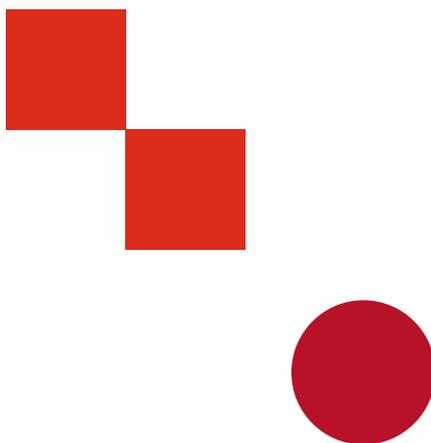


# CONFERENCE REPORT

19<sup>th</sup> November 2019 – Zagreb

**Extending  
Japan-EU  
cooperation:  
new opportunities  
for Croatian  
EU Presidency**



**IRMO**

*Institut za razvoj i međunarodne odnose  
Institute for Development and International Relations*

## CONTENT

About the Conference .....	1
EU Presidency .....	2
About IRMO .....	3
CVs .....	4
Conference Program .....	8
Conference Results .....	9

## About the Conference

**The Conference Extending Japan-EU cooperation: new opportunities for Croatian EU Presidency** was held on 19<sup>th</sup> November 2019 in Hotel Dubrovnik in Zagreb. The Conference was organized by the Institute for Development and International Relations (IRMO) from Zagreb, and was held under auspices of the European Commission's Representation in Zagreb and the President of the Republic of Croatia.

The aim of the Conference is enhancing Croatia/EU Japan cooperation, in view of the priorities of the European Union for the period until 2024, focusing on sustainable development and facing global challenges.

The Conference addressed shared values and challenges, the *EU-Japan Economic Partnership Agreement* (JAPAN-EU EPA) and its potential, the *EU-Japan Strategic Partnership Agreement* (JAPAN-EU SPA) and its role in addressing global issues (environmental, climate change, etc.). Accordingly, the conference was organized into three thematic panels.

The Conference was opened by IRMO Director, *Sanja Tišma*, and introductory remarks by H. E. *Ognian Zlatev*, Head of the Commission's Representation in the Republic of Croatia, *Mate Granić*, Special Advisor and Envoy of the President of the Republic of Croatia and H. E. *Misako Kaji*, Ambassador of Japan to the Republic of Croatia.

The first panel dealt with shared values and common challenges between Japan and EU. Panelists included Prof. *Tomohiko Taniguchi*, Special Adviser to the Cabinet of Prime Minister, Professor of Keio University, *Vladimir Drobnjak*, Advisor for Foreign Policy to the Prime Minister, ambassador *Dražen Margeta* as the Representative of the Ministry of Foreign and European Affairs of the Republic of Croatia. The panel was moderated by *Senada Šelo Šabić* from IRMO.

The second panel focused on *Japan-EU Economic Partnership Agreement* and Croatia. Speakers at the panel included H. E. *Kazuo Kodama*, Ambassador of the Mission of Japan to EU, *Mario AntoniĆ*, State Secretary, Ministry of Economy, Entrepreneurship and Crafts, *Ines Obradović*, Director of the International Affairs and EU Sector at the Croatian Chamber of Commerce and *Anny Brusić*, Director of the Association of Small and Medium Enterprises at the Croatian Employers Association. Panel was moderated by *Nevenka Čučković* from IRMO.

The third panel addressed global issues and the role of the *Japan-EU Strategic Partnership Agreement*: Prof. *Yumiko Nakanishi*, professor from Hitotsubashi University presented SPA and its potential. *Krešo Pandžić* outlined climate-change related challenges and role of SPA in facing these challenges. *Haris Boko* discussed energy issues and potential for cooperation in this area. *Enes Čerimagić* from the Friends of Earth Croatia initiated discussion on costs related to enhanced cooperation. Panel was moderated by *Ana-Maria Boromisa*.

The Conference gathered 80 participants including researchers, diplomats, policy makers, officials and civil servants from ministries, civil society representatives, entrepreneurs and the general public.

## EU Presidency

On January 1 of 2020 Croatia is scheduled to overtake the presidency of the Council of the European Union (EU), which will be a major step for the Union's youngest member state. During a six-month period of major change for the European Union, such as the beginning of a new institutional and legislative cycle, the formation of a new composition of the European institutions, as well as the challenge of the Brexit, Croatia will chair the Council of the EU.

Croatia has prepared a six-month program based on the *Strategic agenda for the EU 2019-2024*, national priorities and in accordance with the Trio program of Romania, Finland and Croatia. The Presidency has four priorities, presented by the motto *A Strong Europe in a Challenging World*:

- A developing Europe;
- A Europe that connects;
- A Europe that protects;
- An influential Europe.

