



21st Century Group

UK-Japan 21st Century Group 40th Annual Conference, January 2024

Chairmen's Summary

The 40th Annual meeting of the UK-Japan 21st Century Group was held on 2-4 February at the Hilton Hotel in Odawara. The meeting was chaired by Mr Seiji Kihara MP, Japanese Co-Chair, and the Rt Hon Lord Lansley, UK Co-Chair.

24 Japanese and 18 British participants included parliamentarians and senior representatives from business, the media, academia, think tanks and the diplomatic service from both countries.

Tokyo Programme

A lunch for both British and Japanese participants was hosted by Her Excellency Ambassador Julia Longbottom at the British Embassy on 1 February. She expressed sympathy for those affected by the earthquake on the Noto peninsula on 1 January and noted the resilience of Japan's response which had earned respect in the UK and elsewhere. The Ambassador underlined the growing pace of exchanges at all levels between the UK and Japan. She stressed the value of the annual dialogue of the Group. The signature of the UK/Japan Hiroshima Accord in 2023 had been foreshadowed in the Group's discussions at its previous conferences. In thanking her, the Group's Co-Chairs noted that the 21st Century Group continued to play a distinctive role in the increasingly strong UK/Japan partnership.

Call on the Prime Minister

The British participants, accompanied by Mr Kihara, called on Prime Minister Kishida on 1 February. The Prime Minister said his visit to the UK and the signing of the Hiroshima Accord in 2023 marked a new chapter in UK-Japan relations. Japan and the UK had developed partnerships in areas of next generation fighter technology, renewables, and semiconductor supply. Japan welcomed the prospect of UK accession to the CPTPP. Extending and deepening that cooperation in 2024 was an essential step in developing a longer-term partnership. He hoped the Group's discussion in Odawara would produce meaningful recommendations.

Both Co-Chairs agreed the Hiroshima Accord provided a solid basis for the Group's deliberations. The Group had expertise to help focus on security and defence issues, but also climate change, global health, and AI. Lord Lansley said the successful passage of legislation for UK accession to the CPTPP would mean ratification by the UK by July 2024. It was important that the UK and Japan – both strong proponents of the rule of law and democratic principles – should continue to work closely together. Informed contribution from participants on both sides was an important asset of the Group.

In the evening of 1 February, participants attended a reception hosted by Foreign Minister Yoko Kamikawa. In her address, Minister Kamikawa spoke warmly of the strength of the

bilateral relationship and her commitment to it, and the important role the UK-Japan 21st Century Group continued to play.

Odawara Conference

In their opening remarks, the Co-Chairmen noted that the Group was meeting at a time when our strong UK/Japan relations are needed more than ever to meet global challenges. There was scope for collaboration in many areas. It was also good to see new participants.

In its 39th meeting in Norwich, the Group had explored ways of formalising the relationship. By signing the Hiroshima Accord, both governments had created a platform from which the 21st Century Group could recommend new bilateral initiatives and help contribute to even closer cooperation on multilateral issues. The Group's discussions provided a means of identifying concrete action together, based on the UK and Japan's shared values.

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

The Group discussed political and economic developments in both Japan and the UK. In Japan, opinion polls showed weak support for the government but no increase of support for the Opposition as well. The LDP faced challenges in 2024/25 with a leadership election in September 2024, Upper House elections in October 2025, and a Lower House election due by autumn 2025. Financial scandals affecting the LDP's factions, the current LDP's leadership strategy and by-elections in April 2024 could influence the timing of a General Election, as could the recovering economy, booming stock markets and positive GDP growth.

