

Towards a New Asia of Trust and Harmony

신뢰와 화합의 새로운 아시아를 향하여







The Jeju Forum for Peace and Prosperity discusses how multilateral cooperation in the region can promote mutual peace and prosperity on the Korean Peninsula and in East Asia. After being launched in 2001 as the Jeju peace Forum, it was renamed the Jeju Forum for Peace and Prosperity in its sixth session in 2011. Since then, the Forum has been held each May. The objective of the event is to contribute to world peace and international cooperation by continuing to create an opportunity for discussing regional peace and cooperation. www.jejuforum.or.kr



The Jeju Peace Institute (JPI) is a nonprofit think tank established with funding from the Ministry of Foreign Affairs and Jeju Special Self-Governing Province. The institute's mission is to promote peace and facilitate cooperation on the Korean Peninsula and across East Asia through creative research, education programs and a broad range of exchange activities. JPI's ultimate vision is to contribute to peace and common prosperity throughout the world. In line with this mission, it conducts policy research on peace and cooperation on the peninsula and in East Asia; theoretical research (the Jeju Process) for multilateral cooperation, peace and security; and projects to encourage the growth of the research and academic network in Korea and overseas. www.jpi.or.kr



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Jeju Forum Secretariat Jeju Peace Institute

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JEJU FORUM 2015

2015. 5. 20^{WED} - 22^{FRI}

Haevichi Hotel & Resort Jeju

Hosts Jeju Special Self-Governing Province, International Peace Foundation, East Asia Foundation, JoongAng Ilbo Organizer Jeju Peace Institute

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> 신뢰와 화합의 운 새 로 아시아를 향하여



[Opening Remarks]

Jeju as Home for 'Healing Peace'

Won Heeryong Chairman, Organizing Committee of the Jeju Forum Governor of Jeju Special Self-Governing Province

I would like to express my heartfelt welcome to our most distinguished guests including their excellencies former President of Indonesia Susilo Bambang Yudhoyono, former Chancellor of Germany Gerhard Schröder, former Prime Minister of Japan Yasuo Fukuda, former Prime Minister of Australia John Howard, former Prime Minister of Canada Joe Clark, and President of the Chinese People's Association for Friendship with Foreign Countries Li Xiaolin.

My gratitude also goes to all other distinguished guests who have generously volunteered to share their knowledge in this forum.

The Jeju Forum began here in Jeju in 2001 to discuss peace and cooperation in East Asia. For the past fourteen years, its scope has expanded to encompass the economy, culture, tourism, gender issues, environment and energy.

It has undoubtedly put itself on the map as one of the most successful public diplomacy forum in the Republic of Korea. To celebrate its 10th event, this year's Jeju Forum is held under the over-arching theme, "Towards a new Asia of trust and harmony."

Our discussions are held against a backdrop of tensions and grievances that if left unchecked can have negative consequences for the prosperity of our region. As we know from our recent past, for a new Asia to emerge, we need peaceful dialogue within the Korean peninsula, as well as with China, Japan and all of Southeast Asia together.

Ladies and Gentlemen!

On the occasion of the 10th Jeju Forum, I would like to propose a new concept of peace based on the vision of a prosperous new Asia. Jeju is the embodiment of such vision given the remarkable transformation it achieved from its painful past of confrontation and mistrust towards reconciliation and peaceful co-existence, which holds lessons for the present and the wider international community.

The first is the idea of 'Healing Peace' emanating from Jeju's soothing nature. Mother Nature on Jeju is an effervescent life-giving spirit that even transcends humanism. The healing power of Jeju's nature has weaved a nest of ecological peace. The



The new extended concept of peace based in Jeju can be divided into three aspects.



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Jeju people themselves embody peace by embracing nature's gifts organically and thus rejecting any attempts to exploit it.

The second is none other than 'Peace through Tolerance,' cultivated and nourished by Jeju's openness and diversity. Jeju Island evolved into a place where differences and harmonious coexistence prevails. This provides a setting that enables people from different walks of life to express their creativity and communicate the message of healing and sharing.

The third is the idea of 'Peace in Energy.' Jeju's idyllic location can be turned into a model of sustainable production and use of renewable energy.

Jeju Island is the new dynamo charged with wind and solar energy that will never dry out. This new energy will light our cities, move our electric cars, reduce waste and create a carbon-free island allowing Jeju to be a peaceful island of soft energy.

We need to go beyond a negative and unstable peace that is characterized by the absence of war. We should open a new horizon of peace in which healing, tolerance, and soft energy flourish. The historic opening of this new peaceful world will begin right here in Jeju.

Jeju, the Island of World Peace, is small, but will be a powerful transmitting point of peaceful message to the rest of the world, charged with the power of healing, tolerance, and soft energy. The island will thus become a major player on the world stage for fostering peace by serving as a gathering hub of world leaders, intellectuals, and opinion-makers.

[Congratulatory Video Message]

Asia Leading the World to Better Future

Ban Ki-moon UN Secretary-General

Honorable Won Heeryong, Governor of Jeju Special Self-Governing Province, Ambassador Moon Tae-young, President of Jeju Peace Institute, Excellencies, members of the diplomatic corps, distinguished participants, ladies and gentlemen,

I am delighted to send greetings to this important Jeju Forum for Peace and Prosperity. Congratulations on your 10th anniversary! I regret that I am not able to be with you in person this time owing to unavoidable circumstances. Ladies and gentlemen,

I welcome this year's focus on "a New Asia of Trust and Harmony." The United Nations is now dealing with many urgent crises. We are doing everything possible to put out fires. At the same time, we are forging a new set of sustainable development goals and aiming for a new universal agreement on climate change all in 2015. This is a time of grave threats but also enormous opportunities.

Many Asian countries have stressed education for phenomenal economic growth.

Some say the 21st century will be the era of Asia and the Pacific. Northeast Asian countries are the key to promoting cooperation across the region.

That is why I have called for greater dialogue especially among the Republic of Korea, Japan and China. Lasting security will lead to even greater development with boldness and creativity with a trust and harmony. Asia can continue to lead the world to a new and better future.

Thank you for your commitment and support!









[Congratulatory Remarks]

Bringing Asia Together in Mutual Cooperation

Gerhard Schröder Former Chancellor of Germany

Thank you very much for your invitation. It is not just a pleasure but also an honor for me to participate in the 10th Jeju Forum. As you know, this conference takes place during a difficult political and economic period. We have witnessed ever-faster, ever more dramatic changes in our world.

The current crises show that we have to reroute our course; it's time for us to have sustainable future. We must all work together to master the current global challenges. The key mission of the Jeju Forum is to promote peace and common prosperity in East Asia through multilateral cooperation. The tests we are facing require a strong and effective multilateral system.

I am absolutely certain that intense regional cooperation between neighboring states is an important precondition for peace, development and prosperity. I say this as a committed European because it is a lesson we have learned on our continent. The process of European integration, the common market and the joined currency helped us to overcome nationalism. Europe made up of a community of peaceful states was our people's answer to centuries of war and destruction.

The European experience of cooperation and integration is not necessarily an ideal formula for other regions around the world. But it clearly illustrates the importance of regional cooperation towards achieving peace and development. There is an increasing degree of regional integration in Asia too. I am convinced that these steps towards deeper regional cooperation can lay a solid foundation for peace and development in Asia towards a new Asia of trust and harmony.

Let me take this opportunity to underline that the Republic of Korea and Germany are strong political and economic partners. Korea is one of Germany's most important trading partners in Asia. And vice versa, Germany remains Korea's principle trading partner in Europe. In 2010, European Union and Korea decided to upgrade their relations to a Strategic Partnership. Today we are bound by common values such as human rights, the role of law, liberal democracy and free market economy.

In the years following the Second World War, Germany and Korea both have bitter experience of seeing the nation divided. Our countries can look back on great eco-



nomic achievements in the last sixty years. But like our achievements we also share similar challenges in the 21st century: our aging and shrinking populations incorporating new powers in the existing architecture of old governance as well as prevention of climate changes. As partners, Germany and Korea can cooperate closely on these issues. Consequently, we have to focus on continuously enhancing our relation in politics, economy and culture.

Ladies and gentlemen, if conference like the 10th Jeju Forum can bring Asia closer together in mutual cooperation, it will contribute to mastering the challenges facing us. We need to come to an understanding on the reduction of greenhouse gases and the slowdown of climate change. We must extract the greatest possible benefit for all from the global integration of the world economy. We need greater investment in the future; more investment in childcare, schools, universities, researches, and innovation. We must prevent the further proliferation of weapons of mass destruction and we must promote understanding between different cultures. We want the world that democracy and human rights prevail everywhere.

The Republic of Korea and Germany have special responsibilities. Our response to these challenges will determine the direction which globalized world will take politically and economically. We should promote deeper regional cooperation to lay a foundation for peace, trust and harmony in Asia. I wish all participants in the 10th Jeju Forum a very fruitful conference and successful exchange of knowledge, experience and ideas.

Thank you very much for your attention.



[Keynote Speech]



Green Growth and Sustainable Development

Susilo Bambang Yudhoyono Former President of Indonesia

I am very pleased to return to Jeju to be part of this important Jeju Forum. I especially appreciate reading the themes that permeate throughout the conference: peace, prosperity, diversity and sustainability. Just so you know, I used all these slogans during my Presidential campaign. And now I continue to promote these same themes in my new capacity as Chair of Council of the Global Green Growth Institute (GGGI) an initiative of the Korean Government which has become an international champion of green growth.

During our welcoming dinner yesterday, Foreign Minister Yun Byung-se gave a lucid analysis of the various state of play in the complex geopolitical environment in Northeast Asia. I appre-ciate the important initiatives that South Korea has undertaken, including the recent hosting the long-delayed trilateral summit between China Japan and South Korea.

There is possibility that this geopolitical downturn will complicate the already tricky flash points in our region. Hence, it is very important for us to maintain strategic stability; if permanent resolution to the disputes still cannot be found, then we need to press on with self-restraint and de-escalation, and try to manage the conflict by preventing the situation from getting worse. This is true in the case of the growing tension between the North and the South in the Korean Peninsula. This is also true for the disputes in the South China Sea.

All of us in this room are keen to build a strong future for Asia. But Asia's amazing future will be harmed so long as there is a mismatch between its geopolitics and geoeconomics. In our region, geopolitics and regional security are issues that often divide us. As such, we still do not have a comprehensive region-wide security architecture binding all the countries in this region.

Geoeconomics, on the other hand, tend to bring countries together, through interdependence and connectedness. Geoeconomics bring more trade, investment, infrastructure, tourism, exchanges and others. We need to make sure that the economic cooperation can help soften the rough geopolitical edges. There are some good examples where the economic imperative has helped to reduce the appetite for confrontation. We can see this in the case for the U.S.-China relations, and in Japan-China relations.

The key theme of this year's Jeju Forum is peace and prosperity. As Chair of the GGGI, I must also say that the future of Asia also entails "green growth" and "sustainable development". Indeed, I would say that without green growth and sustainable development, Asia has no future. 2015 promises to be an incredibly important year for the global community. The GGGI will offer our utmost support for the coming world conferences to shape global consensus—in Addis Ababa, New York, and in Paris in December this year.

In this Forum, we are back to asking the same question that prevailed during the Cold War and after: how do we overcome the trust deficit, and how do we build or rebuild confidence? Certainly not an easy question. I do not pretend to have the answer for Northeast Asia, but I would like to share some of my personal experiences in Indonesia, and also reflecting the example of Southeast Asia.

I must say that there is no magic wand. Trust and confidence evolve differently in different circumstances. They are things that have to be earned, and once you achieve them, they have to be preserved. There are too many cases, including in my own country, where communities that had lived peacefully for generations suddenly turned into sworn enemies. When that happens, it would take a long time—sometimes, generations—for the wounds to heal.

How do you promote trust in a society where there is none? I would begin with a forward-looking approach. This, I know, is not always easy, especially if the trauma from the past is unbearable. This is what Indonesia and Timor Leste faced after the painful separation in 1999. Both sides had little interest in one another. But after sometime, the leadership in Jakarta and Dili decided that we had no choice but to move on with a forward-looking attitude. We renewed our relationship, promoted reconciliation and pushed hard for bilateral cooperation. Today, Indonesia and Timor Leste are as close and harmonious as any neighbors can be.

Another way to build trust is by way of a win-win approach. I know that sometimes it can be difficult to do away with a zero-sum game. Long-standing mistrust and stereotypes have the tendency to create barriers that contain progressive thinking. But it is quite remarkable what can be achieved by changing the approach to peace. This is what we did with the conflict in the Indonesian province of Aceh, which had been beset by separatist armed rebellion by the GAM for 30 years—and peace was nowhere in sight.

In 2005, a few months into my Presidency in the first term, and not long after the tsunami tragedy, I decided to pursue a new approach: an attempt at win-win peaceful negotiations. After much difficulties, we began negotiations with the GAM leadership, we engaged them in a tough but serious give-and-take compromise, and in the end we secured permanent political settlement through special autonomy. The GAM rebels were disarmed, separatism ended, the conflict stopped, and Indonesia remains united. What's more, the guns are silent and former combatants have become peaceful brothers and sisters in a democratic environment. In short, a case of a good win-win approach where everybody wins, and no one loses.

Which leads to this important point: no trust can develop without leadership. Reaching out in difficult relationship is often a politically risky business. It requires courage. It is an essentially political decision, one which necessitates political will. I am glad that my good friend John Howard is sitting here on this panel. Together, we changed





our countries' relationship which benefitted our peoples, and made the region more stable.

When I assumed the Presidency in 2004, due to a number of reasons, the bilateral relationship between Indonesia and Australia was not in an ideal place. I knew this was not healthy for both sides and I immediately established diplomatic relations with Canberra as a foreign policy priority. I was fortunate to find a strong partner in then-Prime Minister John Howard. Before long, we had established a historic Comprehensive Partnership, and signed a bold security cooperation known as the Lombok Treaty. Indeed, Indonesia and Australia later worked together on many regional issues: regional architecture, terrorism, G20, and many more. Once you have that trust, more opportunities would come knocking and the relationship that you invest in would take you a long way.

So, these are my quick three on how we in Indonesia promoted trust internally and externally. Forward-looking mindset. Creative win-win approach. Leadership. Many of the problems around us would benefit from any or a combination of these three elements.

Yet, where trust and harmony is not readily forthcoming, I believe it is important to encourage the present and next generation to keep an open mind. I say this because there is always a risk of the young generation becoming closed-minded and resistant to change.

We must therefore continue to inculcate the culture of peace among the youth of today, because it will be in THEIR minds that the ingredients of mistrust will be gradually chipped away.

And the sooner, the better. Thank you.

[Keynote Speech]

Understanding Korea's 'Trustpolitik'

Yasuo Fukuda Former Prime Minister of Japan

A 'Smaller' World and Global Culture: A Clash of Cultures

I would like to start by emphasizing that our 21st century world is characterized by a globalization process that is driven by the evolution of information technology and is intensifying over time. Among many other things, this process has rapidly expedited the flow of information, material goods, human travel and relationships—bringing everything closer together and making the world, in a sense, smaller than it has ever been.

It is difficult to say, however, if this so-called smaller world is more peaceful and stabilized than the world in the 19th and 20th centuries. Repeated incidents of international terrorism and the spread of political and religious fundamentalism are worsening tensions in the global community. Conflicts between nations and regional disputes continue to persist. At the close of the 20th century, as the Cold War ended, the value systems of the world's religions, nationalities and societies that had been smothered by the dichotomy of the Eastern and Western blocs began to gradually but vehemently insist on their own raison d'être.

In light of these shifts, such reasons for existence, I would argue, are becoming increasingly entangled in today's shrinking world, triggering more friction and conflict. While such friction may be beneficial for social and cultural diversity, it is becoming a serious disrupter of order and stability in the international community.

We continue to claim that values such as freedom and democracy, rule of law and respect for basic human rights are universal throughout the global community, but as individual perspectives within this community continue to diversify, it is difficult to maintain that such values are truly shared and respected on a universal level.

We need to go beyond our individual perspectives and construct a medium of intercultural conversation that surpasses anything seen in previous generations, one that's applicable to our smaller, more intimately connected world.

A New yet Age-Old Dilemma: Growth vs. Equality The 21st century's international community faces new but old challenges such as





growth, equality and the wealth gap. These are complex issues that will continue to pose a daunting task for years to come.

A certain level of economic growth is necessary for the stability and prosperity of a world network that is divided into individual nations. Calls for equality or demands to bridge income gaps that do not include growth strategies are attractive, but not necessarily realistic. On the other hand, from a long-term perspective, growth strategies that lack a cautious and thoughtful system of checks and balances can spawn instability in individual nations that causes ripples throughout the international community.

With all the recent focus placed purely on growth, do we not run the risk of overlooking the problems linked to income inequality?

When it comes to inequality, I believe that are three major types we face:

First, there is the gap between developed and developing countries. This is an ageold problem that is familiar to everyone.

The second type is a bit newer: the income gap that continues to widen within both developing and partially developed countries as they steadily progress in their economic development as a whole.

Such gaps can be seen amid the continual expansions displayed by China's massive economy, as well as within the astounding economic progress achieved by developing nations, such as those of Southeast Asia.

The third type of inequality is the expanding income gap exhibited by the very developed nations that originally led the globalization phenomenon.

The developed powers' middle classes, essential to any mature democracy and functional capitalist system, must absolutely constitute the majority. But in spite of this need, members of this class are becoming increasingly impoverished and weakened by swelling income inequality, which presents serious mid- to long-term problemssocially, economically and politically. The same problem is occurring in both Korea and Japan.

To counter problems of inequality, we need policies that do not focus solely on economic growth but that also seek wealth distribution through social welfare, public enterprises and taxation. We need to realize the urgency of these issues and work to address them now.

Global Issues Such as Energy and Environment

Lastly, as the world grows smaller in one way, the global population continues to grow, particularly in developing nations. This means we can no longer procrastinate on problems concerning energy, food and the environment-matters that affect all of humanity. Although the term Spaceship Earth is no longer in common usage, we still need to put serious thought into how we can utilize the finite natural resources of our God-given planet. Humans may be foolish animals who take too long to realize their mistakes, but the costs and effort required to reverse problems related to energy and the environment are far too astronomical.

The Age of Asian Polar: The Need for Global Initiatives Based in Asia

The three points I just shared with you may seem overly philosophical, but it is imperative that we stop focusing on our short-range problems as individual nations and start discussing global concerns as members of the international community so as to start developing long-term countermeasures.

It pains me to say this, but that the international community has shown a disappointing level of awareness and response to globally pressing problems such as the energy crisis and the destruction of our environment. This is especially resonant when considering the discussions that occurred in the 1970s and 1980s regarding the high-intensity growth seen worldwide, or the intercultural conversations and in-depth debate in 2000 that contributed to the U.N.'s Millennium Development Goals.

There are probably several reasons for our negligence, but historical circumstances make me suspect the indirect influence of the world's geopolitical and structural transformations of the past few decades. Though complex and multifaceted, this shift is deeply rooted in the U.S.-Soviet confrontation of the Cold War, the global domination of the United States after the Soviet collapse, and the rapid development of Brazil, Russia, India, China and South Africa, a group of emerging economies known as the BRICS. In other words, compared to the 20^{th} century, the early 21^{st} century is clearly no longer in a unipolar or bilateral polar state but in a multipolar one. I see a world that, rather than being controlled by a single or few superpowers, is a global community fueled by the collective leadership of several major powers and the cooperation of numerous middle powers.

At present, however, many nations are unaware of their place in such a community; they seem to either rely on superpowers to provide aid or counsel in times of need, or harbor vague expectations that these countries have an obligation to intervene and lead the way to a solution. As human thought processes generally tend to cling to old patterns, it is difficult to perceive changes in one's surroundings, acknowledge one's new role in such circumstances and adapt accordingly.

I am convinced that no one in the international community can deny the sharply rising economic and geopolitical importance of Asia in the 21st century. Considering the rising prominence of nations such as Japan, Korea, China, India and Australia, as well as the influence of organizations such as ASEAN, there is clearly a demand for new initiatives to tackle global issues.

What I am referring to is the need for Asian nations to stop looking to outside powers and instead begin to cooperate with one another to lead the world discussion on key issues—an Asian Polar, if you will. To accomplish this, I believe it is important to begin building the necessary momentum and initiative for Asian nations to act collaboratively on both regional and global issues.

Korea's Trustpolitik and Northeast Asia Peace and Cooperation Initiative

In light of this desire for mutual prosperity, I stress the need to build cooperative relations within the Asian community, a network founded on trust between nations and individuals. The possibility of a future in which such synergy is possible has compelled me to sympathize with President Park Geun-hye's current "Trustpolitik" policy. In particular, I believe the nations of Northeast Asia should collaborate through various channels of communication and cooperation to establish a relationship of trust, a Northeast Asian network that would contribute to peace and cooperative relations throughout the region. I hope for the active propagation of communal efforts through-

out Northeast Asia in the near future.

It is from such a perspective that I view President Park's Trust-building Process on the Korean Peninsula. May the initiative succeed in denuclearizing Korea and finally bringing peace and security to the Korean people.



Fifty Years of Korea-Japan Relations

On a final note, 2015 is a monumental year, marking the 50th anniversary of the reestablishment of Korea-Japan diplomatic relations. Since the two nations normalized relations in 1965, Korea and Japan have steadily strengthened their symbiotic relationship on various fronts, including the realms of politics, economics and international security. Korea-Japan exchange has also dramatically improved, with over 5 million people traveling between our two nations every year. Through 2015's celebration of 50 years of normalized Korea-Japan diplomacy, I hope we can continue expanding our countries' range of mutual understanding in a multitude of areas, and elevate friendly relations to a higher level, thus laying the groundwork for another prosperous 50 years.

I understand that President Park recently told a group of Japanese businesspersons on a courtesy visit that she supports the Korea-Japan summit. I firmly believe we need to continue working to allow future generations of both countries to be more effective in bringing our two nations together.



JEJU FORUM FOR PEACE & PROSPERITY 2015

[Keynote Speech]

Regional Conflicts Not to Be Unavoidable

John Howard Former Prime Minister of Australia

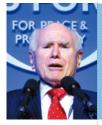
May I start by saying that it is a great pleasure to share this platform with you, and I am particularly honored and pleased to share the platform with my good friend Susilo Bambang Yudhoyono, former President of Indonesia. When Bambang was the president of Indonesia and I was the Prime Minister of Australia. We worked together very closely. We are two nations with vastly different ethnic, cultural and religious backgrounds, yet in so many areas we found common cause. And speaking for Australia I will not forget the wonderful cooperation that our country received from security forces of Indonesia in the fight against the terrorism and efforts made to capture those responsible for the murder of so many Australians and others in the Bali attack of October, 2002.

When I listened this morning to former Chancellor of Germany Gerhard Schröder speak of the reunification of his country in the wake of the collapse of the Berlin Wall and the fall of the Soviet Communism in the late 1980's and the early 1990's, I was reminded the two great transforming political events that have affected the geopolitics of the world.

Firstly it's been the collapse of Soviet communism and the end of Soviet empire, and also the end of any pretense that there was a genuine contest between the command economic model championed out of the philosophy of Marx and Engels and the practice over the decades with great increasing futility by the Soviet Union and her satellite countries largely, but not exclusively in Eastern Europe. That was the truly transforming event with multiple repercussions around the world.

The other great transforming event that has economic, social and political consequences has, of course, been the rise of the Asian region as the economic and development powerhouse of the world. There is little doubt that the economic future of the world does lie in this part of the globe.

My country Australia has been a companion along that journey as far back as 1957. A commerce agreement was signed between Australia and Japan just 12 years after the end of the Second World War. And an agreement that proved of an enormous significance in the 1960s as Australia discovered minerals and found ready customers in



Japan, which made an enormous contribution to the growth and development of Australian economy.

Although now in 2015 and for several years China has been Australia's biggest export destination, the beginning of the opening of Australia's trading relationship with Asia was established in our partnership with Japan.

Korea is a remarkable example of what happens with the benefits of globalization. When you look at the transformation of the economy of this remarkable country since 1950's—extraordinary growth and expansion of the middle class—one is reminded the huge benefits of globalization and of the spread of competitive capitalism.

Of course the major example of this economic transformation by depth of a size and growth has been China. The growth of China has been not only good for the people of china but it has been good for the world. We should unqualifiedly see the growth of China's economy and the growing contribution of China to the economics and politics of the world in a positive light.

In the last 20 years more people have been liberated from poverty, and the great bulk of people liberated from poverty has been in this part of the world, very particularly, china than at any other time recorded since the Industrial Revolution. So when one looks at the expansion of the Asian region has been one of the two great transforming events of world history since the end of World War II, we have to look at it in an overwhelmingly positive light.

I believe that for the foreseeable future, the most significant bilateral relationship for the whole region will be that relationship between China and the United States. The United States, in my view, will remain the most powerful economically-speaking and militarily-speaking nation in the world for the foreseeable future. That is a basic reality and it's also basic reality that the nation like China which has risen and grown their economy in such remarkable way will understandably seek to be more assertive in a political and military fashion. The history of the world in 19th century with the rise of Germany and the rise of the United States is the evidence of that.

If I make one point of any lasting significance in my remarks-that is to exalt people not to fall for this false notion that a conflict between China and the U.S. in this part of the world is inevitable. I don't believe it is, and even more importantly, I don't believe it is in the interest of any of us to accept the notion in some way that conflict is inevitable.

I think it's important for all of us to understand that continued presence of the United States in this part of the world is overwhelmingly desired by countries such as Japan, Korea, certainly by Australia and other nations of Southeast Asia. We must understand how important growing export market of China and understandable assertiveness of China in this part of the world is a natural consequence of China's economic growth.

My message here today as a former Minister of Australia is that last 30 years has been a remarkable chapter not only in the history of nations of Asia but in the history of the world and the extraordinary benefits that all of us had, derived from globalization and competitive capitalism. Let us maximize the benefit of that. Let understand the avoidance of conflict should be one of the goals that all of us seek in the years ahead.

May I finally thank the Governor of this beautiful province and more generally people of Korea for the wonderful hospitality that has been extended to all of us who are involved in this wonderful Jeju Forum for Peace and Prosperity. Thank you.

[Keynote Speech]

Middle Powers Better Suited for Mediator Role

Joe Clark Former Prime Minister of Canada

I am honoured to be back in the Republic of Korea and to participate in the Jeju Forum. I celebrate the forward-looking and inclusive approach which this Forum takes to improving the security and strength of Asia Pacific.

This is a troubled time, when much of the world is tempted to turn inward. Yet the Jeju spirit is to reach outward, and to encourage different countries, with different capacities, to face rising challenges—and to face them together—making the Asia-Pacific region as a whole much stronger than its considerable parts. I will pursue that theme of building our capacity to grow together.

The partnership between Canadians and Koreans reaches back into the 19th century, and has grown materially as times have changed. More than 25,000 Canadians served in the Korean War, and more than 500 died, re-enforcing a profound human bond between our peoples. More than 170,000 Koreans have chosen to live in Canada, and are among the most accomplished of our citizens, and a key part of a thriving cultural bridge across continents. Canada is proud to be an immigrant nation and, for decades, now, the largest proportion of our new citizens—more than 50% last year—comes from Asia-Pacific, with the result that Canada's population and perspective become more Asian every day.

A signal development in the Canada-Korea partnership is the new Free Trade Agreement between our countries which came into effect on January 1, this year. It is Canada's first free trade agreement across the Pacific—and it accompanies a new strategic partnership which is broader than trade, and will stimulate our growing cooperative on other common interests, including international development, modernized multilateral arrangements, and the innovation and technology to safely develop the Arctic.

A quarter century ago, multilateral and regional initiatives in Asia-Pacific were relatively rare, outside ASEAN. Today, trade and other agreements, and multilateral cooperation, have been catalysts of unparalleled economic growth and integration. Multilateralism and prosperity grew together. Security cooperative has been slower and, as international turbulence increases, we all must emphasise that vital dimension of our cooperative action, both among formal governments and on track two levels.





Let me reflect on one lesson which Canada and Korea learned by working together. In 1990 Canada initiated the North Pacific Cooperative Security Dialogue-a tracktwo process-to encourage a common approach to the tensions in North East Asia. I was Canada's Foreign Minister at the time, and recall, in particular, the leadership in that process of the late, and far-sighted, Dr. Kim Kyung Won. That modest but important initiative encouraged and allowed a frankness and discussion among parties in Northeast Asia who had rarely had the chance for broad dialogue.

What is noteworthy is that this dialogue was the sort of initiative which only middlepowers could take, because larger powers were imbedded in, and protective of, their own security arrangements. Indeed, it was an initiative which the relevant larger powers in the region did not encourage. But we went ahead.

Today, there is a natural and enormous role for counties which have the capacity to be dominant powers-specifically the United States of America and the People's Republic of China. There is absolutely no doubt that their inherent ambition and power, the interests they share, and the tensions between them, are of paramount importance. But other actors matter too, including the growing capacity of the growing number of significant "middle powers". Korea recognizes that exciting reality, including in the MIKTA consultation group it has initiated with Mexico, Indonesia, Turkey and Australia.

Middle powers matter more today than we once did, because the tensions between dominant powers can lead them to narrow their focus, and often, therefore, to limit their capacity to lead or stimulate change. Middle powers, by contrast, often have much more flexibility in opening new dialogues, reaching across existing boundaries, and encouraging the skeptical or the constrained to explore new options.

There is a long list of essential work in international relations for which middle powers are often better suited than stronger powers:

- Mediation in cases where stronger powers are mistrusted;
- Moderation on issues which might be unpopular or contentious in Washington or Beijing:
- Experimentation when new approaches are necessary;
- · Compromises which are often easier for smaller powers to initiate; and
- Simply being in the "middle" and not in the lead.

Often, in a superpower age, leadership had to come from the top. In this era, where several nation-states have significant power, and some non-state actors have increasing influence, there is a need for more leadership from beside. What is central is not who sits at the head of the table, but rather what the various members at that table can accomplish together.

That is unusually important in a period where the challenge is not to provide new pews for those who think alike, but to build opportunities, and alliances, where there is a chance to express, and to reconcile, the significant differences which mark modern times. In significant cases, that broader process can also take account of the rising power of forces that are not nation-states —such as non-governmental organizations, foundations like the Bill and Melinda Foundation, environmentalists, and sociallyresponsible corporations - all of which have acquired new prominence, influence and capacity in this modern era.



Being "in the middle" is familiar to both Korea and Canada. We are "middle powers" in both our capacity, and our geography. We each live beside a dominant power. At Canada's best, our foreign policy pursued simultaneously two priorities which might be seen as inconsistent. We maintained as close as possible a partnership with our proud and powerful neighbour, the USA, and we pursued as independent and innovative a role as possible in the wider world, with a particular emphasis on relations with countries which were not wealthy, and on encouraging multilateral cooperation. We, and other middle powers, were able to lead on issues like development, and peacekeeping, and the Commonwealth campaign against apartheid, and land-mines, and treaty-making, and others.

Each contemporary middle power has its specific interests and strengths. However, we also have a strong shared interest, and that is to make the multilateral system work, because that contributes to an international order based on agreement, not simply power, or force—and smaller powers, and middle powers, have a greater need for rules and order.

Advancing that shared interest is never easy, and it is clearly important here and now—now in a period of increasing internal and international conflict, and here, in the broad Asia-Pacific, where there has always been potential turbulence. One urgent defensive issue is to help stabilize the Asia-Pacific region during a dramatic shift in the balances of power and capacity.

But other urgent opportunities also counsel new co-operation, in an era where traditional power is dispersing, new discoveries are becoming commonplace, and genuine partnerships can be more possible and more productive than in earlier times.

IF IU FORUM FOR PEACE & PROSPERITY 2015

TOWARDS A NEW ASIA OF TRUST & HARMONY



[Keynote Speech]

Until 'Asian Dream' Comes True

Li Xiaolin President of the Chinese People's Association for Friendship with Foreign Countries

First of all, on behalf of the Chinese People's Association for Friendship with Foreign Countries (CPAFFC) and the China International Friendship Cities Association, I would like to express my warm congratulations on the convocation of the forum and my heartfelt thanks to the host for the kind invitation. The Jeju Forum, as one of the renowned international conventions, has been committed to providing a platform for promoting peace and prosperity in East Asia since its first session in 2001. Today, I feel honored to be together with all the friends here to discuss with you on how to build a new Asia of trust and harmony.

Trust and harmony are catalysts for human progress and painkillers for war trauma. To build a new Asia of trust and harmony is conducive to creating favorable environment for economic and social development of Asian countries and promoting regional peace and prosperity. Trust between different countries lies in exchanges and understanding among our people. Only with friendship among our people can we put aside differences and conflicts and reach all-win harmony.

Since its founding in 1954, my association has been working to enhance people's friendship, further international cooperation, safeguard world peace and promote common development. On behalf of the Chinese people, it makes friends and deepens friendship in the international community and aims to build a harmonious world with long-lasting peace. It has set up 46 China-regional or China-national friendship organizations and established relationship of friendly cooperation with nearly 500 nongovernment organizations and institutions in 157 countries.

In our times, economic globalization and regional integration develop rapidly. In order to fulfill the idea of peace and cooperation in Northeast Asia, CPAFFC has launched various cultural activities to improve communication, understanding and trust among Asian people, such as exchange visits of youth delegations, youth art exchange exhibitions, cultural exchange galas and micro-film festivals. Besides, we have created a serious of platforms for Asian cities and regions to expand exchanges and cooperation, such as China International Friendship Cities Conference, China-Japan-Korea Cultural Exchange Forum, China-Japan-Korea International Friendship Cities

Conference and so on.

The Chinese nation values friendship. There is an old saying in China, a good neighbor is better than a brother far off. China persists in building a good-neighborly relationship and partnership with its neighboring countries and adheres to the policy of creating an amicable, secure and prosperous neighborhood.

Asian countries are close neighbors linked by mountains and rivers and our people have a long history of friendly exchanges. Our interests are closely bounded up and our destinies are intertwined. Thus we should be united as one and willing to help one another. As one of the earliest national people's organizations engaged in people-topeople diplomacy in China, my association will work hard to promote a new Asia of trust and harmony as follows.

First, we will continue to carry out people-to-people friendly contacts with Asian countries by organizing exchange of visits of delegations, holding commemorative activities, initiating and hosting seminars, talks, forums to enhance mutual understanding, build up trust and develop friendship with people of Asian countries.

Second, we will continue to create and innovate exchange platforms and mechanisms for Asian cities and regions, provide guidance for the establishment of friendship cities relations between Chinese local and regional governments and their counterparts in other Asian countries and promote friendship among Asian countries at local and regional level.

Third, we will continue to promote international cooperation on a voluntary basis of equality and mutual benefit, further pragmatic cooperation among Asian countries in economy, science and technology, personnel and other areas to create favorable conditions to achieve win-win results and common development.

Fourth, we will call for harmony in diversity and advocate tolerance and inclusiveness in our people-to-people work. We will advocate the idea among our people that China's development is indispensable with the common development of Asian countries at large. We will mobilize the masses as the bases for promoting regional cooperation to build a new Asia with trust and harmony.

The Jeju Forum 2015 is not only a continuation of previous forums, but also a new beginning towards shared opportunities, challenges and prosperity among Asian countries. At present, the Chinese people are working hard to realize the Chinese dream of the great rejuvenation of the Chinese nation. Ms. Park Geun-hye, President of Republic of Korea once said, "Korea is also trying to realize the Korean dream. Just as rivers of China and Korea merge into the same sea, if China works together with Korea to realize our dreams, we will be able to realize the dream of building a new Northeast Asia."

Now, I would like to say, besides the Chinese dream and the Korean dream, we all have the Asian dream to build a new Asia with trust and harmony. Asian countries share broad common interests and enjoy great potential of cooperation in many hot issues such as economy and trade, environment protection, cultural exchanges, energy utilization and so on. Let us care for each other, support each other and trust each other. The New Asia will be more beautiful and harmonious with our efforts and the Asian dream of peace and prosperity will be realized in no time. In closing, I wish the Forum a complete success!



[Dinner Speech]



Korean Reunification, a Path to World Peace

Yun Byung-se Minister of Foreign Affairs of the Republic of Korea

I am delighted to welcome you to this beautiful island of Jeju, at an eventful week for Korean diplomacy. From U.S. Secretary of State John Kerry, Indian Prime Minister Narendra Modi, to UN Secretary-General Ban Ki-moon and other leaders, including the UNESCO Director-General and the World Bank President, we have had a string of meetings before this Forum. And tomorrow in Seoul, I will be hosting a five-nation foreign ministers' meeting of MIKTA – Mexico, Indonesia, Korea, Turkey and Australia, a cross-regional group of middle powers. For me, this is gratifying as a sign of Korea's increased convening power and its growing contributions to regional and global governance.

The Jeju Forum, now in its tenth session, was launched back in 2001 to foster peace on the Korean peninsula and in the Northeast Asian region. Like the Davos Forum, this Forum is now serving as a bellwether for the evolving geopolitical and geoeconomic landscape in this part of the world. Especially, I find this year's theme, "Towards a New Asia of Trust and Harmony," very relevant and timely, with the Asian Paradox deepening in an otherwise auspicious 70th anniversary of the end of the Second World War.

From the outset, my government has given top priority to promoting peace through trust and harmony in the region. However, as I pointed out at the Davos Forum in January, Northeast Asia is hardly an outlier from the wave of geopolitical tensions sweeping the world.

Indeed, talks about the "return of geopolitics," and a "mini Cold War," are all indicative of the unhealthy state of affairs in this region. Why is this so? First and foremost, Northeast Asia's geopolitical and geoeconomic landscape has become truly multidimensional. If North Korea was the main source of threats and problems over the last two decades since the end of the Cold War, now we have multiple sources of conflicts and tensions.

This part of the world is going through a major transformation, and regional actors are realigning their policies in accordance with their own calculus and perspectives: the U.S. rebalance to the Asia-Pacific, China's new security concept, Russia's Look East policy and Japan's current policy to unshackle itself from the bondage of the Second World War. Whether such different visions will diverge or converge will lead us to different paths in shaping the 21st century.

So taking this good opportunity, I would like to provide some food for thought for your discussions tomorrow on our common challenges from the standpoint of a policy maker.

First, what is the realistic approach to an ever-growing North Korean threat and unpredictability? We are witnessing North Korea advance its nuclear weapons capability and diversify its delivery systems, most recently through its SLBM ejection test. Pyongyang has made it clear that it will cling to its nuclear weapons program, and has rebuffed South Korea, the U.S., China and even Russia's invitation to Moscow. So the big question remains, what can the international community do with North Korea when it continues to keep its door closed?

It brings us to the second question. Can we expect the winds of change blowing in North Korea, like we have seen in countries such as Myanmar, Iran and recently Cuba? What is coming out from Pyongyang these days are signs of brutality, uncertainty and unpredictability in its decision-making.

Third, how can we narrow down differences over the rise of China? For China, it is a peaceful development, but some feel less sure. The way we in the region view and approach China's rise will have an impact on the region's trust level. On the geoeconomic side too, some view the Trans-Pacific Partnership and the Asia Infrastructure Investment Bank issues through the prism of geopolitics, as a rivalry between China and the U.S.

Fourth, what will the dynamics between China and Japan be like? Will it remain a tense relationship, or do we see a light at the end of the tunnel with the recent two summits in Beijing and Bandung respectively?

For Korea, we are in favor of better ties between Beijing and Tokyo. This past March, I hosted the Korea-Japan-China trilateral Foreign Ministers' meeting in Seoul, resuscitating the trilateral talks, which had been in hibernation for three years. Not only Japan and China, but also the U.S. publicly welcomed Korea's role in hosting the meeting. As agreed at that meeting, Korea is committed to holding a trilateral summit at the earliest convenient time. And hopefully, like in 2010, the trilateral summit meeting could be held again in Jeju, an island symbolizing peace and reconciliation.

Fifth, how do we view Japan's current pursuit of a new post-war order? This is manifesting itself in different ways, from changes in interpreting its "peace constitution" to the revision of the guidelines for U.S.-Japan defense cooperation. Japan's active role does have its upside. However, one should ask why its neighbors and many in the international community are not blessing it - probably because of their concern about Japan's recent tendency towards historical revisionism. Earlier this month, 187 historians from around the world sent an unprecedented open letter to the Japanese government, raising serious concerns about its views on history. In two weeks or so, that number has swelled to almost 500.

Sixth, how should we view the evolving relationship between the U.S. and China? As Secretary Kerry said recently, this is the most consequential relationship for East Asia's regional order. Certainly, there are elements of both cooperation and competition between a U.S. rebalancing to Asia and China's pursuit of a new type of great power relations. This is probably unavoidable, and naturally, regional countries, in-



cluding Korea, prefer to promote the cooperative aspects between the U.S. and China. In this regard, the fact that the U.S. has invited the leaders of Japan, Korea and China to visit Washington, D.C. this year is a welcome signal.

Seventh, is about Korea's strategic value and enhanced role. In the past, Korea faced the geopolitical and geoeconomic dilemma of being between continental and maritime powers. However, Korea is now becoming a more influential regional actor, and has established close ties with its neighbors.

As for the Korea-U.S. relationship, the strength of our alliance was reaffirmed during Secretary Kerry's visit just a few days ago. Secretary Kerry characterized the Korea-U.S. alliance as at its best state ever. The upcoming visit of President Park to Washington, D.C. will open new frontiers for our alliance. As for Korea-China, it is now strategic cooperative partnership and better than ever.

Like President Obama said last year, Korea's ties with the U.S. and with China are totally compatible. Indeed, in our view, our good ties with both countries are precious assets that can reinforce not only the U.S. rebalance to Asia, but also China's pursuit of a new type of great power relations.

Eighth, what are the implications of China's relations with ASEAN countries on the regional order? It is crucial that the South China Sea issue be resolved through dialogue, the sooner the better.

Ninth, how to manage the negative impacts from Russia's worsening relations with the U.S. and western nations, which have aggravated since the events in Ukraine. Those tensions are spilling over to Northeast Asia as well. North Korea is certainly losing no time in trying to exploit this situation and to use the Russia card. Russia invited the North Korean leader, who embarrassed Moscow at the last minute. As the North Korean nuclear problem is at a critical juncture, it is imperative that the five parties of the Six Party Talks stand united on this issue than anytime before.

Ladies and gentlemen, the questions I have raised so far are serious, but we also know that various efforts are underway in earnest to overcome these challenges.



Yesterday, I spoke at the World Education Forum, co-hosted by Korea and UNES-CO, and met with Director-General Irina Bokova. This reminded me of the words of the UNESCO Constitution, that quote, "since wars begin in the minds of men, it is in the minds of men that the defenses of peace must be constructed," unquote.

So, in the final analysis, as long as those who favor cooperation and harmony prevail over those who seek to benefit from tension and conflict in the region, there is reason for hope. Korea is decisively on the side of cooperation and harmony.

We will continue to work to that end, through policies such as the Northeast Asia Peace and Cooperation Initiative, or NAPCI. Like UN Secretary-General Ban Kimoon pointed out at last November's East Asia Summit, Northeast Asia remains a crucial missing link in the UN's network of sub-regional cooperative mechanisms, and there is a pressing need to explore means for closer regional cooperation. In this regard, NAPCI can complement and reinforce existing forums such as the EAS and the ASEAN Regional Forum, and complete the jigsaw of multilateral cooperation in East Asia.

Multilateral dialogue and cooperation, coupled with bilateral efforts to promote peace and cooperation, will be conducive to overcoming the division of the Korean peninsula – already 70 years old, and a relic of the Cold War. Just like German reunification transformed the geopolitical landscape of Europe, Korean unification will be a peace-promoter and growth-booster, not only in the Asia-Pacific, but also in Eurasia.

I hope that each and every one of you here today will join us in this journey, and allow the Jeju Forum to become a venue for promoting peace and prosperity in the region and around the world. Thank you.



Closing Remarks]



Jeju Forum to Be a Platform for a 'New Asia'

Moon Tae-young Chairman of Executive Committee of Jeju Forum President of Jeju Peace Institute

I am pleased to announce that the 10th Jeju Forum for Peace and Prosperity is coming to a successful close. I would like to take this opportunity to thank all of the participants who have contributed to making this forum a remarkable success.

This year, we have been celebrating the 10th Jeju Forum. Since 2001, the Jeju Forum has established itself as one of the world's major forums for peace, with its relevant topics, high profile speakers, and valuable insight in promoting multilateral cooperation in Asia.

This year's main theme, "Towards a New Asia of Trust and Harmony" has proved timely and meaningful in view of daunting challenges and developments in the region.

Over the last few decades, the international community has witnessed unprecedented economic growth among East Asian countries, so that Asia has been entitled the world's "growth engine."

Paradoxically, despite growing economic interdependence, East Asia has been facing rising political and security tensions provoked by underlying historical and territorial issues. If current challenges are left unaddressed, prospects for Asia's future will remain uncertain.

Now is the time for us to envision a "New Asia" and work towards a common goal - that is, trust-based, collaborative, and harmonious regional cooperation. The Jeju Forum should continue to be a platform for sharing visions of peace and prosperity in Asia with the full support of the Korean government.

During the past three days, more than 3,700 leaders, experts, and businessmen from 62 countries gathered to discuss politics, security, economy, the environment, and sustainable development.

Through keynote speeches, plenary sessions, concurrent sessions, and bilateral meetings, we have examined existing ideas and offered new visions towards a new Asia of trust and harmony.

I am proud that the Jeju Forum has played an important role in transforming the region's mistrust and confrontation into trust and cooperation.

I would like to extend my heart-felt gratitude to Governor Won Heeryong for his



support and dedication to the Forum. My special thanks also goes to Chairman of the Jeju Free International City Development Center, Kim Han-wook, the host of tonight's farewell dinner.

