

## **IISS-JIIA TOKYO CONFERENCE: SUMMARY**

On 2-4 June 2008, on the occasion of the IISS 50<sup>th</sup> anniversary, a unique group of 60 experts and opinion leaders, many with senior-level government experience and equally divided between Japanese and non-Japanese (from 12 countries in total), held a stimulating and highly productive discussion on 'Asian Strategic Challenges: In Search of a Common Agenda.' IISS partnered with The Japan Institute of International Affairs to hold this meeting, with financial support from the Japanese Foreign Ministry and the Defence Ministry. This preliminary report summarizes some of the debates over these crucial security issues, and in particular policy recommendations that emerged from them. An expanded report will be published by the end of the month.

The most forward-looking discussions concerned **non-traditional security challenges**, especially climate change and energy security, which have emerged as key strategic concerns in recent years. This was reflected by their prominence in the conference's agenda and discussions. The discussions also covered **traditional security challenges**, such as protecting sea lines of communication (SLOCs), nuclear proliferation, regional arms races, regional security architecture and the potential for armed conflict in Asia in an era of shifting power balances. Many of these, particularly nuclear proliferation and protection of SLOCs, are intertwined with energy security and climate change.

An overarching theme throughout the conference was that of regional cooperation, and how these challenges, particularly the more transnational issues of climate change and energy security, both required, and could stimulate, greater cooperation among Asian states. With the upcoming G8 Hokkaido Toyako Summit in mind, participants focused on the following recommendations:

### **Key Recommendations for the G8**

1. Climate change and energy security are closely inter-related. Moreover, energy security cannot be considered in isolation from environmental, food and water security.
2. Advanced nations can significantly reduce energy demand and carbon emissions by sharing advanced technologies for the clean and efficient use of energy.
3. Nuclear power could help mitigate the climate impact of increasing energy demand, but only if it is made safe, secure and safeguarded, and newly aspirant countries agree to forgo sensitive dual-use technologies.
4. Even if timely action is taken, some climate disruption is inevitable. Climate change policies should therefore incorporate risk and consequence-management strategies. These should include a comprehensive regional mapping of the spectrum of security risks posed by climate change.
5. A sound market-based orientation is a necessary governing principle for tackling climate change.

### Climate change and energy security

Energy security must be approached as a multi-dimensional issue, encompassing the availability of resources to meet growing demand, access to energy and the political issues associated with consumer prices, and the impact on climate change. Climate change and energy security are closely inter-related: **energy security cannot be separated from environmental security, the security of food and the availability of water resources.** Tackling any one of these issues in isolation can produce unintended negative consequences in related areas, such as the way that an emphasis on production of bio-fuels to alleviate the consequences of climate change has contributed to localized food shortages and skyrocketing commodity prices.

Advanced nations can cooperate in significantly reducing energy demand and carbon emissions **by sharing advanced technologies for clean and efficient use of energy.** **Energy conservation** is a more easily achievable way of achieving a balance between supply and demand, as exemplified by Japan's experience in this regard. If all countries took appropriate energy-saving measures, Asia's estimated primary energy demand in 2030 could be reduced by 17%, or an amount equivalent to double Japan's current overall energy consumption. However, such technology transfer could face difficulties unless recipient countries were prepared to respect the copyright of technologies that had proved expensive to develop, as donor corporations would be reluctant to see investments go unrewarded.

The nations of the region should come together on **common approaches that overcome mercantile and nationalistic trends in development and trade of energy resources.** The maritime domain is perhaps the easiest place for nations of the Asian region to improve mechanisms for working together. Ships passing through the Malacca Straits are at risk of terrorism and piracy. **Asian states should engage in maritime cooperation in order to ensure the security of key chokepoints and the transportation of energy supplies.** However, concerns were raised that Japan's constitution might prevent its Maritime Self Defence Forces from engaging in such activities, and that this could impair the effectiveness and unity of such operations.

At the same time, it is important for countries to **cooperate in addressing sources of instability** regarding both the production of energy sources and competition over access to these sources.

**The high price of energy** represents a major challenge for the stability of Asian states that are forced to reconsider their subsidy policies. Although some participants suggested that high prices dictated by market forces would be the most effective method of reducing energy demand and providing an incentive for economies to evolve and seek cleaner energy sources, it was noted that the elimination of subsidies had already led to civil unrest in Indonesia, and that a wholly laissez-faire approach was therefore unrealistic. It was also suggested that the current high price of oil may be largely a result of speculation, and that this could be reduced if a fee were levied on new entrants to the oil market, or if profits from the sale of oil were subjected to an additional tax.

Given its dependence on fossil fuels from the Gulf, the greatest imminent threat to energy security for Asia may be the potential for **supply disruption arising from a conflict with Iran** over its nuclear programme. Asian states should therefore consider playing a larger role in strategies to

preclude such a conflict, by dissuading Iran from pursuing technologies that can be used for nuclear weapons.

