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Brussels Forum

Japan: The Aftershocks

Craig Kennedy: Welcome back. As some of you know, we do a small forum on China. We do one on India. We're developing one, we hope, on Japan. And we've made a pretty significant commitment to both developing our own staff and also our networks in that part of the world.

One of the areas that I've been spending a lot of time over the last two years is Japan. We have, for the last three years, been bringing and having a very good delegation from Japan here for these meetings. Some people have been to a number of our other meetings, as well. And we were just very pleased, after the tragic events in Japan, that so many of our Japanese friends are still here. We thought it would be especially useful to have a session today to give everyone a very clear assessment and read on where things are and what the implications are. And we've

asked our own Bruce Stokes, Transatlantic Fellow at GMF and also a well-known journalist, to moderate the discussion. So, Bruce, why don't you bring your panel out and get underway.

Mr. Bruce Stokes: Thanks, Craig. And I'd like to welcome you all to this session on Japan: The Aftershocks. The quake that struck Japan March 11, the ensuing tsunami and the nuclear crisis that has befallen Japan after that has--I think we would all would agree is a disaster of almost biblical proportions. Almost at every turn when you thought it can't get worse than this, it has. The official death toll is near 10,000. I think everyone believes it's going to be much higher than that. And I think when we express this to our Japanese friends and our panel and the audience, that we've been deeply moved by this tragedy, by the horrible suffering of the Japanese people and by the challenges that this poses for Japanese society going forward both on a personal level for our Japanese friends, but also for Japan as a

community as it attempts to rebuild its towns, rebuild its families and recovery its national purpose and direction.

I think I would say we've also in the West been moved by the Japanese fortitude that we have seen, this, what the Japanese call their fighting spirit. There is a willingness to persevere that I think is an inspiration to us all around the world.

And I think the world stands ready to help the Japanese as individuals and as our governments and societies to help them rebuild and recover from this tragedy. Yet I think it's also appropriate that we, as in this panel, talk about some of the broader implications for the world, for Asia, for ourselves as allies with Japan in terms of how Japan is changed by this and what it means for the global community.

You know, what are the strategic implications of Japan's role as a leader in its own region, but also around the world on everything from North Korea to China to economic development where Japan has been a

leader for many, many years.

What are both the short-term and the long-term economic implications when one of the largest economies in the world, albeit one that was not very healthy to begin with when this hit, what does it mean for the world economy when Japan suffers such an economic setback? And what are the implications for nuclear power? Japan was deeply committed to nuclear power. And what are the knock-on effects for the demand for a natural gas around the world, for the demands for oil and renewable energy, which will have ripple effects all over the world?

To shed more light on these topics and to engage with you all in a conversation about the knock-on effects, we have with us a very distinguished panel. We have to my left on stage right, Ambassador Masafumi Ishi, who is the Ambassador for Policy and Planning and International Security Policy at the Ministry of Foreign Affairs in Tokyo. We have in the center, Dr. Yorizumi Watanabe, an old friend, Professor of

International Political Economy at Keio University. And I would just like to say personally we really appreciate you taking the time to come and talk with us about this issue. I know that in your own families and in your own work, these are very, very demanding times.

And we have Jean Pisani-Ferry, the Director of Bruegel, one of the most influential think-tanks here in Brussels, to talk about some of the broader implications for Europe and the U.S. and the global economy.

I'd like to start, if I could, by asking a question of Ambassador Ishi. Ambassador, do you think that this crisis will transform Japan as much as the arrival of the black ships did in the mid-19th century, as much as the oil crisis of 1979 helped transform Japan? Will Japan find a new inner strength in the wake of this crisis and show new leadership in the world and leadership on its own issues? Or is there a danger that Japan will turn inward, understandably preoccupied by its crisis and these overwhelming problems that it

faces?

Ambassador Masafumi Ishi: Thank you for the question. My short answer is yes. I think it will have to change us, but we need to face with a lot of difficult choices. First, I need to say thank you to the leadership of the GMF for making this session happen. We are doubly thankful. And my thanks also goes to every one of you, the support, goodwill and kind donation, it's overwhelming. I think more than 130 countries and areas, more than 30 international institutions came to us with substantial help. And thank you very much for that.

