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# **A NEW ERA OF JAPAN-EU COOPERATION: THE DIGITAL PARTNERSHIP**



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## Abstract

The development of the cooperation between the EU and Japan saw several improvements over the last few years in the fields of politics, development, strategy, and security. The EU-Japan bilateral agenda has been constantly dominated by digital and technological issues in order to improve the degree of global connectivity between the two actors. Despite the many challenges raised by the Covid-19 pandemic and the Russo-Ukrainian War, the digital partnership between the EU and Japan has broadened from public services and digital infrastructures to technological skills for citizens and innovation businesses. Both sides share a human-centric vision of the digital society and economy, where the process of digitalisation should be driven by the values of democracy, transparency, accountability, rule of law, and security. During the 28th EU-Japan Summit held on May 12, 2022, in Tokyo, the two sides officially signed a Digital Partnership document to initiate joint work on digital innovation. The agreement ratifies cohesive cooperation in several areas such as 5G/6G technologies, applications of artificial intelligence, infrastructure in the Indo-Pacific region, green innovation, and global supply chains in the semiconductor industry.

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## The path towards a strategic partnership

The Indo-Pacific area has often been considered one of the world's economic and strategic centers of gravity since its GDP contributes to two-thirds of the current global economic growth (European External Action Service, 2021). Thus, cooperation with Indo-Pacific actors has been a crucial priority of the EU. For this purpose, several initiatives have been promoted and implemented to favor cooperation in terms of development and humanitarian assistance, climate change, pollution, and international law issues concerning human rights, democracy and citizens' freedom. The increasing pressure on trade and supply chains tackled by Indo-Pacific actors, together with geopolitical tensions related to security and political changes, contributed to the increasing role of the EU's on-site presence and actions with a long-term perspective (European External Action Service, 2021).

One of the most decisive and strategic relationships has been the one between the EU and Japan, operating in the field of politics, security, economy, and innovation. Several challenging factors contributed to the strengthening of this cooperative relationship, for example, the rise of China as an economic actor with its Belt and Road Initiative (BRI) in mind. The BRI initiative is an open-ended network system conceived by Xi Jinping in 2013 as part of a strategy to enhance trade and investment connectivity between China and Europe, Central Asia, the Middle East, Africa and South Asia. The whole project comprises 2 routes: the overland route of the Silk Road Economic Belt and the maritime route which is the 21st-Century Maritime Silk Road (Tekdal, 2017). Thus, the increasing role of China within the worldwide economic scenario pushed Japan and the EU toward a close cooperation to avoid being overrun by the Chinese actor. Furthermore, both the decline of global liberalism because of the Russian invasion of Ukraine and the weakening role of the United States, contributed to alterations of the existing geopolitical equilibria and the need for reinforced relationships among partnering countries (Söderberg, 2021). Finally, the Covid-19 pandemic brought several challenges for both sides' economies. In fact, the pandemic distorted both the EU and Japan supply chains, together with a severe reduction of revenues from travel, trade and communication sectors (Söderberg, 2021). Thus, the need for an immediate economic recovery plan to respond to the numerous Covid challenges resulted in an extensive cooperating attitude between the two actors in the economic and political realm. Furthermore, Japan-EU cooperative actions were fostered by contemporary security challenges derived from Russia's aggressive behavior, China's economic domination, and US' confrontational attitude in the realm of global economy. To avoid being trapped in the dangerous dynamics of the actual geopolitical arena, the two actors began to adopt concrete measures to strengthen their relationship, with the long-term purpose of pursuing a strategic cooperative approach that should facilitate bilateral trade, political and security cooperation against assertive neighbors, and reinforce shared values (European Policy Centre, 2018).

Two milestones in the relationship between Brussels and Tokyo have been the Economic Partnership Agreement (EPA) and a Strategic Partnership Agreement (SPA). Agreed at the 24th EU-Japan Summit in July 2017 and ratified in 2018, the two parallel agreements provided the basis for a fair and free trade policy, together with the inclusion of shared principles of democracy, human rights, rule of law and fundamental freedoms (European Parliamentary Research Service, 2018).

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According to the SPA, the EU and Japan agreed on the principles of mutual respect and equal partnership, to fairly cooperate in more than 40 different areas, including climate change, economic growth, development of industry, humanitarian action, security, and technological innovation (European Parliamentary Research Service, 2018). Recalling the actual geopolitical challenges, interoperability in the field of technological and digital innovation is crucial to foster connectivity as a foreign policy tool (Centre for European Policy Studies, 2022). Thus, the EU and Japan began to cooperate to promote a global digital transition based on democratic and liberal principles, in order to foster sustainable innovation, growth, and development beyond the digital sector.

## **A human-centric digital transformation**

The EU-Japan strategic partnership, aimed at advancing cooperation and connectivity in many different sectors, is founded upon different bilateral agreements that represent the progressive path undertaken by the two actors involved. The first agreement, ratified in September 2019, The Partnership on Sustainable Connectivity and Quality Infrastructure Between the European Union and Japan, is a Connectivity Partnership based on sustainability and quality infrastructure (European External Action Service, 2019). Despite the fact that this document included different dimensions of connectivity, particular attention has been devoted to the digital sector. As cited in the ratified document, the EU and Japan committed to “cooperate on enhancing digital connectivity as a powerful enabler of inclusive growth and sustainable development, including through digital and data infrastructure as well as policy and regulatory frameworks, in developing countries ” (Partnership on Sustainable Connectivity and Quality Infrastructure Between the European Union and Japan, 2019, p.2). Cooperation within this specific framework is based upon dialogues, policy discussions, and the promotion of innovation reforms concerning Artificial Intelligence, Cloud, Quantum Computing, and Blockchain.

