



21st Century Group

UK-Japan 21st Century Group 38th Annual Conference, March 2022
held online

Chairmen's Summary

The 38th Annual meeting of the UK-Japan 21st Century Group was held online on 8 and 11 March 2022. The meeting was chaired by Mr Keizo Takemi, Japanese Co-Chair, and the Rt Hon Lord Lansley, UK Co-Chair.

The 27 Japanese and 20 British participants included parliamentarians and senior representatives from business, the media, academia, think tanks and the diplomatic service from both countries.

Due to ongoing travel restrictions due to the COVID-19 pandemic, the conference was held online. Both sides considered it important to continue the dialogue so that the Group's input to UK/Japan policy should remain relevant.

Conference session – Day 1

In their opening remarks, the Co-Chairmen spoke of the strength of UK-Japan relations which had helped contribute to the implementation of several recommendations from the last conference. The Group's sponsors, both Foreign Ministries and respective Ambassadors had continued to provide valuable support.

At its last meeting, the Group had faced the unprecedented challenge of COVID-19. The world now faced a serious transgression of international law by Russia in Ukraine. On this, as on other issues, the Group's dialogue provided a means of identifying constructive steps forward based on the UK and Japan's shared values.

Lord Lansley thanked the outgoing Japanese co-chair Yasuhisa Shiozaki for his considerable contribution to the work of the Group and to UK/Japanese relations over many years. He hoped the Group would soon be able to revert to meeting in person.

Remarks by Foreign Minister Yoshimasa Hayashi

Foreign Minister Hayashi had attended the Group's 29th conference in 2012. He therefore welcomed the opportunity to address participants now. The Group had played a unique role in UK-Japan relations since it was formed in 1985, contributing constructive ideas on numerous issues of mutual concern.

Since assuming office, Minister Hayashi had engaged closely with the UK Foreign Secretary on issues including security, defence, economic security, and global issues. We now faced a threatening situation in Ukraine - a unilateral change of the status quo by force – which was a clear violation of international law and unacceptable.

Japan valued continuing cooperation with G7 countries including the UK and welcomed the UK's Indo-Pacific tilt. Bilateral cooperation on defence and security had increased significantly in recent years. Prime Minister Kishida was also increasingly focused on economic security which the Group would discuss in more detail during its conference.

Minister Hayashi concluded that there was an increasing sense of urgency in finding practical ways to cooperate on all global issues. He wished the Group a successful conference and looked forward to the recommendations for both Prime Ministers.

Session 1: Global Health Resilience

In discussing global health issues, including COVID-19, participants underlined the importance of learning lessons from our response so far. Increased surveillance, ability to test for emerging viruses and strengthening public health systems in order to be more flexible should help contribute to preventing future threats. The focus on COVID-19 should not displace the need to tackle existing diseases such as HIV, TB and malaria. Attention to these had suffered relative to COVID-19.

Antimicrobial Resistance (AMR) was an emerging pandemic. The UK and Japan had a strong record in this area which could lead to closer cooperation in the G7 under Japan's forthcoming Presidency in 2023, such as development of testing technologies, and promotion of financial incentives to bring through new treatments.

The Group considered lessons from the first wave of COVID-19. Despite people living longer and healthier lives, there was a growing sense of insecurity even in highly developed societies. The situation in Ukraine was likely to aggravate this further. What had mattered most was trust, clear communication, active testing/tracing, resilient public health systems and evidence of a long-term strategy. Recent studies had shown that, factors such as population density, GDP per capita and pandemic preparedness were statistically less associated with infections and deaths than trust in government and interpersonal trust.

Participants noted that high income countries had been severely affected by the pandemic which had highlighted shortcomings, increased the economic impact, emphasised the significant potential of the medical and bio-tech industries and underlined the need for planning based on big data. They discussed areas for bilateral cooperation, including promoting research and development of new treatments and vaccines to help tackle future threats. This should include the private sector where innovation was valued. There was also scope for closer cooperation on training and education.

Several participants endorsed the need for greater trust – in government and interpersonally. Medical and psychological professionals might have a role to play in

understanding and tackling this lack of trust, not forgetting the impact on younger people. National governments had a role to play in communicating and providing direction.