I have no intention to underplay the severity of this crisis. It's very severe. As Bruce said, a number of our confirmed death is now more than 10,000. Those who are missing is more than 17,000. We lost, like, 25 trillion Japanese yen, which means 300 billion U.S. dollars, by this one shot.

But I think we are not that pessimistic, either. As Bruce indicated, we have a history of recovery. You

don’t have to go that back to the history to the black ship or something. Take the example of 1960s where we had a lot of pollution. Japanese industry was known to be the dirtiest, most energy inefficient industry throughout 1960s and ‘70s. And we are hit by the oil shock towards the end of 1970.

What happened? We came with the state of our technology for the cleaner use of energy, more energy efficient industry was created.

This time, it’s not that easy, I think. We need to make a lot of attentive choices, whether we are going to open up our country for the real recovery or we try to take care of the domestic concern, immediate concerns. Are we ready to do more on ODA, such as (inaudible) in the peace-keeping operation after receiving all these goodwills?

And I think my personal sense is, yes, I think we should. And it’s like a street of, yes, we can. So we are facing with a lot of difficulties. We are still shaken, but we still keep a stiff upper lip, if you

will, and then we are determined to come back.

Mr. Bruce Stokes: Professor Watanabe.

Dr. Yorizumi Watanabe: Yes.

Mr. Bruce Stokes: I'd like to drill down on one particular issue. I know that you've done some work on and thought about--before this crisis, the Kan Government was committed to deeper engagement with the global economy. This was one of his signature issues. In fact, Prime Minister Kan hoped to involve Japan in the negotiations for a trans-Pacific partnership (TPP) that would involve the United States, Australia and other countries in the southern Pacific and to use the economic reforms that would be required of Japan to join that negotiation as a way of transforming Japan's domestic economy and, I daresay, reinvigorating Japan's democracy in the process. Do you think that's still possible and do you think it's still a good idea?

Dr. Yorizumi Watanabe: Well, Bruce, thank you very much indeed for highlighting this TPP because TPP is a real challenge for Japan. And, well, just before

getting into TPP's story, I'd like to touch up on Japanese FTA policy. First of all, just to give you some idea, because I don't know, the audience, to what extent they are familiar with that. You know, Japan, you know, started it's FTA, what we call Economic Partners Agreement and it's abbreviation is EPA, started in 2001, first with Singapore and then now we have eleven countries in the region. I say as a region, we have a dozen of EPA already in force.

And actually, we are now also negotiating such country as Australia and GCC, Gulf Corporation Council Countries, and also Peru. We have recently concluded our negotiation with India. So altogether, about 16 countries in the region that we have been negotiating our EPAs and TPP will provide, certainly, the more enhanced sort of platform for promoting of our FTA policies. So when our Prime Minister Kan mentioned that Japan will be very much seriously consider the possibility of joining the TPP, I think the business community in particular, they certainly welcome this

new sort of drive onto more robust type of FTA. So I think having, you know, this background of a dozen of EPA already in place, I think TPP was a kind of logical sequence that we should follow because, you see, what I would call the first generation FTA/EPAs have been almost completed. Now, we are getting into a more ambitious package, such as TPP. So I think the TPP will certainly provide Japan for a very good basis for--

Mr. Bruce Stokes: But is--

Dr. Yorizumi Watanabe: --for recovery.

Mr. Bruce Stokes: --But is the will there now after the earthquake to do this?

Dr. Yorizumi Watanabe: Well, you see, it's still premature to say yes to that question. But things have been quite in preparation since 2001, 2002, for almost a decade. And it is not really the thing that we can stop so there could be two possibilities. You see, the earthquake and tsunami strike an area as heavily concentrated on the agriculture and there's a lot of rice paddies and also, you know, the dairy product and

fishery products, all those agricultural products have been produced in that area. So one school of thought might be like that, you see, that since this is a strike in the area, we have to give priority to the recovery of those fishery, agricultural sector first. So let's wait for a moment for TPP.

Second way of thoughts is that this is a good occasion since, you know, the rice paddies have been inundated by sea water so it might take some time to make it more arable, appropriate for agriculture purposes, maybe takes one year or two.

