***EU-Japan Relations – Boom or Bust?***

**DISSERTATION**

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# Executive Summary

This dissertation provides an assessment of the *effectiveness* of the relationship between Japan and the European Union. The research is mainly centered on the recently implemented *EU-Japan* *Economic Partnership Agreement* (EPA), which intends to streamline trade and facilitate enhanced economic relations between the two international actors.

Analytical methods of study conducted within this dissertation consist of qualitative research based on pre-existing literature with reference to international cooperation. Addedly, the research is in conformity with Milner’s *“Theory on International Cooperation”*. Moreover, a policy analysis on the Economic Partnership Agreement served as an evaluation regarding its impact on the cooperative relationship between the two aforementioned parties. Lastly, the research has addedly been supplemented by an expert interview.

The findings of the research deduce that the relationship can be deemed “*effective”* in accordance with the justification established within the theoretical framework. Nevertheless, the relationship still requires efforts from each side in the interest of keeping it thriving and prospering in the years ahead. Within this context, special attention should be paid to the relevance of reciprocal norms and values and the unearthing of untapped potential.

Adding to that, the recommendations presented within this dissertation signify that there are many aspects within the relationship between Japan and the European Union yet to be uncovered in order to further improve the cooperation. These opportunities are mainly to be found in the strategic security policies, renewable energy industries and technological sectors.

Furthermore, the research has demonstrated that further comprehensive studies are necessary in for the purpose of better understanding the impact of the Agreement, considering the fact that solely preliminary feasibility research is not sufficient to fully grasp its relevance to EU-Japan relations.

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# Introduction

International cooperation has been around for a prolonged period of time, seeing that it can even be traced back to Thucydides. At present, the actual study in terms of international cooperation is still exceptionally primordial, given that the notion of international cooperation as we know it today only emerged during the early 1980s. Moreover, it is equally important to bear in mind that international cooperation not only occurs between individual actors, but also between bodies and institutions ranging from nations to terrorist organizations (Dai, Snidal, & Sampson, 2010).

Furthermore, the present-day world is becoming increasingly interdependent and interconnected due to contributions made by international cooperation, wherefore global issues can be investigated and resolved in a collective and proficient manner. International cooperation can therefore be specified as the effort of nations collaborating with each other in order to attain common goals encompassing broad issues such as the prevention of wars, reduction of poverty, and the enhancement of trade.

For this reason, nations thus collaborate and interact with one another when they collectively recognize that it is for their own benefit, in both an economic and political manner. In addition to that, Reiterer asserts that both Japan and the European Union take interest in improving their status within the international community with the intention of surmounting their current observed standing as an *“economic giant but political dwarf”* (Reiterer, 2006, p. 333).

As stated by Picardo, the European Union reinforced its obligations as a result of the intensification of economic diplomatic relationships on the Asian continent by means of prioritizing the establishment of Free Trade Agreements (FTAs) with Oriental nations. In this manner, Brussels looked to establish extensive Economic Trade Agreements in order to further develop its economic affairs and provide opportunities in non-economic affairs. Addedly, the ever-increasing recognition of Asia’s potential economic and political power has resulted in a massive outbreak of FTA dialogues and negotiations between the European Union and Asian nations such as South Korea, Vietnam and Singapore (Picardo, 2018). Nonetheless, the focal point of this dissertation is the latest dialogue concerning a trade deal between Japan and the European Union.

Tokyo and Brussels appeared to have visionary and resourceful plans regarding a revived EU-Japan cooperation encompassing political, economic and security affairs during the initial stages of their cooperation. However, this notion is often deemed to be deficient seeing that certain cooperative EU-Japan policies and initiatives ended up being reputed as rather unsatisfactory and disregarded. Responsive to this premise, an abundance of scholars have established varying reasons as to why the relationship is not reaching its full potential yet. That being said, the newly established Economic Partnership Agreement might be the particular agreement that does succeed in making the relationship succeed and thrive.

As it has invariably been, the world keeps developing itself. This correspondingly means that countries keep developing themselves too, especially in this current era dominated by globalization. The societal relevance of the research conducted is that it sets out a framework of understanding with reference to how countries function amongst one another in an international environment and how international relationships can either be challenged or enlivened by an abundance of circumstances. In this context, the central and primary purpose of this dissertation is thus to assess the effectiveness of the relationship between Japan and the European Union by means of collecting and analyzing data and literature. In order to address the main research question appropriately, the research will be further supplemented by research on the impact and achievements of the Economic Partnership Agreement, the importance of normative relations within international cooperation and an analysis of identified potential threats.

# Methodology

As indicated in the title, this chapter will provide an overview of employed research strategies, research methods, means of data collection and analysis, ethical considerations and research limitations encountered during the conduct of the study.

## Research Design

This dissertation was established upon preceding research studies overarching the evolution of EU-Japan relations throughout modern history. Accordingly, a policy analysis was utilized in order to properly examine the development of the Economic Partnership Agreement as a consequence of interplay between the European Union and Japan, which subsequently assisted in assessing the overall effectiveness of the cooperative relationship. A policy analysis was also utilized in order to gain a deeper understanding of the subject and to implement the acquired data adequately into the research.

The effectiveness of EU-Japan relations was analyzed in conformity with Helen Milner’s *“Theory of International Cooperation Among Nations”*. The research was administered in order to examine how countries interact with each other within the international arena and how relations are subsequently affected as a result of various internal and external elements. The selected theory is relevant to this dissertation since it demonstrates what either *makes or breaks* an international collaboration. Furthermore, the theory is also capable of identifying strengths and weaknesses. Most importantly, information collected from aforementioned theory was used as a framework as a means to measure the degree of international cooperation and whether both actors satisfy all specified requirements used to define an effective international collaboration.

## Data Collection and Analysis

The conducted research primarily consists of qualitative research, which presents both advantages and disadvantages. According to Bowen, the main benefits of qualitative research are the effectiveness, availability, constancy and accuracy. On the other hand, the main inconveniences are the restricted retrievability of sources and biased selectivity. Nevertheless, the positive aspects clearly override the negative aspects (Bowen, 2009, pp. 31 - 32).

In regards to desk research, mainly secondary sources were used given that they assist the research by making primary data more distinguished and help find insufficiencies as to what kind of further information needs to be collected. In accordance with Greetham, secondary sources have been assessed and interpreted before, inasmuch as primary sources are sources which do not include anybody’s personal standpoints or values. For this reason, one also ought to be aware of the potential implications of being exclusively dependent on secondary sources since they are reimagined and reassessed forms of information, meaning that the reliability of the source is of utmost importance (Greetham, 2014). Accordingly, the reliability of the sources used in this dissertation were thoroughly examined by means of contrasting and comparing data of various scholars presenting identical information.

Additionally, primary sources in the form of interviews were also used in order to make the research more extensive and complete. As stated by Greetham, primary sources can be vital to research as they are able to provide complete customized information fitting the requirements of the research (Greetham, 2014). In this context, an interview was held with an employee of a relevant organization centered around trade relations between Japan and other nations, known as the *Japan External Trade Organization* (JETRO).

The design employed in order to conduct the interview was a so-called “*semi-structured interview”.* In consonance with Greetham, this format of interview consists of either narrowly formulated questions in order to extract unequivocal answers or open questions, which aid in examining topics outside of the research more effortlessly in order to obtain new insights (Greetham, 2014).

On top of that, principally web-based, academic and institutional sources were used due to their fast diffusion of relevant information and the degree of richness of information it is capable of providing. By the same token, academic and institutional sources were used in order to get an authentic understanding of the European Union and Japan through official statements and institutional sources. All sources have been retrieved from online databases provided by The Hague University of Applied Sciences (THUAS), Google Scholar and the National Library of the Netherlands in the Hague.

## Ethical Considerations

Additionally, the voluntary respondent that has participated in this research had to explicitly express their consent before the interview would be carried out in order to assure the integrity and unprejudiced aspect of this research. Consent was certified and reassured by the means of an *Informed Consent Form*. Beyond that, the privacy of the respondent was also of preeminent significance, as was the evasion of discriminatory and insulting behavior. In conformity with O’Leary, the one conducting the research is unequivocally accountable for the integrity of the study (O'Leary, 2004, p. 51).

## Research Limitations

In order to fulfill the research, some sources in foreign languages – such as Japanese – were anticipated to be necessary to analyze. This limitation was addressed by utilizing and applying content in a language understood sufficiently, in order to avoid misinterpreting matters due to language barriers and inaccurate translations.

Furthermore, it is also important to acknowledge the fact that some sources might be biased to a certain degree, seeing that scholars commonly express their opinions predicated on their corresponding national and ethnic affiliation. This bias will be addressed by indicating that a scholar represents a certain faction and might thus be inclined to have a biased opinion. In addition to this, the research will also be mainly focused on European views as a consequence of linguistic barriers and the scarcity of suitable English sources by Japanese scholars.

Moreover, it was also anticipated that two to three interviews would be necessary in order to properly carry out the research. Ultimately, only one interview was conducted due to time-constraint and lack of willing participants*.* Foregoing limitations should thus be taken into consideration when carrying out research.

## Summary

The effectiveness of the relationship will thus be assessed by means of a qualitative policy analysis supplemented with an expert interview. Based on criteria laid down in Milner’s theory, the effectiveness of the Economic Partnership Agreement will be assessed and subsequently contribute to evaluating the effectiveness of the relationship between Japan and the European Union in general. Moreover, the chosen theory will also aid in measuring and operationalizing the research. Based on the outcomes of this research, recommendations will be provided with a view on how some aspects of the cooperation may have to be modified in order to further develop the relationship.

# Literature Review

## Historical Overview of EU-Japan Relations

As Söderberg proclaims, the relationship between Japan and the European Union was not established within a “*vacuum”* (Söderberg, 2012, p. 250). Especially when taking into account that all international relationships have a certain point of origin, encasing an abundance of internal and external factors which have shaped entire alliances. As stated by Hosoya, the beginning of actual substantial diplomatic EU-Japanese relations is alleged to have its roots in the twentieth century and is often regarded as being characterized by its considerable amount of trade conflicts and disputes between the two parties (Hosoya, 2012).

Addedly, plentiful scholars have concluded that the development of Euro-Japanese relations can be divided into sets of distinct phases. In this dissertation, the four phases proposed by Borucińska will be used seeing that it provides the most extensive and comprehensive frame of reference.

### PHASE I : 1960s – 1990s

As stated by Borucińska, this era is mainly characterized by the establishment of ambassadors in both Parties’ territories which accordingly resulted in the official foundation of bilateral diplomatic relations (Borucińska, 2018). Hosoya further declares that the European Communities commenced establishing its position within the international economy in the 1960s, while Japan began seeking for more Western European allies and therefore became a member of the *Organization for European Cooperation and Development* (OECD) in 1964. The scholar supplements that this was a significant landmark in the history EU-Japan relations, given that the formerly chiefly European establishment developed itself into a global and internationalized organization (Hosoya, 2012).

