



# Japan-What's Next?

14-15 June 2012  
Stockholm, Sweden



## A Report from the 2012 Conference “Japan –What’s Next”

This year's conference organized in June by the European Institute of Japanese Studies (EIJS) in cooperation with the European Japan Advanced Research Network (EJARN) once again took up the theme “Japan – What's Next?” Toshiba International Foundation (TIFO) again contributed to the financing of this conference. Like last year, the first day was devoted to progress on EU-Japan relations on both the political and economic levels.

As you know, the 2011 conference came immediately after the 20<sup>th</sup> EU-Japan Summit in Brussels where the Japanese Prime Minister Naoto Kan met with both Mr. Herman Van Rompuy, President of the European Council and Mr. Jose Manuel Barroso, President of the European Commission. At that meeting, the summit leaders agreed to start parallel negotiations for a binding political agreement and a Free Trade Agreement/Economic Partnership Agreement.

This year's conference came after progress was announced on both, which it should be noted are to be taken together not in sequence. Scoping exercises for a binding agreement, covering political, global and other sectoral cooperation in a comprehensive manner, and underpinned by their shared commitment to fundamental values and principles were concluded during the spring. On 31 May 2012, the DG Trade Commissioner Karel De Gucht announced that the scoping exercise was completed also for the Free Trade Agreement/Economic Partnership Agreement and that the next stage would be to finalize the document before submitting it to each government for approval. The completion of these scoping exercises is not completely satisfactory especially for the European side, which was discussed on the first day of the conference.

As with last year's conference, the first day was dedicated to bringing together business leaders, officials and scholars. We began the day with welcome remarks from the Director of EIJS Marie Söderberg, the Vice-President of the Stockholm School of Economics Mr. Karl-Olof Hammarkvist, and H.E. Mr. Yoshiki Watanabe, Japan's Ambassador to Sweden.



Pictured above left (L-R): H.E. Mr. Yoshiki Watanabe, Mr. Karl-Olof Hammarkvist and Professor Marie Söderberg; pictured above right (L, R): H.E. Mr. Yoshiki Watanabe; Mr. Karl-Olof Hammarkvist.

We then began with the first session with an overview of what had happened in the past year regarding both agreements. The speakers were Professor Yoritumi Watanabe of Keio University, Dr Maaike Okuno-Heijmans of Clingendael Netherlands Institute of International Relations and Mr. Jun Arima of JETRO London with expert chairing by Professor Marie Söderberg. Professor Watanabe gave us a comprehensive overview of Japan's economic agreements; Dr. Okuno-Heijmans took an analytical view on economic diplomacy in Japan and Europe; and Mr. Arima discussed the current energy supply situation in Japan and discussed future scenarios with varying degrees of dependence on nuclear power.



Pictured at left (L-R): Dr Maaike Okuno-Heijmans, Mr. Jun Arima, Professor Yoritumi Watanabe and Professor Marie Söderberg

The next session took up the outcomes of the political and economic agreements between Japan and the EU and the current state of affairs. The session, chaired by Professor Richard Nakamura, Linnaeus University and Södertörn University was organized with short (10-minute presentations) followed by questions from the audience. We began with a presentation by Mr Takayuki Sumita, Executive Director of Japan Machinery Center (Brussels Office) on Japan's view of the scoping exercises. Next, Mr Bruno Julien-Malvy, DG Trade, European Commission, updated us on the scoping exercises from the Commission's viewpoint. The third speaker was Professor Marie Söderberg who took up the progress on the political agreement and included the activities of EJARN during the year, which complement and offers opportunities for EJARN's continued and growing presence in Europe. (More on this below.) The session raised many issues including the similarities and difference between Japan and the EU in their experience with and expectations of the scoping exercises.



Pictured at left (L-R): Professor Marie Söderberg, Mr Bruno Julien-Malvy, Mr Takayuki Sumita and Professor Richard Nakamura

Directly after the lunch break, we turned to trade and investment between the EU and Japan chaired by Professor Axel Berkofsky, University of Pavia, continuing with the same short presentation-discussion pattern. The first short presentation was given by Professor Sebastien Lechevalier of École des Hautes Etudes en Sciences Sociales, Paris on Japan's deindustrialization relative to other OECD countries. Next Professor Carin Holroyd, University of Waterloo, turned to the perceptions of EU-Japan trade relations from a Canadian perspective. The session concluded with Professor Norbert Palanovics, University of Pécs, on being a non-Japanese doing business in Japan. The discussion that followed was quite colorful, with a good deal of humor supplied by Professor Berkofsky, ranging from interpretations of deindustrialization to the challenges of clarity from ambiguity in the Japanese system.



Pictured right (L-R): Professors Norbert Palanovics, Carin Holroyd, Sebastien Lechevalier and Axel Berkofsky.

