

JEF's Online Forums in FY 2020

Searching for Way Out of Hard Times

Amid Pandemic



Author Naoyuki Haraoka

By Naoyuki Haraoka

Introduction

Covid-19 has transformed JEF staff's working style, the format of our policy forums and the contents of discussions. As the pandemic prevailed throughout FY 2020, we have become increasingly in need of adjusting to the "new normal".

During any given week, we must have at least two days working remotely at home and flexible working hours every day. All the policy forums organized worldwide in collaboration with our partner institutes abroad became online due to the serious restrictions on business trips overseas. The themes for discussion on these online forums were all on the same single issue: how we should cope with the economic and political challenges brought about by the pandemic. All of our colleagues at JEF have now become used to teleworking and online forums.

Although at the beginning we found it difficult to adjust to the challenge, we now find it fun and enjoy online communication. We need to be agile and flexible in a world ruled by IT. We can join online meetings wherever we happen to be, either in the office or at home. We can meet with anybody in any country by using online tools, taking only the time difference into consideration as a constraint. The preoccupation with offices being considered as the sole venue for working or roundtable discussions or symposiums in conference rooms is now outmoded. Bureaucratic organizations tend to value precedent rules and customs, but in the age of IT precedents can easily become obsolete.

So while it is certainly true that the pandemic's impact on our economy is disastrous, we can see new business opportunities created by the pandemic such as those brought about by IT. Can we change these hard times into chances? This was the key question in all of our forums in FY 2020.

A Brave New Economic World Order – 4th JEF-DGAP International Symposium 2020

The Japan-Europe forum in 2020 was held online on Oct. 7 and 8, 2020 in collaboration with the German Foreign Affairs Council, DGAP (*Agenda*). Under the title of "A Brave New Economic World Order", we discussed how we could achieve new global governance for peace and prosperity in a post-Covid-19 world. There were two issues to be noted.

First, new rules for new technologies were discussed and against

the background of rising tensions between the United States and China over digital technologies, exacerbated by the pandemic crisis, the need for new rules for digital products was shared by both sides. In particular, they noted national security concerns over sensitive digital technologies and identified the need to create rules on trade and investment related to these technologies to balance security concerns and trade policy.

The WTO and regional FTAs were considered possible venues for new rule-making. Whether they could achieve good progress in rule-making would depend upon how the US and its major trading partners can contain the pandemic and manage to put their domestic economies on a stable growth track, which would allow them room to consider their shared international responsibilities.

The participants identified three main areas of shared interests between the European Union and Japan. First, both parties should share best practices on how to deal with the US-China technology war and, for example, how to react to US-imposed sanctions and thereby the diversification of production lines. Secondly, both parties should promote the idea of a global technology innovation network to counter the trend of decoupling. Finally, the EU and Japan share democratic values and should work together to address the threat of AI surveillance and digital authoritarianism which so far is vastly underestimated in the EU.

In countering the Covid-19 crisis, the role of connectivity was discussed in the context of achieving sustainable global growth and geopolitical stability. China's Belt and Road Initiative (BRI) and the EU-Japanese connectivity strategy would be affected by Covid-19. Reflecting on the EU-Japan partnership in connectivity, there has been close cooperation and communication between the EU and the Japanese Ministry of Foreign Affairs. That has resulted in a number of agreements including an air safety agreement and identifying five key regions for combined global engagement: the Western Balkans, the Eastern Neighborhood, Southeast Asia, the Indo-Pacific region and Africa.

