

March 11th and Beyond
By Ambassador Keiichi Hayashi
(12 October 2011, at Daiwa Foundation)

Introduction

Great East Japan Earthquake was the most devastating disaster Japan had experienced since World War II and has been a cause of tremendous grief in the affected areas. But the period since then has also been one in which Japan received support from all over the UK and in which the strong ties between Japan and the UK were powerfully affirmed. We Japanese are grateful for the UK's calm, measured response to the disaster and the subsequent emergency at the Fukushima Dai-ichi nuclear power plant.

In addresses to the Diet and the United Nations General Assembly, Prime Minister Yoshihiko Noda announced his determination to tackle post-earthquake reconstruction, including the stabilization of the Fukushima nuclear power plant, and the nation's economic recovery.

Today I would like to present you with some basic facts and figures that I hope will speak for themselves on how Japan is moving forward towards overcoming this unprecedented disaster.

1 Great East Japan Earthquake and Tsunami

(1) Casualties and damage

The scale of the earthquake was one of the largest ever recorded in world history and certainly the severest ever in Japan. An area spanning 500 km was affected. The number of dead and missing has reached nearly 20,000.

Meanwhile, Japan's technological prowess and fundamental economic strength were visible and noted in many crucial respects. All of the twenty-seven Shinkansen bullet trains travelling at up to 270 kph in the affected region were brought to an emergency halt safely and there was not a single derailment or casualty. The number of people killed by collapsing buildings was relatively limited. Reforms after the Great Hanshin Earthquake of 1995 certainly played a crucial part in this outcome.

(2) Normal operations restored

Within a month the major railways and expressways were virtually all functioning normally, while supply chains were restored more speedily than at first expected. Japan's economy returned to normal earlier than anticipated and industrial production is in the process of being restored to pre-disaster levels. The livelihoods of the surviving victims in the devastated areas remain a problem. Makeshift homes for about 320,000 people (assuming three per household) were quickly made available.

(3) Fukushima nuclear accident

Concerning the accident at Tokyo Electric Power's Fukushima Dai-ichi nuclear

power plant, the Government has a roadmap leading to resolution of the accident: Step 1 has already been completed. Prime Minister Noda declared at the United Nations General Assembly that he wanted to complete Step 2, a “cold shutdown” of the reactors, by the end of the year. The next stage will involve the process of decommissioning the plant, which will take many years to complete.

In order to detect the radioactive impact on foodstuffs, careful monitoring is being carried out, therefore what is on the market should be deemed perfectly safe.

2 Policies of the Noda administration

(1) Recovery plan and financing

The first priority of the Government is the earliest possible recovery of the affected areas. In the next ten years, public funds of up to 190 billion pounds will be spent for this purpose. In order to meet the cost of reconstruction, Prime Minister Noda intends to raise income tax while freezing corporate tax reductions.

The reconstruction of the devastated areas aims not simply to recreate things as they were before the disaster but to take a leading role in bringing about the rebirth of Japan

(2) Reform of the social security and tax systems

The Government and the ruling Democratic Party of Japan now propose to finance these commitments in a stable way by progressively raising the consumption tax, or the Japanese equivalent of VAT, currently at 5 per cent or the lowest among the developed nations, to 10 per cent by the middle of this decade.

(3) Review of mid to long-term energy policies

The Government will review the basic energy plan for the period up to 2030. A concrete strategy and plan including the expanded development and use of renewable energy as well as transforming our society into one with more modest energy needs is expected by next summer.

(4) Issue of energy supply and demand

As a short-term issue in energy supply, among the 50 domestic nuclear power plants excluding Fukushima Dai-ichi, which is to be decommissioned, operations have been halted at 39 of them due to periodic inspections, while 11 remain in operation.

The supply of electricity has been greatly reduced after the disaster. There had been widespread concerns about possible power cuts this summer due to seasonal demand for air conditioning. However, amid calls for a 15 per cent reduction in power consumption, there was not a single power cut this summer after all. This was the case because of concerted action across society. Moreover, a variety of energy-saving goods has become available in the shops, such as LED

bulbs. Such ingenuity in the face of an energy crisis may well be a key to bringing about the socioeconomic transformation of our nation through which our society will become more sustainable and energy-saving in its life-style.

We have experienced such a phenomenon before. Japanese manufacturing industry responded to the oil shock in the 1970s by raising the energy efficiency of its production technology and is at the forefront of the world's efforts to tackle climate change. If Japan can again meet the needs of the times by upgrading its technology in energy conservation and by activating new energy sources, it can offer the world a good example of how to tackle the challenge of reducing CO₂ emissions caused by climate change.

3 The Asian and world economies

(1) The recovery of Japan and the world economy

With external trade accounting for more than one quarter of Japan's GDP, the importance to Japan of the revival of the world economy is clear. This disaster really brought home once more the close connection between world markets and the Japanese economy.

(3) Importance of the Asian Economy

The growing Asian economy is the key to the prosperity and stability of the world economy. Thirty years ago the region's share of world GDP was less than 15 per cent, while it has since expanded to 25 per cent.

One of the major reasons why such economic growth has been possible is the peaceful environment, as there has been no large-scale conflict in the region since the end of the Vietnam War in 1975. The United States, as a benign power, has been playing a pivotal role in this regard. The Japan-US Alliance has provided invaluable bases for US forward deployment in the region and has thus been described as a public good necessary to maintain the continued stability of the security environment in this region.

