

# The 36th Policy Recommendations of The Japan Forum on International Relations

## Japan's Energy Strategy in the Age of Globalization

As energy is the foundation of both state and society, it is indeed a critical concern for any nation to secure it stably. Therefore, energy issues must primarily be addressed from a strategic point of view. The serious accident at TEPCO's Fukushima Daiichi nuclear plant, hit by the giant tsunami caused by the March 11 Great East Japan Earthquake, however, has heightened negative reactions to nuclear power in Japan, prompting some to leap straight to a "denuclearization first" conclusion without calm discussion on energy security strategy.

It goes without saying, of course, that best efforts should be made to improve the safety of nuclear power plants in the wake of this serious accident, and there are certainly grounds for discussing energy resources, including the pros and cons of nuclear plants, and the modalities of the power industry. Ensuring safety is vital. Yet such discussions should be accompanied by, and combined with, strategic deliberations on energy security. We need to be aware that energy resources are supplied via an increasingly integrated and unified global market, and our discussions should thus examine issues from the perspective of "Japan in the world." Given the rapid economic expansion of emerging and developing countries and the growth of the world population, expected to reach 9 billion in 2050, it is highly likely that energy supplies will become strained in the foreseeable future. We need to face up to the fact that Japan is particularly resource-poor and has an exceedingly low rate of energy self-sufficiency.

Accordingly, a major goal of energy strategy should be procuring a reliable energy supply at feasible costs and risks. The world is highly dependent on oil and gas supplies from the Middle East for its energy resources. Hence instability in the Middle East that threatens oil producers' supply capacities, or at maritime choke points such as the Straits of Hormuz and Malacca on routes connecting oil producing to consuming countries, could directly cause disruptions in the world energy supply. Thus, it is important to secure peace and stability in the Middle East while trying to increase supplies of

various kinds of energy from other regions. Regions outside the Middle East with vast energy resources include Russia, Australia, North America, Central Asia and Sub-Saharan Africa. However, careful handling is required here since, apart from Australia and North America, resource nationalism or the use of resources as a diplomatic card remains a risk. Russia, having not ratified a peace treaty with Japan yet, could hardly be said to be well-prepared for any full-scale cooperation with Japan.

Such geopolitical conditions pertinent to energy as described above might be altered substantially by the "shale gas revolution" originating from the US and spreading its repercussions globally. In the US and Canada, technological advances have rapidly made non-conventional gas and oil sources such as shale gas, shale oil and oil sands commercially viable. As a result, the US is even planning to export natural gas. This will not only evoke changes in Asian and European gas pricing, but may relativize the positions of Russia and the Middle East as energy suppliers. If the geopolitical center of energy were to shift to politically stable democratic countries such as the US and Canada, the global energy security landscape would improve significantly.

However, it is too optimistic to speculate that the "shale gas revolution" will immediately resolve global energy problems because many technological challenges have yet to be resolved. To avoid further dependence on fossil fuels, the use of which entails a

large environmental load, there is no other choice from a short- and medium-term perspective but to construct a comprehensive energy security system based on the best mix of more economical renewable energy and safer nuclear energy. It must not be forgotten that our country must choose from among tightly limited options for its energy strategy.

It is worth noting that the mainstream of the world opinion – with the exception of Germany, Switzerland, Italy and other countries that are successfully collaborating internationally in power transmission and other regards – has not turned negative on the use of nuclear power even after the March 11 Fukushima disaster. With the lessons of the March 11 nuclear accident in mind, major Western countries such as the US, the UK and France continue to operate existing nuclear reactors or have given the green light for new reactor construction while improving the levels of reactor safety and protection. Japan's neighbors, China and South Korea, as well as many emerging economies, such as Vietnam, India and Turkey, remain committed to a policy of actively promoting the use of nuclear power to meet their rapidly growing energy demands. Even the United Arab Emirates (UAE) and other Middle Eastern oil producers have been deciding or planning to introduce nuclear power plants in view of the possibility of crude oil exhaustion in the future. Needless to say, these moves are also linked with global efforts to prevent global warming. Mindful of all of these points, we offer the following 10 policy recommendations on the energy strategy that Japan should adopt and implement.

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Signed by  
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**ITO Kenichi**  
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### The Policy Recommendations

1. **Take Positive Action to Enhance the Global Energy Security Environment**
2. **Seek to Form an "East Asian Energy Cooperation System"**
3. **Ensure Stable Energy Supply through EPA and FTA**
4. **Pursue Further Proactive Energy Conservation Efforts and Disseminate These Globally**
5. **Take Advantage of the US-Originated "Shale Gas Revolution" to Promote Internationalization of the Natural Gas Market**
6. **Effectively Utilize Nuclear Power Stations While Making Utmost Efforts to Enhance Their Safety**
7. **Make Continued Contributions to the International Community in Pursuit of the Peaceful Use of Nuclear Energy by Enhancing and Maintaining the Safety of Nuclear Power Stations**
8. **Steadily Promote the Utilization of Renewable Energy**
9. **Cooperate in the Peaceful Use of Nuclear Energy as a Means of Reducing Greenhouse Gases**
10. **Continue and Step Up Efforts to Develop Thermonuclear Fusion**

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