As specified by Gilson, Japanese Prime Minister Ikeda Hayato wished to establish a so-called “*Three-Pillars Theory”* during this particular phase – a cooperation composed of Japan, North America and Western Europe with the intention of aiding Japan with the containment of Communism in an economic and political manner. However, when the Soviet Union was ultimately disintegrated, new problems arose as to how the parties should justify and rationalize their cooperation. This stems from the fact that their main goal was accomplished and both parties accordingly needed new all-encompassing common goals and ambitions (Gilson, 2000). Hosoya refers to Ito, who asserts that the most fragile and uncertain component of the trilateral partnership was the relationship between Japan and the European Union (Ito, 1985, pp. 184 - 185). Likewise, Söderberg endorses the opinion that the EU-Japan relationship was deemed to be the weakest link within the trilateral US-Japan-EU relationship (Söderberg, 2012).

In addition, Borucińska claims that the forward-looking developments brought forth in the 1960s were overshadowed by implications brought forth by the Cold War during the 1970s, which was mainly attributable to the fact that the European Communities diverted their attention back to internal concerns and thus deadlocked international cooperation. The European Communities mainly desired to sustain and reinforce their standing within the international economy and world order, which accordingly necessitated for a bigger sphere of influence on all geopolitical fronts (Borucińska, 2018).

Hosoya further contends that Post-Second World War diplomatic objectives of Japan were mainly focused on economic rebuild and restoration, as was characterized by that periods’ *Yoshida doctrine* distinguished by its focus on the prevalence of norms and values. For this reason, Japan became associated with the United States not only due to strategic urgency, but also due to appreciation of common values and norms. Contrarily, US officials asserted that they did not share any common values and norms with Asian nations since Japan was considered to be outside of the Western “*civilized*” sphere (Hosoya, 2012, p. 320).

Despite that, the relationship did develop itself further in the late 1970s and 1980s. Borucińska nevertheless indicates that it was once again heavily and exclusively influenced by the economic interests of the European Communities. Therefore, the essence of EU-Japan relations during that particular era is found to be solely dominated by economic issues and matters, whereas political relations were stagnant and barely advanced (Borucińska, 2018). Conclusively, it can be thus be argued that the first phase of the relationship is mainly symbolized by “*trade conflicts”* and “*cold cooperation”* (Hosoya, 2012, p. 321).

### PHASE II : 1991 - 2000

As reported by Borucińska, the second phase succeeded in bringing forth more serious collaboration and partnership in a wide variety of policy areas. For instance, the *1991 The Hague Declaration* was able to enhance and improve the relationship owing to the fact that it presented itself to be an adequate instrument of political dialogue between the two actors (Borucińska, 2018). According to a Joint Statement presented in The Hague, both parties “…*decided to intensify their dialogue and to strengthen their cooperation and partnership in order that the challenges of the future may be met..*” (European Union External Action Service, 1991, p. 1). Gilson furthermore supplements that the Declaration made both parties officially recognize each other as appropriate and valid partners for political and diplomatic dialogue (Gilson, 2000, p. 95).

As specified by Borucińska, the Declaration established an abundance of fundamental aspirations of mutual cooperation in essential sectors such as trade, security, political and economic affairs. Aside from that, it also touched upon more specific sectors such as development, science, and cooperation with the Asian continent. Furthermore, it additionally succeeded in establishing a stable foundation for future annual summits (Borucińska, 2018). Hosoya points out that down the line, a renowned Japanese diplomat named Owada successfully succeeded the *Three-Pillar Theory* from Ikeda and played an instrumental role in the development and composition of the Hague Declaration. According to Hosoya, the diplomat asserted that the fragile and weak relationship needed a “*sense of community”* and more comprehensive dialogues on a broad spectrum of economic and non-economic issues in order to flourish (Hosoya, 2012, p. 322).

The relationship between Japan and the European Union is thus generally said to be characterized by an abundance of misunderstandings and conflicts. For instance, Hosoya declares that one of the main complications within European and Japanese relations is the fact that most Japanese political officials formerly did not officially recognize the strategic and diplomatic relevance of the relationship (Hosoya, 2012). Nelson agrees and supplements that ordinary Japanese citizens tended to regard all European institutions as a singular and homogeneous entity due to a lack of similar and comparable institutions and by virtue of convenience (Nelson, 2012).

According to Hosoya and other scholars, the Hague Declaration is thus an incredibly defining moment in the EU-Japan cooperation. However even after the positive developments generated by the Declaration, it did not fully stabilize the relationship. This can be ascribed to China’s sudden economic upsurge which subsequently began to overshadow the significance of the EU-Japanese relationship (Hosoya, 2012).

Additionaly, Borucińska asserts that the relationship was yet again strengthened during this phase given that the capacity and scope of the relationship now went far further than just economics alone (Borucińska, 2018). Hosoya argues that both parties also wished to collectively assist the advancement and entrenchment of the rule of law, democratism and observation of elementary freedoms and human rights. During this phase, the European Union wished to proceed chasing down its own economic interests and concerns in Asia while also establishing and entrenching its Eurocentric norms within the Asian continent (Hosoya, 2012). Yet again, the importance of common interests and goals came to attention as a crucial aspect of EU-Japan relations. Ultimately, Hosoya contends that economic principles still monopolized strategies of the European Union towards Asia, but gradually became more attentive of the importance of shared values and norms in order to engage itself with Asia (Hosoya, 2012).

### PHASE III : 2001-2010

Everything changed once again at the commencement of the twenty-first century. Borucińska points out that both parties aimed to establish a new strategic framework mostly focused on security and trade, as opposed to solely economic matters (Borucińska, 2018). However, as asserted by de Prado, this era encountered an abundance of new challenges, considering that it became evident that Japan perceived the European Union with some suspicion due to confusion on how it truly functioned. In this manner, Japan did not know whether the Union was to be regarded as a *singular entity* or a *collective community* composed of individual sovereign nations. De Prado further concludes that Japan considered the European Union to be inadequate in terms of being capable of drafting and defining coherent domestic and foreign policies. On top of that, Japan also believed that unlike the Union itself, Member States lacked authority to enable their policies with serious diplomatic effect (Prado, 2014).

Later on, the 2001 *Action Plan for EU-Japan Cooperation* was signed as part of the *Decade of Japan-Europe Cooperation* (Ministry of Foreign Affairs of Japan, 2001). Aforementioned plans are commonly viewed as the commencement of the third phase. However, the Action Plan was eventually overlooked by the Japanese Prime Minister, mainly owing to the fact that Japan considered the US-Japan alliance to be of more importance than its relationship with the European Union. Furthermore, Hosoya stipulates that the relevance of the EU-Japan relationship during this phase was further undermined by other succeeding Japanese Prime Ministers as well, given that the cooperation was difficult to define and rationalize for the Japanese government (Hosoya, 2012).

On the other hand, de Prado claims that the relationship between Japan and the Union did not flourish during this phase due to absence of mutual understanding, lack of trust and lackluster attention and interest in one another (Prado, 2017). Addedly, Tanaka notes that the emergence of China as an economic and political power yet again played a huge role in the deterioration of EU-Japan relations during the 1990s. The scholar notes that resulting from the sudden rise of Asian nations within the international sphere, European authorities came to realize that they needed to establish a singular reasoned policy and stratagem with regard to to the Asian continent (Tanaka, 1998 , p. 207).

Hosoya further contends that once again, the Action Plan was not considered to be an enormous success. During this phase, the failure was mainly attributable to the fact that its strategic significance was considered to be less substantial in comparison to other strategic and diplomatic alliances for the European Union, particularly alliances with nations such as India, Russia, the United States and China (Hosoya, 2012). De Prado agrees with Hosoya and supplements that most of the goals and ambitions set forth by the EU-Japan Action Plan did not progress extensively, given that the goals were in need of undivided attention which they did not receive (Prado, 2017).

### PHASE IV : 2011 – 2018

Borucińska provides that the fourth phase is considered to be a distinct phase dedicated to the drafting of very extensive frameworks for the enforcement of a strategic and an economic partnership. An essential milestone, if not the most important development of this phase, is the preparative work and finalization of two comprehensive agreements. Borucińska asserts that the *20th EU-Japan Summit* held in 2011 brought forth major improvements to the relationship between Japan and the European Union. This is noteworthy since political leaders of both parties did not bring any further enhancements to the *2001 Action Plan* on its tenth anniversary, yet instead commenced to establish the foundation for two significant and interconnected agreements known as the *Strategic Partnership Agreement* (SPA) and the *Economic Partnership Agreement* (EPA) (Borucińska, 2018).

It should be taken into consideration that Japan was initially uncertain in regards to concluding binding agreements with the European Union due to their so-called “*path dependency”*, as explained by Gilson. The scholar deduces that if America does not proceed with negotiations, Japan will accordingly jump on the bandwagon and follow the United States’ lead. This thus consequently meant that a deal with the European Union could only be achieved if a deal or agreement was concluded with America first (Gilson, 2016, p. 25). This sentiment thus lays down the importance of the role of the United States in the relationship between Japan and the European Union. Additionally, Suzuki declares that the thoroughly deep-rooted American bias of Japan is not simply the outcome of economic collaboration and interdependency, considering the fact that it is also closely associated to their security partnership with the United States (Suzuki, 2017).

Frenkel and Walter addedly argue that Japan disregarded EU-Japan dialogue during a segment of this phase in order to focus itself on the *Trans-Pacific Partnership* (TTP) instead. The United States however, retreated from the negotiations which subsequently made Japan revise its former decision. As a consequence, Japan began actually concentrating more on its relationship with the European Union since it not only offered economic possibilities, but also provided a shield against protectionist measures (Frenkel & Walter, 2017). It can thus be concluded that EU-Japan relations only assumed greater importance due to the withdrawal of the United States in the TTP dialogues.

Furthermore, De Prado also claims that an important decisive component which initiated dialogues and negotiations surrounding the Economic Partnership Agreement is Japan’s response to the ratification of the Free Trade Agreement between the European Union and South Korea.

The EU-Korea Agreement provided potential for trade within the complicated Asian market for the European Union, while South Korea was able to enter the European market with cheaper and similar products to that of Japan. In view of this, the Agreement thus jeopardized Japan’s exports to the European Union (Prado, 2014).

Moving on, the *Triple Catastrophe*, consisting of a tsunami, an earthquake and a nuclear disaster, which befell Japan in 2011 brought forth grave destruction and a high amount of human casualties which immediately prompted the European Union to provide assistance. Ergo, Söderberg indicates that the calamity ended up affecting the subject matter of the *Joint Statement* of the 2011 Summit due to Japan’s sudden instability (Söderberg, 2012). Nevertheless, Japanese officials demonstrated their genuine and earnest gratitude for the aid provided by the European Union as an immediate response to the catastrophe, and described their relationship with the term “*kizuna” –* an amicable Japanese term (Söderberg, 2012, p. 250). This is interesting to note since the relationship between Japan and the European Union was considered to be rather lackadaisical due to mutual negligence ever since its establishment.

Söderberg further asserts that the responses in regards to the *2011 EU-Japan Summit* have been somewhat mixed, seeing that some critics see the development as a depreciation of the alliance due to the fact it still lacked a stable institutional foundation for the establishment of EU-Japan relations. On the other hand, it was also widely supported since this advancement would likely constitute a dissolution to a substantial amount of directionless discourse and discussion surrounding the cooperation (Söderberg, 2012). Instead of incertitude, it is expected that certainty will be provided by reason of solid and clarified dialogue with a view towards binding agreements in free trade and security matters.