And also, because of this radiation of the nuclear plant, people are now hesitating buying those spinach and other Chinese shoots and all that so actually we have to import agricultural product. And we have to either lower, reduce the duty rates or even eliminate the duties on some of the agricultural products in order to feed the people. So maybe this could give us a good occasion to review our agricultural policy and our agriculture tariffs that we impose.

Mr. Bruce Stokes: Jean, this brings us to economics and two questions. Morgan Stanley now predicts that the Japanese economy will shrink one to three percent this year. It's a much more negative prediction than, I think, the normal narrative had been right after the crisis. And this is a severe shift because they had been predicting it was gonna grow by two percent. Does this blow to the Japanese economy imperil global economic recovery in any way?

And a second question is the earthquake and the tsunami and the subsequent power outages have disrupted global supply chains. Toyota now says that they think production will drop by five percent this year in Japan. Have we built an interconnected global economy that's too vulnerable to disruption? I mean, clearly, these supply chains we built up were very economically efficient. But are they also sustainable given acts of God that we can't control?

Mr. Jean Pisani-Ferry: Well, obviously estimates are being revised as, you know, time goes by and people

figure out what are the channels of transmission. The initial view was that it was a region whose economic weight in Japan was a small four percent of GDP and whatever would happen to four percent of the Japanese GDP, it was trivial from a global point of view, which was, um, evidently correct.

Now, that's dimensional. The more serious, the more problematic channel, is a supply channel which, you know, affecting production in Japan, either directly because of the destruction or indirectly because of a reduction in electric power or possibly because of contamination. And the way it is going to affect production and ability to export is going to have effects throughout Asia because Japan is a major supplier of production networks in the whole of East Asia. Japan is, you know, the country that is, for the most part, engaged in this kind of the composition of the value chain with partners throughout East Asia.

And so if some critical supplies are not available, then it may affect a supply chains. Now, I think it's

very difficult to assess. What I would say is that we had an experience before with global supply chain. That was 9/11. On 9/11, everybody said, "Oh, the fact that air traffic was interrupted for a week, that it changes significantly the way production should be organized." In reality, I don't think there was--

Mr. Bruce Stokes: Um-hum.

Mr. Jean Pisani-Ferry: So I think that this resilience of this production system, the ability to shift production, to reorganize, shouldn't be underestimated.

Now, what I see as the most consequences will be reassessment of risk, of the way we dealing with risk, of the nuclear, in particular, and the effect it's going to have worldwide, the effect on choices, on policy choices in some respects, you know, a lot of analogy can be drawn between this crisis and the financial crisis.

It's all about management of the risk, and the choices we're making. And also through, clearly the

energy mix, and consequences for climate, which obviously can have major consequences in the immediate term.

Mr. Bruce Stokes: Ambassador Ishii, we've brought up the issue of electricity and Tepco now estimates that electricity supply all over Japan may be down by 15% this summer, when it's needed for cooling, and so forth.

Japan has a deep commitment to nuclear power as a supplier of electricity. Is that prudent economically, to continue that dependence, with a potential knock-on effect of, when there's a crisis, it goes off grid? And is the commitment, and maybe a more profound question, is the commitment in Japan to nuclear power politically sustainable now?

Ambassador Masafumi Ishii: I may not be the right person to ask that question to but to put the figures right, we're not talking about 2 or 3 percent of our equities. We are talking about 30 percent, three-zero, percent of electricity coming from nuclear. Fifteen

percent of the primary energy supply comes from nuclear.

Of course, after this we will have to look into, we have to make a pause, look into all the available possibilities, make a political decision. And it's far premature to say which way it will go.

But I think I wouldn't be surprised if the answer today would be, okay, we need to stick to this because we are talking about 30 percent of it. And the other side of the coin is that nowadays we have an occasional loss of power even in Tokyo because that reactor in Fukushima supplies electricity to Tokyo, not to the northern part of Japan.

I think that reminded people of the degree we depend on nuclear energy. And the loss we are going to have if we try not, if we stop the nuclear energy. So I think there are many elements in front of the public to start the debate. And we need to do a debate. But even if we decide to restart it, I think we do need a much, much higher sort of safety standard, security standard.

