Special Bulletin

December 8, 2010

A Japanese Perspective on the International Energy Landscape (22)

The Current Turbulence in Northeast Asia and Strategic Importance of Japan-South Korea Cooperation

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From December 5 to 7, I had an opportunity to visit Seoul to attend a conference to discuss Japan-South Korea cooperation from a wide range of perspectives including politics, economy, culture and energy/environment. We had very timely and interesting discussions on the positions in which Japan and South Korea are put under the current turbulent situation in Northeast Asia; on ways how the two countries should cooperate in tackling various challenges under the situation; and on the importance of bilateral cooperation. I here would like to compile some key points of these discussion from my personal perception.

The importance of the conference lies in the timing when the strategic environment facing the two countries was changing dramatically and sharply. First, I have to point to the extreme tension of the Korean Peninsula situation. A South Korean patrol boat sank due to an explosion in March and the existence of North Korea's new uranium enrichment facility was revealed in November. On November 23, North Korea attacked South Korea's Yeonpyeong Island, killing four people including two civilians. The tension on the Korean Peninsula reportedly rose to the highest level since the Korean War was ended by the armistice agreement in 1953. After the Yeonpyeong Island incident, the United States and South Korea staged a joint naval exercise, to which North Korea strongly reacted. South Korea resumed domestic shelling drills on December 6. The political situation has thus remained severe. As South Korea's national security has directly been threatened, the South Korean government has been making all-out efforts to tackle the situation.

As a matter of course, the tension of the Korean Peninsula situation is a significant national security challenge for Japan as well. Furthermore, the Senkaku Islands problem has developed into a major sovereignty/national security challenge for Japan since a Chinese fishing vessel's collision with a Japan Coast Guard patrol ship in September. In addition to this challenge, it is important to note China's remarkably rising political and economic presence and the enhancement of its assertive diplomacy or posture. Such international relations factors represent common challenges for Japan and South Korea (and the entire world). Under such Asian situation, national security has become a

focus of attention in Japan and South Korea. The question of how Japan and South Korea should develop their relations is now being asked seriously under this situation.

In this sense, I felt interested in the fact that "democracy, market economy and respect for basic human rights" were frequently cited as key words for defining the characteristics of Japan and South Korea at the conference. All these words have important implications for an analysis of the above-explained Northeast Asian political and economic environments in a sense. In terms of Japan-South Korea relations, these words indicate that the two countries share common values. A basic argument at the conference was that the two countries were required to deepen political and economic collaboration or cooperation under their strategic decisions. Even based on this basic idea, however, there are various stances and opinions about specific measures and ways to do so. Regarding security cooperation options, conference participants pointed out that Japan and South Korea should promote bilateral cooperation after positioning and prioritizing the relevant challenges including the further enhancement of the two countries' respective relations with the United States based on their respective alliances, the enhancement of Japan-U.S.-South Korea trilateral relations, the development of Japan-China-South Korea trilateral relations, and the construction of a multilateral framework for Northeast Asia or East Asia. In this respect, political leadership is indispensable.

In Asia that has lagged behind the North American Free Trade Agreement region and the European Union in promoting regional economic integration, the enhancement of cooperation between Japan and South Korea as industrial countries is of great significance from the economic perspective. One opinion is that the absence of any specific cooperation framework between Japan, China and South Korea for Asian economic cooperation represents a serious "missing link" in the promotion of Asia's economic integration. In this respect, some argue that Japan and South Korea should build on the current international political and economic situations to make full efforts to resume their free trade agreement negotiations suspended since 2004 and achieve the FTA. Although there are difficult problems including Japan's nontariff trade barriers as cited by South Korea and some FTA's possible adverse effects on industry and agriculture, the two countries are now called on to make relevant strategic decisions in consideration of the FTA's overall benefits for their economies and the possibility of the FTA becoming a key junction for East Asia's economic integration.

The most important point regarding energy and environmental problems might have been how Japan and South Korea should face and address China's growing presence, and fears for the relevant destabilization of energy markets and for the relevant rise in the global and regional environmental load. It may be needless to say that it is important for the two countries to take up their respective policies and measures for the stabilization of energy markets and the reduction of the environmental load that represent their common interests. But it is extremely important for them to cooperate in complementing their respective efforts and bringing about greater effects from the

IEEJ: January 2011

regional or global perspective. Among environmental problems, global warming and other global problems are naturally important. However, an important point is that the scope of bilateral cooperation may cover efforts to address acid rain and other regional cross-border environmental problems as well. In global energy markets, however, Japan and South Korea are rivals waging intense competitions for example, in international nuclear business. The two countries must be conscious of both their cooperation and competition. At the conference, I pointed out that the presence of strong rivals is important in a sense that rivals can pursue higher levels by competing against and learning from each other.

There are complicated relations between Japan and South Korea, including historical developments. Discussions at the conference included some remarks or opinions indicating such complicated relations. As this year marks the centennial of Japan's annexation of the Korean Peninsula, however, I strongly feel that Japan and South Korea should give priority to building their forward-looking relationship for a new century and make strategic decisions for national security and sustainable development in consideration of the current turbulent international situation in Northeast Asia including China's rising presence and tensions on the Korean Peninsula.

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