The Croatian Presidency will also take into account the priorities and work program of the new European Commission. Accordingly, it will promote the Union's fundamental values as well as strengthening economic, social and territorial cohesion. The Trio focuses on the preservation of the multilateral system and the need to adhere to *Agenda 2030 for Sustainable Development*. Croatia's priorities have been coined so they follow the general agenda of the trio – however, place a substantial amount of importance on the stream of international politico-economic cooperation, especially in regards to stabilization of the Western Balkans. In addition, Croatia's priorities reveal the political will to intensify the relations with Asian economies, as well as the necessity to promote international development strategies, policies and concepts that will allow for sustainable development, and eventually help to root out poverty.

Within the priority "an influential Europe", the Republic of Croatia recognized the need to work with partners from Asia, where ideas, knowledge and capital come from. In addition, the cooperation of Japan and the Republic of Croatia through the promotion of common values enables fostering democratization through institutional reforms in the Western Balkans and enhancing the principles of European neighborhood policies.

Croatian EU Council Presidency provides an opportunity for the EU Council to strengthen existing partnerships and to use established cooperation mechanisms.

Japan is promoting the *Western Balkans Initiative*, with aim to facilitate cooperation between the Western Balkans and the EU, promoting democratic principles and socio-economic reforms throughout the region. The *Western Balkans Initiative* promoted by Japan and the priorities of the Croatian EU Council Presidency are coherent and focused on stability and prosperity in the Western Balkans.

Shared values and goals outline the potential for strengthening cooperation.

## About IRMO

Institute for Development and International Relations is a public, non-profit, scientific and policy research institute. It was founded by the University of Zagreb and the Croatian Chamber of Commerce in 1963 as the *Africa Research Institute*. Its research focus evolved from the study of post-colonial Africa, through the developing countries of Asia and Latin America and finally towards the global development processes. This was followed by changes in the research program and the name of the Institute. The Institute changed its name in 1971 to the *Institute for Developing Countries*.

The change of the Institute's research focus and the underlying work program were reflected three more times: in 1989 it changed its name to the *Institute for Development and International Relations* (IRMO); in 1996 it changed its name to the Institute for International Relations (IRMO); and in 2013 it changed its name back to the Institute for Development and International Relations (IRMO).

The fundamental mission of the Institute is developing and disseminating theoretical, methodological and technical knowledge and skills required for scientific and professional interpretation and evaluation of contemporary international relations which affect various human activities and related developmental trends important for the Republic of Croatia. Development tendencies are observed in the local, regional, European and global context.

The IRMO's research is mainly in the area of social sciences, primarily economics, political science, sociology and related disciplines, but IRMO's staff includes researchers in environmental area – biology, chemistry, math. This provides an opportunity to deal with research topics that cannot be studied within single discipline. IRMO focusses on various forms of interlinkages of international relations and developmental trends with political, economic and socio-cultural aspects. The basic programme areas of the research relate to: (i) international framework for economic development and cooperation (ii) Cultural, communication and media aspects of contemporary social processes and (iii) International political relations.

In addition to scientific research, IRMO activities include organisation of conferences and workshops, development of targeted training programs and dissemination of knowledge through the publication of scientific journals, books and other publications.

IRMO collaborates with various stakeholders - NGOs, scientific institutions, international organizations, business communities and others.

In cooperation with the Embassy of Japan, in the period 2002-2013 IRMO organized seven Croatia-Japan bilateral conferences on various topics (regional challenges, border issues, etc.), and IRMO researchers were visiting fellows at universities in Japan..

## CVs

**Sanja Tišma** has been the Director of the Institute for Development and International Relations (IRMO) since June 2009. She joined IRMO in 1989 and in 2001 became the Head of Resource Economics, Environmental Policy and Regional Development Department. Her research interests include sustainable development and good governance, environmental economics, strategic planning and management, as well as project management. During the last ten years, Mrs. Tišma has been engaged as a lecturer at the Faculty of Economics at the University of Zagreb, the Faculty of Law, University of Zagreb and the Faculty of Geotechnical Engineering, University of Zagreb. She graduated at the Faculty of Economics, University of Zagreb and obtained her MSc. and PhD degrees at the same Faculty.

**H. E. Misako Kaji** is the Ambassador of Japan to the Republic of Croatia. Previously (2014-2016) she served as the Ambassador and the Deputy Permanent Representative in the Permanent Mission of Japan to the International Organisations in Geneva. In her academic career, she was the Professor at Hitotsubashi University and the University of Tokyo. Ms. Kaji's recent publications deal with disaster risk reduction and human security.