The Ministry of Foreign Affairs, the East Asia Foundation, and Joongang Ilbo are greatly appreciated for their dedication to the Forum as well. Last, but not least, I would like to express my sincere gratitude to the people of Jeju island for their support. Once again, I would like to thank all the participants, including sponsors, partner organizations, and the staff members of the Jeju Forum Secretariat, who worked so hard to make this year's Forum a successful one. Thank you all for your efforts and dedica-

tion

I hope that, despite your busy schedules, you can still find time to enjoy the beautiful scenery of Jeju, a UNESCO World Heritage site. I wish each and every one of you a safe and pleasant trip home.

Lastly, I would like to inform you that next year's Jeju Forum will be held from May 25th to May 27th, 2016. Look forward to seeing you next year. Thank you!

TOWARDS A NEW ASIA OF TRUST & HARMONY









Chapter **ONE**

TOWARDS NEW ASIA

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[World Leaders' Session]

Towards a New Asia of **Trust and Harmony**

Jeju Peace Institute

MC	AHN Chak Hee Director, Global Affairs Team, JoongAng Ilbo
Moderator	HONG Seok-Hyun Chairman, JoongAng Ilbo / JTBC
Discussant	Susilo Bambang YUDHOYONO Former President of Indonesia / Chairman of Council, GGGI
	Yasuo FUKUDA Former Prime Minister of Japan
	John HOWARD Former Prime Minister of Australia
	Joe CLARK Former Prime Minister of Canada
Rapporteur	DOH Jongyoon Research Fellow, Jeju Peace Institute



Hong Seok-Hyun

- I would like to ask Yasuo Fukuda about his opinion on how and why Japan is currently repositioning itself in the international community, and about Prime Minister Abe's slogan of building a "beautiful country."
- China is seeking various regional strategies such as the New Silk Road and the AIIB. Do China and Japan have conflicting dreams? I would like to ask Susilo Bambang Yudhoyono about his opinions on this matter.
- U.S. Secretary of State John Kerry asked China to defuse the flaring tensions in the South China Sea. China, however, claims that its activities in the region constitute the exercise of sovereignty. I would like to ask John Howard to offer his thoughts.
- The "Asia Paradox," if it does exist, is attributable to the absence of a framework that embraces Asia. What does it take to create a multilateral security framework? Would it require a new system? Can a system resolve various issues such as North Korea's nuclear threats in the multilateral context? President Park Geun-hye proposed a "Northeast Asian Peace and Cooperation Initiative," modeled after the Helsinki Accords. What is the evaluation of this new initiative?
- China's growing strength marks the first time that another nation has coexisted alongside the U.S. presence as a global superpower. Unfortunately, there is a lack of dialogue between Korea and these two countries, while North Korea poses a nuclear threat to the region. Which institutional frameworks or systems are needed to address these challenges?
- Middle-power countries such as Canada, Australia and Korea have an important role to play, rather than leaving all matters in the hands of global superpowers. What is Korea's role in this regard?

Yasuo Fukuda

• Korea, China and Japan are expected to establish closer economic bonds and demonstrate greater stability, with the Japanese economy having a brighter outlook than in the past. On the political front, the goals of the region remain unchanged and are expected to remain as such for the foreseeable future. Japan is in the process of updating its

legal framework regarding national security. The amendments are in line with the Japanese constitution and do not represent any significant break with existing protocols or perspectives. • North Korean issues are of more immediate and pressing concern, a situation regarding which the country's leadership is not seeking counsel. The fact remains that North Koreans continue to be suffering from human rights abuses and economic plight. In 2002, then Japanese Prime Minister Junichiro Koizumi visited North Korea to discuss abductions of Japanese citizens, North Korea's missile test and nuclear problems with partial outcomes. Unlike in the past, however, six-party talks are no longer held. So long as Korea, China and Japan do not gather to discuss East Asian affairs, there can be no joint attempt to address North Ko-

rean issues, which is problematic. • ASEAN member countries are characterized by their harmonious relations despite both ethnic diversity and historical conflicts. A good example of an ASEAN team player is Indonesia, which provides guidance to other countries. I believe that Korea, China and Japan should look at ASEAN to find a path forward, expecting Korea to play an important role in the trilateral relations.

Susilo Bambang Yudhoyono

• China's economic rise is welcomed, as it is expected to have a positive impact on many other countries. Indonesia, for example, hopes China will participate in intraregional efforts in Asia. In addition, I hope China, Korea and Japan will be aware of their role in promoting peace, respect and responsibility and promote peace in the region by keeping a balance. I also welcome China's peaceful ascent and hope the country will help cultivate the regional economy in a responsible and cooperative way. Moreover, Japan is a global power in the region in terms of economy and technology and should make greater efforts to help Asia find its point of balance. • It is the middle-power countries that can serve as

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bridges regarding various issues. Given that Korea is not in a rivalry with the U.S. or China, it can serve as a go-between for these countries, making a contribution to the region. When tensions



escalated in the South China Sea in the past, Indonesia had one-on-one talks with China and the U.S., urging them to defuse tension in the region. China's then President Hu Jintao and U.S.President Barack Obama paid heed to Indonesia and worked together to make the East Asia Summit meetings happen.

• Chinese President Xi Jinping's policy and Japanese Prime Minister Shinzo Abe's "Abe Doctrine" are expected to add fuel to tension in East Asia. Accordingly, it is necessary to build a new framework that is based on trust. For example, political talks will serve as a key rapport-building tool, as seen in the way ASEAN countries dealt with territorial disputes in the South China Sea. Under those circumstances, ASEAN worked with China to develop a series of principles at the Bali meeting in 2011 to address territorial disputes including an end to the use of military force, talks on negotiating table and respect for international laws.

John Howard

- In regard to disputes over the South China Sea, one of the key issues for consideration is "freedom of navigation (freedom to pass through international waters without interference)." Of specific concern is China's claim to sovereignty over the South China Sea and how it has gradually expanded throughout history-an unsettling situation for other countries.
- China's growth can be seen as beneficial to the entire world. Nevertheless, demographic changes in China, especially the aging population, raise questions over the country's future growth (a similar concern for India). The growth in the middle class will lead to a louder voice for political expressions, though it remains to be seen how China will address the situation. President Xi Jinping is



Hong Seok-Hvun Susilo Bambang Yudhovono Yasuo Fukuda

strongly committed to China's development, and Japanese Prime Minister Shinzo Abe is also highly recognized. Given the scale of Japan's investments in China, I do not expect bilateral disputes will further escalate.

· As a third party, I believe China has an important role to play in North Korean issues. I do not, however, think China is putting genuine pressure on North Korea to resolve its nuclear and human rights issues among others. At times, the consequences of historical events become a burden, as is the case with relations among Korea, China and Japan. Fortunately, shared values serve to enhance relations between countries, while economy and trade are also important. Bilateral tension between the U.S. and China increased in 1999 with China's entry into the WTO. At that time, the U.S. expected Australia to serve as an intermediary. I believe this history will be a good lesson to Korea.

Joe Clark

- . In spite of its strengths, ASEAN still lacks an institutionalized entity for security and defense. For example, the North Atlantic Treaty Organization (NATO), a collective security treaty, is a permanent communication channel for Europe and the U.S., which is sorely lacking in Northeast Asia. From my experience, closed-door, unofficial meetings will lead to open talks at the highest level.
- The establishment of a functional system, however, requires commitment from all parties involved. In addition, input must be considered from other stakeholders outside the primary negotiators. Such a system should evolve over a long period of time, building on existing practices. When one country

Policy Implications

be heard.

- tween countries.
- Internationally recognized systems such as "freedom of navigation" are instrumental in resolving conflicts.
- essential.

John Howard

Joe Clark

invites another to hold ministerial talks and shifts topics, it makes an important contribution to the discourse of international diplomacy.

• Given its geographical and historical proximity to China, Korea can take initiative by serving as a guide for China and other countries. It is Korea's role to recognize its strong neighbor but at the same time not to be afraid of letting its own voice

Summits can provide a breakthrough in stalemates be-

- Middle-power countries have an obligation to serve as a bridge between advanced and developing economies.
- There is a pressing need to address ongoing issues involving North Korea. These problems, however, should not be left out to be managed by global superpowers.
- Institutionalizing a Northeast Asia security partnership is



[Dialogue with Gerhard Schröder, Former Chancellor of Germany] **Structural Reforms in Germany** after Reunification and Conditions for Successful Korean Unification

Jeju Peace Institute / The Korea Economic Magazine

MC	AHN Chak Hee Director, Global Affairs Team, JoongAng Ilbo	
Keynote speech	Gerhard SCHRÖDER Former Chancellor of Germany	
Interviewer	KWON Youngse Former Ambassador of the Republic of Korea to China / President, Korea-Germany	
	Parliamentarian's Friendship Association	
Rapporteur	JANG Seung-gyu Editor. The Korea Economic Magazine	

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- Germany was separated in 1945 as a result of Nazi rule and World War II, with two states being officially formed in 1949. Having remained apart for more than 40 years, the country unified at a time when many people had given up on unification.
- The stepping-stone to German unification and the lifting of the iron curtain was the politics of dialogue and détente. The year 2014 marked the 25th anniversary of the fall of the Berlin Wall, a divide that took more than a generation to overcome and overtook both the minds of the people and the country's socioeconomic system.
- Agenda 2010 was launched to overcome such a divide, enabling structural reforms essential to a unified Germany. Taking a full decade to initiate, however, the reforms came too late; Germany did not prioritize structural reforms soon enough after reunification and thus spent 10 years as "the sick man of Europe."
- Unification comes with a big price tag. After the reunification, Germany's national debt more than doubled from EUR 500 billion to EUR 1.1 trillion in less than 10 years since 1990. The German labor market experienced structural unemployment and an increase in the unemployment rate every year. Moreover, Germany's healthcare insurance,

pension and unemployment insurance funds faced sharp financial constraints. The failure to implement structural reforms also cost the country its global competitiveness.

- There are three factors that have since contributed to Germany's current success.
- First, businesses streamlined their organizational structure. As pillars of the German economy, businesses, especially small and medium-sized enterprises (SMEs), enhanced their capital base, improved their profitability structure and sharpened competitiveness. Unlike in the past, SMEs expanded their reach beyond Germany to the rest of Europe and the world and pursued a gradual increase in wages over years.
- Second, both laborers and management had a proactive approach to economic growth and employment. In regard to job training, Germany has the Dual Vocational Training System (TVET), a dual system that ensures on-the-job training and theoretical education at a vocational school. As such, SMEs make a considerable contribution to vocational training.
- Third, Germany has established itself as a world leader in manufacturing innovative and knowledge-based products. The manufacturing seg-



ment accounts for 24 percent of Germany's GDP, which is much higher than France's 12 percent and the United Kingdom's 16 percent. In Germany, manufacturing is not a sunset industry but considered as a backbone industry that will continue on a growth path. Agenda 2010 enhanced Germany's manufacturing sector.

Pushing forward with innovation is not an easy path. It is an undertaking that requires political courage and determination since innovation is not always welcomed and the policies that support it may not always be popular. Although there are structural differences between countries in terms of the society, economy, demographics and political opinion-building processes, innovation is fundamentally essential.

Germany's structural reforms after unification and key factors for a successful Korean reunification

- Kwon What was the motivation for pushing forward with Agenda 2010? Schröder West Germany had already faced a num-
- ber of problems. First, there had been widespread skepticism over the possibility of achieving market reforms, a situation that was further aggravated with Germa-

Schröder Germany.

Kwon

Kwon

JEJU FORUM FOR PEACE & PROSPERITY 2015

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ny's unification. Directly after the country reunited, the number of East German residents was estimated at over 16 million. If a change is unavoidable, it is best to implement reforms as soon as possible.

Do you think Germany could have averted the risks if the unification process had been well managed?

The post-reunification hangover could have been reduced, if not completely avoided. There were significant investment opportunities in cities and railways in East Germany, though the social security system needed an overhaul. A popular saying among the East Germans was, "Either the West German mark comes to us or we go to the West." In the end, the West German social security system was expanded to cover East Germans. The cost burden was inevitable. Fortunately, the East German economy was not in its worst shape; the same is not true of Korea. The cost of unification would be enormous for Korea because the North Korean economy lags far behind that of East

How did Germany build consensus on the





Serhard Schröde

necessity of reforms?

- Schröder The Social Democratic Party (SPD) and labor unions were opposed to reforms, albeit the SPD recognized the need for reforms. In the end, it cost the SPD the loss in the 2005 general election. I believe it was an inevitable choice to lead the country in the right direction. Who, as a politician, can opt to willingly walk away from power? However, one should pursue national development even at the expense of elections. The national interest comes before that of a political party.
- Do you believe that Germany's Ostpolitik Kwon (Eastern Policy) accelerated the collapse of East Germany and the unification of the country as a whole?
- Schröder Designing Ostpolitik was a controversial process. There was a divide between the SPD and the Christian Democratic Union (CDU). Former Chancellor of Germany and CDU Chariman Helmut Josef Michael Kohl was an opponent of the former Chancellor Willy Brandt's Ostpolitik, but when Kohl took office, he faithfully implemented his predecessor's policy. It is undeniable, then, that Ostpolitik played its role in realizing Germany's unification. However, its impact on the "Eastern Block" is questionable because the communist system in Eastern Europe collapsed by itself in many respects. Inter-Korean relations are more difficult than those of West and East Germany; West and East Germany did not have such animosity as the two Koreas do now.
- Do you think Konrad Adenauer's pro-Kwon Western polices paved the way for Ger-

man unification?

- Schröder Konrad Adenauer's policy did not envisage unification, but it contributed to enhancing West Germany's position among Western Allies. West Germany had limited sovereignty leading up to the unification, an event that required an agreement among World War II Allies-the U.S., the United Kingdom, France and the former Soviet Union. The relation with the former Soviet Union was a critical factor. As then Chancellor of Germany, Kohl had amicable relations with Soviet leader Mikhail Gorbachev, which was quite a feat for Kohl.
- Kwon How would you compare the relations between East Germany and the former Soviet Union with that of North Korea and China?
- Schröder East Germany was completely under the control of the former Soviet Union. It was not a sovereign state but a satellite state of the former Soviet Union. The same is not true of North Korea and China. In my opinion, China believes that the continued survival of North Korea's regime is in its interest. It will be difficult to make China support Korea's reunification, not to mention a peaceful reunification.

Policy Implications

Structural reform is inevitable in a post-unification era, and the faster the reform takes place, the better it is.

- Given that the cost of Korean reunification would be much higher than that of German unification, it calls for preparation.
- Brave political leadership that can distance itself from populism is a key to implement successful structural reforms in the post-unification era.
- The prerequisite to a successful structural reform is an environment, where small to medium-sized enterprises can flourish without relying on large corporations.
- Unwavering commitment to détente and politics of dialogue is essential to achieve reunification.
- Drawing support from neighboring countries is important for Korean reunification. It is crucial to win support from China, which does not wish to have a unified Korea.

[The 13th East Asia Forum]

Prosperous East Asia through Nontraditional Security Cooperation

Ministry of Foreign Affairs

Opening Remarks Kim Hong-kyun Deputy Minister for Political Affairs, Ministry of Foreign Affairs of the Republic of Korea Keynote Speech Dato' Erywan Pehin Yusof Permanent Secretary, Ministry of Foreign Affairs and Trade of Brunei Darussalam Sun Guoxiang Ambassador, the Ministry of Foreign Affairs of the People's Republic of China Dato' Muhammad Shahrul Ikram Yaakob Director-General, ASEAN-Malaysia National Secretariat Koichi Aiboshi Ambassador, the Mission of Japan to ASEAN Rapporteur Esther Oh Program Manager, Ministry of Foreign Affairs of the Republic of Korea

The 13th East Asia Forum (EAF) was held on May 20-21 2015 in Jeju, Republic of Korea. The Forum was organized by the Ministry of Foreign Affairs of the Republic of Korea and attended by 66 participants composed of government officials, business representatives, and members of the academia from ASEAN Member states, the People's Republic of China, Japan and the Republic of Korea.

The overarching theme of the Forum was "Prosperous East Asia through Non-traditional Security (NTS) Cooperation." The Forum was composed of Opening Ceremony (Special Session of Jeju Forum 2015), three consecutive Group Discussions, and a Wrap-up Plenary Session (Closing Ceremony).

Kim Hong-kyun

Back in 2003, the EAF was launched under the vision of building an East Asian Community and since then, it has brought together representatives from the government, as well as business and academic circles, to engage in issues related to peace and prosperity in the region. Regional integration efforts to build East Asian Community in regional

architecture, such as ASEAN+3, EAS and APEC and in fields of economy and socio-culture, have fostered deeper regional identity and a sense of community, and ASEAN have played a central role along the way. There is still some lingering skepticism that the launch of the East Asia Community is mere rhetoric, due to the shift in regional power dynamics and historical and territorial issues resulting in the phenomenon of the Asian Paradox—a disconnect in regional cooperation despite growing economic interdependence. The Korean government will continue to make efforts toward consolidating the foundation of trust and cooperation to break out of the paradox. Examples of success in regional communities in Europe (EU) and Asia (ASEAN community to launch in 2015) have taught us a very valuable lesson on the importance of sharing a long-term vision of regional community. Now is the time to reaffirm our vision of launching a community that encompasses all of Southeast and Northeast Asia. Whether or not we can work together to tackle these common challenges will be an indication of our commitment to building an East Asian Community. Cooperation







Dato' Erywan Pehin Yusof Kim Hona-kvur

Sun Guoxiang

on non-traditional security issues does not have to come at a political cost, while its benefits can be widely shared. This increases the likelihood of tangible progress made in the sphere of non-traditional security cooperation. In this aspect, the theme of this year's East Asia Forum, "Prosperous East Asia through Non-traditional Security Cooperation" is especially timely and meaningful. I hope that productive discussion on these issues will contribute to building momentum for the launch of an East Asian Community.

Dato' Erywan Pehin Yusof

Since its first meeting in 2003, the EAF has successfully brought together government officials, academics and the private sector and provided pertinent input to ASEAN+3 cooperation. Under the ASEAN+3 framework, it is important to implement the recommendations of EAVG II and the ASEAN+3 Work Plan (2013-2017) in order to achieve the long-term goal of an East Asian Community. Ensuring peace and security of the region

has always been the main objective of ASEAN+3 Cooperation. In recent years, we have seen more and more challenges in the form of NTS issues, as the regions have become more integrated and interdependent with one another. Combating NTS issues continues to be a long-term commitment in realizing the ASEAN Community by 2015 as well as the Post 2015 vision. Therefore, the overarching theme for this year's forum is very timely. As the scope of NTS issues is wide, cross-cutting and multidimensional, addressing the issues together with ASEAN dialogue partners is important. I believe this forum will provide the best opportunity for all the stakeholders—government, academic and the private sector to put together their thinking and convert challenges into opportunities.

Sun Guoxiang

The East Asia region today is generally peaceful and stable but growing threats from NTS fields have become common concerns for regional countries. Without peace and stability, the development and prosperity of East Asia would be out of the question, thus here are four suggestions by China countering NTS challenges. First, enhance dialogue and communication including initiatives on the principles of regional security cooperation, Northeast Asia Peace and Cooperation Initiative and resumption of six-party talks to strengthen mutual political trust. Secondly, carry out functional cooperation and strengthen capacity building. We need to continue using mechanisms such as ASEAN+3, ARF and EAS to enhance international and regional cooperation. Thirdly, promote economic integration and boost development and prosperity in the region. China is willing to work with other countries in the region to implement initiatives (RCEP; FTAs; CMIM; the One Belt, One Road Initiative; and AIIB) and lay a solid foundation for regional security and stability. In this sense, China would also work for the East Asian Economic Community to launch in 2020. Fourthly, strengthen institutional building to consolidate the base for regional security. We may

make further use of mechanisms such as ARF, ADMM+, CICA and TAC and improve institutional building to better address NTS challenges.

Dato' Muhammad Shahrul Ikram Yaakob

Despite the global financial crisis, continuous economic growth by ASEAN countries has put the spotlight on the region as a driving force of global economic growth. However, at the same time, the reality is that intensified rivalry among major powers, emerging security challenges and rising confrontation in maritime areas increasingly threatens the region, and the gap between geo-economics and geopolitics has been obviously exposed. In particular, Northeast Asia has much room for developing peace, stability and trust building, and ASEAN's rich experience of peaceful coexistence and confidence building can be instructive for Northeast Asia. It is from this perspective that President Park's Northeast Asia Peace Cooperation Initiative (NAPCI) is welcomed as a pragmatic proposal to instill peace in Northeast Asia. The goal of the East







Koichi Aibosh

Dato' Muhammad Shahrul Ikram Yaakoh





Asian Economic Community by 2020 could be achieved against the backdrop of economic growth, development in democracy, increased integration within the region and our intensified network in the FTA. As demonstrated by the violence of radicalism, the situation in the Middle East is a threat to global peace. To stem the spread of violent extremism, ASEAN adopted the Lankawi Declaration on the Global Movement of Moderates. As Asia assumes a greater role in world affairs, it needs to show that it can contribute to global peace and prosperity.

Koichi Aiboshi

At the 17th ASEAN+3 Summit last year in Nay Pyi Taw, we underscored the importance of further intensifying and expanding our cooperation for enhanced peace, security and prosperity in the East Asia region and renewed our commitment to deepen cooperation to address the emerging challenges of both traditional and non-traditional security. Japan is doing its part to tackle transnational challenges such as terrorism and climate change by implementing the initiatives stipulated in the ASEAN-Japan Joint Declaration for Cooperation

to Combat Terrorism and Transnational Crime and working toward the adoption of a fair and effective post-2020 international framework applicable to all parties at the COP21. Japan highlighted cooperation among ASEAN+3—based on ASEAN+3 Work Plan (2013-2017)-including implementation of the follow-up to the East Asia Vision Group 2 (EAVG2) initiative led by Korea, establishment of the ASEAN+3 Macroeconomic Research Office (AMRO) and utilization of the ASEAN+3 Emergency Rice Reserve (APTERR). Japan underscores the importance of the Memorandum of Cooperation to enhance cooperation on tourism and proposes strengthening cooperation in the area of education.

[Former Foreign Ministers' Meeting] The Way Korea's Diplomacy Is Heading for

Jeju Peace Institute

Moderator

Rapporteur

CHUN Yung Woo Chairman & CEO, Korea Peninsula Future Forum / Former Senior Secretary to the President for Foreign Affairs and National Security Presenter & Discussant SONG Min Soon President of the University of North Korean Studies / Former Foreign Minister, South Korea YU Myung Hwan Chairman of Daeyang Foundation / Former Foreign Minister, South Korea KIM Sung Hwan Chairman of Gangwon Art & Culture Foundation / Former Foreign Minister, South Korea Kang Hyunhee Research Coordinator, Jeju Peace Institute

Discussion among former foreign ministers on the future of South Korean diplomacy is relevant and urgent, considering recent debates concerning the incumbent government's foreign affairs and security policies.

The world has witnessed vast changes in Northeast Asia's power balance, such as the rise of China and the slump of Japan. Such transformations are increasing tensions among East Asian countries, while the U.S. has adopted an approach of attempting to restore balance in the power structure of Asia. Thus, the focus should be on what kind of challenges and opportunities this situation will present to South Korea's diplomacy.

Geopolitical Dynamics of Northeast Asia and South Korea's Choice

- The diplomatic choices of South Korea, a country that now has a greater global presence than ever before, play a key role in the geopolitical dynamics of Northeast Asia. Before the country makes any important choices, it is crucial to assess the potential geopolitical consequences and benefits.
- As the Korean government's diplomacy faces bilateral issues with North Korea, the U.S. and Ja-

pan, it is also assuming multilayered tasks: maintaining the status quo while making adjustments. It is important to recognize the challenges of balancing the Korea's diplomacy and security, as well as to acknowledge the need for improvement.

• With the rise of China, South Korea's situation can be perceived as a crisis, but at the same time, it can be an opportunity to broaden the horizons of Seoul's diplomatic activity. Contrary to the past, in which Korea had to suffer amid a power transition between more powerful countries, it can now play a key role in establishing multilateral order in Northeast Asia. To adopt such a role, Korea must take the initiative on pressing issues and proactively deal with them.

Relations with and Policy toward Japan • Korea must make strategic choices, even if it's for its own national interest. Of course, compromising on historical facts or territorial issues in favor of Japan is impossible. However, despite many differences, both countries share many interests and values, such as a market economy and democracy. The deterioration of bilateral relations would also be a drain on the U.S. initiative regarding North-

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Yu Myung Hwar

Kim Sung Hwan

east Asia, which could negatively affect Korea-U. S. relations. Thus, we should avoid a purely emotional approach, and leaders in Seoul and Tokyo should strive to build a harmonious and futureoriented relationship for their own national interests while maintaining a macroscopic perspective.

• Regarding the resolution of issues with Japan, a multilateral framework would be more effective than bilateral talks. Dialogue could be organized through the Trilateral Cooperation Secretariat of Korea, China and Japan. Other three-way dialogue channels, such as South Korea-U.S.-Japan or South Korea-U.S.-China, should be left open as options.

Future of Northeast Asian Multilateralism

- Unlike Europe, a region with many middle powers, multilateralism in Northeast Asia would be difficult, given that global superpowers such as the U.S., China and Russia all have interests in the region. Nevertheless, Korea can play a key role as the facilitator of multilateral dialogue and cooperation throughout Northeast Asia.
- Multilateral cooperation means establishing a channel of communication rather than straining to resolve a specific problem such as North Korea's nuclear program.
- We need to establish a proper venue for talks

among not just South Korea, China and Japan but also among other countries as well.

• Progress in inter-Korean relations is a prerequisite for multilateralism in Northeast Asia, which will be possible and effective only when Seoul sees progress in its relations with Pyongyang.

Policy Implications

Korea has grown in stature over the years, and can thus play a key role in establishing a multilateral order in Northeast Asia. To do so, it needs to take the initiative on pressing issues and proactively deal with them.

- On issues with Japan, both countries need to work on creating a harmonious partnership for both their national interests while maintaining a macroscopic perspective. To accomplish this, a multilateral channel would be more beneficial than bilateral talks.
- Improved inter-Korean relations are a prerequisite to building multilateralism in Northeast Asia, and both Koreas need to work toward this shared goal.

[Ambassadors' Roundtable]

Towards a New Asia of **Trust and Harmony**

Jeju Peace Institute

Moderator **Keynote Speech** Panelist

Rapporteur

NA Kyung-won Chairperson of Foreign Affairs and Unification Committee, Korean National Assembly CHO Tae-yul 2nd Vice Minister, Ministry of Foreign Affairs of the Republic of Korea Mark LIPPERT Ambassador of the U.S. to the Republic of Korea Koro BESSHO Ambassador of Japan to the Republic of Korea Rolf MAFAEL Ambassador of Germany to the Republic of Korea KO Jungsun Senior Research Coordinator, Jeju Peace Institute

Cho Tae-yul

- With political developments surrounding the Korean Peninsula in Northeast Asia getting complicated, a lot of discussion is going on about South Korea's pending diplomatic issues and capacity.
- With political and security tensions rising amid changes in the geopolitical dynamics of Asia, the lack of a multilateral cooperation body is causing an "Asian Paradox" due to the imbalance between high politics and subpolitics.
- At a time of changes in regional geopolitical dynamics such as the rise of China, the U.S. rebalancing policy in Asia, Japan's moves to break away from the post-World War II order, Russia's policy toward Asia and strengthening ties with allies, and North Korea's nuclear threat, all factors should be considered in making diplomatic policy decisions to maximize national interests.
- The South Korea-U.S. alliance is sturdier than ever, and because it is not in a zero-sum game with Sino-South Korea relations, promoting the latter might help improve South Korea-U.S. ties as well. Korea's alliances with the U.S. and Japan can also be mutually beneficial and pursue shared goals,

- especially in security.
- are underway in the region.
- rity issues.



• Historical disputes should be faced squarely. More international historians are signing petitions to clear the past, and exceptional cases of Japanese scholars making similar moves have appeared.

· Looking at economic changes in geopolitical dynamics, the U.S. has chosen the Trans-Pacific Partnership as the top priority in its rebalancing policy in Asia, while China is leading the launch of the multilateral Asian Infrastructure Investment Bank. ASEAN is planning to build an economic community by the end of this year. Bilateral talks for FTAs, RCEP, TPP and FTAPP

• The Northeast Asia Peace and Cooperation Initiative was proposed to resolve the lack of trust, the fundamental problem of the Asian Paradox. accumulate dialogue and cooperation practices to reduce existing conflict and distrust, and gradually expand from soft security issues (nuclear safety, climate change and energy security) to hard secu-

· The Eurasia Initiative seeks to promote the connectivity of Asia and Europe and integrate mem-





ber nations into a single continent for peace and prosperity. The goals of tripartite cooperation projects (the Najin-Hasan and New Silk Road projects) are smooth connection across Eurasia and peace and prosperity in Northeast Asia.

• There are three main principles of reunification of Korea: (1) balance between peacekeeping and peace building; (2) a reunification policy that can improve the quality of life through enhancing North Korean human rights and jobs and establishing infrastructure to promote solidarity; and (3) harmony with neighboring countries to serve the common good for the world, and contribute to peace and prosperity in Northeast Asia when the Korean peninsula is reunified. Korea must share its vision for reunification with the world and build a network with countries cooperating with them.

Koro Bessho

- In diplomacy, how a country deals with a specific situation and its policies is important. Since diplomacy is not a zero-sum game, finding common interests and building trust between nations are critical. Europe, for example, found common interests and built trust through a process of cooperation.
- There are 19 ministerial talks among Korea, China, and Japan, including discussion of the finance, environment, water resources, and tourism that were held recently. The three countries can build trust through sincere understanding of common

interests by running the Trilateral Cooperation Secretariat.

- North Korea's nuclear threat requires the cooperation of all countries in the region and the world. China and Russia are cooperating, and during that process, trust can be built. As for disagreements over history, countries must aim for better understanding and continue cooperation to resolve more important issues.
- Japan's position on the U.S. role in East Asia is that Tokyo wants Washington to continue playing its part in the region, but public discussions on Japan's self-defense capabilities and regional security will be held at the Japanese Diet. The U.S.-Japanese alliance is firm, but efforts are needed to make it stronger. Tokyo's relations with Seoul on security, however, are not as strong as expected. Both nations must join forces to at least resolve the North Korean nuclear threat, and the U.S. can link the two in that regard.

Rolf Mafael

- Germans deeply sympathize with Korea's diplomatic policy and the situation on the Korean peninsula. Europeans, including Germans, agree on the political importance of trust and Europe's experience. Northeast Asia has economic cooperation but no strong cooperative body for security. The region is seeing conflict growing with the rise of nationalism. As was seen in the case of the Crimean peninsula, we must humbly accept that trust cannot be built if someone does not follow the rules. To achieve reunification of the Korean peninsula, a relationship based on trust must be promoted among countries.
- · As China's economic and military power continues to grow, the country is becoming more assertive in defending its national interests. China's military is expected to strengthen amid elevated tensions over territorial issues. In that context, a trust-building process has grown more important. Political and military exchanges are necessary, as is a dynamic equilibrium point to build trust and cooperate with others in the region. Looking back on Europe's experience, its alliance with the U.S. was necessary for maintaining stability and



Na Kvung-won

growth. As can be seen in other countries, alliances serve as a basis for stability within a region and are essential for building a new security architecture. East Asia needs a collaborative body that can guarantee security within the region.

 Korea proactively defines its national interests and plays a key role not just in Northeast Asia but also in bridging the U.S. and China. As a result, Seoul needs to make reasonable decisions based on an understanding of Beijing instead of fearing it.

Mark Lippert

• Korea's alliance with the U.S. appears to be at its best ever, and the reasons are that the people of both countries support the alliance and both governments are seeing good policy results as they jointly handle complex issues, including the transfer of wartime operational control and a civilian nuclear cooperation agreement. Bilateral ties are well maintained in the four areas of security, economy, global partnership and people-to-people. We are making both bilateral and multilateral approaches to North Korea. Recently, an opportunity to better understand the North Korean human rights situation became available. Also, the free trade agreement is becoming the basis that supports the economy.

• The U.S. policy of rebalancing in Asia will continue for a while. Its three approaches are bolstering alliances, continuing dialogue with emerging partners and establishing a multilateral architecture. The visits to the U.S. by the leaders of Korea and China this year highlight the importance of their alliances with Washington. In addition to cooperation with China and Japan, collaboration with matoward the right direction.

• Bills related to military spending in Asia have been passed with bipartisan support in Congress. U.S. military spending in Asia amounts to US\$600 billion. Improved efficiency is needed as per capita cost is increasing. The overall amount will not change, but cost management will come in the form of compensation of military officers, including housing and medical expenses.

- maximize national interests.

Koro Bessho



Rolf Mafae

jor emerging nations such as India and Indonesia will play key economic and social roles and is increasingly important. Partnerships will strengthen as 60 percent of U.S. naval and air forces will be deployed to Asia by 2017, and 60 percent of U.S. air power will be deployed to Asia by 2020. As for the Korean peninsula, defense budget and funds are flowing in, with the best military equipment being placed in the Pacific region. A nuclear umbrella will be maintained as the basis of peace and prosperity, and its leadership will have to be

Policy Implications

Compared to the past, Korea's diplomacy has made notable progress and the country's role in Northeast Asia is getting bigger. How to build and maintain trust within the geopolitical dynamics of Asia is now even more important.

To build trust and harmony in Asia, Korea must decisively play an important role in the region and make diplomatic policy decisions in careful consideration of all factors to

Multilateral Cooperation in the East Sea Rim Area

Energy, Transportation, Investment and Tourism

Jeju Peace Institute

Moderator	KO Sangtu Professor, Yonsei University		
Discussant	WOO June-Mo Professor, Sun Moon University		
	Sergei SEVASTIANOV Professor, Far Eastern Federal University		
	WANG Yong Professor, Center for International Political Economy, Peking University		
	Hiroshi IKEGAMI Deputy Director, IDE-JETRO		
	RHEE Soo-Taek Head, UNIDO ITPO, ROK		
	Dennis PATTERSON Professor, Texas Tech. University		
Rapporteur	PARK Sang-Hyun Research Fellow, Korea Institute for Defense Analyses		

Woo June-Mo

- A collaborative project among the two Koreas and Russia will prove to be a successful model of cooperation in the East Sea Rim area.
- North Korea is an unpredictable and untrustworthy partner of whom little is known, but the Rajin-Hasan railway project is worth pursuing.

(Wang Yong

- · Policy coordination between South Korea's Eurasia Initiative and China's New Silk Road policy is necessary.
- Now is the best time to start cooperation in the East Sea Rim area.
- Though China has both capability and determination, further leadership is needed in the region.
- China is expected to push for a three-step expansion strategy through the AIIB.
- Research to link Russia's New East Asia policy and Korea's Eurasia Initiative is also necessary.

Hiroshi Ikegami

• Cooperation and development of East Sea Rim

ports can be promoted through multilateral agreements.

- Japan made an attempt to expand the harbors in the region five years ago, with Hakata harbor serving as a successful case.
- Freight traffic volume must be secured through multilateral agreements.
- After securing freight traffic volume, efforts should be made to expand investment.
- · Growth in tourism through Chinese and Korean cruise ships is expected, with a target of 20 million foreign tourists by 2020.

Rhee Soo-Taek

- Expand cooperation through multilateral or multinational industrial zones.
- Industrial cooperation is possible in the East Sea Rim area.
- UNIDO suggests that industrial cooperation can act as a model for new international collaboration.
- (1) Establish an industrial complex by combining the strengths of each country. A possible location is the Russian Far East.



Sergei Sevastianov



Dennis Patterso

- (2) The development of an industrial complex could lead to further expansion, for example, China's Dongbei Province. An industrial complex can be built in North Korea as well.
- (3) South Korea's workforce and its capability: Natural resources in North Korea, China and Russia and public plus private investment

Dennis Patterson

- Overcome barriers to cooperation through academic, cultural and athletic exchanges.
- Both old (bilateral confrontations between the Koreas and between China and Japan) and new challenges (rise of China, Abe's Japan, U.S.-Russia conflict) exist.
- · South Korea's role as a middle power is important.
- In addition to active cooperation among private companies, areas such as academic, cultural, tour-

- joint industrial ventures.

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Wang Yong

Ikegami Hiroshi

ism and athletic exchanges should be promoted to create a collaborative atmosphere.

Policy Implications

• To promote cooperation in the East Sea Rim area, the common denominators of China's New Silk Road policy, Russia's New East Asia policy and South Korea's Eurasia Initiative need to be identified as a means of encouraging

Governments, international organizations, public and private companies and other subjects of cooperation in culture, tourism and athletics need to build governance.

As a middle power, South Korea needs to distinguish between its role as a catalyst from that of a facilitator for cooperation in the East Sea Rim region, as well as identifying viable projects and implementing them.



Asian Varieties of Regionalism

What Makes ASEAN Economic Community Different from Others?



Thomas Kalinowski

Policy Implications

- wealth.
- are to be expected.
- U.S.-led TPP and the AIIB
- long-term reduction of reunification costs.
- must be secured.
- low for now. ASEAN could mediate.

Jeju Peace Institute

Moderator	KIM Cae-won Emeritus Professor, Seoul National University	
Presenter	RHEE Yeongseop Professor, Seoul National University	
	Alan CHONG Associate Professor, S. Rajaratnam School of International Studies	
	Thomas KALINOWSKI Professor, Ewha Womans University	
	KIM Joong Keun Former Korean Ambassador to Singapore	
Rapporteur	LEE Hunmi Senior Research Fellow at CIS, Seoul National University	

- Difference between ASEAN and EU: ASEAN yet to reach political trust level
- The interest in EU strategies appears to be purely symbolic; the ASEAN approach is still preferred by many participants.
- Obstacles to political regionalism: nationalism and pursuit of passive peace, which is defined by the absence of war, instead of transnational cooperation
- Obstacles to economic regionalism: tendency to avoid legally binding effect for ASEAN's decisions
- The EU model is not workable for Asian regionalism, but the integration of Europe offers valuable historical insight.
- European integration was not designed by a single plan; it went through a slow and gradual process of system building.
- Harmony and trust, preconditions to integration, do not simply appear but are formed through a process of arbitration over conflicting interests.
- It is important to examine how the EU's diverse projects progressed.
- Crises can serve as opportunities for regional inte-

gration.

- The benefits of regional integration are important.
- As for East Asia, history acts as a cause for division rather than cooperation. The current cooperative system is weak, and nations view each other as competitors instead of as markets.
- Three preconditions are necessary for the development of the ASEAN Economic Community: (1) self-sufficiency as a single market, (2) economic feasibility and (3) political similarities and trust among nations. Economic integration limited to ASEAN is insufficient to meet the first and second preconditions. An expanded regionalism that includes Northeast Asia is essential.
- The EU example shows that nations of different income levels and economic structures can form a single market.
- Unlike the EU, which is led by Germany and France, the ASEAN Economic Community offers the possibility of regional integration led by small countries, rather than larger, more powerful nations.





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· Economic nationalism of ASEAN members can pose an obstacle to economic integration, but could also serve as a potential tool since governments lead the distribution of resources and

· ASEAN lacks a common stance on the Trans-Pacific Partnership, and because the association depends little on the U.S., pragmatic actions based on each ASEAN nation's own interests

• Outlook for economic regionalism: competition between the

 Korea's decision to join the China-led AIIB was a wise step. The expected benefits are (1) Korean corporate participation in the regional infrastructure market, (2) the Korean government taking part in the process of regional infrastructure design and building stronger connections with related countries and (3)

• Regional cooperation in East Asia must include Southeast and Northeast Asia. A prime example is the Chiang Mai Initiative, a multilateral currency swap arrangement. To further develop the initiative, however, the size of currency swaps needs expansion, loan conditions must be made clearer and paid-in capital

• The Asia Development Bank (focus on development and aid) and the AIIB (investment in infrastructure) and ASEAN+3 (establishment of regional safety net) exist as regional financial institutions in East Asia. They need to divide roles.

 If a free trade agreement (FTA) among Korea, China and Japan is concluded, this could lead to discussion of a mega FTA of "ASEAN+3." The chances of such an agreement, however, are

 Regionalism in Asia must rule out unrealistic "supernationalism." A unique model for Asia should be set up based on a model of functionalism based upon common understanding.



Constructive Diplomacy for Peace in East Asia

Maritime Disputes and the Network of Constructive Powers

Korea National Diplomatic Academy

Moderator	SHIN Sung-won Director-General, Korea National Diplomatic Academy
Presenter	LEE Jaehyon Research Fellow, Asan Institute for Policy Studies
	Shafiah F. MUHIBAT Senior Researcher, Center for Strategic and International Studies
Discussant	Carolina G. HERNANDEZ Founding President and Vice Chair, Institute for Strategic and Development Studies, Inc.
	KIM Taewan Professor, Dong-eui University
Rapporteur	HWANG Sun-hee Researcher, Korea National Diplomatic Academy

- Maritime disputes in East Asia reflect the power struggle among superpowers. Therefore, prevention of maritime conflicts and disputes is a decisive factor for securing peace and stability in East Asia.
- As their maritime interests expand, countries in the region are redefining their positions by presenting new doctrines such as Australia's Indo-Pacific strategic arc, China's Maritime Silk Road, Indonesia's maritime "fulcrum" and India's Indo-Pacific maritime region.
- Discussions on maritime security need to be open to all relevant countries, including super and middle powers, to seek peaceful solutions through regular dialogue and multilateral cooperation.
- As tensions rise in the South China Sea and East China Sea due to a power struggle between the U.S. and China, middle powers need to provide ideas and set standards for peaceful problem solving.
- Maritime disputes are closely related to national sovereignty, meaning that the establishment of bodies such as an East Asian Maritime Community to seek cooperation without fanning national-

ism should be considered. Middle powers can contribute as facilitators in the process of building such a multilateral security cooperation body.

- Especially to prevent conflicts in the South and East China Seas, consensus on the codes of conduct and maritime governance is urgently needed.
- Relevant countries should accumulate cooperative practices through collaborative projects such as joint research on maritime structure and antipollution by the Council for Security Cooperation in the Asia-Pacific.
- Keywords: maritime disputes in East Asia, diplomacy of middle powers, maritime governance, multilateral maritime security cooperation, risk management mechanism, standard builders, facilitators

Shin Suna-wor

Lee Jaehvor

Shafiah F Muhibat

Policy Implications

- A proposal was made to hold a seminar in 2015 with five middle powers that are members of MIKTA (Mexico, Indonesia, Korea, Turkey and Australia) and six countries involved in the disputes in the South and East China Seas as the participants.
- · Measures to strengthen maritime cooperation should be drawn from existing cooperation councils such as the ASE-AN Regional Security Forum, East Asia Summit and ASEAN Maritime Forum.
- Dialogue should continue at multilateral cooperation councils to narrow the cognitive gap in maritime boundaries and the U.N. Convention on the Law of the Sea and build a mechanism for maritime risk management over

the long run.

- China are participating.
- to participate actively.



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Carolina G. Hernandez



• As middle powers, Korea and Indonesia will seek to share ideas and set standards to continue dialogue on maritime security at the East Asian Summit, where both the U.S. and

• Maritime issues among middle powers in the region must first be recognized and put on the agenda, then a consensus on related standards must be drawn. Korea should serve as the facilitator to establish maritime governance in which all relevant countries take part over the long run.

· Using its knowledge and expertise as a middle power, Korea should assess the expected gains of taking part in multilateral cooperation and of not participating, and develop and present a logical vision to persuade relevant countries



Regulation of Cyberspace in International Law

Crimes, Terrorism and Warfare

Korea National Diplomatic Academy

Moderator	SHIN Kak-Soo Director, Center for International Law, IFANS, KNDA	
Presenter	David FIDLER Professor, Indiana University Maurer School of Law	
Discussant	Richard DESGAGNÉ Regional Legal Adviser, ICRC Regional Delegation for East Asia	
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	LIM Jong In Professor, Graduate School of Information Security, Korea University	
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Rapporteur	PARK Mi Kyoung Researcher, Center for International Law, IFANS, KNDA	

- Despite the gravity of cyber crimes such as cyber terrorism and cyber conflicts and their complex and multifaceted nature, few international laws provide specific guidance in this regard. Accordingly, many countries rely on international laws established before the cyber age.
- Governments cannot act alone in combating cyber crime. Tackling this threat requires international cooperation encompassing state actors as well as non-state actors. Nevertheless, a sharp conflict of political interest exists between countries.
- Experts expect difficulty in establishing international norms that regulate the cyber domain due to lack of international consensus on the definition and characteristics of cyber warfare, varying perceptions of cyberspace and different political interests between countries.
- Yet international organizations have or will

adopt international norms and principles for cyberspace regulation such as the adoption of the fourth U.N. Group of Governmental Experts (GGE) report on cyber security issues, a revision to the Tallinn Manual on the International Law Applicable to Cyber Warfare, an amendment to the International Code of Conduct for Information Security and the adoption of the Information Security Convention at the summit meetings of the Shanghai Cooperation Organisation (SCO) and BRICs.

- Some argue it is more effective to introduce regulations in line with "soft law," or those that are not intended to be legally binding, as compared with "hard law."
- The International Humanitarian Law (IHL), which is applicable to armed conflicts between states and non-state actors, applies to cyber attacks despite the absence of traditional forms of



Shin Kak-Soo

Richard Desgagné

Shin Suna-wor



kinetic attacks. Cyber attacks are as damaging and harmful as kinetic attacks.