Furthermore, Prime Minister Shinzo Abe introduced a new economic program in 2013 commonly referred to as *Abenomics*. In order to realize their economic ambitions, Japan sought to stimulate and encourage economic bilateral and plurilateral partnerships with other nations. Accordingly, Suzuki asserts that Prime Minister Abe established a new policy for Japan that enabled inflation to run its course and maintain the current economic boom, especially since the new policy was also upholding the idea of pursuing trade deals with other sovereign nations (Suzuki, 2017). On those grounds, it can be regarded that Japan’s economic policy played a huge role in terms of the establishment of the Economic Partnership Agreement.

De Prado further surmises that Japan appeared to be somewhat uncertain in regards to establishing matters further beyond security and trade issues during the *2017 Summit*, given that the nation favored a proposition based exclusively on trade. Nonetheless, this apprehension did not obstruct the process of the Agreement to a great extent (Prado, 2017). Furthermore, Suzuki also claims that the Brexit can be linked to some of the apprehensiveness of Japan in regards to the European Union. This is primarily due to the abundance of Japanese motorcar industries in Europe having plants and factories located within the territory of the United Kingdom (Suzuki, 2017).

Moreover, this is not the only important aspect of this current phase. According to Manners, the European Union is known as a *“normative power”*, meaning that it is an entity which actively encourages core norms and principles in the arena of international politics. Appropriately, the five core norms embodied by the European Union are “*peace, liberty, democracy, rule of law and human rights*” (Manners, 2002, p. 243). Normative powers do also constitute normative cooperation. Added to this, Berkofsky states that normative collaborations are capable of reinforcing imperative and fundamental norms, which is what the Union seeks in relationships with other nations (Berkofsky, 2012). Conclusively, normative powers thus refers to the competences of the European Union and Japan to expand and disseminate standards and norms within the international society (Skolimowska, 2015 ).

Moving on, it is obvious that just explaining the evolution of the relationship does not properly assess its effectiveness. For this reason, the next section will provide additional information on a selected theory in order to adequately evaluate the effectiveness of the international cooperation.

## Theories of International Cooperation

The theory used in order to assess the “*effectiveness*” of the EU-Japan relationship is based on Milner’s “*International Theories of Cooperation Among Nations – Strengths and Weaknesses*”. According to Milner, the study of international cooperation came into being in 1970s considering that an abundance of nations started systematizing collaborative relations in security and economic matters (Milner, 1992).

First of all, cooperation among States has to be adequately defined. Milner’s work is premised on the teachings of various scholars and includes Keohane, who accordingly declares that cooperation is circumscribed as the act of parties adapting their own attitude and conduct to suit the preferences of others through harmonized legislation (Milner, 1992, p. 467). In this manner, Milner provides a theory on how to determine the existence of cooperation.

Milner asserts that cooperation is composed of two elements. In the first place, the actions and activities undertaken by participating parties should be addressed towards the achievement of a clear goal. It is important to note that the goal does not have to be equivalent or identical for all actors concerned, seeing that solely reasonable conduct is expected from parties.

Secondly, a cooperation must be able to provide all participating parties with evident gains and rewards. Much like the first element, these benefits do not have to be identical, but they should be reciprocal and common (Milner, 1992, p. 467).

Milner also provides that defining *“non-cooperation”* is of significance. Particularly since collaboration between parties is usually supported, as opposed to hostility. Furthermore, Milner declares that having a commonly acknowledged description of “*international cooperation”* would aid in making such distinctions (Milner, 1992, p. 468).

Moreover, Milner proposes six different hypotheses amassed from the opinions of an abundance of scholars regarding effective international cooperation. In this dissertation, three out of six hypotheses have been selected and utilized in order to measure the effectiveness of the relationship between Japan and the European Union while simultaneously reviewing the possible strengths and weaknesses of the bipartite cooperation.

The first hypothesis utilized in this research is referred to as the “*Absolute Gains, Relative Gains and Reciprocity* *Hypotheses”.* Aforementioned theory accordingly addresses the fact that states collaborate for the purpose of acquiring “*absolute gains”* (Milner, 1992, p. 470). Accordingly, collaboration thus emerges strategically and develops in tandem with the changing prospects of all parties involved. Additionally, Milner focuses on Keohane’s “*Theory of Reciprocity*”, which assumes that parties have to understand one another perfectly well in order to constitute a successful cooperation, in lieu of disputing with one another (Keohane R. O., 1986). Addedly, Milner asserts that states likewise seek for gains in order to juxtapose their own gains with those of other states (Milner, 1992, p. 471). Furthermore, Axelrod’s definition of “*equivalent gains*” has been employed during this dissertation, meaning that that in order to acquire optimal gains, the benefits for all the parties should be as symmetric and proportional as possible (Milner, 1992, p. 472).

The second hypotheses introduced by Milner is coined the “*Iteration Hypotheses”*. This theory accordingly stresses the relevance of *expectations* of participating states in regards to international cooperation. Moreover, this theory assumes that the willingness of parties to collaborate is affected by the notion that the relationship will be able to last for an indefinite amount of time. This implies that it is more probable that a collaboration will last when there are virtually no uncertainties present (Milner, 1992, p. 474).

The third hypotheses is known as the *“International Regimes Hypotheses”*. The final employed hypotheses mainly stresses the fact that effective cooperation is concentrated on the role of *international regimes*. Within this context, regimes are specified as the values, norms and principles of participating parties. Additionally, Milner’s assessment of Keohane’s theory is that regimes may encourage dialogues and thus subsequently establish collaboration, especially through matter linkage. This accordingly insinuates that States are able to connect their issues as some form of collateral spill-over effect (Milner, 1992, p. 475).

When assessing the “*effectiveness”* of the relationship, it is important to verify that the relationship is in fact considered to be a cooperation in the first place. In order to determine this, the following criteria based on Milner’s theories have been set up for the research :

1. *Is there a clear goal between the two parties?*
2. *Does the cooperation have common and reciprocal goals?*

Conclusively, the criteria utilized in order to assess the genuine “*effectiveness”* of the EU-Japanese partnership is based on the following factors :

1. *Does the cooperation provide equal absolute gains?*
2. *Are both parties willing to cooperate with one another? Are there many uncertainties that might obstruct the cooperation?*
3. *Are the regimes from both parties compatible?*

## The EU-Japan Economic Partnership Agreement

First of all, it is important to define what an *Economic Partnership Agreement* exactly entails. Consistent with the European Commission, Economic Partnership Agreements are commonly referred to as trade agreements in conformity with regulations of the *World Trade Organization* (WTO). However, such agreements differ a lot from regular Free Trade Agreements (FTAs), mainly because of the fact that they are capable of going further than common Free Trade Agreements. In this manner, Economic Partnership Agreements are specially developed in order to be able to enhance the economic governance of participating parties (European Commission - Trade, 2018).

Naturally, the Economic Partnership Agreement was not established in a void, considering the fact that the entire process of finalization took a couple of years. As stated by the Council, an agreement was reached during the course of the *20th EU-Japan Summit in 2011* as a means to commence the preparatory process for the establishment of the bilateral trade deal (Council of the European Union, 2011). Informal dialogues were finalized in 2012 and resulted in the official initiation of formal and official dialogues in 2013 (Council of the European Union, 2012). Subsequently, the *Economic Partnership Agreement* (EPA), together with the *Strategic Partnership Agreement* (SPA) negotiations were finally rounded off during the *24th EU-Japan Summit* in 2017, after eighteen sessions of dialogue (European Commission, 2017).

The Economic Partnership Agreement between Japan and the European Union is relatively new, seeing that it only came into effect at the beginning of 2019. According to the European Commission, the Agreement is anticipated to be fully implemented by 2035. Furthermore, the Agreement sets out a space of free trade with an estimated market totaling more than 600 million potential consumers (European Commission Press Release, 2018).

Moreover, the aims and ambitions of the Economic Partnership Agreement are also quite elaborate. The European Commission provides that the Agreement creates further incentive for exchange in services and goods while simultaneously generating potential and opportunities for investment. The Agreement will also ameliorate the status of European investors and exporters to the Japanese market, while also similarly safeguarding norms and values of the European Union (European Commission, 2018).

Most importantly, the Economic Partnership Agreement will either completely remove or decrease tariff and non-tariff barriers between Japan and the European Union upon entry into force (European Commission, 2018). Furthermore, Frenkel indicates that in addition to the possible economic consequences of the Agreement, both parties might possibly become able to perform a major function in the formation of forthcoming international trade order. This was originally considered to be a role for the United States, prior to when the country started to diverge towards protectionist measures (Frenkel & Walter, 2017).

### Stakeholders

Ever since the onset of negotiations, stakeholders have presented themselves on either side. One of the main stakeholder on the European side is the *European Parliament,* given that the institution was thoroughly active in the shaping of the Economic Partnership Agreement as it closely monitored negotiations and feasibility procedures ever since the commencement of dialogues. Moreover, the Parliament emphasized in one of its resolutions that it endorses the establishment of a trade deal between Japan and the European Union (European Parliament, 2011).

In addition, another relevant European stakeholder of the Agreement is the *European Economic and Social Committee* (EESC), which stressed its opinion regarding the importance of civil society in the EU-Japan trade deal. The institution did encourage the ratification of the Agreement, but wished to remind the relevant authorities that the potential environmental, economic and social consequences should be gauged. Furthermore, the institution provided recommendations and made a request regarding the incorporation of an exclusive chapter in the interest of guaranteeing a supervisory function for civil society (Batut, 2014).

Furthermore, the implementation of the Economic Partnership Agreement encountered diverse responses from various European industrial sectors. European Automotive businesses and industries, for example, were initially apprehensive due to the potential rise of competitiveness of Japanese automobiles. On the other hands, industries such as Chemical and Food related sectors have expressed their approval regarding the substance contained within the Agreement (Bridges, 2012).

The Agreement did not only receive critique and judgement from solely businesses and industries, considering that various Trade Unions and NGOs also reprimanded some aspects of the economic partnership. One important stakeholder is the *European Trade Union Confederation* (ETUC), which deliberated that the Agreement undermined and compromised the rights of workers and the social well-being of people (European Trade Union Confederation, 2018). Furthermore, organizations such as the *Eurogroup for Animals* expressed its discontentment with the fact that the Agreement was not utilized as a means to further improve the standard of living and protection of animals (Eurogroup For Animals, 2018).

In addition to that, the Economic Partnership Agreement was not only criticized by European stakeholders since some Japanese stakeholders also seemed to be somewhat troubled regarding the content of the Agreement. For instance, the *Japanese Trade Union Confederation* (JTUC) expressed their apprehensions about the seeming absence of appropriate labor and employment enforcement arrangements (JTUC-RENGO and ETUC, 2018).

Luckily, the Agreement was not met with only criticism and opposition given the fact that an abundance of Japanese corporations and business associations in fact welcomed the ratification of the Agreement – an example being the *Japan External Trade Organization* (JETRO). In accordance with Matsura, the Agreement was greatly commended by the organization since it is geared towards trade for the common good and thus generally supports the establishment of such extensive trade deals (Matsura, 2019). Moving on from this topic, the results of the carried out research will be presented in the forthcoming section.