**H. E. Ognian Zlatev** has been the Head of European Commission Representation in Croatia since 2019. During the last six years he served as the Head of the Representation of the European Commission in Sofia. He joined the European Commission in 2011. Prior to that, he served as a member of the board of directors of Bulgarian National Television and established and chaired the Bulgarian Media Development Center. In addition, he was one of the founders and chairman of the South-eastern European Media Professional Network, which brings together 15 media centers and institutes from the region. He was the Director of the Open Society Institute Information Center in Sofia, the Head of the BBC Center in Bulgaria and the Head of Exchange at the British Council Office in Bulgaria. He has also worked as a consultant for international institutions (UNESCO, OSCE, World Bank). He is a member of the European Association of Directors of Communications and the President of the Association of Public Sector Communicators of South East Europe.

**Mate Granić** is the Special Advisor to the President of the Republic of Croatia. In his political career he served as the Foreign Minister of Croatia (1993 – 2000) and the Member of the Parliament (2000-2003). Prior to his political engagement, he was professor and dean at the University of Zagreb, School of Medicine. He was also a visiting professor at the Harvard, Kentucky, Diabetes Foundation, Faculty of Medicine in München and was the advisor to the World Health Organisation.

**Tomohiko Taniguchi** - Special Advisor to Prime Minister ABE's Cabinet; Professor, Graduate School of System Design and Management, Keio University. Professor Taniguchi holds a doctorate in national security. He spent 20 years in business journalism, stint for 3 years in London where he also served as President at the Foreign Press Associa-

tion. He spent sabbaticals at Princeton University (Fulbright visiting fellow), Shanghai Institute for International Studies, and at the Brookings Institution as a CNAPS Fellow before joining Ministry of Foreign Affairs as Deputy Press Secretary. Since August 2008 he held professorships at Keio and Meiji Universities, and taught international political economy and media studies. February 2013 he rejoined the government as Councilor, Cabinet Secretariat. He assumed current positions both at Keio University, and at the Prime Minister's Office, in April 2014. His areas of expertise are International Political Economy (Currency Regime, International Financial System), Japan's Diplomacy and Public Diplomacy. He is Prime Minister ABE's primary foreign policy speech writer.

**Vladimir Drobñjak** is the Advisor for Foreign Policy to the Prime Minister of Croatia. Before that, Ambassador Drobñjak was the Permanent Representative of Croatia to the United Nations. He also served as the Permanent Representative to the European Union in Brussels, the Chief Negotiator for the accession to the EU, the member of the team negotiating Croatia's Stabilization and Association Agreement with the European Union, the Deputy Permanent Representative to the United Nations in New York, the Assistant Minister and the Head of the Division of Multilateral Affairs at the Ministry of Foreign Affairs in Zagreb. Prior to his political career that started in 1992 he worked as journalist and editor. He graduated Law at the University of Zagreb.

**Ambassador Dražen Margeta** has joined the Ministry of Foreign Affairs in 1992. Before that, he worked in the private sector in Croatia and China dealing with foreign trade and commercial issues. In his diplomatic career he served as assistant minister and as ambassador in Egypt, Singapore and Indonesia. He graduated at the Faculty of Economics, University of Zagreb and the Linguistic Institute in Beijing. He was trained at the Diplomatic Academy of the Ministry of Foreign Affairs (Croatia), the Institute of Marketing and Management in New Delhi, the Faculty of Philosophy, University of Zagreb and numerous seminars, study tours and courses in the field of international relations and economy. He is fluent in English, Chinese and German.

**H. E. Kazuo Kodama** Ambassador Extraordinary and Plenipotentiary of Japan to the European Union. H.E. Mr Kazuo Kodama has been Ambassador of the Mission of Japan to the European Union in Brussels since September 2016. Before that, he was based in Paris for three years serving as the Japanese Ambassador to the OECD. H. E. Mr Kodama first joined the Japanese Foreign Service in 1976 and has since then spent over half of his career abroad, serving in various high-level governmental positions, including Consul-General in Los Angeles, Deputy Permanent Representative to the U.N. in New York, and most recently in Paris and Brussels. He has also held a number of high-level positions in Tokyo, including Deputy Director-General of the Economic Cooperation Bureau, and Press Secretary /Director-General for Press and Public Relations in the Minister's Secretariat.

**Mario Antonić** has been the State Secretary at the Ministry of Economy, Entrepreneurship and Crafts since 2016. Previously, he worked in private sector, including running his own business and working in a family craft. He holds MBA and first degree in mechanical engineering from the University of Maribor.

**Ines Obradović** is the Director of the Department of International and EU Affairs at the Croatian Chamber of Commerce. She joined the Chamber more than 15 years ago and since then she has been involved in a number of initiatives for internationalisation of business and regulatory reforms. Areas of her expertise relate to internationalisation, international cooperation, investments and EU funds.