There were some points to be noted on this EU-Japan partnership in connectivity and EU-Japan infrastructure cooperation. One is to provide assistance and educate countries about the risks and possible lifecycle costs of infrastructure development by Chinese investors. Secondly, the EU and Japan should provide financing mechanisms that are competitive with the Chinese ones. Thirdly, the EU as a member of the Asian Infrastructure Investment Bank (AIIB) should encourage the institution to focus more investment on

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Japan-Europe Forum 2020 A Brave New Economic World Order – 4th JEF-DGAP International Symposium 2020 Wednesday, Oct. 7, 2020

Official Welcome

- H. E. Rolf Nickel, Vice President, German Council on Foreign Relations
- Mr. Kazumasa Kusaka, Chairman and CEO, Japan Economic Foundation (JEF)

Panel 1: Restoring Growth in Global Trade and Investment after the Coronavirus Pandemic

Speakers:

- Mr. Hideo Suzuki, Managing Executive Officer, Nippon Steel Corporation
- Dr. Claudia Schmucker, Head of the Globalization and World Economy Program, DGAP
- Mr. Klemens Kober, Head of Trade, Transatlantic Relations, and EU-Customs, German Chamber of Industry and Commerce Brussels (DIHK)

Moderator:

- Mr. Naoyuki Haraoka, Executive Managing Director, JEF

Thursday, Oct. 8, 2020

Panel 2: New Rules for New Technologies: Industry 4.0 and Beyond

Speakers:

- Mr. Norihiko Ishiguro, Senior Executive Vice President and Member of the Board, NEC Corporation
- Mr. Tatsuya Terazawa, Senior Advisor to the Cabinet Secretariat, Special Advisor to the Minister, Former Vice-Minister for International Affairs, Ministry of Economy, Trade and Industry, Government of Japan
- Mr. Kaan Sahin, Research Fellow, Technology and Foreign Policy, DGAP

Moderator:

- Mr. Martin Bialecki, Editor-in-chief, Internationale Politik, DGAP

Panel 3: The Role of Japanese and European Connectivity

Speakers:

- Dr. Yuichi Hosoya, Professor of International Politics, Faculty of Law, Keio University
- Mr. Tatsuya Terazawa, Senior Advisor to the Cabinet Secretariat, Special Advisor to the Minister, Former Vice-Minister for International Affairs, Ministry of Economy, Trade and Industry, Government of Japan
- Mr. Yoshiyuki Ogura, Senior Executive Advisor, Hitachi Europe, Ltd.
- Ms. Romana Vlahutin, EU Ambassador at Large for Connectivity, EEAS Special Coordinator for Connectivity Strategy
- Mr. Alexander Schönfelder, Representative for Technology, Trade, Finance- and Sanctions Policies, Federal Foreign Office
- Dr. Jacopo Maria Pepe, Research Associate, Global Issues Division, German Institute for International and Security Affairs (SWP)

Moderator:

- Dr. Henning Hoff, Executive Editor, Internationale Politik Quarterly, DGAP

Official Closing

- H. E. Rolf Nickel
- Mr. Kazumasa Kusaka

quality infrastructure projects. Fourthly, the EU should focus on ensuring China's compliance with WTO rules on transparent government procurement as well as urging China to respect the OECD export credit guidelines to realize fair competition.

One particular challenge caused by the pandemic in the infrastructure projects for connectivity is that many could fall into severe difficulties without any financing mechanism for restructuring. It will be necessary to ensure that these failing projects do not end up falling into Chinese ownership.

From Japan's point of view on connectivity, the Indo-Pacific strategy based on principles like freedom of navigation, the rule of law, connectivity and capacity building is a top priority of its diplomatic strategy. Connecting this Japanese strategy to the BRI is important, but throughout the pandemic outbreak the Japanese view of the BRI has become more critical and Japan is moving closer to the US in its stance towards China.

China-Japan-South Korea Co-Navigation & Emerging Opportunities Amid the Covid-19 Pandemic – the 7th CJK Cooperation Dialogue

The CJK Cooperation Dialogue was held on Nov. 25, 2020, co-hosted by the East Asia Foundation of South Korea (*Agenda*). The main theme of the dialogue was how the three countries should work together to achieve regional economic reconstruction and eventual global recovery as well as to contain the pandemic. The three countries must not fall into inward-looking self-reliance but search for coordinated actions for economic revival. As immediate neighbors, they should also work out how to revive impaired supply chains and near halted tourism in the short run and liberal trade and investment architecture in the medium and long term, and eventually to realize sustainable and risk-resilient economic growth in the post-pandemic era. They should pursue turning the current health crisis into renewed momentum in the post-Covid era for regional free trade and environmental cooperation on climate change and green industries in a looming digital society. Amid the pandemic crisis and accompanying economic meltdown, the three nations have also been experiencing rapidly aging populations, which requires special socio-economic safety measures.

