR CREATIVITY IN INTERNATIONAL
COLLABORATION



Patrik Ström



Marie Söderberg



Åsa Malmström
Rognes

This is a preprint from the book "Sweden Through the Crisis", to be published
in the fall by SIR, Stockholm School of Economics Institute for Research.

C OVID-19 is a global pandemic and this calls for a global response. So far, the responses have mainly been national, but the EU has begun to act on behalf of the union as a whole by setting aside funds for the recovery. The United States has largely relinquished its leadership role in this global crisis and while China has taken a step forward and shipped medical supplies to a number of countries, it has not the aspiration to lead. This leaves a power vacuum where the EU and Japan together can take on a leadership role with the Strategic Partnership Agreement (SPA) as a base and use this as a role model for creativity in international agreements. This is a new, legally binding agreement that covers EU-Japanese cooperation in international politics, economics, and security.¹

In the wake of the COVID-19 pandemic, the SPA might be at its moment of truth. Can both sides find common ground in relation to a set of policy areas that could drive the collaboration forward? In this case, the SPA will be the facilitator of forging collaboration between the EU and Japan, but also importantly, could push collaboration and joint support in developing countries and backing for multilateralism with increased engagement in organizations within the UN structure. The result could be a more multipolar world where the EU and Japan together can uphold and facilitate global cooperation.

The EU and Japan have both for a long time tried to find a place and navigate around the large economic and political players of the US and China. While these players are occupied with economic relations and questions of economic policy and security issues, the Strategic Partnership Agreement between the EU and Japan offers a new frame for developing their international cooperation. Despite strong political legitimacy in both the EU and Japan, there has been some caution and hesitation with priorities and how to proceed. One reason for this has been a lingering lack of clear short term policy challenges. The COVID-19

¹ International Agreements in Progress: The EU-Japan Strategic Partnership Agreement (SPA) - A framework to promote shared values 22 January 2019

crisis has, with utmost clarity and horrifying impact on economies and people, come to be an acute policy challenge for both the EU and Japan, but also for the entire world. Here, the EU and Japan are vital economic and political actors with the capacity to facilitate resilience. In our view, there are three areas in particular where the SPA could form a base for fostering collaboration in the wake of the ongoing crisis: **connectivity, health, and multilateral collaboration.**

The need for connectivity

Due to the ongoing COVID-19 crisis, the issue of connectivity is put under tremendous stress. It is of strategic importance for both economies in several ways. First, the people-to-people exchange that is the foundation for building long-term relationships has come to a complete standstill. Border regulations change frequently and long-distance travel has almost stopped. Second, trade is severely affected by both a drop in supply and demand. Third, through the increase of data transfer, issues of data security and integrity become vital. Trade involving data also has a security policy impact. This shows the importance of the legally binding framework of the SPA. It is a chance to facilitate growth in sectors depending on data transfer and creating the foundations for possibilities to strengthen mobility. The EU and Japan can work together to move forward in these areas once the COVID-19 crisis is over, or during a phase of progressively opening up the economies. They could also use their economic power to facilitate infrastructure development in developing countries and thus also build stronger economies.

One of the really important global events affected by the COVID-19 crisis was the postponed Tokyo 2020 Olympics since it is all about connectivity in bringing together athletes, spectators, local and international businesses. Using this event for focusing the work on connectivity within the SPA generates a clear time frame, something that is often missing in international agreements. The SPA shows a new form of international agreement. Moving beyond only trade and investment, it is a legal agreement that pushes collaboration in areas where global chal-

lenges need broader coalitions. Hence, it could also be inspirational for countries to follow.

Increased focus on health

Another area of collaboration is in the health sector. The pandemic calls for increased international collaboration in limiting the spread of the virus, preparing for a resurgence, and in developing, if possible, a cure. Consequently, this is an ideal field for EU-Japan cooperation. Both are now struggling with this domestically, but through sharing experiences, the two partners could also assist others. A short-term immediate action for EU and Japan could be to purchase/assemble a number of well-equipped field hospitals (including respirators) which they could donate or lend to others who would really need them. At top of each hospital the Japanese and the EU flags should be raised as a symbol of our normative values and something that people in third countries would remember.