The Group acknowledged the value of UK-Japan health networks and a record of drawing on complementary and shared strengths e.g. on digitalisation. There was also further scope to work together in science and innovation e.g. on new drug development.

Session 2: Security and Defence

Against the background of events in Ukraine, the Group considered the opportunities and challenges for more robust and more ambitious UK-Japan collaboration on security and defence, including the possibility of cooperation with third countries.

The impact of Russia's action in Ukraine had implications for movement of refugees, for energy and food supply and could lead to civil disturbance in some regions. In the longer term, it could also accelerate the reliance on renewables.

Japan's position on Ukraine had evolved to one of strong support for sanctions in line with G7 partners. Japan had agreed to provide non-lethal equipment to Ukraine in a significant change in security policy, aligning more closely with the US and European democracies.

From a UK perspective, there was a noticeable sense of national anger at Russia, leading to popular pressure on the government to respond. The US had reasserted its commitment to NATO which had looked less certain until recent events. There had also been a significant shift in the approach of European democracies on security, notably in Germany, but also in a greater determination of the EU to act more decisively on security issues and sanctions. Frequent EU/UK exchanges on security could lead to a closer EU/UK strategic partnership.

Participants discussed the role of China which would undoubtedly be following Russian actions – and reactions to them – closely. They also considered how Russia's action in Ukraine might condition China's approach to Taiwan. The effectiveness of Western sanctions on Russia would give China pause for thought: on the one hand wary of being isolated economically with Russia and of the likely effect of sanctions against China in any future Asian scenario; on the other, welcoming greater Russian dependence on China and China's ability to help undermine Western sanctions.

Group members noted a growing sense of unity amongst Western democracies. The aim should continue to be to support Ukrainian sovereignty and deter any future aggression against NATO territory. The positive momentum achieved should be utilised to help strengthen bilateral and multilateral security networks. The effectiveness of sanctions also sent a clear message, and provided a basis for responding, to any future aggressors.

Participants stressed, nevertheless, the need for a continuing global security perspective: despite the understandable immediate focus on Ukraine, engagement by the UK in the Indo-Pacific region and by Japan in Europe remained important.

Conference Session – Day 2

In introducing the day's discussion, Lord Lansley noted we were meeting on the anniversary of the Tohoku earthquake and tsunami on 11 March 2011 and expressed sympathy for all those affected.

Remarks by FCDO Minister of State, Amanda Milling (by video)

In welcoming participants to the second day of discussions, Minister Milling underlined the strength of the bilateral relationship demonstrated by its open discussion of security and trade and economic issues and our joint promotion of freedom and democracy. UK-Japan support for democratic values and the rule of law were especially important at this time. She looked forward to further close cooperation in the G7 and other fora. The Group's recommendations would be read with interest.

Session 3: Developments in UK Politics and the Economy

The Group discussed political developments in the UK. Prior to the Russian invasion of Ukraine, the domestic focus had been on the COVID-19 pandemic and the government's handling of it. Russia's action and the response of the UK and others had changed the political debate.

A general election was due by mid-2024. It was possible, but unlikely, that it could happen earlier. The current party leaders seem likely to be the main challengers in that election. Since 2019, the landscape had changed: the Conservative party had a large majority, with support in non-traditional areas in the midlands and the north. The government's levelling-up agenda had become an important element of domestic policy. Covid-19 and the war in Ukraine and the resulting economic turbulence would throw this into sharper focus.

The Opposition Labour Party had undergone significant change since 2019. That transformation was not yet complete. Traditionally, for Labour to do well, it had relied on strong support in Scotland.

At present it looked as if an election in 2024 could produce either a continuing majority for the Conservatives or the need for either main party to seek what would be a difficult coalition. The role of the SNP would be crucial.

Group members shared the view that the number of nationalist MPs at Westminster in 2024 could be an important factor, and that any anti-Conservative coalition might be difficult to achieve because of differing views on a Scottish independence referendum.

Participants also noted that local elections in May could prove to be less significant for the Government because of preoccupations with the war in Ukraine and its

aftermath. On the other hand, the UK's handling of policy towards Ukraine could provide post-Brexit foreign policy opportunities for the government.

