NEW EVOLUTION OF RESEARCH ON A GRAND DESIGN FOR NORTHEAST ASIA

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ABSTRACT

To achieve the sustainable development of Northeast Asia as a whole, and to realize the economic, social and political integration of the region, it will be essential to deepen relations of social and economic complementarity and to increase opportunities for regional exchange. The achievement of these goals requires the thorough and efficient establishment of strategic multinational infrastructure in a number of fields, including transportation, energy and industry. Taking recent trends in economic development in the region into consideration, the major strategic issue at present is the establishment of selected cluster areas as focal points for energy and environment policy and the establishment of transportation, distribution and telecommunications systems. These cluster areas will become key areas of economic development. It is essential that we achieve a consensus concerning a future vision for Northeast Asia among those involved in multilateral coordination of the development plans of each nation. To this end, NIRA has proposed the establishment of a network among research institutes from the Northeast Asian nations to facilitate the exchange of information and opinion. This would take the form of a loose consortium for research on A Grand Design for Northeast Asia.

KEYWORDS

Grand design, integration, focal points, cluster areas, sustainable development, infrastructure

MAIN TEXT

1. Recent Trends in NIRA Research on A Grand Design for Northeast Asia

To achieve the sustainable development of Northeast Asia as a whole, and to realize the

economic, social and political integration of the region, it will be essential to deepen relations of social and economic complementarity and to increase opportunities for regional exchange. The achievement of these goals requires the thorough and efficient establishment of strategic multinational infrastructure in a number of fields, including transportation, energy and industry. Given this, NIRA has endeavored to formulate a comprehensive plan for the effective establishment of such multinational infrastructure, which we refer to as the "Grand Design for the Development of the Northeast Asian Region." The interim results of this project, a basic framework employing the fundamental principles of "physical integration" and "cluster networking," were presented at the Northeast Asia Economic Conference / Northeast Asia Economic Forum held in February in Niigata. NIRA's Grand Design does not necessarily seek to prioritize the advancement of a political agenda; its underlying concept is the fostering of multilateral cooperative relationships in Northeast Asia through the provision of international public goods essential to the region, commencing in those fields in which the prospect for realizing these public goods is highest. It adopts a functional approach and an architecture vision in attempting to forge multilateral relationships in the region. In addition, the process of formulating a Grand Design will in itself play the role of a practical roadmap towards the establishment of a Northeast Asian Organization for Economic Cooperation and Development, and further, the formation of a Northeast Asian Community.

1. Outline of A Grand Design for NEA

Purpose and Role of the Grand Design

- Holistic Development Plan for Northeast Asia
- Roadmap toward a Northeast Asian Community
- Guidepost for Effective Investment in Northeast Asia
- Promotion of Regional Consensus in Northeast Asia

Basic Guidelines for Formulation of Development Vision

- Integration of Infrastructure (Physical Integration)
- Networking of Strategic Clustered Areas and Sub-regional Cores

Fig.1: Basic Framework of NIRA's Grand Design for NEA

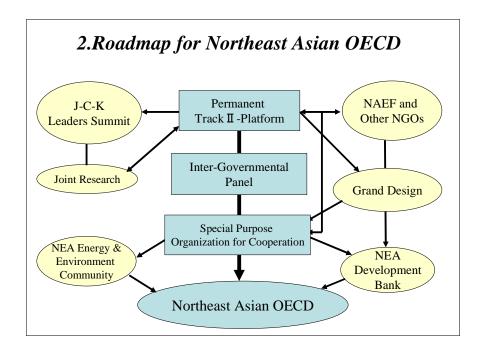


Fig.2: Roadmap for Establishment of Northeast Asian OECD

Following the Niigata Conference, we conducted field studies in China's three northeastern Provinces and had opportunities to exchange opinions with a large number of regional specialists involved in research activities based on similar perspectives to that being advanced by NIRA. These studies and exchanges have provided important hints with regard to project specifics. On this basis, we are presently examining the projects to be conducted in the various fields which make up A Grand Design and making preparations for the establishment of a common platform with multilateral involvement for research related to such a Design.

2. Present Issues Related to Strategic Development Projects

The completed Grand Design will ultimately provide guidelines for the establishment in all fields of the hard and soft infrastructures which are seen as essential to the sustainable development of Northeast Asia. However, taking recent trends in economic development in the region into consideration, the major strategic issue at present is the establishment of transportation, logistics and telecommunications systems and the establishment of selected cluster areas as focal points for future economic developments. These cluster areas will become key areas of economic development. It will be desirable for specialist

research institutes in nations in the region to implement joint research activities in order to clarify mid- to long-term visions for the fields I have mentioned and specify measures to enable responses to immediate issues.

