

Participation in PERI Symposium 2023

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On June 20-21, the PERI Symposium 2023 took place at the COEX conference hall in Seoul, sponsored by the Policy Evaluation Research Institute, a South Korean think tank, to spark up debate on evidence-based scientific policies at a time when policies are politicized or affected by populism while the making and implementation of adequate policies become even more important for addressing various issues in the world as well as in South Korea.

Over the past two decades, South Korea has experienced some great changes in important policies at the time of the change in the president and administration. Key diplomatic policies on North Korea, the United States, China and Japan, as well as economic policies, have frequently swung like a pendulum. It is natural for an elected president to make and implement policies in response to voters' mandates. As far as a politician with specific campaign promises is elected as president, the president may implement policies that the president views as right. Consequently, major policy changes may happen. However, the awareness at the symposium was apparently that the making and implementation of evidence-based scientific policies can contribute to national welfare and interests while major policy changes are inevitable.

As noted in the three past reports on "A Japanese Perspective on the International Energy Landscape" (637, 639 and 641), the international environment has become more complicated and severe, leading national strategies to grow in importance. A background factor behind key policy changes accompanying government changes is that public opinion is structurally divided, meaning that populism has increased its influence on public opinion formation. Such a phenomenon is not limited to South Korea but is seen in major countries. The latest important example is the division of public opinion in the United States. As national conditions in different countries vary, however, such a phenomenon should not be conceived as common. Nevertheless, it is commonly important for many countries to avoid the politicization of policies and populism's influence on them and pursue evidence-based scientific policies.

In this sense, the symposium was extremely impressive and significant to me. At the symposium, European, American and Asian experts were invited to give presentations and attend panel discussions on financial, fiscal, welfare, educational, labor, industrial and other policies. I was asked by the organizer to take up energy policy as part of industrial policies and discuss the situations of Japan and South Korea seeking to strike a balance between energy security and climate change prevention and these situations' implications for energy policy. In the following, I would like to summarize major relevant issues.

In considering Japanese and South Korean energy issues, we must take note of the fact that the international situation surrounding the two countries is getting more complicated and severe. It is particularly important that the environment regarding international politics, security and geopolitics

includes severe conditions including escalating U.S.-China confrontation and deepening confrontation between the Western bloc and the China-Russia group, as well as growing tensions over North Korea and Taiwan issues in East Asia. This means that all countries must give top priority to national security and review and enhance alliances. In such a situation, energy and economic security is growing in importance for the two countries. The importance of Japan-South Korea cooperation in energy and economic security has been emphasized anew.

It is also important for the two countries that energy security has globally been highlighted as a top priority since the emergence of the Ukraine crisis. As described later, both Japan and South Korea have depended heavily on energy imports and traditionally given priority to energy security. In the new international energy situation, however, the two countries are required to enhance both energy security and decarbonization.

The enhancement of decarbonization is an extremely important strategic challenge for the two countries. They have published their respective 2050 carbon neutrality goals and ambitious greenhouse gas emission reduction mid-term plans and are required to achieve the goals and plans. However, it may not be easy for them to achieve the goals. They must strongly accelerate their decarbonization initiatives, spur innovation and promote industrial policies. As a matter of course, they must promote their energy transition based on their respective conditions to achieve decarbonization and enhance energy security most cost-efficiently for future growth while taking note of economic security.

Japan and South Korea (1) are industry-oriented economic powers and major energy consumers, (2) depend on fossil fuel imports for most of their energy supply due to poor fossil fuel resources, (3) are major CO₂ emitters, (4) depend heavily on the Middle East for oil imports and (5) have some constraints and challenges regarding the potential and economic efficiency of solar, wind and other renewable energy sources. Based on these conditions, I pointed out at the symposium that they are commonly required to (1) thoroughly enhance energy efficiency, (2) urgently secure stable fossil fuel supply, (3) accelerate efforts to promote renewable energy while taking note of the critical mineral issue and (4) try to lead the world in using innovative fuels such as hydrogen and ammonia. I also argued that it is extremely significant for Japan and South Korea to promote bilateral cooperation in these areas as much as possible.

At the same time, however, I pointed out that nuclear energy issues are the most important challenge for the two countries. I noted that it is extremely important for Japan's energy policy that at a time when nuclear energy attracts global interest again in the international situation surrounding the two countries, Japan under Prime Minister Fumio Kishida's leadership has been trying to promote the restart of idled nuclear power plants, extend reactors' service life for the effective use of existing ones and enhance initiatives to develop small modular reactors and other next-generation reactors, construct new nuclear power plants and replace the existing ones. As for South Korea, I pointed to an extremely important development in which the current regime has reversed the previous one's nuclear phaseout policy and adopted a policy of promoting nuclear energy, seeking to raise nuclear energy's share of the electricity mix to 30% by 2030. From the perspective of the overall international situation at present, I think that the current South Korean government's nuclear policy is reasonable for striking a balance between energy security and decarbonization in line with national conditions. While nuclear policy guidelines and directions have been given both in Japan and South Korea, however, how to materialize or realize them is an important challenge in both countries. In the increasingly difficult and complicated international situation, what energy initiatives Japan and South Korea will materialize and what contributions their cooperation will make may attract attention not only in the two countries but also in the rest of the world.