**Anny Brusić** is the Director of the Association of Small and Medium Enterprises at the Croatian Employers Association. She deals with the promotion of the rights and interests of small and medium-sized enterprises. She participates in the preparation of regulations and strategic documents, in particular in the area of business regulations, labour and social and economic legislation, collective bargaining and collective agreements, labour disputes, and other issues relevant to economic and social position of employers.

**Yumiko Nakanishi** Professor of European Union law at Graduate School of Law, Hitotsubashi University. Yumiko Nakanishi is professor of European Union Law at Graduate School of Law, Hitotsubashi University, Tokyo Japan (since April 2012), member of the Board of Directors of the European Union Studies Association – Japan, representative of the Hitotsubashi Association of European Union Law, member of Japan Association of Environmental Law and Policy, member of Japanese Society of International Law, member of the Japanese Association of World Law, member of Forschungsgesellschaft für Deutsches Verfassungsrecht, Japan. She studied European law at Hitotsubashi University and University of Münster (Germany). She got Master of Law (Hitotsubashi University, 1993), Master Legum (University of Münster, 1995) and Doctor of Law (University of Münster, 1998). Her fields of research are competence issues in the EU, EU constitutional law, EU environmental law and EU external relations law. She is editor and author of the books titled "Contemporary Issues in Environmental Law – the EU and Japan" (Springer 2016) and "Contemporary Issues in Human Rights Law: Europe and Asia" (Springer 2018).

**Krešo Pandžić** is the meteorologists at the Croatian Meteorological and Hydrological Service, and serves as a contact person for Intergovernmental Panel on Climate Change for the Republic of Croatia. He holds Ph. D from the Faculty of Science at the University of Zagreb. He was also lecturing at the Faculty of Science, wrote the textbook and a number of scientific articles. He was awarded by the World Meteorological Organisation for his work on precipitation regime in continental and Adriatic region.

**Haris Boko** is the Advisor to the Director of the Energy Institute Hrvoje Požar. In addition to Ph. D in electrical engineering, he has managerial schooling from Harvard University. He was Senior Fellow at the London School of Economics engaged with development of emerging markets, the Governor of the Nordic Chamber of Commerce and contributed to numerous bodies of the European Commission. His experience includes working with McKinsey, United Nations, Goldman Sachs, World Bank in London, Tokyo, San Francisco and Vienna. He is the honorary citizen of New Orleans, USA and Kyoto, Japan.

**Enes Ćerimagić** works at environmental NGO Friends of Earth Croatia. His professional interest relates to environmental legislation. In his activist capacity he advocates environmentally sustainable legal solutions and is involved in educating citizens about

rights and opportunities to participate in environmental decision-making processes and using legal mechanisms to challenge projects that are environmentally harmful. He participated in a number of advocacy campaigns and actions and cooperates with a number of partner institutions. He is also the member of the council of GONG, an Croatian-based NGO focused on the improvement of democratic processes and institutions. Mr Ćerimagić holds a law degree from the University of Zagreb, Faculty of Law.

**Senada Šelo Šabić** is the Senior Research Associate in the Department for International Economic and Political Relations at IRMO. Her research interests include Croatian foreign policy, Western Balkans and Turkey, EU enlargement, development cooperation and migration. Ms. Šabić holds a PhD in political science from the European University Institute in Florence (2003) and has earned two Masters degrees – in international relations from the University of Zagreb (1999) and in peace studies from the University of Notre Dame, USA (1996). She is the editor-in-chief of the Croatian International Relations Review and is the external teacher at the Faculty of Political Science, University of Zagreb. Ms. Šabić received several distinguished academic grants, the most recent the Fulbright Scholars' Program Fellowship in 2011. Previously she worked for the government, in diplomacy, for an international organization, and in business.

**Ana-Maria Boromisa** is the Research Advisor and the Head of the Department for International Economic and Political Relations at IRMO. Main areas of her research interests are related to energy economics and environmental economics. In these areas Ms. Boromisa manages projects, publishes papers, teaches, presents papers and gives speeches at lectures and conferences. From 2001-2005 she served as the member of the Croatian Energy Regulatory Council. In the period 2006-2012 she was the member of IRMO's Management Board and from 2013-2017 she was the President of the IRMO's Scientific Council. Ms. Boromisa took her doctorate at the Faculty of Economics in Zagreb (2004), the master's in European Studies, College of Europe, Natolin, Poland (1995) and her first degree at the Faculty of Electrical Engineering in Zagreb (1994).