It is to be noted in particular that the conclusion of the Regional Comprehensive Economic Partnership (RCEP), signed by the leaders of the 15 member countries on Nov. 15, 2020, was considered by all the participants as an encouraging development for the promotion of free trade, as this Asia-Pacific regional FTA covers 30% of the world's population and GDP and around 40% of world trade. Though it is a less ambitious one in terms of the rate of trade liberalization than the Comprehensive and Progressive Trans Pacific Partnership (CPTPP), another Asia-Pacific regional FTA, most of the participants agreed that it would be an important stepping stone for the global trade regime in the post-pandemic era. Many mentioned their hope that the administration of President Joe Biden would return the US to multilateralism on free trade and China's alleged interest in joining the CPTPP would draw US attention back to the Asia-Pacific, as US industries would be fatally disadvantaged in the region without membership of either the CPTPP or RCEP.

Many agreed that the conclusion of the RCEP would encourage also the conclusion of a CJK FTA at the earliest occasion, as the three nations are a part of the RCEP. The RCEP could thus evoke a

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The 7th CJK Cooperation Dialogue

CJK Co-Navigation and Emerging Opportunities Amid COVID-19 Pandemic

Date/time: Nov. 25 (Wed.) 2020

Co-hosted by China Institute for Reform and Development, China Public Diplomacy Association, Japan Economic Foundation & East Asia Foundation

Opening Remarks

Korea: KIM, Sung-Hwan (Chairman, East Asia Foundation / former Minister of Foreign Affairs and Trade)

China: CHI, Fulin (President, China Institute for Reform and Development)

Japan: KUSAKA, Kazumasa (Chairman and CEO, Japan Economic Foundation)

Special Welcoming Remarks

MICHIGAMI, Hisashi (Secretary-General, Trilateral Cooperation Secretariat)

GONG, Ro-myung (Honorary Senior Advisor and former Minister of Foreign Affairs)

Session One: Pandemic Spread, Outlook, and Trilateral Cooperation

Moderator: HE, Dongni (Vice president, China Institute for Reform and Development)

JIANG, Ruiping (Former Vice President, China Foreign Affairs University)

KOBAYASHI, Keiichiro (Research Director, The Tokyo Foundation for Policy Research)

KWON, Soonman (Professor and Former Dean of the School of Public Health, Seoul National University)

SEONG, Baik Lin (Professor, Yonsei University Medical School / Director, Vaccine Innovative Technology Alliance (VITAL)-Korea)

ZHANG, Yunling (Academician and Director-General, Department of International Studies, Chinese Academy of Social Sciences)

Session Two: Climate Change, Green Energy, Environmental Industries, and Trilateral Cooperation Post-COVID-19

Moderator: AHN, Choong Yong (Distinguished Professor, Chung-Ang University)

CHANG, Xiuzhe (Professor, Academy of Macroeconomic Research of NDRC)

KANG, MoonJeong (Head of Institute for Hydrogen Industry (IHI), Hyundai Motor Group)

KIM, Sang-hyup (President, Jeju Research Institute)

MATSUSHITA, Kazuo (Professor Emeritus, Kyoto University/Senior Fellow, Institute for Global Environmental Strategies (IGES))

QI, Ye (Dean, Institute for Public Policy, the Hong Kong University of Science and Technology)

Session Three: Economic Impacts of COVID-19, Recovery Strategies, and Social-Economic Policies for the Aged

Moderator: KIM, Sang-hyup (President, Jeju Research Institute)

INAMURA, Takuma (Director of the Healthcare Industries Division at Ministry of Economy, Trade and Industry (METI))

KIM, Jung-Sik (Professor Emeritus, School of Economics, Yonsei University)

OGURO, Kazumasa (Professor, Faculty of Economics, Hosei University)

QIU, Guohong (Former Ambassador of the P.R.C to the R.O.K)

