



## EU Japan Economic Relations Lecture No.8

– The 1990s and a New Era in Japan–EU Relations (1) –

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## Review of Lecture No.7

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- The Internal Market and The Single European Act were Europe's solution to the problem of 'Non-Tariff-Barriers'.
- The institutional reform of the EU continues, and the Treaty establishing a Constitution for Europe will come into force once it is ratified by all Member States.
- Société Générale played an important role in enhancing understanding of the euro during the months leading up to the single currency's introduction, and has also been active in Japan.

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## Agenda for Lecture No.8

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- The European Constitution
- The Hague Declaration and the 'Action Plan for EU–Japan Cooperation'  
(Chapter 5, pp. 89–100)
- Case study: Toyota

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## The European Constitution (1)

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- The European Constitution, officially known as the "Treaty establishing a Constitution for Europe", is the result of the work of the **European Convention**, which drew up a "Draft Treaty establishing a Constitution for Europe" in July 2003.
- This draft served as a basis for the work of the **Intergovernmental Conference (IGC)** which started officially in October 2003.
- The IGC concluded on 29 October 2004 in Rome with the signature of the new Constitutional Treaty by the 25 Heads of State and Government of the Member States.

Source: [http://europa.eu/scadplus/glossary/constitution\\_en.htm](http://europa.eu/scadplus/glossary/constitution_en.htm)

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## The European Constitution (2)

The **European Convention**'s members:

- Presidency (Chairman Valéry Giscard d'Estaing, Vice-Chairmen Mr Giuliano Amato and Mr Jean-Luc Dehaene)
- Representatives of the Heads of State or Government of the Member States, the National Parliaments, the European Parliament, the European Commission, the Governments of the accession candidate countries, the National Parliaments of the accession candidate countries, Observers (including the 'social partners')

Source: <http://european-convention.eu.int/static.asp?lang=EN&Content=Composition>

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## The European Constitution (3)

- The **Convention** is an innovation in the history of the European Union as previous IGCs had never been preceded by a phase of debate open to **all stakeholders**.

[http://europa.eu/scadplus/glossary/european\\_convention\\_en.htm](http://europa.eu/scadplus/glossary/european_convention_en.htm)

- **Intergovernmental Conference (IGC)**

- This term is used to describe negotiations between the Member States' governments with a view to amending the Treaties.
- These conferences are convened, at the initiative of a Member State or the Commission, by the Council of Ministers acting by a simple majority (after consulting the European Parliament and, if appropriate, the Commission).

[http://europa.eu/scadplus/glossary/intergovernmental\\_conference\\_en.htm](http://europa.eu/scadplus/glossary/intergovernmental_conference_en.htm)

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## The European Constitution (4)

- To enter into force, the Treaty establishing a Constitution for Europe must be ratified by all the Member States, in accordance with each one's constitutional rules.

[http://europa.eu/scadplus/glossary/constitution\\_en.htm](http://europa.eu/scadplus/glossary/constitution_en.htm)

- The state of ratification and referendum can be seen at:

[http://europa.eu.int/constitution/ratification\\_en.htm](http://europa.eu.int/constitution/ratification_en.htm)

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## The European Constitution (5)

- Two rejections that sent shockwaves throughout Europe:

1. France (29 May 2005)

54.68% of voters voted 'non'

In support: the governing conservative UMP (Union pour un mouvement populaire), the Socialist Party, many scholars, business people and Europeanists in general.

Against: dissidents in both major parties, the far left and the far right, trade unions, farmers' groups and the anti-globalisation groups

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## The European Constitution (6)

- Two rejections that sent shockwaves throughout Europe:
- 2. The Netherlands (1 June 2005)  
61.6% of voters voted 'tegen' (against)  
In support: the main political parties, scholars, business people, Europeanists in general, trade unions and most newspapers  
Against: smaller political parties and voters in poorer, rural areas?

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## The European Constitution (7)

- Many voters allegedly voted against the Constitution not because they were against the Constitution itself, but because they felt
  - resentment against further EU enlargement
  - resentment against the politicians in power
  - fear of globalisation, fear of immigration
  - (in the Netherlands) resentment against price rises which were attributed to the euro
  - (in the Netherlands) fear of being dominated by bigger EU Member States

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## The European Constitution (8)

What is going to happen to the Constitution?

