

Challenges for Peace and Prosperity in Northeast Asia: Jeju Forum 2013

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On May 29-31, the Jeju Forum for Peace and Prosperity 2013 took place on Jeju Island in South Korea. Starting from the first meeting of the forum's predecessor in 2001, the latest one was the eighth gathering. The forum is a large international conference hosted by South Korea to deal with prospects and challenges for peace and prosperity in East Asia, particularly Northeast Asia. The three-day conference included a World Leaders' Session, two Special Sessions and 49 Sessions on individual topics, in addition to opening and closing ceremonies. A large number of participants in the conference included those from Japan, China, the Association of Southeast Asian Nations, India, Europe and North America, as well as many from the host country of South Korea.

As indicated by the title of the conference, designed to deal with challenges for peace and prosperity in East Asia, participants discussed a very wide range of topics from political and economic issues to social, cultural, environmental and energy problems. Here, I would like to summarize the impressive points to me from the conference.

First, many participants impressively presented a view that East Asia is now in a current where it can prosper into becoming the center of the world as great expectations exist on the future growth and prosperity of the region. East Asia has great potential to further develop and prosper in such areas as population, resources, technology, capital, culture and traditions. This situation is behind a grand vision that describes the 19th century as the age of Britain, the 20th century as the age of America and the 21st century as the age of (East) Asia. East Asia features diverse countries that differ in population, resources, technology and other areas as cited above. The diversity can be expected to prompt East Asian countries to complement each other for their further prosperity and growth.

Second, I felt that participants in the conference shared the problem of how best to resolve various challenges that exist for prosperity and peace in East Asia while there are great expectations on prosperity in the region. The range of challenges is very wide. Political challenges include growing nationalism in East Asian countries, political tensions between Japan, China and South Korea, North Korea's nuclear weapons development and the fluid Korean Peninsula situation. Major countries' economic situations are growing more uncertain and destabilizing factors are increasing. Fierce economic competition coexists with economic partnership proposals involving East Asia, including the Trans-Pacific Partnership and the Regional Comprehensive Economic Partnership for East Asia. East Asian energy security challenges and global and regional environmental problems are growing more serious amid economic growth. Among other regional challenges are unbalanced

domestic and regional development, widening income gaps, and inequalities between social classes and between genders.

Among them, growing political or geopolitical tensions in East Asia were viewed at the conference as a serious factor threatening peace and prosperity in the region. A large number of participants voiced grave concerns on these tensions. Since South Korea hosted the conference, it included multiple sessions on the Korean Peninsula situation, where participants discussed how to deal with North Korea's nuclear weapons development and what to do to stabilize the situation. In his keynote address in the opening ceremony of the conference, former Malaysian Prime Minister Mahathir Mohamad expressed his frank concerns on growing tensions between major East Asian countries and urged that relevant countries prevent their tensions from developing into any armed conflict or war. Citing experiences and cases of ASEAN countries including Malaysia, Mahathir impressively emphasized that parties to territorial and other disputes should take diplomatic approaches including cool negotiations and international court trials. The keynote address was backed by an actual sense of crisis.

Economic problems are also serious actual challenges. While great expectations exist on medium to long-term growth in East Asia, various uncertain factors are emerging to affect short-term prospects. Participants in the conference gave various views about signs of slowing growth in China that has driven East Asian and global economic growth and about impacts of Japan's Abenomics economic policy and the yen's depreciation on economic competition in East Asia. In a keynote speech at one of the special sessions, globally famous investor Jim Rogers impressively noted that an excessive monetary easing race could destabilize the world economy and the international monetary situation and that enhancing real economy competitiveness would be important. He forecast that the South Korean economy would remain in severe conditions due to such challenges as the won's appreciation. If South Korea were unified with the North, however, the economic competitiveness of a unified Korea would be dramatically enhanced, as seen in the case of the German unification, he said. Interestingly, Rogers pointed out that a unified Korea's long-term growth potential could become dominantly high in East Asia.

In a session where I served as a panelist, discussions took place on energy problems in East Asia. I reported Japan's energy policy after the March 2011 Fukushima nuclear disaster and potential energy cooperation in Asia. U.S. energy expert Mikkal Herberg gave an interesting report on the present state of and prospects for the U.S. shale revolution, U.S. LNG exports' impacts on Asian and Pacific LNG markets and effects of the United States' shift to energy independence on the Middle Eastern and Asian geopolitical situation. Chinese energy expert Xu Yihe discussed China's energy policy challenges, including its falling dependence on coal and growing expectations on natural gas. Impressively, the Chinese expert pointed out that despite great expectations placed on developing shale gas among natural gas resources, no excess optimism could be justified due to great problems with shale gas development in China. Lastly, Keun-wook Paik of the Oxford Institute for Energy Studies discussed the present situation of and future prospects for China-Russia cooperation in natural gas and other energy areas. He analyzed the current situation where the shale revolution has prompted Russia to enhance approaches to Chinese and other Asian markets. As pointed out by these experts, the Northeast Asian energy situation has been changing every second in response to

the U.S. shale revolution and other developments in the world. East Asian countries are required to resolve their respective and common challenges.

Great expectations exist on prosperity and peace in East Asia. In order to realize prosperity and peace, East Asian countries must coolly analyze the present situation, tackle their respective challenges and enhance regional cooperation.

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