Session 4: Developments in Japanese Politics and the Economy

Following an introduction by Seiji Kihara MP, Deputy Chief Cabinet Secretary, the Group considered recent developments in Japan, focusing on Ukraine, the Covid-19 response and Prime Minister Kishida's promotion of a 'new form of capitalism'. All could be important factors in the upcoming July Upper House elections

Ukraine was the most pressing issue. The Japanese government had joined others in pursuing strong sanctions against Russia. But the challenges posed by Russia's action meant Japan needed to review and strengthen its own defence systems; further strengthen the US-Japan alliance; and work to refashion the international order, including at the UN.

On Covid-19, Japan had - like other countries - reacted swiftly to control the spread of infection. More recently steps had been taken to ease border controls whilst remaining vigilant to the need to respond to changes in the situation.

On the economy, Japan had to focus on addressing price rises and maintaining wage levels, while the pressures on energy supply could help promote moves towards diversification. The Prime Minister's focus on a new economic approach was conditioned not least by growing competition from China. The approach would focus on four elements: better wealth distribution between shareholders and employees; investment in science and technology including through public-private partnerships; support for innovation and new start-ups; and a new approach to social issues.

Participants welcomed the easing of border restrictions and considered the need to bring in talent from outside to help innovation. There was some discussion about how Japanese consumers would react to the effect of sanctions domestically.

Finally, it was noted that strengthening of the US-Japan alliance could also benefit from closer US-Japan-ROK cooperation.

Session 5: Domestic and Global Economic Security

The Group considered Japan's Economic Security Bill, currently in the Diet. This had arisen from an awareness that Japan needed to strengthen its resilience and self-sufficiency, maintain its position as a significant player in the global economy, and continue to protect and promote rules-based values. The Bill would focus on four areas each with a specific time frame: increasing supply chain resilience by designating critical sectors and supporting private sector planning; ensuring stability of basic infrastructure in areas including utilities, transport and finance; introducing a new confidential patent system to further protect both industry and national security; and promoting high-tech development in key sectors involving public-private partnerships.

The focus on economic security had arisen partly from globalisation in the world economy and the need to respond to disruptions caused by financial shocks, the pandemic and most recently the war in Ukraine. Economic security was closely related to sustainable development, maintenance of economic wellbeing and an ability to maintain steady growth. It required investment in ‘soft’ as well as ‘hard’ resources; stable trading relationships underpinned by international agreements; support for environmentally sustainable growth and efficient distribution of income and wealth. Investment in R&D and new technologies, skills and education and public infrastructure were crucial in withstanding future economic shocks, as were strong open and transparent public institutions, effective coordination between public and private sectors, ability to use fiscal and monetary policy tools, and protection for those worst affected.

The development of national resilience measures in Japan, the EU and the UK should not mean a move towards managed trade. It was important that bilateral and international cooperation and stable and open trading relationships remained at the centre of measures to bolster economic security.

The impact of the war in Ukraine, and particularly the sanctions imposed on Russia could result in an emerging Russia/China economic space. However, China had benefitted from globalisation and would be uncomfortable at being drawn into an alternative Russia/China economic system.

Participants discussed the need for reform of global governance structures, in particular, international financial institutions. Whilst this was undoubtedly necessary, the challenges should not be underestimated. There was perhaps a greater role for the G7 to take a lead.

Group members also discussed what further measures - economic or otherwise - could be considered, including the need for possible adjustments to US-Japan security policy in Asia given current US preoccupation with Europe and its need to rebalance its focus on Russia and China. They noted the need for anticipatory as well as purely responsive measures.

Finally, the Group considered the value of soft power measures such as Japan’s Judicial Affairs diplomacy approach with ASEAN. This coincided with the UK’s Integrated Review focus on the use of legal diplomacy to promote human rights and democracy.

UK-Japan 21st Century Group 38th Annual Conference: Recommendations

The following recommendations emerged from discussions of the UK-Japan 21st Century Group in March 2022:

- The Group welcomes the positive response to its previous recommendations and continues to believe in the value of close UK-Japan cooperation across a range of major issues, both bilaterally and in multilateral fora.

