

# *Commemorative Paper: The Future Prospects for Northeast Asian Regional Economic Cooperation and the Key Roles of ERINA*

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Following the ending of the Cold War, the result of the countries of the Northeast Asian region having built up various kinds of cooperation has been that economic cooperation in this region has progressed greatly. The research outcomes relating to Northeast Asia to date are the crystalline structure that the Economic Research Institute for Northeast Asia (ERINA), other research institutes and those involved at universities have built up in concert.

## **1. Key Developments in Northeast Asian Regional Economic Cooperation**

Summarizing the developments in Northeast Asian regional economic cooperation over almost the past 20 years, it is possible to aggregate them into the following three points.

First, the economic and trade relationships within the Northeast Asian region have been growing closer by the day, and the degree of economic mutual dependence has risen yet further. In 2009 China became the largest trading partner for Japan, overtaking the United States for the first time. According to Japanese Ministry of Finance trade statistics, the value of trade between Japan and China in 2010 amounted to 26,498.5 billion yen. On the other hand, Japan is China's number three trading partner, and trade with China is on an increasing trend as a whole. The expansion of trade between Japan and China is also linked to the increase in Chinese exports to Europe.

For the ROK, ever since the establishment of diplomatic relations with China in 1992 trade aimed at China has expanded rapidly. At present, for the ROK China is its largest trade and investment partner. Furthermore Japan is also a major trading partner for the ROK, and according to Japanese Ministry of Finance trade statistics, the value of trade between Japan and the ROK in 2010 amounted to 7,964.2 billion yen.

Second, the construction of bi- and multilateral cooperative relationships in the Northeast Asian region is ongoing, and in particular cooperative relations among the three nations of Japan, China, and the ROK have become something conclusive. In November 1999, within the framework of ASEAN Plus Three, a trilateral discussion and dialogue mechanism commenced. Subsequently the leaders of the three countries signed official documents including: "The Joint Declaration on the Promotion of Tripartite Cooperation among the People's Republic of China, Japan and the Republic of Korea" (October 2003); "The Action Strategy on Trilateral Cooperation among the People's Republic of China, Japan and the Republic of Korea" (November 2004); the "Japan-China-ROK Trilateral Summit Joint Statement for Tripartite Partnership" (December 2008); and the "Japan-China-ROK Trilateral Summit Trilateral Cooperation Vision 2020" (May 2010). They clarified the vision for cooperation and action strategy

in the areas of: politics, economics, society, culture, the environment, science and technology, maritime search and rescue, and terrorism countermeasures. Other than that, a framework of 15 ministerial-level meetings has been set up, and the Japan-China-ROK Trilateral Foreign Ministers' Meeting was established.

The first Japan-China-ROK Trilateral Summit was held in Fukuoka in December 2008, and trilateral cooperative relations proceeded another step. That is, it means that Japan, China, and the ROK are able to construct harmonious cooperative relations other than in the ASEAN Plus Three framework. The Trilateral Summit plays a key role in trilateral cooperation, where they deliberate on matters of common concern at a regular summit meeting, and along with recognizing the results to date, discuss future areas and frameworks for cooperation.

Third, subregional cooperation in Northeast Asia, and above all the Tumen River Area Development Programme (TRADP), has demonstrably made progress. At the sixth meeting of the Tumen River Programme Management Committee (PMC) held in December 1995, the three countries of China, the DPRK and Russia signed the "Agreement on the Establishment of the Coordination Committee for the Tumen River Area Development", and the five countries of China, Russia, the DPRK, Mongolia and the ROK signed the "Agreement on the Establishment of the Consultative Commission for the Development of the Tumen River Economic Development Area and Northeast Asia" and the "Memorandum of Understanding on Environmental Principles Governing the Tumen River Economic Development Area and Northeast Asia". This signifies that TRADP made the transition from the "project research and initial development stage" to the "actual development stage". Additionally, at the 8th Consultative Commission Meeting held in Changchun in September 2005, the name TRADP was changed to the "Greater Tumen Initiative" (GTI) and its target area was also enlarged. The international cooperative development of the Tumen River Area thereby made another step forward.