- It cannot come into force until it is ratified by all Member States.
- Without the institutional changes embodied in this Constitution, an effective operation of the EU will become increasingly difficult with enlargement.
- How to revive it? Take out those parts that are most essential for the effective operation of the EU, and try to have that ratified?
- After all, 15 Member States have already ratified the Constitution.

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## The Hague Declaration (1)

- (R)easons for the so-called Owada proposal which set in motion the negotiations that were to culminate in the signature of the Hague Declaration:
  1. Trade friction between Japan and the EC had worsened, with no restraining framework do prevent it from further deterioration.

(Text Pages 91-92)

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## The Hague Declaration (2)

2. While bilateral relations between Japan and some Member States remained important, as a whole the Japan-EC relationship continued to be disparate and varied → a framework was sought which could consolidate a long and ad hoc set of historical relations
3. During G7 negotiations in 1990 Japanese officials had learnt of plans for an EC-US agreement
4. External factors in the shape of the Gulf War ... highlighted a need for better contacts with the Europeans. (Text Pages 91-92)

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## The Hague Declaration (3)

- The Hague Declaration provided a framework for previous contacts and gave participants high-level endorsement for future actions.
- Thus, the Joint Declaration has become a vital reference, being cited frequently in official speeches in both Japan and Europe.
- Based on this Declaration Japan and the EU continue to pursue wide-ranging cooperation. ...retrospectively, (it became) the de facto point of departure for Japan-EU dialogue. (Text Page 98)

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## The Action Plan (1)

- At the 10th EU-Japan Summit, held in Brussels in December 2001, the decision was taken to develop and enhance the EU-Japan relationship.
- The EU and Japan decided to adopt an **Action Plan** for reinforced cooperation over the next ten years so as to shape their common future.

[http://ec.europa.eu/comm/external\\_relations/japan/intro/index.htm](http://ec.europa.eu/comm/external_relations/japan/intro/index.htm)

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## The Action Plan (2)

- The Action Plan has been assigned four basic objectives:
    - \* Promoting peace and security,
    - \* Strengthening the economic and trade partnership,
    - \* Coping with global and societal challenges, and
    - \* Bringing people and cultures together.
- [http://ec.europa.eu/comm/external\\_relations/japan/intro/index.htm](http://ec.europa.eu/comm/external_relations/japan/intro/index.htm)

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### The Action Plan (3)

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- As such, it is a key instrument for establishing a strong, concrete and results-oriented partnership with proper visibility. Implementation of the Action Plan is now underway.

[http://ec.europa.eu/comm/external\\_relations/japan/intro/index.htm](http://ec.europa.eu/comm/external_relations/japan/intro/index.htm)

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### Case Study: Toyota (1)

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- One of the leading automobile manufacturers in the world, Toyota has been implementing strategy in line with the process of European integration.

1992 Toyota Motor Manufacturing (U.K.) started production.

2001 Toyota Motor Manufacturing France started production.

2002 Toyota Motor Manufacturing Poland started production.

2005 Toyota Peugeot Citroën Automobile Czech started production.

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### Case Study: Toyota (2)

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- Environment is the 'top-priority management issue' of Toyota group. This issue is also important to European consumers.
- Toyota developed various environmentally-friendly technologies such as the Hybrid synergy drive, and continues to emphasise the importance of 'dismantlability' and recycling in their production process.

<http://www.toyota.co.jp/worldwide/toyota/index.html>

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### Conclusions

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- The European Constitution is the result of the work of the European Convention, but the process of ratification is not smooth.
- The Hague Declaration became the de facto point of departure for Japan-EU dialogue and the 'Action Plan for EU-Japan Cooperation' gave new impetus to EU-Japan relations.

(Chapter 5, pp. 89-100)

- Toyota had foresight in its European policy, in terms of EU enlargement as well as environmental concerns by EU citizens.

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## ASSIGNMENT

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Please choose one of three topics.

- (1) Discuss the relationship between EU-Japan trade frictions and the initiation of industrial cooperation between Japan and the EU.
- (2) Discuss one of the main issues taken up by the EBC 2006 report or the 2006 annual meeting of the EU-Japan Business Dialogue Round Table.
- (3) What was Vodafone's experience in Japan?

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## Agenda for Lecture No.9

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- EU-Japan economic relations in the 1990s  
(Chapter 5, pp. 100-120)
- EBC Report 2006
- EU-Japan Centre for Industrial Cooperation  
<http://www.eu-japan.com/>
- EU-Japan Business Dialogue Roundtable  
<http://www.eu-japan.com/europe/roundtable.html>
- Case study: Vodafone

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