

**ERINA**

**The 4<sup>th</sup> Medium-Term Plan <2019-2023>**



**The Economic Research Institute for Northeast Asia  
(Public Interest Incorporated Foundation)**

The 4<sup>th</sup> Medium-Term Plan 2019-2023

## **Turbulent period in the Northeast Asian region and ERINA**

ERINA was established in October of 1993, the year which followed the collapse of the former Soviet Union and subsequent end of the Cold War and saw many former Eastern bloc countries commence the shift from a socialist economy to a market economy. Even in Northeast Asia, where China was already pushing for a gradual transition to a "socialist market economy" under the policy of open reforms, Russia and Mongolia embarked on a radical market economy called "shock therapy." Although the DPRK did not directly aim at a clear market economy, the idea of a possible North-South integration emerged on the Korean Peninsula, similar to the one witnessed previously between West and East Germany. Economic exchange between countries via open international trade and capital transactions had expanded, and it was anticipated that a regional "economic zone" would be formed. It was believed that the complementary relationship between economies within the zone, derived from the combination of natural resources from the Far East of Russia and Mongolia, the labor force of northeast China and the DPRK, in addition to Japan and the ROK's capital and technology, would result in a win-win situation for all parties. In the context of these times, ERINA was founded on a grand vision of the formation and development of the Japan Sea Rim (Northeast Asia) Economic Zone, as a think-tank that promotes economic exchange between Japan and the region by conducting research and study on the economy of each nation within the region.

During these last 25 years, ERINA has been a base for research, economic exchange and the dissemination of information on the Northeast Asian economy and has consolidated its core foundation over time. Especially, its vast, domestic and international human network constructed through mutual exchange in international conferences and joint research is widely recognized, and ERINA is now a representative institution of Northeast Asian Economic Studies. Further recognition for ERINA has come in response to its extremely effective approach in analyzing the Northeast Asia region not only in terms of individual nations, specific fields and bilateral relationships between Japan and its northeast Asian neighbors, but also as a comprehensive, multilateral interdependence area, and the position of Northeast Asia in the global economy.

Since 2004, ERINA has released a medium-term plan spanning each five years to specify our activity aims and to enhance the effectiveness of our business. ERINA has acted upon the 1<sup>st</sup> Medium-term Plan 2004-2008, with its roles organized into "Information Center", "Research Center" and "Economic Exchange Support Center", and with the setting out of the three basic directions of "promotion of multilateral and multi-regional projects", "research and policy proposals" and "interregional exchange and regional economic promotion". Regarding this fundamental framework relating to ERINA's purposes and tasks, the ERINA 2<sup>nd</sup> Medium-Term Plan 2009-2013 and 3<sup>rd</sup> Medium-Term Plan 2014-2018 have been continued and are currently being maintained.

However, in the meantime, the Northeast Asian region has changed significantly. First, Japan has fallen into a secular stagnation referred to as "The Lost 20 Years", with the nation suffering from an accumulation of declining birthrate, aging population and government debt. Consequently, the revitalization of the local economy has become an ever-pressing issue. Secondly, China has achieved remarkable economic development in becoming the world's second largest economic power, taking over Japan in 2010, has

advanced the development of a wide-area economic zone initiative "One Belt One Road (B&R)", and has enhanced its presence throughout Asia and the world. The third is that the ROK has labored on structural reforms since the financial crisis of 1997-98, with growth centered on its high-tech sector, but it now faces growing economic inequality, a declining birthrate and aging population. Fourth, Russia and Mongolia have experienced rapid growth on the back of rising resource prices, however, their economic instability resulting from resource dependence is somewhat conspicuous. Russia in addition, has faced economic sanctions imposed by the West over the annexation of the Crimean Peninsula and its intervention into the dispute of eastern Ukraine. The fifth is that the DPRK conducted nuclear tests and developed ballistic missiles, which first threatened the safety and peace of Northeast Asia in the late 2000s. However, following the historic DPRK-U.S. summit held in June 2018, a more positive outcome is expected. Sixth, the U.S.-China trade war that began in the same year under the watch of U.S. President Donald Trump has expanded into an intense competition for economic, technological, political and military supremacy, with its influences leading to further uncertainty in trade, the economies and political environment within Northeast Asia.