(1) Issues related to energy and environment policies

Although the Northeast Asian economy is developing rapidly at present, it will be essential in the future to ensure a balance between energy demand and supply and achieve increased mid- to long-term energy security. Given this, a vision must be delineated for Northeast Asia's energy with a special emphasis on the construction of systems enabling the problem-free exploitation and distribution of Russia's crude oil and natural gas resources, in addition to the establishment of an oil stockpile system to stabilize energy supply. Such a vision must be one which all the nations of the region can agree on and must contain as an integral part environmental measures, such as the employment of the Clean Development Mechanism, which are essential to global environmental conservation.

One particularly hot issue at present is the construction of a natural gas pipeline running through the Korean Peninsula. The peninsula is the core of the basic area of Northeast Asia and, with the situation in North Korea, is also a key area in international security terms.

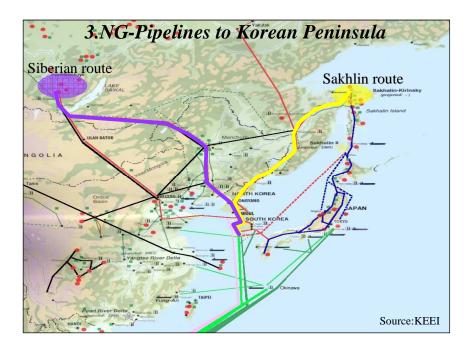


Fig.3: Pipeline Routes for Introduction of Natural Gas from Russia

(2) Issues related to transportation, logistics and telecommunications

The improvement and construction of transportation, logistics and telecommunication systems are urgent tasks that are essential to the vitalization of economic and social exchange in the Northeast Asian region, and it is in these fields that a close cooperative relationship between Japan, China and South Korea is most necessary. With reference to transportation and logistics, we must engage in further discussion and research to enable realization of plans for constructing an Asian Highway and A Siberia land bridge and A China land bridge, given the enormous economic benefits these infrastructures will bring to the entire Northeast Asian region. In addition, feasibility studies are necessary for plans to construct rapid railway networks, including super express networks, with a focus on Northeast China and the Korean Peninsula, the realization of which will contribute to the vitalization of the basic area of the region. In particular, the construction of an Asian Highway, in which Japan announced its intention to participate at the recent meeting of ESCAP, the Economic and Social Commission for Asia and the Pacific, held in Shanghai, and the potential construction of a rapid railway system connecting Tokyo, Seoul and Beijing, will necessitate reexamination, from a variety of perspectives, of plans to construct high-speed transportation systems connecting the Korean Peninsula and the Japanese archipelago, including an undersea tunnel. If the "Northeast Asian Big Loop Plan," a plan previously proposed by NIRA for a key railway network connecting the central parts of Northeast Asia's basic area, is implemented in combination with the Asian Highway Plan and the plan to construct a new rapid railway network, the concept of the BESETO Corridor linking Japan, South and North Korea, and Northeastern China, as advanced by KRIHS, the Korea Research Institute for Human Settlements , will move closer to realization. Furthermore, in parallel to the construction of transportation and distribution infrastructures, which may be referred to "analog networks," we must proceed with the establishment of "digital networks" utilizing information and communication technology (ICT) and space technologies.

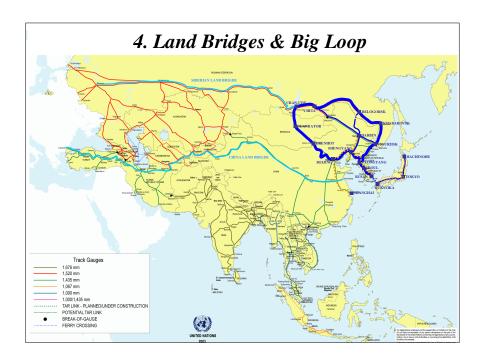


Fig.4: 2-Land-Bridges and Big Loop (Railroad Circulation)

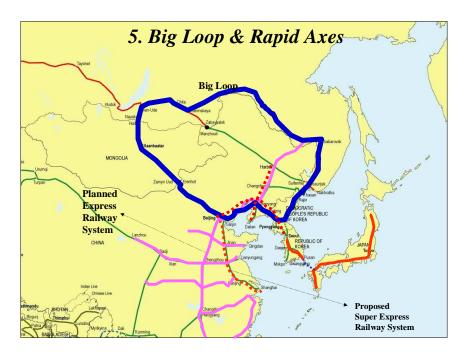


Fig.5: Big Loop and Rapid Axes (Super Express Railways)