# Results

## Cooperation between Japan and the European Union

### *Is there a clear goal between the two parties?*

In accordance with Yamamoto and Goy, the current decennium has witnessed an abundance of dialogues and negotiations regarding various reciprocal global challenges suchlike sustainable economic advancement and the UN Millennium Goals. As a result, a new rejuvenated partnership between Japan and the European Union was set up in order to effectively face the foregoing global challenges and simultaneously convey a clear and undisputable notice supporting free market economy regimes (Yamamoto & Goy, 2019).

Gilson states that the cooperation between Japan and the European Union includes a set of clearly defined and established goals mainly geared towards assisting multilateralism in an effective manner and preserving universal security and peace. However, the scholar asserts that the foundation of the cooperation has been compromised by an abundance of domestic and international occurrences causing recent dialogue and negotiations to become complicated. Accordingly, these complications can mainly be attributed to tense political situations in China and Russia. Moreover, the scholar states that the foundational presuppositions upon which the relationship is founded binds the relationship into a reliance on normative and constitutional aspects. Consequently, this makes it difficult for both European and Japanese mediators and negotiators to make progress in the relationship due to the fact that they cannot stray away from those confining goals (Gilson, 2016).

Correspondingly, D’Ambrogio provides that both Japan and the European Union are actors that have compatible and unequivocal objectives since both parties wish to advocate for peace, liberty, democracy, rule of law and human rights in the international sphere(D’Ambrogio, 2019)*.* Within this context, Gilson additionally asserts that the objective of unearthing the unchartered potential and opportunities of the cooperation emphasizes the notion of common and shared values between the two parties. Nevertheless, it is considered to be very difficult and demanding to uncover the potential of the cooperation (Gilson, 2016).

Accordingly, it can thus be concluded that the relationship includes clear goals between the European Union and Japan, particularly with regard to the support of multilateralism, advocacy of democracy, the rule of law, peace and security.

### *Does the cooperation have common and reciprocal goals?*

One can thus conclude that there are clear and defined goals between the two parties. In addition to just clear goals, the relationship also ought to include common and reciprocal goals for it to be defined as a proper cooperation.

Picardo states that in addition to their common political, economic and geographical goals, both parties also share an abundance of supplementary common aims such as tackling worldwide concerns regarding weaponry, non-proliferation and denuclearization. Likewise, issues related to the sudden emergence of China and the debatable political tendencies of Russia can also be considered to be common goals both Japan and the European Union wish to work out collectively (Picardo, 2018).

Additionally, Gilson contends that EU-Japanese cooperation regarding matters such as liberalization, global warming, copyright infringements and intellectual property is heavily thwarted by expectations and anticipations. Furthermore, the scholar also alleges that the mediators and negotiators of dialogues of the EU-Japanese relationship attempt to reorganize and reinvent the relationship alongside even greater bombast and discourse with every announcement of renewed dialogue by introducing supposedly new shared goals. In this manner, Gilson insinuates that both the European Union and Japan are required to turn over a new leaf and enforce practical and realizable schemes in accordance with their modern common and mutual goals and interests. Above all else, the relationship should not be restricted by obsolete and unachievable goals (Gilson, 2016).

As per Yamamoto and Goy, both the European Union and Japan currently embark on the same course since both parties have a common and joint concern regarding their own global economic matters (Yamamoto & Goy, 2019). Taking this into account, it can be concluded that the cooperation between Japan and the European Union adequately complies with all requirements in regards to establishing a “*cooperation*” set out by Milner’s “*Theory on International Relations”*. Now that cooperation between Japan and the European Union has been clearly identified and specified, the effectiveness of the Economic Partnership as an essential element of the relationship will be evaluated in the next section.

## Effectiveness of the EPA

### *Does the cooperation provide equal absolute gains?*

As previously mentioned in Milner’s “*Theory on International Cooperation”,* states are generally willing to cooperate with one another in order to procure *absolute gains*. Additionally, states are also inclined to operate rationally in order to secure benefits for themselves. Most importantly, states likewise tend to contrast and juxtapose their own acquired gains with the gains of other states. This implies that Japan will likely compare its own gains with those of the European Union, as well as the other way round. Therefore, gains need to be symmetrical and balanced as to not place any strain on the relationship (Milner, 1992).

Whether or not the cooperation is capable of providing gains for both parties will be assessed by findings presented in extensive analyses provided by scholars of the *Ifo Institute* and the *Directorate-General for Trade of the European Commission* (DG TRADE).

Pursuant to the DG TRADE, the Economic Partnership Agreement is presumed to be thoroughly and wholly enforced by 2035. By that time, it is foreseen that the Gross Domestic Product (GDP) of the European Union will be increased significantly (European Commission Directorate-General for Trade, 2018, p. 1). As stated by Ponjaert, the absolute and overall magnitude of the economies of Japan and the European Union invariably provides that any trade agreement concluded is of consistent relevance and eminence since both parties jointly constitute more than one third of the world’s total GDP (Ponjaert, 2015). Moreover, the DG TRADE assesses that the added-value effect on the GDP of the European Union is anticipated to be approximately €34 billion. The anticipated expansion of the European Union is considerably higher than that of Japan, seeing that it is anticipated to augment the GDP by approximately €29 billion. As presented in Table I, it is important to bear in mind that that the expected relative effect on Japan (0.61%) is four times that of the European Union (0.14%) (European Commission Directorate-General for Trade, 2018, p. 49).

**Table I - *Macroeconomic Impact of the EU-Japan EPA in 2035 - in % and € billions***

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
|  | *EU* |  | *Japan* |  |
|  | **%** | **€ billions** | **%** | **€ billions** |
| *GDP* | 0.14 | 33,874 | 0.61 | 29,066 |
| *Bilateral Exports* | 13.2 | 13,541 | 23.5 | 22,215 |

*Source :* (European Commission Directorate-General for Trade, 2018, p. 49)

Accordingly, research conducted by Ifo Institute scholars has simulated that a more modest and thus less elaborate liberalization of trade only centered around the removal of trade tariffs is anticipated to generate minimal economic benefits, whereas the estimated gains turn out to be quite considerable when both involved parties wish to actively maintain extensive trading agreements (Felbermayr, Kimura, Okubo, Steininger, & Yalcin, 2017, p. 14).

It should be stressed that the gains are not expected to present themselves immediately after the implementation of the trade agreement. This is one of the reasons why it is challenging to make proper and accurate predictions as of right now. However, Ifo Institute scholars claim that the acquired gains of the agreement are anticipated to emerge annually after a gradual scaling-up period of approximately ten years after the Economic Partnership Agreement has been officially and fully implemented (Felbermayr, Kimura, Okubo, Steininger, & Yalcin, 2017).

As specified by Ifo Institute scholars, the total gains of the Agreement are presumed to be disparately allocated throughout various industries and sectors between Japan and the European Union, as well as throughout Member States of the European Union individually resulting from substantial disparities and asymmetries within the economic regimes (Felbermayr, Kimura, Okubo, Steininger, & Yalcin, 2017). Borucińska addedly endorses this view and adds that the expected cumulative welfare benefits of the Agreement will not be considered equal (Borucińska, 2018). On the contrary, the DG TRADE objects and upholds that the anticipated gains of the Agreement can be regarded as symmetrical and counterbalanced (European Commission Directorate-General for Trade, 2018, p. 1). Additionally, it is very important to bear in mind that the eventual reduction of tariff barriers is expected to amplify the degree of competition considerably, yet a decrease in total trade expenses does not always give rise to sharp increases in export.

Interestingly, Ifo Institute scholars affirm that every Member State of the European Union is expected to obtain gains from the Economic Partnership Agreement, with some minor exceptions for countries such as Romania, Portugal and Greece. Aforementioned countries are anticipated to obtain the smallest and most minimal gains out of all Member States (Felbermayr, Kimura, Okubo, Steininger, & Yalcin, 2017, p. 15). The DG TRADE agrees and further adds that no industry or sector within the European Union is predicted to suffer any discernible deficits or losses (European Commission Directorate-General for Trade, 2018, p. 1).

Ultimately, the DG TRADE analysis asserts that the Agreement offers a very favorable and optimistic overall result for the entire European Union and consequently provides notable gains in industries and sectors that generally do not profit from trade agreements (European Commission Directorate-General for Trade, 2018, p. 1).

Addedly, Ifo Institute scholars further declare that most industries and sectors that are capable of bringing forth gains will lose benefits in other industries and sectors, apart from the Machinery, Textiles and Electronic Equipment industries (Felbermayr, Kimura, Okubo, & Steininger, 2018, p. 28).

Accordingly, resulting from globalization and interconnectedness between nations actively engaged in international society, not only Japan and the European Union are foreseen to be affected by the Agreement. Even more so since the Agreement is presumed to affect every nation participating within the global economic community. Ifo Institute scholars submit that the Economic Partnership Agreement is very likely to generate unfavorable and detrimental trade impacts in relation to third parties, particularly to nations such as Taiwan, South Korea and China. However, the total impact of these adverse consequences is deemed to be comparatively small and can even be deemed irrelevant (Felbermayr, Kimura, Okubo, Steininger, & Yalcin, 2017). Contrarily, the DG TRADE maintains that not a single third country is expected to suffer any major losses in relation to GDP (European Commission Directorate-General for Trade, 2018, p. 52).

On the other hand, Ifo Institute scholars do acknowledge that certain third parties are expected to benefit from the Agreement, the most notable ones being the United States and Mexico. Nevertheless, the anticipated impact is proven to be negligible (Felbermayr, Kimura, Okubo, Steininger, & Yalcin, 2017, p. 15). On top of that, the GD Trade analysis has concluded that the increase of GDP between Japan and the European Union will thereupon produce greater international trade and demand, serving the interests of all third countries through the so-called “*income effect”* (European Commission Directorate-General for Trade, 2018, p. 52)

In this regard, the Brexit can also be seen as a very important aspect regarding the provision of gains brought forth by the Economic Partnership Agreement. As a response, Ifo Institute scholars state that an economic agreement concluded among Member States of the European Union and Japan is considered to be of lesser value for Japan if the United Kingdom is not included. Accordingly, Brexit is also very probable to decrease the expected economic and monetary benefits and gains for Japan, considering that Brexit is anticipated to mitigate the worth of the Agreement for Japan by approximately twenty percent (Felbermayr, Kimura, Okubo, & Steininger, 2018, p. 3).

Another important finding presented by Ifo Institute scholars is the fact that even though Japan and the European Union follow remarkably dissimilar economic and market strategies, considerable welfare gains are expected to be provided, regardless of the circumstances (Felbermayr, Kimura, Okubo, Steininger, & Yalcin, 2017).

Conclusively, it can thus be deduced that even though not all studies agree upon the same matters, the general consensus is that Economic Partnership Agreement is expected to provide an abundance of mutual benefits and gains for both Japan and the European Union, as well as an abundance of third countries. It can be regarded that the gains are not distributed entirely balanced and symmetrically, although it is not of such a degree that it will burden the relationship between the two parties due to antagonisms.