Though Northeast Asia is expected to experience ongoing steady growth and development, the above-mentioned changes in the area and beyond suggest a growing downward risk in the region. In China, for example, we see signs of financial instability, with income inequality, regional disparities and environmental issues becoming more consequential. As its trade and economic war with the U.S. intensifies, China faces the risk of a significant decline in growth rates. On the other hand, it has been pointed out that the construction of "One Belt One Road (B&R)" has aggravated the debt predicaments of other countries. Although military tensions between the DPRK and U.S. have eased, the two nations express markedly different perceptions over the issue of Denuclearization, therefore, one cannot completely rule out armed conflict on the Korean Peninsula. Furthermore, the discord between Russia and Western Europe and the U.S. may become aggravated should any further rise in tensions between the two sides occur.

On the flip side, the region faces upward growth opportunities at the same time. Assuming that China continues to move forward with structural reforms of the supply side to cope with domestic financial problems, environmental issues and disparity troubles, and to manage its trade war and battle for economic and high-tech supremacy with the U.S. in an international, cooperative manner, sustainable growth and development can be expected. Moreover, if the "One Belt One Road (B&R)" initiative can in fact enhance the economic benefits of participating countries, it will contribute significantly to the development of the Northeast Asia region. If the DPRK is to be denuclearized, and the necessary economic reform and opening routes are taken to join the regional economic cooperation of Northeast Asia as a member of the international community, the entire region will begin to move dynamically, and economic integration may progress significantly. Or, if Russia returns to a route of international collaboration and the economic cooperation between Russia and Japan is strengthened sufficiently, economic interdependence between Russia and Japan, China and the ROK may develop considerably. That in turn would potentially lead to a peace treaty between Russia and Japan and the return of the Northern Territories.

In this way, Northeast Asia is an area that has the capacity for both downward risk and upward

opportunities, and in that sense, it is a tumultuous region. As ERINA, we shall strive to further deepen our activities as an international base for research, economic exchange and the dissemination of information in order to tackle the new challenges encountered in the Northeast Asian regional economy during this period of turbulence. In particular, ERINA will pay close attention to the changes in each country's economy and interdependence which are brought about by environmental changes in the domestic and international surrounds of the Northeast Asian region, promote comprehensive economic analysis of the whole region as well as multilateral cooperation and regional cooperation, and enhance the function of effective information dissemination. At the same time, we shall strengthen cooperation and exchange with think-tanks, international organizations and universities in and outside of Northeast Asia. ERINA will further consolidate the role of our flagship annual event, Northeast Asia International Conference for Economic Development (NICE) in Niigata, moreover, we will contribute in various ways to draft policy proposals for central and local governments and international organizations of relevant nations related to the strategic direction that the Northeast Asian region should pursue. Aiming at organizational management in high public interest and efficiency, we will meet the expectations of numerous officials including sponsoring municipalities and supporting members.

Based on the above viewpoints, ERINA has outlined the basic directions of the 4<sup>th</sup> Medium-Term Plan 2019-2023. Organically linking our three core activities of research, economic exchange support and the dissemination of information, we strive to contribute to the peace, stability and prosperity of the Northeast Asian region; to strengthen our role as a bridge between Northeast Asian countries and Japan, and particularly its local communities; to deepen the inclusiveness and advancement of research on Northeast Asian economies; to connect our knowledge gained from economic exchange and field-oriented research with policy-making; to disseminate high-quality information effectively. And through all the above, as the world's one-of-a-kind think-and-do-tank, with a target to strengthen its nature as a base in Japan and overseas, we have set this Medium-Term Plan.