4 Security environment in East Asia

However, Asia is a region with significant potential risks from the security perspective. East Asia is a region with a large concentration of countries with military forces of more than a million strong. North Korea has approximately 1.2 million military personnel, China 2.3 million and Russia 1.05 million.

The most pressing risk to the region's stability is North Korea, which shows no sign of abandoning its bellicose behaviour, including its professed ambition of nuclear development. The sinking by torpedo of a South Korean warship, as well as the abrupt shelling of a South Korean island by the North Korean army, is still fresh in our minds. East Asia is also a region in which the military powers of the US, Russia and China find themselves standing side by side.

5 Japan's policies for maintaining security

(1) Japan's Security Profile

Japan's basic position must be to avoid any drastic change to the current regional military balance which has prevented a large-scale war in the region. For this, it is essential to deepen and enhance the Japan-US Alliance, which President Obama describes as "the cornerstone of East Asian security".

(2) The significance of the Japan-US Alliance

Japan has made strenuous efforts to maintain and strengthen the Japan-US Alliance. According to a statistical report by the US Department of Defense, Japan's Host Nation Support of more than \$4.4 billion far exceeds any other country that has US Forces stationed within its boundaries.

On top of Japan's large-scale financial support, in Okinawa, where 75 per cent of US bases in Japan are located, there is a huge social cost. Okinawa occupies an extremely important position with regard to security—it is located roughly in the centre of the chain of islands in the southern flank of Japan which are aligned along Japan's sea lanes leading through Southeast Asia to India and the Middle East.

Japan maintains its security alliance with the US as a public good or international asset not only for its own security but for the security and prosperity of the Asia-Pacific region as a whole.

(3) Japan's Basic Defence Force Concept and the principles governing the export of weapons

Japan must also maintain its own defence capability of the 250,000-strong Self-Defence Forces, to complement the Japan-US Alliance.

With its policy "Three Principles of Arms Exports", Japan does not export weapons or military technologies. The international trend is to seek to improve the performance of equipment in a cost-effective and balanced way through joint development and production. Faced with the financial constraints, Mr Seiji Maehara, the former Minister for Foreign Affairs and currently the chairman of the Policy Research Board of the ruling Democratic Party, has expressed his opinion that the Government should consider conducting a review of the Principles.

(4) Other forms of co-operation

In order to supplement the Japan-US Alliance, it is important to bolster co-operation in defence and security with other countries in the region that share the wish to deter security challenges to its peace and stability, such as Australia, Korea and India.

Any major changes in military build-up in the region should be conducted in a transparent manner. Uncertainty will only result in fears and suspicion causing tension, which would be harmful to the peaceful development of the region. For this purpose, along with confidence-building through security dialogue and

exchanges of personnel among the countries of the region, it is desirable to create and develop cooperative relations in non-traditional security fields as well.

6 Japan-UK co-operation

(1) The importance of Japan-UK relations

In order for Japan to recover, prosperity in Asia and the world is indispensable, and for this stability in Asia and the world is a prerequisite. The UK and Japan share the common principle of pursuing prosperity through open and free trade in a global environment of peace and stability.

(2) Japan-UK economic ties

Japan and the UK have developed extremely close economic relations. In terms of the total accumulated volume of Japanese direct investment, the UK, with 24 billion pounds, is the number two destination in Europe after the Netherlands.

The Great East Japan Earthquake and Tsunami reminded us of the deep connection between the two economies. The Japanese car factories in the UK account for half of the British car production and export. Some vehicle parts factories in the Tohoku region were severely damaged by the earthquake and the supply chain was disrupted.

In order to boost both the Japanese and British economies, the conclusion of a Japan-EU Economic Partnership Agreement is of paramount importance. Japan and the EU agreed to start the process for negotiations for an EPA in May and have started discussions to define the scope of the negotiations.

(3) Japan UK co-operation beyond economic relations

Japan and the UK share fundamental values including democracy, the rule of law, respect for human rights and a market economy. When Foreign Secretary Hague visited Japan in July of last year, he referred to Japan as “our closest partner in Asia” and spoke of how the two countries agree almost instinctively on a broad range of diplomatic policies. This convergence of views is graphically illustrated in voting patterns in the United Nations General Assembly. Japan and the UK vote the same way with remarkable frequency – over 95 per cent – in fact, more often than either country does with the US.

As Japanese Ambassador to the United Kingdom, it is my mission to seek to deepen our bilateral ties and to work towards the further development of both our countries.

Conclusion

There is no doubt that the earthquake and tsunami constitute one of the greatest challenges that Japan has ever faced. However, it is not the only one in our past. In the aftermath of the Great Kanto Earthquake, World War II or the Great Hanshin Earthquake, Japan did not simply restore itself. The challenging requirements for reconstruction prompted concentrated and concerted efforts for

renewal in new parameters, resulting in innovative urban planning and greater economic development.

The challenges for Japan are not limited to the earthquake but include the rebuilding of public finances, dealing with the ageing society and formulating new energy policies. The term “Japanisation” is sometimes used in the media to describe a situation which is better to be avoided and yet in which many countries in the developed world nonetheless find themselves.

However, I take issue with the idea that following in Japan’s footsteps is necessarily a bad thing. In facing these new trials that the world has not experienced before, history offers examples of the birth of new concepts and technological advances. Through its search to find a way forward in such daunting circumstances, Japan should and can provide a model for the world. As Sir Winston Churchill said: “[The pessimist sees difficulty in every opportunity. The optimist sees the opportunity in every difficulty.](#)” It is in this optimist spirit that Japan embarks on tackling the present challenges so that once again “Japanisation” becomes something that other countries aspire to achieve.