As a key measure to strengthen Northeast Asian regional cooperation, in August 2009 the Chinese government approved the "Cooperation and Development Planning Outline of the Tumen River Area of China: Setting Changjitu [Changchun-Jilin-Tumen] as the Development and Opening-up Pilot Area" as a national-level project. Besides this, in bilateral cooperative relations, with the leaders of both China and Russia having signed the "Program of Cooperation between the Northeastern Region of the People's Republic of China and the Far Eastern and Eastern Siberian Regions of the Russian Federation (2009-2018)" in September 2009, a key legal basis and guidelines were provided to promote cooperation in the China-Russia border regions.

## 2. The Key Roles of the Economic Research Institute for Northeast Asia

Amid the developing Northeast Asian regional economic cooperation, the affiliated research institutes and universities in the region, at the same time as actively undertaking research into Northeast Asian regional economic cooperation, have been providing concrete action plans, and have been contributing greatly to the deepening of economic interchange, the development of the regional economy, and the expansion of cooperation. And within that the Economic Research Institute for Northeast Asia (ERINA) located in Niigata City, Japan, has borne an important role. Since it was established in October 1993, ERINA has grown as the most influential Northeast Asian research institute in Japan. Its key roles can be summarized as the following four points.

### 1) The Role of a Center for Gathering and Disseminating Information on Northeast Asia

In order to further comprehend the actual situation of economic growth within the Northeast Asian region ERINA has been actively undertaking the gathering of relevant information and the construction of databases. At the same time, it publishes the relevant information and data as a common resource on the institute's website, and in its e-mail magazine, etc., disseminating information externally for free. Furthermore, for the e-mail magazine *Northeast Asia Watch* which ERINA publishes, the updating of information in the Northeast Asian region is the fastest, and it has become an electronic publication with wide-ranging genres of information.

### 2) The Role of Northeast Asian Economic Think Tank

ERINA's areas of research are organized into research teams for China, Russia and Mongolia, and the Korean Peninsula, etc., and tackling research topics such as Northeast Asian regional trade, transportation and distribution, energy, environment, food security, and economic situation by country, to date a great deal of research outcomes have been amassed. In addition, the *ERINA Report*, published by ERINA, contains a great number of Northeast Asian region research papers and has become an important specialist journal for Japanese administrative authorities, research institutions, and private-sector firms. Moreover in the relevant nations of Northeast Asia it is highly regarded as a content-rich research journal.

### 3) The Role of Platform for Private-Sector Economic Interchange and Promotion of Regional Vitalization

Since ERINA was established, it has consistently been actively promoting economic interchange between Japan and the countries of Northeast Asia. It has been playing a key role in economic interchange between Japan and concerned parties in Northeast Asia by a variety of routes, including the holding of the International Students' Job Fair and international business fairs (or support thereof), the hosting of overseas research groups, and the provision of Northeast Asian business information via the *ERINA Business News* economic information booklet.

### 4) The Role of Platform for International Exchange and

### Dialogue

Ever since it was established ERINA has been working hard at the promotion of international exchange and dialogue in the Northeast Asian region, and has achieved a great number of successful outcomes. Over the last ten-plus years it has staged the Northeast Asia International Conference for Economic Development (NICE) every year, invited researchers and representatives of administrative authorities and private-sector firms from the countries of Northeast Asia, and has undertaken discussions on economic development cooperation plans. In addition, it has provided opportunities for international business exchange in Northeast Asia, including the dispatch and hosting of business missions overseas, and supporting the staging of international trade talks. Moreover, in terms of relationships with overseas universities and research institutes, the reciprocal dispatch of visiting researchers and promotion activities for international academic exchange, etc., have been actively carried out. Through various initiatives by ERINA an important platform for international exchanges has been provided to researchers in Northeast Asia.