February 2019  
KAWAI Masahiro  
Representative Director  
Economic Research Institute for Northeast Asia (ERINA)

## **【ERINA'S PURPOSE】**

Sustainable development and economic integration in the Northeast Asia region

Promotion of the local economy in Japan

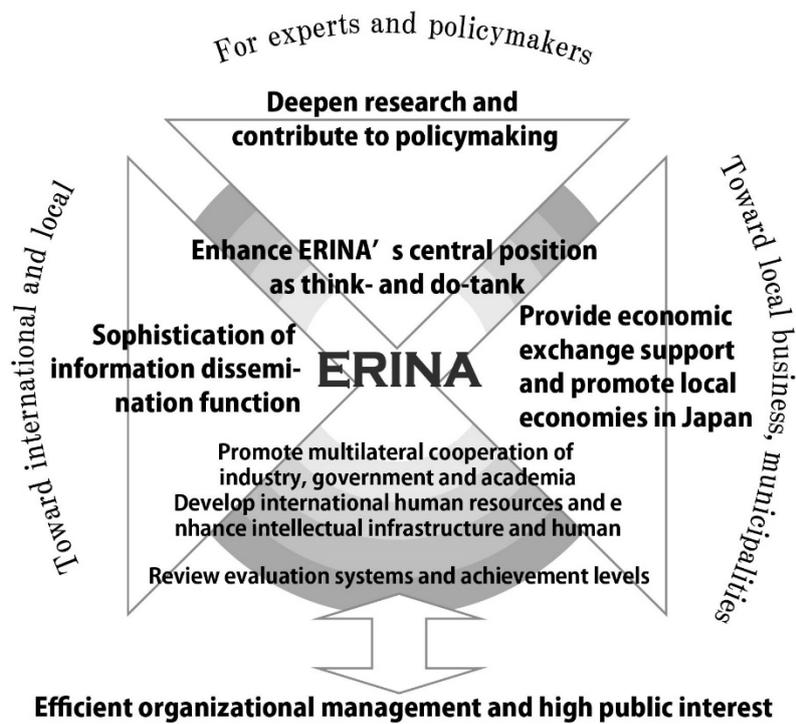
Contribution to peace, stability and prosperity in the Northeast Asia region via research, economic exchange support, and the dissemination of information

## **【Period of the 4<sup>th</sup> Medium-Term Plan】**

From April 2019 to March 2024

### **【Basic Directions】**

1. Strengthen its central position as a think-and-do-tank in Northeast Asia
  - (1) Reinforce ERINA's core function as a base for multilateral industry-government-academia cooperation
  - (2) Organic integration of research, economic exchange support and the dissemination of information
  - (3) Develop international human resources and enhance the intellectual infrastructure for research and economic exchange
2. Deepen our research and contribution to policy-making
  - (1) Deepen our comprehensive and advanced research of Northeast Asia
  - (2) Contribute to society through efficient research
  - (3) Establish policy-making functions directed at each country's governments (central and local) and international organizations
3. Provide economic exchange support and promote local economies in Japan
  - (1) Collect and provide high-quality information to promote economic exchange
  - (2) Support the advancement of regional cooperation leveraged by association with sponsoring municipalities and private organizations
  - (3) Promote local economies through overseas expansion of private companies and local business exchange
4. Sophistication of information dissemination function
  - (1) Effective dissemination of collected information
  - (2) Plan attractive international conferences, symposiums and seminars
  - (3) Expansion and competent use of domestic and global human networks
5. Pursue efficient organizational management and high public interest
  - (1) Ensure projects of efficiency and high public interest
  - (2) Create a system to support the education of international human resources and improve intellectual infrastructure and human networks
  - (3) Implementation of effective evaluation systems for projects and personnel



### 【Overview of the 4<sup>th</sup> Medium-Term Plan 2019-2023】

We shall strengthen our central position base as a think- and do-tank in Northeast Asia through the organic integration of three activities; research, economic-exchange support, and dissemination of information. We shall strive to develop international human resources and enhance intellectual infrastructure and expanded human networks via the strengthening of multilateral industrial-governmental-academia cooperation. Research will contribute to and expand the availability of resources for experts and policymakers. The provision of economic exchange support aims to promote local economies in Japan for local businesses, municipalities and the economic community. Sophistication of information dissemination function will be sought to benefit global and local communities. Evaluating the achievements of ERINA projects and the Medium-Term Plans, we shall pursue efficient organizational operations and high-public interest.

