



EU Japan Economic Relations Lecture No.6

– European Integration and Changing Views of Japan (1) –

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Review of Lecture No.5

- The Japanese economy went through a period of profound transition in the 1990s
- The changes are continuing, within the broader context of globalisation
- During the 1990s Japan increasingly saw Europe as a coherent unit, but Japanese policy towards the EU continues to rest upon an inchoate approach
- The European headquarters of Panasonic in the UK is important because of the large number of subsidiaries in Europe

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Agenda for Lecture No.6

- European Integration
the roles and activities of the main institutions of the EU
- The changing European views of Japan and the activities of the EBC
(Chapter 4, pp. 64-74)
- Case study: YKK

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The Text (1)

- (T)he (European) Community's political voice has increased incrementally to parallel the success of the European single Market programme (p.67)
- (E)arly attempts to formulate a European Political Community (EPC) were abandoned in 1954 (p.67)
- 1969 Hague Summit: leaders noted a 'correlation between membership of the EC and participation in activities making for progress towards political unification' (p.67)

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The Text (2)

- Through the Single European Act (which came into force on 1 July 1987)... the Commission gained the right to be 'fully associated with the proceedings of Political Cooperation' (p.69)
- (R)epresenting the Union can require substantial additional resources and representatives of the Presidency must also address their national interests abroad → movements towards political integration in Europe place an ever larger burden upon the country holding the Presidency (p.71)

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The 'Presidency' (1)

The Council of the European Union

("Council of Ministers" or "Council")

- The Council of the European Union is the Union's main decision-making body. Its meetings are attended by Member State ministers and it is thus the institution which represents the Member States.
- Sessions of the Council are convened by the Presidency, which sets the agenda.
- Each country of the European Union presides over the Council for six months, by rotation.

Source: http://europa.eu/scadplus/glossary/eu_council_en.htm

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The 'Presidency' (2)

- 2006 First half-year Austria, Second half-year Finland
- 2005 First half-year Luxembourg, Second half-year UK
- 2004 First half-year Ireland, Second half-year Netherlands
- 2003 First half-year Greece, Second half-year Italy
- 2002 First half-year Spain, Second half-year Denmark
- 2001 First half-year Sweden, Second half-year Belgium
- 2000 First half-year Portugal, Second half-year France
- 1999 First half-year Germany, Second half-year Finland
- 1998 First half-year UK, Second half-year Austria

Source:

http://www.consilium.europa.eu/cms3_fo/showpage.asp?id=695&lang=en&mode=g

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The 'Presidency' (3)

The **Council** meets in different configurations, bringing together the competent Member State ministers:

1. General Affairs and External Relations
2. Economic and Financial Affairs
3. Employment, Social Policy, Health and Consumer Affairs
4. Competitiveness
5. Cooperation in the fields of Justice and Home Affairs
6. Transport, Telecommunications and Energy
7. Agriculture and Fisheries
8. Environment
9. Education, Youth and Culture

Source:

http://jpn.cec.eu.int/union/showpage_en_union_institutions_institution_s03.php

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The 'Presidency' (4)

- The Presidency of the Council ... has to organise and chair all meetings (including the **European Council** or 'Summit') and work out compromises capable of resolving difficulties.

Source:

http://www.consilium.europa.eu/cms3_fo/showpage.asp?id=695&lang=en&mode=g

- In most cases, the Council's decisions, based on proposals from the **Commission**, are taken jointly with the European Parliament under the codecision procedure.

Source:

http://jpn.cec.eu.int/union/showpage_en_union.institutions.institutions03.php

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The 'Presidency' (5)

The European Council

- Established in 1974, the European Council is made up of the Heads of State or Government and the President of the Commission, assisted by the Foreign Ministers and a Member of the Commission.
- It meets twice a year, providing the impetus and setting the broad guidelines for future action.

Source:

http://jpn.cec.eu.int/union/showpage_en_union.institutions.institutions03.php

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The 'Presidency' (6)

- The **European Commission** is a politically independent institution which embodies and defends the general interests of the European Union.
- Its virtually exclusive right of initiative in the field of legislation makes it the driving force of European integration.
- It prepares and then implements the legislative instruments adopted by the Council and the European Parliament in connection with Community policies.

Source: http://europa.eu/scadplus/glossary/european_commission_en.htm

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The 'Presidency' (7)

- The Commission also has powers of implementation, management and control. It is responsible for planning and implementing common policies, executing the budget and managing Community programmes.
- Each member of the Commission has special responsibility for one or more policy areas, but decisions are taken on the basis of collective responsibility.

Source:

http://jpn.cec.eu.int/union/showpage_en_union.institutions.institutions01.php

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The 'Presidency' (8)

The President of the **European Commission**

- The European Council (i.e. the Council meeting in the composition of Heads of State or Government), by a qualified majority, nominates the person it intends to appoint as President of the Commission
- The nomination shall be approved by the European Parliament
- The governments then designate the persons they intend to appoint as Members of the Commission, in agreement with the new President.