**Nevenka Čučković** is the Senior Scientific Adviser in the permanent position at IRMO, the Department for International Economic and Political Relations. She holds a Ph. D. in economics (1998) from the University of Zagreb and an M.A in international economics (1988) from the same university. Her research interests are particularly directed to economic transformation and integration policies of post-socialist countries, with a focus on enterprise policy performance assessment, privatisation, regulation and competitiveness of the enterprise sector, SME development, innovation and knowledge-driven economy and institutional EU convergence criteria. She is a member of many professional associations at home and abroad, she served as an expert member of Program Committee for Socio-Economic Sciences and Humanities in the EU Framework Programmes FP7 (2007-2013) and FP6 (2006) and as the member of the National Scientific Council for Social Sciences (2013-2017). She was the President of IRMO's Scientific Council in 2000-2005 and the member of the Management Board of IRMO in 2000-2002. She publishes in referred scholarly journals as well as in books both in Croatia and abroad.



# **Extending Japan-EU cooperation: new opportunities for Croatian EU Presidency**

## **Opening session**

Welcoming Remarks, Dr. Sanja Tišma, IRMO, Director

H.E. Misako Kaji, Ambassador of Japan to the Republic of Croatia

H.E. Ognian Zlatev, Head of European Commission Representation in Croatia

Dr. Mate Granić, Special Advisor to the President and Envoy of the President

### **Panel 1: Shared values and common challenges between Japan and EU**

#### *Speakers:*

Prof. Tomohiko Taniguchi, Special Advisor to the Cabinet of Prime Minister,  
Professor of Keio University

Vladimir Drobnjak, Advisor for Foreign Policy to the Prime Minister

Sebastian Rogač, Advisor of the President for Foreign and European Policy and  
Envoy of the President

Dražen Margeta, Directorate for Political Affairs, Ministry of Foreign and  
European Affairs

*Moderator:* Dr. Senada Šelo Šabić, IRMO

### **Panel 2: Japan-EU Economic Partnership Agreement and Croatia – towards socially just and environmentally friendly trade, investment and innovation**

#### *Speakers:*

H.E. Kazuo Kodama, Ambassador of the Mission of Japan to EU

Mario Antičić, State Secretary, Ministry of Economy, Entrepreneurship and Crafts

Ines Obradović, Croatian Chamber of Commerce, Director, International Affairs  
and EU Sector

Anny Brusić, Croatian Employers Association, Director, Association of Small and  
Medium Enterprises

*Moderator:* Dr. Nevenka Čučković, IRMO

### **Panel 3: Global issues and the role of the Japan-EU Strategic Partnership Agreement: climate change and environment issues**

#### *Speakers:*

Prof. Yumiko Nakanishi, Professor of Hitotsubashi University

Dr. Krešo Pandžić, Croatian Meteorological and Hydrological Service, contact  
person for Intergovernmental Panel on Climate Change for Republic of Croatia

Enes Ćerimagić, Friends of Earth Croatia

Dr. Haris Boko, Energy Institute Hrvoje Požar, Advisor to the Director

*Moderator:* Dr. Ana-Maria Boromisa, IRMO

## Conference Results

This is not a verbatim report. The topics discussed in individual panels are presented under the three main Conference topics.

### Opening and welcome

In the introductory part of the conference, the speakers emphasized the common values of Japan and the EU: democracy, the rule of law, respect for human rights and a liberal economy. Thus, Japan and the EU are natural partners in protecting shared values and facing global challenges such as climate change.

Japan – EU relations have gradually evolved since the *European Coal and Steel Community*. Strong incentives to further cooperation are the *Economic Partnership Agreement* (EPA) and the *Strategic Partnership Agreement* (SPA). The EPA entered into force in February 2019. This agreement created the world's largest free trade area, covering more than 635 million people, and representing nearly a third of the world's GDP. The agreement provided for a gradual reduction of customs duties, establishing of common standards and provisions regarding the security of digital data. EPA represents an opportunity to strengthen collaboration and, supported by an innovative *Strategic Partnership Agreement* (SPA), to develop common global strategies.

On the eve of the Croatian Presidency of the European Union, the Conference offers an opportunity bringing Japan and Asia closer to Croatia and the EU.

### Shared values and challenges of Japan and the EU

The first panel dealt with common values as the basis of Croatia / EU / Japan cooperation and the with challenges.

Prof. PhD *Taniguchi* strikingly illustrated the cultural ties between Croatia and Japan, depicting the Japanese male choir singing Croatian song *U boj, u boj*.

Tokyo and Brussels cannot be further, but distance is not a criterion relevant for connection. Japan is one of the EU's closest and the most similar partners, which plays a major role in international relations and facilitates promotion of shared values around the world.

These values relate to democracy, the rule of law, respect for human rights and fundamental freedoms, and open markets. The EU was built to preserve peace; Japan has a constitutional provision that excludes war as a way of resolving international disputes. Therefore, EU-Japan cooperation has significant potential for peace building.