## 1. Strengthen its central position as a think-and-do-tank in Northeast Asia

(1) Reinforce ERINA's core function as a base for multilateral industry-government-academia cooperation

We shall contribute to the peace, stability and prosperity of the region as a base for promoting multilateral industrial-government-academia cooperation in Northeast Asia by leveraging the cooperative relationship between domestic and international public and private institutions cultivated through conventional activities. To this end:

- We shall continue to host high-quality international conferences, symposiums, and seminars in which a wide range of officials in the field of Northeast Asian economic cooperation can participate, including the Northeast Asia International Conference for Economic Development (NICE) in Niigata, and shall aim to create new value through mutual intellectual exchange.

- ERINA shall enhance its primary role in active cooperation with various international organizations that promote regional cooperation in Northeast Asia, such as the United Nations Economic and Social Committee for the Asia-Pacific Region (ESCAP), Asian Development Bank (ADB), and the Greater Tumen Initiative (GTI).
- We shall conduct not only international symposiums, seminars, and workshops hosted or sponsored by ERINA, but also other high-quality events in cooperation with domestic and overseas institutions with whom we have exchange agreements in place and additional research and educational institutions.
- We shall support industry-government-academia collaborative economic exchange projects conducted by sponsoring organizations or institutions signed to exchange agreements, and actively mediate on the cooperation of these projects.

(2) Organic integration of research, economic exchange support and the dissemination of information<sup>1</sup>  
 By organically integrating the three activities of research, economic exchange support and the dissemination of information, we shall utilize the strengths of ERINA and enhance its central function as a think-and-do-tank. To this end:

- The Research Division shall not only conduct pure economic analysis but also strengthen cooperation with the Economic Exchange Support Division reflecting the movement of the field in order to conduct analysis that leads to effective policy-making.
- In order to implement more effective exchange support projects, the Economic Exchange Support Division shall collaborate with the Research Division to propose new study and research methods and utilize the results.
- The Information Dissemination Division shall effectively disseminate high-quality information obtained through research and economic exchange support in an effective manner. At the same time, they shall propose useful research and analysis and information gathering techniques to the Research and Economic Exchange Support Division, so that ERINA can further enhance its primary role.

(3) Develop international human resources and enhance the intellectual infrastructure for research and economic exchange

We shall strive to foster international human resources and intellectual infrastructure to support economic development and economic exchange in Northeast Asia as it faces a tumultuous period.

- We shall seek an improvement in the quality of Northeast Asian economic analysis conducted by Japanese and overseas researchers through the use of a collaborative researcher system and invited overseas researcher system, and at the same time, strive to foster international human resources and the promotion of intellectual foundations.
- We shall make available to the public the results of research and economic exchange support through lectures and presentations at various symposiums and seminars conducted by various

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<sup>1</sup> The "International Collaborative Research Center" was established in 2011 in ERINA with the aim of enhancing the World Only-One Research Institute in the Northeast Asian economic and social field. Since then, the entire ERINA activities have become an international collaborative research center, and in the 4<sup>th</sup> Medium-Term Plan, the center will be dissolved progressively.

governmental agencies and economic organizations, etc.

- We shall systematically create a database of various economic and business information related to Northeast Asia and publish it via the Internet and other media.
- Assuming the participation of the DPRK in the international community, we shall implement a capacity building project to promote the necessary intellectual infrastructure.
- We shall endeavor to develop the next generation of international human resources by exploring the possibilities of implementing training programs in the form of accepting human resources from local governments, private companies, educational institutions, and research institutes, moreover, accepting students on a temporary basis via internship and providing lessons and/or lectures at educational institutions.

## **2. Deepen our research and contribution to policy-making**

(1) Deepen our comprehensive and advanced research of Northeast Asia

Deepen our comprehensive and advanced economic analysis across the region, focusing on the transformation of economies and interdependence of the Northeast Asian countries.

- We shall publicize the results of research studies in academic journals and technical books and further our creative and academic contributions to specialized fields.
- We shall identify key issues for economic growth, regional economic integration and the expansion of regional cooperation (economic restructuring, economic partnership, international connectivity, energy cooperation and global warming countermeasures). We shall generate research themes that emphasize multilateral, bilateral and regional relationships. From the perspective of Northeast Asia in the global economy, we shall also conduct comparative analysis and analysis on relations of interdependence between Northeast Asia and other regions.
- We shall aim at understanding the research needs of local communities and policy makers and create a framework that can flexibly respond to them. In order to achieve this, we shall deepen cooperation with not only research studies by ERINA staffs, but also cooperation with external human resources (researchers in various fields, including not only economics but also political science, sociology and natural sciences).

