

Statement from 4th ERIA Governing Board Meeting
“For the Establishment of Resilient Community in ASEAN and East Asia”
June 3, 2011

ERIA Governing Board expressed deepest condolence and sympathy to all those who have been affected by major disasters including the latest in Tohoku, Christchurch, Sichuan, North Sumatra and Myanmar. The Board is confident that the region will emerge stronger and become more resilient. When the economic and financial crises hit the region in 1997-98 and 2008-09, ASEAN and East Asia has successfully restored their economic health through well-coordinated policies and close cooperation.

ERIA Governing Board is fully committed to assist ASEAN and East Asia in the regional community building efforts and strengthening economic development through the following measures:

1. Strengthening and Deepening Regional Production Network

During the course of the response of major production companies to the damage caused to supply chains, the importance of production network between large and complementary small and medium enterprises (SMEs) for speedy recovery was strongly emphasized.

Further analysis and studies should be conducted on issues related to promotion of stronger and more resilient production networks through cross-border cooperation among industrial clusters and SMEs including improvement of the quality of supply chains, pursuing cost effectiveness and resiliency and providing support for industrial development of less developed countries in East Asia. It is important to construct disaster-resilient infrastructure development projects that promote innovation and expand rural-based production network, under the concept of economic corridors as envisioned in the Master Plan of ASEAN Connectivity.

2. Evolution of ASEAN Centered Economic Architecture in the Context of Global Community

ERIA is supporting ASEAN actively in its economic integration through various initiatives and projects to further enhance ASEAN centrality in the evolving regional architecture, ERIA will continue to support ASEAN integration efforts under the ASEAN Economic Community, Master Plan on ASEAN Connectivity and narrowing development gaps. ERIA shall collaborate with the ASEAN Secretariat, particularly ASEAN Integration Monitoring Office (AIMO) in research efforts as well as ASEAN efforts in bringing ASEAN to the global community of nations.

The full realization of ASEAN Economic Community and parallel efforts to pursue EAFTA (East Asia Free Trade Area) and CEPEA (Comprehensive Economic Partnership in East Asia) through consolidating ASEAN Plus One process, especially the FTAs with various dialogue partners, are indispensable as the basis of more dynamic regional economic activities. Additional efforts must be focused on the consolidation of ASEAN Plus One-FTAs for a common modality to ensure the centrality of ASEAN in the evolving regional architecture. Experiences in these areas within ASEAN and East Asia would be shared with wider international economic fora including G-20, APEC (Asia Pacific Economic Cooperation) and WTO (World Trade Organization).

3. Infrastructure Development and Urban Planning More Resilient to Disasters

Disruption of logistics and communication systems by natural disasters inevitably led to greater damage to the society and community as a whole; therefore, in the initial planning stages, the impact of natural disasters should be taken into consideration. Knowledge sharing and exchange of technologies on disaster risk management on a regional basis will be essential, including the establishment of “model city” designed for earthquakes and tsunamis.

4. Regional Cooperation for Energy and Food Security and Greener Development

The recent disaster in Fukushima provides many valuable lessons and poses challenges to the future use of nuclear energy. Recent nuclear safety agreement and guidelines among China, Japan and Korea provides a good foundation for the future region-wide cooperation in this crucial area. ERIA supports the development of guidelines as well as the promotion of food security and safety framework. Future cooperation to develop renewable energy as well as energy saving technology is pivotal to achieve more sustainable energy supply and efficient use of energy within the region. Greener development strategy including smart community must also be part of this endeavor.

5. Establishment of Early Warning System to Respond to Sudden Economic Shocks and Natural Disasters

Policy cooperation especially in the financial sector worked smoothly, and the impact of the Japanese disaster to global economy seems to be contained for the time being. In order to strengthen this cooperation system, it is important to facilitate detailed up-to-date economic information and data exchange among ASEAN and East Asian countries. For this purpose, ERIA will cooperate with ASEAN+3 Macroeconomic Research Office (AMRO) which will be operational soon, and support the establishment of early warning system to respond to sudden economic shocks.

6. Promotion of East Asia Wide Exchange Among People and Local Communities

During the course of rescue operations and rehabilitation in past disasters, many rescue teams from various countries provided tremendous support. Building upon such multinational rescue operations, it is useful to promote people to people exchange on East Asia wide basis. Enabling local communities from different countries to exchange their experiences and lessons will also strengthen and improve region wide community building at the grass root level. It is also beneficial to promote mobility of people within the region.

In line with the above mentioned direction, ERIA Governing Board proposes following actions to be considered within the Japanese Government, and express ERIA's readiness to provide necessary support.

a. Establishment of National Structure Resilient against Disasters

The latest disaster reminded of the fact that Japan lies on an earthquake-prone area, and there is always a possibility for another massive earthquake, including that would happen in Tokai and Nankai Area. Therefore, concentration of economic activity only to Tokyo, or Osaka area creates vulnerability. Japanese economy should be equipped with fail-safe system and necessary measures shall be considered. In view of Japan's tight fiscal situation, it is encouraged that the utilization of private funding in the form of Public Private Partnership (PPP) shall also be considered in the reconstruction process. It is also beneficial if Japan can provide information about nuclear safety based upon the lessons and experiences gained from the recent nuclear plant incident.

b. Strengthening of Network with Asia and Promotion of Human Exchange

Japan should utilize this reconstruction process as an occasion to deepen relations with ASEAN and East Asian countries. Japan can expect reciprocal growth effect through foreign investment in ASEAN and East Asia including SMEs and promote regional innovation, which will accelerate domestic restoration of production networks. Support to make another logistic hub in Tohoku area will be beneficial for the growth of whole region. Also it will facilitate the flow of goods and services if Japan continues to provide accurate information about the impact of nuclear disaster.

c. Strengthening Japan as an Innovation Center for the World

It will be beneficial for the restoration of Tohoku's economy if Japan can establish several Special Economic Zones and Research Special Zones and apply appropriate measures to invite the best and brightest in IT and Green Industry. Promotion of smart community building in the disaster damaged region where population is aging and communities are destroyed will reinvigorate the area. New funding and admitting specialists and skilled labor from the East Asia region will be also to contribute towards Japanese economic expansion.

ERIA Governing Board strongly wishes quick restoration of Japanese economy and society, and also believes ASEAN and East Asian vitality will support Japanese reconstruction. Also we are confident that Japan after reconstruction will be able to make greater contribution to East Asia and the World.
