



21st Century Group

UK-Japan 21st Century Group 39th Annual Conference January 2023

Chairmen's Summary

The 39th Annual meeting of the UK-Japan 21st Century Group was held on 13-15 January 2023 at the University of East Anglia in Norwich. The meeting was chaired by the Rt Hon Lord Lansley, UK Co-Chair, and Mr Keizo Takemi, Japanese Co-Chair.

23 British and 19 Japanese participants included parliamentarians and senior representatives from business, the media, academia, think tanks and the diplomatic service from both countries.

London Programme

The London programme began with a dinner for both Japanese and British conference delegates, hosted by Mr Hiroshi Matsuura, Minister Plenipotentiary and Deputy Chief of Mission of the Japanese Embassy, at the Travellers' Club.

The Japan Society and the Japanese Chamber of Commerce & Industry co-hosted a lunch meeting for the Group at the Caledonian Club on 12 January. The discussion was chaired by Mr Paul Dimond of the Japan Society, and was attended by conference delegates, corporate members, and other guests as a prelude to the conference discussions.

On the evening of 12 January, a Reception to welcome the Japanese delegation was hosted by the Rt Hon Greg Clark MP, the Prime Minister's Trade Envoy for Japan, at the Foreign, Commonwealth and Development Office.

Call on the Prime Minister

The Japanese participants, accompanied by the Group's Co-Chairmen, Lord Lansley and Mr Takemi, called on Prime Minister Sunak on 12 January. The Prime Minister spoke of Prime Minister Kishida's visit the previous day, referring to a new chapter in UK/Japan relations which he said were now closer than ever. He paid particular attention to defence and security links, referring to trilateral collaboration on a new fighter aircraft and the tilt of UK security policy towards the Asia-Pacific region. Japan's chairmanship of the G7 this year, and her assumption of a seat on the UN Security Council made the relationship more significant. He welcomed the work of the 21st Century Group and encouraged delegates to explore new avenues for cooperation including science and innovation. Lord Lansley outlined some of the themes of the upcoming conference and Mr Takemi emphasised the importance of the bilateral relationship to Japan. Both Co-Chairs looked forward to providing meaningful recommendations to the two Prime Ministers.

Norwich Conference

In their opening remarks, the Co-Chairmen spoke of the strength of UK-Japan relations and the scope of collaboration across several sectors. They referred to the signing that week of the Reciprocal Access Agreement which was one of the Group's recommendations at its 38th conference. The timing of this in-person meeting was particularly significant, with developments affecting both countries at home and overseas, including the continuing impact of Russia's invasion of Ukraine, the aftermath of COVID-19 and the effects of global warming.

One of the Group's roles is to help contribute to a strategic framework for the bilateral relationship and for closer cooperation on multilateral issues.

The Co-Chairmen welcomed the return to meeting again in person after three years online. There was much to learn from our respective responses to the challenge of COVID-19. On this, and on other issues, the Group's discussions provided a means of identifying constructive action together based on the UK and Japan's shared values.

Session 1: Latest Developments in UK and Japan ~ Politics and the Economy

The Group discussed political and economic developments in both the UK and Japan. Since the Group's last meeting in March 2022, there had been significant changes in UK politics. A general election was due by the end of 2024. To some extent, the parameters had already been set - by both the UK's departure from the EU and by the COVID pandemic response. The Prime Minister had set out five objectives for the new year: growing the economy; halving inflation; repaying a proportion of government debt; cutting NHS waiting lists; and curbing illegal immigration.

The Opposition were ahead in the polls and now appeared to have an electable leader, but whilst voters no longer seemed apprehensive about voting Labour, there was not yet a massive surge in their favour. It was not clear how the current wave of industrial action might affect support for either party when the election came. Whichever party won the next election, the ramifications of Brexit would need to be addressed, as would the question of a second independence referendum in Scotland although the latter was still viewed as unlikely.

Group members discussed generational support for different parties in the UK with a marked lack of support for the Conservatives amongst the younger generation. They noted a shift from a class-based approach based to one based on generational differences. There was a growing tendency to change traditional voting intentions more freely.

The Group also discussed the prospects and possible future scenarios for the administration in Japan. Opinion polls showed current support for the government at around 35%. The most likely scenario was a general election from autumn 2024 following an LDP leadership election. In the meantime, the government had announced a significant expansion in defence capability with spending due to rise to 2% of GDP (from 1% previously). This was largely conditioned by the present security environment surrounding Japan and was unlikely to be affected by any change of government. The Group expressed their welcome for the New National Security Strategy. In relation to increased defence spending the issue of financing the expenditure was raised and the public response to it.