From a broader security perspective, this could also be a place to start cooperation between the Japanese Self Defence Forces and various European military personnel. The medical unit of the Ground Self Defence Forces in Japan were deeply involved in assisting the passengers of the cruise ship Diamond Princess who were infected. Many of the civilians who worked with the passengers got infected whereas no military personnel did. The military medical unit even compiled a handbook on how to deal with the infection.² In Sweden, military personnel has, together with civil personnel, been involved in building field hospitals in the early phase of the pandemic as a back-up for civilian capacity.

Both EU and Japan strongly support multilateral initiatives during the pandemic and in particular the WHO, which has an important role to play in combatting COVID-19. Japan pledged 834 million USD to the Global Coronavirus Response initiative while the European Commission pledged 1.4 billion euros. The funds will be used for the development and universal deployment of **diagnostics, treatments and vaccines** aga-

² Asahi Shimbun 15 April 2020 (www.asahi.com/ajw/articles/13299582)

inst the new coronavirus. Besides a short-term initiative like providing field hospitals, cooperation in the health sector should also be provided from a medium and long-term perspective. Official Development Assistance (ODA), which they both are champions of, should be an excellent tool to use here. EU and Japan should assist in providing on the ground assistance as well as creating long term perspectives and plans to prevent pandemics and deal with them in a structured way in the future. Assistance could be in the form of providing for education in the health sector to the general public as well as special training for nurses and doctors. This type of cooperation could build on existing frameworks and collaboration with NGOs such as the Red Cross, Doctors without Borders or the Sasakawa Foundation etc. There is no reason to stop there. Besides state led initiatives, private companies from the EU and Japan should be interested in participating and being associated with combating COVID-19. What about, for example, establishing a Mitsubishi or an Astra Zeneca Hospital in Africa?

Information about field hospitals and other health projects should be widely communicated through social media and various campaigns to showcase Japanese and EU actions. Success would depend on the broadmindedness of the people involved as well as the will of politicians to implement unconventional ideas. The EU and Japan have the knowledge, education and experience, as well as economic resources, to play center stage in the fight against pandemics and make a strong contribution to a sustainable world order.

Collaboration in an era of de-globalization

For the SPA to be successful, the pandemic also demands a high level of transparency in order for the agreement to leave closed door negotiations and promote real change and benefits for people, firms, organizations and policy alike. It manifests the shared belief among the EU member states and Japan that multilateral collaboration is a way forward in the wake of an international pandemic crisis. It would help to promote universal norms and values of importance for both partners

in a world where isolationism is on the agenda.

Furthermore, the realization of collaboration under the SPA will require funding. To date, 60 billion euros have been allocated to guarantees for connectivity and infrastructure projects. The European Investment Bank and the Japan Bank of International Cooperation both have financing facilities ready. However, the pandemic may change financing options, since billions have been channelled to a variety of crisis measures and more will be needed for the recovery. That may be a blessing in disguise since all actors will need to prioritize among suggested projects and initiatives and identify those that are most urgent and that are expected to bring tangible results in line with the SPA and that also support the long-term economic recovery.

Conclusion

In sum, the SPA is an excellent starting point for collaboration between the EU and Japan and will be even more important in supporting new ways of promoting international collaboration and integration. In an era of de-globalization sentiment, the world needs frontrunners to show progress in several policy areas. Trade and economic relations will always be of the utmost importance, but the SPA shows that collaborative commitment that addresses international challenges has the possibility to become much broader and positively impact the daily life of citizens. Positive outcomes through new forms of international agreements could facilitate progress in relations with other countries, with which the EU and Japan have common interests. The COVID-19 crisis has become a catalyst, driving creativity while strengthening and reshaping forms of international collaboration between the EU and Japan, and to some degree, filling a power vacuum while the US and China are occupied with internal positioning.

THE AUTHORS

Patrik Ström is Associate Professor and Deputy Director of the European Institute of Japanese Studies.

Åsa Malmström Rognes is a Research Fellow at the European Institute of Japanese Studies.

Marie Söderberg is Adjunct Professor at SSE and Guest Professor at Osaka University. She is also Director of the European Institute of Japanese Studies.