Japan and the EU share views on multilateralism and international trade. Japan is the second largest EU partner in Asia, following China. Relations between Europe and Japan are old and have not yet reached their full potential.

Japan wants Croatia to continue its strong development of democracy and partnership, which is necessary, among other things, for a successful EU Presidency. Croatia's priorities are to promote a Europe that is developing, connecting, protecting and that is globally influential.

Based on shared values, Japan and the EU are ready to face various challenges. The world is multi-polar and multifaceted, and faces challenges such as fake news and populism. There are also peace and security challenges and challenges related to preparedness to cyber threats. The EU needs to be strong in a time of challenge. Partnership increases resilience to ability to face the challenges. Japan's neighbourhood is not ideal, so working with partners can help preserve the common values of the EU and Japan.

An example of possible cooperation is also related to peace on the Korean peninsula. Many EU member states maintain relation with Pyongyang and they provide useful information to Japan. On the other hand, Trump's approach has tested new grounds. North Korea could change, becoming democratic and liberal, if it was willing to completely give up its nuclear ambition. Japan would need, together with China, to send a clear message that the future of relations looks bleak if nothing in North Korea changes and that Japan would help build its economy as a reward if it changes.

The readiness to cooperate and promote common values is confirmed by the Strategic Partnership Agreement. SPA is a new type of agreement, different from the usual economic cooperation agreements. Japan has signed a number of economic co-operation agreements, but only one strategic partnership agreement, the one with the EU. The SPA illustrates Japan's progress in the last 150 years – it started with unilateral treaties, while the SPA is an instrument for 21st century designed to address modern challenges.

As with the EU, Japan-Croatia relations are improving. Japan has 26 years of relations with Croatia, on top of the 60 years with the EU and its predecessors. This includes many ministerial and parliamentary visits. Japan and Croatia have concluded numerous bilateral agreements, welcomed by economic communities in both countries. Zagreb and Tokyo meet every year to discuss bilateral and global development.

Experience shows why cooperation is important. Japan with the United States (US) Australia and India makes the 'Quad'. These four countries ensure peace and security in the region. A triangular partnership is developing among Japan, EU and US.

Common values and economic agreements increase need for connectivity. Presidents Abe and Junker signed an agreement on infrastructure connectivity. The Japanese-EU EPA and SPA are two pillars that sustain Eurasia.

In addition to political challenges, environmental and climate concerns need to be addressed. One initiative which deals with environmental challenges is the *Osaka Blue Ocean Vision* presented by Japanese Prime Minister Abe at the Osaka G20

summit on June 28 and 29, 2019. The vision relates to reducing marine plastic waste to zero by 2050.



The magnitude of the problem and the need for international cooperation on marine litter is illustrated by Tsushima Island, located between Japan and South Korea.

Japan proposes MARINE (Waste Management, Recovery, Innovation and Empowerment) initiative to implement the *Osaka Blue Ocean Vision*. Through MARINE initiative, Japan will support empowerment in developing countries to promote waste management, recovery of marine litter, and innovation. Planned policy measures include development assistance, promotion of waste management and development of national marine waste action plans and development of environmental infrastructure. In order to make the vision a reality, Japan will provide training for 10,000 waste management officials worldwide by 2025.

Technological solutions exist, such as the development of biodegradable plastics in Japan as an innovative solution. Cooperation at various levels is required to achieve the Vision, and the Japan-EU Partnership can contribute to seizing the opportunities offered by the fourth industrial revolution.

Developing EU-Japan relations can contribute to understanding of the process. Japan-EU diplomacy began in 1959, with the then European Community. The relationship has been steadily improving within the United Nations (UN), where the EU is the largest and Japan the third donor. The EU and Japan have the same goals in international fora and the EU supports permanent membership of Japan in the UN Security Council. Japan and the EU cooperate to prevent the proliferation of nuclear weapons and trafficking of small arms.

Since 2001, Japan-EU Friendship Week has begun, with the aim of getting the Japanese public more familiar with the EU. To this end, various events are organized, and usually the week begins with a celebration of Europe Day, 9<sup>th</sup> May.

The EU and Japan also support the development of international law, including the International Criminal Court and the reduction of emissions through the implementation of the Paris Agreement. At the bilateral level, the EPA and the SPA allow for further advancement of relations and economic cooperation.

Croatia did not attract Japanese investments. Instead, Japanese investments have gone to places like Poland, the Czech Republic and Hungary. Suzuki for example has made car parts in Eastern Europe.

Japan has supported teachers and educational equipment in Croatia, and university exchanges have also been established. Japanese tourists that visit Croatia happen to be older and more interested in things like museums and parks instead of the coast. They should be offered new things.