In the UK, the Conservatives faced similar challenges. A General Election was due by January 2025, though the most likely current scenario remained October or November 2024. Issues of concern to the voters were the economy, cost of living, immigration and public service provision, particularly in the NHS. Both government and opposition parties recognised the importance of positive UK/Japan relations, with Japan a key element of the UK's engagement in the Indo-Pacific. The Opposition, whilst careful not to be over-confident, were poised to return to power. They recognised the importance of a strengthened UK defence posture, CPTPP accession which would enhance the UK's role in Asia and the Pacific, and the value of international aid cooperation. Labour would be inclined to "lean into" relations with the EU and would continue to attach importance to the Middle East, but not at the expense of Asia/Pacific policy. Consistency and continuity in international affairs remained important. Scottish politics had moved on since the Group's discussion in 2023. The SNP had experienced a drop in popularity, with the economy and good governance of more immediate concern to voters than constitutional issues.

Group members discussed the significance of a break in the LDP's faction system. It might provide opportunities for a younger generation of politicians or those outside the traditional factions to rise to prominence. Members from the UK side raised the question of Komeito's role in the ruling coalition given its difficulties with defence export rule changes, which could help the Global Combat Air Programme (GCAP). But this could not prejudice the Programme.

In the UK, voters were increasingly concerned with the quality of governance and inconsistency of investment in public services. In both countries there seemed to be a problem of engagement with politics, particularly amongst the younger generation. The Group was keen to help address this issue through its recommendations.

Session 2: Global Security including Ukraine and Russia

The Group considered the current geo-political situation and challenges posed to existing structures, particularly by China and countries of the Global South. Russia's misguided perception of the threat to its security from western democracies has shaped its desire for defence of its borders and beyond. Both China and Russia had sought to undermine democratic regimes and to encourage their allies to do the same. Russian strategy in Ukraine, nuclear weapons in DPRK and the prospect of a nuclear arming Iran, and China's determination to extend its reach in the South China Sea had all underlined the renewed significance to some countries of a nuclear capability. It was important that global democracies responded carefully, stressing the values of stability and prosperity to those countries in China's and Russia's spheres of influence.

Japan and the UK, with other like-minded countries, had a role to play in fora such as the G7, UN and elsewhere, while continuing to coordinate closely with the US. Three regions provided examples of the challenges arising: the Indo-Pacific where China was becoming more assertive; Ukraine where Russian aggression had a significant impact both in Ukraine and on her neighbours; and the current conflict in Israel/Gaza. Whilst the UK and Japan did not always have identical interests and the public reaction in each country differed, the value of closer UK/Japan coordination in responding remained clear.

Group members discussed the "Five Eyes" intelligence framework and the prospect of future Japanese involvement. As discussed at previous conferences, there were significant challenges, not least the need for security reform and corresponding political and legal structures in Japan. GCAP had shown the importance of aligning processes, although there is still more urgent work needed. Japanese longer-term involvement, once the correct procedures were in place, would be welcome.

Dinner Discussion: China

Over dinner, Professor Takahara spoke to the Group about developments in China and the growing challenges faced by President Xi Jinping. There was intense debate within the Communist Party about the pace and direction of reform. Whilst some sectors might be performing well, overall confidence was low with declining investment and weak consumption. China's external policy caused alarm amongst her neighbours and more widely, but Xi's main priority was in maintaining the regime.

Group members were interested in China's approach to Taiwan and the South China Sea; progress of the Belt and Road initiative; China's efforts to dominate key technologies and crucial minerals; Xi's anti-corruption policy; China's attitude towards India; and China's ambition to challenge the US.

Session 3: Global Security: U.S. Response to International Security

The Group discussed pre-election scenarios in the US. It was too early to predict the outcome, but the prospect of a second Trump Presidency was not to be ruled out. Trump had strong Republican support, though polls suggested that within the Republican party, it was lower than in 2016. Biden, on the other hand, needed to convince the public that the economy was genuinely improving. Should he win, Trump was better prepared this time, with links to key think tanks and his own team ready to push through a foreign policy and trade agenda without the moderating influences brought in last time.

Group members agreed on the need to engage with both sides in the US in advance of the Presidential election and seek to demonstrate that isolationism was not a viable option. If Trump won, and this led to a weakening of US international commitments, the UK and Japan

would need to respond through closer cooperation and a more inclusive approach to international partners particularly those in the Global South.