Populism was less an issue in Japanese politics than in the US and Europe, partly because of the narrower income gap and the relatively low number of immigrant workers in Japan. The current Japanese government had recognised the need for Japan to be more innovative, to promote start-ups and to embrace digitalisation, hence the Prime Minister's focus on these issues.

The younger generation were more aware of the defence and security environment in which Japan found itself. Japanese voters generally wanted the government to manage the economy and tackle inflation, but they also acknowledged the external security threats.

Session 2: Global Health - Lessons Learned from the Pandemic

The Group discussed global health issues, including the impact of COVID-19 and lessons for the future. In the UK, there was a need for greater economic and social resilience; better approaches to public health where the UK faced greater challenges than Japan from obesity, hypertension, and diabetes; greater resilience in our health systems; and resilience in R&D. These required long-term investment, more integrated and accurate data, and longer-term planning. By contrast, the UK performance in vaccine development and rollout was a significant positive.

Japan's performance in terms of reported cases and deaths was lower than other high-income countries, driven largely by non-pharmaceutical interventions such as mask-wearing, hand washing and social distancing. However, some did not have sufficient access to testing, or adequate healthcare and vaccines in the early stages. Japan faced four major challenges: a public health system which was too decentralised with no clear chain of command; an outdated Infectious Disease Law which restricted service provision, testing and access to beds with a deep divide between public health and clinical services; a lack of appropriate science support which limited PCR testing, vaccine rollout and domestic vaccine development; and inadequate data governance and transparency.

In terms of the global response, the provision of vaccines to less developed countries including through COVAX, and the ACT-Accelerator system had not worked efficiently. There was a need to build greater trust, provide more incentives and introduce new actors such as the private and civil sectors and the media.

Antimicrobial Resistance (AMR) had become the third highest cause of death worldwide. In Japan more than 23,000 deaths had been caused by AMR in 2019, compared with 15,000 deaths from COVID-19 in 2021. But this was not sufficiently recognised as a serious threat. Under the UK's G7 Presidency, AMR was considered by Finance as well as Health Ministers. The Group endorsed the need for this to continue under Japan's G7 Presidency.

Group members commented on the value of fast-track and innovative regulatory approvals when the need arose. Participants expressed concern about the implications of strict health measure on education, e.g. through school closures, and also inequalities and complexities of vaccine distribution globally. The Group discussed the long-term consequences of COVID-19, including mental health issues and health service pressures.

Group members stressed that data management was crucial, including how to deal with transparency under non-democratic regimes.

Session 3: Security Challenges for the UK and Japan

The Group reviewed events since Russia's invasion of Ukraine in February 2022. Whilst Russia's longer-term ambitions were foreseeable, the scale and extent of the invasion was unexpected. Russian activity in Georgia and Kazakhstan, the "annexation" of Crimea (and limited response thereto), support for the use of chemical weapons by its allies in Syria and poisoning of Russian nationals overseas (including in the UK) were the actions of a regime that believed the West was weakened. In fact, the response of Ukraine itself, of Western

powers imposing sanctions, and of European support for refugees demonstrated a firm response. In both the UK and Japan, there was a consistently strong political stance against Russia with cross party support. Participants agreed on the need for continued unequivocal backing for Ukraine drawing on an alliance of global democracies, and on the importance of resilience in the face of internal and external threats to good governance.

The Group also noted increasing threats to the rule of law and to free market principles. The US was less active in multilateral fora. Russian aggression and China's growing assertiveness were contributing to a sense of global crisis. Although Western democracies had responded firmly to Russia, they were vulnerable to the economic fallout from sanctions. China remained committed to a "rejuvenation" policy including a long-term goal of reunification with Taiwan. Its rapid expansion of military capabilities was of concern. Cyber-attacks by hostile states and non-state actors required a robust and cooperative response from democracies including the UK and Japan. The private sector could play a role with government in helping develop strategies to respond to such threats.

Session 4: Economic Security and Supply Chains

In considering economic security and supply chain issues, the Group noted that previous assumptions – that global markets would help maintain economic security – were no longer valid. Acts such as Russia's decision to cut gas supplies to Europe showed that a hostile regime was in fact willing to act against its own interests. The response, including measures targeting Russian banks, preventing access to technology, and introducing energy price caps meant there would be consequences for others considering such action in future. Pandemics and natural disasters similarly posed unpredictable threats to the global economy. US strategic competition policies also raised concerns.