(2) Contribute to society through efficient research

In order to achieve maximum results under limited resources, we shall strive for efficient research by utilizing external human resources and external funds and return the results to society.

- We shall promote collaborative research with researchers and research institutes in Japan and abroad while utilizing the various systems such as research exchange agreements, joint research fellows and invited overseas researchers. We shall actively participate in high-priority collaborative research conducted by external research institutes.
- We shall strive to acquire external research funds such as Grants-in-Aid for scientific research, research contracts on topics closely related to ERINA's Research. In particular, we shall emphasize the importance of research contracts for not only the use of external funds, but also as a means to grasp research needs.

- We shall make concerted efforts to support the development of researchers by utilizing various study and training programs and overseas research systems.
- We shall explore the possibility of creating a human resources exchange program with higher education institutions and research institutes, etc.
- To make the best use of the research results in society, we shall publish them selecting appropriate media and opportunities for each target such as the industry, policy planning officials, the youth, and mass media.

(3) Establish policy-making functions directed at each country's governments (central and local) and international organizations

In tune with our position as a think-and-do-tank, we shall aim at contributing to policy-making in the Northeast Asia region as a research institution.

- We shall conduct research for not only pure economic analysis, but also for obtaining policy implications for all countries and regions in Northeast Asia.
- We shall strive to contribute to realistic policy-making based on research and economic exchange on the strategic direction of Northeast Asia.
- We shall be actively involved in various phases of the policy formulation process so as to understand research needs and to reflect these results into the policy planning of national governments (central and regional) and international organizations.

### **3. Provide economic exchange support and promote local economies in Japan**

(1) Collect and provide high-quality information to promote economic exchange

We shall collect high-quality business-related information covering a wide range of fields and the latest economic and social trends in Northeast Asia and present them in a user-friendly format.

- In collecting a wide range of high-quality information, we shall strive to expand and deepen our domestic and overseas organizational and human networks as a tool for information collection.
- We shall selectively participate in events such as domestic and overseas conferences and trade fairs and encourage related companies and organizations to do likewise.
- In addition to "visualizing" the basic and business-related information of Northeast Asia (economic situation, trade, fairs, business meetings, etc.) and accumulating them within ERINA, we shall provide them in an effective and immediate manner using electronic media and other methods.
- We shall hold business seminars relevant to current events in Northeast Asia and corporate needs and assist with seminars conducted by other organizations, and actively publicize and disseminate the information collected.

(2) Support the advancement of regional cooperation leveraged by association with sponsoring municipalities and private organizations

As a do-tank, we actively support exchange projects and events in Northeast Asia hosted by sponsoring municipalities and private organization to contribute to the promotion of regional exchange.

- We shall make efforts to understand the needs of local cooperation by carrying out questionnaire-based surveys etc. and propose support measures and conduct project cooperation.
- To improve the effectiveness of cooperative activities, we shall strengthen ties with economic-related organizations in sponsoring municipalities by providing support and cooperation.
- We shall reinforce cooperation with sponsoring municipalities and private organizations in view of human resources exchange for enhancing the level of economic exchange in the Northeast Asia region.

(3) Promote local economies through overseas expansion of private companies and local business exchange

As a do-tank in the Northeast Asia region, we shall endeavor to create business opportunities that are easy for each country's private companies to enter into with each other and contribute to the promotion of local economy through support activities for business matching and overseas expansion of companies.

- We shall aim to establish a mutually complementary system that can provide an optimal support menu for companies by sharing information and roles with relevant organizations in Japan and overseas.
- Accurately grasping the needs of companies and businesses in Japan and overseas, we shall arrange inspections of Japanese companies and business meetings for delegations and companies from overseas as well as to dispatch and attend trade fairs, business meetings, industrial inspections (etc.) in foreign countries.
- Along with continuing to hold the "International Students' Job Fair" to support the overseas expansion and globalization of companies and provide opportunities for employment for international students in Japan, we shall support initiatives aimed at the utilization of overseas human resources conducted by other organizations based on the knowledge and know-how gained through this project.<sup>2</sup>

## 4. Sophistication of information dissemination function

(1) Effective dissemination of collected information

We shall further enrich the dissemination of information via our publications, including the "ERINA Report (Plus)" and website, and effectively disseminate information to both local and international communities.