### *Are both parties willing to cooperate with one another? Are there uncertainties that might obstruct the cooperation?*

Consistent with Nakamura, both Japan and the European Union have succeeded in cooperating not just in a reactive and responsive manner, but also in an anticipatory and proactive manner. Additionally, this applies to the economic sphere, as well as the security sphere wherein the two international partners collaborate vigorously (Nakamura, 2015).

On top of that, Bacon and Holland assert that the Euro-Japanese cooperative relationship is conceived as possessing a substantial amount of untapped potential (Bacon & Holland, 2015, p. 57). Furthermore, the scholars further indicate that we should praise and commemorate the cooperation, as it is considered to be much more substantial and durable than the vast majority of other international relationships. Nevertheless, despite the fact that the relationship is deemed to be steadfast and unyielding, recurrent feelings and perceptions that the relationship could be enhanced even more will always exist. Addedly, the collaboration thus provides some significant windows of opportunities in regards to effective and normative trade. Yet, these can easily be overlooked and neglected (Bacon & Holland, 2015).

As claimed by Olsson de Koning, the impression of Europeans that Japan has a near-impenetrable market, coupled together with an extensive list of former trade barriers and apprehension to actually take these barriers apart were significant elements that could potentially have obstructed the Agreement in its initial stages. Yet, Japan has clearly demonstrated that it is willing to cooperate and open their market and thus set aside its own ideologies and beliefs in order to establish cooperative relations with the European Union (Olsson de Koning, 2012, p. 25). For this reason, both parties have expressly demonstrated that they are capable and willing to cooperate with one another.

Additionally, extensive studies conducted by Gilson and Keck  have confirmed that the former trade disputes between both parties have gradually revolutionized into comprehensive cooperative mutual awareness between two relevant international players leading to the establishment of the Agreement (Keck, Vanoverbeke, & Waldenberger, 2013). This implies that both parties have the capacity to solve disputes amongst one another. However, Matsura declares that the first phase after the entry into force of the Agreement – the phase we are currently in – provides a lot of uncertainties, given that it will take a while before everything surrounding administrative affairs is cleared up and clarified (Matsura, 2019).

In conclusion, Japan and the European Union are thus very willing to cooperate with each other. Addedly, most of the preceding uncertainties and disputes within the cooperation have already been solved by means of cooperation. This does not signify that the EU-Japanese relationship is not facing any sort of difficulty currently. It can be concluded that unresolved uncertainties and challenges within the relationship such as the Brexit and the sudden emergence of China as an economic power are challenging the ever-developing cooperation between the two actors.

### *Are the Regimes from both parties compatible with one another?*

As previously indicated by Milner, international regimes can be regarded as the set of norms, values and principles of engaging and participation parties upon which they operate. Most importantly, conformable and compatible regimes are capable of decreasing skepticism and uncertainties within relationships. For that reason, regimes are apt to stimulate participation into dialogues and thus accordingly bring forth effective cooperation. Regimes are further able to coerce parties into interlinking their own matters, which subsequently results in equal benefits and gains for all parties involved (Milner, 1992).

In accordance with Keohane, it can be argued that international regimes are useful in ensuring cooperation considering the fact that an absence of regimes is rather likely to result in uncertainties due to governments and authorities becoming apprehensive regarding the conduct of their partners and rivals (Keohane R. O., 2015, p. 87). Furthermore, Tarzi adds that regimes generally discourage States from breaching principles set down by the regime (Tarzi, 1998). At last, Milner notes that regimes are capable of encouraging cooperative partnership in other sectors as a spill-over effect, meaning that States can connect their challenges in their quest for balanced gains and losses of cooperation (Milner, 1992, p. 470). It is thus of importance for Japan and the European Union to have compatible regimes.

Against the backdrop of the relationship between Japan and the European Union, it can be seen that both Japan and the European Union seem to favor an international liberal decree predicated on the rule of law. This accordingly constitutes that the regimes of either party are compatible with one another. As provided by the Esteban and Simon, such a global order is capable of achieving historically high levels of global socio-economic advancement. For that reason, Japan and the European Union should cooperate extensively based on their common regimes as a means to successfully face forceful emerging authorities (Esteban & Simon, 2018). Bacon, Mayer and Nakamura agree and supplement that an international order based on the joint regimes between Japan and the European Union would offer opportunities to reinforce the standing of both parties within the international order while simultaneously providing a possibility to have an impact in terms of global governance matters (Bacon, Mayer, & Nakamura, 2015).

## Impact and Achievements of the Economic Partnership Agreement

As concluded by the DG TRADE, the Agreement is expected to bring forth considerable trade liberalization between Japan and the European Union. Upon coming into effect, the European Union deregulates ninety-nine percent of its tariff lines and one-hundred percent of commodities imported under the ordinance of the Agreement. On the other hand, Japan deregulates ninety-seven percent of its tariff lines and ninety-nine percent on commodities imported once the agreement officially enters into force (European Commission Directorate-General for Trade, 2018). It is also worth mentioning that the remaining three percent of tariff lines that will not be entirely deregulated by Japan will have substantial reductions applied to them in the form of either tariff rate rebates or quotas, as can be seen in Table II.

**Table II - *Tariff Reductions - Simulation Parameters in %***

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
|  | *EU* |  | *Japan* | |  |
|  | **Base Tarrif** | **EPA Tariff (2035)** | **Base Tarrif** | **EPA Tarrif (2035)** | |
| *Rice* | 26.4 | 26.4 | 231.0 | 231.0 | |
| *Cereal and Grains* | 3.9 | 0.0 | 1.5 | 1.0 | |
| *Other Primary* | 3.9 | 0.1 | 9.5 | 4.3 | |
| *Livestock* | 0.4 | 0.0 | 3.6 | 0.0 | |
| *Meat* | 2.2 | 0.0 | 5.1 | 1.1 | |
| *Fishery* | 1.5 | 0.0 | 3.0 | 0.0 | |
| *Dairy* | 14.6 | 0.4 | 24.5 | 2.9 | |
| *Beverages and Tabacco* | 2.4 | 0.0 | 5.7 | 0.0 | |
| *Processed Food* | 8.0 | 0.3 | 12.0 | 0.4 | |
| *Textile. Apparel and Leather* | 5.9 | 0.0 | 21.5 | 0.0 | |
| *Wood* | 2.9 | 0.0 | 3.6 | 0.0 | |
| *Chemicals* | 4.0 | 0.0 | 1.0 | 0.0 | |
| *Motor vehicles* | 7.8 | 0.0 | 0.0 | 0.0 | |
| *Transport Equipment* | 3.2 | 0.0 | 0.0 | 0.0 | |
| *Electronic Equipment* | 0.8 | 0.0 | 0.0 | 0.0 | |
| *Metal Products* | 3.5 | 0.0 | 2.0 | 0.0 | |
| *Machinery* | 1.6 | 0.0 | 0.1 | 0.0 | |
| *Ferrous Metal Products* | 0.1 | 0.0 | 0.3 | 0.0 | |
| *Other Manufacture* | 2.5 | 0.0 | 3.2 | 0.0 | |
| *Minerals and Glass* | 5.1 | 0.0 | 2.5 | 0.0 | |

*Source :* (European Commission Directorate-General for Trade, 2018, p. 46)

Furthermore, as can be deduced from Table III, the largest absolute and relative gains for the European Union regarding export can be found within the Dairy and Textile sectors. The most significant increase in absolute and relative gains for Japan can be seen in the Motor Vehicles sector, the Minerals and Glass sector and lastly, the Machinery sector (European Commission Directorate-General for Trade, 2018, p. 50).

**Table III *- Impact of the EU-Japan EPA in 2035, sectoral output in percentages and million Euros***

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
|  | **EU** |  | **Japan** |  |
|  | ***%*** | **Absolute Change**  ***€ million*** | ***%*** | **Absolute Change**  ***€ million*** |
| *Rice* | 0.0 | 2 | 0 | -3 |
| *Cereal Grains* | 0.0 | -6 | -0,4 | -2 |
| *Other Primary* | 0.0 | 78 | 0,1 | -61 |
| *Livestock* | 0.2 | 278 | -0,6 | -119 |
| *Meat* | 0.2 | 725 | -0,5 | -162 |
| *Fishery* | 0.0 | 5 | 0.0 | -5 |
| *Dairy* | 0.3 | 1,054 | -1,5 | -505 |
| *Beverages and Tobacco* | 0.2 | 535 | 0.2 | 196 |
| *Processed Food* | 0.2 | 1841 | -0,2 | -493 |
| *Textile, Apparel and Leather* | 1.9 | 7,096 | -2,2 | -1,327 |
| *Wood* | 0.2 | 2,187 | 0.4 | 841 |
| *Chemicals* | 0.1 | 1,975 | 1.2 | 6,235 |
| *Motor Vehicles* | 0.0 | -139 | 2.5 | 13,861 |
| *Transport Equipment* | 0.0 | 30 | 2.4 | 1,221 |
| *Electronic Equipment* | 0.1 | 328 | 0.6 | 2,093 |
| *Metal Products* | 0.1 | 805 | 1.1 | 2,424 |
| *Machinery and Equipment* | 0.1 | 1,307 | 1.0 | 5,362 |
| *Ferrous Metal Products* | 0.1 | 272 | 0.9 | 3,113 |
| *Other Manufacture* | 0.2 | 949 | 0.9 | 676 |
| *Minerals and Glass* | 0.1 | 3103 | 0.8 | 5,565 |
| *Other Transport and Travel Agencies* | 0.1 | 2400 | 0.5 | 2,819 |
| *Air Transport* | 0.1 | 307 | 0.3 | 187 |
| *Water Transport* | 0.1 | 601 | 0.4 | 524 |
| *Business Services* | 0.2 | 12,844 | 0.8 | 11,174 |
| *Communication* | 0.1 | 1,123 | 0.4 | 1154 |
| *Trade* | 0.1 | 6,943 | 0.7 | 10,436 |
| *Finance and Insurance* | 0.1 | 2,831 | 0.6 | 3,355 |
| *Construction* | 0.3 | 9,423 | 1.5 | 9,15 |
| *Other Services* | 0.1 | 6,15 | 0.1 | 4,614 |

*Source :* (European Commission Directorate-General for Trade, 2018, p. 50)

The Economic Partnership does not only provide monetary benefits, as it is also capable of generating various non-monetary benefits. In this manner, Ifo Institute scholars declare that the key accomplishment brought forth by the Agreement is the actual formation and ratification of a dynamic and impactful trade deal between two paramount economic authorities which can therefore be viewed as a substantial announcement for international society. The actual establishment of the Agreement can thus accordingly be considered as the pinnacle of cooperation between the two actors. The research furthermore asserts that the establishment of an agreement of such magnitude signifies that economic unification between nations is still very attainable and that it does provide evident gains and benefits for parties actively involved in the establishment of the agreement (Felbermayr, Kimura, Okubo, & Steininger, Quantifying the EU-Japan Economic Partnership Agreement, 2018, p. 4). This is rather extraordinary in this era dominated by protectionist measures where global economic harmonization and unification is often scrutinized, or even prevented to a certain degree.

In addition, analysis prepared for the *European Parliament's Committee on International Trade* (INTA) deduces that other social matters such as gender equity and preservation of the environment will also be improved under the regulation of the Agreement. Moreover, it is also expected that the Agreement will have a central role in the fulfillment of objectives specified by the United Nations Sustainable Development Goals (Chowdhry, 2018, p. 33).