- Due to the difficulty in identifying the perpetrators of cyber attacks and national jurisdiction, applying the IHL's principles to cyberspace has limits.
- In particular, the IHL's principle of distinction differentiates between military targets and civilian objects. The application of this principle in cyberspace is problematic as the military-civilian separation in cyberspace is typically unclear, and this requires an approach that reflects the characteristics of cyberspace.
- With the advent of the cyber age, discussion of deterrence strategy has shifted from the nuclear realm to cyberspace based on offensive and defensive cyber capabilities against state and nonstate actors.
- While the mere ownership of nuclear weapons

has a deterring effect, cyber deterrence causes real damage. Such differences should be reflected in policy consideration.

- national defense.

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• A number of countries, the U.S. included, put an increasing emphasis on the necessity of cyber deterrence, adding fuel to a cyber arms race. Highly advanced cyber weapons are being developed as part of more proactive efforts toward

Pursuing regional cooperation in cyber security is easier than in other areas. East Asia should create a legal framework and guidelines against cyber crime, terrorism and warfare. Due to the perception gap between countries, differences in policy direction, lack of institutional leadership and absence of mutual trust, Northeast Asia lags behind other regional blocs in intraregional cooperation. • More effective regional cooperation in cyber security requires cooperation through exist-





ing partnership mechanisms such as ASEAN, SCO and APEC, as well as the establishment of multilevel cooperative frameworks that align regional approaches with international initiatives such as the U.N.

Policy Implications

· The application of international laws in cyberspace reguires that existing international laws should be properly conjectured and applied based on the dual nature of cyberspace (sovereign domain and global public good).

 In the case of cyber weapons, elements such as substance, objectives and means should be considered in the context of the effects of damage. Given the technological characteristics, cyber weapons should be regulated with a focus on banning military use in cyberspace rather than disarmament

 Technological constraints and limited opportunity plague partnerships in their bids to tackle cyber threats on an ex post basis. As a result, a preventive approach is needed toward cyber attacks in the IHL's application and trust building is required in this regard.

• Compared to other areas, regional cooperation can be promoted easily in cyber security. East Asia should create a legal framework and guidelines against cyber crime, terrorism and warfare. But Northeast Asia lags behind other regional blocs in intraregional cooperation in cyberspace. Accordingly, existing cooperative organizations and dialogue channels in the region need to be effectively used.

• The Korean government should take its stance that respond to recent global changes of which organizations such as the U.N., NATO, and SCO, as well as BRIC countries have presented international laws and regulations in cyberspace.

Nuclear Safety and Nuclear Security Cooperation in Northeast Asia Actions for Implementing the Northeast Asia Peace

and Cooperation Initiative

Korea National Diplomatic Academy

Moderator Presenter	SHIN Bongkil President, Institute of Foreign Affairs & National Security, KN HAN Yong Sup Professor, Korea National Defense University
riesenter	JUN Bong-Geun Director-General, Dept. of National Security & Unification National Security, KNDA
	HWANG Yong-Soo Director-General, Center for Nuclear Strategy and Polic Nonproliferation and Control
Discussant	HWANG II-Soon Professor, Nuclear Engineering, Seoul National University
Rapporteur	KIM Sok Chul Principal Researcher, Korea Institute on Nuclear Safety KIM Jahee Researcher, Institute of Foreign Affairs & National Security, KND

Nuclear Cooperation in Northeast Asia

The 2011 Fukushima nuclear accident and the high density concentration of nuclear reactors in Northeast Asia have indicated the need for regional nuclear cooperation. China, Japan and Korea have made progress in this area, as evidenced by the conclusion of a tripartite nuclear agreement and the launch of the Top Regulators Meeting (TRM+) on nuclear safety. The absence of trust and consistent cooperative efforts among the three countries, however, make it difficult to realize the potential benefits of nuclear cooperation. A concrete vision must accompany these efforts and programs must be developed that consider Northeast Asia a nuclear community, something that can only be achieved through the identification of potential areas of cooperation where all members of that community can work together.

Searching for Potential Cooperation Areas

The three Northeast Asian nations of Korea, Japan and China face common challenges regarding

nuclear energy, such as power shortages, an unstable supply of nuclear fuel and the risk of nuclear accidents. They should expand their tripartite partnership by identifying potential areas of cooperation. In particular, the three countries should develop nuclear policies with significant political impact and identify implementation tasks that could potentially boost cooperation in the areas of nuclear safety, security, R&D and international exchange.

To remove bottlenecks in Northeast Asian nuclear cooperation and promote regional cooperation, various policies are needed to consolidate our goals into a unified vision for nuclear cooperation, secure technological capacity and resources for nuclear cooperation, devise strategies for promoting cooperation, amass voices of support for nuclear cooperation throughout Northeast Asia, develop and pursue practical measures and build a systematic blueprint for practical cooperation.

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Obstacles to Nuclear Cooperation



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Suggestions for Establishing a Nuclear Cooperation System

One proposal mentioned was the creation of the Northeast Asia Nuclear Power Cooperation Fund, the establishment of a joint research center and the introduction of an annual seminar to create a policy framework for nuclear cooperation.

Another proposal cited was the setup of the Bureau of International Nuclear Security, under the Korean Ministry of Foreign Affairs, and the Northeast Asia Nuclear Policy Center, under the Korea National Diplomatic Academy (or the Korea Institute of Nuclear Non-proliferation and Control), to ensure that Korea can lead the negotiation process for the Northeast Asia Peace and Cooperation Initiative.

There were also proposals for short-term tasks regarding regional cooperation, such as conducting research for the establishment of a regional power grid in Northeast Asia and developing nuclear cooperation pledges for the 2016 Nuclear Security Summit (NSS).

Policy Implications

Given its political implications, managing nuclear power should be the primary focus of the Northeast Asia Peace and Cooperation Initiative.

- One proposal called for the establishment of the Northeast Asian Nuclear Power Community, which works for nuclear cooperation throughout the region.
- The role of nuclear policy was emphasized as a link between political decisions and technological partnerships to achieve nuclear cooperation in Northeast Asia.
- Discussions concerning the establishment of the Nuclear Cooperation Center in Northeast Asia and the designation of partner think tanks in each country were held under the Trilateral Cooperation Secretariat.
- Another proposal supported the formation of the Northeast Asia Nuclear Policy Center, under the Korea National Diplomatic Academy (or the Korea Institute of Nuclear Non-proliferation and Control).

Consistency in nuclear policy was emphasized.

 Discussions occurred regarding whether or not to hold Track 1 and Track 1.5 dialogues on a regular basis in areas such as nuclear policy, R&D and regulations to pursue substantial nuclear cooperation among Northeast Asian nations.

Another proposal called for the creation of the Bureau of International Nuclear Security, under the Korean Ministry of Foreign Affairs, to enhance the impact of Korea's nuclear policy capabilities.

• As a leader in the regional process of nuclear policymaking, Korea should take initiative in contributing to the Northeast Asian Nuclear Cooperation Fund, and encourage participation from neighboring countries.

• Through the tripartite Nuclear Security Summit Process, Korea, China and Japan should agree to a "joint commitment" to nuclear security and cooperation in Northeast Asia so as to prepare for the fourth NSS in 2016.

• The establishment of a nuclear fuel bank in the region was proposed to ensure a more stable supply.

 A Northeast Asian Power Grid is required to enable international trade in surplus electricity.

• A joint crisis-response system should be set up to tackle emergency situations, such as nuclear reactor accidents, in any part of Northeast Asia.

China's New Silk Road Initiative and Its Strategic Implications

Korea National Diplomatic Academy

Moderator Presenter & Discussant

Rapporteur

SHIN Jung-seong Director, Center for Chinese Studies, KNDA ZHANG Yunling Director of Academic Division for International Studies, Chinese Academy of Social Science LEE Sunjin Professor, Institute for East Asian Studies, Sogang University WON Dong Wook Professor, Dong A University FENG Zongxian Professor, Xi'an Jiaotong University CHO Eunil Researcher, Center for Chinese Studies, KNDA

- China's "One Belt, One Road" initiative is a comprehensive development strategy that encompasses a "Silk Road Economic Belt" linking China to Central Asia and a "Maritime Silk Road" connecting China with Southeast Asia.
- The initiative serves both national and international policy objectives. On the domestic front, the initiative seeks to realize China's reform by opening up policy at a higher level and promote balanced national development by narrowing gaps between regions. On the international front, the initiative is set to accelerate international economic development through transnational cooperation and expand China's role in global development cooperation.
- China has an open and embracing approach to all regions and organizations that want to join the One Belt, One Road initiative. China plans to create investment momentum in infrastructure through existing regional partnership organizations as well as newly established vehicles such as the Asian Infrastructure Investment Bank (AIIB), the BRICS New Development Bank (NDB) and the Silk Road Fund.

- vision with China's initiative.

• Korea's "Eurasia Initiative" seeks to create new growth engines by establishing logistics and energy networks across Eurasia, and thus shares a

Korea's initiative will serve as a successful model for development cooperation if the multilateral cooperative framework can induce North Korea to reform and open up its system, and provide a stronger foundation for cooperation among countries in Eurasia and on the Korean peninsula.

■ If China's initiative develops in a way that engages countries in Northeast Asia such as Korea and Japan and induces North Korea's reform and opening up to the world, the initiative is expected to have a positive impact on promoting stability and peace in the region by enhancing connectivity across the Eurasian continent.

TOWARDS A NEW ASIA OF TRUST & HARMONY



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Policy Implications

As China takes concrete steps toward the implementation of the One Belt, One Road initiative, growing skepticism and doubts hover over China's diplomatic and security agenda that could be hidden behind the initiative. The strategic significance of the initiative should be closely examined in light of global sociopolitical changes and not just an establishment of logistical and infrastructure networks.

• China's initiative is also considered a response to the U.S. strategic rebalance in Asia. Given that the initiative is not on a collision course with U.S. strategy, however, it should be interpreted in the context of an economic growth plan under "New Normal" and a long-term strategy to realize China's vision

- If China's initiative is to serve as a long-term road map for development driven by market principles, not by government intervention, transparency must be ensured in the operation of the AIIB, NDB and the Silk Road Fund, which have been established as investors and financiers for infrastructure projects. In addition, China should remain open to U.S. and Japanese participation.
- If Korea's Eurasia Initiative is to gain traction from China's initiative, its scope should go beyond Korean-Russian partnerships to include China and Mongolia, for example, in the form of a joint Eurasian Silk Road project. To do so, Korea should promote its role by joining hands with other middle-power countries.
- Apart from China, the U.S., Russia, the EU and Korea have devised various visions and diplomatic strategies for Eurasian development. Policy coordination is required so that these visions can be aligned and implemented via a cooperative mechanism.

The 70th Anniversary of Korea's Liberation

Strategies for Civilian Exchanges between Two Koreas

Jeju Provincial Government / Korean Council for Reconciliation and Cooperation

Moderator	CHOI Dae Seok Professor, Ewha Womans University
Presenters	Norbert ESCHBORN Representative, Korea Office, Konrad-Adenauer-Stift
	CHO Han Bum Senior Research Fellow, Korea Institute for National Unifica
	CHOI Yong Hwan Research Fellow, Gyeonggi Research Institute
Discussants	KIM Young Yoon President, The Korea Logistics Forum
	LEE Seung Hwan Co-president, Civil Peace Forum
	KO Seong Joon Professor, Jeju National University
Rapporteur	YEOM Gyu Hyun Manager, Policy-Public Korean Council for Reconciliation

German Unification Process: Lessons for Korea

Norbert Eschborn

· Compared to that of Korea, the division of Germany was less atrocious and saw more contact and more cooperation between both sides. Conversely, German division was more complicated as it involved the four Allies—the Soviet Union, U.S., Britain and France. To better understand the reunification of Germany, it's necessary to distinguish between the different stages of a long and persistent process of international and domestic politics. German reunification can generally be divided into three stages. The first was the normalization process that began in the 1970s and ended with the fall of the Berlin Wall in November 1989. Then came the short but very exciting and important second stage of official reunification between November 1989 and October 1990. Finally, many plans and efforts for the internal integration and establishment of economic equality between West and East Germany remain in effect.

• Normalization needs to undergo various steps, and is a long and difficult process of overcoming pain from the past. This process sees positive development from official and individual contacts, exchanges and cooperation, and can derive mutually beneficial interdependence between parties that were not friendly in the past. Normalization increased the flow of information and cooperation and made it difficult to maintain a government that killed or wounded people who tried to cross the border. · East Germany, having undergone various chang-

JEJU FORUM FOR PEACE & PROSPERITY 2015

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es in 1989 and 1990, was no longer characterized by revolution. Reunification in itself is a joining, a voluntary merger with consent from both parties. The term "absorption" is inappropriate because it is unclear and insulting to the millions of people of the German Democratic Republic (GDR) who wished to be united with the Federal Republic of Germany (FRG). Reunification was also achieved through a shift of systems. We cannot be certain about what kind of lessons



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German unification can offer to Korean reunification. South and North Korea are not walking the same path as Germany, so they must find new ideas and their own ways. However, what is certain is that the two sides must go through the path of normalization through exchange. Internal integration must take place first, and its benefits must be shared by both countries. Chancellor Helmut Kohl, who led German reunification, said, "A country that seeks financial reunification is a country that has abandoned the calling of history." For a unified Korean peninsula to play a bigger global role, it should be able to clearly explain why it needs to reunify.

The Roles and Tasks of Non-governmental Exchange in Trust Formation between North and South Korea

Cho Han Bum

- West Germany provided some KRW2 trillion (US\$2.1 billion) each year in financial aid to East Germany from 1975 to 1988. In contrast, South Korea offered KRW19.6 billion in aid to North Korea last year. The U.N. announced early this year that 70 percent of North Korean residents were suffering from food shortages, and news reports revealed that 2,500 North Korean residents were dying each year from tuberculosis. The North Korean economy has allegedly experienced recent improvements, but this is a rather incomplete analysis. Under their leader Kim Jong-un, more North Koreans are living in dire poverty.
- The incumbent government in South Korea is trying to raise aspirations for reunification, with the president comparing reunification to "hitting the jackpot." A preparation committee for reunification has also been launched. But the South Korean people are still far from enthusiastic about the idea of a united Korea, and antagonistic sentiments regarding South Korea have been growing among North Koreans. The Koreas must push for the normalization of inter-Korean relations. Civilian exchange and humanitarian aid will exert a positive influence on the lives of North Koreans. To stop aid out of the fear that it will end up in the hands of the belligerent regime is unwise. In the past, the East German govern-

ment used aid from West Germany to stabilize the regime, but this eventually led to East Germans losing trust in their government.

• On the 70th anniversary of Korea's liberation from Japanese rule, August 15, 2015, Seoul needs to announce unlimited permission for civilian inter-Korean exchanges of a non-political nature. South Korea must provide aid, be it rice or medicine, to the North, as a means to weaken North Koreans' animosity toward the South and to raise their aspirations for reunification. Nearly 70 years after national division, building trust over a short period of time through inter-government dialogue is difficult. This is why non-governmental exchange and cooperation are important. Both Koreas can handle civilian aid in the form of food, medicine, and humanitarian and technical aid of a non-political nature. Once a certain pattern of exchange and cooperation is established, it will be hard to stifle further progressions. Progress through the normalization of inter-Korean relations will be the best shortcut to reunification.

The Review and Future Task of Local Governments' Inter-Korean Exchange and Public-Private Partnership

Choi Yong Hwan

- Sixteen of 17 local governments in South Korea, excluding Sejong City, have ordinances related to inter-Korean exchange. Eleven of them also have experience in financing inter-Korean cooperation projects. About 40 towns, counties and districts have related ordinances, and have set aside between KRW500 million and KRW1 billion specifically for inter-Korean exchange. Jeju Island was the country's first local government to begin an inter-Korean exchange and cooperation project by sending tangerines to the North in 1999. This tangerine aid was hailed as a success, and continued for more than 10 years. Support from Jeju's tangerine farms made it possible. The governments of Gangwon-do and Gyeonggi-do, which border North Korea, were also active in inter-Korean exchange and cooperation.
- Interest from local governments in inter-Korean exchange could be interpreted as the attempts by their leaders to make themselves look good on



Ko Seona Joor

paper, but also contributes to the real interests of the localities. The situations and conditions of each locality often motivate local governments to push for inter-Korean exchange. In the future, inter-Korean exchange and cooperation led by local governments should overcome their vulnerability to political and military variables such as a lack of links to government policies, overlapping investment, the one-sided nature of aid and lack of working-level expertise. Each local government should pursue projects based on its own needs and characteristics. Local governments carrying out inter-Korean exchange projects also need to assign roles to non-governmental organizations (NGOs) and help them build expertise and get funding. Local governments and NGOs are emerging as major players in inter-Korean exchange, an indirect result of South Korea's democratization. In that regard, inter-Korean

exchange through public-private partnership is a phenomenon derived from the development of South Korean democracy, making it an irreversible trend. Active discussions on inter-Korean cooperation and role division among the central and local governments and NGOs, as well as project implementation, will allow inter-Korean exchange to take a big step forward.

Kim Young Yoon

• Germany achieved reunification through a long process of normalization, and non-governmental exchanges undeniably played a key role in the process. The West German government did not stop such exchanges, as people and things moved between Germanys through diverse channels. An estimated 4.6 million East Germans moved to West Germany prior to reunification, showing the significance of civilian exchanges in reachieving





unification. Non-governmental exchange was the driving force behind the whole process. South Korea must permit such exchange as part of the procedure for reunification. Local governments should also be allowed to pursue inter-Korean exchange at their own discretion. Reunification is possible only when South Koreans let go of their hatred toward the North and forfeit their intentions to make the North succumb to the South. Approaching both reunification and inter-Korean relations should be based on a policy that separates economy from politics.

Lee Seung Hwan

• The most important thing is to build an environment for NGOs to smoothly carry out inter-Korean exchange. Seoul must not use nongovernmental exchange as a means to pressure Pyongyang like the former administration did. To spur non-governmental exchange, the South Korean government should not excessively lead inter-Korean relations; the relationship should be developed through the politics of agreements and compromise. A change in government policy and perspective is necessary. For non-governmental exchange to flourish, the politics of agreements should reflect inter-Korean and reunification issues in their basic policy framework.

Ko Seong Joon

• South Korea needs to change its perception of civilian inter-Korean exchange. Seoul still lacks interest and understanding of inter-Korean exchange and cooperation projects led by NGOs and local governments. The government should back non-governmental exchange instead of detaching itself from it. Projects of a certain nature and scale unsuitable for non-governmental groups could be supported through public-private partnerships.

Peaceful Use and Sustainable Development of the Arctic Ocean and East Asian Sea

Jeju Provincial Government

Moderator	KIM Hyun Soo Professor, Inha University
Congratulatory Remark	•
Presenter	JUN Zhao Professor, Zhejiang University
	BANG Ho Sam Professor, Chonnam University
	Frank CHING Professor, Hong Kong University of Science and T Columnist, South China Morning Post
Discussant	YI Hi II Principal Research Scientist, Korea Institute of Ocean Sci
	SEONG Ki Joo Director, Guard and Safety Division of Jeju Coast
Rapporteur	YANG Byuong-Gyu Investigator, Jeju Special-Self-Governing Pr Institute, ROK

- Ambiguous rights in the Arctic Sea area; understanding of Arctic governance; China's change in perception of Arctic region and introduction of its policies and strategies including investment
- East China Sea, especially illegal fishing by Korea, Japan and China; need for multilateral cooperation system to institutionally control and manage illegal fishing; introduction of successful case studies in Southeast Asia to present cooperation for resource management such as fishing rights in Northeast Asia
- Report on China's territorial disputes with Japan and Southeast Asia, and arbitrary measures using international law

Hong Gi Hoon

• On the peaceful use of and sustainable development measures for the Arctic Sea and East Asian Seas, countries need to carefully set directions for the good of humankind. Because accessing areas previously inaccessible due to glaciers is now possible, the Arctic region can be developed and utilized. We must examine how to utilize and develop the Arctic Sea and East Asian Seas through science and technology. Solutions and proposals will be discussed in this session.

Jun Zhao

 Use and research of the Arctic region is increasing due to global warming, but China retains limited rights and understanding of the region. The country has recently raised its investment in the Arctic region, and is keenly interested in studying the region's resources and participating in the development of navigation routes and Arctic-related governance.

Seong Ki Joo

• Cooperation is important for sustainable use of the Arctic Sea. Due to a change in Chinese strategy,

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gradual change is needed. China should try to reduce transaction costs, and for that it needs to share information with the five coastal regions and cooperate with Korea, Japan and other interested nations. With whom will China cooperate?

Jun Zhao

• China has conducted successful exploration from which it obtained data, and will gradually share the data to recover trust and conduct joint development. China will cut transaction costs and continue to cooperate.

Bang Ho Sam

• Reports on illegal fishing in the Yellow Sea in Northeast Asia explain the need for a system to prevent and police illegal fishing. Countries will have to set up a multilateral system that goes beyond joint surveillance and crackdowns for the sustainable management of fishery resources and prevention of disputes among nations. Like the multilateral management system in Southeast Asia, Korea, China and Japan will have to start preparing for a management system for fishery resources.

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• Can a multilateral system to put illegal fishing under control be established in the East China Sea or South China Sea, where territorial disputes are escalating?

Bang Ho Sam

• Korea and China have led a joint crackdown in designated areas, and such actions are important. Also important is the formation of a RESIME, and joint crackdowns and patrols could help build such a system. These actions might prove insufficient but will have a positive impact. Many Asian countries should be encouraged to take part, as the problem cannot be solved through just one country's views.

Frank Ching

· Recently, territorial disputes surrounding China have occurred frequently in Southeast Asia and over the Diaoyu Islands in the East China Sea.

The International Court of Arbitration and the U.N. Convention on the Law of the Sea perform arbitration on such matters, but the territorial disputes are far from being resolved. China is refusing to accept the U.N. convention or statements by the arbitration committee. As we near the 70th anniversary of the end of the World War II, a new Asia through trust and harmony should be created.

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• Can the multilateral management system suggested by Professor Bang be applied to the sensitive issue of territorial disputes?

Frank Ching

• China is not accepting the court's decision. The dispute over the Dokdo islets is a similar case. Instead of bilateral negotiations, Korea and Japan should follow the ruling of the International Court of Arbitration for easy settlement of the dispute.

Proposal from audience: Kim Chang-sun, Head of Korea Ocean & Fisheries Institute of Jeju Special **Self-Governing Province**

You have mentioned the issue of illegal fishing in East Asia. Neighboring countries share the view that it should not happen, but in reality, the rules are being ignored. Korea, China and Japan share the same fishing grounds, and even if one country keeps order, others may fail to do so, causing further problems. Illegal fishing was an issue discussed during talks surrounding the Korea-China FTA, but as yet there is no center ground from which we can deal with this issue. We need a management organization or institution that can monitor illegal fishing activity throughout China, Japan and other neighboring countries. If Korea's Eurasia Initiative is to gain traction from China's initiative, its scope should go beyond Korean-Russian partnerships to include China and Mongolia, for example, in the

form of a joint Eurasian Silk Road project. To do so, Korea should promote its role by joining hands with other middle-power countries. Apart from China, the U.S., Russia, the EU and Korea have devised various visions and diplomatic strategies for Eurasian development. Policy coordination is required so that these visions can be aligned and implemented via a cooperative mechanism.

Bang Ho Sam

the center's legal status.









Jun Zhao

Hona Gi Hoon





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We need a dialogue to establish a RESIME for fishing resource management, meaning we need institutions like a common database. This could develop into a regional fishing resource management center. We also need to secure funding and secure



The Future of East Asia

The Future of History, Power, Interests and Identity in East Asia



East Asia Foundation

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Nayan Chanda

• "Asia" stems from a Greek word meaning "where the sun rises" and reflects a geographical and historical concept. Asia is a vast area with a seven-hour time difference from east to west. We need to discuss how to achieve regional integration by asking if a historical sense of community or a region-wide community has ever existed. In the past, Arab merchants used monsoon winds to travel across Asia to spread trade and commerce across the region. Meanwhile, rice cultivation through collective efforts and the use of various spices, vegetables and foods reflects cultural homogeneity in Asia. Certain countries have close relations by using similar languages, and Buddhism is one factor that binds Asia together. The Silk Road and maritime trading routes have created a link between Indonesia and China since the seventh century. Although there is a tendency that favors nation-states, similarities exist between Asian countries. In the mid-20th century, Japan's pan-Asian ideology and ambition toward a "greater East Asia co-prosperity sphere" led to colonialism and imperialism. Recently, Chinese President Xi Jinping announced the "One Belt,

One Road" initiative, presenting visions for China and its neighboring countries to achieve growth and development together.

- As China desires to play a leadership role in Asia, other Asian countries are closely following developments in Beijing. Although China seeks to expand its dream to the rest of Asia, countries such as Vietnam and the Philippines, which have territorial disputes with China, are opposed to Chinese activities in the South China Sea. If China is to exert leadership, it should resolve its conflicts with its neighbors.
- Countries in Southeast Asia are skeptical over China seeking to expand its hegemony. The U.S., which has focused on the Middle East, is expected to play a more active role in Asia. Asian countries support the Obama administration's "rebalance to Asia" policy and expect the U.S. to keep China in check. Few Asian countries agree on China's hegemony in the region, and Asian countries have increasingly relied on each other. Fears are growing, however, that complicated political interests at home and the rise of nationalism could affect regional cooperation. Asia lacks visionary leaders, and it needs more leaders who can win over the

public through explanation, communication and leadership.

G. John Ikenberry

· Given the emergence and development of liberalism and globalization in Asia, the existing world order has clearly changed. Japan's case raises a question of whether countries can continue their political progress. Certain countries are expected to retreat. After World War II, U.S.-led liberalism gained in popularity, creating a new order and norms, and the world embraced Germany and Japan to create the existing order and drive the development of liberal trade, multilateralism, more diverse international organizations and democratic solidarity. Departing from the loose solidarity, a more advanced global order appeared in the 1990s, and East Asian countries made significant contributions. Germany and Japan presented exemplary models in the post-war era and emerged as non-nuclear industrial powers based on democracy. Accordingly, a rising China could gain a greater sense of responsibility as a member of the international community and play a greater role within the existing order. The rule of law, howinto various blocs. processes and partnerships.

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G. John Ikenberry

Moon Chuna-ir

ever, will not just spread across the world but also create an opportunity for diplomacy to be divided

• Japan achieved economic growth through trade and offered the world a growth model. After the end of World War II, Japan, Korea, Taiwan, the Philippines and Indonesia presented political and economic frameworks as a model for a liberal order. Recently, China has experienced growth in its middle class thanks to a rapid economic development, as well as combating poverty at the national level and emerging as a counterweight against the U.S. A change in the U.S.-driven system will shake the wide foundation of the existing liberal order. Fears have appeared over the simultaneous fall of Europe and Japan. In future diplomacy, a larger number of stakeholders is needed. The U.S. government should devise policies that take East Asian countries into serious consideration based on new

• Stagnant economic growth and conflicts between old and new liberalism are possibilities. Chances are slim that China and Russia can forge a regional community, and both countries should push



forward with building a multilateral framework, recognizing the lack of alternatives to liberalism. A new system will benefit all countries in building a new world order, furthering the trade of capital and goods and the sharing of expertise. A framework should be introduced to ensure human rights and interest, rule of law and private property protection.

- The establishment of an international security community requires clear incentives. Liberalism is the most desirable foundation. The concept of national sovereignty and globalization exists in Asia, and some argue that these concepts originated from Asia. The world order has been established on a regional basis and changed accordingly. From a global perspective, China does not offer the world or Asia principles or commitments, but this does not mean China pursues revisionism.
- The U.S. cannot represent the Western Hemisphere. Not just China but also Brazil, India and Japan have voiced discontent with the West. However, Sino-U.S. relations are not without positive aspects. A good example is when China joined the WTO and the U.S. kept a rein on Japan, China's biggest foe during World War II. On its path to growth, China has benefited from its U.S. relations and should strive to forge positive relations with Washington. As in the case with Russia, China or the Communist Party has reservations about liberalism and is reluctant to fully incorporate a liberal system. Beijing seeks to secure the communist regime's legitimacy and control through international trade and economic success. China is in a serious dilemma, but has pulled off a success within the existing world order. The order of liberalism is indeed in need of change. As the U.S. and its allies want changes in China, they exert pressure and voice opposition against authoritarian regimes in China and Russia. A high level of liberalism will benefit all stakeholders, and if Beijing and Moscow can implement liberalism, they can position themselves as more responsible and friendly members of the international community. Given that pending issues such as climate change and non-proliferation of conventional weapons require joint efforts, the West should send a clear message to many coun-



tries about the importance of upholding the global liberal order, rather than intervening to decide whether their authoritarian regimes can continue. • On maritime conflicts, related countries such as the U.S. and China face continued conflicts and disputes by pursuing maritime build-up. This will lead to a zero-sum game. Historical examples exist in which agreements were reached through rule of law. The Ukraine crisis shows the tendency of countries such as Russia and China to resolve territorial disputes by force. This form of dispute resolution can no longer work. President Putin has failed to persuade Ukrainians, who support the EU principle of liberalism and rule of law. Russia has failed to geopolitically embrace Ukraine. China should not follow Russia's example in its relations with Taiwan and Southeast Asia. No country wants to be subject to the repressive forces of imperialism.

• There is hope that Asian leaders will take more

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heroic steps and not follow the lead of the Abe administration. Good examples include President Nixon's visit to China and Mikhail Gorbachev's perestroika. National leaders should not prioritize their own interests and instead should overcome historical challenges innovatively. Japan should have pursued a transition into a normal state when it emerged as the next-generation leader with soft power. Japan has reached a point where it should forge agreements with China and Korea. The lead-

TOWARDS A NEW ASIA OF TRUST & HARMONY

ership of Korea and China has an important role to play. It is dangerous to expect charismatic leaders to exert leadership as in the past. Nevertheless, heads of state who can demonstrate solid leadership can help overcome challenges in the current environment.

Moon Chung-in

- In the post-World War II era, economic interdependency, market economics, liberal democracy and rule of law brought peace to East Asia, which saw remarkable realization of liberalism. The establishment of a regional community in East Asia, however, has three obstacles. The first is the revival of geopolitical narratives. China seeks to emerge as both a continental and a naval power through its "One Belt, One Road" policy. Developing national strategies from a geopolitical perspective dates back to Hitler's era. The U.S. and Japan are aggressively developing maritime strategies that have raised fears of regional division. At this point, forming a regional community in Asia could be hard. Korea's defense strategy is based on such an understanding. The resurgence of nationalism, which disappeared in the modernization process, raises suspicion that China could use its enhanced naval power to interrupt sea routes in the Strait of Malacca, East China Sea and South China Sea. Public sentiment in Japan is also turning against China.
- Right-wing groups in Japan urge their country to depart from a "self-tormenting historical viewpoint" imposed by U.S. Gen. Douglas MacArthur after the end of World War II. Their argument is that there is nothing wrong with colonialism, as Western empires once established colonies and that Japan has amicable relations with former colonies. In particular, Japanese right-wing nationalists say former colonies such as Korea should instead thank Japan for colonial rule, and that its war against the U.S. was inevitable to maintain Japan's dignity and prevent Western occupation of Asia. Furthermore, they try to justify Japan's aggression based on historical revisionism, saying that had Japan not colonized Korea, Russia would have moved south. Japan's nationalists have ruled out compromise in territorial disputes. Such nationalistic trends,

however, are pervasive across East Asian countries, not just Japan, and this is an obstacle to creating a regional community. Democracy and rule of law ensure predictability and checks and balances, which keep political leaders from pursuing irrational policies. Recently, countries in East Asia began being excessively swayed by domestic politics and elections. Chinese President Xi Jinping has taken an unusually firm stance in resolving maritime skirmishes with Southeast Asian countries, which is due to domestic policies. Accordingly, forming a pan-Asian community will be tough unless domestic politics stabilize in Asian countries. The resolution of common problems requires a look into geopolitical conflicts, problems with nationalism, interplay of nationalism between countries and the impact of the nationalistic narrative on domestic politics. Future generations of Koreans will not forget Japan's colonial rule of their Korea, which will be a continuous and fixed variable decisive to bilateral relations. So Korea and Japan must minimize related conflicts and work together.

• China exerts pressure on the U.S. and Japan partly due to domestic politics. These circumstances are expected to create a new order unique to Asia, diverging from the existing world order. In the process, China should adopt a liberal approach to establish regional leadership. Neighboring countries will perceive China as less threatening if Beijing pursues public good and benefit, respects the existing global order, works within existing frameworks and secures policy transparency. Abnormal relations and hostile conflicts exist in Asia, but behind the surface exist liberalism, rule of law, international cooperation and surprisingly wellorganized communication channels between countries. In other words, Asia has elements of division but possibilities for integration. Domestic politics, which contribute to aggravating disruptions between Asian countries, are controllable. Accordingly, Asia needs visionary leaders who refuse to be constrained by domestic political interests, and they must continually share good ideas and establish a horizontal network. East Asian countries lack political leaders who can win full public support. (Joe Clark, former prime minister of Canada

who attended the session as an audience member, said visionary leaders who look beyond domestic political issues and build trust among the public are needed).

• Just as the rise of Japan was dreaded in the Cold War era, China's ascent is feared as well. China's rise is a realistic and concrete process in history, but the country's diplomatic policies are inconsistent and unsystematic. Moreover, the implementation of Chinese policies has complicated aspects based on the views of Xunzi, an ancient Chinese

Policy Implications

· Although many ethnic groups in Asia wanted to establish nation-states, a sense of community between Asian countries exists as seen in Japan's "Greater East Asia Coprosperity Sphere" in the 20th century and China's "One Belt, One Road" policy in the 21st century.

- For China to emerge as a superpower in the region, it needs a strategic approach toward border disputes and maritime skirmishes and must show greater responsibility and sincerity to bring itself in line with the existing world order. Few Asian countries agree on China's hegemony in the region. Asian countries support the Obama administration's "rebalance to Asia" policy and expect Washington to keep Beijing in check.
- Asian countries rely more on each other economically, but complicated political dynamics at home and the rise of nationalism are an obstacle to regional cooperation.
- More Asian leaders with the power to persuade the public through communication and leadership are needed.
- · China and Russia should proceed with building a multilateral framework, recognizing the lack of alternatives to liberalism
- A new system will benefit all countries in creating a new world order, furthering the trade of capital and goods and the sharing of expertise. A new framework should ensure human rights and interest, rule of law and private property protection.
- · On its path to growth, China has benefited from its relations with the U.S. and should strive to create positive relations with Washington, given that China has been successful in the existing global order.
- A high level of liberalism will benefit all stakeholders, and if China and Russia can implement liberalism, they can position themselves as more responsible and friendly members of the international community. The West should send a clear message to many countries about the importance

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- regional community in Asia.
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- horizontal network.

philosopher, about virtuous rule, hegemonic power and disorder. For example, China is criticized for pursuing AIIB to overturn the Bretton Woods system, but has been dispatching peacekeepers and humanitarian staff to conflict-ridden or crisisstricken countries. At the same time, Beijing is flexing its muscle and takes a hegemonic stance in response to maritime conflicts. Those with a realistic view of international politics are skeptical over China's rise, but following China's leadership role from a long-term perspective is necessary.

of upholding the liberal order of international society, rather than intervening to decide if their authoritarian regimes

 The U.S., China and related countries face continued conflicts and disputes by pursuing maritime build-up to keep their rivals in check. However, historic examples where agreements were reached through rule of law do exist.

China and Russia tend to settle territorial disputes by force, but such a method can no longer work. No countries want to be subject to the repressive forces of imperialism. China should not follow Russia's example in its dealing with Taiwan and Southeast Asian countries.

 In the post-World War II era, economic inter-dependency, market economics, liberal democracy and rule of law brought peace to East Asia. A recent resurgence of geopolitical narratives and national strategy-building based on geopolitical thought makes it difficult to establish a

Democracy and rule of law ensure predictability and checks and balances, which keep political leaders from pursuing irrational policies. Recently, countries in East Asia began being excessively swayed by domestic politics and elections, which cause a delay in creating a regional com-

Outstanding matters of the past are fixed and continuous variables decisive to relations between Korea and Japan. Both countries must develop ways to minimize related

China should take a liberal approach to develop leadership in the region. Neighboring countries will perceive China as less threatening if the latter pursues the public good and benefit, respects the existing world order, makes efforts within existing frameworks and secures policy transpar-

 Asian leaders should take progressive steps based on consensus. Asia needs visionary leaders who avoid being constrained by domestic political interests, and they should share good ideas on a continuous basis and establish a

The Future of East Asian Community

New Visions and Challenges



Kim Taehwan

Dato' Muthiah Alagappa

East Asia Foundation

Moderator	KIM Taehwan Professor, Korea National Diplomatic Academy
Discussant	AHN Choong-yong Chairman, Korean Commission on Corporate Partnership / Distinguished Professor, Economics, ChungAng University
	Dato' Muthiah ALAGAPPA Senior Associate, Carnegie Endowment for International Peace
	Peter HAYES Founder & Director, Nautilus Institute
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Future of East Asian Economic Community

Kim Taehwan

The first Jeju Forum opened in 2001 with the underlying topic "East Asia Community." Marking its 10th anniversary in 2015, the East Asia Foundation has launched a publication project and coordinated this session under the topic "The Future of East Asia." The length at which the topic has been discussed reflects its difficulty, which is primarily attributable to the so-called Asia Paradox and the absence of a multilateral security mechanism. Is an East Asian community a dream that is supposed to be realized or just wishful thinking? This session will discuss the progress made with a focus on economic and security communities and obstacles to realizing this vision. Professor Ahn Choong-yong will give a presentation on regional economic cooperation.

Ahn Choong-yong

I have a positive outlook for an economic community in East Asia. I expect the region to eventually establish an economic community in the near

term, albeit not without difficulty. First, in the security segment, the region has not experienced a full-scale military conflict since the Korean War, and despite deterioration in bilateral or multilateral relations, investment has continued across borders. This trend has been consistent over the past three decades and is based on empirical evidence. In addition, East Asia, especially Korea, China and Japan, has emerged as a manufacturing center in the global market. According to The East Asian Miracle published by the World Bank in 1993, the region's rapid growth is mainly due to export-oriented, market-friendly policies, a focus on human resource investment and merit-based compensation systems. In the wake of the 1997 Asian foreign currency crisis. East Asia developed a sense of belonging and bonding as a regional community in the face of a raid by international hedge funds. This eventually led to the creation of the Chiang Mai Initiative (CMI) and the Asian Bond Market Initiative (ABMI), the first of its kind in East Asia. Cooperation between regions and countries drove the region's fast rise. In addition, East Asia is characterized by two recent megatrends: the proposed

Trans-Pacific Partnership (TPP) and the Regional Comprehensive Economic Partnership (RCEP). Some warn that both partnerships could be on a collision course as the U.S. (TPP) and China (RCEP) seek to keep each other in check through these vehicles. I believe that, though it will take time, these two megatrends will be merged into one, which will develop into a larger community in East Asia than APEC.

Future of East Asian Security Community

Dato' Muthiah Alagappa

Many countries in East Asia have long existed as individual political entities. From the perspective of nation-states, however, such countries are relatively new except for Japan. For example, China became a nation-state in 1949. Before envisioning a security community, the process through which a nation-state is created requires close attention. Despite the lack of distinctive regional communities, East Asia has seen remarkable growth thanks partly to a globalized economic system. As such, the security community of the future should reflect on

the construction process of a nation-state as well as strategic changes in regional structure. In fact, I have a negative view of a security community. Its creation is not a prerequisite to peace. The region has long maintained and developed peace, and at this point, forming a regional security organization in East Asia is difficult. Nevertheless, maintaining peace in the region will not be difficult. I expect the region to face military skirmishes but not fullscale military conflict. Yet power of deterrence cannot be maintained without efforts. Despite no war, it is time to consider whether a limited form of security community can be created. Northeast Asia should establish a process and system similar to the six-party talks (on North Korea's nuclear program). The six-party talks would be a very advanced process that would require an ongoing evaluation of achievements over the next 40 to 50 years, not just those over the short term.

Peter Haves

I think creating a regional security community

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Peter Haves

Future of Nuclear Weapons-free East Asia





is like changing a square box into a circle. Nuclear issues have both positive and negative sides. The underlying problem of nuclear problems is intentional destruction of a city, country and region. In this context, nuclear-armed countries are in a conflicting relationship, and at the same time, pose a threat to non-nuclear countries. Unlike in the economy segment, countries continue to engage in primal confrontations in the security segment. In fact, the East Asian region lacks a framework through which a universal ban on the use of nuclear weapons can be discussed. When it comes to

"deterrence," China feels pressure. The U.S. uses the threat of deterrence as a preventive measure. South Korea has been pressured by an opportunistic North Korea. Today's nuclear threat system is more complicated than it was during the Cold War period. It is no longer bilateral relations between the U.S. and the former Soviet Union. The regional dynamics involve the U.S., Russia and China. In addition, opinions are divided between nuclear-armed states in Europe, with some nuclear-armed countries not officially recognized as being among the world's holders of nuclear weapons, such as Israel and North Korea. In particular, many regions voice their support for an East Asia free from nuclear weapons, but this can spark a problem with unexpected discord. Nuclear threats are well under control among nuclear-armed states such as the U.S., China and Russia. The most problematic is North Korea. Accordingly, nucleararmed countries and those without such weapons, such as South Korea, Mongolia and Japan, should establish codified norms to build a nuclear weapons-free zone (NWFZ) to ensure regional stability. If other nuclear-armed states can accept this, East Asia can form a security community after two to three generations, overcoming nuclear threats and problems. A Fukushima nuclear security zone should be considered as part of the NWFZ. Japan, China and South Korea have established a tripartite organization and should contribute to establishing a framework that engages Russia and North Korea to ensure that the North gives up its nuclear ambition and the Korean peninsula can move toward peace.

Obstacles to Building East Asian Community: Geopolitics, Nationalist Narrative and Domestic Politics

N. Hassan Wirajuda

I would like to point out that an East Asian community is still at the conceptual phase. In fact, harmony between countries in East Asia stemmed from the formation of ASEAN in 2004. The expansion to ASEAN+1 and ASEAN+3 spurred discussions about the creation of a regional community in East Asia. A number of countries discussed the necessity of holding regional summits in East Asia within a limited scope. In particular, the vision for a regional community was not restricted by geographical distances but included Northeast and Southeast Asia. India, Australia and New Zealand in pursuit of an East Asia with greater balance and tolerance. This vision was presented at the first East Asia Summit in Kuala Lumpur, Malaysia, in December 2005, with 16 countries attending. The concept of East Asia has since become a subject of rivalry, and was expanded at the East Asia Summit in Bali, Indonesia, to include 18 countries (including the U.S. and

Russia). Views on the scope of the number of East Asian countries also differ, with voices saying the region has 13, 16 or 18 countries.

East Asia makes a patient approach by stage and bloc. Unlike the Treaty of Rome of the EU, Asia lacks a top-down approach and, as such, a bottomup approach is needed. Resolving outstanding matters of the past should get priority in forming an East Asian community. Korea, China and Japan-three countries involved in World War IIare not ready for reconciliation. I agree with German Chancellor Angela Merkel that Japan should follow Germany's lead in rectifying history by apologizing for its past wrongdoings and moving forward. However, this is easier said than done. Another issue is that the two Koreas are technically still at war, as the Korean War ended with an armistice, not a permanent peace treaty. In other words, the conditions are uncertain. I have visited North Korea five times and could feel a high level of anxiety in the North Korean regime. For this reason, among others, talks regarding officially ending the Korean War are essential. In addition, the formation of a regional community requires the resolution of territorial disputes, which are difficult to negotiate under international law. East Asia should recognize these inherent obstacles to a regional community and learn from other regional case studies to avoid the same mistakes. Countries in the region must resolve outstanding matters of the past and create a larger community, using the model of ASEAN.

Cooperation

Ahn Choong-yong

Continued economic cooperation will influence security cooperation, though this will take time. Economy should come first. The establishment of logistics networks and infrastructure, such as the China-led AIIB, is essential to forming an East Asian economic community. In particular, the AIIB is expected to make significant contributions to building infrastructure in northeastern China, Russia and North Korea. Multilateral cooperation is needed more than ever. In addition, Korea should

Correlation between Economic and Security



take an active role in multilateral programs in a post-Fukushima world to reduce nuclear threats and prevent regional conflicts in the process.

Dato' Muthiah Alagappa

The relation between economy and security is very complicated. From the simple perspective of neo-functionalism, a higher level of economic interdependence should be induced in the economic growth phase to help a country transition into an economic power. Such is the case with China and Taiwan, which are heavily inter-reliant on the economic front but stand apart in politics and security. The relation between economy and security should not be overly simplified. I am no big fan of the Asia Paradox, which can be a misleading expression. This phenomenon applies not just to Asia but also to the rest of the world.

Do Global Superpowers Such as the U.S., China, Japan and Russia Want a Unified Korea?

Peter Hayes

Korean unification can give relief to the U.S. and save economic costs. In addition, it can save the lives of U.S. forces stationed in South Korea and address human rights problems in North Korea. Determining whether such forces will remain in South Korea depends on deterrence and the wishes of both Koreas. Japan perceives U.S. military presence in Korea as a security measure against China's threat. Accordingly, I believe U.S. military presence on the Korean peninsula depends on whether China poses a security threat to neighboring countries. In addition, if Korean unification can lead to the creation of logistics networks, this will stimulate economic development in neighboring countries and natural resource development in China, Russia and North Korea. All in all, unification will create a framework desired by global powers in the region. However, if one of the global powers perceives Korean unification as a threat, it could oppose it.

