

COVER STORY 1

Interview with Frank S. Jannuzi, President and CEO, the Maureen and Mike Mansfield Foundation

Issues & Challenges for Global Governance in 2016 4

By Japan SPOTLIGHT

A general survey of the challenges facing global governance today, recommending that we maintain our presence of mind throughout the turmoil and take a well-balanced approach using different foreign policy tools.

COVER STORY 2

The Risks to China's Economy 8

By Long Ke

Long Ke advocates political reform in China as the ultimate means to achieve economic reform to mitigate the risk of the Chinese economy's collapse.

COVER STORY 3

Wither Europe? — Crisis in the EU & Searching for an Identity 12

By Devin Horne and Constantine A. Pagedas

Will an EU crisis be avoided or will the EU lose its stature? Dr. Constantine Pagedas and Devin Horne discuss the alternatives facing Europe over the Syrian refugee question and other issues.

COVER STORY 4

Prospects & Challenges for the Japanese Economy Ahead of a Decision on a Consumption Tax Hike in April 2017 17

By Kazumasa Oguro

Japan's debt crisis is a serious menace to the country's economic recovery, which in turn could affect global economic reconstruction. One of Japan's best economists, Dr. Kazumasa Oguro, gives his prescriptions for tackling this problem.

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US Foreign Policy in the 21st Century — Driving Factors for Continuity & Change 21

By Diana Friedman and Eric Lundell

As the US presidential election campaigns continue with increasing controversy, what foreign policy strategy will the next US president adopt? Foreign policy experts Eric Lundell and Diana Friedman offer their observations and recommendations.

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Challenges in the Asia-Pacific Strategic Environment & Imperatives for Cooperation 26

By Murray McLean

In the midst of economic and geopolitical crises, what role can be expected of Asia-Pacific nations? Veteran Australian diplomat and former ambassador to Japan Murray McLean discusses the great responsibility of the region.

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Interview with Choong-Yong Ahn, Chairman, Korea Commission for Corporate Partnership / Distinguished Professor, Graduate School of International Studies, Chung-Ang University

East Asian Cooperation Can Lead to Good Global Governance 30

By Japan SPOTLIGHT

East Asian cooperation will be a strong promoter of Asian economic integration, a key to achieving a greater role for the Asia-Pacific area in global governance. Prof. Choong-Yong Ahn, a distinguished economist in South Korea and leading figure in APEC policy dialogue, is an excellent mentor for cooperation between China, Japan and South Korea.

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Indian Community a Natural Leader in Global Governance 34

By Sanjeev Sinha

India is another candidate to become a leading nation in this century. One of our editorial committee members, who has long worked on Indo-Japanese business relations, highlights some of the qualities of Indians as potential world leaders.

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Interview with Takashi Inoguchi, President of the University of Niigata Prefecture

Nourishing Leadership for Global Governance 38

By Japan SPOTLIGHT

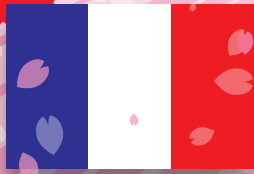
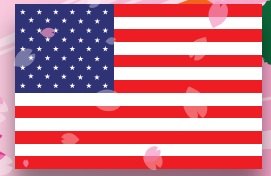
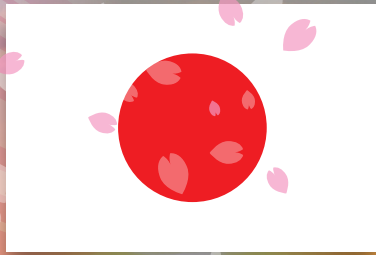
Prof. Takashi Inoguchi, a distinguished political scientist, recommends young Japanese to go out of the country and work or study abroad, as a means of raising human resources for global governance among Japanese.

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Reconsideration of Economic Statistics in Global Governance 42

By Naoyuki Haraoka

An attempt to draw attention to different statistics used in global policy discussions.



Challenges & Opportunities for G7 Leaders

Analysis of the Global Political Economy for Leaders at the Ise-Shima Summit

Cover lead

On May 26 and 27, G7 leaders will meet in Ise-Shima, a scenic coastal resort in western Japan. The theme of the meeting is how to restore the global economy from the continuing recession in the wake of the Lehman Shock in 2008 and mitigate increasing geopolitical risks. Today geopolitical issues and economic issues greatly affect each other and cannot be separated. The refugee question in Europe, which stems from a geopolitical challenge in the Middle East, could weaken ties within the European Union and prolong the stagnation of the EU economy. Political unrest in East Asia could retard the process of Asian economic integration and prevent regional economies from reaping the benefits of industrial production supply chains beginning to expand all over Asia.

At the individual level, the archetypal Japanese investor in foreign exchange markets who has little specific knowledge of economics – sometime referred to in the Western media early in the 2000s as “Mrs. Watanabe”, a common Japanese name – is now thinking of how to fulfill her desire for social recognition and improve her social status rather than earning a little money from buying dollars and selling yen at a time of the yen’s depreciation. If her desire is to come true, we will need stable expansion of economic growth to provide her with good job opportunities, which is something the G7 leaders getting together in Ise-Shima will eventually need to address.

Our May/June issue highlights these issues of interest for the G7 leaders, all related to the global governance topics we covered in Nov./Dec. 2010. If you compare the two issues, you will see

how these topics have evolved or changed.

After a comprehensive survey of the current challenges for global governance in an interview with Frank S. Jannuzi, chairman and CEO of the Maureen and Mike Mansfield Foundation and a US foreign policy expert, we provide analyses by political economists of three regional political-economic risks in China, Europe and Japan.

Following these, we have stories on the direction of the foreign policies of major players in the world economy in the midst of these risks and challenges, including US foreign policy, Asia-Pacific cooperation, and East Asian cooperation, with contributions by two senior experts in these fields, former ambassador Murray McLean from Australia and Prof. Choong-Yong Ahn from South Korea. We then have another two articles highlighting some of the main points global leaders need to discuss and reflect on. One is an interview with Prof. Takashi Inoguchi, a distinguished political scientist, who stresses the need to raise experts in global communication, and the other written by myself dwells on the importance of reconsidering key statistics on questions relating to global governance.

We hope this issue will clear away some of the clouds of uncertainty over global economic and geopolitical developments today.

Naoyuki Haraoka is executive managing director and editor-in-chief of Japan SPOTLIGHT