Accordingly, the main achievement brought forth by the Agreement is thus the fact that it presents a very strong message against the current economic order dominated by protectionist tendencies. Apart from this, the Agreement is not only expected to bring forth significant implications exclusively within the economic and trade sectors. It can be concluded that the scope of the Economic Partnership Agreement is all-encompassing.

## Normative Relations in International Relations

As previously discussed, both Japan and the European Union share a lot of quintessential norms and values which makes them worthwhile international associates. Many scholars within the context of EU-Japan relations have varying opinions regarding the common and shared norms between the European Union and Japan. For instance, Borucińska states that both parties share an abundance of paramount values, encompassing basic human rights, democracy and rule of law which accordingly makes them valuable international partners. Their collaboration is thus seen as a “*natural step”* (Borucińska, 2018, p. 18). Hilpert agrees with Borucińska and adds that the European Union and Japan can be viewed as *“natural partners”*. For this reason, cooperation between Japan and the European Union should be convenient and simple to achieve  (Hilpert, 2017, p. 8).

In response, De Prado contends that Japanese essential core norms and values nonetheless continue to diverge from those of the European Union given that European values prevail as distinctly Western. The scholar declares that the dissimilar interests and hesitancy to split the burdens of upholding them will always continue to differ from one another. Especially since the Japanese customarily and traditionally seem to have a preference for group ordinance rather than individual rights and obligations (Prado, 2017, p. 448). On the other hand,  Nelson argues that it is of importance to recognize and appreciate the fact that Japan is not immeasurably distinct from Member States of the European Union. The scholar states that Japan is not more divergent from any European Union Member State compared to disparities amongst Member States themselves, meaning that there thus is always a possibility to reach a common understanding with one another. In addition to that, Nelson points out that not *one* nation is entirely exclusive and exceptional (Nelson, 2012).

Picardo states that it is of importance to note that the cooperative relationship between Japan and the European Union is not necessarily founded on shared and common norms and values. On the contrary, the norms and values merely establish and specify the potential of the relationship. Furthermore, the scholar concludes that a lot of work has to be done in order to conquer the geographical remoteness and shortcomings which caused the cooperation to function beneath its actual potential. Nevertheless, Picardo does not completely disregard the essential role of common norms and values within the EU-Japanese relationship. The scholar accordingly expresses that the abundance of joint and common norms, values and interests should be deemed as one of the greatest assets and advantages the relationship has to offer due to the fact that it establishes greater understanding of the significance of the bilateral cooperation (Picardo, 2018).

Moreover, Hribernik and Zupančič claim that contemporary countries have disclosed that a dependence on normative power has an abundance of benefits concerning recognition within the sphere of international politics. Japan realized this prospect as well, seeing that the nation has been trying to spread morality into universal norms ever since the middle of the 1990s (Zupančič & Hribernik, 2016). In accordance with Florini, the formation of normative aspects and values is generally dependent on the efforts of norm-entrepreneurs within the international society. Accordingly, the scholar also asserts that norm-entrepreneurs have aided tremendously in the advancement of international norms and values and are likewise capable of modifying whole regimes (Florini, 1996). Zupančič and Hribernik declare Japan is considered to be a “*norm-entrepreneur*” and therefore plays an essential role in normative relationship between Japan and the European Union (Zupančič & Hribernik, 2016, p. 127).

Furthermore, Florini declares that a norm-entrepreneur does not necessarily have to be a powerful and omnipotent nation or actor. Undoubtedly, more powerful states are appropriately deemed to be more privileged. Ultimately, Florini maintains that norm-entrepreneurs are generally required for an effective cooperation, but their conduct is rarely adequate and satisfactory (Florini, 1996).

It can thus be concluded that normative elements play an important role in regards to the shaping and functioning of the bipartite relationship between Japan and the European Union. Likewise, it is of importance for Japan and the European Union – as normative entrepreneurs and powers – to give serious consideration to their standing within the international community and employ their normative powers to their advantage in order to entrench their norms worldwide.

## Potential Threats to the Relationship – Brexit and China

It can be concluded that the swift resurgence of China as a rising power within the international society is one of the main perils currently threatening the stability of the relationship between Japan and the European Union.

As stated by Okano-Heijmans, the authorities of Japan and the European Union have a tendency to emphasize the existence of their common and shared norms and values every time the parties encounter one another, yet barely take collective measures. Against the backdrop of China, the relationship between aforementioned parties can therefore be distinguished for its so-called *“functional distance”* (Okano-Heijmans, 2017, p. 2). The scholar further adds that the European Union has a more flexible attitude towards China, allegedly due to the fact that the Union wishes to gain access to the Chinese economic market. This subsequently acts as a serious hindrance in the furtherance and advancement of the relationship owing to Japan’s general distrust and wariness of China (Okano-Heijmans, 2017).

It can be observed that some matters in the relationship are interconnected, seeing that norms play a clashing role in the cooperation between the European Union and China. As explained by Sato and Hirata, it is becoming increasingly more complex for the European Union to advance its fundamental norms and values within Asia without jeopardizing their relationship with China (Sato & Hirata, 2008). This accordingly implies that it could also potentially have detrimental effects on their relationship with Japan.

The relationship with China is presently not the only threat to the effectiveness of the relationship between Japan and the European Union, especially considering the fact that the estimated impact of the Brexit is presumed to be considerable. As implied by Suzuki, before the exact implications of the Brexit have been clarified, the potential consequences and repercussions regarding the Agreement are considered to be of high-risk for Japan (Suzuki, 2012). Matsura endorses this view and states that since it is not known what sort of “*form*” Brexit will take on, it is difficult to make any prognostications from here on out (Matsura, 2019). Frenkel and Walter further indicate that it is evident that even with Brexit occurring, the Economic Partnership Agreement will ensure admission to the European Single Market for Japanese businesses and industries currently located in the United Kingdom (Frenkel & Walter, 2017).

Upon the United Kingdom’s departure from the European Union, Ifo Institute scholars anticipate that it will negatively impact Japan (Felbermayr, Kimura, Okubo, & Steininger, Quantifying the EU-Japan Economic Partnership Agreement, 2018, p. 23). However, the United Kingdom’s departure from the European Union does not signify an end to any of its trade relations. Furthermore, the Government of the United Kingdom stated that it will continue its pursuit of maintaining economic and trade relations with other nations after Brexit takes place, in particular with Japan (Webb & Jozepa, 2018). Accordingly, both Japan and the United Kingdom have come to an agreement in which both parties mutually agree to set up a new economic cooperation reliant on the final conditions of the Economic Partnership Agreement as soon as the United Kingdom departs from the Union (Fox, 2018).

Moreover, according to the *EU-Japan Business Round Table* (BRT), it should be emphasized that an untroubled and plain-sailing departure of the United Kingdom from the European Union is necessary in order to decrease the possible detrimental commercial, political and economic repercussions for both Japan and the European Union (EU-Japan Business Round Table, 2019).

Proceeding from information presented it can be deduced that both Japan and the European Union have had a turbulent history between one another and are likewise very likely to continue facing challenges. The history of EU-Japan relations is filled with an abundance of misunderstandings and trade conflicts and both parties will probably continue to be presented with constant and ongoing challenges. It can however be argued that the European Union and Japan have slowly and gradually conquered their trade disputes over the course of history and consequently advocated for better and more extensive economic cooperation. In this manner, the next chapter will analyze data presented in order to answer the main research question of this dissertation.

# Analysis

The forthcoming chapter will provide an analysis on the collected data presented and offer further insight into the development of EU-Japan relations ever since the twentieth century. In short, the main findings will be analyzed within this chapter.

According to Reiterer, it is important to mention that both parties have matured quite a lot during their relatively brief period of official cooperation (Reiterer, 2015). Furthermore, the results presented within this research conclude that this progressive advancement should be considered to be one of the most relevant and meaningful findings. Accordingly, this finding is in conformity with Reiterer. The scholar claims that over the ages, the main foundation of the relationship has transformed itself from being solely reliant on trade conflicts into a very inclusive one, practically lacking disputes while concurrently being characterized by its benevolent nature (Reiterer, 2015, p. 17). Accordingly, the fact that both parties retreated from their reliance on solely economics is thus deemed to be the overarching and principal theme of the accumulated findings of this research. With reference to preceding data and literature presented, it should be pointed out that the general consensus is that the relationship between Japan and the European Union has gradually diverged away from its core and foundational grassroots and delved further into other areas of interest as some sort of *spill-over effect*.

Addedly, it is also worth mentioning that some scholars maintain the view that the gains of the cooperative relationship are anticipated to be distributed unevenly. However, further research has disproven this presumption considering the fact that the gains of the Agreement are more likely to be distributed evenly throughout all relevant spheres. In this manner, it is thus more probable that the anticipated gains brought forth by the Agreement will be distributed uniformly between all relevant parties in a way unlikely to generate any tensions and hostilities considering the fact that the allocation is justifiable and proportional.

Needless to say, scholars incorporated within this research do not reach an agreement on every subject discussed. For instance, Gilson states that dialogues and negotiations between Japan and the European are complex and toilsome, which subsequently makes it extremely difficult for the parties to proceed and make progress. In contrast, scholars such as Bacon and Holland refute such claims and contend that the EU-Japanese relationship can be considered to be the *apex* of effective cooperation as of today. Especially since it encompasses active dialogue between the parties on a consistent and regular basis (Bacon & Holland, 2015). Accordingly, Gilson does accede with other scholars concerning the fact that the relationship has not reached its maximum potential yet as there is still a substantial amount opportunities and possibilities to be discovered (Gilson, 2016).

Beyond that, it has become very discernible that there seems to be an unanimous agreement that most scholars deem the relationship between Japan and the European Union to be “*effective”* as it presently stands. Nonetheless, it could still become even more relevant and influential in the next years to come since is still plenty of raw and untapped potential to be uncovered. However, it will be rather difficult to expand on this potential due to external matters interfering with the relationship. Nevertheless, the prospects and opportunities of advancing the relationship further will be thoroughly examined in the forthcoming *Recommendations* section of this dissertation.

The final relevant finding discovered during the research is the importance of norms and values within the relationship between Japan and the European Union. Interestingly, Picardo asserts that the relationship is not fundamentally established on shared norms and values and thus challenges what was presumed earlier (Picardo, 2018). However, taking Picardo’s claim into consideration, it should be considered that the relationship ought to be established on some sort of common norms and values given that it would be difficult to rationalize a relationship without any kind of foundational shared goals. Therefore, it should be assumed that two parties are not likely engage with one another if they do not see a common ground to build upon.

Bearing this in mind, the following section will provide more in-depth concluding remarks of all findings presented in order to adequately answer the main research question.

# Conclusion

The main objective of this research was to assess the “*effectiveness*” of the diplomatic relationship between Japan and the European Union based on the potency of the Economic Partnership Agreement and whether the cooperation was acting in line with requirements set out to properly define an efficient international cooperation. Referring back to the main research question of this dissertation, “*Is the diplomatic relationship between the European Union and Japan effective?*, it can be concluded that the relationship between Japan and the European Union is in fact very effective – as per the definition established for this research.