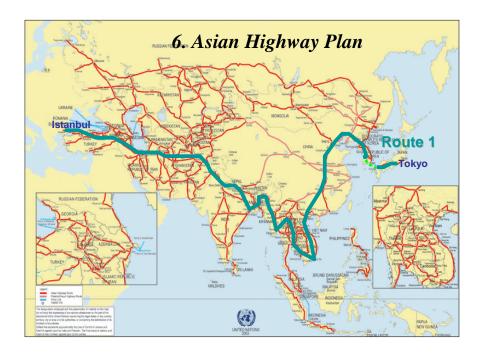


Fig.6: Asian Highway Plan

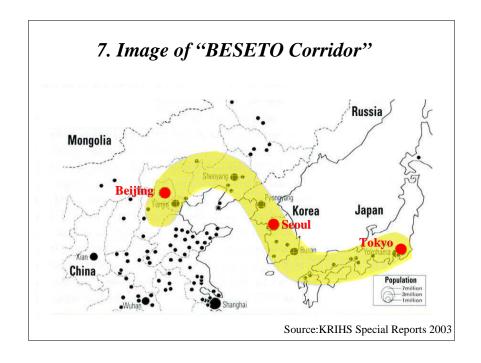


Fig.7: Image of BESETO Corridor

(3) Issues related to strategic development clusters

In the basic area of Northeast Asia, various special administrative districts, such as Tumangang, Rajin, Chongjin, Dangong, and Sinuiju in Northern Korean Penisula, have been established at important transportation points near the national borders of China, North and South Korea and Russia in order to propel economic development. These areas are expected to become the future development clusters of Northeast Asia or to function as "reserve units." However, with the progress of development projects conducted in fields such as energy, transportation and logistics, and telecommunications, it is possible that a number of other key cities and areas, in addition to important transportation and logistics, may emerge as candidates for the status of strategic development clusters, or key areas. A Grand Design for Northeast Asia will evaluate existing key areas and newly emerging key areas through comprehensive analysis of regional trends and the relevance of these areas in terms of energy, transportation and logistics. Based on these evaluations, the strategic key areas, the areas with a strong capacity for development, will be selected and possibilities for networking between these areas themselves and between these areas and regional core cities.

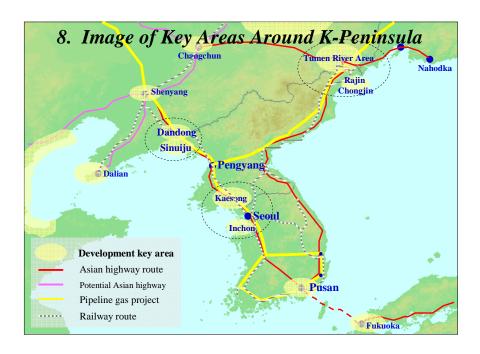


Fig.8: Image of Key Areas Around Korean Peninsula

3. The Establishment of a Common Platform for Formulating A Grand Design for Northeast Asia

A Grand Design for Northeast Asia is a multilateral and comprehensive vision for development that must be examined and agreed upon by representatives of the governments, research institutes and universities of the nations of the region on the basis of a common platform. Therefore, a database to be shared by the nations of the region must be established and opinions must be exchanged to foster a shared regional consciousness. In addition, specialists from each nation of the region should engage in joint efforts to coordinate the comprehensive development plans adopted by the respective nations. It is essential that we achieve a consensus concerning a future vision for Northeast Asia among those involved in multilateral coordination of the development plans of each nation as having trans-border effects.

To this end, NIRA has proposed the establishment of a network among research institutes from China, South Korea and other Northeast Asian nations to facilitate the exchange of information and opinion. This would take the form of a loose consortium for research on A Grand Design for Northeast Asia. We have already asked several research institutes to participate in such a project.

It is my hope that this 13th Northeast Asia Economic Forum, given the broader range of research institutes and researchers participating, will serve as an opportunity for establishing the common platform necessary for promoting multilateral research on a Grand Design. I hope also that the conclusions of the discussions we hold here in Seoul will be presented to a wide variety of concerned parties, in particular government agencies. NIRA is ready to exert its fullest effort to achieve these objectives.

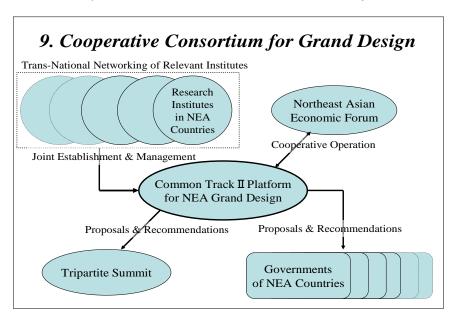


Fig.9: Formation of a Common Platform for the Grand Design