Preface

The Japan Center for Economic Research (JCER) published its FY2016 Asia Research Report under the title Tenki no Chōsenhanto: Chiseiakuteki henka to kitachōsen keizai [The Korean Peninsula at a Turning Point: Geopolitical Change and the North Korean Economy].

Developments in the Korean Peninsula situation are unfolding at an increasingly hectic pace. The biggest factor contributing to this is the growing North Korean risk. Due to its repeated tests, North Korea’s nuclear development now poses a greater threat than ever before. Its missile capabilities have improved to the extent that its development and deployment of an intercontinental ballistic missile (ICBM) capable of reaching the USA has become a realistic possibility.

Dramatic changes have also occurred in the relationships between major powers with a stake in the situation. The Trump administration that came to power in the USA this past January is mulling a new North Korean policy, which could include the use of force as an option. It is also displaying a different attitude toward North Korea’s backers China and Russia than previous administrations. Further compounding this state of affairs is the increasingly opaque nature of the South Korean political situation.

Our research group was chaired once again this year by two experts with abundant experience of diplomacy and government, as well as a wealth of academic experience. They are Kazuo Ogura, Invited Professor, Aoyama Gakuin University, who has previously held such prominent posts as Director of the Northeast Asia Division at the Ministry of Foreign Affairs and Japanese Ambassador to Korea, and Kang In-duk, Chair Professor at Kyungnam University, who has previously served as Director-General of the North Korean Intelligence Bureau at the Korean Central Intelligence Agency (KCIA) and as Minister of Unification.

The team also included leading researchers from the USA, China, and Russia, including Professor Kent E. Calder of the Johns Hopkins School of Advanced International Studies, one of the USA’s foremost academics in the field of East Asian studies, and Professor Emeritus Young C. Kim of The George Washington University, who is an expert on US–North Korea relations. The most notable feature of our panel is that it brought together researchers from all of the major countries concerned, including Kim Byung-wook, Director-General of the North Korea Development Institute in South Korea, who is originally from North Korea.

Fate has determined that Japan cannot escape from problems on the neighboring Korean Peninsula. Having reached a turning point, the Korean Peninsula situation could affect Japan more than ever before in various areas, including the economy, politics, and security. We hope that readers will find this report helpful.

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