In May 2022, another key bilateral agreement was signed by the EU and Japanese representatives, the Japan-EU Digital Partnership. This Digital Partnership is a unique agreement where the two actors will work together to ameliorate the resilience of global supply chains for semiconductors, to apply safely and ethically Artificial Intelligence to public services, to promote the spread of 5G/Beyond 5G/6G technologies, and to enhance the degree of digital skills present within the education system (European Council, 2022). Thus, the Digital Compass of this partnership agreement will focus on the digitalization of four cardinal points: infrastructure, business, public services, and skills (European Commission, 2022).

Then, the key purpose of the Digital Partnership is to promote a sustainable and regulated digital transformation of our society within the context of different economic and social sectors. This ambitious project would be realized through the use of the new technologies associated to Artificial Intelligence, 5G/6G, quantum infrastructures, and cybersecurity. The practical application of these newly created technologies is expected to bring huge benefits for customers and businesses, in terms of economic growth, personal data protection, green infrastructures, international connectivity, digital skills and public services (European Council, 2022). For this purpose, digital education is a core instrument that the EU and Japanese governments are trying to promote and globally spread, in order to teach a safe and accurate use of these new digital devices.

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Furthermore, cooperation between the two sides will be focused on a huge joint research and innovation campaign in different sectors, aimed at producing high-quality knowledge (European Council, 2022).

### **Potential benefits and future perspectives**

The Japan-EU Digital Partnership has been formulated with the purpose of achieving concrete results, particularly in some priority areas. Within the field of privacy, both sides underlined the importance of high privacy standards to be formulated in order to protect citizens in the digital age. In addition, to further protect citizens' data, the Partnership operates in the realm of online platforms in order to keep digital services accountable and safe (Ministry of Foreign Affairs of Japan, 2022). The promotion of trust and transparency values is conducted also through the strengthening of Data Free Flow with Trust (DFFT) and the implementation of certification and schemes like the EU 5G Toolbox (Ministry of Foreign Affairs of Japan, 2022).

The resilience of the semiconductor supply chain is another key issue to develop, through research and innovation, the future generation of semiconductors. In terms of economic security, the resilience of the supply chain is a prerogative to build an open and competitive marketplace, particularly in the ICT technology sector, and to mitigate the risk of excessive dependencies in the field of semiconductors and raw materials. Digital innovation is going to be promoted among Small- and Medium-sized Enterprises (SMEs) to start a transformation toward digitalised industry and circular economy (Ministry of Foreign Affairs of Japan, 2022). Additionally, a huge discussion concerns the facilitation of digital trade, since both sides wish to implement coordinated approaches and principles on digital trade and investment flows (Ministry of Foreign Affairs of Japan, 2022).

In addition, this partnership should bolster the security of international connectivity, in terms of safe and ethical applications of 5G/6G technologies, to foster the development of green and sustainable data infrastructures meant at benefitting workers and businesses involved in the digital trade (European Council, 2022). Furthermore, the development of effective 5G/6G systems will lead to the creation of diversified and interoperable network technologies that will ease information exchanges, thanks to the amelioration of the High-Performance Computing and Quantum infrastructures. An enhanced research and innovation collaboration will result in the creation of supercomputers that combine quantum technology together with the 5G/6G connection in order to reach an extremely high degree of connectivity. Furthermore, the use of 5G/6G technologies has some strategic implications concerning national security and defence. In fact, this specific type of technology has a huge potential for military uses, specifically for espionage and rapid transmission of secret information. In this realm, not only the EU and Japan but also the United States and China are intensifying research and development projects to further strengthen their military capabilities (International Institute for Strategic Studies, 2022).

Concerning the issue of Artificial Intelligence, the EU and Japan are willing to promote and implement trustworthy Artificial Intelligence principles at national and international levels. Further cooperation at an international level will be required for the implementation of the regulatory framework concerning Blockchain (Ministry of Foreign Affairs of Japan, 2022).

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Instead, at a national level, both sides are willing to foster dialogues and share best practices in the field of digital education to make it accessible and inclusive, recalling the human-centric approach to digital transformation (European Commission, 2022). The concept of digital education is extremely important to develop a sustainable digital environment which promotes the values and principles that both the EU and Japan wish to promote, such as democracy, rule of law, protection of citizens' rights, transparency and accountability.

All the above-mentioned projects are the result of an ambitious cooperation that is supposed to bring future tangible benefits for both sides. To succeed, strong leadership and progress monitoring are necessary. In fact, the Digital Partnership Council will meet annually at a ministerial level to implement dialogues, workshops and keep track of progress achieved (Ministry of Foreign Affairs of Japan, 2022). Hopefully, the Japan-EU Digital Partnership will achieve its goals through collaboration in high-tech research and innovation, the implementation of pilot projects in specific digital areas, the sharing of best practices and views, the establishment of international mechanisms for cooperation, and the implementation of a digital approach based on common values and principles.

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## Conclusions

The EU and Japan relationship improved over the last years; in fact, several steps forward have been made in the light of geopolitical changing equilibria and the need to strengthen already existing cooperations. In addition, it is necessary to deal with the increasing speed of the contemporary digital era which requires the ongoing development of new technologies and devices, in order to bring concrete benefits to a highly modernized society. Then, Japan and the EU coped with the need of technological advancements and closer cooperation with the newly Digital Partnership, an agreement that symbolizes the willingness of both sides to improve the degree of connectivity through joint operations. In order to see the Digital Partnership benefits at a global level, effective and concrete steps should be made to spread both sides perspectives on the global digital governance, together with the implementation of evaluation processes and enforcement mechanisms. Thus, EU-Japan Digital Partnership should continue to be a top priority in both sides' agendas since connectivity and digitalization are crucial drivers of the much-needed green transitions and of a safe digital environment.

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