TIAN, Xueyuan (Academician, Chinese Academy of Social Sciences)

YI, Insill (Professor, Graduate School of International Economics, Sogang University)

YOSHINO, Naoyuki (Professor Emeritus, Faculty of Economics, Keio University, Visiting Professor of GRIPS)

Session Four: Trade, Tourism, FDI, Regional FTAs, Tourism post Covid-19 Recovery

Moderator: HARAOKA, Naoyuki (Executive Managing Director of JEF)

AHN, Choong Yong (Distinguished Professor, Chung-Ang University)

FUKAGAWA, Yukiko (Vice Dean, School of Political Science and Economics, Waseda University)

GUO, Yanjun (Director, Institute of Asian Studies, China Foreign Affairs University)

HIRAI, Akira (Managing Director, Chief Secretary, Kyushu Economic Federation)

KIM, Do Hoon (Professor, Sogang University / former President, Korea Institute for Economics and Technology)

URATA, Shujiro (Professor Emeritus, Waseda University)

WU, Shicun (President, National Institute for South China Sea Studies)

Wrap-up and Closing

Moderator: KIM, Sung-Hwan (Chairman, East Asia Foundation / former Minister of Foreign Affairs and Trade)

Closing remarks by WU, Hailong (President, China Public Diplomacy Association)

chain reaction of different regional FTAs and eventually lead to an APEC FTA, which would be effective for restoration of the WTO.

Another issue to be noted in this dialogue was the aging of societies, key to achieve the long-term prosperity of the three countries in the post-pandemic era, as all three are now facing the same challenge. Covid-19 requires an accelerated response to the existing healthcare issues. In the pandemic, people with pre-existing illnesses and the elderly in particular face high risk and elderly people isolated from social activities will have a higher risk of dementia or becoming frail. Although digital technology is more frequently used than ever during the pandemic for health management and medical treatment, elderly people cannot use digital technology well. In the light of these concerns, the public sectors of the three nations should renew their efforts to prevent chronic diseases, keep the elderly active and socially engaged, and

help improve elderly people's skills in the use of digital technology.

Overall, even though the three nations still face political challenges like history or territorial issues, with the common challenge of Covid-19 it was impressive to see that, taking advantage of this dialogue, the three committed to work together on addressing this challenge.

Navigating Disruption: Rethinking Economic Development in a Covid Era - Asia Pacific Forum 2020

The Asia-Pacific Forum 2020, JEF's flagship trade and economic policy discussion with the participation of leading thinkers in the region, was held on Dec. 3 and 4, e-hosted by the New Zealand Institute of International Affairs ([Agenda](#)).

Considering that the pandemic is increasing inequality, the

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Asia-Pacific Forum 2020

Navigating Disruption: Rethinking Economic Development in a COVID Era

Thursday Dec. 3

Welcome remarks from JEF and NZ hosts

Melanie Thornton, Executive Director, New Zealand Institute of International Affairs (NZIIA)

Kazumasa Kusaka, Chairman and CEO, Japan Economic Foundation (JEF)

Sir Anand Satyanand, President, NZIIA

Keynote address

Vangelis Vitalis, Deputy Secretary Trade and Economic, Ministry of Foreign Affairs & Trade, NZ

Fireside discussion with keynote speaker, with moderator asking questions gleaned in advance from APF speakers

NZ moderator – Josie Pagani, Director, Council for International Development

Session 1: A sustainable and inclusive economy

1. **Zhang Yunling**, Chair Professor and Dean, Institute of International Studies, Shandong University
2. **Anita Prakash**, Director, Policy Relations, Economic Research Institute for ASEAN and East Asia (ERIA)
3. **Josef T Yap**, Senior Technical Advisor, ASEP-CELLs project, Ateneo School of Government
4. **Somkiat Tangkitvanich**, President/Acting Program Director for Education Reform Policy, Thailand Development Research Institute (TDRI)