Dato' Muthiah Alagappa

It is Koreans who should decide to work for unification, and it does not matter whether global superpowers approve of it. The most fundamental issue is Korea's commitment. Is unification a must for Korea? The word "unification" is apparently imprinted in the Korean mindset, but the necessity of unification should be assessed objectively. Whether the two Koreas can maintain cooperative and amicable relations is a question that must be answered, and not just by way of unification. Because the definition of a community differs from person to person, the implication of a community is unclear even to me. There is vague optimism about the creation of a community, which I believe requires fundamental review and soul-searching.

Policy implications and suggestions

 In the post-Cold War era, Europe established a regional community, the EU, and formed a common market and a single currency. This stimulated social and economic development; implemented common diplomatic and security policies, including joint security measures; pursued European interests; and promoted the interests of other countries. In contrast, countries in East Asia have increased the exchange of human resources and goods and economic interdependence along with economic growth. Yet the creation of a regional community has stalled due to political and diplomatic conflicts and rivalry. This session discussed the status, challenges and outlook with a focus on economic and security communities to achieve the time-honored dream of creating a regional community in East Asia.

Exploring the Future of North Korea

Nukes, Human Rights and Cyberwars

East Asia Foundation

Moderator	KIM Young-hui Senior Reporter, JoongAng Ilbo
Discussant	Don GREGG Chairman, Pacific Century Institute / Former U.S. Ambassado
	JEONG Se-hyun Former Minister of Unification, ROK
	John SWENSON-WRIGHT Head, Asia Program, Chatham House / Senior Lecturer, Faculty of Asian & Middle East
	Abraham KIM Director, The Maureen and Mike Mansfield Center, Univers
Rapporteur	KANG Chan-koo Program Officer, East Asia Foundation

North Korea is seen as the world's last "strange country" after the recent normalization of relations between the U.S. and Cuba. The Kim Jong-un regime, which has been simultaneously pursuing a nuclear weapons program and economic development, has shown visible success in accommodating certain elements of a market economy in its own way. The North, however, has not changed its belligerent attitude toward the U.S. and South Korea, nor has it budged on the global accusation that it is a major violator of human rights. Is North Korea slowly collapsing? Or will it just get by as it has done so far? This session discussed issues surrounding the North and its future based on the situation of the Korean peninsula, which has changed rapidly since Kim took power.

When the National Intelligence Service recently reported to the National Assembly that Hyon Yongchol, minister of North Korea's People's Armed Forces, had been executed, certain North Korea watchers saw it as a sign of deepening rifts in Kim Jong-un's power base; others, however, said that through his "reign of terror," Kim was showing confidence of being fully in control. Contrary to the dominant media view that Kim's position was being challenged, Jeong Se-hyun, former South Korean unification minister, interpreted Hyon's execution as a result of a veiled feud over who would ascend to the North's second-in-command.

Donald Gregg, former U.S. ambassador to Seoul, took issue with the NIS report to parliament about Hyon's purported execution. Looking back on the numerous errors in U.S. counterintelligence on North Korea in the past, South Korean intelligence appeared to be merely doing the job of a news agency in its latest report to the National Assembly, he said. Gregg emphasized that an announcement by a responsible government agency requires meticulous screening. Abraham Kim, director of the Maureen and Mike Mansfield Center at the University of Montana, and John Swenson-Wright, a professor at the University of Cambridge, noted that neither the purported execution of Hyon nor its potential meaning could be verified. In addition, they said that the stability of Kim Jong-un's power base could not be judged by the execution of a high-ranking official; if he was seeking to consoli-

lor to South Korea

stern Studies, University of Cambridge rsity of Montana





date his power through fear mongering, they added, such tactics would be unsustainable in the long run and would rather lead to his isolation.

Another topic of interest was North Korea's cancellation of U.N. Secretary-General Ban Kimoon's visit to the Kaesong industrial complex and what it meant. Gregg expressed regret over the nixed invitation and said how pitiful that North Korea failed to make use of such an opportunity. By rescinding the visit, he said, the North appears to have responded sensitively to the U.N. report on Pyongyang's human rights abuse and the world body's referral of the North to the International Criminal Court. Jeong said Ban's criticism of the North's missile test the day before the planned visit and his comment that Pyongyang must open up to the world and reform must have irritated the reclusive regime. If the North continues with its nuclear and missile threats as a means for dialogue, Jeong said, it will only face endless U.N. sanctions.

Experts downplayed the chances of a breakthrough in which Pyongyang gives up its nuclear arms as slim, as the regime is holding on to its nuclear tactics. Abraham Kim said the U.S. policy of "strategic patience" was failing. The purpose of the policy is to deliver the message that Pyongyang will suffer if it does not enter negotiations while keeping the door open for both diplomatic pressure

and opportunity toward dialogue. The problem is, however, that Pyongyang is not suffering, he said. The U.S. policy was more of a method of problem management rather than dispute resolution, and Washington was simply waiting for a problem that it had pushed aside to go away, according to Kim. Gregg also said U.S. policy toward North Korea is non-existent, and claimed that talks that hinged upon Pyongyang's nuclear disarmament as a precondition were unlikely. Swenson-Wright said the North was using time to its advantage, and the U.S. policy of "no dialogue" was only giving the belligerent state more time to develop nuclear weapons. Should Washington turn a blind eye to this situation, the Cambridge scholar said, the North might possess between 20 and 100 nuclear warheads by 2020, and if so, Pyongyang's abandonment of its nuclear program will be even less likely.

Amid the dire need for dialogue to tide over a nuclear crisis, arguments were raised that nuclear talks are of no use. Critics said they are merely a means to justify lack of efforts for negotiations. Jeong found the reasoning behind this argument in the military-industrial complex theory, which presumes that if the North Korean nuclear crisis is resolved, the demand for weapons will also go away. According to Jeong, one tendency was to interpret Pyongyang's policy in a way that considered or guaran-



Kim Youna-hu

Jeong Se-hyun

teed the interests of the military-industrial complex. Former South Korean Unification Minister Lim Dong-won, who was attending as a member of the audience, also agreed that the military-industrial complex was a playing a part. Lim said U.S. neoconservatives played a leading role in the militaryindustrial complex under the Bush administration. Abraham Kim blamed Jeong and Lim for making a leap in logic by accusing the U.S. of formulating a policy to benefit a specific industry when a nation's diplomatic and national security policy should always prepare for the worst-case scenario. Former South Korean Defense Minister Kim Tae-young also said, as a member of the audience, that the argument that nuclear talks with the North were useless to the military-industrial complex theory was no different than saying that South Korea should trust North Korea and disarm. Refusing to prepare for contingencies would be comparable to entering an African jungle with no preparation, he said.

Along with the nuclear stalemate, human rights in North Korea were discussed as a key issue. The U.N. Commission of Inquiry on Human Rights in North Korea concluded in its final report of February 17, 2014, that Pyongyang was committing crimes against humanity under the worst totalitarian regime in history, and recommended that the U.N. Security Council refer the situation to the International Criminal Court. Abraham Kim said human rights were an ethical issue and not a diplomatic one, making a government responsible for the treatment of its own people. He also mentioned the difficulty of peacefully negotiating human rights issues with North Korea in which an afterimage of the regime's past human rights abuses lingers. Swensonsuch leverage.

lations.

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John Swenson-Wright



Abraham Kim

Wright said an approach to engage donor countries to resolve the human rights issue would lack effectiveness, and that a broader approach, including an engagement policy, was necessary. Citing the Helsinki Process that contributed toward improving human rights in Eastern Europe as an example, Jeong suggested using support through economic, scientific, technological and cultural cooperation as leverage to talk Pyongyang into improving human rights. Gregg also said the North must feel the need to improve human rights for its own good by using

A consensus among South Korea, China and Japan was mentioned as a way to break the nuclear and human rights deadlock on the Korean peninsula, but the discussants were not optimistic over its effectiveness. Swenson-Wright was skeptical about how seriously Japan would take its role in the talks with South Korea and China. With the U.S. working closely with Japan to keep the "Chinese dream" in check, Tokyo under the Abe administration is also taking steps to become the leader of Asia. Assuming that the Japanese and Chinese dreams will collide, a discussion process among the three countries will not go smoothly, and South Korea would have to address the consequences in affairs surrounding the Korean peninsula. Gregg said at

least a few years would be needed for the BESETO process to settle down, adding that the situation in North Korea will worsen in the meantime. Former Canadian Prime Minister Joe Clark, as a member of the audience, mentioned that to overcome the peninsula's current plight, the two Koreas should resume bilateral talks and normalize diplomatic re-



Overcoming Geopolitical Gap in Northeast Asia

Towards a New Politics of Trust and Harmony

East Asia Foundation

Moderator	PARK Cheol-hee Professor, GSIS, Seoul National University
Discussant	Kathleen STEPHENS Former U.S. Ambassador to the Republic of Korea
	G. John IKENBERRY Albert G. Milbank Professor of Politics and International Affairs, Princeton University
	Dato' Muthiah ALAGAPPA Senior Associate, Carnegie Endowment for International Peace
	REN Xiao Professor, Fudan University
Rapporteur	KIM Hyun-jin Global Asia Fellow Researcher, East Asia Foundation
Rapporteur	REN Xiao Professor, Fudan University

Kathleen Stephens

The remarkable growth in China, Korea, Japan and Southeast Asian countries is overshadowed by many geopolitical challenges to overcome. It is undeniable that the U.S. has made significant contributions to the growth of these countries. A less-thansuccessful example of the U.S. role in the region, however, is the geopolitical tension in Northeast Asia that stems from North Korea's nuclear program. Meanwhile, South Korea, Japan and China should pay attention to India's policy to promote harmonious growth.

Given China's growth, the U.S. should reconsider whether to pursue maintaining the status quo or geopolitical rebalancing. To move forward in a constructive way, new policy efforts should be transparent, embracing and trustworthy. The U.S. should make efforts to enhance its diplomatic significance rather than relying on a military-first strategy. Although the rise of China is worrisome, it should be addressed with a multilateral framework such as the six-party talks, rather than creating fracture lines between countries.

Recent changes in Japan raise expectations that

Japan, almost 70 years after the end of World War II, could become a "normal country" and play a positive role in the region. The U.S. appreciates partnership between Korea and Japan and thus worry about conflicts between the countries. The U.S. cannot untangle the complicated history between the two countries or urge them to resolve their conflicts.

The Japanese government should be more committed to addressing pending political and diplomatic issues and improving relations with China and Korea. It is not desirable to let the conflicts spread over the private sector, where all parties stand to benefit. When dealing with historical issues between countries, establishing trust and communication is crucial. Furthermore, historical issues should not compromise other important interests such as security and regional cooperation.

On Sino-U.S. relations, the two countries should recognize the presence of problems in areas such as the environment and population, and respond to the changing order of the world. The U.S. should continue to play a role in regional security, but at a more bilateral and multilateral level. The U.S. has



failed to introduce changes required to reshape the broad region to existing alliances and institutions. In a postwar era, the international security system has an important role to play, and China is among the beneficiaries. The U.S. should be more wary of military buildup in East Asia, territorial disputes, arguments over history and naval enhancement.

G. John Ikenberry

The rise of China and changing roles of the U.S. indicate that relations between the U.S. and China will remain complicated, albeit in a different way than they were during the Cold War. China is expected to seek growth within the existing order of the world, rather than pursuing a revisionist state. This has greater strategic advantages for China. China will seek to maintain the authoritarian Communist Party system, but to secure legitimacy of the party, it will need to align with the international system including economic and trade segments by accepting liberalism, opening up the market and promoting transparency. China should not impose its authoritarian model on the existing order of the international community.

The U.S. is likely to maintain its power in East Asia and establish itself as a superpower of the era while competing with China. Even if it is difficult for the U.S. to exert direct pressure on China, it must keep a rein on China, which is becoming more assertive. Countries in the region are expected to rely on U.S. military power while forging more complicated relations to take advantage of China and the U.S. These countries should expect the U.S. to exercise its leadership as an advocate for democracy, rule of law and transparency in the region.

With regard to the China-led AIIB, it is problematic that China seeks to increase its influence under the Bretton Woods system and make excessive demands. The Bretton Woods system, as well as the U.N. Security Council, is clearly in need of reform, and the U.S. will benefit from China's increased role in the international community.

One of the reasons that China has been pursuing the AIIB initiative is, firstly, to resolve an issue of their excess production capacity. Also China wants to show their goodwill to other countries as a friendly neighbor. Secondly, as China has limitations in taking part in the existing world order, China has declared that it will take the lead in creating a new order.

Using multilateral regional platforms such as the AIIB when China makes its voice heard in the international community is beneficial for China as well as other participating countries because it ensures

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transparency under the principle of multilateralism; thus, it will encourage China to integrate within the existing liberal world order. The U.S. and China are expected to be able to reach an agreement in the economic and trade segments, and bilateral relations should develop under the principles of transparency, rule of law, democracy and liberalism.

Japan, as an advanced country, has garnered respect from many countries outside the Northeast Asian region, playing a positive role in the international community. Upholding its pacifist constitution, Japan has emerged as both a world power, despite its non-nuclear status, and a strong supporter of the international security, ODA and the U.N. system. Japan has maintained its soft power and emerged as one of the next-generation superpowers.

It is regrettable that Japan's recent shift toward "hard power" has undermined the trust of its peers. Japan seeking to become a normal state is understandable, but Japan needs to live up to its profile in the international community and minimize conflicts with neighboring countries by actively addressing past wrongdoings. Prime Minister Abe has been taking advantage of the situation for his political agenda at home. Japan is undermining its stature in the international community. Apart from changes on the Korean peninsula, the Northeast Asian region is not expected to change significantly. Tension will persist in the region as long as North Korea continues its missile and nuclear tests. However, Korean reunification will put the region at the center of political and economic innovation.

(Dato' Muthiah Alagappa

The rise of Asia calls for a more precautious approach. As Asia has many challenges in areas such as politics and geopolitics, not to mention economics, it is difficult to consider it a "comprehensive" rise. Just as Japan put an excessive focus on growth in the past, the same is true about the rise of China. The U.S. will continue playing a significant role down the road.

It has not been long since Asian countries emerged as modern sovereign states. The creation of a sovereign state should be discussed in a more fundamental context, not just geopolitical one.

Apart from the rise of China, problems associated with the process of sovereign state formation warrant attention in areas such as inter-Korean relations, cross-strait (China-Taiwan) ties and India-Pakistan disputes.

In the case of Europe, national borders have changed through constitutional revision. However, that is not the case for the Tibetan independence movement and secessionist movements in the Philippines and Indonesia. Asia faces many challenges in establishing sovereign states. Asian countries such as Korea and China should recognize that ethnically homogenous sovereign states, not just nation states, can peacefully coexist and should reshape the decades-long peacekeeping mechanism in response to changes in the geopolitical environment.

Given the geopolitical balance in the region and the absence of full-scale war over the past decades, changes that may shake the fundamentals of security are unlikely, except for small-scale naval skirmishes. This testifies to deterrence through the balance of power, not through the influence of solidarity, and is the most secure way to build trust, harmony and solidarity among countries and maintain peace. It is not easy to establish international solidarity through China, and the U.S.-led alliance system will be instrumental in maintaining international peace.

Constructive realism seems reasonable when dealing with regional problems. The outstanding matters of the past will continue to bring conflicts to the region despite involving countries' efforts to establish solidarity and economic cooperation. Only gradual improvement is expected to take place. The U.S. will maintain its controlling power in the region, while Japan and the U.S. will develop closer relations to keep China in check by exercising continuous deterrence. The impact of U.S.-Japan relations on the economy and security in the Asia-Pacific region warrants more attention.

Ren Xiao

China does not support a rigid and irrational international order, an approach that emphasizes the necessity of reforms rather than seeking out revolutionary revisions. China has achieved remarkable



Kathleen Stephens

Park Cheol-Hee

G. John Ikenberry

growth within the existing order, and its neighbors benefit from China's economic success. What China wants is reform. Although the international financial system such as the Bretton Woods system needs changes in areas such as voting rights and stakes, reform cannot materialize due to opposition from the U.S., which has established interest. From the perspective of a developing country, China seeks to help its neighbors achieve economic growth by way of the AIIB.

China has actively participated in the war against terrorism and pursued free trade negotiations with various countries. China has also worked worked with Japan and Korea to incorporate productive discussions into institutional frameworks and keep momentum in international relations. There is a lot of talk about China's rise. China, however, has been a powerful state for most of its long history; this is a "reemergence" as a global power.

Japan was the first Asian country to experience industrialization and achieved economic growth. It is time for Japan to respond to the changing balance of power and strategic questions. Japan should accept changes and redefine its roles in the international community. China has a keen interest in the messages Prime Minister Abe will deliver in his speech commemorating the end of World War II, an indication that the outlook for Sino-Japanese relations is more positive than expected. China's President Xi Jinping and Japan's Prime Minister Abe have so far held two summits. Korea, China and Japan will be able to hold summit meetings.

- challenges.
- embrace China.
- economy.
- the region.
- tional support.





Dato' Muthiah Alagappa

Ren Xiao

Policy Implications

Countries in East Asia should be interested in not just promoting economic growth but also taking on geopolitical

The U.S. is expected to retain its influence in East Asia, but should keep a close eye on China to see if Beijing seeks to maintain the status quo or pursue revisionism. It is imperative to examine policies related to security, the economy and diplomacy from various angles and establish a multilateral structure to enhance transparency and trust and

As Japan seeks to become a normal state, the Japanese government should make efforts to improve diplomatic relations and resolve disputes over territorial issues and its past wrongdoings to fend off any negative impact on its cooperative relations in areas such as security and the

China should align itself more closely with the international order, meeting calls for liberalism, opening up and transparency. At the same time, China should take the initiative in introducing democracy, rule of law and transparency to the region, while the U.S. maintains its influence in

China endeavors to make its voice heard through multilateral platforms such as the AIIB. This move ensures transparency under the principle of multilateralism, which should be seen in a positive light and deserves interna-

Apart from China's rise, conflicts associated with the creation of sovereign states in the Asia-Pacific region deserve attention, such as inter-Korean relations and conflicts between Taiwan and China and between India and Pakistan. It is imperative to reshape the decades-old peacekeeping mechanism according to changes in the environment.

Building an international community based on trust and harmony in the region is crucial. The U.S. has played a power-balancing role to keep peace in the region, and this is a way to maintain regional peace in the future.

 Given the potential impact of U.S.-Japan relations on regional dynamics, it is necessary to look beyond China.



Pioneers of the Jeju Forum

Recasting and Forecasting

East Asia Foundation

Moderator	WON Heeryong Chiarman, Organizing Committee of the Jeju Forum /
	Governor of Jeju Special Self-Governing Province
Discussant	GONG Ro-myung Chairman, East Asia Foundation / Former Minister of Foreign Affairs, ROK
	Don GREGG Chairman, Pacific Century Institute / Former U.S. Ambassador to the Republic of Korea
	LIM Dong-won Former Minister of Unification, ROK/ Former Director, National Intelligence Agency, ROK
	Spencer KIM Chairman & CEO, CBOL Corporation / Founder, Pacific Century Institute
	MOON Chung-in Professor, Political Science, Yonsei University
Rapporteur	SHIN Yoonhee Program Officer, East Asia Foundation

History behind Jeju Forum's Creation and Significance

Won Heeryong

Everything has its own beginning. Fourteen years ago, pioneering visionaries saw Jeju's potential, and the first Jeju Forum would not have been possible without their dedication and hard work. The Jeju Forum has continued to undergo substantial development ever since and expanded its scope beyond building peace through diplomacy and security to include economy, culture, environment and energy. Today, I would like to invite some of the founding members who have contributed to the Jeju Forum's ascent to a leading public diplomacy forum to discuss the forum's past, present and future. First, let us talk about how the Jeju Forum came into existence.

(Moon Chung-in

In the 1990s, Jeju was envisioned to become an international city to enable the free movement of goods, capital and talent amid a pressing need to

create a peaceful atmosphere on the Korean peninsula. The combination of two visions—"an international city with the free movement of people and goods" and "peace"—led to the new perception of Jeju Island as a symbol of peace, which gave rise to the Jeju Forum.

The forum was modeled after the World Economic Forum in Davos, which captures global attention every year. The Jeju Forum intended to become Asia's answer to the Davos Forum but with a focus on peace. In particular, the first Jeju Forum was held in 2001, marking the first anniversary of the first inter-Korean summit on June 15, 2000. After the Bush administration took office in 2001, however, inter-Korean and North Korea-U.S. relations grew strained. South Korea's Ministry of Unification arranged for then South Korean President Kim Dae-jung to join the Jeju Forum, celebrating the first anniversary of the inter-Korean summit and drawing international attention to the peninsula.

The Jeju Forum has maintained its identity as a strong advocate for peace and reached today's milestone thanks to the efforts many organizations and institutions such as the Graduate School of Area Studies (GSAS) at Yonsei University, the Jeju Development Institute and the Jeju Peace Institute.

In particular, the forum has brought together four parties: 1) the Jeju provincial government, which takes the initiative in organizing the forum; 2) the central government (the Ministry of Foreign Affairs), which serves as a sponsor; 3) the East Asia Foundation, a non-profit civil organization under the Ministry of Foreign Affairs that was founded by Chung Mong-gyu, chairman of Hyundai Development Co.; and 4) the Pacific Century Institute, an international civic organization that arranged visits by former U.S. Defense Secretary William Perry and former U.S. Ambassador to Seoul Donald Gregg.



(Lim Dong-won

The speech made by the late President Kim Daejung before the first Jeju Peace Forum underpinned the agreement made in the historic 2000 inter-Korean summit and highlighted the progress of inter-Korean relations in the past year and their future direction. In addition, Kim congratulated the organizers on the forum's creation and urged contributions to promote peace on the Korean peninsula and in Northeast Asia.

The Jeju Peace Forum was launched on the back of joint Korean-U.S. efforts to end the Cold War and realize peace on the Korean Peninsula. The administrations of Kim and U.S. President Bill Clinton coordinated their policy efforts to end the Cold War on the Korean Peninsula.

In particular, the visit to North Korea by William Perry, former U.S. defense secretary, addressed two security challenges facing the U.S., creating a turning point in inter-Korean relations. The first was that the U.S. inspection team disproved the suspicion that North Korea had established underground nuclear facilities in Kumchang-ri, Pyeonganbukdo, in violation of the 1994 Geneva Convention. The second was that North Korea agreed to a moratorium on testing long-range missiles, which eased increased tension after the North's firing of a Taepodong missile, and set a new tone for bilateral negotiations on missile tests. The removal of the bottlenecks to bilateral talks set off the Perry Pro-



cess, which is al Peace Process

The inter-Korean summit was held in 2000 for the first time since the separation of the two Koreas, building consensus on peace and unification and paving way for adoption of the June 15 North-South Joint Declaration. In the spirit of the declaration, efforts were made such as the Mount Geumgangsan Tourism Project, family reunions between those in both Koreas, the joint march at the 2000 Sydney Summer Olympics and the groundbreaking for construction of a railway and road linking South and North Korea on September 18, 2002, attracting international attention to the Korean peninsula.

Jeju emerged as a symbol of peace and a negotiating venue for the two Koreas to improve bilateral relations. The island hosted three high-profile inter-Korean conferences in September 2002 alone: a special envoy visit by Kim Yong-sun, secretary of

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Won Hee-ryong

Gong Ro-myung



Don Gregg

Lim Dong-wor

Spencer Kim

Moon Chung-in

cess, which is also known as the Korean Peninsula





the Central Committee of the Workers' Party of the Democratic People's Republic of Korea (DPRK) (September 11-14); defense ministerial meetings (September 24); and the North-South Ministerial meeting (September 27).

The reconciliatory mood continued as Jo Myongrok, a top North Korean military official, visited the U.S. on a goodwill mission and met then President Bill Clinton in October 2000. Washington and Pyongyang expressed their willingness to improve bilateral relations, announcing the U.S.-DPRK Communiqué on October 12. The visit was reciprocated by a landmark visit to Pyongyang by Madeleine Albright, then U.S. secretary of state, who held meetings with the North Korean leadership on October 23 and 25. As such, the Jeju Peace Forum was launched when the Korean Peninsula Peace Process gained momentum toward the end of the Cold War on the Korean peninsula and raised hopes

for a brighter future.

In the run-up to the second Jeju Forum, North Korea's relations with the U.S. and South Korea turned sour after George W. Bush became president in 2001. His administration renounced Clinton-era policies and pinpointed North Korea, Iran and Iraq as the "Axis of Evil" that would be targeted as part of his war on terrorism in the wake of the 9/11 attacks. Tension on the Korean peninsula escalated to a new height after Washington warned that North Korea could follow Iraq as a target for U.S. military action. Fortunately, President Bush voiced support for the Kim Dae-jung administration's "sunshine policy" of rapprochement with Pyongyang in the South Korea-U.S. summit in February 2002. There, the American president announced his willingness to solve all problems through negotiations and talks and asserted that the U.S. had no intention of attacking the North.

As a special envoy, I visited North Korea and met its then leader Kim Jong-il to discuss misunderstandings and restore inter-Korean talks. When I returned from North Korea in April, I joined the Jeju Forum at the request of Professor Moon Chungin and held discussions with William Perry, former U.S. defense secretary, and Donald Gregg, former U.S. ambassador to Seoul.

Won Heeryong

Spencer Kim, I would like to ask you why you started working with the Jeju Forum. I understand that the Pacific Century Institute (PCI) made great contributions to the forum's formation in its early days. Could you explain the background of the institute's engagement and share your ideas of cooperation with the Jeju Forum?

Spencer Kim

I first traveled to Jeju to visit my friend Professor Moon's hometown. I was introduced to the former governor, Woo Geun-min, who provided me with the opportunity to work as a special economic adviser to the Jeju Special Self-Governing Province. When asked how to stimulate the Jeju economy and make Jeju Korea's answer to Hawaii, I proposed the creation of a conference center to promote tourism and make Jeju attractive to fellow Koreans, not to mention foreigners. At that time, hotels on Jeju stood empty on weekdays and were crowded only on weekends. Jeju was in desperate need of more international conventions to solve this problem. I advised that the private sector should take the initiative in hosting international conventions. It is great to see that the Jeju Forum has been established as a platform for cooperation between the public and private sectors.

Evaluation of Jeju Forum in Comparative Sense

Won Heeryong

Lim Dong-won, former Korean Minister of unification, provided valuable testimony on the role Jeju played in the Korean peninsula crisis during the government transition in the U.S. Let us turn to Gong Ro-myung, former Korean foreign minister. I would like to first express my gratitude to him for

taking part in the Jeju Forum over the past 10 gatherings. Please explain why you remain interested in the Jeju Forum, and as a former foreign minister, how would you evaluate the Jeju Forum's track record.

Gong Ro-myung

I first joined the Jeju Forum through an invitation from Professor Moon Chung-in. My ties with the Jeju Forum have continued thanks to my position as chairman of the East Asia Foundation, the cohost of the Jeju Forum, and as a former foreign minister.

Jeju Island emerged as a symbol of peace in 1991 when it hosted the summit talks between then Soviet Union President Mikhail Gorbachev and South Korean President Roh Tae-woo. Against this backdrop, the Jeju Forum was held on June 15, 2001, as a follow-up measure to the first inter-Korean summit. At that time, Asia did not have forums in which former presidents, prime ministers, foreign ministers and defense ministers gathered to hold policy discussions. The Boao Forum for Asia in China's Hainan province is focused on economy, while the ASEAN Regional Forum (ARF) and Shangri-La Dialogue in Singapore are devoted to security issues. In contrast, the Jeju Forum is meaningful in that it opens a dialogue in wide-ranging issues such as diplomacy, security, economy, society and environment. The Jeju Forum marked its 10th anniversary and has been around for the past 14 years. If I can compare the Jeju Forum to a person, it is still in the teenage years. It is our job to ensure that it can mature into a contributing member of the international community.

Jeju's Role in Improving Inter-Korean Relations

Won Heeryong

I would like to thank Donald Gregg, former U.S. ambassador to South Korea, for taking time from his busy schedule to attend the forum. Could you explain why you are especially interested in the Jeju Forum? In addition, you have visited North Korea six times and have insight on North Korean issues. Could you share your experience and opinion about the Jeju Forum and what role you expect Jeju will play in inter-Korean relations?



Don Gregg

It is a great honor to be here. My first visit to Jeju was in 1973, and I was fascinated with the beautiful scenery and have visited Jeju several times since then. Whenever I visit Jeju, I feel excited to see that efforts to develop Jeju in various ways have led to tangible results. In particular, it is personally meaningful that Jeju has developed into a symbol of peace.

In fact, I have special relations with the late President Kim Dae-jung. I saved his life two times, from his 1973 abduction to his death sentence. When the late President Kim Dae-jung took office, he personally invited me to his inauguration ceremony and asked me to look out for the interests of the Korean community in the U.S. and help improve inter-Korean relations.

Let me share behind-the-scene stories of inter-Korean relations. During the Clinton administration, Madeleine Albright, then secretary of state, after her visit to Pyongyang, characterized Kim Jong-il as a reasonable man in negotiations. U.S.-North Korean relations, however, entered a downward spiral due to President Bush's notorious "Axis of Evil" speech. At that time, I wrote a letter to Kim Jong-il in an attempt to improve bilateral relations. The North Korean government asked why I wanted to visit North Korea, and I said I would like to personally meet Kim Jong-il and received a formal invitation in two weeks. In hindsight, I think the U.S. State Department welcomed that I reached out to Pyongyang.

During my visit to Pyongyang, the first question I was asked by Kim Jong-il was why George W. Bush was so different from his father. I said, well, we're a big country, and the father was raised in New England. The son was born in Texas, and that makes a big difference. The second question was the policy of his administration, as (George W. Bush) had completely different policy stances from his predecessor. I answered that this is how democracy works. We exchanged constructive talks with humor.

Through my six visits to North Korea, I felt the necessity of continuing dialogue with North Korea. I believe Jeju has an ideal geography and environment to open up and exchange talks. I expect Jeju

will be a forum where the two Koreas continue talks and the Jeju Forum will sow the seeds of peace.

Jeju Forum's Most Visible Achievements and Needed Improvements

Gong Ro-myung

Today, there are many forums and international conventions led by Track 1. The Jeju Forum is an international forum, which enables multilateral talks in the region at the Track 1.5 level, and has established itself as a leading forum for dialogue in Asia. In the Jeju Forum's 10-year history, prime ministers of major countries have participated, and I believe their rich experiences and insight have been incorporated in the policymaking process through dialogues with experts. As mentioned before, the Jeju Forum is the only forum in Asia that discusses diverse issues. It is time to add a finishing touch to the blueprint. I believe that North Korea's participation will make the Jeju Forum for Peace and Prosperity true to its name. I hope North Korea will come forward to the forum for dialogue. I believe when North Korea joins the forum, putting behind its suspicion and anxiety, it will make peace on the Korean peninsula more viable.

Moon Chung-in

As a professor member, I have participated in the Davos Forum for eight years and in many other international forums, which led me to believe that forums have become a venue for public diplomacy.

First of all, sustainability is the key to make a forum successful. In Korea, several provincial authorities started to hold international forums but failed to sustain momentum. It is difficult to carry on a legacy when the administration changes hands. In this regard, it is great that the Jeju Forum has marked its 10th anniversary.

The second key to success is a new set of ideas and a new agenda. Whether it is desirable for the forum to touch upon an extensive agenda or be devoted to a few specific topics such as peace or the economy should be further discussed. Of course, if the forum has various agendas on the table, it has a positive effect by engaging people from dif-

ferent walks of life. On the other hand, it raises the question of whether the forum needs selection and focus. It will take more discussions and soulsearching to shape the Jeju Forum's identity down the road.

The third key to a successful forum is focus on its role as a networking channel. People pay to attend the Davos Forum because they want to build personal networks and explore new ideas. The issue at stake, however, is how to increase voluntary participation in the forum if the focus is on non-economic issues such as peace.

The fourth element of success is an impact the forum can exert on the world, as Davos Forum has proved. Likewise, it is necessary to present ways to materialize the agenda discussed in the Jeju Forum. Realization of the agenda requires presidential participation. It is essential for presidents to take part in the Jeju Forum, creating an opportunity to share the government's new ideas.

Last but not least, it is necessary to bring the Jeju Peace Institute (JPI) back on track. I believe it is necessary for the local and central governments to help the JPI enhance its research capacity and financial standing, establish itself as a global research center and contribute to the development of the Jeju Forum.

Don Gregg

Consensus building is imperative if the two conflicting groups are to work together. I stayed in Seoul for a day before coming to Jeju. Narratives about North Korea were filled with negativity. I think the U.S. has played a role in fanning animosity toward North Korea. The Jeju Forum should help avoid repeating the same mistakes and enable a search for areas of shared interest for the two Koreas, paving way for inter-Korean cooperation.

Won Heeryong

The Jeju government has asked for the North to join the Jeju Forum on several occasions. The North informed us that it wanted to discuss it after the U.S.-South Korea military drill at the end of April. After the end of the exercise, the North notified that it could not attend the forum due to time constraints. Besides, the Jeju government plans inter-Korean cooperation projects such as joint ecological research spanning the mountains Hallasan and Baekdusan in July and August, tourism development and shipment of tangerines to North Korea.

Gona Ro-mvuna

I believe that it will take more than the two Koreas' efforts to resolve North Korean nuclear issues on the Korean peninsula. However, inter-Korean talks cannot be delegated to anyone but the two Koreas. Having that as a principle, the largest challenge is how to implement dialogue in different segments. In this regard, I hope Jeju's tangerines will continue to serve as a messenger of peace and the governor keeps up his good work.

Moon Chung-in

The Jeju Forum is the work of not just one governor but rather stems from the cooperation of many governors. Some say Jeju is fraught with conflict and friction, but the Jeju Forum is a remarkable achievement. I admire Governor Won Heeryong of Jeju for his vision of the future. I hope that the Jeju Forum will contribute to promoting peace and prosperity on Jeju, the Korean peninsula and Northeast Asia and that the governor can bring about new changes under his five-year term.

Won Heeryong

I would like to thank you for the valuable advice and promise more efforts for the development of the Jeju Forum.

Policy Implications

The Jeju Forum for Peace and Prosperity (formerly the Jeju Peace Forum) was launched in 2001 with the goal to bring peace and prosperity to the Korean Peninsula and Northeast Asia. Since its first edition, the forum has faithfully served as Korea's best platform for public diplomacy and attracting political leaders, globally renowned scholars and experts in Korea and abroad to hold in-depth discussions on key issues in the region. Marking the forum's 10th anniversary, the 2015 Jeju Forum looks back on the event's past and casts light on the road ahead.



Pathways to Korean Reunification

Opportunities and Challenges



Kim Tae-vound

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Lim Dong-won

East Asia Foundation

Moderator	MOON Chung-in Professor, Political Science at Yonsei University
Discussant	KIM Tae-young Former Minister of Defense, ROK
	LIM Dong-won Former Minister of Unification, ROK / Former Director, National Intelligence Agency, ROK
	Kathleen STEPHENS Former U.S. Ambassador to the Republic of Korea
	Peter HAYES Founder and Director, Nautilus Institute
Rapporteur	KANG Chan-koo Program Officer, East Asia Foundation

The prospect of Korean reunification has drawn renewed interest on the Korea Peninsula and abroad since President Park Geun-hye in her New Year's news conference in 2014 said reunification would bring about "an economic bonanza." The establishment of the Presidential Committee for Unification Preparation revived hopes for reunification of the peninsula. Both Koreas, however, have yet to make meaningful progress and are locked in military tension, exchanging harsh rhetoric and holding each other in check. This session examined political, diplomatic, security, military and economic challenges facing the Korean peninsula and discussed opportunities and obstacles on the road to unification.

Milestone on the Road to Unification

Inter-Korean relations have moved between aggression and reconciliation over the past seven decades of the Peninsula's separation. The North committed provocations against the South more than 3,000 times for three years after the end of the Korean War. As North Korea continued its nuclear technology development, the U.S. deployed 150 to 500 tactical nuclear warheads to the Korean peninsula in 1979. After Washington ran into a nuclear dilemma on the peninsula in the mid-1980s, however, US tactical nuclear weapons were withdrawn from South Korea.

In 1991, the two Koreas as sovereign entities the Democratic People's Republic of Korea (DPRK) and the Republic of Korea (ROK)-concluded the Framework Agreement on Reconciliation, Non-aggression, Exchanges and Cooperation for the first time and agreed on a 25-point plan for the development of inter-Korean relations. Multipronged efforts such as the six-party talks have since been made to avert a nuclear crisis and lay the foundation for reunification. Nevertheless, North Korea's military provocations, nuclear and missile tests and international pressure on the North have thrown a wrench into inter-Korean talks and prolonged North Korea's isolation from the rest of the world.

Korean Unification: Opportunities and Challenges According to a 2014 poll, most respondents chose North Korea's collapse as the expected path

to reunification, though a bilateral agreement on reunification was deemed the most ideal path to reunification. Although German reunification is often discussed a feasible model for the two Koreas, former South Korean Defense Minister Kim Taeyoung said that given differences between the situations on the Korean peninsula and in East and West Germany, Korean unification through democracy and market economics would be most desirable. In this regard, he said overcoming North Korea's nuclear and other asymmetric military capabilities is of utmost importance, as well as establishing unwavering cooperation between South Korea and the U.S. Otherwise, he warned, the South will fail to prevail on the Korean peninsula and reunification will be done on the North's terms.

Former South Korean Unification Minister Lim Dong-won emphasized the importance of fulfilling the 1991 Framework Agreement. Referring to the inauguration speech delivered by the late President Kim Dae-jung, Lim said that as the Framework Agreement underpins what it would take to reunify the two Koreas, and that compliance with the agreement will enable reunification. He said that, prior to reunification, creation of an environment as close to a reunified Korea as possible is essential through bilateral cooperation, calling reunification a process.

Former U.S. Ambassador to Seoul Kathleen Stephens agreed with this opinion and said reunification by force is not an option. She recommended that the South take the initiative in pursuing peaceful reunification through close cooperation in line with the Framework Agreement and emphasized the need for building consensus on sustainable ways of reunification and consistency in North Korea policies. In addition, she mentioned flagging U.S. interest in Korean reunification but said reunification is essential to preserve peace and stability in the Asian region.

Nautilus Institute Executive Director Peter Haves emphasized the North Korean nuclear threat as the most pressing problem. The North has considerable concerns over the deterring power of the U.S. military base in Guam, he said, and so measures to resolve such concerns are needed. If the situation remains the same, he warned that North Korea could develop a nuclear warhead and transportation technologies in 10 years. If North Korea enlarges its nuclear arsenal and increases its long-range strike capabilities, Hayes warned that it will be impossible to achieve reconciliation, and a collapse of the North Korean regime could escalate to a civil war, with nuclear weapons being held hostage. To resolve North Korea's nuclear threat, he proposed a nuclear weapons-free zone in Northeast Asia. Resumption of the six-party talks, he said, is needed to keep Pyongyang from deviating from the right path, officially declare non-hostile relations through a cooperative framework in Northeast Asia and establish the proposed nuclear weapons-free zone encompassing the Korean peninsula to Mongolia.

Others urged the U.S. to form the nuclear weapons-free zone, which would be aligned with South Korea's shift from a wartime system to peace. Lim blamed the North Korean nuclear crisis on U.S.-North Korean antagonism and advised the U.S. to

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Kathleen Stephens

Peter Haves

How to Tackle North Korean Nuclear Crisis





make a policy shift toward normalizing relations with the North as way to achieve denuclearization, departing from the failed attempt to end the North's nuclear program as a prerequisite for normalization of U.S.-North relations. Kim Tae-young, however, said ascribing North Korea's nuclear ambition to the U.S. is illogical and predicted that if history is any guide, efforts to normalize relations will unlikely prompt the North to give up its nuclear program. When asked if she believes that the U.S. is committed to Korean unification despite many obstacles such as North Korea's nuclear ambition, Stephens said the U.S.-the previous Bush administration and the incumbent Obama administration alikehave unwavering support for Korean reunification, adding that the Obama administration is willing to improve relations with the North through a series of changes, though she said such changes are unlikely to happen overnight.

Policy Implications

Pathways to Korean Unification

Korea's reunification will not come without strenuous efforts. South Korea without a doubt needs watertight national security to fend off the worst-case scenario. Seoul should continue dialogue with Pyongyang. Korean reunification should be perceived as a process that should be peaceful through constant dialogue, departing from the approach of "take it or leave it" with preconditions. A nuclear weapons-free zone in Northeast Asia would also enable peace to take root in the Korean peninsula and reduce the North's anxiety over its security, which should contribute to resolving the North's nuclear program, the largest obstacle in the path to Korean reunification.

Historical Reconciliation and Preconditions to a Peace Community in Northeast Asia

Northeast Asian History Foundation

Moderator	CHOI Woondo Research Fellow, Northeast Asian History Foundation
Presenter	Aiko UTSUMI Professor, Osaka University of Economics and Law
	GE Zhaoguang Professor, Fudan University, China
	DOH See-hwan Research Fellow, Northeast Asian History Foundation
	WOO Sung-Min Research Fellow, Northeast Asian History Foundation
Rapporteur	YOON Seon hwa Chinese Editor, Northeast Asian History Foundation

(Woo Sung-min

The rise of East Asia has often been accompanied by heightened nationalism, leading to warnings of an "Asian Paradox." Diverse research is underway to push for the design of an East Asian Community, but historical disputes are the biggest barrier. History textbooks are often subject to historical disputes. One reason such textbooks have generated more heat than light is the lack of background knowledge among neighboring countries. Fortunately, Korea, China and Japan have constantly made efforts to overcome this.

Aiko Utsumi

Lately, many people in Korea and China have demanded apologies and compensation from the Japanese government and specific Japanese companies. Seoul and Tokyo also have differences in opinion over whether the 1910 annexation treaty was invalid. Most Japanese believe that the Tokyo war trials and the Treaty of San Francisco—a treaty that neither Korea nor China took part in—made them no longer liable for Japan's war crimes. To educate them that this is not true is crucial. Japanese say "colony" and "colonial rule" but Koreans say "forced occupation." Japan should accept the latter expression.

Ge Zhaoguang

Cultural ties between nations are based on (1) commonalties in historical origins and cultural traditions; (2) commonalities between different societies, customs and cultures; and (3) a future of mutual development. East Asia lacks such a basis for cultural bonding. The cultural commonalities of Korea, China and Japan have greatly weakened, especially after the Mongol invasion and Japanese invasion of Korea in 1592. While undergoing modernization, Japan despised China, and when China's Qing Dynasty replaced the Ming Dynasty, the people of Joseon (Korea) called the Qing people "barbarians." From the 17th century, East Asia has lost a sense of community either politically or culturally, causing problems such as the Yasukuni Shrine, Senkaku and Goguryeo.





Choi Woondo

Aiko Utsumi

Doh See-hwan

Woo Sung-Min

Doh See-hwan

Renowned historians and other well-known people have criticized Japan's attitude toward Korean women forced to be sex slaves for the Japanese military. Seeing Japanese scholars with a conscience, I felt that justice in history exists. Japan's wartime coercion of women into sexual slavery is a crime against humanity under international law, and the Japanese government has violated the agreements of the International Labor Organization and the Hague Convention that it has signed.

Policy Implications

Establishment of a cooperation body for joint research on East Asian history and culture

- Japan needs to free itself from nationalism that formed the basis of its imperialism and reestablish jurisprudence based on human rights-oriented thinking. The jurisprudence of international law as the common global standard is something that constantly develops with a commitment to justice. Countries must seek to build a peace community through active pacifism based on human dignity and respect.
- Geographical accessibility is not essential for a cultural community or economic complementation. Looking back on a past that went from blending to separation, countries must think about how to reconstruct an East Asian Community by reflecting on the history and cultures of East Asia.

Historical Reconciliation and Future Prospects for a Peace **Community in Northeast Asia**

Northeast Asian History Foundation

Moderator	NOH Ki-shik Senior Research Fellow, Northeast Asian History Foundation
Presenter	Seiko MIMAKI Professor, Kansai Gaidai University
	CHU Xiaobo Professor, Peking University
	SEO Hyun-ju Research Fellow, Northeast Asian History Foundation
	CHA Jae-bok Research Fellow, Northeast Asian History Foundation
Rapporteur	Nam Ji-un Japanese Editor, Northeast Asian History Foundation

Seiko Mimaki

With regard to why Japan needs to resolve historical issues, Japanese Prime Minister Shinzo Abe claims to have an approach called "diplomacy with a bird's eye view of the globe," but this has been criticized as "doughnut diplomacy." His administration emphasizes security as it seeks to make Japan a "normal state." Questions have been raised, however, over whether Japan can gain normalcy through revising its constitution and security policy.

Under these circumstances, the largest obstacle to realigning regional cooperation is obviously historical issues. For example, Korea and Japan in 2012 tried to share military information but talks broke off after Koreans rallied to protest a "militarist pact." These events forced Japan to once again recognize Korea's distrust of its eastern neighbor. To work through these issues, both countries need to work on several things.

Historical reconciliation, firstly, is a prerequisite for Japan becoming a normal state. Secondly, a fresh point of view will alleviate adverse conditions. Apart from the government, academia and the general pub-

lic should join these efforts. The historical revisionism of the Abe administration can be seen as a step to join hands with Japanese historians. A solution could be in sight if Japan's forced mobilization of women in World War II can be discussed by academics and ordinary citizens. Last year, I personally attended a seminar that commemorated reconciliation between Germany and Poland, and I witnessed young academics take a step toward historical reconciliation. Referring to U.S. and Japanese perceptions of history could also help. The U.S. and Japan still have differences in their perceptions of history, and the two cannot be said to have overcome their past since some in the U.S. still believe that the atomic bombings of Hiroshima and Nagasaki were justified. Residents of Hiroshima and Nagasaki, however, greatly sympathized with U.S. President Obama's views expressed through his speech for "a nuclear-free world." The gap in awareness must be bridged, but countries can rectify the past by planning a future together. This example will be an important benchmark for a breakthrough in bilateral relations. Lastly, whether the Abe statement to be issued

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in August will clearly inherit the Kono statement remains controversial. About 74 percent of the Japanese people believe Abe's statement should follow the Kono statement. Japanese media also said Prime Minister Abe should clearly admit to Japan's invasion in the statement.