The Group also noted some cold war-style reactions to China's more aggressive profile. Whilst concern about China's internal repression and combative foreign policy was understandable, the UK, Japan and other like-minded partners needed to find a pragmatic way of dealing with China. We should continue to insist on the rule of law, non-use of economic threats and human rights norms, while engaging China on a case-by-case basis where appropriate.

Session 4: Climate Change and Energy

The Group heard presentations on climate change and energy, and the prospects for finance in the transition to green energy policies. The Hiroshima Accord helpfully underlined the UK and Japan's partnership in enabling greater deployment of renewable energy and improvement in the effectiveness of multilateral institutions and the international financial system.

COP 26 in Glasgow was a turning point in establishing the 1.5° C temperature rise goal and the commitment to net zero. The Hiroshima Summit Communiqué reconfirmed this. COP 28 in Dubai was the first opportunity for a stock-take, and helpfully confirmed the transition away from fossil fuels in energy systems and tripling of renewable energy.

In working towards net zero by 2050, the private sector – including members of this Group - had taken a lead in adapting and mainstreaming climate considerations into corporate strategy. Higher energy prices due to Russia's invasion of Ukraine were driving renewables investment. However, there were security implications in the transition to renewables because the materials required were geographically concentrated, including in China.

Finance for renewable energy required a combination of public and private funding using policy intervention, blended finance, and venture capital to overcome the barriers for purely private investment.

Session 5: Global Health: Enhancing Innovation Through Collaboration

The Group compared Japan's and the UK's respective experience in the pandemic. The UK's Recovery clinical trial, data modelling expertise and rapid vaccine development were valuable, as were the open discussions on lessons learnt. Japan's case rates and death rates were lower than the UK but more heavily affected by the Omicron variant from 2022 onwards. The pandemic also introduced some new opportunities including real time data availability, a new approach to rapid vaccine production and commitments through the Cornwall and Hiroshima Summits to the 100 Days Mission initiative.

There is potential for UK/Japanese collaboration on pandemic prevention, preparedness and response including on AMR; tackling neglected diseases in low- and middle-income countries; climate change-related health security; and dementia and other age-related health issues.

The Hiroshima Accord underlined the value of the health and science and innovation partnership between the UK and Japan. The sources of innovation came largely from partnerships and venture capital. Japanese innovation from start-ups and venture capital was considerably less than in the UK, Europe or the US. There was therefore scope for public-private collaboration between the UK and Japan to stimulate greater healthcare innovation.

Former Group Co-Chair, Minister of Health Labour and Welfare Keizo Takemi spoke to participants about his plans for a Drug Discovery Infrastructure Enhancement Project involving public-private cooperation. It would bolster drug discovery capacity in Japan and integrate closely with the regulatory system ensuring continued access to innovative new drugs. He hoped to draw on experience from the UK, US and others to bridge the gap between basic research and clinical trials, create a base of laboratories and hospitals allowing interaction between experts, and encouraging biotech talent. A task force had been established in his Ministry to take this forward.

Session 6: AI: Policy Implications of Artificial Intelligence

The Group considered recent developments in AI in Japan and the UK. In 2023, generative AI technologies developed rapidly. In response, the Japanese government launched an initiative on generative AI to develop guidelines and principles in key areas. Global responses included a US Executive Order for AI safety and technological innovation and the G7 Hiroshima AI process both in October, and the UK-hosted AI Safety Summit in November. AI legislation in the EU is currently in preparation.

Group members discussed what elements could be incorporated into AI policy or legislation, taking account of both the risks and benefits, and made recommendations.

Recommendations below

UK-Japan 21st Century Group 40th Annual Conference: Recommendations

The Group welcomed the positive response to its previous recommendations, including several reflected in the UK/Japan Hiroshima Accord of 2023. The Group urged that others, including those on international development collaboration and economic security, should continue to be pursued by both governments. The Group reiterates the recommendation from its 39th conference on maintaining and strengthening ODA budgets.