Source:

http://europa.eu/scadplus/glossary/european_commission_president_en.htm

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The 'Presidency' (9)

The members of the Barroso Commission 2004–2009

1. José Manuel Barroso: Portuguese, President
2. Margot Wallström: Swedish, Vice President, Institutional Relations and Communication Strategy
3. Günter Verheugen: German, Vice President, Enterprise and Industry
4. Jacques Barrot: French, Vice President, Transport
5. Siim Kallas: Estonian, Vice President, Administrative Affairs, Audit and Anti-Fraud
6. Franco Frattini: Italian, Vice President, Justice, Freedom and Security
7. Viviane Reding: Luxembourgish, Information Society and Media
8. Stavros Dimas: Greek, Environment
9. Joaquín Almunia: Spanish, Economic and Monetary Affairs
10. Danuta Hübner: Polish, Regional Policy
11. Joe Borg: Maltese, Fisheries and Maritime Affairs
12. Dalia Grybauskaitė: Lithuanian, Financial Programming and Budget

Source: http://ec.europa.eu/commission_barroso/index_en.htm

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The 'Presidency' (10)

13. Janez Potočnik: Slovenian, Science and Research
14. Ján Figel': Slovakian, Education, Training, Culture and Multilingualism
15. Markos Kyprianou: Cypriot, Health and Consumer Protection
16. Olli Rehn: Finnish, Enlargement
17. Louis Michel: Belgian, Development and Humanitarian Aid
18. László Kovács: Hungarian, Taxation and Customs Union
19. Neelie Kroes: Dutch, Competition
20. Mariann Fischer Boel: Danish, Agriculture and Rural Development
21. Benita Ferrero-Waldner: Austrian, External Relations and European Neighbourhood Policy
22. Charlie McCreevy: Irish, Internal Market and Services
23. Vladimír Špidla: Czech, Employment, Social Affairs and Equal Opportunities
24. Peter Mandelson: British, Trade
25. Andris Piebalgs: Latvian, Energy

Source: http://ec.europa.eu/commission_barroso/index_en.htm

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European Business Council (1)

- The European Business Council (EBC) is the trade policy arm of the eighteen European National Chambers of Commerce and Business Associations in Japan.
- The EBC has been working to improve the trade and investment environment for European companies in Japan since 1972.
- The EBC currently represents over 3,000 local European companies and individuals who are members of the EBC through their respective national chambers of commerce.

Source: <http://www.ebc-jp.com/index.htm>

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European Business Council (2)

- The EBC works closely with the Delegation of the European Commission in Japan, the national European Embassies, and other business organisations to co-ordinate policy proposals and make suggestions to the Japanese Government on how to create an open environment for trade and investment in Japan.
- Major annual report: 'The EBC report on the Japanese Business Environment', the 2005 edition can be found at

[http://www.ebc-jp.com/news/EBC%20WP%202005%20\(E\).pdf](http://www.ebc-jp.com/news/EBC%20WP%202005%20(E).pdf)

Source: <http://www.ebc-jp.com/index.htm>

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European Business Council (3)

350 of the member companies participate directly in one or more of the EBC's industry committees, whose work covers a wide variety of economic sectors:

- Business Fundamentals (6 committees)
e-Commerce/ FDI Task Force/Human Resources/ Patents, Trademarks & Licences/ Legal Services/ Tax
- Consumer Goods (5)
Cosmetics/ Phytosanitary/ Food/ Liquor/ Retail, Wholesale and Distribution

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European Business Council (4)

- Financial Services (3)
Asset Management/ Banking/ Insurance
- Health Science (3)
Animal Health/ Medical Diagnostics/ Medical Equipment
- Industry (7)
Aeronautics, Space & Defence/ Automobile/ Automotive Components/ Business Aviation/ Construction/ Environmental Technology/ Materials
- Transportation and Communications (4)
Airlines/ Media & Communications/ Shipping/ Telecommunications

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European Business Council (5)

- One of the hot issues as of November 2006: EBC (together with ACCJ) resists the strict requirements for Triangular Mergers led by overseas companies, such as the company's duty to list on the Tokyo Stock Exchange, proposed by Keidanren
<http://www.ebc-jp.com/news/Triangular%20Merger%20PR%20Final%20E.pdf>
- We will discuss more issues put on the agenda by the EBC in lecture no. 9

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Case Study: YKK

- Unique philosophy of 'Cycle of goodness' led to global operations at a very early stage
- First Japanese company to establish a factory in UK (in 1970)
- Labour intensive characteristics of production of fasteners and architectural products led to the expansion to 35 countries in Europe, Middle East and Africa, with manufacturing plants in countries such as Portugal, Greece and Turkey
- <http://ykk.co.jp/global/>

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Conclusion

- The Council of the European Union is the Union's main decision-making body. The European Commission has virtually exclusive right of initiative in the field of legislation, which makes it the driving force of European integration.
- The EBC makes policy proposals and suggestions to the Japanese Government on how to create an open environment for trade and investment in Japan.
- YKK was the first Japanese company to establish a factory in the UK in 1970, and now has expanded to 35 countries in Europe, Middle East and Africa.

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ASSIGNMENT

Please choose one of three topics.

- (1) What was the purpose of the Single European Act, and what were its effects?
- (2) What is EMU and how has it affected your life?
- (3) What are the characteristics of Société Général's strategy in approaching the Japanese financial market?

http://www.sgcib.com/countries_and_regions.rha

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Agenda for Lecture No. 7

- European Integration
 - The Single European Act
 - Economic and Monetary Union
(Chapter 4, pp. 74-88)
 - The European Constitution
- Case study: Société Générale

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