Chu Xiaobo

Northeast Asia, where different perceptions of history remain, faces a complex future. The world has various multilateral mechanisms such as NAFTA, but among countries around the Korean peninsula, no regional cooperation system comprising of state powers exists. A tripartite summit of Korea, China and Japan has not been held for a while. Historical issues are the reason a regional cooperative system cannot be formed. Japan's unwillingness to inherit the Murayama and Kono statements is an example. Judging by voices in Japan that these statements should be verified, Southeast Asia and China cannot feel Japan's sincerity toward war victims.

Watching Prime Minister Abe visit the Yasukuni Shrine, do the acts of Japanese politicians violate the constitution ruling out a state religion? Hearing the words of Prime Minister Abe, who seems not to understand the Potsdam Declaration, neighboring countries cannot help but hold a negative view of Japan. Historical issues between Japan and China are causing complicated problems because the mutual perception of Korea, China and Japan is worsening. The perception of Russia is better than that of China. Historical issues in Northeast Asia substantially affect the political state of affairs in Northeast Asia.

Acute historical conflict is also arising among the three countries, as seen in the issues of colonialism and China's Northeast Project. In 1933, novelist Lu Xun wrote in a letter to his Japanese friend, "We are friends. That is why we need to see each other with open minds." If Korea and Japan wish for historical

reconciliation, that will be a start. This year's bilateral trade volume is set to surpass US\$300 billion. Korean President Park Geun-hye and Chinese President Xi Jinping have also reached a certain level of agreement on territorial conflicts. Both countries agreed not to use military force for the sensitive issue of territory. Historical reconciliation can change the present. Teenagers are engaging in activities for historical reconciliation between Korea and China.

In pursuit of historical reconciliation and for a brighter future in Northeast Asia, a study has been conducted on the perceptions of history of each of the three nations. While the Chinese held negative views of Japan, their notions of the Korean peninsula were mostly favorable because the Chinese understand Korea's view of China and have the same view when looking at Korea. In Japan, on the other hand, there is a general public perception that China and Japan cannot trust each other, and the same perception is also in China. It is important to think about why a country views another as intimidating. Like the theme of the Jeju Forum—"Towards a New Asia of Trust and Harmony"-Korea, China and Japan should begin understanding each other's view of history and take steps toward reconciliation.

Seo Hyun-ju

Prime Minister Abe used the expression "victims of human trafficking" to refer to women forced into sexual slavery by the Japanese army in an interview with American media ahead of his U.S. visit. The particular awareness of human trafficking by the U.S. provided a backdrop to his choice of words. The U.S. enacted the Victims of Trafficking and Violence Protection Act on October 11, 2000, just before the U.N. adopted the Protocol to Prevent, Suppress and Punish Trafficking in Persons Especially Women and Children. The law sets minimum standards applied to countries of origin, transit or destination for victims of severe forms of trafficking. It also sets the criteria for assessment of the efforts by those governments to combat such trafficking. Based on this criteria, the U.S. State Department has kept an eye on human trafficking worldwide and issues annual country reports. Since 2001, it has classified countries as Tier 1, Tier 2, Tier 2 Watch List and

World Bank.

With such a high level of awareness, the U.S. understands the sex slave issue as a type of human trafficking. By calling the victims of wartime sexual slavery "victims of human trafficking," Prime Minister Abe sought to appear as not meaning anything against the common U.S. perception of the issue. But the U.S. perception is different from that of Abe as it specifies Japan as the perpetrator through expressions such as "forced prostitution by the Japanese government" in a congressional resolution and "trafficking of women by the Japanese army" in a statement by the State Department.

While trying to give the impression to U.S. society that he thinks no differently from them. Abe had to assure his supporters at home that his government did not admit to forcing the women into sexual slavery. The Japanese expression for "human trafficking" is "人身賣買" and that for "trafficking in persons" is "入身取引." According to the Japanese NGO Japan Network Against Trafficking in Persons, the term "人身賣買 (jinshin-baibai)" was used both before and after 2000 in reference to the sexual exploitation of women and violence against them. The term's definition is unclear but does not include exploitative labor and organ trade. The term "入身取 β ," on the other hand, was used after the adoption of the U.N. protocol on trafficking of persons in 2000 and includes forced labor, subordination and organ trade. Despite Tokyo's official use of the term "入身取引" as the translation for U.N.'s "trafficking in persons," Abe used the other term, "人身賣買," in his interview to deliberately avoid being linked to the official international definition that includes coercion, according to observers. The prime minister's repeated calling of the sex

slaves as "victims of human trafficking" is highly problematic in that he failed to specify who the perpetrators were, making it unclear whether the Japanese army and government were responsible. This can easily be read as a suggestion that since the

Tier 3 based on their progress in combating human trafficking. Washington cannot provide countries in Tier 3 with anything other than humanitarian aid or trade-related assistance. Tier 3 countries might also not receive U.S. support when they seek funds from international financial organizations such as the



women provided sex out of their free will, neither the Japanese military nor government was involved or responsible. Tokyo, however, had admitted in the 1993 Kono statement that the Japanese government and army were directly and indirectly involved in establishing "comfort stations" and transporting "comfort women," and that their recruitment was conducted mainly by private recruiters at the army's request. Many of the women, the statement added, were recruited against their will through coaxing and coercion. The Kono statement is considered Tokyo's official position and Abe has said he has no intent to revise it, but is still making claims that contradict the overall meaning of the statement.

Another point is the numerous victims of Japan's sexual slavery who were mobilized in no relation to the "human trafficking" Abe hinted at. In 1942, Dutch women at prison camps in Indonesia under Japanese occupation were transported by the Japanese army to "comfort stations" to provide sex for the Japanese army. After the Second World War, a temporary military tribunal in Batavia, Indonesia, in 1948 imposed a death sentence on the Japanese general responsible for setting up a comfort station in the Smarang region, and punished other generals and managers of the station. The Japanese judiciary has admitted that its military kidnapped, imprisoned and repeatedly raped Chinese women in China's Shanxi province and Hainan island, two regions that were invaded by Japan. So Abe's claims that the comfort women were victims of human trafficking disregard the existence of the numerous victims and distort facts.

Reconciliation is not something intangible like forgiveness or healing but emphasizes social change. The challenge of reconciliation after atrocities is to create a more just society. Publicly, systematically and legally admitting to committing the atrocities is a precondition to sustainable reconciliation. Should Japan accept this idea of reconciliation, rapprochement over the issue must start with presenting the truth and Japan publicly admitting to the wrongdoings. I agree with former U.S. Deputy Secretary of State James Steinberg, who said its leaders must contemplate whether they can reach an agreement on the past and move on to the future. But to do so, time is needed to interpret the term "human trafficking" because this term can distort a great amount of historical facts and hurt surviving victims. To rid the world of sexual violence and human trafficking and promote peace and friendship in Asia, Japan's unbiased and honest acceptance of past wrongdoings is a must.

Cha Jae-bok

Regional cooperation in Northeast Asia in diplomacy is only possible if historical and territorial conflicts between China and Japan are resolved. In April 2015, major changes came to relations between Korea and Japan, between China and Japan and between the U.S. and Japan. The latest ministerial talks between Washington and Tokyo attended by U.S. Defense Secretary Ashton Carter in preparation for Prime Minister Abe's visit to the U.S. in late April. Abe apparently strengthened Japan's political and strategic alliance with the U.S. without mentioning historical facts such as invasion. Around the same time, Kono Yohei, former speaker of the Japanese House of Representatives and president of the Japanese Association for the Promotion of International Trade, held talks with Chinese Premier Li Keqiang in Beijing. On April 22, Abe and Chinese President Xi Jinping met for 30 minutes on the sidelines of the Bandung Conference in Indonesia. Many expect that these talks could improve Sino-Japanese relations. There has been talk that the Senkaku Islands (called Diaoyu in China) have been covered by a security treaty between the U.S. and Japan since 1997-1998. China is aware of the reasons behind the strengthening of the U.S.-Japan alliance, but Xi said China-Japan cooperation is necessary for achieving China's national development goals.

China has suggested building a "community of common destiny" with neighboring countries, but its territorial conflicts with the Philippines, Vietnam and Japan contradict its efforts to expand friendly relations in the region. From April 2014, a major change could be observed in Xi's diplomatic moves. The fourth Conference on Interaction and Confidence-Building Measures in Asia was held in May 2014 in Shanghai. There, Xi's new security policy was unveiled after he made a public vow to improve China's relations with Russia in summit talks with his Russian counterpart Vladimir Putin. Xi then paid a surprising visit to Mongolia, unlike his predecessor Hu Jintao and Jiang Zemin, who had always visited neighboring countries during tours of the region. In late November, Xi announced the theory of "community of common destiny." China's state-run newspaper People's Daily publicized this theory, which claims that China is connected to East Asia through Confucianism, to South Asia through Buddhism, to Central Asia through the Silk Road and to Northeast Asia through blood ties. In short, China is clearly emphasizing ties with neighboring countries.

Sino-Japanese relations in the pre-modern days were based on a strong China and a weak Japan in which the latter had to pay tributes to the former. After the Meiji Restoration in Japan, however, the roles were reversed. Their relationship then transformed into one between an invader and the invaded, an advanced nation and developing nation, a donor of U.N. aid and its receiver. Both countries formed official ties in 1971. A turnaround in bilateral relations occurred after 2010, and now, both are said to be in an equal and parallel relationship. I personally see it as a new symmetrical relationship. Looking back at ancient and modern times and the beginning of the 21st century, we can forecast the future.

When Hu Jintao visited Tokyo in 2008, he and then Japanese Prime Minister Yasuo Fukuda announced a statement that specified a relationship of strategic reciprocity. This came three years after China saw an uproar of anti-Japan sentiment after Fukuda's predecessor Junichiro Koizumi repeatedly paid respects at the Yasukuni Shrine in 2005. The collision of a Japanese patrol boat and a Chinese fishing boat near the Senkaku Islands on September 7, 2010, however, reignited ill feelings. In September 2011, then Tokyo Governor. Ishihara Shintaro said his city would buy Senkaku; the Noda administration at the time later declared national control over three islands in the region.

For trilateral cooperation, Japan must first end its historical revisionism and stop injecting incorrect history into its future generation through its textbooks. As for China, it should manage conflicts within East Asia not just for its own interests but also for the region's benefit. Since a three-way foreign ministers' meeting of Korea, China and Japan in March 2015, Korea should work toward holding a tripartite summit and embrace China and Japan to pave the way for trilateral cooperation. The institutional groundwork was laid for discussion of the issues among the three countries amid Japan's weak-







Seo Hvun-iu

ening over the past 20 years; Korea's economic power soared over the same period, as did China's. Through the TCS, Korea must embrace China and Japan.

[**Q&A**]

- Seo Hyun-ju A question for Professor Mimaki. You said efforts should be made so that the Abe statement in August accommodates the Kono statement. What kind of efforts do you think can be made?
- Cha Jae-bok A question for Professor Mimaki. You mentioned a U.S. ambassador's visits to Hiroshima and Nagasaki as an example of a potential opportunity for historical reconciliation between Japan and the U.S. But from a third person's point of view, we cannot understand the notion that the U.S. was the attacker and Japan victim as the atomic bombings had reasons behind them. I would like to hear professor Mimaki's views on why she skipped the background of the termination process of the war and spoke of only the results. And a question for Professor Chu Xiaobo: Is China really pursuing a diplomatic policy that emphasizes ties with neighboring countries? As a scholar of Peking University, what do you think?

Choi Woondo A question for Professor Chu Xiaobo.

Cooperation and reconciliation in East Asia is a positive step but China's construction of artificial islands in the South China Sea is worsening its relations with the U.S. and Japan. China is carrying out a project that causes conflict while pursuing economic cooperation. Do you think it will continue to build islands in the South China Sea?

Seiko Mimaki From the view of the human rights of the sex slaves, awareness is expanding in the U.S. and throughout the world. On whether Abe's statement would adhere to the Kono statement, few media outlets have reported what the Japanese people think. What the Japanese public thinks might not be the same as Prime Minister Abe's views. I am personally optimistic about it.

Chu Xiaobo China's position is that the South China Sea issue is also a diplomatic matter with neighboring nations. We must first know what diplomacy is. Diplomacy does not occur in a situation with zero conflict, so it does not mean a situation with no contradictions, but rather is about working through conflicts. Many meetings were held between Japan and Southeast Asian countries after the People's Republic of China was founded in 1949. In those meetings, China affirmed its principle of peaceful coexistence. Especially after the Cultural Revolution, neighboring countries had major concerns about China. Following Seo Hyun-ju economic reform. China achieved an economic development thanks to the Chinese people's efforts and the international environment. The Asia-Pacific region has seen no major conflicts after 1999. Since the arrival of an era of peaceful development, China's development emerged in a peaceful climate. In the 21st century, neighboring countries are integral to Chinese diplomacy and multilateral diplomacy is becoming a new era for China. I personally don't think that the Chinese government is touting a slogan for diplomacy with Cha Jae-bok neighboring countries for a specific purpose. The Northeast Asian region must be a community of common destiny. We need to join hands to deal with other communities in the Asia Pacific. The objective is not reaching a situation without conflict but one in which conflict can be resolved.

About the South China Sea issue, Western scholars say changes in South China Sea policies have caused problems. I believe that the policies should be viewed within the framework of diplomacy with neighboring nations. China did not suddenly decide to exercise power in the South China Sea. The Philippines and Vietnam abruptly responded to the issue. Mao Zedong said, "China is not a small country. It has rival nations around it, but China does not necessarily have to compete with them." In a way, the U.S. is raising issue with the conflicts in the South China Sea and Diaoyu Islands, which were not problems in the past, as it takes steps to return to Asia. The dreams of a large nation are a reaction to external pressure. China does not benefit from playing a leading role in creating contradictions. Academics are looking into why these issues are occurring simultaneously.

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I agree with Professor Mimaki that the comfort women issue is not a diplomatic one between Korea and Japan but that of women's human rights. The reason I criticized Prime Minister Abe's remarks is because I am wary of Tokyo's possible attempts to limit the victims to those in Korea and Southeast Asia. I spoke of the cases in Indonesia and China because the overall issue is about Japan's sexual violence in the Asia-Pacific region and human rights abuses that could be repeated in future wars or disputes.

Professor Ge Zhaoguang said it is inappropriate to bring something in Europe to Northeast Asia for comparison. I agree with Professor Chu Xiaobo that diplomacy does not occur in a situation with zero contradictions. Many joint statements between Korea and Japan or between China and Japan have been issued, but conflicts are still escalating over historical issues. China and Japan halt high-level talks when a historical conflict arises. We need to fix the idea of "historical reconciliation first and security cooperation next."

Policy Implications

stalemate.

By sharing a vision for the future, Korea, China and Japan can work out problems among them that have seen a

For historical reconciliation, looking into the historical perception of one's own country and others is needed.

Steps for reconciliation beyond historical conflicts must start from publicly admitting the truth about Japan's wartime use of sex slaves. Time should be spent on interpreting Abe's use of the Japanese term for "human trafficking" to prevent distortion of historical facts.

For three-way cooperation in Northeast Asia, Japan must end its historical revisionism, China must assume responsibility as a large nation and Korea must play an active bridging role. All three nations must work together to set the basis for trilateral cooperation based on the TCS.



Culture, Millennium evelopment **Goals and Beyond 2015**



Yu Hvun-seok

Olga Wysocka

Korea Foundation

Opening Remarks	YU Hyun-seok President, Korea Foundation
Moderator	Martin FRYER Director, British Council Korea
Presenter	Olga WYSOCKA Deputy Director, Adam Mickiewicz Institute, Poland
	YOON Keum-jin Executive Vice President, Korea Foundation
	Felipe DE LEON, Jr. Chairman, National Commission for Culture and the Arts, Philippines
Rapporteur	LEE Seohyeon Lecturer, Jeju National University

Global Public Diplomacy Network (GPDNet): **Culture & Art Programs implemented by Member** Institutions

Adam Mickiewicz Institute

- The Adam Mickiewicz Institute has implemented cultural programs to bring the U.N. Millennium Development Goals closer to reality, under the belief that culture will be instrumental in achieving the goals.
- The institute has been promoting Polish culture and artists in various countries such as Brazil, Turkey and India through cultural projects. It offers opportunities to bring together residents and artists and introduce Polish culture to many people.
- The "All of Poland Reads to Kids" initiative will promote reading to children in Poland. The aim is to engage many people we come across in our lives through cultural programs

Korea Foundation

• The foundation has focused on promoting Korean culture abroad over the past two decades with a view to enhance bilateral exchanges. It spreads Korea's culture and arts globally through exhibitions and performing arts and introduces other cultures to Korea.

- A major program implemented in 2013 and 2015 was the ASEAN Korean Festival for underprivileged children in Vietnam. Many young Vietnamese and volunteers took part in the program, in which many people shared moments of joy through charity concerts and food sharing.
- The foundation's program for 2015 includes such events as the KF-POSCO E&C Global Bridge and Harmony Children's Choir, which are intended to improve the educational environment in developing countries through art and music, bring art closer to daily life and raise public interest regarding these issues.
- The foundation is committed to the global community program in 2015 and beyond. The plan is to raise awareness of global issues and seek partnerships with other organizations in areas such as the environment, culture and art,



- Art does not need specific spaces. Wherever humans are, there is art. How regrettable it is that the modern education system has been weakening the sense of community; role diversification, however, can enhance the sense of community. Asia is strong in this regard.
- Since the Industrial Revolution began in the 19th century, analytical and organized education has been the norm, but this model suppresses human aspects. Now, creativity and efficiency are valued. It is important to remember information, but even more important to create something new.
- · Creative perception occurs through cultural communication. Accordingly, a sustainable foundation should be created by enhancing Asia's unique ethnicity. In other words, "Asian values" should be expressed through incorporation of culture into daily life.
- · Recognition of cultural rights and expansion of creative diversity are essential. Sharing discussions on culture will eventually help achieve the U.N. Millennium Development Goals. To do so,

Policy Implications

 Culture and art cannot directly tackle global challenges such as the environment, basic education, women's rights and poverty. They can, however, make contributions by bringing these issues to public attention and creating innovative alternatives.

• In particular, the importance of culture was reasserted as member institutions of the Global Public Diplomacy Network (GPDNet) introduced their cultural programs and related effects. Furthermore, participants agreed that culture and art programs for global contribution can be vehicles for public diplomacy.







Yoon Keum-iin

Felipe De Leon, Jr



countries must enhance their own identities and build tighter cooperative relations.

Countries should develop long-term plans and enhance culture and diplomacy programs given the importance of culture and art in global communication.

Korean Unification as International Public Goods and the Role of International Media

Korea Foundation

Moderator	PARK Heung Soon Professor, Sun Moon University / Vice President, UNA-KOREA
Presenter	KIM Jaechun Professor, Graduate School of International Studies, Sogang University
Discussant	Roger COOVER President, The Record, U.S.
	Gabriela BOGDAN Chief Editor, NINE O CLOCK Daily Newspaper, Romania
	Simon MUNDY Korea Correspondent, Financial Times, U.K.

Rapporteur WOO HeeJeong Student, Macquarie University Graduate School

- The role of the international press in the Korean peninsula's road to unification that can be a "bonanza" not just for Korea but also for the world
- The benefits of unification were observed not just in traditional areas such as politics and security but also in areas such as economics, conflict resolution, human rights, democracy, the environment, clean energy and human trafficking. There have been analyses and studies conducted on the significance of unification both on a regional level and on an international scale.
- Given that Korean unification sends a message of harmony and unity around to the whole world, not just in Northeast Asia, it has the characteristics of global public goods.
- Korean unification provides a solution to human trafficking and drug smuggling in North Korea, and ensures the non-proliferation of nuclear weapons and the protection of the environment and human rights throughout the Korean peninsula as well as promoting free trade.
- The international press should adopt a traditional role as a media watchdog, and remain committed

to covering developments on the Korean peninsula and the progress of Korean unification.

Policy Implications

 International media outlets should keep an eye on developments on the Korean peninsula and focus on the progress of unification, concentrating on the media's traditional role as a watchdog.

 An important task is to remove prejudice among young South Koreans against unification, and pursue the social integration of around 10,000 North Korean defectors living in South Korea prior to unification.

 Romania's example attests to the necessity of developing more long-term policies and mutually beneficial strategies regarding Korean unification, as well as the importance of the media's role in communicating the policy proposals discussed at of various conferences to the world at large.

 Given Korea's geopolitical standing, media outlets from of the U.S. and other countries will play the role of critic of when it comes to Korean unification, and this requires countermeasures prepared in advance.

• Korea should provide information channels that enable international media outlets to better contribute to the Korean unification process.



Kim Jaechur

Park Heung Soon





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Roger Coover

Gabriela Bogdan

Simon Mundy

TOWARDS A NEW ASIA OF TRUST & HARMONY



Government-Civilian Networking Strategies for the Northeast Asia Peace and Cooperation Initiative

The Sejong Institute

Opening Remarks Moderator	PARK Joon Woo Chairman, The Sejong Foundation JIN Chang-soo President, The Sejong Insititute
Presenter	CHU Jang Min Professor, Korea Environment Institute
	YOO Jae Myung Vice President, Korea Institute of Ocean Science & Technology
	CHUNG Gyeongho Executive Vice President, Korea Internet & Security Agency
Discussant	HONG Gi-Hoon President, Korea Institute of Ocean
	LEE Sang-hyun Research Fellow, The Sejong Insititute
	KIM Taehwan Professor, Korea National Diplomatic Academy
	LEE Sae Yul Director, Korea Institute of Nuclear Safety
	CHUNG Gyujae Research Fellow, Korea Energy Economics Institute
	CHO Seonggwon Professor, Hansung University
	YU Hyun-seok President, Korea Foundation
	LEE Tai Hwan Research Fellow, The Sejong Institute
	KIM Soung Chul Research Fellow, The Sejong Institute
Rapporteur	YANG Jeong-Ah Researcher, The Sejong Institute

- To globally promote the Northeast Asia Peace and Cooperation Initiative (NAPCI), a public-private network should be established so that government organizations, private sector experts and think tanks in Korea and abroad can work together to devise concrete measures.
- Of the seven segments selected for NAPCI's civil network, discussions were held on the environment, disaster management and cyberspace regulations.
- Environment: NAPCI can be materialized through international cooperation in areas such as biodiversity, the Pyeongchang Roadmap and the Bio-Bridge Initiative. Biodiversity in Northeast Asia is vulnerable to climate change. Accord-

ingly, there is an urgent need for countries in the region to align their policies to ensure conservation and sustainable use of biodiversity.

- Establishing cooperative network of countries in Northeast Asia is needed by pursuing joint science and technology projects in the regional biodiversity segment.
- Catastrophe management: A maritime civil network would have three agenda items-nuclear safety, climate change and maritime disastersthat would enable Northeast Asia to overcome the limitations of the "Asian Paradox" and secure regional safety.
- Cyberspace: The recent emergence of cyber threats has a direct bearing on national security,

and the rising importance of cyber security makes it imperative for countries in Northeast Asia to share information on cyber threats and build a cooperative system.

A platform is required to coordinate and organize international cooperation in technology, an area in which Korea has received an increasing number of requests from developing countries.

Policy Implications

derpins regional order.

• Through partnership projects, countries in Northeast Asia should establish the Track 1.5 Dialogue and cooperative networks in which related government agencies, think tanks, businesses and NGOs can work together.



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> • By setting the agenda in regional cooperation, countries in Northeast Asia can build a culture and tradition that un-



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Challenges Ahead and the Korean Peninsula

World Federation of the United Nations Associations

Moderator	CHO Chang-Beom Invited Professor, Graduate School of International Studies, Korea University / Vice President, WFUNA
Congratulatory Remarks	PARK Soogil President, WFUNA
Presenter & Discussant	Kathryn WHITE Chair, WFUNA Executive Committee / President, UNA-Canada
	PARK Heung Soon Professor, Sun Moon University / Vice President, UNA-KOREA
	YOO Daejong Director General for International Organizations, Ministry of Foreign Affiars of the Republic of Korea
	CHOI Jong Moo Vice President, UNA-KOREA / Former Korean Ambassador to the Netherlands
Rapporteur	John HOOG Assistant, Office of President, WFUNA

Cho Chang-beom

This year is a historic year, as the United Nations marks its 70th anniversary. It is a driving force for multilateralism and has made significant contributions to international peace and development. But criticism of the UN is growing because of its limitations. What is the role of the UN in the challenging world ahead, and how in particular can it assist progress for reducing tensions and eventually reunifying the Korean Peninsula?

Park Soogil

Koreans have a special affection for the UN, which has been a partner in war and development. Korea, now an aid donor, is also a full partner in the UN's global agenda. Koreans have personal memories of wartime devastation, and Korea's dash to prosperity is due not only to the industry of its people, but to UN help.

New challenges for the UN include nuclear threats and non-proliferation fears. While the prospect of an agreement with Iran is desirable,

the continued violence in Syria and the partial dismemberment of the Ukraine is worrisome. In part, these problems can be traced to the Security Council veto, but I have personal memories of urging change while serving at the UN and facing hostility from the veto holders. The "responsibility to protect," a new international legal norm, has not yet been fully implemented, but is a hopeful sign that the world will be able to respond more effectively in the future to mass atrocities than it has in the recent past.

On Korea, the recent commission of inquiry report on North Korean human rights seems to have stunned Pyongyang. While there are no visible cracks yet in the gulag, the pressure mounts on North Korea as the UN considers the damning report of the commission.

Yoo Daejong

During its 70-year existence, the UN has had significant achievements: the UN Security Council's role in the Korean War and Gulf War, the creative



Cho Chang-Beon



Park Heung Soon



Kathrvn White

invention of peacekeeping operations, the active promotion of human rights, and the adoption of the Millennium Development Goals. The UN still needs to overcome its intrinsic limitations stemming from its intergovernmental nature and faces a very different environment in the 21st century. Reform efforts continue: Security Council reform, new guidelines for PKOs, this year's SDGs and climate change negotiations, and management reform for more flexibility coupled with accountability, are among its major tasks.

As a "best pupil" of the UN from its foundation, the Republic of Korea achieved economic development, full-blown democracy, and a strong human rights regime all within a generation. Based on its unique experience, it wants to play proactive roles in multilateral diplomacy such as a facilitator, supporter, and initiator. While Korea's critical interest lies in preventing a clash of states by building a

solid and robust global and regional community, the ROK and the UN need to prepare for many possibilities on the Korean Peninsula.

Kathryn White

WFUNA is a "people's movement" in support of the UN, with a mission to be "helpfully critical" when necessary. Security Council should be reformed to gain geographical balance and curb use of the veto. A French proposal for voluntary restraint in use of the veto is currently supported by the Elders, a group of senior statesmen, for reform and said ordinary citizens must engage in this discussion to hold the P5's feel to the fire.

The UNSC response to the Cheonan incident was proper. The UNSC president at the time provided an impartial venue for the South's accusation and the North's response, which made the council's later actions more credible.

The DPRK presents problems in human rights, nuclear proliferation, and humanitarian aid. South Korea has organized "mini-lateral collaboration" with interested powers, but the approach must remain multilateral and within the UN framework. Bilateral agreements are necessary, but a global approach goes to the core of security and peace.

Park Heung Soon

The main sources of problems in Korean unification are the nature and policy behavior of the North Korean regime: openly developing nuclear weapons and violating the NPT regime; isolating itself and repressing its people; keeping itself the world's most impoverished nation; and constantly threatening South Korea and other nations with nuclear weapons and its 1 million troops.

The UN can contribute to this end by using its democratic legitimacy, diverse expertise and experience in areas such as economic and social development, human rights, refugees, and disarmament.

In dealing with unification issues, history provides some instructive cases: Germany, which succeeded in peaceful unification; Vietnam, a former socialist country that is transforming to democracy and the free market; Iran, which promised denuclearization guaranteed by the P-5 of the UN Security Council; and Libya and others whose regimes were



have begun to flourish in numbers and scope of activities.

We might have to simply accept the UN's limitations and charge UN members to lead actions by the body. The term "people's movement" is relevant, considering spurring member nations' activism.

The super powers around the Korean Peninsula cannot react quickly enough to disturbances on the peninsula to be effective because they cannot act without tipping the power balance. Further, a sudden change in North Korean regime is more plausible than its chaotic collapse. There are no competing ethnic or religious groups there to face off against each other.

toppled by international intervention or popular revolts.

Considering the difficulties and complexities of unification, the ROK, the United Nations, and the international community should be prepared to deal with many possible events, whether peaceful or otherwise. In light of its special role for the maintenance of international peace and security, the UN organizations and agencies could take measures under the UN Charter including collective security, peace enforcement, sanctions, PKOs, humanitarian intervention or responsibility to protect, humanitarian assistance, and criminal justice.

In addition, the UN Secretary General may take the initiative to mediate between the two Koreas under the prerogative of his "political role" under the UN Charter. In facilitating the unification processes, the South Korean government should be able to use its full efforts in persuading or pressuring a constructive role by the major powers, especially the United States and China, as well as that of the secretary general.

Choi Jong Moo

The UN has been successful in most of the goals set out in the UN Charter, except the task of harmonizing members' activities. The UN cannot function when power politics are in play. The UN also faces a lack of resources and has more competitors for influence - regional and economic groups, which

Policy Implications

 The UN has faced unprecedented challenges. Specifically, the Ukraine crisis marred the fundamentals of the UN system and its principles with significant implications for the world peace and security. The international community along with the UN should take action more proactively for the resolution of the crisis.

 To strengthen its role and efficiency, the UN should continue reform efforts including the curbing of the use of veto by the P5. Standing up to some P5 members' opposition, people's movement based on justice and principle is needed to make their attitudes change in the long term.

 The UN has great potential in achieving sustainable peace and reunification on the Korean Peninsula. The trust-building process on the Korean Peninsula and its initiatives such as establishing the DMZ World Eco-Peace Park, improving inter-Korea relations, addressing human rights issues, humanitarian aid and sudden change in North Korea should take full advantage of the UN's capability. In this regards, the Republic of Korea needs to strengthen the relation and cooperation with the UN.

• The 70th anniversary of the UN has historical significances. On this occasion, not only the UN members but also the entire international community need to show their commitment and support for the legitimacy of the cause, principles and role the UN has represented.

A New Agenda for China, Japan and Korea in the Post-2015 **Development Framework**

Korea International Cooperation Agency/ Korea Association of International Development and Cooperation

Opening Remarks	CHUNG Wooyong Executive Director, World Friends Korea, Korea I
Moderator	SOHN Hyuk-Sang Professor, Kyung Hee University
Presenter	HUANG Meibo Professor, Xiamen University
	Naohiro KITANO Deputy Director, JICA-RI
	KIM Taekyoon Professor, Seoul National University
Discussant	PARK Bokyeong Professor, Kyung Hee University
	KIM Seokwoo Professor, University of Seoul
Rapporteur	KIM Ji hyun Senior Researcher, Korea International Cooperation Ag

Chung Wooyong

Under the Post-2015 Development Framework, it is increasingly difficult for official development assistance (ODA) alone to ensure the effects of development cooperation. The challenges make it necessary to take development cooperation to a new level through innovative partnerships that bring together various stakeholders and funding sources. Partnerships among Korea, China and Japan—countries that are in the burgeoning stage in international development cooperation-can provide momentum that drives forward key agenda. Accordingly, the three countries should search for a transformative partnership that departs from conventional ways of cooperation.

(Huang Meibo

In its official announcement about the Post-2015 Development Agenda, the Chinese government stressed that international cooperation to achieve sustainable development goals should be based on the principle of common but differentiated responsibilities and that of mutually beneficial and equitable

cooperation. This reflects China's dual role as a developing country and a leader in international development cooperation. Understanding China's stance is essential for making tripartite cooperation among Korea, China and Japan more effective.

Naohiro Kitano

The three countries each have areas of strength-Korea's communication ability in the international community, China's capacity to raise financing through the Asian Infrastructure Investment Bank (AIIB) and the BRICS New Development Bank, and Japan's sector-specific approach and significant experience in ODA. Accordingly, such tripartite cooperation is expected to generate strong synergistic effects. The three countries tend to undertake ODA with similar projects in the same region, but overcoming rivalry through Japanese-Korean and Sino-Japanese bilateral cooperation is important. One recommendation is the formation of a regional foundation such as the Asia Development Forum (ADF).

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International Cooperation Agency

Agency





Kim Taekyoon

Korea is believed to serve as a buffer between Japan, a traditional donor that works closely with the U.S. and the OECD's Development Assistance Committee (DAC), and China, which seeks to establish a new framework with the AIIB's establishment. To envision a transformative partnership, the main task is to identify a mechanism that can coordinate different objectives and agenda-setting abilities. The establishment of a standing committee is also an option in this case.

Kim Seokwoo / Park Bokyeong

Establishing cooperative relations is ideal, but more important is to closely assess the cost-benefit effects rather than pursuing cooperation for cooperation's sake. In addition, although the three countries have competitive relations, they are expected to find common ground in which to work together, taking advantage of their strengths as non-Western donors and pursuing more universal values.

Policy Implications

 Progress toward a transformative partnership and indepth discussions are both needed on the importance of "role allocation" among Korea, China and Japan in a wider context.

• The three countries are relatively free from the traditional donor role, which has been filled mostly by Western countries, and have great potential to open a new partnership paradigm that will appreciate the value of self-help. The utmost priority for the three countries is to identify shared values and areas of common interest.

• Their tripartite cooperation can start from a strategy that seeks to maximize resource mobilization and utilization based on the beneficiary country's need and sense of ownership.

 Cooperative relations have evolved at multiple dimensions, and a communications channel to enhance such development is crucial.

Cases Concerning Territorial and Maritime Issues in East Asia

New Challenges and Development

Korea Society of International Law

Moderator	KIM Boo-Chan Professor, Jeju National University Law School
Presenter	Donald ROTHWELL Professor, College of Law, Australian National University
	LEE Seok-Woo Professor, Inha University Law School
Discussant	PARK Chan-Ho Professor, Pusan National University Law School
	KIM Chae-Hyung Professor, College of Law, Pukyung National University
	LEE Seok-Yong Professor, College of Law, Hannam University
	PARK Young-Kil Director, Maritime Territory Research Center, Korea Marit
Rapporteur	Seo Jin-Woong Research Assistant, Korean Society of International Law

Resolving territorial disputes in East Asia

- Exchange of legal issues related to demarcation of maritime boundaries
- Resolving legal conflicts with China in 2015 over renegotiation of demarcation of maritime boundaries
- Seeking stability of maritime order and peace and problem solving in East Asia
- Contemplation of maritime territorial issues
- Finding international law's role in economic development, trade and commerce in East Asia

Policy Implications



Kim Boo-Char

Park Chan-Ho

rsity

itime Institute

 Seek ways to resolve intensified conflicts among neighboring Asian countries through legislation on the demarcation of boundaries in the U.N. Convention on the Law of the Sea.

 Push for development of maritime resources in East Asia and joint development related to maritime research, and find ways to secure effectiveness of joint development.

 Make flexible use of dialogue channels among countries and expand them to discuss the demarcation of maritime boundaries and resolve territorial disputes.

 Examine cases of international law to resolve legal conflicts in maritime boundaries and territorial sovereignty. Research standards of international law presented by the cases.

 Contemplate whether the existing dispute settlement system of international laws governing territorial and maritime boundary disputes is appropriate and reasonable.

Kim Chae-Hyung

Lee Seok-Yong

Park Young-Ki

TOWARDS A NEW ASIA OF TRUST & HARMONY



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Settling Remaining Legal Issues from World War II

Domestic Courts and International Law

Korea Society of International Law

Moderator	OH Byung-Sun Emeritus Professor, Sogang University Law School
Presenter	John YOO Professor, U.C. Berkeley School of Law
	PARK Pae-Keun Professor, College of Law, Pusan National University
Discussant	JUNG Kyung-Soo Professor, College of Law, Sookmyung Women's University
	LEE Jang-Hie Emeritus Professor, Hankuk University of Foreign Studies Law School
	SEO Won-Sang Principal Research Scientist, Department of Policy, Korea Polar Research Institute
Rapporteur	SEO Jin-Woong Research Assistant, Korean Society of International Law

- Vestiges of war crimes such as the issue of comfort women from World War II remain in East Asia.
- A series of lawsuits seeking compensation for victims of forced labor in World War II have been raised in Korean and Chinese courts, renewing attention to the issue.
- The relevant legal issues must be checked and opinions from international experts must be collected.
- Other unresolved issues in Northeast Asia have been reviewed.
- Europe's responses to similar problems should be referred to, including the limits of the Potsdam Declaration, Germany's division and unification, and responses to war crimes and massacres.
- Related issues in Asia include the Treaty of San Francisco, the territorial row between Korea and Japan over the Dokdo islets, dispute between China and Japan over the Senkaku (Diaoyu) Islands, territorial disputes such as those in the South China Sea, compensation for wartime forced labor and sex slaves and the return of cultural assets.

Policy Implications

• Seek solutions through Japanese courts: rulings by the Tokyo District Court in 1963 and the Supreme Court of Japan in 2007, passive attitude of Japanese courts.

• Seek solutions through U.S. courts: easier to expand the number of involved persons and jurisdiction. Use of the pre-trial procedure "discovery," in which each party can obtain evidence from the other party by means of discovery devices, would also be helpful.

• Victims of Japan's wartime forced labor and sexual slavery could file lawsuits with U.S. courts under the Alien Tort Claims Act.

• Review jurisprudence of the Alien Tort Claims Act in the Filartiga v. Pena-Irala case and the ruling on the Joo v. Japan case.

 Look into the Foreign Sovereign Immunities Act, for the relevance of the issues in the U.S. and statute of limitations.

• Seek solutions through Korean courts: rulings by the Constitutional Court in 2011 and Supreme Court in 2012 set legal precedents.

 Non-legal solutions: urgency of the matter, forum among governments, corporate social responsibility







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Jung Kyung-Soo

Lee Jang-Hie

Seo Won-Sang

TOWARDS A NEW ASIA OF TRUST & HARMONY



Enhancing International Rule of Law in East Asia

Assessment of New Legal Issues on the Horizon

Korea Society of International Law

Moderator	CHOI Tae-Hyun Professor, Hanyang University Law School
Presenter	Vladimir GOLITSYN President, International Tribunal for the Law of the Sea
	HONG Seong-Phil Professor, Yonsei University Law School
Discussant	KIM Seok-Hyun Professor, College of Law, Dankook University
	PARK Deuk-Young Professor, Yonsei University Law School
	CHANG Shin Professor, Chonnam National University Law School
	LEE Yong-Ho Professor, Yeungnam University Law School
Rapporteur	SEO Jin-Woong Research Assistant, Korean Society of International Law

- According to international rule of law, the international community requires sovereign states to act in compliance with international law.
- Nonetheless, a number of instances have seen states refuse to obey international law simply by arguing that it either lacks enforceability or fails to meet their national interests.
- This session examines options to have nations fulfill their obligations under international law, focusing on issues in the East Asian region.
- History of rule of law: declarations and interpretations of the rule of law according to Kant, the U.N. secretary-general and the International Court of Justice
- Consider conflict settlement at the International Court of Justice. International Tribunal for the Law of the Sea or international arbitration.
- The meaning of compulsory jurisdiction, binding decision, the importance of advisory opinion and implementation
- The political nature of the matter and rule of law: examination of the matter's historicity and regionalism, legal constitution as perpetrator and victim

and the gap between finding the truth and diplomatic functionalism

Policy Implications

• The 2009 Delimitation of the maritime boundary in the Bay of Bengal (Bangladesh v. Myanmar)

· IUU fishing (illegal, unreported and unregulated fishing)

 State of international rule of law: lack of East Asian human rights court; conflict between human rights and sovereignty; different interpretations of the precautionary principle of international law by country; countries' tendency to pursue their own interests vis-à-vis the U.N. Framework **Convention on Climate Change**

• National self-determination, refugee laws, diverse interpretations of the term "act of aggression"

 International court rulings interpreted based on their social, political and historical backgrounds

• The need to respond as a regional community to common ideas, security, environment and finance; possible drafting of a regional community charter; need to accumulate experience



Choi Tae-Hvun

Hong Seong-Phil







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Kim Seok-Hvun

Park Deuk-Young

TOWARDS A NEW ASIA OF TRUST & HARMONY





PROSPECTWO

신뢰와 화합의 새 로 운 아시아를 향하여



[Talk on Creative Economy] What Is It that Leads the World?

Jeju Peace Institute / Korea Human Development Institute

Moderator	HONG Suk Woo Former Minister of Knowledge and Economy, ROK
Presenters	LEE Sirgoo Co-CEO, DaumKakao Corp.
	LI Ya CEO, Phoenix New Media, China
Rapporteur	CHUNG Jin Hyuk Special Talent Committee, Human Development Institute

- The smartphone revolution has introduced the world to the era of hyperconnectivity, bringing huge changes to industries, blurring the boundaries between them and making IT essential. Businesses related to smartphones are growing fast, and the number of social media users of sites such as KakaoTalk, WeChat and Facebook on smartphones has dramatically increased.
- DaumKakao focuses on "connectivity," especially connectivity with acquaintances via messages and emoticons and further aims to expand it into connectivity with information, or the Internet of things (IoT).
- Traditional manufacturing paid attention to higher productivity and efficiency by incorporating with modern business management. Now the combination of IT and manufacturing creates 10 to 20 times the added value. A good example is the company Tesla which changed our view on cars, approaching them as software devices for business, and thus creating significant value.
- China is implementing a policy to expand Internet infrastructure across the nation by lowering wireless data charges, a move that will expand access to mobile Internet.

Phoenix New Media of China is based on a model combining content platforms and publishing. The company is establishing itself as a medium that recognizes the importance of technology through platform perspectives while producing high-quality content.







Lee Sirao



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Policy Implications

• The smartphone revolution has ushered in a global era of hyperconnectivity, bringing huge changes to industries and making IT an essential component of all companies.

• Businesses related to smartphones are growing fast, and the number of social media users via smartphone is increasing by leaps and bounds. Developing personalized services based on the analysis of such information is es-

• Now is a critical time to adopt a user-centered approach to platforms and take necessary action.

• Technological innovation will continue, and the customization of content and services will further develop through an analysis of users' preferences and hobbies.

 To address the negative side effects of smartphones, such as exposure to obscene or indecent material and game addiction, our whole society should make an effort to cultivate solutions, not just game companies.

· Given that service is based on connection among people, a humanistic approach focusing on understanding human behavior is essential for technological development.

• Women make more online purchases than men, thus, companies should value women's opinions when devel-

 In regard to effective corporate talent management, teamwork is more important than individual performance: Good corporate performances require close teamwork.



Development Initiatives and Regional Cooperation in Northeast Asia

East Asia Foundation

Moderator Presenter

PROSPERITY

CHUNG Jae Ho Professor of International Relations, Seoul National University KIM Byung-Yeon Professor of Economics, Seoul National University WANG Yong Director, Center for International Political Economy / Professor, School of International Studies, Peking University NA Hee-seung Senior Researcher, Korea Railroad Research Institute WON Young Jin Vice President, Power System Planning, KEPCO SHIN Yoon-hee Program Officer, East Asia Foundation

Rapporteur

Chung Jae Ho

This year's Jeju Forum has as many as eight sessions regarding cooperation in Northeast Asia; I wonder if this is due to lack of cooperation, since it is certainly no easy task. I think this session will be interesting for its in-depth discussions and proposed plans that extend beyond design and instead address detailed action.

Tumen River Basin Development Initiative

Kim Byung-Yeon

Today, I'd like to discuss the development of the Tumen River and Rajin-Sonbong areas in North Korea. The Tumen River basin is where the borders of Russia, China and North Korea converge. In addition to its waterway, the area also includes two large Russian cities, Zarubino and Vladivostok; one Chinese city, Hunchun; and two North Korean cities, Rajin and Sonbong.

The North Korea-initiated project is different from a city development program established by multiple countries, as is the case with the Greater

Tumen Initiative (GTI). For the development of the Rajin-Sonbong area, the North's top goal was to attract foreign investment. This area has strong potential, though the lack of progress is problematic because high potential also means that this area has a kind of complementarity. This area also holds political importance stemming from the potential for substantial economic cooperation, which could lead to both integration and prosperity in the region. South Korea is paying attention to the area in the hope that North Korea can learn more from the region's development, and that this will act as a catalyst for promoting openness and reform of the communist country.

In 2050, China is expected to be the world's largest economy in terms of GDP, with Japan projected to rank fifth, Russia sixth and a unified Korea eighth. Given that the borders of these major economies converge in the Rajin-Sonbong area, this region will have the biggest growth potential of any area on Earth if regional integration is achieved there. The aforementioned GTI is a development plan for the Tumen River basin whose member-



Chung Jae Ho

ship consists of South Korea, China, Russia and Mongolia (North Korea dropped out of the plan in 2009). South Korea and China are the most active members of the GTI, but the project has made no visible progress since its launch because each of the member countries has preferred to develop its own territory in the Tumen River area; that is, reaching a compromise has been difficult. Integration of the GTI into the AIIB has been another area of concern. According to an announcement by Seok Chul Kim, chairman of the Presidential Commission on Architecture Policy in South Korea, the governments of North Korea, Russia and China each plan to offer land of 3.3 square kilometers in the river's lower basin for multinational, intergovernmental development. As part of the initiative, efforts would be made to attract various industries and combine them with infrastructure to establish a multinational urban system. The idea is to form an international city where people from the three nations can move freely and intergovernmental cooperation is promoted to seek developmental links with other regions. The focus will be on the development of high-tech, tourism and energy sectors to cultivate a city population of 50,000 in the early stage and eventually 300,000 over the long term.