International affairs, defence and security

- Given the proliferation of regional conflicts by aggressive states, the Group reiterates its previous recommendation that the UK and Japan should strengthen their bilateral security cooperation and strategic dialogue. In that respect, continuing joint engagement in the Indo Pacific region remained essential.
- Security threats also require both the UK and Japan to increase their defence budgets relative to GDP and do so with the explicit objective of deterring aggression; not for aggressive purposes. These commitments should also enable the UK to encourage further strengthening of European defence capability.
- Welcoming the application of the Reciprocal Access Agreement, the Group saw value in further exercises and joint operations to enhance interoperability, including during the visit of the UK's Carrier Strike Group to Asia in 2025, which will give opportunity to coordinate on operations, choke point protection, and support of UNCLOS.
- Mutual reassurance created in the alignment of defence technology for the GCAP programme should help enable other forms of industrial and defence collaboration.
- The Group also reiterated its strong support for close association of Japan with the "Five Eyes" security structure, once the necessary political and legal adjustments to facilitate sensitive collaboration and information exchange were in place.
- The Group would welcome greater joint coordination with countries of the Global South, demonstrating a more inclusive and less didactic approach in defending the rule of law and human rights.
- In particular, the UK and Japan should seek opportunities to work in collaboration jointly and severally with India, to encourage a reorientation of India's approach on geopolitical issues. This might include joint work on defence-related or space technologies, on AI and on financial support for aid projects in South-East Asia or East Africa.
- Recognising the economic and political weight of the European Union and its potential role in helping secure geopolitical stability, the UK and Japan should seek ways of engaging jointly in Brussels - as third country partners - across a range of issues to promote free trade, joint initiatives in technologies, standards including AI, climate action and medicines supply.
- The Group reiterated its unequivocal support for Ukraine and for the rejection of changes to territorial integrity or international order by force, and the need for a sustainable and long-term commitment to the defence of Ukraine. UK military aid to

Ukraine and Japanese financial and humanitarian aid should be maintained or enhanced.

- In advance of the Presidential election in 2024, the Group saw value in joint engagement within the US and with both political parties to underline the risks of isolationism.
- The Group would welcome new opportunities for tri-lateral cooperation involving the UK, Japan and the Republic of Korea, including on policies towards DPRK and the abduction issue.
- As both nuclear and non-nuclear states, the UK and Japan continue to have an important joint role to play in pursuing non-proliferation.
- The Group fully supports reform of the United Nations and the Security Council, including permanent membership for Japan.

International Development Cooperation

- The Group recommends that the UK/Japan dialogue on international development should include specific joint projects, for example for girls' education in Ethiopia or family planning projects in Niger.

People to People Exchanges

- The Group strongly supports the promotion of people to people exchange in the spirit of the 2023 UK/Japan Memorandum of Cooperation. The Group would seek to identify opportunities to encourage this further, including through school group exchanges and homestay programmes. The working visa programme had been extremely successful, and its expansion was very welcome.
- Given the relative lack of engagement in traditional political activities by young people in both countries, the Group encourages the facilitation of exchange opportunities between students and young parliamentarians to help promote trust in politics and governance, and the possibility of work experience in both parliaments.
- The Group also recommends the promotion of interparliamentary exchanges, including through the IPU in 2024, as well as the possibility of joint Select Committee exchanges on issues such as immigration and cyber security.
- As an area of serious concern to the younger generation in the UK and Japan, the Group recommends that both governments encourage exchanges between young people on climate issues.
- The Group would welcome joint training of junior or mid-career professionals and practitioners in public and private institutions in Japan, the UK and in third countries in Asia and Africa where both countries have experience.
- The Group also suggests that the two governments consider with the Group how we might establish a youth-based parallel grouping to the UK-Japan 21st Century Group (virtual or real) to encourage the active and sustained involvement of young people in the bilateral relationship.

- The Group also noted the potential vulnerability of the university sectors in both countries to intellectual property safe-guarding, and the importance of securing the integrity of their knowledge and research bases while maintaining their openness to student and international exchanges.