## 3. Future Prospects for Northeast Asian Regional Economic Cooperation and Expectations for ERINA

Naturally we have to acknowledge that Northeast Asian regional economic cooperation viewed overall has not yet made fundamental progress, and cooperation in many areas is still stuck at the initial stage. For the future prospects for Northeast Asian regional economic cooperation with eyes fixed on the future, we can't necessarily consider that it will proceed smoothly. Factors holding back the development of this region's economic cooperation have already been in existence for a long time. Looked at from the political and security perspective, even though the Cold War structure came to an end, it doesn't mean that its influence has completely dissipated. It is necessary that relationships of trust in politics and security between the countries concerned continue to deepen further. Looked at from the economic perspective, Northeast Asia is a region whose economic disparities and diversity are pronounced. The six countries within the region have fundamentally different components in each of their social systems, economic structures, and stages of development. This fact has brought great difficulties for seeking economic cooperation formulae and promotion measures. Moreover, the problems of disputes over territory and territorial waters still remain between the nations within the region, and present a great challenge to the building of relationships of trust, mutual understanding and the deepening of cooperation.

Worthy of particular attention is that we must not be pessimistic about these difficulties. We must at all costs believe that the future for Northeast Asian regional economic cooperation will be bright. Looked at from the structure of global economic development Northeast Asia is one of the regions which has large potential for growth, with the most vitality. Northeast Asia occupies four spots among the world's top twenty countries in terms of economic scale, and China and Russia are included among the members of BRICs. Looked at from the level of

economic cooperation, relationships of mutual economic dependence and production networks are being formed among the countries of Northeast Asia, and the strengthening of economic cooperation will lead to the countries' joint gain. Looked at from the international situation, "peace" and "development" are common wishes within the region. To that end, a wholly stable international environment is necessary.

Viewing Northeast Asian regional economic cooperation, which has a rocky road ahead while being full of promise, it is necessary that the politicians of the nations concerned demonstrate high political strength and strategic skill, actively seek out effective forms of regional economic cooperation and routes forward and continue deepening them. Moreover, the relevant Northeast Asian research institutions and specialists, renewing their knowledge and deepening Northeast Asian research further, must actively promote international exchange and cooperative structures in every sector. Based on the outcomes it has built up to date, the following three additional actions are hoped for from ERINA.

First, deepening further the functions of think tank, it is hoped that it continues providing an effective policy base to the Japanese government and local governments, etc. Currently, the Japanese government's degree of emphasis on and involvement in Northeast Asian regional economic cooperation, above all the international cooperative development of the Tumen River Area, is not very high. In the future, it is necessary that ERINA, employing high-level research outcomes, continues to influence the authorities' determination of policy. Additionally it is hoped that the importance of Northeast Asian regional economic cooperation is acknowledged in all fields in Japan also.

Second, deepening further the functions as a platform for Northeast Asian regional international exchange, it is hoped that it continues strengthening exchange and cooperative frameworks with universities and research

institutions, etc., within the region. In the Northeast Asian region there exist universities, research institutions and the like which are influential in the research of Northeast Asian issues. For example, the Northeast Asian Studies Academy of Jilin University, to which the author belongs, has been designated a Ministry of Education of the People's Republic of China priority research base for the humanities and social sciences, boasting the largest size in China and being a research institute for Northeast Asian issues complete with the most research areas. In the future, with ERINA and the Northeast Asian Studies Academy of Jilin University strengthening their cooperative relationship further, it is hoped that they continue aiming to raise the level of their research together, via such things as research exchange and joint research, and joint hosting of international forums.

Third, deepening further the functions as a platform for private-sector economic exchange and interregional promotion of cooperation, it is hoped that it continues strengthening support for the economic exchange of Northeast Asian countries. Compared with other research institutes concerned with Northeast Asian issues, ERINA's distinguishing feature is not just theoretical research alone, but also its simultaneous emphasizing of investigative research and economic exchange. Within ERINA, the Business Support Division [economic exchange division in Japanese], which specializes in the promotion of economic exchange, was set up, and it has many researchers on its team who have rich experience of the management of administrative authorities and businesses. Accordingly, it is extremely good at presenting research outcomes appropriate to the actual situation in administrative authorities and businesses, and is also useful in effectively promoting private-sector economic exchange and interregional economic cooperation. I hope that it continues to attain further results in this area.

[Translated by ERINA]