The 33<sup>rd</sup> Stockholm Seminar on Japan, a regular series of seminars open to the public, took the final session of the day. The roundtable discussion entitled 'EU-Japan Trade Relations: What's Next?' was chaired by Dr Patricia A Nelson who started the seminar clarifying that the session would be off-the-record, governed by Chatham House Rules, a format according to which what is said and disclosed in the room is not to be quoted or attributed. These rules enabled us to engage in frank and open discussions.



Pictured above (L-R): Dr Patricia A Nelson, Mr Tommy Kullberg, Mr Bo Dankis, Mr Naohiko Nishio and Professor Yorizumi Watanabe.

Each panelist on the roundtable made a short presentation on their views of the current state of affairs and where the two sides are going in this post-scoping exercises phase. First was Professor Yorizumi Watanabe of Keio University who placed Japan's position on the FTA/EPA in a larger Asian context stressing Japan's bilateral and regional trade strategy. Next, Mr Bo Dankis Chairman of the Swedish Export Trade Council spoke about his experience with doing business in and with Japan and

how important is it to move forward with the results of the hard work laid down in the scoping exercises. Mr Naohiko Nishio, Director of Mitsubishi Corporation, Stockholm, underlined the fact that Japan cannot control the exchange rate, which at this point is where Japanese industry is suffering including in the EU market and thus a free trade agreement with the EU is essential. The fourth panelist was the former Chairman of the European Business Council in Japan, Mr. Tommy Kullberg, who spoke passionately about the need for leadership on both sides to make the deal happen which, without a doubt, would bring plentiful benefits to both sides. With these spirited remarks, the floor was open and resulted in a dynamic and engaging discussion.

The audience at the Stockholm Seminar on Japan pictured right with Professor Lechevalier asking a question to the panel.



The first day was concluded with a delicious dinner of Japanese cuisine hosted by the Embassy of Japan in Sweden at the Ambassador's residence. In this beautiful and relaxed setting, the participants continued the day's discussions and building contacts via pleasant, lively discussions.



Pictured at left (L-R): Mr P-O Björk, Mr Arima, Professor Söderberg, H.E. Mr. Watanabe giving a welcome speech, Dr Nelson.



The second day of the conference was more of a traditional academic workshop with 20-minute paper presentations, comments from discussants followed by in-depth discussion. We started with the theme Japanese society and business chaired by Professor Akihiro Ogawa of Stockholm University. The first speaker, Professor Takakazu Yamagishi of Nanzan University and Georgetown University presented his work on reform of the Japanese health care system. Dr Ryosuke Kosuge of EIJIS acted as discussant followed by a short question and answer session with the audience. The



second paper presented by Professor Annette Skovstedt Hansen of Aarhus University discussed how training courses managed by non-profits aspire ties via alumni networks in business and the community. The discussant, Professor Pekka Korhonen of Jyväskylä University, contributed some thoughts after which the floor was opened to discussion.

Session two chaired by Professor Ian Neary of Oxford University explored issues of Japan and the Arctic with papers presented by two Canadian scholars, Professor Kimie Hara, University of Waterloo and Professor Ken Coates, University of Saskatchewan. Professor Hara explored Japan's post Cold War frontiers in the Arctic while Professor Coates discussed Japan's engagement with the Arctic. The discussants, Mr Björn Jerdén of the Swedish Institute of International Affairs and Professor Dick Stegewerns of Oslo University, contributed incisive comments.



Pictured from left: Ms Yoko Takau Drobin, Mr Tommy Kullberg, Professor Ken Coates, Dr Paul O'Shea, Mr Ryotaro, Suzuki, Dr Ryusuke Kosuke, Professor Pekka Korhonen, Professor Richard Nakamura, Mr Mark Rhinhard, Dr Takakazu Yamagishi, Mr Per-Olof Björk, Mr Yuji Kado, Dr Maaïke Okuno-Heijmans and Mr Takayuki Sumita.

In the afternoon, we moved to Japanese defense policy chaired by Professor Christopher Hughes of the University of Warwick. The first paper took up Japanese foreign policy beyond short-term politics touching on the impact of the DPJ and contrasting it to the LDP presented by Professor Guiburg Delamotte of the French Institute for Oriental Studies (Inalco) followed by comments from Dr Karl Gustafsson, Lund University. Next was Dr Natsuyo Ishibashi, Norwegian University of Science and Technology (NTNU) who presented an analysis of Japanese and German responses to the Iraq crisis followed by comments by Dr Bert Edström of the Institute of Security and Development. The final paper presented by Dr Ra Mason, University of Sheffield, took on the issue of North Korea and Japan's recalibration of risk. The discussant, Professor Berkofsky, offered insightful comments before the discussion was opened up to the floor.



Pictured at left (L-R): Dr Ra Mason, Professor Axel Berkofsky, Professor Christopher Hughes and Professor Guiburg Delamotte.