Ever since the official establishment of diplomatic relations between Japan and the European Union in 1959, both parties have shown signs that they are quite willing to cooperate with each another, especially since one can wonder why both parties would conclude official diplomatic relations with one another if disinclined and averse to the notion of constituting a cooperative association. Both parties have faced an abundance of challenges over the ages, nonetheless the willingness to cooperate has always conquered their misunderstandings and disputes seeing that both parties are still engaged in diplomatic relations up until this day. It is worth noting that over time, the rationale and logic behind the cooperation has developed itself from solely relying on economic matters into a wide variety of matters.

The accumulated findings demonstrate that the relationship between the two parties has progressed to a great extent considering that it went from a relationship characterized by its vast amount of serious trade disputes to a relationship based on mutual goals and values which are essential within international society. Both parties have overcome an abundance of challenges and difficulties and therefore even changed for the better. Most of the disputes within the relationship have been resolved through expansive cooperation. Moreover, the relationship between Japan and the European Union has never been stronger than at this point stemming from the implementation of one of the most far-reaching Economic Partnership Agreements as of today.

Adding to that, aforementioned Agreement has aided to a great degree in the advancement of the relationship and is expected to continue to do so for quite some time after the official ratification at the beginning of 2019. Although it should be pointed out that it is currently still too premature to present substantial and evidence-based claims on the effect of the ratification of the Agreement, preliminary stimulations and examinations provided by various institutions have proven that the potential of the agreement is arguably of such a degree as of right now, that one ought to consider it already efficacious and operative as things currently stand.

Furthermore, in accordance with literature hitherto presented, the Agreement has demonstrated that it is likely to positively affect the international world order given that it is perfectly capable of entrenching core norms and values endorsed by Japan and the European Union into territories and spheres where their effective authority has not been exercised yet. Additionally, the Agreement is also capable of dispersing economic gains and advantages for the entire international arena. Accordingly, the varying degrees of gains and minor losses are not anticipated to place strain on the international society.

All things considered, the relationship between Japan and the European Union has substantiated that in this current era where cooperation can be viewed as complicated due to the emergence of loyalist and protectionist measures, an effective relationship between two major international powers can be maintained by an all-embracing agreement such as the EU-Japan Economic Partnership Agreement.

Ultimately, one can thus conclude that the relationship has to continue maturing and developing itself and accumulate even more gains in order to stay relevant within the international community, especially with uncertainties looming over such as Brexit and China’s ongoing economic upsurge. With the intention of continuing to accumulate benefits in the ongoing ‘*Phase V’* of the partnership, the *Recommendations* section will substantiate what can be further improved in order to tap into all potential opportunities.

# Recommendations

Based on the conclusions hitherto presented, several recommendations can be made on how the relationship between Japan and the European Union can remain sustainable and effective while also continuing to expand its reach within the international society. As mentioned in preceding parts of this dissertation, the Agreement is an exceptionally broad trade agreement, yet evidence has shown that there still is quite a lot of untapped potential to be discovered which should be utilized in an effective manner with the intention of acquiring more gains and benefits. For this reason, three recommendations will be made from which the relationship can possibly benefit.

The first proposed recommendation is that both parties should consider properly fleshing out their *strategic alliances* with one another. In agreement with Reiterer, a collaboration based on security between Japan and the European Union might appear to be an odd suggestion at first due to the immense geographical extent and remoteness between the two actors. Most importantly, Japan’s dependency on the United States in regards to security matters might also play a key role in the peculiarity of this suggestion (Reiterer, 2015, p. 11). Yet, this suggestion is deemed to be the principal recommendation due to its estimated potential. As per the Annual White Paper submitted by the Defense of Japan, it should be considered that an active encouragement of a stable defense collaboration consisting of interchanges between both parties will establish a groundwork for Japan to become engaged in tackling challenges such as its relationship with China and the ever-present threat of non-proliferation in regards to the Democratic People’s Republic of Korea. Correspondingly, it is also of significant importance for relations and cooperation between Japan and the European Union (Defense of Japan, 2019, p. 368).

In accordance with Kirchner, the security cooperation between Japan and the European Union is quite complicated since it is abundant of periods of dormancy and sporadic indifference to each other’s problems. For example, the aptitude of the European Union to aid Japan in ensuring peace within the Asian continent or shielding Japan from aggressive conduct is viewed as remarkably restricted (Kirchner, 2017, p. 13). Addedly, the *2019 Strategic Partnership Agreement* concluded between Japan and the European Union constitutes a potent foundation for a strengthened and improved partnership. The cornerstone of strategic cooperation has been established, it is now up to Japan and the European Union to use it to their advantage.

The next recommendation proposes that cooperation should be further extended within the *sustainable energy sector*. As already mentioned, the *2011* *Triple Catastrophe* brought forth grave destruction in Japan. Nylen states that this specific event triggered Japan to start engaging itself even more actively within the renewable and sustainable energy sector. Additionally, European countries such as the Netherlands, Germany and the Nordics are held in great esteem by the Japanese because of their efforts to modernize the industry (Nylen, 2013). Accordingly, this thus signifies that this sector presents opportunities for both the European Union and Japan. Accordingly, it provides economic and trading opportunities for the European Union while simultaneously providing potential for Japan to exchange information with knowledgeable European industries which shall retrospectively strengthen the relationship.

Besides security and renewable energy, one other sector is also deemed suitable for further expansion – namely the *Technology and Science sector*. This recommendation is made since Japan and the European Union are recognized as influential and constituent actors within the aforementioned sector. Moreover, Chowdhry asserts that the Agreement will also improve the cooperation between Japan and the European Union in relation to modernization and innovation. In addition, expanding their collaboration even further within this sector will result in the exchange of expertise and technological know-how between both parties. This will consequently generate a platform for both parties to come up with groundbreaking resolutions to the shared challenges such as global warning, the ageing of demographics and the security of energy supply (Chowdhry, 2018).

On top of that, it is recommended that more in-depth research on aforementioned topics is necessary in order to better gauge further potential within other relevant sectors.

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Appendices

## European Studies Student Ethics Form



**Your name:** *Sharona Simons*

**Supervisor:** *Andreas Funk*

**Instructions:**

Before completing this form you should read the APA Ethics Code ([http://www.apa.org/ethics/code/index.aspx).](http://www.apa.org/ethics/code/index.aspx) If you are planning research with human subjects, you should also look at the sample consent form available in the Final Project and Dissertation Guide.

1. Read section 2 that your supervisor will have to sign. Make sure that you cover all these issues in section 1.
2. Complete section 1 and, if you are using human subjects, section 2, of this form, and sign it.
3. Ask your project supervisor to read these sections (and the draft consent form if you have one) and ask him/her to sign the form.
4. Always append this signed form as an appendix to your dissertation. This is a knock-out criterium; if not included the Final Project/Dissertation is awarded an NVD.

***Section 1. Project Outline (to be completed by student)***

1. **Title of Project:** *EU-Japan Relations: Boom or Bust*
2. **Aims of project:** Research whether the current relationship between Japan and the European Union can be considered effective by means of a policy analysis of the Economic Partnership Agreement (EPA) between aforementioned parties.

1. **Will you involve other people in your project – e.g. via formal or informal interviews, group discussions, questionnaires, internet surveys etc. (Note: if you are using data that has already been collected by another researcher – e.g. recordings or transcripts of conversations given to you by your supervisor, you should answer ‘NO’ to this question.)** YES

**If yes: you should complete the section 2 of this form.**

**If no: you should now sign the statement below and return the form to your supervisor. You have completed this form.**

This project is not designed to include research with human subjects . I understand that I do not have ethical clearance to interview people (formally or informally) about the topic of my research, to carry out internet research (e.g. on chat rooms or discussion boards) or in any other way to use people as subjects in my research.

Student’s signature \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ Date

***Section 2 Complete this section only if you answered YES to question (iii) above.***

1. **What will the participants have to do? (v. brief outline of procedure):** The participants will have to partake in a small interview (through a phone or Skype call) of approximately 30 minutes, in which they will be asked to express their opinion or knowledge on certain aspects relevant to the dissertation such as the effect of the EPA and their opinions regarding the current relationship between Japan and the European Union.
2. **What sort of people will the participants be and how will they be recruited?** The participants will be selected based on criteria set out (knowledge of the field, respective status and a reliable source). If a person is deemed to be relevant for the research, they will be asked to participate in a small interview through e-mail. If the person agrees, they will have to sign a consent form in order to provide consent.
3. **What sort of stimuli or materials will your participants be exposed to? Tick the appropriate boxes and then state what they are in the space below**

**Questionnaires**

**Pictures**

**X Sounds -** Phone calls

**Words**

**Other**

1. **Consent:** Informed consent must be obtained for all participants before they take part in your project. By means of an informed consent form you should state what participants will be doing, drawing attention to anything they could conceivably object to subsequently. You should also state how they can withdraw from the study at any time and the measures you are taking to ensure the confidentiality of data. A standard informed consent form is available in the Dissertation Manual. Appendix the Informed Consent Form to your Final Project/Dissertation as well.

**(vi) What procedures will you follow in order to guarantee the confidentiality of participants' data?** Confidentiality will be safeguarded during the proceedings by means of an informed consent form. Before an interview will take place, the participant must read the informed consent form. Furthermore, during the interview the participant will also be reminded of the specifics regarding confidentiality before he or she will be recorded. No information acquired during the interview will be shared by third parties and the participant will remain anonymous if he or she wishes so.

|  |  |
| --- | --- |
| **Student’s signature:** | Date : 19.12.2019 |
| **Supervisor’s signature:** | Date : 19.12.2019 |

(if satisfied with the proposed procedures)

## Interview Transcript

Recordings start after the interviewee (H. Matsura) gave consent to be recorded, hence introduction and ending are not included in transcript.

*19.12.2019 – 10:50*

***START OF INTERVIEW RECORDING***

*0:00* **S. Simons**:

…Ik heb vooral gewoon informatie nodig over wat organisaties zoals die van u denken over het verdrag. Mijn eerste vraag is *“wat zijn volgens u de belangrijkste succesfactoren die de EPA tot stand hebben gebrach*t”?

*0:25* **H. Matsura**:

De belangrijkste succesfactoren…

*0:27* **S. Simons:**

Ja, wat het belangrijkste is geweest – mijlpalen.

*0:34* **H. Matsura:**

Nouja, dat het EPA relatief snel is geïmplementeerd – wat ook een rol heeft gespeeld met bijvoorbeeld de *Brexit*. Ik denk dat dat een ‘*push’* is geweest om het proces te versnellen omdat in een wereld die steeds meer tegen het protectionisme is … het meer een belang voor zowel Japan als de Europese Unie is geweest om een handelsverdrag te sluiten.

En ik denk dat op het moment dat we de …[*inaudible 1:22*]… EU-Japan handelsplan begonnen, dat we een hele andere wereld hebben dan nu. Dus, wat betreft…een hele goede ontwikkeling geweest natuurlijk. We hebben er wel *‘resistant’* succes van gehad dat het inderdaad tot stand is gekomen.

*1:45* **S. Simons**:

En wat was ook de reactie van uw organisatie op de afronding van de EPA? Is alles gesteund of heeft de organisatie bezwaren gemaakt tegen bepaalde zaken?