Understanding and reacting to economic security threats required different approaches at different levels (bilateral, UN, G20, G7) depending on the complexity of threat. The UK and Japan were well placed to work together in existing institutions, including under Japan's G7 Presidency, and with the private sector.

Participants discussed global risks – geopolitical, natural, and macroeconomic. The US, Europe and Japan were focussing on increasing supply chain resilience for key technologies, developing supply chain solutions in response to climate change, promoting governance of digital platforms, and reducing reliance on foreign input. They also considered the need for reform of global governance structures and a new approach to industrial productivity including through automation/AI.

Session 5: Prospects for International Development Collaboration – Integration of the Global South

UK Group members had commissioned a report from the NGO, Development Reimagined, on the prospects for practical UK/Japan collaboration on overseas development. Participants were given an overview. This contained an analysis of spending and priorities, areas of future complementary priority and a SWOT analysis of each country as a development partner. It noted five overlapping priority areas: security and technology, humanitarian assistance, climate change and green recovery, infrastructure, and health. It recommended areas for trilateral cooperation, new multilateral initiatives and two areas for learning and exchange initiatives. Participants welcomed the report and the specific proposals identified. As the report suggested, it was also essential to involve beneficiaries of aid in project design and evaluation.

Separately, the Group noted the challenges of traditional ODA, current reforms in Japan's Development Cooperation Charter and the role private investment can play in supporting social change and reducing inequality, promoting employment and economic recovery. Microfinance played an important role in enabling women and girls gain financial security and gender equality.

Participants discussed the prospects for closer collaboration. The UK and Japan were key ODA providers and had a leadership role to play in multilateral mechanisms. The focus on women and girls was important as was technological innovation in aid provision. Women's health was an area with considerable social implications: supply chain costs had a restrictive impact on access to healthcare. The Group also noted the importance of aligning development initiatives with other policy areas, for example international trade and climate change

UK-Japan 21st Century Group 39th Annual Conference: Recommendations

The following recommendations emerged from discussions of the UK-Japan 21st Century Group in January 2023:

- 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 issues.

International Affairs, Defence and Security

- Given the changes to global security resulting from Russian aggression in Ukraine, and growing Chinese assertiveness, including in relation to Taiwan, the Group recommends the UK and Japan should further strengthen their bilateral security cooperation and strategic dialogue.
- Although at a very early stage, Group members welcomed the prospective development of a possible "Pacific Charter", or its equivalent, which could frame both the bilateral relationship and signal the role both countries might play in the Indo-Pacific region and more widely. This would initially require rigorous joint analysis of the issues to be addressed. It could embrace key principles based on shared values. Such a charter might include: the rejection of aggression; the defence of democracy and freedom; adherence to the rules-based order in international relations; fostering environmental sustainability and biodiversity; reducing trade barriers; harnessing and promoting our innovative edge in science and technology; promoting high standards in global health, labour, and welfare; maintaining freedom of the seas; and the peaceful exploration and exploitation of space.
- We continue to support strong and unequivocal backing of Ukraine from a broad alliance of democratic partners not to allow change of the status quo by force.
- Recognising the risks of a less engaged US in multilateral fora, the UK and Japan should work together to help prevent this and to seek complementary partnerships including with Australia, the Republic of Korea and India.
- The Group welcomes the recent conclusion of a UK/Japan Reciprocal Access Agreement. We continue to see value in future association of Japan with the "Five Eyes" security structure involving adjustments in Japan, where necessary, to facilitate sensitive bilateral collaboration and information exchange.

- In responding to the increased cyber threat from hostile regimes and non-state actors, the Group recommends closer UK/Japan cooperation on cyber security, collaboration with the private sector and more opportunities to educate young people to enhance our cyber security capacity.
- Given the imposition of sanctions against individuals in the UK and elsewhere by hostile regimes of which they have been critical, the UK and Japan should cooperate to protect freedom of expression and reject such sanctions. To mitigate the risk of political polarisation, the Group stressed the importance of education and dialogue within and between divided domestic communities.
- The Group believes there may be value in promoting debate and greater awareness amongst parliamentarians of the situation surrounding Taiwan, including through bilateral contacts.