The final session on Japan in Asia was chaired by Professor Annette Skovstedt Hansen and included papers by the two post doctoral fellows, Dr Karl Gustafsson, Lund University and Dr Paul O'Shea, EIJIS, who presented short papers based on their dissertations. Dr Gustafsson presented his work on memory bringing to it an international relations perspective which was followed by incisive comments by Professor Hughes. Dr O'Shea discussed issues of sovereignty and power in Japan's territorial disputes and was well discussed by Professor Berkofsky.

The first day of the conference ended with a brief meeting of the EJARN scholars, which was the annual meeting of the EJARN network. Everyone was pleased with the discussion that took place during the first day. There seemed to be agreement that progress toward a EU-Japan FTA/EPA is important and that we should continue to follow up on this topic over time.

EJARN's project on "The Nexus of Security and Development: Opportunities and Prospects for Europe-Japan Cooperation" (in cooperation with the Konrad Adenauer Foundation, Germany) carried out over 2011-2012 has been very successful. The first of three conferences was held in Berlin in September. This was a startup conference, featuring the three core EJARN members of the project Axel Berkofsky, Paul Midford and Marie Söderberg as well as Dr Kuniko Ashizawa from Oxford Brookes University and Ryutaro Murotani from JICA Research Institute in Tokyo (these five participated in all three conferences). Another EJARN member Professor Verena Blechinger-Talcott, FU Berlin and Dr. Michito Tsuruoka, National Institute for Defense Studies, Japan were two among a number of other participants.

The second conference in February entitled "The Nexus of Security and Development, Addressing Local Conflicts before they turn Global, Japan-EU cooperation" was held in Tokyo in February. It was organized in cooperation with Japan International Cooperation Agency (JICA). We had an audience of 150 people from the diplomatic core in Tokyo, as well as various decision makers and practitioners in the field of both development aid and defense issues. Opening Remarks were given by Madame Sadako Ogata, President, JICA and H.E. Hans Dietmar Schweisgut, Ambassador of the European Union to Japan. Other participating EJARN members were Dr. John Swenson-Wright, Cambridge University and Dr. Linus Hagström, Swedish Institute of International Affairs as well as a number of Japanese researchers among including Jun Honna, Ritsumeikan University and Mari Katayanagi, JICA Research Institute.

The third and final conference at which EJARN's policy recommendations based on the previous two conferences were presented was held in Brussels on May 31. Opening remarks were this time given by Dr. Frank Priess, Deputy Head of the Department for European and International Cooperation (EIC), KAS Berlin and Marie Söderberg, EJARN Chairperson, Stockholm School of Economics. Remarks were also given by Mr Elmar Brok, Member of the European Parliament and Chairman of its Committee on Foreign Affairs. Other speakers were Mr. Norio Maruyama, Ambassador, Political Affairs, Mission of Japan to the European Union and Mr. Jonathan Hatwell, Head of Division, External Action Service, European Commission.

The policy recommendations which were debated by people from the European Commission as well as by members of the parliament. Participating in this discussion were also two members from the Japanese parliament Ms. Kuniko Inoguchi, Member of the House of Councillors, former Minister of

State, former Ambassador of Japan to the Conference on Disarmament, Liberal Democratic Party of Japan and Ms. Misako Yasui, MP, House of Councillors, Vice Director-General, International Department, Democratic Party of Japan. These policy recommendations will now be finalized and together with a publication of the conference papers distributed to decision makers. The KAF would like to continue to work with EJARN which is excellent news and new projects are now being planned.

Next year the EJARN conference will move from Stockholm after five years and be held in Paris hosted by Professor Sebastien Lechevalier who was also appointed member of EJARN's Executive Committee. The Committee, which now has greater representation in economics, is comprised of the following people:

**Marie Söderberg, Chairperson, [Marie.Soderberg@hhs.se](mailto:Marie.Soderberg@hhs.se)**

**Axel Berkofsky, [Axel.Berkofsky@unimi.it](mailto:Axel.Berkofsky@unimi.it)**

**Christopher Hughes, [c.w.hughes@warwick.ac.uk](mailto:c.w.hughes@warwick.ac.uk)**

**Sebastien Lechevalier, [Sebastien.Lечеvalier@ehess.fr](mailto:Sebastien.Lечеvalier@ehess.fr)**

**Paul Midford, [Paul.Midford@svt.ntnu.no](mailto:Paul.Midford@svt.ntnu.no)**

**Cornelia Storz, [storz@wiwi.uni-frankfurt.de](mailto:storz@wiwi.uni-frankfurt.de)**

All the best,

Marie Söderberg

The photos were taken by Nanhee Lee who skillfully managed all the administration and logistics, by Patricia A Nelson who contributed to this report and also helped plan and organize the conference and by myself.