*1:59* **H. Matsura:**

Nou ja, als organisatie – wij zijn een Japanse overheidsorganisatie, een uitvoerende organisatie … dus we maken geen beleid … we voeren handelsbeleid uit.

Een van de voornaamste dingen die we doen is vertaling van buitenlandse …[*inaudible* *2:21*]… richting Japan, maar we houden ons vooral bezig met handelspromotie.

Dus ja, als uitvoerder …[*inaudible 2:28*]… met handelspromotie bezighoud, kunnen we het alleen maar toejuichen, natuurlijk. Dus aan onze kant, van onze organisatie…als natuurlijk … was er natuurlijk alle steun voor. De …[*inaudible 2:47*]… voor de handel in de democratie … dus honderd procent voor.

*2:54* **S. Simons**:

En voldoet ook de EPA nu aan de verwachtingen – wat er tot nu toe gepresteerd is?

*3:02* **H. Matsura:**

Het is nog niet zo ontzettend lang dat het van kracht is geworden, het moet altijd ook op ‘*finetuning’* plaats vinden. Er zitten ook bepaalde nieuwe elementen in – in het handelsverdrag - die met name ook administratief …[*inaudible 3:27*]… tot orde. De eerste fase van … na de implementatie van de EPA heeft behoorlijk veel onduidelijkheid veroorzaakt en het duurt ook even voordat alles een beetje uitgekristalliseerd is. Je hoort nu eigenlijk voornamelijk hele positieve verhalen.

*3:56* **S. Simons:**

Ja. Maar zijn er nog aspecten die verbeterd kunnen worden in de EPA?

*4:02* **H. Matsura:**

Nou ja, kijk … het begin – wat de situatie was – waren de informatievoorzieningen en onduidelijkheid in de regels van ‘*origin’*. Dat probleem begint zich nu langzaam op te lossen…en er gaat ook enige tijd overheen voordat je weet ‘*hoe’* en ‘*wat’*. Ja … het is niet zo dat we zeggen ‘*dit’* of ‘*dat’* zijn verbeterpunten … maar ja het zal zich zelf al gaan verbeteren naar mate bedrijven meer er aan gewend raken …[*inaudible 4:42*]…

Het basisprincipe is natuurlijk fantastisch.

*4:49* **S. Simons:**

En mijn scriptie gaat…ik focus me met mijn scriptie vooral op de relatie tussen Japan en de Europese Unie – maar ik vroeg me af of u misschien denkt dat de EPA de relatie tussen Japan en de Europese Unie heeft beïnvloed? Heeft het effect gehad op hoe de twee ‘*landen’* met elkaar om gaan?

*5:14* **H. Matsura:**

Nou kijk, je kunt naar de EU als geheel kijken of naar Nederland kijken. Ik weet niet waar je op focust? Op de EU of op Nederland?

*5:24* **S. Simons:**

Eigenlijk gewoon de hele EU, niet echt specifiek ‘*een’* land.

*5:28* **H. Matsura:**

Ja … als je zeg maar kijkt naar de relatie tussen de EU en Japan …[*inaudible 5:35*]… hoe het speelt in het hele proces van de totstandkoming van de EPA. Sommige landen hebben natuurlijk ook belangen – natuurlijk – in de EU, dus ik denk dat het heel erg moeilijk is om te zeggen wat voor gevolgen…

Ja … kijk, in zijn geheel heeft het natuurlijk een heel positief effect, een handelsverdrag leid tot betere relaties …[*inaudible 6:03*]… lagere of zelfs helemaal geen tarieven. Denk meer handel, dat leid ook tot betere relaties … denk ook aan de regelgeving tussen de EU en Japan die op elkaar gaat. Of dat ze dat gaan aanpassen of in ieder geval gaan accepteren geeft alleen maar positieve resultaten mee.

Als je gaat kijken naar individuele landen … Nederland is altijd een handelsland geweest dus Nederland is altijd al heel erg voor een handelsverdrag met Japan geweest. De relatie was al goed, en is nu nog beter. Als je naar andere landen kijkt, dan ja … misschien die een industrie hebben waarbij de mogelijke – en ‘mogelijke’ met een uitroepteken – … negatieve effecten van het verdrag, ja … daar kijken ze misschien heel anders tegen het verdrag.

Nederland bijvoorbeeld … als je gaat kijken naar de markt van de Nederlandse economie, Nederland heeft een grote servicesector – service is heel belangrijk. …[*inaudible 7:28*]… wat minder en als je allemaal gaat kijken waar ze …[*inaudible 7:33*]... Ja, ik denk dat natuurlijk ‘*phase’* voor de gevolgen van een handelsverdrag voor een land als Frankrijk en Duitsland veel groter worden dan in Nederland omdat zij ook steeds …[*inaudible 7:56*].

Ze hebben natuurlijk een ander belang dan Nederland.

*8:04* **S. Simons:**

Dus op zich, voor Nederland is het ook gewoon goed geweest dat er zo’n EPA gekomen is?

*8:10* **H. Matsura:**

Voor Nederland is het zeker goed geweest … als handelsland. Dus hoe meer handel, hoe positiever. Ja … Nederland heeft bijvoorbeeld geen auto-industrie, dus als de importen van auto-onderdelen uit Japan, auto’s uit Japan natuurlijk lager worden … dat heeft geen enkele invloed op Nederland.

Terwijl als je zelf een auto produceert … in Duitsland, dan zie je dat misschien meer als concurrentie – toenemende concurrentie. En Nederland is een distributieland, dus meer inkomst van importen die binnenkomt via de Haven van Rotterdam of Schiphol – dat voegt waarde toe aan Nederland. Dus voor Nederland is opzettend opvallend, heel positief geweest …[*inaudible 9:07*]… andere landen veel voorzichtiger worden.

*9:11* **S. Simons:**

Kunt u ook noemen welke ongeveer? Of…?

*9:15* **H. Mastura**:

Nou, dat zijn de landen die concurrentie vreesden. En dat zijn landen die daar meer moeite mee hadden. En Nederland is altijd een groot voorstander geweest.

Ik denk ook dat het te maken heeft met het feit dat de EU bijvoorbeeld al een EPA had gesloten met Zuid-Korea eerder … dat ook, ja … met name van Japan zijn kant, maar ook van de EU zijn kant – je moet op een gegeven moment toch een beetje een ‘*level-playing field’* gaan creëren. Dus ja, al met al denk ik dat je kan zeggen dat het … de EPA processen zeker gezien de recente ontwikkelingen.

*10:14* **S. Simons:**

En hoe denkt u dat de toekomst eruit ziet voor de betrekkingen tussen de Europese Unie en Japan? Want nu is het natuurlijk geopend vooral – door de EPA is een heel groot oppervlakte gekomen waarop ze kunnen samenwerken. Maar, wat denkt u dat er misschien nog andere ontwikkelingen kunnen zijn die er kunnen komen?

*10:32* **H. Matsura:**

…[*inaudible 10:34*]… wat nu met name is. Alles gaat natuurlijk in termijnen, voor sommige producten is het …[*inaudible 10:45*]… gaat het over een periode van vijf jaar, het gaat over producten van tien jaar … ja, het is nog niet klaar, hè.

Dus het hele EPA is een proces, een proces waar we nu in zitten. En ik denk dat het heel goed is dat – los van alleen handel – er in de EPA ook zaken zijn geregeld zoals duurzaamheid, harmonisatie van regelgeving. Het is niet alleen handel, natuurlijk. Het is weinig maar je kunt nu niet zeggen van het EPA is … voor zover is het klaar. Je zal gewoon zien dat er in de loop der jaren…dat je steeds meer …[*inaudible 10:30*]… zal zien. Het is een enorme kans natuurlijk, ook voor Nederland en ook voor Japan.

En in een wereld waarin … maar ja … steeds meer handelsfrictie zit. Nu ook met de Brexit die nu definitief is … ja … en de relatie tussen de Verenigde Staten met China. Want met de Verenigde Staten en de Europese Unie denk ik dat dit soort verdragen steeds belangrijker worden.

*12:15* **S. Simons:**

En denkt u bijvoorbeeld dat met de Brexit – dat het ook effect zou hebben op de auto-industrie? Want er zijn natuurlijk heel veel Japanse bedrijven die in het Verenigd Koninkrijk zitten.

*12:28* **H. Mitsura**:

Nou, de Brexit heeft verder enorme gevolgen voor Engeland natuurlijk, hè. Op het moment dat ze uit de EU stappen, maken ze geen deel meer uit van het EPA. Dus dan zal Engeland, op moment dat Brexit *echt* effectief is … zullen ze zelf een handelsverdrag moeten gaan afsluiten met Japan.

En dat is het ‘*eerste gevolg’*. Het ‘*tweede gevolg’,* is dat je niet weet wat voor vormen de Brexit gaat krijgen. Het is ook … heel veel investeringen in de auto-industrie en Japanse investeringen in …[*inaudible 13:14*]…, en heel veel van die - veel productie. Veel van die productie is afhankelijk van de ‘*just-in-time’*. Ja, als je een vorm van Brexit krijgt waar dat lastiger wordt, dan … dat het ‘ondenkelijk’ is dat … ja, dat het erg moeilijk wordt voor Japanse bedrijven om die productie in Engeland te houden.

*13:49* **S. Simons:**

Dus dan zou het misschien aantrekkelijker worden om echt in de Europese Unie te…

*13:56* **H. Mitsura:**

Ja, dan kijk je richting de EU. Maar ja, dat weet je pas op het moment dat alles uit gekristalliseerd is. Ja … eind volgend jaar is het duidelijk – wat voor vorm het gaat krijgen.

*14:15* **S. Simons:**

En denkt u dat de EPA andere landen heeft doen overwegen om een economisch overeenkomst met de Europese Unie of met Japan te sluiten – omdat het wel natuurlijk een succesvol verdrag is gebleken, nu dat het zo gedaan is? Maar denkt u nu ook dat andere landen een soort van ‘*gepusht’* worden om toch samen te gaan werken met Japan of met de Europese Unie?

*14:41* **H. Mitsura:**

Nou ja, ik denk dat je dat sowieso wel gaat zien, want Brexit is een voorbeeld. Engeland stapt uit de EU en zal zelfstandig zo’n verdrag willen gaan afsluiten met …[*inaudible 14:55*]… Amerika …[*inaudible 14:59*]... Ja, Japan heeft al een handelsverdrag met de Verenigde Staten. Ja, ik denk dat je naar een situatie toe gaat waar je steeds meer handelsverdragen zult hebben. Ik denk dat … ja, ook vanwege het feit dat de WTO steeds meer uitgerold wordt. Ja, daarmee … heeft daar handen daar een beetje van afgetrokken … dus. Op het moment dat je geen duidelijke regels meer binnen de WTO hebt … dat je ook geen functie binnen de WTO meer hebt als rechter, dan worden handelsverdragen steeds belangrijker.

Je kunt niet meer leunen op – hoe minder je kunt leunen op de WTO, hoe belangrijker het wordt dat je dingen dan maar onderling goed gaat regelen.

*16:00* **S. Simons**:

Nou ik ben eigenlijk een beetje door mijn vragen heen dus...

***END OF INTERVIEW RECORDING***

## Informed Consent Form