In addition, North Korea plans to offer 330 square kilometers of land in the river's lower basin to build an international city where the borders of China and North Korea meet, including infrastructure such as an airport and seaport.

I'd like to discuss the development of the Rajin-Sonbong area based on the plan devised last year by the Presidential Committee for Unification Preparation of South Korea. According to the plan, South Korea will set up an industrial complex, North Ko-

rea will provide land and labor, China will develop the Rajin port and Russia will develop gas fields and build railways. This collaboration is expected to create about 100,000 jobs for North Korea, and South Korea is expected to create additional value worth KRW6 trillion and 20,000 jobs. Among projects related to the Rajin port, South Korea's top steelmaker, Posco, is implementing a

trade.

Finally, I expect the development of the area to be put on the back burner as long as China and Russia maintain a positive relationship. South Korea will find it more advantageous to develop areas in North Korea, meaning that a "big push" strategy with neighboring countries is needed.

Wang Yong

My presentation today is on the development of Northeast Asia and the Asia Infrastructure Investment Bank (AIIB). First, you may ask whether the development of Northeast Asia can be achieved along with AIIB. Northeast Asia is one of the world's few regions with high growth potential but

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Na Hee-seung



Won Young Jir

project to bring Russian coal to the Korean peninsula via the Hassan-Rajin line. According to Posco, about 100,000 tons of coal briquettes have been imported for substantial profit, meaning profit can be generated even though the coal briquettes are transported from a long distance. If the mineral is imported via North Korea without political risk, higher profit is expected. A survey of investment and trade companies shows that more than 60 percent indicated that uncertainty related to North Korea was their biggest concern regarding East Asian

Northeast Asia Development and the AIIB

where development is not easy due to political tension. Three provinces in northeast China, as well as the Russian Far East, South and North Korea Peninsula and western Japan, have large plots of farmland and natural resources. If the five nations more actively coordinate their cooperation policies, I believe an era of a prosperous Asia will come. In addition, the scope of China's "One Belt, One Road" plan will include part of Northeast Asia, with South Korea and Russia appearing to have their own development plans. If Korea's Eurasia Initiative is linked to China's plan, a more ambitious development strategy embracing a greater part of the region is possible.

Regarding AIIB negotiations relating to the organization's governance structure are ongoing. Fiftyseven countries have joined as founding members, including China, to provide financing for Asian infrastructure development. Moving forward, the bank can help underdeveloped Asian countries finance the construction of roads, bridges, railways, ports and power plants. I believe AIIB will also be a platform from which Northeast Asia can be further developed. As Russia turns its attention to Asia due to increasing pressure from the West, the next five to 10 years will serve as an important turning point for the development of Asia. AIIB also supports China's One Belt, One Road plan and is expected to facilitate cooperation between Europe and Asia. The bank will increase its capital and lay a strong foundation to support projects in Northeast Asia.

Electricity Super Grid in Northeast Asia

Won Young Jin

I would like to introduce measures that would effectively link the electrical grids of Northeast Asian countries. Put simply, a super grid is a system for long-distance transmission of electricity that will enable electrical links between countries and transmit renewable energy from energy-rich areas to those with energy shortages. The introduction of such a system, however, could result in conflicts among countries that agree to electricity links over the selection of more profitable systems. At present, grid connection projects are more actively implemented in Northern and Southern Europe and



Africa. In Northern Europe, electrical grids are connected to wind power generation, while Southern Europe has a project to distribute electricity by redirecting it from solar cells installed in the Sahara Desert. Africa has projects to supply electricity based on hydropower.

With these projects moving forward, then, why bother with super grids? Northeast Asia is the only global region that is not connected to any electrical grids. In Europe, North and South America and Africa, the transmission networks of countries are connected for energy sharing. Japan and South Korea have independent electrical systems, however, and Russia, China and Mongolia have low levels of grid connection. Is grid connection feasible? Yes, if the technological aspects and construction costs are considered, and would be more plausible with AIIB financing. If energy networks are connected through electricity, this will lead to higher quality of life and sharing of finite resources, which is needed for peace in Northeast Asia.

Eurasian Railway Initiative

Na Hee-seung

Among external environmental factors of cooperation in Northeast Asia, trade volume and transport infrastructure have improved substantially over the last 10 years. Northeast Asia is now one of the three major trade zones (the other two are the European Union and North America) and the region accounts for more than 30 percent of global trade volume, with the growth in trade volume among Asian countries exceeding those of the two Western zones. According to UNESCAP (U.N. Economic and Social Commission for Asia and the Pacific) reports, global container throughput is expected to double over the next decade.

Throughput in Asia is projected to grow more than 10 percent every year. The Trans-Siberian Railway (TSR) throughput in Siberia has continued to rise since 1999, and global container transport volume has jumped about nine-fold from 70,000 TEU in 1999 to 620,000 TEU in 2007. Korea's trade volume reached US\$ 1 trillion in 2011, 40 percent of which came from trade with Northeast Asian nations including China, Japan and Russia. It is because of such projects that the ratio of the Northeast Asian economy is growing every year. Against this backdrop, trade-related throughput between Korea and other Northeast Asian countries continues to surge For throughput involving Northeast Asia, the Russian Far East and Siberia, cargo transport via the Yellow Sea and East Sea Rims

is rapidly increasing. Shipping remains the major form of transportation, but if high value-added container cargo is transported using a railway linking North and South Korea, this would greatly improve efficiency in terms of time consumption and expense. If container cargo is transported from Busan to Moscow, shipping takes more than four weeks; rail transport, by contrast, takes just two weeks. At present, Russia is conducting the so-called TSR 7-Day Project to halve the time needed for TSR logistics and transport from two weeks to one, which would make it four times faster than shipping and leading to higher value-added for the TKR-TSR railway network.

In 2012, China launched high-speed railways linking the capitals of China's three most northeastern provinces, namely, the cities of Harbin, Changchun and Shenyang. The high-speed train network is expanding to eventually connect all of China. In 2016, high-speed rail between Shenyang and Dandong and between Changchun and Hunchun will be completed. If the rail network is extended to North Korea, travel to anywhere in Northeast Asia would be possible within one day. This reality alone demonstrates the importance of railway-and logisticsrelated cooperation among Northeast Asian nations. The next stage of the international passenger rail-



way network will encompass Northeast Asia and an international cargo railway network that extends to Eurasia. Railways, which were once considered a symbol of imperialism and the colonial era, have contributed to the economic, social and cultural integration of Europe and expedited the formation of the European Union. Likewise, the Northeast Asia railway project should play a leading role in regional integration and building an economic, social and cultural community in Northeast Asia. It should also assist the economic integration of South and North Korea and the long-term vision for the Korean peninsula. For this purpose, Northeast Asian countries need a cooperative mechanism that extends beyond national boundaries and shares infrastructure, investment and returns among them.

The Rajin-Hassan project implemented by both Koreas and Russia aims to renovate a 54-kilometer railway from the No. 3 wharf of the Rajin port to Hassan and also modernize the port and cargo terminals. Based on these plans, a global logistics project to link the port and the TSR is under discussion as a pilot program of the TKR-TSR project. Rajin is strategically important for Northeast Asia and a worthwhile place to promote infrastructure and logistical cooperation between China and Japan, as well as among South and North Korea and Russia. The Rajin-Hassan project will bring real benefits to all of Northeast Asia, including North Korea, which can improve part of its old railways to reinvigorate the economy in the Rajin-Sonbong district and strengthen cooperation with Russia. The project is also expected to build up momentum for multilateral projects for economic cooperation supported by a better relationship between North Korea and the United States. Russia can alleviate saturation in its Far Eastern port and facilitate its logistics network through the enhanced competitiveness of the TSR. Russia can also improve ties with North Korea through the project, as well as expand its political and economic influence based on strong rail and energy businesses in Northeast Asia. South Korea can benefit from new momentum for economic cooperation with Russia and seek new inter-Korean cooperation through trilateral or multilateral projects. China can secure access to the East Sea to complete its planned development of

the cities of Changchun, Jilin and Tumen. Finally, Japan can lay the foundation for expansion into the continent. Moreover, if the Rajin-Hassan project achieves commercial success, it will have a significantly positive impact on foreign investment in the modernization of North Korea's railways and TKR-TSR project.

Finally, the vision for the inter-Korean railway project and the region is to promote the economic integration of the Korean peninsula and facilitate transport and logistics across Eurasia. The vision can upgrade inter-Korean ties and open a new chapter in cooperation across Eurasia. For this purpose, cooperation in developing inter-Korean and continental railways must be promoted by dividing the project into short-, mid and long-term phases. For short- or mid-term projects, railways should be connected and operated between both Koreas as soon as possible. In addition, to establish a train network for Northeast Asia, cooperation with international organizations including the GTI, UNESCAP and OSJD should be strengthened. As a long-term project, infrastructure networks should be set up in Northeast Asia and infrastructure capacity on the Korean peninsula must be bolstered.

Policy Implications

- Mutual exchange is a basic requirement to create an economic bloc spanning the Korean peninsula, Northeast Asia and Eurasia. To realize Korea's national vision, the country needs to develop a more open attitude toward its territory by changing its attitude toward its territory from "closed" to "open."
- The International Monetary Fund (IMF) has mentioned structural reform and infrastructure investment as key factors for higher growth of the global economy, and the China-led AIIB is expected to start full-scale operations in the latter half of 2015.
- Northeast Asia, having exhibited solid economic growth for more than 30 years, has promoted regional business integration and development through regional cooperation in trade, finance and investment. Given these favorable conditions for regional development, participants in this session discussed potential areas for collaboration in Northeast Asia, as well the possibility of such cooperation and its challenges.

Technology, Innovation and the Future of Creative Economy

East Asia Foundation

Moderator	LEE Sang Yup Distinguished Professor, Department of Chemical and Bio Korea Advanced Institute of Science and Technology
Discussant	KANG Sung-Mo "Steve" President, Korea Advanced Institute of Science a
	PARK Tai Hyun President, Advanced Institutes of Convergence Technolog Professor, School of Chemical & Biological Engineering, Se
	YOON Eui-joon Managing Director of Core Industry Sector, Office of Strategi and Energy / Professor, School of Materials Science and Engir
	CHOI Jong Bae Deputy Minister for Creative Economy Coordination, Ministry of
Rapporteur	KANG Chan-koo Program Officer, East Asia Foundation

Science and technology have made major contributions to industrial development, with substantial effects in recent years that have not only impacted industry but also politics, society, the economy and culture. It is impossible to make forecasts about the future without considering technology. Predicting the future of "creative economy," the paradigm of the current Korean administration of President Park Geun-hye, cannot be done without discussing technological development. This session focused on the future of creative economy, South Korea and the world based on technological innovation, with specialists weighing in from high-tech areas such as fusion technology, information technology, material technology and nanotechnology.

Technological Convergence

In IT, data can be stored and moved through a computer binary system. Similarly, biotechnology is used to store and move data through the quaternary system of DNA. That is, human genetic information can be transferred into bacteria as a means of storing the data. Genetic engineering uses this process to enable bacteria to produce human growth hormones. Former U.S. President Bill Clinton cited the human genome projects as a historic event in 2000, referring to it as learning the language in which God created life. Interestingly, various technologies can be created through fusion technology such as techniques to link a robot to the human brain or inserting a carrier containing information on the sense of smell into a cell and creating cells that can detect smell. This holds the promise for improved food production. Fusion technology requires high-level expertise—

Fusion technology requires high-level expertise as in making something out of nothing—but this can be easily achieved if the boundaries between industries are removed. Professor Park cited the iPhone as a good example, calling it an excellent model for fusion technology by creating something new through the fusion of existing MP3 players, the Internet and phones. But he agreed with ethical fears over biotechnology by referring it to as "playing God," which could create unexpected social issues in the development. He said a good example is GMO food and genetic discrimination. Considering

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omolecular Engineering,

and Technology ogy Technology / Seoul National University gic R&D Planning, Ministry of Trade, Industry jineering, Seoul National University of Science, ICT and Future Planning





Lee Sang Yup

Yoon Eui-ioon

Choi Jong Ba

the Genetic Information Non-discrimination Act in the U.S., he said, this is a problem for all of society, not just scientists.

IT & Nanotechnology

We cannot emphasize enough the importance of nanomaterials for industries. All industries experience destructive innovation. Kodak film no longer being sold is a classic example of analog technology going by the wayside, and ironically, Kodak was the world's first company to develop digital cameras. But as the company overlooked the potential of digital cameras, it was driven out of the market. Nokia, which was the first in the world to develop smartphones, followed the unfortunate path of Kodak. Now new materials are being developed, resulting in the destruction of existing industries. Materials now set the rules of the game. Competition is growing between LCD and OLED technologies while the types of smart materials being developed include smart cars that do not require drivers thanks to the fusion of communication and sensor technologies. Manufacturing has experienced huge changes driven by software and creative ideas have been developed to the extent of advancing to the production stage. To establish a creative economy in line with the changing paradigm in manufacturing requires strengthened R&D in the industry.

Professor Yoon brought up the weaker competitiveness of Korean manufacturing, an industry heavily dependent on overseas parts and materials compared to its size. He said Korea should strengthen its competitiveness in parts and materials and strive to fuse material and nano-software technologies. The crisis in manufacturing is not limited to Korea; it also afflicts advanced countries such as the U.S.

and Germany, which traditionally have a strong manufacturing base. As such, the focus should be on how to maintain competitiveness to revive manufacturing businesses. Germany is commercializing technologies that control factories across the world through an automation software platform. Yoon cited a Siemens factory as a good example of a so-called "smart" factory. He said that a single one of these factories produces 50 million units of data through all of its processes, and such big data is converted into smart data to increase productivity. If solutions can be developed and supported to establish smart factories, they will help upgrade Korean manufacturing and act as an engine for the development of the creative economy.

The Role of Universities for Creative Economy

Korea is faced with a host of challenges including a low birth rate, a rapidly aging population and weaker economic growth. To overcome these problems, especially the low growth, the Korean government has promoted the adoption of a creative economy. The role of universities in this campaign is to nurture the human resources that support a creative economy. In particular, talented people with expertise who can communicate well are needed. On this, President Kang introduced the "Education 3.0" program, which is now implemented at KAIST and focuses on communication between professors a nd students in class rather than relying on one-way lectures. He said better ideas should be created through better communication, urging communication with overseas students and researchers and emphasizing the importance of establishing systems to solve problems through collaboration and interactive feedback



President Kang stressed that the success of creative economy requires people who can lead a creative future in preparation for uncertainty, not those who only pursue stability, prioritizing job security above all else. Korea lacks education that encourages creativity, he added, and education on tolerance is needed for various kinds of people to work together to produce ideas. He also said creative talent needs to pay attention to trends and concept of a system make efforts to improve in areas they are interested in and, when they are faced with challenges, find the root causes before devising measures to solve them rather than simply trying to find answers.

Creative Economy Policy of Korea

Korea is the world's only country to transform from an aid beneficiary to donor, earning it the title of the "Miracle on the Han River." Korea's evolution into a fast follower, however, has had a negative impact on its social fabric. In light of the new paradigm shift occurring around the world, Korea should not just follow the path of advanced economies but create something new based on its strengths. This is the goal of the Korean-style creative economy.

Deputy Creative Economy Minister Choi said that to achieve this goal, Korea must learn to amalgamate its potential. The government needs to create an environment in which talented people develop their ideas and lead the country based on future growth engines through convergence among existing industries. He mentioned government programs implemented as part of such efforts such as the Center for Creative Economy and Innovation, Dream Enter and Infinitive Imagination Lab. He also cited the online Idea Database of Creative Economy Town and introduced a mentoring service

for providing opportunities and support to commercialize new ideas and share experiences. He said the Korean government will focus on nurturing creative talent and establishing an environment where creative workers can freely develop ideas and take up opportunities without fear even if their efforts fail. To make such a plan sustainable and able to achieve its goals, individual Koreans and the private sector should take the lead instead of relying on government-led efforts, he added.

be promoted.

- creative talent.
- manufacturing base.

For the success of creative economy, the will of individual Koreans is an essential complement to government efforts. Continuous communication and technological innovation can provide opportunities for new growth engines and overall industrial improvement. For this, the direction must shift from one of hard work to one of "smart work," and continuous technological innovation and fusion must

Policy Implications

Technology has already intruded into God's domain. For the development of a creative economy and society, the Korean government is establishing an environment where ideas are freely suggested and feedback is readily available through the Creative Economy Town and Center for Creative Economy and Innovation. Educational institutions are introducing programs such as Education 3.0 to nurture

Germany has continued to strengthen its manufacturing industry. The Siemens factory, known as the world's smartest factory, has substantially reduced the rate of defects by converting big data to smart data. Korea should also develop solutions for smart factories and upgrade its

Free Market and Environmentalism: Why They Should Love Each Other

Friedrich Naumann Foundation for Freedom

Opening Remarks	Siegfried HERZOG Regional Director for Southeast and East Asia, Friedrich Naumann Foundation for Freedom
Welcoming Remarks	Rolf MAFAEL Ambassador, Embassy of Germany to South Korea
Moderator	Matthias GRABNER Key Account Manager, Advantage Austria Korea
Presenter	OYUN Sanjaasuren Member of Parliament, Mongolia / President, U.N. Environment Assembly
	YUN Sangho Research Fellow, Korea Economic Research Institute
	Henning HOENE Member of Parliament, North Rhine-Westphalia Parliament
	Sunil RASAILY Founding Partner, QED Group
Rapporteur	Miklós ROMÀNDY Regional Project Coordinator, Friedrich Naumann Foundation for Freedom

- The UN predicts that by mid-century the world population will have grown to more than 9 billion. This will lead to an immeasurable growth in resource consumption and put significant pressure on the planet. If this trend continues then "business as usual" has to be changed in order to sustain further growth.
- The Asia-Pacific region consumes more than 50% of the world's resources and is responsible for more than 50% of world-wide emissions.
- Environmental protection has to be viewed as a global concern that can only be achieved through international cooperation, using the most efficient means.

Policy Implications

• The role of governance is very important in succeeding to protect the environment and bring about sustainable development. But lasting success can only be achieved if businesses embrace sustainable practices. This is where free market practices come in. A good example is the EU Emission Trading Scheme because it is an incentive for businesses to be more efficient and clean.

•To achieve environmental protection solely through regulatory means can be problematic, for example in developing countries where extractive businesses (e.g. mining) are often state-owned. This leads to the government's being both a regulator and an operator (through ownership) and therefore to a conflict of interest.

 Environmental protection can therefore be better achieved by a market-based approach, meaning that businesses should be given the incentive to regulate themselves. This argument is supported by a recent study by the Heritage Foundation which shows the clear correlation between economic freedom and environmental protection. Economically free countries perform better when it comes to environmental protection.

 Market-based approaches to environmental protection should be supplemented by regulatory measures only where it is necessary for governments to step in.



Matthias Grabner



Sunil Rasaily



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Rolf Mafael

Ovun Saniaasuren

Yun Sangho

TOWARDS A NEW ASIA OF TRUST & HARMONY



e-Government for **Sustainable Development**



Keping Yao Wisit Atipavakoon Kim Souna Hie

UN Project Office on Governance/ World e-Governments Organization of Cities and Local Governments

Moderator	Keping YAO Governance and Public Administration Expert, UNPOG / DPADM / UNDESA
Presenter	Wisit ATIPAYAKOON Specialist in Telecommunication Infrastructure Development, International Telecommunication Union Regional Office for Asia and the Pacific
	KIM Soung Hie Professor of Management, Korea Advanced Institute of Science and Technology
Discussant	CHA Sang Kyun Professor of Electrical and Computer Engineering, Seoul National University
	CHEN Jun Professor, The Institute of Information, Shanghai Academy of Social Sciences

- E-government is recognised by governments worldwide as an enabler of good governance.
- Many times governments are left behind in technological innovation which has been remarkably accomplished by commercial sector. To provide better services for citizens, governments need to make more efforts to catch up with these new technologies.
- E-government enables transparent, effective and accountable institutions that are essential for the achievement of sustainable development.
- Governments are mostly interested in e-applications that they provide. However, they need to focus more on reasons why they provide these applications, and the stories and inspirations that those applications can ultimately bring to citizens.
- Big data and its analytics are getting increasingly important in governmental services. For successful application, governments should disclose information transparently to the general public. Afterwards, with combining all the disclosed data used in different silos of governments, another layer of big data can be created and used for commercial gain.

Policy Implications

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PROSPERITY





Cha Sang Kyun

Chen Jun

TOWARDS A NEW ASIA OF TRUST & HARMONY



Engaging Citizens in Public Service Delivery

Bottom-up Approach of Local e-Government Initiatives

World e-Governments Organization of Cities and Local Governments / **U.N. Project Office on Governance**

Moderator	Claudia BUENTJEN Principal Public Management Specialist, Regional and Sustainable Development Department, Asian Development Bank
Opening Remark	KIM Gunso Secretary-General, World e-Governments Organization
Presenter	LIM Hak Jin "Frederick" Advisor, World e-Governments Organization
	LEE Jonggun Data Scientist & Research Lead, Pulse Lab Jakarta, UN Global Pulse
	Mochamad Ridwan KAMIL Mayor, Bandung, Indonesia
	Haji Rozali Bin Haji MOHAMUD Municipal Secretary (Vice Mayor), Seberang Perai, Malaysia
Discussant	HWANG Jun Seok Professor, College of Engineering, Seoul National University
Rapporteur	KIM Ji Hyun Senior Administrative Officer, World e-Governments Organization

- The major trends in the Asia-Pacific region are decentralization, greater engagement by citizens and digital revolution. Taking on the problems related to urbanization requires large budgets. Given limited budgets, we need alternative solutions.
- To tackle urban issues, we can utilize citizens who use smartphones and mobile GPS computers. If we are given sufficient time to accumulate citizen-generated data, build trust in the output and form a big data platform, citizens can be the key to solving urban problems. Utilization of big data in the public sector enables sustainable civic engagement and real-time decision making by administrative management.
- If governments use real-time analysis of keywords on social networks that private companies such as Amazon and Facebook utilize, they can take preventive measures before problems emerge in the public sector.
- Not all governments can do real-time analysis

based on big data, thus one alternative could be crowd sourcing, which engages all citizens. If the government can offer incentives to citizens willing to provide smartphone data, the resulting information pool could greatly benefit the government's decision-making process.

- Bandung (Indonesia) is establishing an urban model under which the government and its people cooperate with each other through a smart city system. For this purpose, Bandung Command Center plays an important role in comprehensive management, including handling requests and complaints from citizens and controlling a transport system through multimedia.
- A social map is a digital tool that analyzes communication between the mayor and constituents in real time and shows major issues and civil complaints of each area in different colors on the map. This map is an important component of the mayor's policymaking.
- Seberang Perai, Malaysia, has established the

Smart Monitoring System, a two-way tool for administrative management based on social networks. This system provides tools to receive and handle civil complaints and supervise project management by administrative organizations in a cost-effective way.



- cities at minimal cost
- civic engagement.

Claudia Buentien

Kim Gunso



Hwang lun Seo





Lim Hak Jin

Lee Jonggun

Mochamad Ridwan Kamil

• A city administration in which residents can participate by using smartphones can serve as an alternative solution for urban problems at a low cost by using a proper big data platform to analyze information provided by citizens.

 Given the increase in real-time communication driven by social media, a mobile-based administrative environment is necessary for making guick administrative decisions and effectively handling urban issues.

· To overcome the physical limitations of less developed cities (finance, organization and human resources), a social platform based on open API should be installed in those

• Big data technology—which collects and analyzes the extensive data generated by public systems including a complaint-handling system—and social media can help solve many urban problems and offer tools to improve



Bridging Central and Local Governments with Whole-of-**Government Approach**



UN Project Office on Governance / World e-Governments Organization of Cities and Local Governments

Moderator	AHN Moon Suk Professor Emeritus, Korea University, ROK
Presenter	KIM Youngsoo Director of Regional Informatization Division, Ministry of Government Administration and Home Affairs, ROK
Discussant	JUNG Yoon Soo Dean of College of Social Science, Myongji Universit
	Bat-Ulzii BATCHULUUN Chief Information Officer and Head of Information Technology Agency, Ulaanbaatar City, Mongolia
	WANG Xingquan Professor, Institute of Information Sciences, Shanghai Academy of Social Sciences
Rapporteur	KIM Hyun Jung Associate Research and Policy Development Expert, UNPOG

- The Korean central government provides support for local governments to implement local informatisation policies and projects with adequate legal framework, institutional framework, and budget.
- The focus of informatisation projects is shifting from digitalisation of public administration to informatisation of public service and local economy revival.
- There is a shift from central government-oriented approach to local government-centered approach for local informatisation.
- It is not easy to distinguish local and central government's work, thus effective collaboration and cooperation across government is essential for successful local e-government development.
- As whole-of-government strategy, central governments build compatible and inclusive platform and local governments their characteristics of egovernment development.







Bat-Ulzii Batchuluun

Wang Xingguar





Policy Implications

- · Both central and local governments should provide continued support and interest for local governments' e-government initiatives along with consistent communication and collaboration.
- Taking into account the unique features and characteristics of local community, both central and local governments need to identify, develop and implement specialised services tailored for local demands.
- Considering that local governments better know needs of citizens, it is advisable that local governments take a lead and central governments support the activities and initiatives of local governments.
- The participation of private sector and citizen, beyond collaboration between central and local governments, is important in the process of local informatisation and establishment of smart cities.
- Public services can be further advanced through the promotion of selected best practices of local governments at the central level, and competition among local governments.

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[Executive City Dialogue]

Building Trust in Local Governments through e-Government

World e-Governments Organization of Cities and Local Governments / **UN Project Office on Governance**

Moderator	KIM Gunso Secretary General, World e-Governments Organization (WeGO)
Chairman	HWANG Jong-Sung Head, The Center for Gov. 3.0, National Information Societ
Presenter	YOO Young Rok Mayor, Gimpo City Government, ROK
	Ammar Hamid Suliman ABBAS Mayor, East Nile Locality, Sudan
	Anastasiya RAKOVA Deputy Mayor and Chief of Staff to the Mayor, Moscow
Discussant	Claudia BUENTJEN Principal Public Management Specialist, Regional and Su Asian Development Bank
	Bernadia Irawati TJANDRADWEI Secretary-General, United Cities and Local
	Mochamad Ridwan KAMIL Mayor, Bandung, Indonesia
	Haji Rozali Bin Haji MOHAMUD Municipal Secretary (Vice Mayor), Seberang
	CHOI Young Hoon Assistant Mayor for Information Technology and Chief Info Seoul Metropolitan Government, ROK
	Bat-Ulzii BATCHULUUN Chief Information Officer and Head of Information Tech
Rapporteur	KIM Ji Hyun Senior Administrative Officer, WeGO

Hwang Jong-Sung

- According to a 2012 OECD survey, only 23 percent of Koreans trust their government, far lower than the average percentage (40 percent) of people who trust their government in the other subject countries surveyed.
- · This result is in contrast with the Korean government's high global ranking in e-government assessment, which demonstrates a gap between investment in e-government and public trust in government. Bearing this in mind, while e-government facilitates job performance, it does not necessarily guarantee good performance.
- A paradigm shift in e-government is necessary to help governments make well-founded decisions for their citizens.

ized services.

Ammar Hamid Suliman Abbas

ety Agency / Former Secretary General, WeGO

w City Government, Russia Sustainable Development Department,

I Governments Asia Pacific (UCLG ASPAC)

ng Perai, Malaysia nformation Officer,

chnology Agency, Ulaanbaatar City, Mongolia

• Government 3.0 has four characteristics: (1) data analysis basis, (2) openness and sharing of information, (3) cooperation in overall state affairs management and (4) people-centered and custom-

• To become a transparent and trusted government, East Nile (Sudan) operates a data center and implements e-government projects such as weband mobile-based revenue management systems, service call centers, a geographical information system, a government operation management system, a government website and online schools. · East Nile's e-government projects have had positive effects on its citizens, such as enhanced gov-





Ammar Hamid Suliman Abbas

Claudia Buentier

ernment transparency due to prevention of corruption, as well as greater trust in the government due to the increased convenience of online operations.

Anastasiya Rakova

- · Moscow is promoting e-government based on the principles of openness, participation and convenience.
- The city utilizes an online decision-making process by citizens that increases civic engagement in municipal governance through the "Active Citizen" online voting system, "Our Town" (a portal for reporting by or suggestions from citizens on daily urban issues) and crowd-sourcing projects (for discussion and vote by citizens on controversial issues).
- If the city reflects on and utilizes suggestions from residents when enacting policies, it can secure the legitimacy of government decisions and increase the satisfaction of the people.

(Mochamad Ridwan Kamil

- As technologies are transferred across national boundaries, we can learn from best practices in Gimpo or Moscow.
- About 60 percent of urban problems are common

across most cities on the planet. For this reason, it is important for city governments to gain public trust to take on urban issues. The future of WeGO lies with the promotion of cooperation and solidarity among cities.

Haji Rozali Bin Haji Mohamud

· Assessment of technologies is challenging, especially when citizens of a knowledge-based society demand social infrastructure and services. City governments are trying to provide convenience and benefits to residents and attract investors by utilizing ICT.

Choi Young Hoon

- · Like Moscow, Seoul is also implementing projects to increase online participation by residents. E-government is a tool for building trust in municipal government.
- To spread ICT's benefits to all, the Seoul Municipal Government is conducting tests in certain areas to apply IoT technologies to public facilities, including crosswalks and trash bins. The results of the test will be shared with other WeGO members.

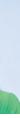
Bat-Ulzii Batchuluun

• For city administration, IT is a tool to simplify operational processes or substantially improve operational efficiency. In this process, IT departments play the role of problem solver for other departments.

Claudia Buentjen

- E-government is extremely important and timely in that no government can solve complex urban problems without ICT.
- · Korea uses advanced ICT in many areas including disaster management and city monitoring. Through such advancements, it is believed that low public trust in the government can be raised in the near future.

Policy Implications







Mochamad Ridwan Kamil



Haii Rozali Bin Haii Mohamud





Choi Young Hoor

Bat-Ulzii Batchuluun

Government 3.0, a new operational paradigm of the Korean government, can help city authorities make community-minded decisions based upon information openness, sharing, communication and cooperation.

• The four characteristics of Government 3.0 are (1) data analysis basis, (2) openness and sharing of information, (3) cooperation in the overall management of state affairs and (4) people-centered and customized services.

• The use of big data and IOT technologies implies the need to detect risk factors for residents in advance.

• The government must do more than simply make efforts to gain public trust, such as setting up a well-established government system. In this respect, e-government can greatly raise public trust in the government.



The Journey of Business from CSR to CSV

Case, Strategy and System

a Seoul School on Integrated Science & Technology

Chairman	KIM II-Sup President, aSSIST
Moderator	KIM Joo Nam President, Institute of National Brand Promotion
Presenter	CHO Dong-Sung Emeritus Professor, Seoul National University / Professor, Cheung Kong Graduate School of Business
	KANG Tae Sun Chairman & President, BLACKYAK Co., Ltd.
	HUR Jeong-Ok Professor, aSSIST
Discussant	KIM Young Kee President, Korea Industrial Safety Association / Former Vice President, LG Corp.
	ROH Un Ha CEO & President, Panasonic Korea, Ltd.
	CHOI Kyu-Bok President & CEO, Yuhan Kimberly
Rapporteur	KO Young Hee Professor, aSSIST

- Korean companies are increasingly making social contributions amid mixed feelings and public attitudes toward companies in Korean society. The 2008 global financial crisis served as an opportunity to question the very existence of capitalism and perform in-depth research on the role of companies. Companies must consider their sense of responsibility as part of the social system, their relationship with stakeholders and their role in communities, as well as their economic value.
- As companies have expanded their increasingly important roles in society, their social values are emphasized in addition to economic value and profit generation. Over the rapid growth period companies found it easy to perform CSR (Corporate Social Responsibility) activities, but in a low-growth environment, the need for balanced growth of companies and society makes CSV (Creating Shared Value) all the more important. CSV can help narrow the gap between the rich and poor, through which the growth of both society and the economy is possible. In the early stage, the two strategies could create confusion

and increase costs, but their continuous execution can eventually help companies perform better over the long term.

- CSR and CSV should not be pursued separately, but the latter should be implemented on the basis of strategic CSR. One difference is that CSR is included in the profit stage while CSV can be achieved in the sales stage.
- The four stages of development of companies for generating social and corporate values are (1) charitable activities, (2) internalization of community service, (3) bottom of pyramid (BOP) strategy and (4) sustainable management (meaning companies contributing all sales to society). The first two stages are included in CSR and the latter two stages are related to CSV.
- The ultimate goal is to form a relationship through which society and business learn from each other and develop together.

CSV Strategy of Korean Companies

· Kang Tae Sun, chairman and president of Black Yak is interested in pursuing both profit and social

contributions through a philosophy and vision related to the outdoor industry. Since 2014, his company has had a strong sense of responsibility in assisting relief efforts for natural and manmade disasters, and plans to support relief efforts for natural disasters with a stronger sense of community, which includes aid (of KRW1.3 billion) for reconstructive efforts in Nepal. For Black Yak social contributions for natural conservation are a part of CSV, as such charity is linked to increasing corporate value in the outdoor industry.

• A classic example of CSV is the founding vision of Yuhan Corp., which Dr. Il-han Yu established in 1926 under the slogan of "Helping our country and people by making the best products." Its CSV activities were derived from the philosophy of Yuhan-Kimberly: "Let's make our mountains and rivers green." Now, the company plans to create more jobs for senior citizens over the next 30 years. Yuhan-Kimberly is thus simultaneously promoting CSR and CSV.

CSV Internalized in Chinese Society

· In Chinese society, CEOs pursue the goals of their companies and the secretary-general of the Chinese Communist Party seeks to achieve the party's goal. As the secretary-general has a higher position than a company CEO, the CSV seems to be part of people's happiness and social development.

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Kim Young Kee

CSV in Japanese Companies • In Japan, the late Panasonic founder Matsushita Konosuke was considered a leader in CSV. He worked hard to make social contributions, and conducted businesses under the philosophy that "companies are public instruments and profits are a reward for their social contributions."

Policy Implications

co-existence.







Hur Jeona-Ok



Roh Un Ha

Choi Kvu-Bok

In a low-growth environment, a strategy to raise both corporate profits and social contributions is necessary. For this, a standard for social contributions to achieve CSV, such as job creation, environmental protection and the social goals of companies, should be included in the evaluation of new business projects and based on some level of profitability.

A company's participation in CSV can increase by assessing corporate efforts, and this should include all stakeholders in society such as the central and local governments, public corporations and non-profit organizations, as well as companies. The Porter Prize for Excellence in CSV, which was established for this purpose, includes an award for corporate genuineness, objectivity, efficiency, effectiveness (innovation), creativity, transferability and

As the value of CSV continues to expand on the basis of strategic CSR, this can alleviate low economic growth, achieve balanced growth across society and create leadership in the global economy, as well as increase corporate competitiveness in Korea, China and Japan.



Economic Cooperation Challenges of Korea and China in the G2 Era

Korea Human Development Institute

Moderator	HONG Suk Woo Former Minister of Knowledge and Economy, ROK
Presenter	SHEN Dong Ri Chairman, Lancy Group, China
Discussant	CHO Pyung Kyu Vice Chairman, Yanda Group, China
	JEON Byeong Seo Head of Research, China Economy & Finance Research Institute
	SHIN Un Cheol Chairman, KOREA-CHINA Marketing Association
Rapporteur	CHUNG Jin Hyuk Special Talent Committee, Human Development Institute

- The growth rate of the Chinese economy slowed to 7.4 percent in 2014, the lowest since 1991, but remained substantial considering the size of the country. From 2015, China reduced government power, lowered barriers to private investment, stimulated domestic demand and encouraged private consumption. China plays a leading role in collaboration with neighboring countries and globalization through its "One Belt, One Road" project, whose goals are infrastructure investment, creation of a platform for connectivity and a single economic platform.
- The announcement of a Sino-Korean free trade agreement means that China could be comparable to a "domestic" market for Korea, prompting the need for a strategy to expand in the Chinese market. The accord is the peninsula's largest opportunity for bilateral trade and provides good conditions for Korea to easily advance in the Chinese market.
- To attract Chinese consumers, a strategy that is brand-centric rather than product-centric is important
- Lancy Group seeks to become No. 1 in the

global fashion industry with a focus on children's clothing. Part of this effort is to establish omnichannels, both online and offline, between Korea and China.

• China appears to be seeking economic benefits through the globalization of its nationalism, and should expand its focus beyond promoting its own interests because such a globalization strategy can succeed only through an open-door policy.



Hong Suk Woo Shen Dong R

Cho Pyung Kyu

Shin Un Cheo

Policy Implications

- shifted from the West to Asia.
- sumers.
- ity of Hallyu.

Jeon Byeong Seo

As China's "One Belt, One Road" project signifies a new axis of change, Korea's apparent isolation from this arrangement warrants action. To succeed in China, investment should be made in people and culture and the Korean government must take on the challenge of promoting a sense of citizenship through education. Recognition is also needed for the importance of drawing on the estimated 800,000 ethnic Chinese residing in Korea and their companies for targeted market research.

presence in China.

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PROSPERITY

The epicenter of the global economic landscape has

 The popularity of Hallyu (South Korean culture) is rapidly expanding in China, while China's exports of its own culture to Korea have been limited. For this reason, China is positioning itself to begin exporting its cultural products to the world and to expand related trade.

Korean cosmetics and beauty products are popular in the Chinese market as an increasing number of Korean product successes have been reported. Korea needs to analyze this trend and develop products customized for Chinese con-

 Further analysis is required to determine whether the appeal of Korean products is rooted in quality or in popular-

Expanding the market to include financial products in addition to Hallyu content is necessary.

 Great opportunities could come from the Sino-Korean FTA, and Korea's most representative companies, products and culture are expected to substantially expand their

Corporate's Global Economic Cooperation and Peaceful Exchange in Asia

Tama University / Korea Human Development Institute

Moderator	OH Jong Nam Senior Advisor, Kim & Chang
Presenter	LEE Young Kwan Chairperson, Toray Advanced Materials Korea
Discussants	LEE Chong Hoon Chairperson of the Board of Trustees, Han-Sung Educational Foundation
	CHANG Man Key Chairperson, Korea Human Development Institute
	CHO Woo Jin Professor, Tama University
Rapporteur	HUH Jin Won Korea Human Development Institute

- The Toray Group, which is developing deeper roots in Asia, seeks to spread technologies and mutual development with a sense of social responsibility for emerging Asian countries. Toward this goal, the company's four success factors are as follows:
- 1 Close cooperation with the Toray Group in Japan
- 2 Capital investment of around KRW500 billion in R&D annually, which helps make company products 50 percent better than those of their competitors in both quality and quantity
- 3 Stable relationship between management and labor, forming a system of human-based management: The company installed hotel-style toilets for plant employees in the 1970s, and strengthened product competitiveness thanks to a low attrition rate of 3 percent and employee loyalty.
- A Management philosophy of green innovation: The Toray Group has helped promote economic development in Korea and Japan through developments of advanced carbon fiber and the production of car parts in cooperation with Korea's small and medium-sized enterprises.
- The Toray Group, a non-woven fabric company,

is the best of its kind in Asia. The company is now looking into making substantial investments in other Asian nations under a policy of corporate social responsibility, with the target of leading the world in its field within a few years.

- Toray Advanced Materials has established a collaborative system based on a successful fusion of the cultural strengths of Korea and Japan. The company promotes growth that is driven by the transfer of advanced technologies, and pursues continuous economic cooperation by adopting programs of intercompany newcomer training and internships between the two nations. Moreover, green growth and CSR are part of the company's management philosophy, and we contribute to society by taking on environmental, resource and energy issues while promoting sustainable growth.
- According to the company's policy of humanbased management, the Toray Group has made great strides in employee benefits, including hotelstyle toilets for factories in the 1970s. As a result, the company's attrition rate is just 3 percent, which has corresponded to the firm's technologyintensive development.



Oh Jong Nam

Lee Chong Hoon

Policy Implications

- As an epitome of Japan-Korea co-operation establishment, the Toray Group is known for their long-term HR development programs that have not laid off employees for the past 90 years. The Toray Advanced Materials Korea derived substantial benefit from localizing the Toray Group's HR programs. The Toray Advanced aspires to exemplify and further promote the Japan-Korea cooperation by establishing a collaborative system with the Toray in Japan based upon implementing win-win management, building trust between management and employees, and maintaining corporate transparency.
- The bilateral relationship between Japan and South Korea are at their worst since the end of World War II, worsening by political and historical disputes. Korea-Japan youth exchange programs will thus play an important role in improving communication between two nations. The Toray Group exemplifies how cultural exchange in privates sectors could contribute to peacebuilding between Japan and South Korea; for instance, the Toray in Korea sends new employees who are recent college graduates to Japan for a training program vice versa.







Chang Man Key

Cho Woo Jir





21st Century Capitalism and Management Practices, from Asia to the World



Choi Eunsoc

Hideo Okubo

Korea Human Development Institute / RINRI Institute of Ethics / **Public Interest Capitalism Council**

Moderator	CHOI Eunsoo "Silver" Editor, Maeil Broadcasting Network
Presenters	Toshiyaki MARUYAMA President, RINRI Institute of Ethics
	Hideo OKUBO Chairman, Public Interest Capitalism Council
Discussants	LEE Chong Yun Vice President, Korea-Japan Economic Associatior
	Takamasa ISHIZUKA President, NAMIKI
Rapporteur	KWON Hae-ran Translator, Korea Human Development Institute

- As public interest capitalism is getting more attention and replacing financial capitalism, now is the time to acknowledge this new trend and make corresponding changes.
- Public interest capitalism can be seen as a way to help society evolve, when paired with the right work ethic.
- Companies are not only owned by shareholders but by clients, employees and society as well, which can ensure sustainable growth driven by mid- and long-term investment.
- Innovation is needed to create an economy based on a positive-sum game that creates value, not a zero-sum game that cannot create value.
- The existing system consists of 80 percent shortterm investment and 20 percent long-term investment, and this should be changed to a system of 20 percent short-term investment and 80 percent long-term investment.
- An autonomous system is needed under which companies increase the value of their internal reserves to prepare against investment risk and use internal funding instead of external borrowings.



- est capitalism

- cussed at length.
- line with ethics and morality.



Lee Chong Yun

Takamasa Ishizuka

■ Visible factors should not be evaluated by ROE, ROI, ROA or EPS alone; instead, public interest capitalism should consider invisible values for evaluation and offer benefits to all stakeholders including employees, customers, business partners, communities and shareholders.

Review of ethical management and public inter-

This era needs ethical management with a balance between sacrifice and entitlement, with ethics to serve as rules to ensure harmony, which is our foundation.

Policy Implications

Although public interest capitalism and ethical management are ideal concepts, getting them to take root in society is difficult due to the varied circumstances and ideology of each country. What is needed is a system that is tailored to the situation of each nation, one that maintains a balance between ideals and reality.

 National interests should not be the main goal, and policies that put global interests first are needed. To achieve this, each nation's roles and responsibilities must be dis-

Korea should adopt ethical management strategies, which are expanding in several Asian countries, as part of Asian values that are spreading as an alternative to Western capitalism, which is deemed materialistic.

Human beings are capable of not only selfishness but also altruism, so an objective mechanism should be designed and implemented to realize ideals and lead the world in

The Asian Financial Market Growth and Development Plan of the Korea **Financial Investment Services**

The Korea Economic Magazine

Moderator	CHO Yong jun Head of Research, Hana Daetoo Securities
Keynote Speech	HWANG Young-Key CEO, KOFIA
Presenter	HONG Sung Guk CEO, KDB Daewoo Securities
	John LEE CEO, Meritz Asset Management
Discussant	OH Gyutaeg Professor, Chung-Ang University Professor
	HONG Chunuk Economist, NPS
	John LEE CEO, Meritz Asset Management
	HWANG Young-Key CEO, KOFIA
	LEE Sang Hwa Head of Research, Hyundai Securities
	AHN Soo Woong Head of Research, SK Securities
	OH Kwang Jin General manager, The Korea Economic Daily
Rapporteur	LEE Hongpyo The Korea Economic Magazine Reporter

- Financial investment is a high value-added industry, but the sector in Korea has weakening competitiveness compared to its manufacturing industry. The reason is excessive protection, which means regulations. Asia is experiencing rapid change, and China's surging economy should be able to take advantage of the opportunities in Korea's financial investment industry.
- If the growth of Korean manufacturing slows, then the financial industry should assume the role previously played by manufacturing.
- Korea's financial investment industry should utilize the financial partnership with China, with research centers being essential.
- Korea is seeing fund movement increase while interest rates remain at historic lows. In this era of money movement, analysts should have a sense of responsibility and take leadership, paying more attention to the latest trends to gain insight rather

than relying on information found online.

- In Korea, equity investment is still considered to be a form of gambling, which seriously undermines the development of industry and society.
- Equity investment can be used to help elevate more Koreans to middle-class status. A trend of long-term investment should also be established.
- To advance into the Asian financial market, Korea must export its capabilities to other markets. This would be in line with the trend of long-term investment in which markets with strong financial institutions have frequently exported their expertise to developing markets.
- Ultimately, analysts should produce reports with a long-term vision as well as insight to encourage long-term rather than short-term investment.



