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JAPAN AND THE EU: Global Partners for a Secure and Prosperous Indo-Pacific

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This summary report is based on the main conclusions of two panel discussions on foreign policy held at CIDOB on September 21st, 2023, as part of the project "Japan and the EU: Global partners for a secure and open Indo-Pacific". The document assesses the changing international environment and its impact on relations between the European Union (EU) and Japan. It goes on to highlight two new forms of security – economic and information security – that are a cause of concern for both partners and which open up new possibilities for joint action. It concludes by noting the new cooperation dynamics between Tokyo and Brussels and what the future holds for them.

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I. Introduction

The current international order is under challenge from a confluence of enduring trends the pace of which has been quickened more recently by a series of critical events that only underline the international system's shortcomings and contradictions.

The first of these events was the COVID-19 pandemic, which provided multiple examples of the fragility of global supply chains and the dependence on manufactured goods imported from China, often essential goods. The pandemic acted as an accelerator for at least three major long-term trends that were already underway. The first of these was the confrontation between the major international powers, the United States and China. They went from being partners for development to considering themselves competitors and, on certain matters, systemic rivals. Some commentators say there was already an underlying trend towards decoupling prior to the pandemic, acknowledging that the Chinese market was looking to replace imports with local products (increasing the US or German trade deficit) and two independent digital spheres were forming, tethered to two diverging socio-political models (García-Herrero, 2023). The pandemic, however, saw the strategic contest over international ascendancy and shaping norms and alliances step up a notch.

The trend towards the securitisation of technology and innovation has also gained momentum in the wake of the pandemic. This was clear during the race to create and produce a vaccine against the coronavirus. Nonetheless, both before – with the disputes over 5G networks or industrial espionage – and after – in the framework of what has been called the "chip war" – we witnessed the rise of an increasingly strategic association between big tech corporations and the security of states. Taiwan is a prime example. One single firm, the Taiwan Semiconductor Manufacturing Company (TSMC), acts as a deterrent to any potential invasion of the island because it alone dominates the global market for the most advanced chips. Recent international conflicts, first in Ukraine and more lately in Gaza, have hastened this trend towards the technologisation of economic, political and social relations. Cyberwarfare, drones, satellites and grassroots innovation (or lack thereof) are elements that can make the difference between victory and defeat. We are witnessing the new nature of "hybrid wars", those that combine physical military operations with cybernetic action. They are not only fought on the battlefield, rather they involve the mass use of disinformation or cyberattacks that seek to undermine the values of the adversary and the legitimacy of their political systems; or in the case of a war, undermine their confidence and operability. In this type of conflict, the aim is not so much victory but destabilisation (Bargués and Bourekba, 2022).

As well as this technological offshoot, the two conflicts are reinforcing the self-image of what are termed the Global North and South, which resonates through the main debates on economic development, international justice or the fight against climate change. Several votes at the United Nations and the imposition of sanctions on Russia have revealed greater coordination of agendas around the narrative of the “decline of the West” and the realisation that there is scope to increase the gains of middle powers and transnational corporations.

While Japan and the EU are different in nature (one is a regional actor, the other a state) they share common ground: democracy, respect for a multipolar, rules-based international order that is peaceful and prosperous, plus many of the challenges mentioned at the start of this paper.

II. New security dynamics: disinformation and economic security

Against this backdrop of transformation of the international system and acceleration of the geopolitical competition, new forms of (in)security have appeared on the agendas of Japan and the EU, but also of other international powers like China, the United States or

threatens notions of truth and trust, which are essential to democratic governance and election processes.

Unlike the EU and the United States, Japan has not been significantly exposed to outside interference in the shape of disinformation. But Tokyo considers this phenomenon a potential threat to national security and democratic health. Namely, the rise of generative AI could quickly break down some of the barriers, such as the language factor, which certain analysts had identified as having put a brake on the proliferation of this phenomenon on the archipelago (Kuwahara, 2022). Thus, in the framework of the **National Security Strategy** launched in late 2022 by the Kishida administration, Japan identified the challenge of the manipulation of information in situations of conflict and announced the adoption of countermeasures. The government is the chief instigator (top-down action) through coordination with its counterparts in other countries (government-to-government) and non-governmental actors.

In the case of the EU, the destabilising effect of disinformation reached new heights during the Russian annexation of Crimea in 2014. It is the reason why, nearly a decade ago now, its greater exposure to this type of campaign prompted Brussels to begin to pursue strategies to respond to this hybrid threat. Since then, Brussels has tried to tackle

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India. We are talking about disinformation and economic security, two increasingly central elements of Japan and the EU’s conception of security.