NZ Moderator: Josie Pagani – Director, Council for International Development

Friday Dec. 4

Session 2: The International Economic Framework

1. **Yose Rizal Damuri**, Head of Department of Economics, Centre for Strategic and International Studies (CSIS)
2. **Ahn Choong-yong**, Distinguished Professor, Graduate School of International Studies, Chung-Ang University
3. **Gary Hawke**, Emeritus Professor, Victoria University of Wellington
4. **Simon Tay**, Chairman, Singapore Institute of International Affairs (SIIA)
5. **Vo Tri Thanh**, Chairman, Vietnam National Committee for Pacific Economic Cooperation (VNCPEC)

NZ moderator: Charles Finny – Partner, Saunders Unsworth

Session 3: Regional Economic Integration

1. **Murray McLean**, Chairman, Dunmore McLean Pty Ltd
2. **Sachin Chaturvedi**, Director General, Research and Information System for Developing Countries (RIS)
3. **Shujiro Urata**, Professor of Economics, Graduate School Asia-Pacific Studies, Waseda University
4. **P. Ravidran Palaniappan**, Former Senior Director and Advisor in Ministry of International Trade and Industry of Malaysia
5. **Man-Jung Mignonne Chan**, Co-Founder and Chief Strategy Officer, Forum on Humanities

NZ moderator: Suzannah Jessep – Director Engagement and Research, Asia Media Centre

Closing Session

Suzannah Jessep, Director Engagement and Research, Asia New Zealand Foundation

Naoyuki Haraoka, Executive Managing Director, JEF

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participants discussed how to rebuild a fairer system post-Covid. A sustainable and inclusive economy is today a more important policy goal than ever.

Whether globalization is working or not for the benefit of all nations and people by spreading economic benefits equally was another key question. Can the harmful impact of the US-China trade war be mitigated in the Asia-Pacific economies? Is a new global order now emerging? How can Asia-Pacific nations contribute to rebuilding an international economic framework that ensures trading systems and rules for the benefit of all nations and not only for the superpowers? These were also key questions to be resolved.

As the core issue of the US-China trade war is concern about national security related to digital technologies and the relevancy of restricting trade policies based on this concern, the role of regional economic integration, particularly in the Asia-Pacific, has drawn attention. Would these regional integration moves be instrumental in achieving new rules to balance the interests of trade and security?

The RCEP, just concluded on Nov. 15, 2020, together with the CPTPP, were highlighted in this forum as stepping stones towards Asia-Pacific regional economic integration. This region was also expected to make a good contribution to rule-making on digital technology and products to achieve a balance between trade and security. At the same time, many agreed on the need for structural

economic reform in order to take full advantage of these trade agreements. With both, a country could connect the benefits of free trade with enhanced growth potential and it could not fully commit to trade liberalization without domestic structural economic reform.

Although the new US administration's foreign economic policy is still an uncertainty, many participants mentioned their hope that new US President Biden will show leadership in restoring multilateralism. In particular, his commitment to collaboration with US allies and like-minded countries has raised expectations that the US could return to multilateral trade regimes such as the CPTPP. However, there is also skepticism about it, taking into account the strong anti-globalization sentiment among American voters. It is true that in the light of the serious rise of the unemployment rate in the US due to the pandemic, concerns about jobs could prevent the US government from coming back to multilateral free trade regimes.

Besides such economically-oriented alliances, the Indo-Pacific Vision was mentioned as a possible security policy-oriented alliance in this region. But as its direction or specific contents have yet to be clarified, it was considered to be premature at this forum. It is necessary to watch the new US administration's policy on this vision.

Overall, the forum's importance as a venue for informal policy discussions on the role of the Asia-Pacific in global governance during the crisis of the pandemic was highlighted.

The Global Economy & the New International Economic Order: Perspectives from Japan & the US – the US-Japan Forum 2020

The US-Japan Forum 2020 was held on Jan. 15, 2021, e-hosted by the Chicago Council of Global Affairs (*Agenda*).

There were two core issues discussed in this forum. One was how the US new administration will deal with continuing and robust American nationalism and the other was how it will manage foreign relations with China which is vying for global hegemony with the US.