And for your information, earthquake, itself, was within our expectation. Earthquake didn't destroy the reactor. Tsunami did. Tsunami was much more than we expected. So we have to be mindful of that if we decide to continue to do this in future.

Mr. Bruce Stokes: Thank you. I'd now like to turn to the audience. I would ask you if I could, when we recognize you if you could identify yourself. Keep your question or statement brief so that we can get as many in here in the time allotted. And it would be useful if you could, if it's possible, direct your question at one of the three panelists so they don't all feel compelled to answer every question.

And what I'll try to do is bunch two or three questions together to move this along. So who would like to go? Right here in the front. Yes.

Mr. Joshua Walker: Thank you. Joshua Walker from General Marshall Fund. I want to direct this to our Japanese participants. We've talked about the international. We've talked about the domestic,

slightly. You mentioned that it's too soon to tell.

What I want to focus on is the regional. We haven't talked about it, but it seems to be the elephant in the room. When we think about the disaster that happened, a lot of us that are optimists, maybe eternally so, think about the term earthquake diplomacy.

Is this an opportunity for that? I was a little bit disheartened to see that the Chinese government pulled out most of its citizens quicker than almost anybody else. Is there an opportunity because of the sympathy that is there, to kind of strengthen cooperation? Because economically, this region of the world is the most interdependent, but politically, you see the biggest problems. What type of opportunity do we see in a disaster like this? Thank you.

Mr. Bruce Stokes: Over here.

Mr. Robin Niblett: Robert Niblett, Chatham House. We've talked already in your presentations about Japan's EPA strategy, regional trade agreements. Prior to this crisis, Japan has been really quite interested

in trying to strike some type of deeper economic integration agreement with the European Union.

And to my understanding, this has been kind of stuck for a while with interest on the Japanese side and not that much interest on the European Union side. How does this crisis potentially change that context? Is there any scope right now for pushing, at this moment of emergency, to try and make some type of real progress? And I'd be interested to hear both the Japanese perspectives, and perhaps Jean Pisani-Ferry's view on this as well from inside the Union.

Mr. Bruce Stokes: We take one more.

Mr. Glen Ford: Thank you, Glen Ford from Paul Endt. I'd like to follow up on the last question about the EU/Japan FDA. We did see in the summit conclusions yesterday a reference to the possible EU/Japan FDA of the request for the European end at least there was feeling that Japan was not prepared, if you want, they were in favor in principle but you were not going to be able to deliver the line ministries to make the

concessions on tariff barriers. Has that changed post the three disasters?

And a follow up, which is on the reaction from the European Union. We've all said the nicest things about Japan and rightly so, too. But if we look around at certain member states, the Netherlands, Spain, France, and Germany, are they doing things like checking cars that were made three months ago and imported Europe and see if they're radioactive?

They're telling dock workers in the Netherlands to be careful opening containers. Do you not feel this like contradiction here between, if you want, you know, the public rhetoric on how much we've had solidarity with Japan, and the reality on the ground?

Mr. Bruce Stokes: Okay, we'll start maybe with Ambassador Ishii. You could talk a bit about the practicalities of, does this lead to more regional cooperation, at least the opportunities? But also if you could address, why it may not? I mean, if regional cooperation were simple, we probably would have done it

already. And why would this crisis make it any different?

Ambassador Masafumi Ishii: As Joshua sort of hinted, there's a huge opportunity for improving our relations. At least there's a breathing place for us.

You know, the assistance came not only from China, of course, EU has given a very substantial assistance. Thank you. But actually, some donation came from North Korea through Red Cross channel. That shows the level of good feeling around the world.

So we do have a breathing space. And actually, another interesting perspective is the Japanese people are once again reminded of the willingness, as well as muscle United States has in the region, particularly of the United States force in Japan.

You know, they have brought in 20,000 soldiers, forty airplanes, including helicopters, fourteen vessels, including salvage. And they are salvaging lot of ships in order to make the usage of port possible again.

So I think, I'm not saying this forms the base issue we're having with the United States, but I think the affinity towards United States, U.S. force in Japan, is higher than ever. I think that's gonna work as an asset.

And, of course, there is also a clear intention and determination on the part of all the Asian countries and Asian countries to do more for disaster relief.