Disinformation

The rapid succession of technological breakthroughs of recent years, along with the growing development of artificial intelligence (AI), the digital transition and the rise of disinformation have laid bare the exploitation of new technology and the challenges it poses to the security and the future of states. In times of crisis, we have seen how disinformation becomes a “weapon of mass intoxication” on the margins of international law, which comes at a relatively low cost and prevents effective governance. Though not a new phenomenon – propaganda was crucial during the Cold War, for instance – viral media and the current porousness of social networks have amplified their potential as a weapon in the narrative war in the hands of external actors. The emergence of generative AI, moreover, not only raises the possibility of an “alternative account” of the facts, but rather enables credibly recreating the facts and even replacing them in people’s perception of reality (through deep fakes). This

disinformation via a consumer-based rather than security-centred approach. Initially, the European Commission focused its efforts on controlling content rather than trying to regulate tech companies and the major platforms. That approach has shifted, however, with the realisation that the problem of disinformation is not so much the message as its replication and amplification. This shift in focus also counters one of the main risks of focusing on the message, which is that it jeopardises the right to freedom of expression. It is with this rationale that the **Digital Services Act** (DSA) entered into force in January 2024. It contains specific provisions to control algorithms, which are responsible for “clustering” potentially like-minded social media users, which in turn is key for the propagation of the message through information bubbles and echo chambers.

Action that is limited exclusively to algorithmic governance, however, falls short in the face of the complexity of the sociopsychological processes involved in disinformation (Colomina, 2022). With that in mind, the EU has adopted a whole-of-society approach that recognises that it is essential to combine online action with offline measures – in the real world – that mitigate the inequalities, divisions and social fractures that disinformation thrives on. Thus,

while the Japanese approach has prioritised government-to-government exchange, a more decentralised strategy prevails in Brussels, where other social sectors, such as journalists, fact checkers, researchers and civil society, play an extremely important role in lockstep with the efforts at the highest level. The EU's decentralised approach to confronting disinformation suits the fragmented media landscape of the 27 member states, which differs from the high degree of concentration in the case of Japan, where large print and television media are the main channels of information.

Economic security

The new dynamics of reglobalisation, coupled with a return to protectionist measures, the exploitation of interdependencies and economic coercion, are shaping a new global economic landscape in which open economies and interdependence have come to be seen as risks rather than factors of mutual security. Consequently, "economic security" is gaining ground in the national strategies of countries like Japan, one of its chief proponents. While there is no one single definition of economic security, nor of the areas it encompasses, in general terms it seeks to

resilience and economic security during the Hiroshima summit in May 2023 was particularly important. It was the first ever reference to the concept in the multilateral sphere, which is a measure of its consolidation on the agenda and in international cooperation.

At the same time, these economic security initiatives are indirectly linked to Tokyo's proposal for a "Free and Open Indo-Pacific" (FOIP), a strategy unveiled in 2016 that aims to safeguard the rules-based international order, promote peace and shared prosperity, maritime and air security, and develop connectivity in the region. It is hard to disassociate this approach from Beijing's growing assertiveness in the South China Sea and the need to preserve freedom of navigation through this vital artery for Japan and the rest of the world, as approximately a third of global trade flows through it. Although the FOIP's principles of openness and inclusivity could be seen to be at odds with economic security – particularly given the economic rivalry between Beijing and Tokyo in the region – cooperation in this field depends on a free and open region, and vice versa. What is more, it is through greater development of connectivity and exchange with the countries of the region (including the ASEAN members

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protect a national economy from external interference, minimising the impact of supply chain disruptions, dependence on certain products or the capacity for economic coercion in the hands of others to bring pressure to bear or influence domestic political decisions.

Japan has been an early advocate of this concept, which, aside from its habit of putting forward terms that then become all the rage in strategic thinking, can be put down to its insular nature and its heavy dependence on imported commodities and natural resources. Starting in 2020, Tokyo has begun a process of institutionalising economic security through the creation of government positions assigned to this task, as well as the adoption of various legislative packages to ensure its defence. One of the main ones is the **Economic Security Promotion Act** of 2022, which rests on four key pillars: 1) strengthening supply chains, especially of critical raw materials, 2) security of critical and core infrastructure, 3) developing advanced technology and 4) a patent non-disclosure system. At the same time, Japan has transferred the concept to its bilateral relations – with the United States, South Korea or the United Kingdom – and the fora in which it participates, like the G7 or the Quadrilateral Security Dialogue (Quad). **The G7 statement on economic**

and India) that Tokyo can diversify its trade portfolio and boost its economic resilience.