For bettering the global economy during the Covid-19 pandemic, the US and Japan are expected to take a leading role in promoting economic resiliency in the world on the basis of their partnership. However, in particular in the US, domestic political stability will be crucial in achieving it. New President Joe Biden will have to focus on domestic issues because of the disastrous impact of the pandemic on the US economy and there is a huge concern in Japan, in particular among Japanese business people, about the erosion of the foundations of democratic governance, reflected in the serious divide in the US between republican supporters and democrat supporters. The end of Donald Trump's presidency will not simply revive America's global commitment. It is becoming difficult for American leaders to convince the public of the need for robust American internationalism. We need today to look carefully at any international issue that may be compromised by a country's domestic political stability, and thus we will need a holistic approach to any trade and investment policy issue in the context of domestic politics.

Meanwhile, the impact of Covid-19 is of course big and deep, and diverse in the economic context in the US and Japan. Income inequality has expanded, but digital transformation and workstyle changes have accelerated due to the increase in working remotely. The pandemic will not always bring disaster but could provide opportunities for new growth in some ways. Digital innovation in the pandemic crisis could even raise productivity and growth potential.

In thinking about the new international economic order in the post-pandemic global economy, it is necessary to consider the future direction of US-China relations. Even before the pandemic, China and the US were involved in major trade disputes and increased economic and political competition. In such a rivalry between the two superpowers, even intensified by the pandemic, how the global economy will be rebuilt on a renewed governance scheme is another big issue to be resolved not by economists only but by economists and political scientists together, as the issue involves geopolitics and geo-economics.

The consensus on this issue in the forum was that a rules-based multilateral approach is the only solution, assuming that globalization is irrevocable and will continue. As we are now living in a digital economy, multilateral rule-making efforts must be materialized on the basis of "Data Free Flow with Trust" as well.

It is a good news that Biden has committed to getting the US back to the Paris Agreement on Climate Change. But given the state of US domestic politics, it is highly unlikely, at least for the time being, that the US will come back to multilateralism in trade and

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Japan-US Forum 2020

LIVE STREAM: THE GLOBAL ECONOMY AND THE NEW INTERNATIONAL ECONOMIC ORDER: PERSPECTIVES FROM JAPAN AND THE US

Date: Friday, Jan. 15, 2021 JST (Thursday, Jan. 14, 2021 CST)

Welcome/Introductory Remarks

Dr. Michael Moskow, Distinguished Fellow, CCGA
Mr. Kazumasa Kusaka, Chairman and CEO, JEF

Panel 1 – Bettering the Global Economy During the COVID-19 Pandemic

Moderator:

Mr. Naoyuki Haraoka – Executive Managing Director, Japan Economic Foundation

Panelists:

Mr. Takaaki Asano – Senior Analyst, Sumitomo Corporation Global Research
Mr. Tobias Harris – Senior Vice President, Teneo Intelligence
Dr. Toshihiko Nakayama – Professor of American Politics and Foreign Policy, Keio University
Dr. Ulrike Schaeede – Professor of Japanese Business, University of California, San Diego

Panel 2 – The New International Economic Order: The Post-Pandemic Global Economy

Moderator:

Dr. Michael Moskow – Distinguished Fellow, Chicago Council on Global Affairs

Panelists:

Dr. Phil Levy – Chief Economist, Flexport
Mr. Takehiko Nakao – Former President, Asian Development Bank
Ms. Stephanie Segal – Senior Fellow, Center for Strategic and International Studies
Mr. Masaaki Shirakawa – 30th Governor of the Bank of Japan
Mr. Kenichiro Urakami – Director of Policy Planning and Coordination Division, METI

Closing Remarks

Dr. Michael Moskow

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investment. In this regard, on the question of US engagement with East Asia, it will still be reluctant to join the CPTPP or any other regional trade arrangement, though it will find willing economic and security partners in East Asia.

For the moment, US allies including Japan will need to keep an eye on Biden's public health policies and economic policies, hoping that they will lead him to think about a more global governance-oriented foreign policy.

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Naoyuki Haraoka is editor-in-chief of *Japan SPOTLIGHT* & executive managing director of the Japan Economic Foundation (JEF).