I think this may sound as a joke, but two days after this earthquake happened, I flew to Indonesia. What I did was to co-host natural disaster exercise organized by airlift, co-hosted by Indonesia and Japan. Scenario was big earthquake and tsunami. It sounds like a joke.

But I think after we did that, we are determined to make that regular. By the way, you sent a strong team, a strong medical team, Italians and French. So I think we have a chance for closer coordination, cooperation over natural disaster that would become the main agenda for the coming RCM related meetings. So I think there

are many opportunities in context if we pursue this with a sort of flexible mind.

Mr. Bruce Stokes: Dr. Watanable, and Jean, I ask you both to address the EUFTA question, if you could. And, Dr. Watanabe, do you anticipate that this will enhance the ability of the Kan government to get, as you so eloquently said, some of the various ministries to get in line here. We won't mention what ministry is probably number one in that category. But you all ate lunch recently.

And Jean, the question, I think would be, whether or not it would be a good idea. How can the EU say no if Japan asks in the wake of this crisis?

Ambassador Masafumi Ishii: Bruce, before dealing with this EU Japan thing--

Mr. Bruce Stokes: Yeah.

Ambassador Masafumi Ishii: --I'd like to also address to Joshua's question.

Mr. Bruce Stokes: Yeah.

Mr. Ambassador Masafumi Ishii: May I?

Mr. Bruce Stokes: Yeah, sure, sure, yeah, quickly then.

Ambassador Masafumi Ishii: Okay. Thank you very much. You know, this very tragic incidence reminded us of the fact that East Asian region is the region mostly affected by natural disasters. There are 70% of all disasters happened in East Asia. And 84% of the all casualties, also, are in East Asia.

So that means that Japan is not the only country that could be severely attacked by, or hit by this kind of natural disaster. So you remember, you know, there was Ache earthquake, and also an earthquake that hit the Phuket beach. And many Australians, Americans, Europeans also, were being killed by the tsunami.

And since then, Japan has been committed in developing a sort of early warning system. And Japan has been doing that. And Japan will do that in the future as well, bearing in mind this very severe experience.

So Japan is not really going to the (inaudible),

but rather on the basis of this kind of very sad thing. We'd like to renew our commitments in establishing very solid system of early warning system, or technology transfers to the developing countries that could be affected by those natural disasters. So...

Mr. Bruce Stokes: And on the FTA, both of you, any thought on that?

Ambassador Masafumi Ishii: Sure.

Mr. Bruce Stokes: Yeah.

Ambassador Masafumi Ishii: Always after Jean...

Mr. Bruce Stokes: Can you say no?

Mr. Jean Pisani-Ferry: Well, I'm afraid we are in a competition between solidarity and fear. And I think the more time goes by, the more fear increases. And that's, you know, we've been watching this cloud coming to Europe after having crossed the Pacific, and the Atlantic, and the U.S. territory. And it was making the news that the cloud was coming.

I'm afraid we're going to check, not only the car, but each and every thing that comes from Japan. And I

would very fearful of the consequences of this generalized fear about contamination.

We saw that in the past but, you know, other things have to affecting public health. Immediately the reaction of public opinion and governments wanting to show that safety comes first. And so they are ready to block many flows for that. So perhaps, yes, the FDA when some time down the road. But the immediate urgency would be to avoid that this is fear, and this fear is still growing, you know, continuously. That this has consequences that are disproportionate.

Mr. Bruce Stokes: Ambassador, you want to jump in here or--

Ambassador Masafumi Ishii: Yeah, I have something to talk about a bit about safety issue, and I think the key is, base our action on the scientific fact, and objective fact. And the transparency is very important. I think we were slow in disclosing our information at the beginning. But I think we are now in full communication with IAEA.

IAEA has sent a team, U.S. Nuclear Radiation Committee sent a team, as well. They did they own monitoring. IAEA is going to send again the joint team of IAEA and FAO. And if you look through the home page of IMO, for example, you know, there are many cases where some of the ships sort of, they didn't want to make boat visit to Japan because that those who are crew were afraid of the radiation.

But IMO independently came up with a statement that you can base your sort of decision on what is issued by Japan. We are saying it's safe except for those areas, particular areas. It's safe. And the port facilities are ready.