The EU too has adopted the principle of economic security in the last year. Supply chain disruptions during the pandemic, the closure of the Russian gas tap after the invasion of Ukraine and the restriction on imports that China imposed on Lithuania following the opening of a representative office in Taiwan in 2021 are powerful incentives for the adoption of instruments to safeguard the EU's economic security. Among the various measures adopted, four types of mechanism stand out: 1) the revitalisation of industrial policy and the adoption of political initiatives to improve EU production capacity and productivity; 2) diversification and stockpiling efforts to reduce dependence on products and natural resources; 3) the adoption of measures to counter external mechanisms that give competitors the edge, such as anti-subsidy measures; and 4) tools devoted to strategic competition, like the anti-coercion instrument or controls on exports of certain products (Burguete, 2023). More recently, in January 2024, Brussels launched new initiatives aimed at reinforcing its Economic Security Strategy, put forward for the first time in June 2023. With a more geopolitical

approach akin to that of Washington, Brussels is seeking tighter control over investments, greater coordination in the control of exports, investment for research into advanced technologies and the protection of innovation. It remains to be seen, however, to what extent the different member states will accept this new legislative package.

We can say that Japan and the EU are adopting different, though complementary, mechanisms that can boost domestic capacities to address the challenges ahead of them. Yet, while we can note progress in the field of economic security – as we shall see below – cooperation in the field of disinformation remains at an earlier stage. There is, however, huge potential for bilateral cooperation, and there are powerful incentives for it.

III. A new era of cooperation between Japan and the European Union?

In the last two decades relations between the EU and Japan have been marked by a considerable degree of mutual understanding, with a predominance of

This has been no impediment to Brussels and Tokyo strengthening ties over the last few years, primarily on political and trade matters. In 2019, the two parties adopted the **Japan-EU Economic Partnership Agreement**, which lifted most of the tariffs existing between the two economies, and the **Strategic Partnership Agreement**, based on cooperation and the defence of shared values such as democracy, the rule of law, human rights or free trade. In the latter agreement, Japan and the EU identified the common threats of cybersecurity, natural disasters, terrorism, the proliferation of weapons of mass destruction and maritime (in)security. The two agreements established a framework that would cement political, security and development cooperation cast in liberal values to jointly uphold the rules-based international order.

In this new phase of cooperation, security issues have gained importance because both actors perceive a greater interdependence and interconnection in their security. According to the **Joint Statement of the Japan-EU Summit** of July 2023, “the security of Europe and that of the Indo-Pacific are closely interlinked”. And the facts appear to bear it out. Japan was one of the countries that did not hesitate

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economic matters, despite the trade tensions and conflicts towards the end of the 20th century. Yet this has yielded limited results in terms of joint initiatives and plans (Tanaka, 2013). In 2022, Japan was the EU’s second biggest trading partner in Asia, behind China, and the seventh globally. That same year Japanese imports into the EU came to nearly €70bn, while EU exports the other way amounted to over €71.6bn (**European Commission**, 2023).

As far as security is concerned, progress has been slow, fettered by Japan’s constitutional constraints, which place restrictions on its military capabilities, and, on the European side, owing to its complex security framework and its partial overlap with NATO. Until a few years ago, cooperation in this area had been limited to “softer” forms of security such as antipiracy operations off Somalia. It is worth recalling that in the case of both the EU and Japan traditional security (the military aspect) falls to the United States, since both actors are eminently economic powers but lacking in comparable military might. They are, then, relations that on security matters are triangular rather than bilateral and cannot be understood without Washington.

to show its support for Ukraine following the Russian invasion of 2022, taking part in the international sanctions regime, as well as dispatching arms to Kyiv. Coordination with the EU in this field has been remarkable.