Climate Change and Energy

- The Group welcomes the establishment of the Renewable Energy Partnership as a key strand in the implementation of the Hiroshima Accord and urges both governments to collaborate further in the deployment of more renewable energy towards national and international targets.
- The Group further recommends that this partnership should also support other countries in developing various pathways to scale up their green energy capacity, working with private sector companies that have successfully delivered the expansion we have already seen in the UK and Japan.
- The Group welcomed the establishment of the Loss and Damage Fund at COP28 in Dubai, and the initial investments from the UK and Japan into the fund. We recommend that both governments consider further contributions to this important fund, supporting a just transition for the most fragile and least developed countries.
- The Group is concerned that uncertainty in the US might affect the momentum delivered by recent COP agreements and urges both governments to use their roles in the G7 and other fora to strengthen global leadership on climate action.
- The Group noted the development of different taxonomies, carbon pricing and carbon border adjustment regimes in some significant economies and recommended the UK and Japan initiate a dialogue, extending this potentially to the EU and others, with a view to greater consistency and clarity for market participants and less disruption to trade.
- The Group noted the support growing for the financial reforms of the Bridgetown Agenda and urged both governments to work together to help deliver these changes that could assist developing countries to invest efficiently in energy transitions and climate adaptations.
- The Group believes there may be value in encouraging the Japan/UK Financial Regulatory Forum to consider the views of younger people on climate finance.
- The Group welcomes Japan's intention to commit to net zero health systems such as ATACH. The UK and Japan have much to learn from each other and should make efforts to engage the Global South in this respect.
- The Group noted the importance of a policy plan for promoting Japan as a leading asset management centre in the climate change context. We recommend implementation in both countries of proactive stewardship activities by asset managers and asset owners on sustainable climate outcome.

Global Health: Enhancing Innovation Through Collaboration

- As outlined by Minister Takemi, the group supports enhanced collaboration and research into vaccine development, drug discovery, and deployment of diagnostics, surveillance, and evaluation.

- Following the G7 Nagasaki Health Ministers Communiqué in May 2023, the Group will consider arranging a separate working group of experts to implement specific collaboration between the UK and Japan in this regard.
- In collaborating on vaccine and drug development the Group encourages both governments to address the issue of pricing and regulatory mechanisms for new and innovative drugs.
- The Group supports online and hybrid meetings between related institutions in the UK and Japan to share data and experience on healthcare issues.
- The Group would welcome closer UK/Japan cooperation on pandemic prevention, preparedness and response (PPR); neglected infectious diseases; antimicrobial resistance (AMR); climate change-related health security; mental health and age-related diseases.
- We encourage both governments to support continued sharing of healthcare investment and expertise in improving healthcare systems in the countries of the Global South.
- In order to stimulate innovation in healthcare, the Group would welcome closer UK/Japan collaboration on certification of venture capital companies; support for Japan's Global Health Innovative Technology Fund (GHIT) and its projects; support to Japanese start-ups drawing on British companies' experience; and support to Japanese pharmaceutical companies investing in the UK.

Policy Implications of Artificial Intelligence

- Given Japan's recent appointment of a head of the newly established AI Safety Institute, the Group recommends early engagement with her UK counterpart. Our governments should consider how we may provide an intended framework for ethics in AI.
- The Group would also welcome close cooperation between the UK and Japan on AI in healthcare, education and criminal justice and on the environmental impacts of AI.
- The Group would support consideration of a Geneva-style protocol to prohibit the use of autonomous systems in nuclear command, control and communications.
- The Group proposes that our governments work together on possible AI legislation based on seven principles of safety, fairness, openness, accessibility, contestability, accountability, and redress. This legislation could also provide for regulators able to impose ex-ante obligations on foundation or large language models as necessary. We see the need for legislation which is adaptive and able to respond to this fast-moving technology.

These recommendations are based on a consensus among participants but should not be interpreted to imply that they represent the view of individual participants or the organisations which they represent.