So I think you may not believe what the Japanese government say. You may be able to believe what independent organization like IMO would say.

Mr. Bruce Stokes: I think it is interesting that one of these, one of the insights that we've gained from this crisis is that in a global economy in a global media world, standards of transparency, which

may differ from cultures, need to change because I would say some of the strongest critics of the Japanese government transparency was CNN.

Now, whether they were right or wrong is maybe not an issue, but it was a hammering that was almost hourly on CNN during the crisis and that obviously transforms the debate. Here, yeah.

Mr. Valdis Zatlers: I'm sorry for jumping in, but then maybe I'm the only person in this hall who has participated in the rescue team for Chernobyl in the first two months after the catastrophe happened. And I'm watching very carefully what is going on and I have to express my admiration how Japanese experts tackled the problem, the nuclear problem. I'm a little bit surprised that the word fear appears in your discussion, you know. There's nothing to be feared.

And I'm surprised by the international media that they're more focused on--not on the human catastrophe, on the national disaster, which is a problem which needs solidarity, 100 percent solidarity, and we see

this solidarity, but we should eliminate the fear.

Because, you know, every day in our (inaudible) and financial times we have, you know, a scheme of a nuclear reactor and what might go wrong. And when I read that now the radiation is up 20 times, I'm sorry to say, that's peanuts. That's nothing, you know. It's not really, you know, to be feared. And we look at the (inaudible) is higher.

We have to tell the people and bring the whole (inaudible) reserves and (inaudible) to Japan because it's easy. In one month, the (inaudible) is gone.

So I really admire the management, the high skillful management Japanese experts did and we are on a safe side because also, the time show to be on a safe side and we should really save the game. Not talk about fear. Not to bring up in our anxiousness about if something might happen. Nothing will happen. We need solidarity and the help.

Mr. Bruce Stokes: Right here in front. Yeah.

Mr. Roland Freudenstein: Thanks very much. I'm

Roland Freudenstein from the Center for European Studies, the Foundation of the European People's Party.

I'd also like to come into the nuclear topic, which seems to dominate the debate here. You know, there were huge differences in the way this was reported, even among the international media. And I may say that the German and Austrian media probably were the champions in panicking about this and emphasizing--I mean, almost praying for meltdown from day one, while BBC World and CNN were still reporting largely about the humanitarian catastrophe and the rescue efforts.

So, I think, having said this, I think one future task for Japanese public diplomacy might be to get into this European debate about nuclear energy, which is obviously taking place.

I think Germany is a lost case because they're going out of nuclear altogether. This is not true for most of the EU countries, but you would be the excellent witnesses to--you have the street credibility, so to speak, to say, "Look, the

consequence is we need to focus on security, on safety.” We need to think about terror risk and rethink it, but there's no way we can completely get rid of it in the foreseeable next 10, 20, 30 years.

And, you know, to give us some of your fighting spirit, as Bruce called it in the beginning, you know, and there's this beautiful Japanese proverb, “(Inaudible). You know, falling down seven times just means that you have to get up eight times.” And we could use some of that. Thank you.

Mr. Bruce Stokes: Well, we have time for two more comments or questions here in the back. Yeah.

Mr. Nik Gowing: Nik Gowing from BBC World News.

Picking up on the point you made about CNN, we have to express deep frustration about what was happening, certainly in the early hours, but I’d like to broaden it, partly because of the work that I do, which some of you know about, about handling information in crises, particularly in the public information space.

And it seems to me there is an object lesson.

Lessons to be learned by how badly Japan has handled this. I'm struck, having been on a visit to Japan several years ago, to be told then that we were prepared to communicate everything to the public. And it seems to me, every government and civil servant in this room can learn from the experience and the deficit, the negative message which was left by the inability to handle public information in the time immediately afterwards because of the deficit of public confidence that was created and the way the public expect information in a crisis now.

But I wonder if, particularly the two Japanese panelists, could just address this because I think many of us were shocked at how little information was coming out, whether it came from the government or the Cabinet Secretary or the Prime Minister himself and then what has happened with TEPCO.