International Affairs and Security

- Against the background of Russian aggression in Ukraine and its threat to our shared democratic values, the Group recommends continuing close consultation between the governments of Japan and the UK.
- The effectiveness of economic sanctions against Russia sends a clear message to future aggressors and provides a solid basis for action against any such future aggression. We support the continuation and – where appropriate – strengthening of such sanctions.
- Recognising the European focus for current action against Russia, the Group nevertheless believes the future engagement of the UK in the Indo-Pacific region and of Japan in Europe will remain crucially important beyond the ongoing crisis.
- We believe both governments should seek opportunities to strengthen bilateral and multilateral security networks including an expansion of the US-Japan-Australia-India grouping, the "Quad" to include the UK and possibly others.
- We also support involvement of Japan in the "Five Eyes" security structure and encourage both governments to consider this, pursuing where appropriate the necessary adjustments in Japan to facilitate this and other sensitive bilateral collaboration.
- To facilitate closer military cooperation, the Group encourages the UK and Japanese governments to expedite a Reciprocal Access Agreement, and – should it be necessary - revision of the Japan-UK Joint Declaration on Security Cooperation.
- The Group reiterates its previous recommendations on collaboration on defence-related projects as well as the development and production of defence equipment, joint research and sharing of best practice, including in the field of cyber security.
- The Group encourages both governments to reaffirm their commitment to global refugee conventions, and to continue to demonstrate compassion and flexibility in response to the developing humanitarian crisis in Ukraine.

Global Health Resilience

- The Group continues to support UK-Japan joint work in promoting health cooperation worldwide, including through the G7 and G20 agendas, to help build new global health governance structures.
- We also support continuing investment in life sciences, medicine, and digital solutions and close bilateral cooperation given our respective experience during the global COVID-19 pandemic.
- Nevertheless, we consider it important that the focus on COVID-19 should not deflect attention from existing diseases such as HIV, TB and malaria.
- It is important to strengthen existing collaborative mechanisms on research and development, CEPI investment, technical transfer of vaccine manufacturing, WHO reform and new and emerging diseases.
- The COVID-19 pandemic has provided an opportunity to learn lessons particularly on increasing surveillance, expanding testing in advance of emerging crises and strengthening public health systems to remain flexible.
- The UK reorganised its health response during the pandemic, including the establishment of the Health Security Agency. There may be value in fostering links between that body and its Japanese counterparts to facilitate a comprehensive review of the COVID-19 response for future preparedness.
- Recognising the growing significance of AMR, we believe it should be incorporated into the scope of pandemic instruments under discussion at the WHO.
- We also believe G7 initiatives on AMR should be carried forward during the forthcoming Japanese G7 presidency including those on financial incentives to develop new antibiotics, supply chain resilience, work on AMR in the environment, and supporting surveillance in foodstuffs, manufacturing and the environment.
- The Group encourages both governments to consider the potential for cooperation through Japan's JANIS programme and the UK's Fleming Fund.
- Research and development of new drugs and vaccines to address emerging threats would benefit from collaboration between the UK and Japan at government and private sector level, drawing on respective experience of incentives and innovation.
- Above all, establishing trust in global health appears crucial. We encourage both governments to consider together how best to achieve this e.g. through joint surveys and analysis; greater involvement of the private sector, civil society and the media; university collaboration; and promotion of digital

transformation in global healthcare.

Economic Security

- The Group reiterates the recommendations of its 2020 conference. In the wake of recent global health and security challenges, our governments need to be better prepared to withstand external shocks. In this respect, early progress towards UK participation in the CPTPP would be welcome.
- We believe Japan and the UK can work together more closely to strengthen the role of the G7 – including during Japan’s forthcoming Presidency – to achieve more effective international coordination against disruption to the rules-based system.
- We recommend closer policy discussion between the UK and Japan at public and private-sector level in pursuing economic security resilience. However, in doing so it remains important to ensure our response and that of our partners continues to be based on open and stable trading relationships underpinned by robust international agreements.
- These discussions could usefully include coordination on policies supporting green growth; energy security; monetary and fiscal policy; tax and social benefit reform; and investment in both ‘hard’ and ‘soft’ resources.

People to people links

- The Group welcomes both governments’ decision to progressively remove barriers to travel resulting from the COVID-19 pandemic. We believe it essential to continue to promote exchanges between the UK and Japan at all levels. In this respect, the Group reiterates its 2020 recommendation to enhance exchanges of students and young people.