If we look at the **EU Strategy for Cooperation in the Indo-Pacific** released in 2021, Brussels also aspires to greater involvement in the security of the region in four main areas: maritime security, counterterrorism, cybersecurity and crisis management. However, despite European ambitions, there are differences over the commitment (economic and/or military) that the various member states would be willing to make in the Indo-Pacific. As often happens, European policy towards the region is the sum of the convergences and divergences of the member states. According to a survey by the **European Council for Foreign Relations**, 23 out of the 27 member states point to security as an important element of Europe’s Indo-Pacific strategy. Yet only 12 would be interested in contributing to freedom of navigation operations and just 4 would commit warships to the region (Belgium, Germany, the Netherlands and Spain). It will also be important to consider NATO involvement in this area. In 2023, it submitted a proposal to open a civilian liaison office in

Tokyo, an idea that was dropped largely due to French reluctance in the face of a possible response from China.

Japan welcomes even limited European involvement in the region and this is in step with the growing interconnection between Europe's security and that of the Indo-Pacific. However, more coordination and communication among the various European and international actors in the region, especially in the military field, will be essential in order to avoid undesired tensions.

Lastly, cooperation on economic security has acquired a more central position in recent months. In June 2023, this was a particularly important matter during the High-Level Economic Dialogue between Japan and the EU, especially with regard to cases of economic coercion, non-market access policies and control over investments and exports, as well as action aimed at making supply chains more resilient. In a subsequent **joint statement**, the two actors identified multiple areas of cooperation in this field, with a clear reference to de-risking, as well as cooperation on semiconductors and protecting critical infrastructure like submarine cables. This first reference reveals a complementary approach to economic security conceptions and strategies for the two actors, which makes for a more holistic approach.

However, one of the future challenges in order to guarantee this cooperation is related to two fundamental contradictions of economic security. For one thing, it is an area where economic interests and national security may collide. For another, owing to the long list of issues it encompasses – security, trade, tech or industrial policies – economic security has a cooperative side, but also a competitive one. The predominance of security issues may come at the expense of economic interests for the two actors, both in their relations and in their own domestic dynamics, and vice versa. Thus, careful and respectful communication and coordination between them, as well as within them, in the EU's case, will be key in order to guarantee effective cooperation between Japan and the EU.

IV. Conclusions

Over the last two decades, bilateral relations between the EU and Japan (which on security matters become triangular on account of the simultaneous presence of the United States) have been marked by stability and ongoing outreach. There are those who say that this is the main problem: the lack of problems. Three factors, however, have brought about a more recent revitalisation and strengthening of relations:

- 1) The situation of “permacrisis” and the speeding up of dynamics of geopolitical competition and fracture.
- 2) The new balances of power in the international system thanks to the consolidation of China as a global player

with the capacity to influence in any part of the world, plus the rise of the Global South as a new “imagined community” on the geopolitical map. Despite their diversity, they share a growing interest in exploring alternatives to a Western-led international order.

- 3) The acceleration of new international dynamics such as digitalisation, the emergence of hybrid threats or reglobalisation, which, together with the COVID-19 pandemic and the outbreak of war in Ukraine, have alerted states to new dimensions of national security.

As a result, in the face of future uncertainties and the prospect of greater rapport between Tokyo and Brussels, three main issues stand out. First, as democracies committed to the liberal, rules-based multilateral system, Japan and the EU are natural partners – “like-minded” allies – that share values and principles, as well as a vital interest in maintaining peace and prosperity in their regional environments.

Second, although together they are the world's first and fourth biggest economies, they do not wield political and military power to match their economic might. However, after three decades of prioritising the economy and trade, they now see the need to invest in their defence, with a view to preserving their “strategic autonomy” and not being dragged into a conflict against their will or against their interests. Moreover, despite the triangular relationship in the military sphere, both actors are moving forward on cooperation in new forms of security, such as economic security. These new dynamics have enabled closer exchange and coordination between Tokyo and Brussels, though there is still room for improvement. Namely, cooperation on tech, including cybersecurity and disinformation, offers new opportunities to strengthen Japan-EU ties and common defence in the face of these challenges.

Third, there is a growing sense that European and Asian security scenarios are increasingly connected, and that the security of Japan, South Korea or Taiwan also depend, more and more so, on what happens in Ukraine. In such a scenario, the United States' allies aim to be active players – not just a battleground – in the rivalry between Washington and Beijing.

Despite that, there are still multiple areas for greater cooperation between Tokyo and Brussels and the 27 member states. The challenge is to ensure the agenda of the two actors keeps in step with the tempo of the systemic changes the international order is undergoing and to play a role in them that is commensurate with their economic, cultural and human power. Just months away from a possible return of Donald Trump to the White House, who could renege on his international commitments and threaten security alliances, the ties between the EU and Japan may offer a necessary foothold for facing the turbulence ahead.

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