Hong Chunul Oh Gyutae



Lee Sang Hwa

Oh Kwang li

- RMB and FinTech.

Ahn Soo Woong

- marketed.

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Policy Implications

• Issues dominating the market are the globalization of the

• If Samsung Electronics is not an ideal model for corporate development in the financial industry, companies such as Amore Pacific are perhaps better benchmarks. Finance is based on historical trends and cultural attitudes, and analysts should seek to change them.

• One marketing strategy that would aid Korea in its expansion into the Asian market is the country's experience with failure. The Asian market is different from those of developed economies, and what Korea has learned from overcoming failure is valued knowledge regarding Asian culture. In particular, Korea's expertise in ICT should be

 Financial investment companies should put customer benefits first. They should hold a heated discussion about this and break away from absolute obedience to superiors.

 Korea's financial investment industry has had no real need to expand abroad due to its high growth rate. Given that the sector may eventually face a lower growth rate, however, overseas expansion is essential. As such, the Korean financial market's research capabilities should focus on highly profitable products both at home and abroad.





SUSTAINA Chapter THREE

신뢰와 화합의 새 로 운 아시아를 향하여



Post 7th World Water Forum



Woo Hyoseor

Ministry of Foreign Affairs

Moderator	LEE Seong-ho Director-General for Global Economic Affairs, Ministry of Foreign Affairs of the Republic of Korea
Presenters	Hiroki KENZO Director, Water Resources Planning Division, Department of Water Resources, Ministry of Land, Infrastructure, Transport and Tourism, Japan
	WOO Hyoseop President, Korean Society of Ecology and Infrastructure Engineering
Discussants	GOH Deuk-koo Secretary-General, Korea Water Forum
	Yvo DE BOER Director-General, Global Green Growth Institute
	JEONG Sangman Professor, Kongju University
Rapporteur	LEE Jun Hee 2nd Secretary, Global Green Growth Division, Ministry of Foreign Affairs of the Republic of Korea

- The introduction of scientific and technological processes aimed at finding innovative solutions for clean water challenges and plan for their implementation via the integration of science, technology and water management.
- Economically Water Insecure (EWI) regions were defined, and a range of stakeholders, such as regional multilateral development banks, joined the discussion to expand support for underdeveloped countries suffering from water scarcity due to poor infrastructure, despite abundant water resources.
- Support went to the inclusion of water and sanitation as a single goal of the post-2015 Development Agenda, and attendees of the 21st Conference of the Parties (COP 21) were urged to devise measures to mitigate climate change with while focusing on water issues.
- Emphasis was placed on the need to steadily monitor and evaluate efforts to tackle water issues through the Action Monitoring System, and to carry out implementation roadmaps adopted as a step toward implementing proposals discussed at

the forum.

Korea was offered the opportunity to become a global water leader based on the nation's water partnerships with former World Water Forum hosts Morocco, Netherlands, Japan, Mexico, Turkey and France.

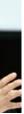


Policy Implications

- Sharing and improving results of the World Water Forum (WWF) at future venues of international discussions
- Attendees stressed the need to create a cascade effect by harnessing the forum's strengths (large-scale participation, openness, non-binding agreements, implementation/selection of resolutions for new approaches to sustainability).
- The need for concrete proposals from regional consultative bodies
- Attendees stressed the need to strengthening vertical and horizontal cooperation among local and central governments and between water forums
- The WWF's key result: effective implementation of roadmaps
- Through the global water community's voluntary consensus, the proper effectuation of roadmaps necessitates strategic plans to carry out solutions for the 16 key areas.
- The Action Monitoring System allows us to view the roadmaps' implementation status in real time.
- As a follow-up measure, Daegu and Gyeongsangbuk-do will each hold a "water week" to continue the proper execution of roadmaps.
- Steady involvement and support for various organizations in charge should be provided via cooperation between Korea and the World Water Council.
- Attraction of investment is key to resolving water issues The 7th WWF reached a key milestone, as businesses came to the forefront; the Water Business Forum facilitated conferences between developing countries and water-related

- companies in the private sector. sector.
- oping countries.
- and climate change
- political decision-making process.
- designed to reflect political consensus.
- - lenges more effectively

SUSTAINABILITY







Hiroki Kenzo

Goh Deuk-koo





Yvo De Boer

leong Sangmar

Participants agreed on the need to increase the number of post-WWF7 projects and build business partnerships, noting the successful establishment of water forums by Japan and the Netherlands, thanks to their focus on the business

• To that end, the forum suggested the expansion of business weighting with investments in world water partnerships, and striving to attract private investments for devel-

Effectively linking water challenges to green growth

• The key to success lies in substantial participation in the

While the implementation roadmaps were drawn up in a voluntary conference of relevant organizations, they were

Developing countries pay keen attention to water-related issues but seem relatively indifferent to climate change. As such, an effective agenda for climate change can be devised by linking climate to global water supply challenges.

Utilizing science and technology to tackle water chal-

Scientific and technological procedures should be incorporated into a platform to (1) strengthen the newly launched CEO Innovation Panel and World Water Challenges, (2) share applicable science and technology in relation to each country's circumstances and (3) increase efficiency while continuing to promote development in at the next water forum.



Increasing Developing Countries' Access to Climate Finance

Global Green Growth Institute

Moderator	Yvo DE BOER Director-General, Global Green Growth Institute
Discussant	KIM Young-mok President, Korea International Cooperation Agency
	SUNG Changmo President, Green Technology Center Korea
	NAM Sangmin Deputy Director, U.N. Economic and Social Commission for Asia and the Pacific East and North-East Asia Office
	KIM Hoe Jeong Director-General, International Financial Cooperation Bureau, Ministry of Strategy and Finance, South Korea
Rapporteur	Son Hee Kyung Communications Manager, Global Green Growth Institute

There is a growing realization that climate change is an inevitable, urgent challenge that is affecting the economic and social development of all countries. This awareness has encouraged an increasing number of developing and emerging countries to show strong commitments in the transition to sustainable economies. One of the key elements that helps developing nations move toward a sustainable, low-carbon future is finance.

In principle, sufficient financial resources from the public and private sectors are available to support developing nations. The mobilization of the capital is not an issue. The challenge we are faced with is that the existing capital is not making its way into innovation, green investments, technology and poorer countries. This is where organizations such as the United Nations Economic and Social Commission for Asia and the Pacific (UNESCAP), the Global Green Growth Institute (GGGI), the Korea International Cooperation Agency (KOICA), the Green Technology Center Korea (GTCK) and the Ministry of Strategy and Finance, Republic of Korea, could play a critical role. These organizations could help speed up the flow of finance for developing countries by (1) developing robust projects that are investment-ready, (2) improving their capacity to formulate strong, bankable project proposals, (3) making developing nations more aware of the technologies available and (4) enhancing the global understanding of key political leaders on climate finance.

Developed countries need to begin showing commitment to the support of developing and emerging countries through public finance. However, there are limitations to addressing climate change issues through public finance alone. Thus, the role of the private sector is important. Greater emphasis needs to be placed on using public finance institutions to leverage private capital and building policy incentives for directing private finance for developing countries.

The existing finance mechanism does not fully satisfy the needs of developing nations. International financial institutions need to make unified efforts to create an investment-conducive environment for poorer countries, develop capacity build-



Nam Sangmir

ing and knowledge sharing programs, establish development and education strategies and provide incentive-based governance mechanisms to attract investors

Also, increasing political commitment to environmental issues is also of great importance. A lack of political interest is leading to budgetary and institutional limitations in the context of climate change. Climate change issues are generally not seen as key to developing countries' ambitions around economic growth and poverty eradication. The contribution that green growth could make to strengthening economic growth and poverty eradication is not at the core of the high-level political debate in many countries. It is critical for governments to realize that a transition to a new pathway is becoming financially viable and that there is a need to provide frameworks for green growth that can lower policy uncertainties. Key political players need to understand that additional and incremental expenditures for green growth are investments that generate new values, technologies and markets and that green growth policies and low-carbon development can be designed in such a way that can simultaneously address multifaceted development needs.

At present, the technology is not making its way

into the market to effectively assist the developing countries. This is partly because the cost is too high, the risks are too great and the markets are too small. These are a set of challenges faced by investors. In addition to this, another obstacle is that developing countries don't have an adequate understanding of the technologies that are available and how, those technologies could be applied to their countries. There is a lack of linkage between technology transfer and finance. Thus, it is important to create a regulatory environment for technology.

ernance for private investment.

SUSTAINABILITY







Sung Changmo

Kim Young-mol



Kim Hoe Jeono

Ultimately, it is critical to write bankable project proposals that translate environmental propositions into a common language for investors and take those proposals to the financial institutions that

will finance project implementation. A number of international organizations and agencies, including the Global Green Growth Institute, are focusing on assisting countries to develop projects that are investment-ready. The issues of importance include formulating proposals in such a way that is appealing to investors from a risk and reward perspective, creating a policy-friendly environment in a country that is conducive to green growth investments and providing enhanced and more incentive-based gov-



Trilateral Cooperation on Forest Therapy and Healing

Toward a Collaborative Approach to People's Mental, Physical Health and Beyond

ments and the private sector.

Similarities

Forest therapy and healing reflect the common perceptions held by Korea, China and Japan, the three leading countries of East Asia, a region where harmony between humans and nature matters. The three countries lead the world in forest therapy.



Policy Implications

- interested in forest therapy.



Chen Feng

Im Young Suk Takahide Kagawa

Wang Guozhong

Trilateral Cooperation Secretariat

Opening Remarks	Shigeo IWATANI Secretary-General, Trilateral Cooperation Secretariat
Moderator	KIM Ki Weon Professor, Kookmin University
Presenter	IM Young Suk Director, Forest Recreation and Healing Division, Korea Forest Service
	Takahide KAGAWA Chief of Environmental Planning Laboratory, Department of Forest Management,
	Forestry and Forest Products Research Institute, Japan
	WANG Guozhong Director, International Forestry Cooperation Center, State Forestry Administration of China
Closing Remarks	CHEN Feng Deputy Secretary-General, Trilateral Cooperation Secretariat
Rapporteur	KIM Yeonsoo Economic Affairs Officer, Trilateral Cooperation Secretariat

Korea

Government spending has surged along with rising interest in health-related welfare and the rapidly aging population. The government was able to secure public healthcare and efficient spending through the forest healing certification system and healing programs to develop national forests. Since 2010, the nation has legislated forestry rules.

Japan

Forest therapy is developed through cooperation between local governments and the private sector for the final goals of preventive medicine, local economic stimulus and forest reorganization. The nation introduced the world's first forest healing base and developed about 60 forest areas. The projects are mostly planned by local governments instead of the central government. Forest therapy is frequently used for rehabilitation purposes.

China

China has large amounts of land and various forest types. Its government is working on forestry, biodi-

versity, balance in the ecosystem, prevention of desertification and preservation of wetlands. Beijing recognizes the need to build a more affluent society, promote public well-being and maintain a healthy ecosystem are prerequisites to national development. Forest healing is considered a solution for a number of issues such as urbanization, a rapidly aging population, the expansion of the service sector, development of tourist sites and overall public satisfaction. Integrated therapy development will come through benchmarking Korea and Japan's forest healing policies and cooperation between the National Tourism Administration and the Ministry of Health.

Differences

Each country has its own unique programs for forest therapy and healing. In Korea, related organizations are mainly government-supported. In China, the projects are rapidly expanding, mostly in large cities, and are led by the government. Relevant data reveals that Japan is developing forest healing stations through cooperation between local govern-



■ Suggestions from Korea: In 2004, the European Union formed a cooperative body for a four-year joint research program on forestry. Following this example, Korea suggested that China and Japan build a research center to jointly study forest healing and share research results and related policies. The Trilateral Cooperation Secretariat (TCS) could serve as a "little U.N." to connect the three countries' forestry, medicine and business sectors.

Suggestions from Japan: Japan suggested a trilateral researcher exchange or building a network for trilateral forest healing. A trilateral communication channel could enable cooperation through the sharing of policymaking strategies and evidence, and also allow the three countries to share successful case studies of forest therapy from various areas as well as challenges. The TCS supports a Korea-China-Japan cooperative mechanism, and thus could bring together the public and private sectors and serve as a window for information sharing.

Suggestions from China: China suggested cooperation in policymaking for forest healing and building a certification system for forest healing experts. By harnessing the TCS as a cooperative platform, Korea, China and Japan could initiate activities such as organizing a conference with experts in the field or forging sister ties among forest healing bases. For joint policies, the three countries could host forums or symposiums on industrial cooperation and foster human resources. To spur the creation of a forprofit model, the countries could invite not only forestry organizations but also hospital staff and/or companies



Asian Cooperation for Climate Change



Jun Yona Wooł



Cheju Halla University

Moderator	JUN Yong Wook Vice President, Sejong University
Presenter	KIM Sang Hyup Professor, Graduate School of Green Growth, KAIST
Discussants	JUNG Ji One Research Fellow, Korea Institute for International Economic Policy
	PARK Hyun Director, Forest & Climate Change Center, Korea Forest Research Institute
	KANG Sun Joo Professor, Cheju Halla University
Rapporteur	KIM Shin Hyo Professor, Cheju Halla University

Jun Yong Wook

- Climate change-related regulations hinder economic growth in developing countries. Against this background, interest is growing in cooperative measures via "green" official development assistance (ODA), as well as countries' efforts to reduce emissions from deforestation and forest degradation while also fostering conservation. Other efforts gathering attention include sustainable forest management and the enhancement of forest carbon stocks (REDD+) to reduce poverty and promote economic growth.
- North and South Korea and key East Asian countries are jointly responding to environmental issues, including climate change within the region; the pursuit of "green détente," or reduced confrontation and tension; and peace, coexistence and eventual reunification. In line with these points, the panel discussed how Asian countries could build trust and harmony through cooperation in adapting to climate change.

Kim Sang Hyup

• Professor Kim proposed how East Asia can pur-

sue green détente and cooperation starting from the Korean peninsula, including Jeju Island.

- Due to the past efforts made by a number of heads of state (e.g., U.S., Russia, China, Japan, Germany and Indonesia) to offer macro goals for green cooperation, such as efforts to mitigate climate change, global interest in green geopolitics has grown.
- Korea has also steadily laid the foundation for green détente and an environmental "Big Bang," starting with the reforestation policy in the 1970s to build a smart grid and develop new and renewable energy policies that integrate green technology with information and communication technology. Korea's current efforts are based on the creative economy policy of the incumbent Park Geun-hye administration.
- · Green détente and the related "Big Bang" are all the more needed on the Korean peninsula because of North Korea's crises in forests, rivers, food and electricity.
- The need for green cooperation is growing across borders and ideologies, playing a positive role in trust building and laying the foundation for reuni-



Kim Sang Hyup





Park Hyun

Jung Ji One



fication.

Park Hvun

- •As for response to environment and climate change, the forestry sector is pursuing a REDD+ project to curb CO₂ emissions from the conversion of forest land or forest degradation. The project is not limited to forestry but encompasses all sectors including water, food, lifestyle and culture.
- The panel is developing a REDD+ business model based on Korea's expertise in successful afforestation. Among Korea's success factors is systematic implementation based on strong leadership and job creation. Another important factor is the spread of a small success story that other nations can adopt as their own. An ideal approach is to promote an atmosphere in which people begin with a small but substantial investment and expand accordingly, instead of making massive investments in various sectors.
- Expansion of green détente to North Korea and other Asian countries should start from afforestation, and then go on to achieve small success cases that address both the livelihood of citizens and day-to-day issues.

(Juna Ji One

- Korea has made no sizable contribution to greenhouse gas reduction (18th in the world) and climate change adaptation (16^{th}) , yet is the world's only country to go from aid recipient to donor. Because less than five years have passed since the country became a donor, Korea's ODA budget is positive in size and has new sources of funds.
- In many cases, support for greenhouse gas reduction and support for adaptation to climate change are not clearly distinguished. Korea assists with general environmental protection (e.g., water supply, sanitation, forestry and the formulation of a green growth strategy), energy, communication, transportation and storage, industry and education.

Kang Sun Joo

• The panel teaches a course that helps university students better understand international development cooperation. The class is designed to encourage students to explore a range of possibilities to improve healthcare based on education regarding global citizenship and an understanding of the cultures and environments of underdeveloped countries.

- Through field trips, students examine communitybased support policies for multicultural families established by the government and regional selfgoverning organizations, and look for areas for improvement. Students visit a community surrounding a partner university in Vietnam to better understand culture, healthcare, education and environment in the region.
- The course provokes critical thought on how to apply one's major to devising solutions to address climate change.

Policy Implications

The two Koreas could pursue green détente on the Korean peninsula through green growth cooperation.

- A three-step strategy for green détente on the peninsula goes as follows: Step 1: Build trust on the peninsula and begin cooperation in green areas \rightarrow Step 2: In-depth green cooperation → Step 3: Implement green economic cooperation by expanding comprehensive green cooperation (induce strategic participation via international organizations such as the World Bank, ADB, GGGI, GCF or AllB) \rightarrow Lay the foundation for Korean reunification.
- Along with the Gapa Island case, Jeju Island's ecosystem and new and renewable energy use and development are attractive models that North Korea can apply.
- Korea's green energy sector could catalyze strategic investments by international organizations or the World Bank, thereby building a super grid in East Asia spanning South Korea, China and Japan as well as North Korea.
- Korea's ODA breaks down to 70 percent bilateral and 30 percent multilateral. Thus, if bilateral assistance to North Korea is blocked by political issues, such aid could be expanded through a multilateral channel linked to international organizations.
- University students are the future of the nation's human resources and a pillar of economic growth. It is critical that we raise public awareness of and sensitivity to climate change. Thus, the nation should steadily secure a proper budget and help university students better understand the cooperation needed to alleviate the harmful effects of climate change.

Lessons Learned from Natural **Disaster in the Asia-Pacific Region:** The Role of Local Government

Jeju International Training Center / UNISDR GETI / UCLG-ASPAC

Participants	Emiliana VILLACARILLO Mayor of Dolores, Eastern Samar, Philippines
	YUBASRI Yubasri Head, Rehabilitation and Reconstruction Division, Ba
	Agency
Moderator	Sanjaya BHATIA Head, UNISDR ONEA / GETI
Presenter	LEE Gyeong-ho Public Security Planning Officer, Jeju Special Self-Gove
	Yuka MAKINO Senior Operations Officer, GFDRR World Bank
	Graham BREWER Director, Centre for Interdisciplinary Built Environme
Discussant	Bernadia Irawati TJANDRADWEI Secretary-General, United Cities and
Closing Remarks	PARK Jeongha Vice Governor for Political Affairs, Jeju Special Self-Gove
Rapporteur	SHIN Jae Hyeok Assistant Professor, Korea University

When a typhoon hit the Philippine city of Dolores in Eastern Samar in November 2014, a local government-run committee for preparedness and response was able to minimize the damage by building a communication line, monitoring systems and shelters and preparing rescue and restoration teams and relief goods.

damage. For this reason, the provincial government redesigned the region's stormwater management strategy by reorganizing rivers, adding drainage facilities and building detention ponds.

- The city government of Banda Aceh of Indonesia, which has been struck by earthquakes and a tsunami in December 2004, drew up a reconstruction plan after disaster struck and was able to implement restoration projects. These efforts included citizen training and shelter building, community-driven activities that greatly mitigated the damage from the disasters.
- When Korea's Jeju Island was hit by a typhoon in September 2007, the subsequent record rainfall that pounded its cities at high tide worsened the

JEJU FORUM FOR PEACE & PROSPERITY 2015

Banda Aceh Regional Disaster Mitigation

erning Province

ent Research, University of Newcastle nd Local Governments Asia Pacific verning Province





Sanjaya Bhatia



Yubasri Yubasri Bernadia Irawati Tjandradwei



Lee Gveona-ho



Graham Brewer



Policy Implications

- Natural disasters cannot be prevented, but their damage can be alleviated through higher levels of human, material and organizational preparedness at the local government level.
- To minimize damages from natural disasters, careful preparation and measures utilizing advanced disaster management simulators are critical.
- A hazard map should be drawn after identifying risk areas and where we must take extra precautions to prepare for disasters.
- Through civilian training for disaster management, the government should educate the public that disaster preparation is the responsibility of not only the government but of the community, companies and individuals, encouraging self-preparation.
- To mitigate disaster damage, close-knit cooperation between the local government and community based on mutual trust is necessary. Specialized systems coordinating various human resources drawn upon during disaster relief, including financial donors and volunteers, are essential.
- · Identifying causes of extensive damage and taking appropriate actions can help minimize damage from natural disasters in the future.

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Chapter **FOUR**

신뢰와 화합의 새 로 운 아시아를 향하여



[Global Five-Party Roundtable]

The Reality and Solutions of **Intergenerational Conflict**

JoongAng Ilbo

Moderator	CHUNG Kang Hyun Reporter, JoongAng Ilbo
Presenter	CHOI Jinki Director, CHOIJINKI Economic Research Institute / CEO, OHMYSCHOOL
Discussant	KATO Koichi Seoul Correspondent, Nihon Keizai Shimbun
	Daniel LINDEMANN Panelist, JTBC "Non Summit"
	CHEN Shangwen Seoul Correspondent, People's Daily
	Tyler RASCH Panelist, JTBC "Non Summit"
Rapporteur	JEONG Goeun Nare Manager, Global Affairs Team, JoongAng Ilbo

[Presentation]

- The rapid aging of society has led to ongoing public debate on the topic of intergenerational conflict.
- Korea's rapidly aging population is characterized by a simultaneous increase in the retirement age and poverty rate. Of particular concern is the reality that many Korean seniors are without the savings to support themselves in their final years, leaving them with no choice but to continue working.
- A conservative or liberal perspective is not the product of one's age but of the political circumstances experienced by the members of a generation as they begin to form their worldviews.
- Intergenerational conflict extends beyond social and cultural boundaries and cuts across the political field. For this reason, politicians typically target the older generation during election campaigns, as they compose the largest portion of voters.

[Discussion]

Each country's reaction to the term 'intergenerational conflict'

• In Germany, inter-generational conflict has escalated to intergenerational war. As the fastest-aging nation in Europe, Germany is experiencing economic conflict due to the burden of supporting the elderly.

- Perceptional differences between generations are growing more prominent in China as well. With Beijing's one-child policy, a rising number of people from the younger generation are financially dependent on their parents, posing an obstacle to the country's economic growth.
- · Japan's generations are divided largely by the economic bubble. Members of the generation prior to the bubble are perceived as great contributors to the economy, while the younger generation is stricken with a victim mentality.
- In the United States, the conflict is caused by differences in perception rather than age. Bearing this in mind, intergenerational conflict clearly exists among Americans, as seen in the distribution of wealth and political participation.

Each country's perception of pension, the most prominent cause of intergenerational conflict

• As the older generation comprises the largest portion of Germany's voting population, policies revolve around this age group. Excessive support for



Chung Kang Hyun



Choi Jinki

Daniel Lindemann

seniors has given rise to problems such as alcoholism and early retirement. The younger generation, by contrast, looks to self-reliance as they prepare for their retirement rather than planning to support themselves with a pension. The low birth rate is also contributing to the vicious cycle, and policy support has been insufficient in terms of resolving the issue.

Labor market status, an issue directly related to the younger generation's economic capacity

- · Germany sees few problems related to jobs given the weak link between educational background and job selection, as even menial jobs are highly regarded in society.
- In China, youths face a high jobless rate, but the zeal for entrepreneurship there has diminished the gravity of the problem.
- · Like South Korea, Japan is also suffering from a growing number of temporary or non-permanent workers with no clear policies to alleviate the problem. The lack of drive to succeed is exacerbating the situation among the younger generation, as is an increase in parental dependence.

Political participation by youth in each country

• An institutional approach to intergenerational conflict is a must, but the apathy of South Korean youth has led to elderly-oriented policies, as those

volved in politics. • In the United States, the younger generation lacks the ability to utilize the political system in the same way as past generations. In the past, each generation in the U.S. approached its challenges by establishing a generation-wide identity.

parliament

Policy Implications

• The greatest proportion of the welfare budget is allocated to the elderly, while social investment in birth, education and youths is decreasing. The political apathy of young voters keeps the vicious cycle going.

over pensions.

aged.



Kato Koichi





Tyler Rasch

from the older generation are more heavily in-

• Political participation by German youth is also increasingly dismal, leading some political parties to vow to help younger politicians get elected into

 The rapidly aging population has led to a dramatic increase in the number of elderly citizens. Economic stagnation has increased the population of poor vouths, while government policies are oriented toward senior citizens, who account for the largest portion of voters. All of these factors combined have given rise to inter-generational conflict.

· Boosting the labor market could partially resolve conflicts

 To end intergenerational conflict, understanding differences and a willingness to communicate should be encour-

Beyond the Communication Barriers

The 808 Commonly Used Chinese Characters in China, Japan and the South Korea



Wang Min

watani Shiged

Han Woo Duck

Trilateral Cooperation Secretariat

Opening Remarks	IWATANI Shigeo Secretary-General, Trilateral Cooperation Secretariat
Moderator	WANG Min Professor, Research Center for International Japanese Studies, Hosei University of Japan
Discussant	HAN Woo Duck Director, China Institute, JoongAng Ilbo
	KOUSAKA Setsuzou President, The Japan Kanji Aptitude Testing Foundation
	SHEN Shuzi Professor, Foreign Language School at Renmin University of China
	Kim Tae Guk Teacher, Samsung Girls' High School
Rapporteur	HAN Soojin Socio Cultural Affairs Officer, Trilateral Cooperation Secretariat

- Chinese characters have the potential to promote effective trilateral communication and mutual understanding among Korea, China and Japan.
- All three countries have affirmed that Chinese characters are a mutually shared cultural asset.
- Comparison of each country's use of Chinese characters and education
- Introduction to the distribution of Chineselanguage content and the different forms of the characters used in each country
- Introduction to each government's policies and related organizations to promote the use of Chinese characters
- Background information on the selection process for the 808 commonly used Chinese characters by the Northeast Asia Trilateral Forum (NATF) made up of opinion leaders from Korea, China and Japan
- Applications to circulate and expand the commonly used Chinese characters among the three nations



11 11 11 Policy Implications

- countries.

- characters might be helpful.
- should follow.
- ters.
- acters in Korea
- ing process is essential.
- Asian classics.







Kousaka Setsuzou

Shen Shuz

Kim Tae Gul

• The session explored specific ways in which the "808 commonly used Chinese characters in Korea, China and Japan" can be used to promote circulation and expansion of Chinese characters, a cultural asset shared by three East Asian

• Publishing educational books composed of short stories that introduce the three countries' histories and cultures using Chinese characters is necessary.

• A universal dictionary of Chinese characters among the three countries that consists of frequently used words for students and businesspeople is a must.

• A joint trilateral project to promote the use of Chinese

• In-depth research to clarify differences in the form, sound and meaning of Chinese characters used in each country

• More emphasis should be placed on words rather than let-

Recommendations regarding education on Chinese char-

 Continuous Chinese-character education throughout middle and high school that promotes a prolonged learn-

 Instead of simply teaching Chinese characters, they should be incorporated into humanities curriculum by using East

 Sharing values and philosophies among the three countries through education is important.

• A trilateral joint commission to promote the education on Chinese characters should be established.



Cultural Cooperation to Overcome East Asian Troubles

Cheju Halla University

Moderator	CHOI Myung Cheol Professor, Cheju Halla University
Presenter	LEE Ji Yoon Managing Director, MMCA Seoul National Modern and Contemporary Art Korea
Discussant	HAN Zhaoying Professor, Nankai University
	LEE Tae Joo Professor, Hansung University
	Nguyen Hong CON Professor, Vietnam National University / Hankuk University of Foreign Studies
Rapporteur	KIM Shin Hyo Professor, Cheju Halla University

Choi Myung Cheol

Lee Ji Yoon

• In this session, the following three issues will be discussed in the interest of overcoming current barriers to a stronger regional community in East Asia: (1) an understanding of the elements of conflict and nationalism among East Asian countries, (2) cultural cooperation in the region and (3) a comparison of each country's cultural policy.

• Over the past two decades, many countries have

hosted art events directed toward globalization, a

major strategy for cultural promotion. The art cir-

cle has brought about significant change through

global cultural exchanges that extend beyond re-

gional exchange. At the center of such efforts lies

the international art biennales, with the subsequent

• The Biennale displays artwork from a number of

cultural contexts in a way that is purely for audi-

ence enjoyment. This event, hosted in the spirit of

global cultural exchange, has participating artists

work together with one another in a liberal and

communal fashion and, in the process, also build

art markets and art fairs that have emerged.

solidarity through a positive experience of cultural exchange.

· Building the foundation for boosting cultural exchange, overcoming conflict and encouraging communication and cooperation through a trilateral Global Biennale among Korea, China and Japan

HAN Zhaoying

- Over the past decade, China's position in politics and the economy has found the nation standing on more solid ground than ever. The country appears to be utilizing public diplomacy to enhance its national image, displaying vigilance with most other countries, including its trading partners.
- · As part of its efforts to emphasize global cooperation, the Chinese government has introduced three diplomatic policies for cultural, educational and global exchange.

Lee Tae Joo

 Culture plays a central role in all areas including politics, the economy, the environment and science and technology. While cooperation on the economic and development fronts is important, so



Choi Myuna Chec

Lee Ji Yoon

is laying the foundation for the vision of the Asian community by sharing cultural assets and boosting cultural diversity among countries. For this reason, cultural and development cooperation (CDC) can serve as a sustainable model for Asian countries.

· Cultural cooperation can be the catalyst for positive cultural transformation over the long term while helping build a mutually reciprocal and cooperative foundation, one that extends beyond economic differences and relations based on complicated pragmatic diplomacy. In this sense, a higher level of cultural cooperation can serve as a major cooperative model that allows sharing of a long-term vision of humanity through cultural sharing.

Nguyen Hong Con

- · Collectivism is a cultural value commonly shared in East Asia that revolves around the sharing of values such as respect, consideration for others and knowledge. As a strategy used to unite a community, collectivism can act as a tool to overcome weakness and conflict in a region.
- Vietnam is a nation that possesses East Asian values along with those of the West, given the country's previous colonization by France and the influence of the United States. For this reason, Vietnam aims to contribute to conflict resolution in the region based on mutual respect and respectful dialogue that abide by openness, diversification of global relations and the adherence to international standards and rules. These efforts are closely aligned with Vietnam's foreign policy, which is oriented toward independence, peace and cooperation to resolve conflicts and promote the maintenance of peace.

. . . **Policy Implications**

- East Asian conflicts.
- for mutual benefit.

Conflict can be overcome in East Asia through the rejection of extreme nationalistic and unilateral acts and the promotion of mutual understanding and cooperation.

DIVERSITY

Han Zhaoving

Lee Tae Joo

Nauven Hona Con



• A Biennale hosted and led by East Asian countries could prove instrumental in showing the region's willingness to communicate globally while also helping to better establish a cultural identity for each nation. The event could set the foundation for boosting cultural exchanges among nations and create a new form of cultural cooperation.

• China's Confucius Institute, whose purpose is to expand global understanding of the Chinese language, literature, culture and society, has hundreds of overseas branches, including 20 in Korea. Achieving its goals could take time but the institute is expected to contribute to overcoming

Cultural and development cooperation must perform the following tasks: (1) promote creative diversity based on cultural exchange and cooperation, (2) build a peaceful culture and promote mutual understanding based on cultural communication, (3) foster culture, tourism and creative industries, (4) encourage cooperation that leads to changes for sustainable cities, consumption and production, (5) promote inclusive development with the participation of vulnerable social and minority groups, as well as the cooperation needed for cultural expansionand (6) maintain and manage cultural heritage and cooperation



Peace in Asia, Voices for Women's **Rights**





Kim Hvung-wan

James Lawrence Lang



Lee Geum-hveond

Policy Implications

- teenagers and adults alike.
- activities that benefit society.
- the victims.
- gender-based violence.
- how to not become a victim.

Korea Institute for Gender Equality Promotion & Education

Keynote Speech	KIM Haing President, Korean Institute for Gender Equality Promotion & Education
Chairman	KIM Hyung-wan President, Korea Human Rights Policy Institute
Presenter	James Lawrence LANG Regional Adviser, Gender-based Violence United Nations Development Programme
	Maureen McTEER Lawyer, Joe Clark & Associates
	BYUN Shin-won Professor, Korean Institute for Gender Equality Promotion & Education
Discussant	LEE Yeon-suk President, Korea Association for Community Education / Former Minister
	KIM Young-wha Director, Gangdong Neuro-Psychiatric Clinic
	LEE Geum-hyeong Advisor, Prevention of Youth Violence Foundation of Korea
Rapporteur	MOON Jiwon Korean Institute for Gender Equality Promotion & Education

- Gender-based violence is not limited to certain regions or countries. Government and national solidarity are essential in our efforts to stop and prevent such violence.
- With regard to gender-based violence, primary prevention is one of the most important and effective policies to adopt.
- Unvielding standards are absolutely necessary to tackle gender-based violence, which goes beyond simply complying with existing laws or strengthening relevant regulations; it extends to the pursuit of social reforms that raise awareness of gender violence and leads to the development of relevant policies.
- To prevent gender-based violence, social, cultural and political factors that promote such violence should be reduced in addition to risk factors concerning individual persons.
- To stop the vicious cycle of children learning about violence in their homes, we need to introduce preventative education to tackle

gender-based violence from a social (structural) approach, making it a public issue and thereby improving society's gender sensitivity.

- To prevent gender-based violence, we need to establish a community-level safety net for our hardware, and improve social awareness (or gender sensitivity) for our software. Both goals can be achieved through persistent education.
- The community-level safety net should focus on preventive programs that educate people to not use gender-based violence altogether, rather than educating them on how to be not become a victim.







Maureen McTEER



Bvun Shin-wor

. The focus should be on primary prevention of genderbased violence, not on after-the-fact resolutions.

• Legal and political measures to prevent gender-based violence are severely limited. What's most important is a greater social awareness of the detrimental effects of overlooking violence. The key focus should be on preventive education to improve the gender sensitivity of children,

 Gender-sensitive preventive education targeting children and teenagers is not a single-day course but requires longterm efforts to promote mutual respect and improve an overall awareness of basic human rights.

 Investment should focus on primary prevention, with emphasis on the roles and responsibilities of everyone in society, as well as on the benefits of reducing genderbased violence. People should be intrinsically motivated to participate in comprehensive and mutually cooperative

• Gender-based violence cannot be prevented by relying on legal and policy improvements. Thus, we need to build a new system that attracts various social sectors to complement a government and national approach.

• We need to foster relevant experts to provide professional care to female victims of violence, and boost education for relevant officials to protect victims during judicial processes. All public organizations should speak on behalf of

• We need to better address the needs of women and girls through national and international data banks and the inducement of real change at regional and global levels.

•We need to expand financial support to properly treat the physical, emotional and mental problems caused by

•The prevention of gender-based violence requires education to improve public awareness of gender-sensitive perspectives and promote a better understanding of the structural problems related to gender-based violence.

• We can build a community-level safety net by utilizing new approaches in educating people on how to not use gender-based violence, rather than instructing them on



Empowering Women and Making a Difference through Women's Leadership and Action

Business & Professional Women / The Seoul School of Integrated Science & Technology

Moderator	LEE Insil President, BPW Korea / Senior Partner, LEE & PARK Patent & Law Firm
Presenter	CHO Dongsung Emeritus Professor, Seoul National University / Cheung Kong Graduate School of Business
Discussant	YOO Youngsun Vice President, BPW Korea / Standing Director, Dongyang Daily News
	CHO Hyunwook Director, BPW Korea / Partner, Law Firm DOUM
	KIM Joonam Director, Institute of National Brand Promotion
Rapporteur	LEE Jeongsook Technology Committee Chair, BPW Korea

- The state of women's economic activities and tasks
- ¹ Personal Level: The female population involved in economic activities is significantly lower than that of other countries
- ☑ Social Level: Women are less motivated to work due to Korea having the worst income gap in the OECD.
- 3 Company Level: Korea has the longest working hours in the OECD, causing work-life imbalance.
- Women are shying away from social participation due to complex reasons at personal, social and company levels.
- The Framework Act on Women's Development was changed to the Gender Equality Law on July 1, 2015, but laws are limited in their power to push for and enforce gender equality. Though the concept of "feminism" addresses the fields in which women excel, gender equality is only achieved when a balance is struck between the sexes, resulting a more harmonious society.
- Significantly better results are possible by seeking areas in which women can excel, necessitating a

change in mind-set toward empowering women.

- The glass ceiling for promotion at work and difficulty in achieving work-life balance are also visible among female lawyers.
- Active use of flexible and selective working hours can help both sexes maintain a healthier lifestyle. The view that women who use the flexible work system are less motivated needs to change urgently.
- Though Korea has established anti-sexism legislation, it continues to fail at the enforcement of said laws.
- Women have the duty to promote social transformation so that the next generation will have a world where men and empowered women coexist.





Policy Implications

equate experience.

- themselves.
- in housework.
- needed.
- ideology.

Cho Hyunwook

- tive working hours.
- legislation.

Kim Joona

 Institutional policies are insufficient in terms of encouraging women to reenter the workforce when they have inad-

1 Personal Level: Women should build the capacity for effective negotiation and make a capital investment in

2 Social Level: The country needs to change the old social mind-set of gender inequality while promoting equality

3 Company Level: Higher employment equality and improvement of the working environment for women are

• To close the gender gap, women should receive financial rights at the social level while spreading women-oriented

 Climate change and the U.S.-triggered financial crisis can be overcome by raising women's competency.

 Communities need to be socially integrated and built on trust, with the active implementation of flexible and selec-

• For evaluating the BPW Gold Award, a work-life balance index should be one of the judging standards.

• The enforcement of gender quality laws requires a change in the social mind-set and a stronger implementation of



Women's Creative Economy



Han Mivoung

Kim Hve Hwan

World Women Inventors & Entrepreneurs Association / The Seoul School of Integrated Science & Technology

Moderator	HAN Miyoung President, World Women Inventors & Entrepreneurs Association
Presenter	KIM Hyang Sook CEO, Eoyeonmaru
	KIM Hye Hwan CEO, ITech
	BANG Bubok CEO, Shinchang Distribution
	SHIN Sejin CEO, Insadong Beesoap
Rapporteur	Hur Jeong-Ok Professor, aSSIST

- The establishment of a creative economy represents a paradigm shift that will characterize world economic trends of the future.
- The key driving force behind the model is intellectual property, or the intangible assets that will drive future economic growth.
- Creativity, or the human tendency toward ingenuity from which intellectual property is created, can be derived from women's attention to details and the ability to empathize. These traits unique to women can serve as new tools in the new economy and can lead to the third new invention when combined with ideas.
- This session featured case studies of industries where creative women have had their ideas lead to industrial activities, offering lessons for how to realize the creative economy.

Kim Hyang Sook

• Eoveonmaru's King Moxibustion Device keeps the body warm and healthy, earning it the support of the prep-entrepreneur fostering program. The funding was offered in the form of seed money

and used to acquire a patent, which formed the foundation of the brand's success in manufacturing and sales.

 The female CEO's attention to detail and frequent use of the product helped improve the item, which promotes women's health globally. The company has taken a step closer to achieving its mission of "contributing to women's health around the world "

Kim Hye Hwan

- Everyday ideas seen through the eyes of a woman can be reflected in the production process. The creative device was manufactured and women's attention to detail led to the lowering of the defect rate, and also to a significant drop in the audio assembly defect rate compared to other competitors.
- In the manufacturing process, women's attention to detail and sensitivity resulted in an adjustment to the height of work tables, increasing line efficiency and eventually leading to cuts in the cost of labor and materials.
- · Differentiated management teaches teams to ad-

dress customer inconvenience rather than simply abiding by rules set by headquarters. Another premise is to ensure customer satisfaction in a manner that goes beyond guidelines set by headquarters.

• As a result, women's hard work and perseverance have triumphed over the sexist view that women are incapable of handling machines and lack expertise.

Bang Bubok

- Being a housewife, Ms. Bang found washing athletic shoes difficult. To solve this problem, she came up with the idea of a separable fashion zipper that made washing shoes much easier.
- · A pair of shoes comes with zipper sets that offer diversity, creativity and fashion in one package.

Shin Seiin

- · Medicinal herbs found on Mount Jiri have gone into the production of anti-acne soap specifically for teenagers. The store Beesoap opened in Insadong.
- · Applying for a product patent protects the inventor's intellectual property, which sets the foundation for independent growth in the market. At present, Beesoap now operates six stores. Ms. Shin became the CEO of a company by supplying the product to another company for which she had worked for 10 years.

Policy Implications

economy.

· Small, easy and cheap products are more useful in the bottom of the pyramid (BOP) market rather than in complicated and pricey markets.

 Similar to the case of microfinance organization Grameen Bank in Bangladesh, a win-win idea that is both cheap and useful can be marketed for the BOP market, which makes both companies and customers happy.

• Women can support a significant pillar (BOP market) of the creative economy; with stronger institutional and policy support for female entrepreneurs, women can achieve a breakthrough in the Korean economy.

- women lead the creative economy.
- their creativity.

•Women have the capacity to play a significant role in job creation. Grameen Bank founder and Nobel Peace Prizewinner Muhammad Yunus boosted the BOP market, the economy of the poor (those with an annual income of under US\$1,500) and promoted peace. His concept is fully in line with the goal of the Jeju Forum for Peace and Prosperity.







Bang Bubok

Shin Seiir



· Small ideas can create products in this era of creative

 Policy support for female entrepreneurs is needed to build a new foundation of a nation's economy.

 The World Women Inventors & Entrepreneurs Association (WWIEA) connects mentors and mentees; local governments must provide support for such platforms, helping

 The government must provide policies and laws to allow women to build a new pillar in the Korean economy with



Roles Expected for Female Leaders of Korea and China in the Age of Globalization and Public Diplomacy

Korea China Regional Economy Association / Chahar Institute / World Women Inventors & Entrepreneurs Association

Moderator Presenters	HAN Miyoung President, World Women Inventors & Entrepreneurs Association JIN Sun-Mi Member of the National Assembly of the Republic of Korea WANG Manli President, Hong TaiLam Holdings Group
	JANG Hye-Sook President, Korea Beauty Planner Association
Discussants	RHEE Sang-Gi President, Korea China Regional Economy Association / Policy Adviser to General Secretary, National Assembly
	LYU Xiaoli Associate Professor in the School of Government, Beijing Normal University / Researcher, Chahar Institute
	SUN Qiuxia Chairman, Shanxi Xinghua Source Wine Co., Ltd.
	YANG Jiao President, GE Oriental Financial Group
Rapporteur	SONG Xiang Qing Ph.D. Student in Comparative Literature, Seoul National University

- Female entrepreneurs have greatly contributed to economic growth in Korea and China. Since Korea's election of a female president, Park Geunhye, women around the country have found themselves more empowered. In addition, greater efforts have been put into overcoming gender discrimination, leading Korea to report the world's lowest maternal mortality rate and higher female labor participation.
- Despite these changes, Korea still has a long way to go to achieve gender equality in politics, economy and society. The biggest hurdle is the burden of housework. A poll shows similar housework participation rates for both men and women in Korea, but in reality, 80 percent of housework is still done by women.
- The perspective that each gender should subscribe to traditional roles regarding domestic and financial responsibilities means that the role of women is strongly tied to maintaining home life, an attitude that has stifled the push toward gender

equality. Women are encouraged to play a more active role in the recovery efforts of the Korean War, helping society understand the conflict from a distinctively female perspective.

- Gender inequality is an issue that pervades multiple aspects of the socioeconomic realm. And though policies such as the Gender Equal Employment Act and Support for Work-Family Reconciliation have sought to close the gender gap, the labor market for women is still inadequate.
- Much more must be done before Korea can overcome gender discrimination, especially in the areas of wage inequality and job opportunity. China also has a noticeably low rate of female participation in the public sector, and must do more to include women, especially in the decision making of organizations.
- To further empower women and raise awareness regarding their contributions to society, case studies of successful women could promote a positive image of women in the workplace. Profiles of





I vu Xiaoli

women working as entrepreneurs and in specialized occupations and politics could also set positive examples.

Since the 1990s, the world has seen a remarkable increase in women's social participation, especially since the fourth World Conference on Women in 1995. As of February 2012, 33 female heads

expanded.

Policy Implications

 Issues left unresolved by official diplomatic channels between governments can be overcome through the flexibility and empathy unique to female leaders.

• The revision of family law, abolishment of the patriarchal family system, enactment of laws making child care more accessible, criminalization of sexual violence, prevention of domestic violence and prostitution, implementation of the Election Law's proportional representation system, establishment of gender quotas in large organizations and the setup of the Ministry of Gender Equality and Family have all been part of the effort to overcome gender inequality. These endeavors have helped Korea emerge as a leader in female reproductive health, including low rates of maternal mortality and teenage pregnancy. Improvement has also been noted in the rates of female participation in secondary education and labor.

· Gender inequality is also a problem in China, as women in both countries struggle to enter the workforce due to the burden of housework and child care. The deeply rooted patriarchal sentiment of preferring a son over a daughter continues to persist, leading to selective abortion of female fetuses, is another problem that needs to be addressed by both countries.

 Another proposal is to develop a model for cultivating global female leaders. Human resource diversity management can improve women's performance within organizations and women with outstanding talent can find themselves more competitive as candidates. Gender stereotypes embedded in society must be abolished, as the mobilization of the female labor force is an urgent necessity around the world. Women's impressive educational achievement and participation in a variety of fields demonstrates the rising power of women as they take on more leadership roles.

- leaders.
- and hiring practices.
- address this important issue.