Global Health Resilience

- The Group reiterates the recommendations of its 38th conference and continues to support UK-Japan health cooperation to help build new global governance structures, including data governance, and develop incentives in the G7 to tackle future health threats including the AMR pandemic.
- We support continuing Health Ministers' work on AMR on improving surveillance, collaboration, and contribution to more resilient Universal Health Care, including commitments on supply chain security.
- We also encourage Finance Ministers to build on previous commitments to strengthen antibiotic development and develop pilot pull funding with the aim of G7 members having active pilot pull mechanisms to be reported on at the UNGA High-level meeting on AMR in 2024.
- We further encourage Finance Ministers to develop international mechanisms to realise the central role of health and education in securing economic and social development.
- The Group underlines its previous recommendation to strengthen existing collaborative mechanisms on research and development, CEPI investment, technical transfer of vaccine manufacturing, WHO reform and new and emerging diseases,
- The Group suggests consideration of a new expanded health and human security mechanism with like-minded countries and regional agencies, representing the Global South.
- In tackling infectious diseases, rigorous testing and diagnostics remain essential, while better public health awareness is also crucial.
- The Group supports preparation of vaccine production facilities in the Global South and the development of vaccine allocation, including logistics, and stakeholder finance. This "100 Days Mission Plus" initiative is a part of the global health governance architecture which we support. The UK and Japan should also consider opportunities for working more closely on vaccine development.

- The Group sees value in a comparative analysis of the UK and Japan’s respective responses to the challenges of COVID-19 to better shape future pandemic responses.

Economic Security

- We reiterate our previous recommendation for closer policy discussion between the UK and Japan at public and private-sector level to pursue economic security resilience based on open and stable trading relationships underpinned by robust international agreements.
- We continue to believe Japan and the UK should work together to strengthen the role of the G7 – including during Japan’s Presidency – to achieve more effective international coordination against disruption to the rules-based system.
- In this context we welcome recent comments by Japan’s Minister of Economy, Trade and Industry, Nishimura, calling for protection against economic coercion by non-democratic states and distortion of trade rules under the guise of economic sovereignty. The Group welcomes our two governments’ opposition to protectionist trade measures and supports further trade liberalisation and reform.
- The Group urges both governments to ensure that investment screening does not disadvantage partners and allies.
- We encourage our two governments to strengthen and intensify bilateral exchanges on energy strategies, including technology, security and supply as well as regulation and incentives for renewable energy.
- Given the susceptibility of the Global South to natural and geopolitical shocks, the UK and Japan could play an important role in promoting human and economic security and the adoption of technologies including renewable energy.
- Bilateral and multilateral cooperation on economic issues will contribute to better economic security resilience. Following the UK’s withdrawal from the EU, UK accession to the CPTPP in the months ahead would be welcome.

International Development Collaboration and Integration of the Global South

- Having commissioned a report on the opportunities and priorities for closer collaboration on overseas development, the Group endorses the practical recommendations in the report for the UK and Japan to work more closely together in three principal areas:

Four Practical Proposals for Trilateral Cooperation

- Work on urban infrastructure and investment initiatives in Africa.
- Building health capacity in Africa.
- Joint trade financing.
- Building capacity for (women-led) SMEs in agriculture.

Four New Multilateral Cooperation Initiatives

- Developing a new initiative to reduce emissions in maritime trade.
- A technology transfer initiative using AI and 5G to manage infectious disease outbreaks and contribute to the renewable energy industry.
- Supporting Africa's Medicines Agency to harmonise regulations and make medicines and medical devices more accessible. The UK and Japan have expertise in the regulatory sphere and on legislation governing the whole life cycle of medical devices which could usefully be shared with beneficiary partners.
- Given their leadership role in contributing to climate funds, the UK and Japan should work together in the G7 to push for more effective climate finance delivery and encourage the World Bank and IMF to leverage their capital to increase global climate finance.

Two Areas for Structured Dialogue in Mutual Learning and Exchange

- Working together to establish a new peacebuilding network.
 - A regular dialogue on ways to improve the two countries' development policy.
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- We encourage both governments to commence consideration of these proposals, and the analysis and report which supports them, at the forthcoming bilateral development dialogue in February.
 - The Group believes that effective ODA is essential to the promotion and economic development of human security. We therefore firmly believe that proposals to increase defence spending should not necessitate a consequent reduction in the ODA budgets of the UK or Japan. On the contrary, the Group supports the proposed increases in defence spending and reiterates the need to reach the 0.7% of GDP commitment to ODA.