And obviously, in a public space, we can't be too rude about it, but it was extraordinary, given that there are many around the world who could face this

with a WMD attack or whatever. And I just wonder, institutionally and culturally, what you have learned in the last two weeks about the high price to be paid by the institutions of government and in the corporate world from a failure to address this public information space.

Mr. Bruce Stokes: And if I could amplify that a bit, it seems to me it’s not just a question of how you handled information, but the knock on effective that because the information was handled poorly.

We all know the acronym in English, NIMBY, not in my back yard. All of these reactors, if they're ever to be reopened or if there's any reactor that’s now down in Japan and needs to be reopened, is going to have to require regulatory permission to reopen. That’s going to--that’s a political process with political input and I do think we need to raise the question whether any reactor that’s not now working will ever be started again in Japan, despite the rational arguments you make, Ambassador, that, “What else can we do?”

But for the individuals who live near to those plants, it may be a different question. I think it's appropriate our last comment and question come from one of our Japanese friends.

Mr. Tomohiko Taniguchi: About the NIMBY phenomenon--

Mr. Bruce Stokes: If you could, introduce yourself.

Mr. Tomohiko Taniguchi: Oh, Tomohiko Taniguchi From Tokyo, Japan.

About the NIMBY phenomenon verse you mentioned, because of the NIMBY resistance, the TEPCO, the utility company, chose to build as many as six reactors in a single space. That exacerbated the danger even more, whereas in the case of Chernobyl and Three Mile Islands, they were talking about only one single reactor.

That aside, let me just shift the focus of the debate slightly to the TPP because I was wondering if either one of the two panelists from Japan could tell us about what sort of strategic connotation this TPP is

going to have.

By the way, TPP has been made a signature policy by the United States over the last year or two and come November this year, the United States is going to hold a APEC summit meeting in Hawaii. And that's going to be a high water mark for TPP to fly--and the Japanese government made a pledge that it was going to join the TPP framework.

But TPP, if you look at it from outside, it is almost, by design, an assembly of like-minded countries that have something in common, democracy, maritime democracy, trading nations that cherish the global commons very much highly. And that may be one reason why there is one single country in the East Asian region that is very much sensitive about Japan joining TPP.

So, overall, you could perhaps tell us what sort of strategic implication you could draw from Japan trying to join this TPP.

Mr. Bruce Stokes: Well, let me broaden that, too,

to say, I mean, does this crisis move Japan in a direction, possibly, towards the United States? Possibly towards the west, in general? It wouldn't necessarily have to, but it might.

And also, if you could address the question of information and transparency in a global setting now and make any final remarks any of you would like to make because we do have to wrap it up then.

Dr. Yorizumi Watanabe: May I?

Mr. Bruce Stokes: Yes, go ahead.

Dr. Yorizumi Watanabe: Okay. Well, thank you very much, indeed. I'd like to take up the last question, the strategic meaning or implication of TPP.

Well, TPP is supposed to go beyond present FTAs, including the (inaudible) and all other East Asian FTAs, as well as the overall WTO rules because, you know, (inaudible) around, we couldn't deal with the new area, such as trade-in investment, trade-in competition and trade in the government procurement.

So the TPP is a very right forum that we could

discuss those WTO-plus issues, such as competition, investment and transparency in the government procurement. So, in this way, we can go beyond the previously agreed WTO rules and, also, a more stringent sort of enforcement mechanism for (inaudible) property rights. In the region of East Asia, that is really one of the most important issues involving in trade.

So I think the TPP would have that kind of strategic meaning that could provide the more general framework to enhance the international trading community, particularly in the region of Asia Pacific, open for further transparency and also fair competition in the region.

Mr. Bruce Stokes: Mr. Ambassador, Jean? Okay. Either one. Jean, you want to go first? Yeah, go ahead.

Mr. Jean Pisani-Ferry: Okay. I'd like to react to what you said about eliminating fear. I would wish us to be able to do so. The question is that it is a matter of public opinion and public opinion has many reasons to have fear, to lack trust for governments. I

mean, this is the situation we're starting from and for any government, the way it is managing risk (inaudible) and disaster exposed is an acid test in the eyes of the citizens because this is when they got to discover whether the government is effective or not. This is an opportunity to test your government.

So what does it mean for the Japanese government? It means the way to managing this crisis would mean either it earns considerable political capital or it loses entirely and we've seen that.