When a certain number of Japanese tourists are reached, a Japanese company promised to establish an air-link to Croatia. Adriatic tuna is popular in Japan, which makes up about 80% of Croatia's exports there. Another success story in Croatia-Japanese relations is the fighter Mirko 'Cro Cop', who is well known in Japan. Croatian football players are also popular the country. A Japanese-Croatian friendship house exists in Japan. Croatia also witnessed the throne ceremony of the Japanese emperor.

### **Extending Japan-EU Economic Partnership Agreement and Croatia – towards socially just and environmentally friendly trade, investment and innovation**

In the second panel, H. E. *Kodama* presented the Japanese perspective and expectations from the EPA. Speakers from Croatia pointed to activities for internationalization of business and lack of capacity of Croatian entrepreneurs to increase exports and economic cooperation with remote partners.

From a Japanese perspective, the EPA is important for strengthening economic ties between Japan and the EU. It is the world largest free economic space, made up of 640 million people, about 30% of the world's GDP and one fifth of its trade. The EPA complements the *Trans-Pacific Partnership* (TPP) agreement that Japan signed before with 11 countries in the Asia-Pacific region. The EPA is not an ordinary free trade agreement (FTA), it integrates more than any other in the world and will eventually lift nearly all tariffs.

Junker said that economic cooperation is more than trade, it is about values and principles, such as labour standards. Japan and the EU are divided by distance yet united in common values.

The EPA is the world's most advanced FTA which could serve as a model for the 21st century. It is a vehicle for Japan and Europe in the world. In addition to tariff elimination, it deals with non-tariff measures (NTMs), in food safety for instance.

The EPA is also business friendly, it has SMEs (small and medium-sized enterprises) especially in mind. It protects high quality agricultural products from Japan and the EU, such as cheese and champagne. Japan and the EU agree to cooperate on labour rights and climate change. This is the first EPA or Japan to implement the *Paris Agreement* by law. The EPA has had a tangible effect since February 2019. Imports of European cheese, wine and pork to Japan have increased significantly since its implementation (9%, 16% and 14%). Meanwhile, the export of Japanese automobiles and automobile parts to the EU are steadily growing. It is a win-win situation.

Croatian export to Japan is very small, almost non-existent, and majority of Croatian trade is within the Europe (about 88%), with major partners being Germany, Italy and Slovenia. Croatian agro-food products have great potential, especially tuna, which is already popular in Japanese restaurants. The tariff on Adriatic tuna will be eliminated in four years. Croatian Chamber of Commerce analyses export market potential, and Japan is amongst top priorities.

Croatia imports cars and electronic equipment from Japan.

Croatia could become investment destination. An example of good practice includes the presence of the Japanese multinational company Yazaki has a presence in Croatia through its R&D Centre. The possibilities that could be examined relate to investments in Port of Rijeka, railways Rijeka-Zagreb, digitalisation, joint investment in R&D and innovative projects.

Some SMEs have doubts regarding possible benefits emerging from agreements. In Croatia, 90% of 165,000 companies have 1-10 employees. There is a belief that Japanese market is too sophisticated for Croatian products. The distance and differences in mentality do no help.

To deal with this issue, EPA has special chapter on SMEs, trying to be *SMEs friendly*. Special contact and information offices in Brussels and Tokyo are set-up, to liaise with SMEs and assist them. The EPA also adopted a self-declaration requirement to simplify the procedures for the rules of origin. European buyers are invited to Japan to explore local regions for potential trade. A Japanese information desk was therefore set up to answer individual questions.

Despite formal provision claiming that the agreement is *SME friendly*, and support provided, entrepreneurs in Croatia consider documentation requirements as barrier to foster trade. In elimination of these barriers activates of the Government might be useful, and bilateral business to business meetings could help create new opportunities.

The discussion tackled also education, development of creative thinking and leader-

ship skills.

## **Global issues and the role of the Japan-EU Strategic Partnership Agreement: climate change and environment issues**

In the third panel Prof. PhD *Yumiko Nakanishi*, professor from Hitotsubashi University presented SPA and its potential to meet global challenges. Some of these challenges, related to climate-change were further explained by *Krešo Pandžić*. *Haris Boko* discussed energy issues and potential for cooperation in this area. *Enes Čerimagić* from the Friends of Earth Croatia initiated discussion on costs related to enhanced cooperation

The Japanese-EU strategic partnership concerns itself with the international order. The EPA and SPA are parallel agreements which began in 2013 and were signed in 2018. The EPA came into force in 2019, while the SPA only did so partially. Implementation should also consider changes in the international environment, new ambitions of the European Commission. Civil society should also play a role.