The scientific consensus is that **urgent action on climate change is required within the next few years, if catastrophic ramifications are to be avoided.**

However, even if timely action is taken, some climate disruption is inevitable, and this will need to be managed in the most effective way possible. Climate change policies should therefore incorporate **risk and consequence-management strategies**. This should entail a **comprehensive mapping of the country-by-country impact of climate change** on sea levels, food and water resources, energy supply, access to other vital commodities, and other potential consequences such as refugee flows, in order to assess vulnerabilities clearly, to prepare for such eventualities, and to sharpen awareness at the state level of the need for immediate action on climate change.<sup>1</sup>

**There is no need to invent completely new organizations.** Existing multilateral structures can be put to new, more effective uses, for which a sound **market-based orientation is a necessary governing principle.**

The US and China produce 40% of global emissions. American and Chinese actions in curbing their greenhouse gases will be therefore be vital in addressing climate change, and achieving their cooperation will require understanding of their national perspectives. For the US, bottom-up national approaches involving **cap-and-trade concepts** are likely to be a more promising political way forward than international regulation, which has faced strong domestic resistance.

Although Chinese growth is often blamed for a future environmental catastrophe, much of China's pollution is a result of manufacturing products for Western markets. To help overcome Chinese resistance to measures that could slow economic growth, Western states should acknowledge their responsibility in helping China to pursue the cleaner development that will be necessary to guarantee both the prosperity of its citizens and the environmental stability of the planet.

### **Nuclear energy and non-proliferation**

Given its lack of carbon emissions, nuclear power is a relatively clean and reliable source of energy, and could help mitigate the climate impact of energy growth in the region, but **only if it is made safe (from accidents), secure (physically protected from terrorism) and safeguarded (to prevent non-peaceful use).**<sup>2</sup>

Effective safeguards require full transparency; a useful step in this regard would be for the **G8 nations to agree upon adoption of the IAEA Additional Protocol as a condition of supply of nuclear technology.**

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<sup>1</sup>For an insightful analysis of environmental risk factors, see Alan Dupont, "The Strategic Implications of Climate Change", *Survival* | vol. 50 no. 3, June–July 2008, pp. 29–54.

<sup>2</sup> These requirements (centering on the "Three S") were elaborated in a recent report by JIIA, while the most recent IISS dossier on Middle Eastern nuclear programs also made extensive policy recommendations in this vein.

Countries aspiring to nuclear energy should focus on technologies that are truly needed for power generation and waste management, while **forgoing sensitive dual-use technologies such as uranium enrichment and plutonium reprocessing that can produce fissile material for nuclear weapons**. This will require a guaranteed supply of reactor fuel, so that new entrants to the nuclear energy market do not feel it necessary to produce their own enriched uranium.

In general, assessing **strategies against proliferating states**, multinational efforts have been shown to be more effective, and when deals are made they must be adhered to.

**Maintaining the NPT will require cooperation and shared commitments among the great powers.**

There is currently great concern that the tepid international response to North Korean and Iranian infringements of the NPT and their safeguards arrangements has damaged the credibility of the non-proliferation regime. These violations must not be overlooked or allowed to become a precedent, if the NPT regime is not to collapse, with severe implications for international security.

**Denuclearisation must remain the goal for resolving the North Korean nuclear issue**, not a policy limited to containment that leaves Japan and South Korea, in particular, facing a continued nuclear threat. A regional security arrangement might be considered for the future, but the priority for now should be removal of the plutonium and dismantlement of the nuclear weapons.

In dealing with the North Korean problem, and in the context of renewed debate over nuclear disarmament in Washington, the **US must ensure that Japan feels no weakening of the commitment to extended deterrence**. The US should also ensure that any form of regional architecture emerging from the Six Party Talks does not undermine the US-Japan alliance, its most important relationship in Asia. American participants offered reassurances that regardless of the result of the 2008 presidential election, the US would not downgrade its Japanese alliance in favour of accommodating China.

It is well understood that political realities will prevent Japan from extending any assistance to North Korea until there is some progress in addressing the abduction issue.

There is still time to address the **Iran nuclear issue** short of military action, but it will require both more attractive incentives, in the form of US engagement that goes well beyond the nuclear issue, and more compelling disincentives, in the form of credible, biting sanctions.

Consideration should be given to bringing Iran's neighbours into negotiations, akin to the Six Party Talks process. This would expand the united front against Iran, and help build a bulwark against others in the Middle East from seeking to match Iran's nuclear capabilities.

**The prospect for conflict in Asia and regional arms races**

**Despite the rise of China and its concomitant military modernization, major conflict in Asia is unlikely**. However, it remains possible, and cooperation among states will be essential to balance emerging powers and preclude the subordination of smaller states to their more powerful neighbours.

**US-Japan-China relations will be critical to long-term security of Asia.**

**Over the coming decades, a middle path will have to be charted between US and Chinese primacy**, without sinking into a rivalrous balance-of-power mechanism which could prevent meaningful international cooperation on transnational threats such as climate change, energy security and infectious diseases.

As well as China's rise, other regional power transitions, such as Korea's eventual reunification, will have to be managed without recourse to war.

To reduce tensions, **existing forums should be harnessed to prevent destabilizing arms races in the Asia-Pacific** and, although the situation differs from US-Soviet competition, nuclear arms control between American and China could forestall future rivalry.

One way of reducing tensions would be for **China and the US and its allies, particularly Japan, to recognize each other's legitimate defence interests**, and to refrain from depicting the other's activities (such as military modernization or ballistic missile defence) as destabilizing the region.