- We shall continuously disseminate unique and high-quality information on Northeast Asian economies and endeavor to strengthen the dissemination of ERINA staff's research papers, books and advertisements in English.
- We shall strengthen the dissemination of information for the general public through mass media.
- While actively utilizing the various existing information disclosure tools that provide information, we shall flexibly incorporate new Information and Communication Technology (ICT) and Social Networking Services (SNS) such as website, blogs and e-mail newsletters, etc. and strive to

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<sup>2</sup> Launched in 2005, the "International Students' Job Fair" is a business program unique to ERINA that provides international students in Niigata Prefecture with opportunities for interviews aimed at employment within local companies and is expected to contribute to the overseas development of companies.

disseminate information in an effective manner.

(2) Plan attractive international conferences, symposiums and seminars

In order to enhance the attractiveness of international conferences, symposiums and various seminars, we shall strive to enrich the contents deepening our cooperation among each division within ERINA and with external related organizations as well as constantly reviewing the objectives and roles of these events.

- We shall endeavor to introduce an innovative management method of international conferences that utilizes ICT, such as paperless meetings and internet conferences, etc.
- We shall endeavor to organize attractive symposiums and seminars that provoke a wide range of interest by setting appropriate themes in response to changes in society.

(3) Expansion and competent use of domestic and global human networks

We shall aim for the effective utilization of the human networks related to research and economic exchange in Japan and overseas via a process of thorough management and expansion.

- We shall manage and expand our human networks in Japan and overseas as assets of great importance via collaborative researchers, invited overseas researchers, economic exchange officials, international conference participants, and shall work hard to ensure the effective utilization of each.
- Through our human networks in Japan and overseas, we shall spread the research and economic exchange results of ERINA around Japan and to the world.
- Enhance the ability to disseminate information by sending various kinds of information utilizing the human networks in Japan and overseas.

## 5. Pursue efficient organizational management and high public interest

(1) Ensure projects of efficiency and high public interest

We shall fully comply with the laws and regulations required of a public interest incorporated foundation and fulfill our sense of accountability. In addition, to achieve maximum results under limited resources, ERINA shall increase the efficiency of project implementation by focusing its activities on areas of need and potential.

- Under the governance of the Council and the Board of Trustees, we shall appropriately revise ERINA's articles of incorporation and regulations as necessary to respond flexibly to new public interest needs.
- We shall publish the results of each project of research and economic exchange support and return them to society in various ways.
- As a highly distinctive research institution that advocates itself as a think-and-do-tank position, we shall work diligently to enhance cooperation among the divisions within ERINA, and to enhance project outcomes by organically integrating the three activities of research, economic exchange support and information dissemination.

(2) Create a system to support the education of international human resources and improve intellectual infrastructure and human networks

In addition to nurturing ERINA staff as international human resources, we shall endeavor to create a mechanism to improve human networks and intellectual infrastructure, our greatest assets, via research and study, international symposiums, seminars, and the results of economic exchange support.

- We shall aid the development of ERINA staff through their participation in study and training projects, personnel evaluation systems and personnel exchange programs with external institutions (research institutes, local government, private organizations, etc.).
- We shall work diligently to protect the intellectual assets of ERINA by placing an Intellectual Property Officer within ERINA and advance the data-making capabilities of the intellectual infrastructure and human networks across each part of the organization.

### (3) Implementation of effective evaluation systems for projects and personnel

Evaluating qualitatively and quantitatively the goals of projects and personnel in each fiscal year based on the Medium-Term Plan and their results and effects, we shall utilize them to formulate new projects and personnel plans.

- Through annual project evaluations, we shall verify the appropriateness, effectiveness, efficiency, and achievement of each policy in the Medium-Term Plan. We shall also report the results to the Board of Trustees and the Board of Directors and utilize the results for the formulation and implementation of the projects planned thereafter.
- Introducing the new personnel evaluation system, we shall contribute to the development of human resources in ERINA and utilize it to conduct personnel planning in the years to come.