SPA and EPA are increasingly important due to changes in the international environment, as they promote multilateralism, while Trump for example seeks an 'America first' and protectionism, which affects the world order. Meanwhile, the UK is slated to leave the EU. The EPA and SPA propel Japan and the EU into the future. Japan and the EU decided that they should cooperate to deal with things such as terrorism and climate change.

Japan and the EU are strategic partners. They use soft power to spread their values and establish a fair and stable international order. The values of the EU's Treaties are reflected in the EPA. Democracy, rule of law and human rights are fundamental values that Japan and the EU both recognize. Japan also supports an effective WTO. Cooperation in international fora is another characteristic of the SPA. It is important for the EU to speak as one voice.

The SPA is a comprehensive agreement, covering land, sea, outer space and cyberspace. It deals with new technologies, environmental issues, climate change, energy. It provides for elaboration of rules and ethical guidelines in the future, and protection of personal data. The SPA includes special article on climate change, and provides for cooperation for implementation of the *Paris Agreement*. Article on energy stipulates that parties will endeavour to enhance cooperation and, where appropriate, close coordination in international organisations and fora, in the area of energy, including energy security, global energy trade and investment, the functioning of global energy markets, energy efficiency and energy-related technologies.

Regarding climate change, EU and Japan have in the SPA recognised the need for an urgent, deep and sustained reduction in global emissions of greenhouse gases so as to hold the increase in global average temperature to well below 2°C above pre-industrial levels and to pursue efforts to limit the temperature increase to 1,5°C above

pre-industrial levels.

The SPA supports activities based on the results of the *Intergovernmental Panel on Climate Change* (IPCC) that establishes scientific basis on climate change. Its recent report includes goals such as implementing the Paris Agreement. The goal of keeping a 1.5°C change in temperature is reachable by mid-century. Delays can have a significant impact.

Thus, economic cooperation and innovations are important and necessary for achieving goals related to use of renewable energy, a transition to a green economy and a balance between short and long term goals. The SPA is a tool to define and implement long-term goals.

The cooperation between EU and Japan can be helpful, as Tokyo, Yokohama and Osaka are technological hubs, that have produced a large number of patents. They represent potential and forecast future potential. The EU and Japan have common challenges related to energy dependency, and they can share solutions.

While cooperation is necessary to achieve *Paris agreement* goals, on the other hand enhanced trade can create negative impacts – through more transport and more transport-related emissions. In addition, dispute settlement procedures of the international agreement are often characterised by democratic deficit. For instance, investors can sue states if they believe that they have made moves against their capital gains, while states are not always able to sue back. Negotiations are not transparent enough, and implementation of environmental provisions is partial.

Improvement can be made to confront climate change. A move needs to be made away from fossil fuels, towards a 'replacement economy', binding international agreements and a European carbon border tax.

## Conclusions and recommendations

- EPA and SPA are based on common values of the EU and Japan: peace, democracy, respect for human rights, multilateralism. It is necessary to enhance cooperation, promote common values and identify and use best practice examples in dealing with regional issues.
- EPA and SPA are new tools and their benefits are yet to be exploited. Raising awareness on potential is the first step in this direction.
- EPA is next generation agreement, considering potential for economic growth beyond traditional trade agreements. While SMEs have doubts regarding potential emerging from SPA, it is necessary to inform SMEs and support them in internationalisation efforts. Croatia lacks investments, thus more information in this area is necessary.
- EPA and SPA recognise global challenges and new issues, such as climate change,

migration, urban policy, information society.

- Croatia can benefit from enhanced cooperation and information about Japanese market. The opportunities relate to tourism, export of agricultural and agro-food products. It is necessary to develop products and services that meet requirements of Japanese market.
- Connectivity is one of the priorities of the EU presidency. Croatia could benefit from exploring the potential of Rijeka's port, which can shorten shipping time to Europe and improving railway from the port to Zagreb, Budapest, Vienna and elsewhere can be further developed.
- Japan is interested in investment opportunities in the automotive industry, especially automated and electric cars. Japanese Company Yazaki has already established its R&D Centre in Croatia. Croatia has restructured its R&D and innovation ecosystem, which can yield potential as there are more than 300 innovative projects seeking for potential investors. Thus, there is a potential to consider cooperation and investment in R&D sector.
- The level of awareness on the potential of Croatian products on the Japanese market is not adequate. It is necessary to implement information campaign, organise seminars and meetings to support business to find new partners and markets.
- The Croatian Chamber of Commerce recognised potential of Japanese market and would assist Croatian companies in doing business with Japan, including providing any extra required documents on compliance with synchronized technical and other standards under EPA.
- EPA and SPA create a framework, but their impact depends on activities and capacities for implementation. The implementing capacity needs strengthening at all levels – from state authorities, support institutions, entrepreneurs.