I mean, remember Katrina when the weight was managed, what it meant for the effectiveness, for the perception of the effectiveness of the government of the administration of George W. Bush.

The same can happen and whatever happens is determinate for the future because if you lost credibility totally and entirely, I mean, there is nothing you can do. If you earn credibility, you can invest it in a policy.

Now, from the point of view of the government in

the rest of the world, which have to do with the consequences across border effect, unfortunately, they're starting from--frequently from a very low base. Certainly, in Europe, this is the case that many governments, you know, are struggling with the lack of legitimacy. They're suffering from the financial crisis and the economic situation we're in, so I'm afraid the ability in this kind of situation not to go in the direction of the fear of public opinion is limited.

Mr. Bruce Stokes: Mr. Ambassador, the last word.

The Honorable Ahn Ho-Young: Thank you.

Let me first take up the issue of level of radiation. I think what Japanese government has done is set the 20 kilometers area where we asked all the people to evacuate.

Now, we said 20 to 30 kilometers area where we asked them to voluntary leave their house, so all in all, within 30 kilometers, we are asking them to leave and we are doing the regular monitoring of the radiation level along the area beyond 30 kilometers.

And level has been lowered. Level has been within reasonable amount and I think, to put it in perspective, it's like, well, one third of the level of radiation which you get, anyway, throughout the year so it's okay. And I think that has been confirmed by WHO, as well, and WHO said that drinking water in Japan is okay to drink.

So I don't want to finish this session with that kind of propaganda, but my only point is it's up to you to decide. Of course, it's up to you to decide. You cannot--it's up to the (inaudible) public, but I think, if you have time, if you will look into the objective research and I think that will be the key for sober reaction.

Second point about the information deficit, my answer comes after the break, but I think half was myth, half was true. I think the attention of report of CNN and NBC and Fox and others was at its height. We are supplying information but it didn't reach. Party our fault partly, I think it's what (inaudible). And,

yes, we had a problem and we will learn lesson from what the way we did. Sort of we are too good to cover the area we are supposed to cover. Our information is sometimes too deep to be understood by the public and each ministry does that. Title paper but what it means for the public is quite unclear. So it's absolute political leadership to pick up the right information, sort it out, and send the right sort of message to the public.

It wasn't done, quite really, at the beginning, I must admit, but I think it's being improved and we will certainly look into the visit we had and then we'll try to improve for future. And thanks for that point.

A bit (inaudible) about EPA. Just a fact. Okay? Tell the Japan/EU summit meeting towards the end of May and that is the time we are supposed to make decision whether to start negotiation or not. We still have two more months. I think there will be a bit of discussions and I'm sure this earthquake has some impact on the course of a discussion. There are many difficult

issues, including, you know, many difficult issues. Anyway, I think the timing is set and there's at this moment no intention whatsoever to postpone it.

As for *DDTBP, our government has set the date towards the end of June to come up with a decision whether to participate in TPP or not. We haven't decided yet whether to participate or not. My impression is that the timeline may be a bit to tight for that because TPP is the one with the highest standard. We may have to delay that but I think we simply cannot delay that too much because, as (inaudible) said, APEC is set already. So I think we need to make decisions on that sooner or later, even if that is not towards the end of June.

My very last point is what's important happening after this earthquake is for the first time in the past 20 years or so national consensus, what we can call national consensus is emerging in Japan. I think that has been the most important problem we have been facing, lack of national consensus, a lack of future

goals. I think now it’s getting clear: reconstruction of our country, re-emerge, come back.

So I think decisions has to be made with that perspective. So there are many difficult choices--opening up or closing down, more contribution, less contribution, but I think there is a consensus building up that we need to make decision based upon that perspective. And I think it’s a daunting task for our political leadership. I hope they can do.

Mr. Bruce Stokes: Mr. Ambassador, I think it’s a very inspiring note to end this discussion. I would like to thank Ambassador, Professor, Jean, for I think a very stimulating discussion. Again, our heartfelt condolences for the tragedy that Japan has felt and we stand ready to help as people and as societies. We will now move, if my understanding is, to a coffee break. Is that right? Yes. Right. Thank you.