Wang Manli



Yang Jiao

of state were in office, and the election of Park Geun-hye as Korea's president showed promise in developing women's potential.

• Women should be encouraged to maximize their contribu-tions to public diplomacy, and, their opportunities to take on leadership roles must be

NGOs targeting women's issues should not limit their research and advocacy to the women's role and potential in organizations, including companies and the government; instead they should be divided into specific categories to build a mentor system to support global roles for female

• In the interest of setting a positive example for the entrepreneurial community, female business owners are encouraged to promote gender equality in their recruitment

 Clarification of the boundaries and roles of global female leaders is necessary. Governments and foundations should provide active support in both policy and budgeting to



Creative Economy and the Role of Higher Education







Kang (Steve) Sung-Mo

online entrepreneurship class, inviting successful entrepreneurs and business experts as lecturers.

- KAIST is also making efforts to offer more opportunities for students from different backgrounds to receive equal tertiary education.
- Keio University in Japan is pursuing a system of fundamental research education in the interest of stimulating the creative economy. Students can choose from a wide range of courses that promote the development of independent yet systematic thinking.
- Keio receives annual government support of JPY700 million, and has used part of its funding to establish a start-up company at the research lab in the Yamagata prefecture. The company shares expert knowledge and information on marketing in the manufacturing sector with entrepreneurs in the region.
- The Keio sociology department has bolstered humanities education as a means of fostering students who are expected to someday become leaders in their field, while also putting a greater emphasis on ethics.
- In the interest of promoting creativity, Nankai University in China proposed a reform of classes that rely on teaching methods such as rote memorization while resisting broad general education.
- Drawing on international cooperation, Nankai

Policy Implications

opportunities.

portunities.

- velopment of regional industries.
- preneurship.

Jeju National University

Moderator	KOH Choong-Suk President, Jeju International University
Presenters	HUH Hyang-Jin President, Jeju National University
	KANG Sung-Mo"Steve" President, Korea Advanced Institute of Science and Technology
	GONG Ke President, Nankai University
	SEIKE Atsushi President, Keio University
Rapporteur	Jane KIM Student, Jeju National University

- The presenter offered a proposal for a shift in the type of learning environment available to students at the university. As a part of this new pedagogical strategy, the institution would be more conducive to stimulating innovation and originality while fostering creative and convergent minds and the spirit of challenge.
- As part of Jeju National University (JNU)'s efforts to further emphasize the importance of humanistic education, the institution has established a basic education center where students can strengthen their academic work ethic and further build their character. The school also stresses the cultivation of imagination and the development of balanced perspectives while promoting convergent and complex values.
- JNU is developing a "characterized plan" for universities related to prominent industries in the Jeju Island region. At present, the four fields selected for the plan are marine biotechnology, IT convergence and green energy, subtropical organisms and Jeju culture and creative convergence.
- Other tasks aimed to improve JNU's academic environment include the reorganization of the

school's personnel management system to reflect faculty research performance, the development of tailored tracks in liaison with regional industries and establishing relevant majors, the creation of an entrepreneur-friendly bachelor's program and the development of cutting-edge e-learning classes for entrepreneurs

- Working as part of a larger effort to promote innovation in Korean academia, a number of other respected institutions are initiating projects to encourage creative development across different disciplines.
- Korea Advanced Institute of Science and Technology (KAIST) is directing a program titled "Engineers without Borders-KAIST" to raise awareness of global coexistence and co-prosperity.
- An improvement upon traditional blackboard teaching may include advancements such as a massive open online course (MOOC) to promote the "interactive class" model and help students develop more comprehensive research and group work strategies.
- Under the theme of tech-based entrepreneurship, KAIST is hosting the practical "JETS-Track"





Seike Atsush

will build a global campus and is instituting scholarship programs for international students, as well as Chinese language courses.

 An education system is needed that can combine creativity and innovation to create ideas that lead to new business

 The creative economy symbolizes creativity, innovation, convergence, scientific technology and new business op-

• A research education system designed to foster students with creative and convergent talents is needed.

 Students should be granted research opportunities that enable them to actively come up with innovative business plans, secure maximum external support and lead the de-

• A detailed plan should be formulated for universities related to regional industries to offer online classes on entre-

 Education on humanities and ethics will foster talented students who will lead a competitive economy

 Equal access to tertiary education for students from different backgrounds is highly recommended, with basic studies classes that are applicable to all majors.



Perspectives on University Education as a Means for Trust Building among East Asian Countries



Kang Kun Hyung

Huh Hvang-Jin

Policy Implications

Huh Hyang-Jin

ties and promoting peace.

Lee Sang-Woo

•The following three recommendations are intended to help university education offer a more significant contribution to a Northeast Asia built on peace and cooperation: (1) establish an organization connecting Korean, Chinese and Japanese universities under the mandate of looking past narrow national interests and expand regional awareness, which is mutually beneficial; (2) improve opportunities for exchange among professors and students, who can then act as pillars for trust building across Asia; and (3) set up an East Asian center for inter-university cooperation to offer graduate programs, support joint research projects among scholars, run teacher training programs and educate journalists. Jeiu National University is the most appropriate site for such a center given its proximity to Korea, China and Japan.

Ning Sao

nationalism.

Lee Jong Won

• The successful youth exchange among 13- to 30-year-olds from Germany and France could serve as a benchmark for the groundbreaking expansion of regionalized university education in East Asia, to someday be centered on Korea, China and Japan.

Emanuel Yi Pastreich

Ambassador's Program.

Lee Jona Won Emanuel Yi Pastreich



Emanuel Yi Pastreich

• The East Asian University Institute (EAUI) Program was established by Seoul National University, the University of Tokyo and Peking University to promote a richer understanding of East Asian values. Through its efforts, the program aims to foster the skills needed to find success on the global stage. Rather than simply establishing an academic community in East Asia, the EAUI Program seeks to deepen mutual understanding among Korea, China and Japan while innovating new ways to realize East Asian integration.

Jeju National University

МС	KANG Kun Hyung Professor, Jeju National University
Moderator	KO Seong Joon Professor, Jeju National University
Keynote Speech	HUH Hyang-Jin President, Jeju National University
Presenter	RHEE Sang-Woo Director, New Asia Research Institute / Former President, Hallym University
	NING Sao President, Institute Public Policy Studies, Peking University
	LEE Jong Won Professor, Waseda University
	Emanuel Yi PASTREICH Professor, Kyung Hee University
Rapporteur	KO Kyungmin Research Professor, Jeju National University

Huh Hyang-Jin

- University education is a leading field that is instrumental in promoting dialogue and cooperation while recovering trust among East Asian nations.
- East Asian nations must steer away from patriotic education that emphasizes nationalist exclusion. Instead, education should contribute to world peace and co-prosperity.
- Moreover, university student and scholar exchange programs should extend beyond occasional meetings by redirecting themselves toward initiatives promoting exchange and cooperation among East Asian universities and scholars-further establishing the common and universal values of the region.

Rhee Sang-Woo

- A university is an institution that fosters intelligent leaders who can promote cooperation among nations.
- Intellect that has been fortified with a well-rounded historical perspective rather than knowledge limited to the advance of national interests can

help build trust among nations.

Ning Sao

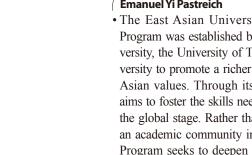
- The "theory of harmony" is a philosophy in which traditional Chinese culture is firmly rooted, and also an ideology shared by scholars of Confucianism, Taoism and Mohism. The theory is thus an ideological asset shared by East Asian nations.
- A harmonious outlook on the global community on the theory contributes to mutual understanding and trust, peaceful coexistence and development among nations, while also playing a role of building nations with a common destiny.

Lee Jong Won

 To foster talented scholars in the field of European integration, a master's degree program modeled after Italy's world-renowned European University Institute (EUI) will be offered in Bourges, Belgium. Waseda University of Japan has been leading the East Asian University Institute (EAUI) Program since 2011.

DIVERSITY

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Rhee Sang-Woo

Ning Sag

 University education is an imperative tool for normalizing the common values of reconciliation and coexistence among East Asian nations. In the pursuit of this goal, university education should prioritize the acknowledgement of historical conflicts in East Asia, pursuing coexistent national interests, raising awareness of East Asian communi-

 University education in East Asia encourages students to construct an appreciation for international harmony, but what is also important is the capacity to analyze and criticize Western-oriented diplomacy, as well as conservative

• The mass open online course (MOCC) is an innovative new tool making waves in globalized education technology, with East Asia establishing itself at the forefront. In Korea, Sookmyung Women's University's Korea Center for Digital Humanities (KCDH) has partnered with the Asia Institute to offer a MOOC program with both high school and university students. The Trilateral Cooperation Secretariat (TCS) and the university jointly launched and operate the Young





Chapter **FIVE**

신뢰와 화합의 새 로 운 아시아를 향하여



Jeju, the Island of Peace, **Talks Culture** I

Jeju Special Self-Governing Province / World Cultere Open

Moderator	WOO Sang-Im Pianist, Cultural Producer, and Facilitator
Presenter	JUNG Sin-Ji Journalist and Interview Writer
	Darren SOUTHCOTT Editor, Jeju Weekly
	PARK So-Yeon Local Food Chef and Farmer
	KIM Bum-Jin Curator, Space Yang
	KIM Youn-Joo Curator, Space Yang
	LEE Ji-Yeong Commentator, Gotjawal Forest
Statement on Culture	WON Hee-Ryong Chairman, Organizing Committee of the Jeju Forum / Governor of Jeju Special Self-Governing Province
	HONG Seok-Hyun Chairman, World Culture Open
Rapporteur	PARK Shin-Young Director of Research and Studies, Bureau of Strategic Planning, World Culture Open

- Jeju has cultural potential that can promote the value of "diversity" and embrace and heal the global village.
- The island's future is envisioned through the perspective and thoughts of various artists residing on Jeju and producing work regarding Jeju and its culture.
- Recording stories of unnamed ordinary people is a way of keeping track of history. Recording the voices of halmang ("grandmother" in Jeju dialect) and the elderly on Jeju could lead to hope for the future and aid in the search for wisdom in light of problems in modern times.
- Changes in Jeju's unique culture and pristine nature are inevitable over time. The key, however, is to ensure that such changes come in a natural way according to Jeju's unique environment and rhythm and speed of life, not according to economic rationale.
- A society can achieve sustainable and healthy

development only when its food culture is based on understanding of (1) how healthy food travels from farm to the table of happy families, (2) the ecological cycle encompassing nature and humans and (3) the community as well as the natural environment.

- Jeju's unique cultural identity can be enhanced and renewed, and its community can be enriched through exchanges where artists, who draw inspiration from Jeju's nature and culture, and residents who have lived on Jeju for generations jointly create artworks and enjoy art.
- Jeju's woods are not just part of Jeju's beautiful scenery but boast greater value. Life can become healthier and more fulfilling through efforts to highlight the importance of conserving and developing nature and the environment.
- Jeju Forum's Statement on Culture: To create a happy global village where harmony and balance exist across politics, economy, society the





Darren Southcott





perity.

Kim Youn-loo Lee Ji-Yeona



environment, there is a need to establish a global cooperative system in which both the public and private sectors can participate based on cultural diversity and a sense of international community through culture, the universal language of humankind. For this purpose, the government of Jeju Special Self-Governing Province and World Culture Open announced their commitment to mutual cooperation.

Hong Seok-Hyun oped.

> • A change in perspective and multifaceted efforts at the individual and community levels will enable organic and sustainable development, which considers local communities and culture and the natural environment.

- nature and beauty.
- follows:
- of offer.
- and human development.







Park So-Yeon



Kim Bum-Jin

Policy Implications

· Culture is a yardstick for quality of life and level of happiness in a society. As the essence of culture is based on the common root of humanity, culture is essential in today's global village for the pursuit of sharing and mutual pros-

 More opportunities for cultural exchange and education are needed so that anyone can become a creator, supporter and beneficiary of art and culture.

· Encouragement of cultural recording and support for cultural content business is needed to ensure that Jeju's unique culture and cultural identity, which are gradually waning, can be sustained, conserved and creatively devel-

 Exchanges between farmers and consumers and education on ethical consumption should be expanded to promote a healthy food culture with ecological considerations.

 More exchanges between Jeju residents and artists from other regions are recommended, as well as stimulation of networking with international artists and creation of exchange forums that can embrace cultural diversity.

• Policy support should be made in a way that minimizes environmental disturbances and highlights Jeju's unique

•To ensure that Jeju, as a symbol of international peace, can contribute to the cultural development of the global village, the government of Jeju Special Self-Governing Province and World Culture Open, a global cooperative organization, should establish an effective cooperative system to share a cultural vision and make joint efforts as

1 Offer a forum for open exchange to show the diversity

2 Identify and support cultural contributions to regional

3 Establish a creative cultural platform in which cultural policies and implementation plans can be communicated and shared with regions around the world.





Jeju Forum Declaration on Culture

We all pursue a healthy and wholesome life. We all pursue a vibrant and joyous life. And we all want to celebrate our lives together with people around us.

Culture is a manifestation of life's pursuits in many different forms-arts, science, lifestyles. Even at this very moment cultures keep emerging and diverging.

Culture different from ours often becomes a subject of fear. And yet it is the very differences that inspire us to explore and share each other's culture.

Culture is full of inspiration and creativity toward a better life, as well as warmth and wisdom for living together in mutual harmony.

The fundamental human aspiration for progress has to this day resulted in material riches and intellectual achievements that are unprecedented in history. And just as the water travels through the soil and rocks, the resulting goods and information spread throughout the globe.

As cultures crossed borders in the course of it, different ideas and values encountered one another, often creating conflicts. Nevertheless, humanity has sought balance and harmony, just as the water seeks its own level at all times.

Many of us are now aware of the changing world and making efforts to shape a culture of sharing and collaboration, embracing one another's thoughts, hopes and circumstances.

Our era demands a renewed framework of cooperation based on mutual tolerance and understanding, which requires a step forward from self-interest-based exchange between nations, inviting diverse members of the global community.

Such a cooperative system shall be based on cultural diversity and a shared sense of global citizenship that embraces all humanity as one family. The system shall also aim to foster balance and harmony across all areas of life including social, economic, political and environmental in an integrated effort. Both the public and private sectors shall be part of this global cooperative system, using culture as a vehicle of communication.

Thereupon, all of us, the cultural leaders and practitioners from within and beyond Jeju, shall make concerted efforts together with the rest of the world in order to build a global community that is enhanced and enriched by culture.

In a humble attempt to join and support such endeavors, Jeju Special Self-Governing Province and World Culture Open will, based on mutual trust and respect, cooperate as follows:

I. Create and facilitate varied opportunities for vibrant intercultural exchange.

II. Unearth and support the world's cultural achievements and endeavors that have contributed to communities, to regions and to humanity.

III. Establish a creative platform for lively and constructive exchange of policies and practical actions on cultural advancement among regions across the world.

Jeju Special Self-Governing Province, the island of world peace, and World Culture Open, the global collaborative organization, declare that they will work together to build a foundation for cultural advancement in Jeju and throughout the world and that they will both put forth their best of efforts to that end.

Jeju, the Island of Peace, Talks Culture II

Jeju Special Self-Governing Province / The Group of Artists Loving Jeju

Co-Chair	JO Jung Rae Novelist
	KIM Won Architect, Architect's Group Forum
Presenter	JO Jung Rae Novelist
	PAIK Hae Sun Principal Researcher Land & Housing Institute
Discussant	KIM Hoon Novelist
	SHIN Eungsik Poet
	HYUN Ki Young Novelist
	BANG Min Ho Literature Critic
	MIN Hyun Sik Professor, Korea National University of Arts
	KIM Seok Yun President, Kim Architecture
	YANG Gun President, Gawoo Architecture
Rapporteur	BAEK Seung-heon Architect, Gawoo Architecture

Jo Jung Rae

• An island with world-class scenery, pristine blue waters and clean air, Jeju is certainly deserving of the nickname "Diamond of the Korean peninsula." It's no great wonder that Jeju has long been a popular destination for tourists. A volcanic island with plenty of rocks but little arable land, developing Jeju's tourism industry is essential for its economic prosperity. In a serendipitous turn of events, the travel bug has hit China, bringing continuous waves of Chinese tourists to Jeiu.

- Packs of tourists from both Korea and abroad are flocking to Jeju like a school of fish swarming its waters—a sign of prosperity for sure, but such fortune will not last without passionate care and maintenance from the government and local residents.
- Jeju currently faces two major problems in this respect. The first is unrestrained development.

to posterior generations.

JEJU FORUM FOR PEACE & PROSPERITY 2015

This means the indiscriminate scurry to construct high buildings, which correlates to environmental destruction. Blocking views of Mt. Hallasan, which seems to reach into the sky from various angles like a graceful figure of majestic maternity. is a serious problem. Damaging Jeju's natural environment to boost its tourism industry is a form of suicide. The second problem is selling all land to foreign investors. Both the local government and Jeju residents are responsible for this problem. A government that has shamelessly pandered to foreign landowners under pretenses of securing foreign investment, and residents who blindly hawk farmland and anything else in the race to become instantly rich-both are unspeakably foolish. The land on which you stand, handed down throughout the generations, is not yours; it belongs

• Only when these fundamental problems are ad-







Hyun Ki Young

Bang Min Ho

Min Hyun Sik

Kim Seok Yun

Yang Gur

dressed will the ideal of "Cultural Jeju" become a feasible reality. There are three key elements to attract tourists: things to see, things to eat and things to do. Jeju's incredible scenery offers plenty to see, and its rich waters yield plenty to eat-but a lack of cultural activities leaves tourists with little to do. Yes, there are casinos, golf courses and duty-free shops, but these are commercial activities based on financial leisure, not cultural offerings. Literature can adorn Jeju with the necessary ambiance to become a cultural destination.

- The first step to accomplish this involves recruiting established poets to compose work about famous spots around the island, erect their artistic memorials for key places and compile personal collections of their favorite poetry. If guides could read English or Chinese translations of such poems to tourists on the spot, it would greatly improve the tour's overall experience.
- A second course of action would be to recruit novelists to compose work that incorporates the scars of Jeju's painful past, as well as its mythology and legends. Guides could summarize or embellish the novels' content to tourists on the spot, thus greatly enriching their experience.
- A third course would to incorporate Jeju locales into works of theater. Residents themselves could

perform various roles based on their respective locales in short plays of around 40 to 50 minutes, thus adding indigenous character to tourist attractions.

PAIK Hae Sun

- · Jeju has a unique identity and culture that stem from its beautiful natural scenery. As such, architectural approaches should be made in line with the island's geographic features and characteristics (Mt. Hallasan; oreum, or volcanic cones; and the coastline) to conserve Jeju's unique scale and space.
- Jeju's architectural attitude should be based on vernacular architecture that fully embraces the island's materials and indigenous lifestyle. In addition, Jeju's development and conservation should not be discussed separately but together in the context of securing continuity of landscape.
- Architectural efforts to build a cultural landscape are still limited to the natural conservation movement. Architecture needs a cultural foundation, which takes root in the early stages of construction, and requires institutional control as well as research and learning efforts.
- Identity is a system of symbols relevant to natural characteristics, akin to DNA, which ensures



homo-geneity despite external variables. Architectural discussions of identity require a historical view as well as a contemporary one.

- In an age of cultural migration, the combination of universal thinking and Jeju's heritage can give rise to a new energy source for change and raise concerns over Jeju's originality and identity as a "slow city."
- · For Jeju's landscape management, one proposal is for Walter Benjamin's theory of porosity to be incorporated into the formation of the urban landscape. The narrative landscape is one in which time and events are accumulated, and the lives of the Jeju people should be shown through the cultural landscape by tracking traces of this phenomenon.

Policy Implications

- peace.
- conservation and development.
- efforts based on creativity.

· Geographic features and characteristics should be reflected in Jeju's landscape management system to conserve and sustain the island's unique identity.

Architecture should be approached in a way that targets "needs" at the landscape level, restores the context of relationships, brings out the best from the natural landscape and pursues feelings of leisure, circulation and a culture of

• Jeju's landscape management policies should seek to secure connectivity in landscape based on vernacular architecture approaches, rather than drawing a line between

• Growing beyond the environmental protection phase would include the phases of landscaping and environment building, which work together to create the cultural landscape. Efforts should not be limited to institutional controls but need to be expanded to research and learning

• Discussions regarding what characterizes life on Jeju should precede discussions on the regional characteristics of Jeju's architecture. Existing tourism policies are supposed to represent Jeju's identity but could instead undermine what the island stands for. Accordingly, Walter Benjamin's notion of a "porous" city should be incorporated into the philosophy of Jeju's landscape management system, meaning that the island's unique narrative landscape can be incorporated into the cultural landscape.



Management and Plan to Maximize the Value of Jeju Water as a Public Resource

Jeju Special Self-Governing Province Development Corporation / Jeju Special Self-Governing Province

Moderator	LEE Nam-Ho Professor, Jeju National University				
Presenter	KO Kyung-Soo Chief Customer Officer, Jeju Special Self-Governing Province Development Corporation				
Discussant	LEE Soo Jae Chief Research Fellow, Korea Environment Institute				
	LEE Seung-Chang Professor, Korea Aerospace University				
	LEE Ho-Won Professor, College of Chemical Biological Engineering, Jeju National University				
	JEE Young-Heun Professor, College of Veterinary Medicine, Jeju National University				
Rapporteur	HYUN Eun-Hee Jeju Special Self-Governing Province Development Corporation				

- Securing access to clean water ranked second among the 15 targets set by U.N. Millennium Development Goals.
- The water resource management paradigm has seen a fast shift from public goods and efficiency to economic goods and water quality.
- Demand for clean water has continued to increase, while the water supply has declined. Thus, the The value of clean water is greater than that of petroleum, and will continue to rise.
- The global water industry is driven by equipment segments such as water supply, sewage and treatment facilities. The bottled water market continues to expand, accounting for 12.2 percent of the sector.
- The estimated water consumption in the global bottled water market was 193.14 million tons in 2012, with a CAGR of 5.9 percent.
- Traditional mineral water markets such as North America and Western Europe are stagnant, though they remain substantial.
- The Asian market posts a high CAGR of 16.4 per-

cent, and per capita water consumption there is 16 liters and expected to keep rising, though the liter figure is lower than that of Western Europe (111) and North America (91).

- The Korean mineral water sector has a CAGR of 9 percent, accounting for 13 percent of the beverage market.
- The Korean sparking water market was worth KRW40 billion in 2014, recording fast growth of 12 percent or higher, though its share of the beverage market is relatively small.
- Jeju has annual precipitation of 3.77 billion tons, 45 percent (1.68 billion tons) of which is recharged to underground water. Underground water development is allowed for 31 percent of overall reserves, or 532 million tons, which is 82 percent of the optimal development level. About 33 percent of the approved volume is developed.
- Jeju has different forms of underground water resources such as fresh, saline and deep groundwater. Underground water can be developed for different uses depending on the reserve type.





Lee Seung-Chang

lee Young-Heun



Lee Soo Jae

Lee Ho-Won

ondary and tertiary (service) industries.

through Jeju's underground water.

water.

Finding ways to take advantage of underground

water is important, given that Jeju has a competi-

tive edge in areas such as bottled water and sec-

Systemic management and rational use are

Jeju's underground water should be scientifically

and publicly managed so that it can be used as a

public resource in a sustainable way. Promotion

of high value-added and converging industries is

needed to take advantage of Jeju's underground

needed to secure sustainable growth momentum

ina.

effects

- its quality.
- boost the value of its water.
- silica.
- public resource be reduced.

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Policy Implications

Jeju Provincial Government needs to provide continuous policies and support to establish the solid "Jeiu brand" based upon scientific evidence through strategic storytell-

 Many countries (e.g., Japan and China) and regions (e.g., Europe) are rushing to maximize the value of water by conducting scientific research into water bioactivities.

 Several studies have demonstrated the benefits of Jeju's underground water thanks to its anti-oxidant, immuneenhancing, anti-diabetic, anti-obesity and anti-atopic

 Consistent research policies and continuous investment are necessary to study the benefits of Jeju's underground water and to develop a strategic narrative to demonstrate

Jeju needs to develop various functional beverages to

 There is a need to develop functional beverages using vanadium and natural carbonic acid in Jeju's underground water, as well as to develop and market both functional mineral water as "near water" drinks and technologies that can adjust mineral content such as vanadium and

Effective management of Jeju's underground water as a

The effective management of Jeju's underground water requires a conservative approach, and for agricultural and residential uses, reliance on underground water should

Design and implement strategies for water use

 Jeju needs a long-term vision and goals for comprehensive water resource management over the next 100 years or longer.

· Strategies should be devised to promote rational use of underground water for water resource conservation.

 In the case of saline groundwater development, a high level of precaution should be taken to not disturb the fresh-saline water interface and process high-density concentrates when tapping water resources.

Jeju needs to achieve competitive technology and leadership through comprehensive strategies.

 Training for experts on the use and development of underground water is required.

 Proper management of Jeiu's underground water can create shared value that can contribute to Jeju's development.

Given the explosive growth in the number of tourists visiting Jeju and the continued increase in China's seafood consumption, Jeju needs to develop measures to increase the value of saline groundwater such as using it for fish farming.

Inauguration of a New Cruise Route to North Korea for Peace in **Northeast Asia and Its Challenges**

Jeju Cruise Industry Association / Jeju Special Self-Governing Province

Moderator	IM Hyug Baeg Professor, Korea University		
Presenters KIM Eui Keun Chairman, Jeju Cruise Industry Association			
	SHIM Sang Jin Professor, Kyonggi University		
Discussants	LEE Seung Shin Director, Ministry of Unification of the Republic of Korea		
	PARK In Hyo Deputy Director, Ministry of Foreign Affairs of the Republic of Korea		
	KIM Young Yoon President, The Korea Logistics Forum		
	LEEM Bok Soon Chief, Institute for China-Korea Relation, Nanjing Jinshen College		
	Tim WANG Cruise Operation Manager, Costa Crociere S.p.A		
Rapporteur	OH Sang-Un Secretary-General, Jeju Cruise Industry Association		

- Various policy proposals and implementation measures were discussed to ease tension in inter-Korean relations through a Peace Cruise Line linking Jeju to North Korea.
- North Korea is excluded from the Northeast Asia Cruise Tour Route. Gradual implementation strategies are needed to establish a cruise route linking Jeju to the North. Due to political reasons, the project should target primarily Asian and European cruise liners and exclude U.S.-flagged cruise ships.
- China-flagged cruise liners carrying Chinese cruise tourists \rightarrow Foreign-flagged cruise liners carrying Korean cruise tourists → Korean-flagged cruise liners carrying Korean cruise tourists.
- The opening of cruise routes linking North Korea is expected to ease tension in the Northern Limit Line in the Yellow (West) Sea.
- Budget and administrative support from South Korea's central and provincial governments are needed to form the Peace Cruise Line linking Jeju and North Korea.

- Taking advantage of Jeju's status as a special self-governing province, Jeju authorities should directly contact North Korea to pursue the cruise line project.
- Consistent policy is essential to making the cruise line project a success.





Im Hvug Baeg



Leem Bok Soo

Tim Wang



Korean exchanges.

- related policies.
- port infrastructure in North Korea.
- Japan and North Korea.
- port via a "fly-in cruise" system.







Shim Sang Jin

Lee Seuna Shir

Park In Hvo



Policy Implications

• The Peace Cruise Line linking Jeju to North Korea should contribute to promoting the development of cruise tourism and creating a peaceful atmosphere through inter-

•The establishment of the Peace Cruise route requires systematic allocation of roles between the central and regional governments in South Korea in implementing

• A government-wide support system is needed to enhance

• Jeju Special Self-Governing Province should take the initiative in contacting the North about the cruise line project, apart from central government channels.

• The Peace Cruise Line has a greater chance of fruition according to the level of cooperation among China, Russia,

• If the cruise line is formed, Jeju should be made the home



Enhancing the Values of Jeju

Responding to Social, Economic, Technological and Environmental Changes

Jeju Development Institute

Moderator	KIM Tae Yun Principal Researcher, Jeju Development Institute
Presenter	LEE Young Woo Head Officer of Planning & Management Division, Korea Research Institute for Human Settlements
Discussant	SEO Kyo Professor, Seoul National University
	JEON Seang Woo Professor, Korea University
	KIM Dong Hwan Professor, Chung-Ang University
	KANG Sin Gyem Professor, Chonnam National University
	Anna WU Chairwoman, Competition Commission of Hong Kong
Rapporteur	Yun Won Su Research Fellow, Jeju Development Institute

LEE Young Woo

- Korea's population and urban structure have changed from being characterized by large households (five or more persons) to small ones (one to two persons), and from an emphasis on houses shifting to one dominated by apartments, with a growing concentration in the greater Seoul area.
- The drivers behind Korea's landscape changes are (1) politics: democracy and decentralization; (2) economy: industrialization and economic growth; (3) population: growth and urbanization; (4) society: family dissolution and individualism; (5) environment: increased awareness of environmental values; and (6) science: technological development and high speed advancements.
- Six megatrends in Korea are characterized by (1) political multipolarization the rise of the Chinese economy and establishment of local autonomy; (2) economic globalization: the expansion of free trade agreements and sprawling cities; (3) climate change and lack of resources: abnormal climate and natural catastrophes; (4) low birth rate and

rapidly aging society: smaller households and decreased longevity; (5) diversified values and culture: "digital natives" and a greater focus on quality of life; and (6) the development and convergence of scientific technologies: INBECS + FT and greater accessibility.

- According to "Future prospects and strategies for national territorial development," the future plan for Jeju includes the following:
- 1 Growth of megacities: The importance of Jeju's role as a center for global business and exchange, regional resilience and social integration
- 2 Self-sufficient decentralization: The creation of autonomous communities in energy and food supplies and efficient management of underpopulated areas.
- **3** Dispersed concentration: The establishment of venues for leisure, culture, health and rehabilitation and maintenance of natural habitats
- 4 Multifocal super links: IoT-based high-tech "smart space" and flexibility and resilience in







Kang Sin Gyen





land use

- To realize its future vision, Jeju has the following strategies:
- 1 High-tech global city: The need for auto pilot system, IoT, smart grid, e-health and e-learning projects
- **2** Year-round exchanges linking coastal and mountainous areas and greater focus on resort functions: The importance of promoting Jeju as the center of the MICE (Meetings, Incentives,
- resorts
- venues restoration after use







Seo Kvo

Jeon Seang Woo

Kim Dong Hwar

Conferences and Exhibitions) sector in Northeast Asia, multipurpose offshore windmills and

3 Focus on medical services, welfare and safety: expansion of leisure, office and multipurpose

4 Enhancement of flexibility and resilience of land use: Seasonal and temporary land use and

· Engaging living spaces and structures that incorpo-



rate inclusive growth: The importance of creating environments that encourage dialogue between foreigners and non-residents (or those from different cultural backgrounds), the younger and older generations, artificial and natural ecosystems, technology and culture and history, online and offline systems, and coastal and mountainous areas: The importance of creating environments for those from different cultural backgrounds (foreigners and non-residents) and both younger and older generations, artificial and natural venues, ecosystems, technology, culture and history, online and offline systems, coastal and mountainous areas.

KANG Sin Gyem

- In the future, Jeju's tourism industry should break free from established frameworks.
- · Creating new images is an essential part of modern consumer culture, and authenticity is of the utmost importance. It is important to incorporate the stories of Jeju natives into culture and art to build authenticity, which can attract tourists.

KIM Dong Hwan

- In-depth discussions are needed on how Jeju's future is aligned with that of Korea. In addition, Jeju also needs its own future model independent of the nation's
- The rapidly aging population and multicultural families are the key factors behind Korea's demographic changes. The issues of multicultural families and rapidly aging population should be discussed in the context of Jeju's future. Multicultural families on Jeju are expected to be mostly in the high-income bracket. Demographic changes on Jeju are different from the rest of the country. Accordingly, development of related industries is needed to drive the Jeju economy.
- Future industries on Jeju will rely on the aging population and multicultural families. The importance of healthcare, renewable energy, electric vehicles, IoT, and drone and IT industries need to be highlighted.

SEO Kvo

• The share of agricultural households has declined in Korea, but stands at 20 percent for Jeju. In par-

ticular, Jeju holds agricultural value for the future. • For the future, Jeju needs (1) to secure water resources (various water resources and related budgets needed to promote agriculture over the long term), (2) information and communication technologies (e.g., application of unmanned aerial vehicle technologies to agriculture) and (3) a link between agriculture to tourism.

JEON Seang Woo

- The way the environment is perceived needs to change.
- Sustainable development is difficult without consideration of the environment. The environment should be seen in the context of the big picture, not just as a component.
- · Land resources are a provider of ecological service that is not sustainable without proper management. Accordingly, the environment should be reconsidered as part of the big picture.

Anna WU

- · Hong Kong seeks to tackle generational poverty. The older generation is expected to account for 40 percent of Hong Kong's population in 2040.
- Although Korea has a national pension system, it is under pressure.
- The birth rate is expected to decline to 1.13, which may lead to a decline in the workforce, an economic slowdown and more public demands.
- The younger generation in Hong Kong started the Umbrella Revolution to demand political solutions.

Exploring New Models of Free International City: Jeju in Comparative Perspectives

Jeju Free International City Development Center

Moderator	MOON Chung-in Professor, Political Science, Yonsei University
Presenter	James KWAK Director, Planning & Coordination Dept., Jeju Free Internat
	HE Xiqing Vice Governor, Hainan Provincial People's Government
	OZAWA Takashi Deputy Director-General, Okinawa General Bureau, Cak
	Gonzalo Ortiz DIEZ-TORTOSA Ambassador, Embassy of Spain to the Re
Rapporteur	CHO Eunsung Assistant Manager, Public Relations Department, Jeju Fre

Jeju International Free City: Milestones & Future Strategies

- The creation of the Jeju International Free City is being pursued as part of a national development strategy and intends to enhance Korea's global competitiveness and national profile abroad.
- JDC has a set of goals for 2021, such as (1) creating 10,000 jobs through the establishment of Jeju International Free City, (2) attracting KRW6 trillion in investment, (3) achieving a sales target of KRW 720 billion and (4) ranking first in national evaluation.
- To realize its future vision, JDC plans to enhance communication with stakeholders and focus on laying the foundation for sustainable growth by ensuring that the international free city project can generate greater value for all Koreans, not just Jeju residents.
- JDC aims to make Jeju an international city where non-Koreans can live comfortably through the construction of urban infrastructure via development projects in tourism, education and medical services.

• As part of a national strategy, the completion of the Jeju International Free City is significant in that the project intends to boost Korea's national competitiveness, fostering Jeju as the new center of the Korean economy.

- vears.
- has led to economic growth.
- percent.

ational City Development Center

abinet Office, Government of Japan Republic of Korea ee International City Development Center

Hainan Province: Beautiful Resort Island in China • In 2009, the Chinese government established and implemented national strategies for developing Hainan into an international tourism destination, and has made gradual progress over the past five

• Hainan has improved tourism infrastructure such as establishing an airport, expressways, rail and hotels; setting up tourist facilities, especially at beaches; and developing various tourism products. • The island's development of its tourism industry

1 The number of tourists visiting Hainan province reached 40.6 million in 2014, up 80 percent from 2009 and with a CAGR of 12.5

2 Hainan's tourism income was RMB48.5 bil-





lion, an incredible 2.3-fold increase from 2009 and with a CAGR of 18 percent.

- **3** Tourism jobs account for 40 percent of employment on the island.
- 4 The number of people who work directly or indirectly in Hainan tourism has exceeded 2 million
- **5** Hainan's GDP amounted to RMB350 billion in 2014, up 210 percent from 2009 for a CAGR of 11.1 percent.
- China developed the model for Hainan International Tourism Island Development after benchmarking successful cases abroad. This was done by incorporating (1) the tourism industry as a priority, (2) comprehensive implementation of tourism plans, (3) enhancement of tourism products and new product offerings, (4) continuous streamlining of related laws and regulations and (5) tighter control and management of the tourism market.

Okinawa: Infrastructure Maintenance to Attract 10 **Million Tourists**

- Tourism is the key driver behind Okinawa Prefecture's economy, and the destination aims to attract 10 million tourists by March 2022.
- · According to a visitor satisfaction survey, Okinawa leads in infrastructure such as tourist attractions and facility maintenance. In other words, in-

frastructure maintenance is the pillar that supports Okinawan tourism.

- Okinawa has implemented policies by dividing infrastructure facilities into six categories: (1) tourism resource maintenance, (2) tourist attractions and area support, (3) traffic network maintenance, (4) information network enhancement, (5) environmental conservation and resilience and (6) catastrophe prevention and crisis management
- Vertically integrated infrastructure projects such as road and port facilities should be horizontally aligned with the tourism industry.
- For the objective of tourism promotion, the importance of comprehensive infrastructure should be promoted through lectures, symposiums and exhibitions, as well as the release of an Okinawan Tourism Infrastructure Card and the publication of interviews.
- To maintain tourism resources, road construction projects were undertaken to not only improve traffic but also to create tourist attractions.
- To overhaul traffic networks, Okinawa has started to expand Naha International Airport with a second runway to meet increasing demand for air travel and risk control, and also overhauled road networks in Naha to end its notoriety as Japan's worst city for traffic congestion.
- To enhance information networks, China has developed multipurpose facilities at the Weihai ex-



Moon Chuna-in

pressway line that serve as a rest stop and a center for information and regional connection.

• The Okinawa Tourism Infrastructure Card is distributed to tourists and visitors to promote the importance of infrastructure maintenance as a contributor to tourism.

Spain: International Free City Development Model and Strategy, and Their Impact on Tourism

- Tourism comprises 9 percent of Spain's GDP. The number of international visitors to Spain is expected to increase 3.3 percent per year.
- Spain promotes travel and tourism as a national strategic industry.
- The tourism industry is the country's economic pillar, accounting for 10 percent of Spain's domestic direct production and 11 percent of overall employment. The country's trade deficit is mostly covered by the surplus in the tourism sector.
- · Spain has many UNESCO World Heritage sites. In 2014, 65 million tourists visited Spain, generating EUR63 billion in tourism income.
- According to the 2015 World Economic Forum, Spain is No. 2 in the world in tourism competitiveness.
- International tourism is one of the world's fastest growing industries, and Jeju, Okinawa, Hainan and Mallorca are expected to be major players in the industry.

Policy Implications

background with JDC's projects.

•The development of Hainan, China, as an international tourist island can serve as a benchmark for tourism via (1) policy priority on tourism, (2) stronger policy drives, (3) a comprehensive plan for the tourism industry, (4) tourism product development and enhancement, (5) institutional and legal assurances and (6) greater management of the tourism market.

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He Xiaina

Ozawa Takashi

Gonzalo Ortiz Diez-Tortosa

 The development of Jeju International Free City should be pursued in a way that aligns Jeju's historical and cultural

 Liberalization and international cooperation are essential to developing Jeju into an international tourism center.

• Environmental protection is a prerequisite for Hainan's tourism policies. Management of related industries must

• Environmental problems that arise from construction should be handled through consensus building with resi-

· Construction of infrastructure such as road and port facilities should be horizontally aligned with the tourism indus-

· Construction of infrastructure should be used as a center for tourism, not just for raising traffic convenience.

· Mallorca, Spain, is considered a successful model for fostering a tourist destination given the respect for local government autonomy and support from the central gov-

Jeju, Okinawa, Hainan and Mallorca are expected to be major players in the global tourism industry.

The creation of an international free city requires full sup-





Chapter SIX

신뢰와 화합의 새 로 운 아시아를 향하여

Opening Performance

Soprano Sumi Jo

Time : May 20 at 13:20~13:50 Participants : Over 700



Official Dinner

Welcome Dinner Hosted by Minister of Foreign Affairs

Time : May 20 at 19:00~20:20 Welcoming Remarks : Yun Byung-se Minister of Foreign Affairs Congratulatory Remarks : Gong Ro-myung Chairman of East Asia Foundation Toast : Susilo Bambang Yudhoyono Former President of Indonesia Performance : Coamorous Quartet Participants : Over 650



Chairman, Organizing Committee Iei oum



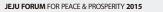




Official Dinner Hosted by Chairman of the Organizing Committee

Time : May 21 at 19:00~20:20 Dinner Remarks : Won Heery of the Jeju Forum Congratulatory Remarks : Go Assembly

Toast : John Howard Former Prime Minister of Australia Toast : Na Kyung-won Chairperson of Foreign Affairs and Unification Committee, Korean National Assembly Performance : Alice Electronic String Band Participants : Over 600



Time : May 21 at 19:00~20:20 Dinner Remarks : Won Heeryong Chairman, Organizing Committee

Congratulatory Remarks : Goo Sung ji Chairman of Jeju Provincial



TOWARDS A NEW ASIA OF TRUST & HARMONY

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Farewell Dinner Hosted by Chairman of JDC

Time : May 22 at 19:00~20:20 Closing Remarks : Moon Tae-young Chairman of the Executive Committee of Jeju Forum Dinner Remarks : Kim Han Wook Chairman of Jeju Free International City Development Center Toast : Joe Clark Former Prime Minister of Canada Performance : S.O.S. Fusion Korean Music Band Participants: Over 370







JEJU FORUM 2015 www









Networking

VIP Meeting & Group Photo

Time : May 21 at 10:00~10:20

Participants: Won Heeryong Chairman, Organizing Committee of the Jeju Forum / Gerhard Schröder Former Chancellor of Germany Susilo Bambang Yudhoyono Former President of Indonesia/ Yasuo Fukuda Former Prime Minister of Japan John Howard Former Prime Minister of Australia / Joe Clark Former Prime Minister of Canada Li Xiaolin President of Chinese People's Association for Friendship with Foreign Countries Gong Ro-myung Chairman of East Asia Foundation/ Hong Seok-Hyun Chairman of JoonAng Ilbo and JTBC Moon Tae-young Chairman, Executive Committee of the Jeju Forum



JEJU FORUM FOR PEACE & PROSPERITY 2015



VIP Luncheon

Time : May 21 at 13:00~14:20 Welcome Remarks : Won Heeryong Chairman, Organizing Committee of the Jeju Forum Participants : Susilo Bambang Yudhoyono Former President of Indonesia Yasuo Fukuda Former Prime Minister of Japan John Howard Former Prime Minister of Australia Joe Clark Former Prime Minister of Canada



JEJU FORUM FOR PEACE & PROSPERITY 2015

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Press Dinner



Morning Post



Business Leaders' Dinner

Time : May 21 at 19:00~20:20 Congratulatory Remarks : Chang Man key Chairman, Korea Human Development Institute / Kim II-Sup President of aSSIST Rhee Sang-Gi President of KCREA Welcome Remarks : Won Heeryong Governor, Jeju Special Self-Governing Province Performance : Alice Electronic String Band Participants : Over 250



Time : May 20 at 19:00~20:20 Welcome Remarks : Won Heeryong Chairman, Organizing Committee of the Jeju Forum Dinner Remarks : Frank Ching Columnist, South China

Toast : Roger Coover CEO of The Record, US Participants : Over 70 media persons







JDC-Embassy of Spain Meeting

Time : May 21 at 19:00~20:20

Participants : Kim Han Wook Chairman of Jeju Free International City Development Center (JDC) Gonzalo Ortiz Diaz-Tortosa Ambassador of Spain to the Republic of Korea

WeGO Meeting

Time : May 21 at 14:30~15:30 Participants : Over 30 members of World e-Governments Organization of Cities and Local Governments







SamDaSo

The 13th East Asia Forum

Date : May 21~22 Participants : 66 participants composed of government officials, business representatives and academics from ASEAN Member States, China, Korea and Japan

Former President Yudhoyono's Visit to Jeju Samdasoo Headquarters

Location & Date : Jeju Special Self-Governing Province Development Corporation (JPDC), May 22

Participants : Susilo Bambang Yudhoyono Former President of Indonesia Kim Young-cheol President of JPDC



JEJU FORUM FOR PEACE & PROSPERITY 2015

Korea-Japan Youth Exchange



Culture Program

Pongnang Lounge

1 Jeju Forum Media Gallery 2 Korean Tea Tasting 3 Calligraphy 4 Mini Book Café

Small Concerts

5 Namguida Band 6 Durum Brothers Band 7 Coamorous Quartet

Tour Programs

8 UNESCO World Natural Heritage **9** Beautiful Jeju in the Eyes of the Photographer 10 Jeju's Cultural Heritage 🔟 Healing Walk in the Forest





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Jeju Forum 2015 Participants (3,788 from 62 Nations)

Nationality	Participants	Nationality	Participants	Nationality	Participants
Afghanistan	2	Hungary	1	Poland	5
Armenia	1	India	4	The Republic of Cote d'Ivoire	1
Australia	7	Indonesia	47	The Republic of Korea	3,185
Austria	1	Iraq	2	Romania	1
Azerbaijani Republic	3	Ireland	1	Russia	17
Bangladesh	1	Italy	1	Singapore	8
Venezuela	1	Japan	133	South Africa	1
Brunei	5	Kenya	2	Spain	8
Cambodia	5	Laos	3	Sri Lanka	1
Cameroon	3	Malaysia	10	Sudan	8
Canada	6	Mexico	1	Sweden	3
China	171	Mongolia	14	Thailand	12
Costa Rica	1	Myanmar	3	Тодо	1
East Timor	1	Nepal	4	Tunisia	1
Ecuador	1	Netherlands	1	Turkey	4
Egypt	2	New Zealand	3	Uganda	1
Fiji	1	Nigeria	1	United Arab Emirates	1
Finland	2	Palestine Liberation Organization	1	United Kingdom	10
Germany	14	Panama	4	United States	25
Ghana	1	Peru	1	Vietnam	9
Honduras	1	Philippines	19	Total	3,788

(Persons)







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