



SESSION SKETCHES

Asan Plenum 2013: “New World Disorder”
www.asanplenum.org

Security Crisis and Trade Disputes

Panel: Session 3 (Grand Ballroom I)

Date/Time: Tuesday, April 30, 2013, 15:30-16:45

Speakers: John Swenson-Wright, University of Cambridge
Kent Calder, The Johns Hopkins University
T.J. Pempel, University of California, Berkeley
Soeya Yoshihide, Keio University
Igor Tomberg, Institute of Oriental Studies, Russian Academy of Sciences

Rapporteur: Hana Lee, Ewha Institute for Development and Human Security

Citing Japan’s recent shift away from its traditional separation of political and economic objectives, and the potential for economic engagement to bring North Korea into greater international contact, John Swenson-Wright began the discussion by questioning whether economic interaction between states can provide opportunities for reducing political tensions.

Kent Calder pointed to the long, historic tradition of using economic engagement for political motives. From mercantilism in the 17th century to the oil crisis in the 1970s, economic tools were used for political purposes all throughout modern economic history. Today, situational dynamics depends on the sector and country in question. Politicization of sectors such as energy, information technology, and finance sectors may have an impact but, in general, the use of economic warfare while tempting, tends to be relatively ineffective due to the wide range of countermeasures available. China’s rare minerals embargo on Japan in 2010 was a case in point—Japan diversified sources, stockpiled and economized use of minerals, reducing its dependence on China from 80 percent to 50 percent. Although in hindsight the embargo seems counterproductive to Chinese strategic interests, the decision can be explained by the additional influence of domestic, local, and international political dynamics.

T.J. Pempel identified four salient trends in East Asia. First, leadership finds political legitimation through economic growth. Second, economically successful nations are increasingly engaged in trade, production, and investment networks. Third, economic interaction is increasingly institutionalized, in contrast to the lack of cooperation on security

* The views expressed herein do not necessarily reflect the views of the Asan Institute for Policy Studies.

*The views expressed herein are panel overviews of the Asan Plenum. They do not necessarily reflect the views of the author or the institutions they are affiliated with.



SESSION SKETCHES

Asan Plenum 2013: “New World Disorder”
www.asanplenum.org

issues. Fourth, there is a decline in the use of military force, but an increase in security tensions since 2010. Four tensions are of particular importance: China’s rising assertiveness; North Korea’s nuclear program and missile tests; the rise of nationalism, particularly in Japan; and the US ‘pivot’ to Asia. Economic tools are periodically used for political articulation, but Pempel noted that drivers of tension are essentially political rather than economic. On the other hand, growing competition among three competing potential trade agreements—the TPP, the trilateral pact, and RCEP—offers one venue for competition to deepen economic interdependence across the region.

According to Soeya Yoshihide, the post-Cold War era is filled with dichotomies, dilemmas, and inconsistencies with no easy solutions. One dichotomy is the mutual dependence between China and the international system. China’s rising confidence naturally calls for changes to the international regime even as its success is dependent on the system’s current dimensions. Two uses of economic means for political purposes were identified. One attempts to change another country’s behavior while the other signals intentions and political will. The first use carries uncertain implications due to growing economic interdependence and may negatively impact the international system, whereas the second is relatively innocuous in comparison. To conclude, Yoshihide looked at shifting Sino-Japanese relations. While in the 1970s Japan relied only on economic diplomacy, in the 1990s the foreign policy emphasis shifted to include security and political dimensions including democratization. Although the reason is unclear, it is certain that Japanese diplomacy has changed in character.

Igor Tomberg emphasized the importance of energy, stating the main reason for trade in the future will be to acquire resources. As the world’s major consumer of energy, East Asia needs alternative solutions to security disputes arising from energy security concerns. Tomberg suggested improved land communication and transportation methods, regional economic projects to mitigate both economic and political problems, and concluded with a positive view on Northeast Asia’s potential for cooperation in the energy sector.

* The views expressed herein do not necessarily reflect the views of the Asan Institute for Policy Studies.

*The views expressed herein are panel overviews of the Asan Plenum. They do not necessarily reflect the views of the author or the institutions they are affiliated with.