



## Sigur Center for Asian Studies

THE GEORGE WASHINGTON UNIVERSITY

# Cautious Optimism from Asia's Energy Security Debates

Meeting the energy demands of a growing economy is one of the primary challenges in the 21st century. This endeavor has led many states in Asia to consider whether to satisfy their energy needs through competitive “resource nationalism” or to instead rely on market-based approaches and better energy efficiency. These debates have profound implications for U.S. foreign policy in the region and took center stage at a roundtable on Energy Security Worldviews hosted by the Sigur Center for Asian Studies. Three experts who participated in a major Sigur Center research project presented their findings that there are relatively optimistic prospects for energy security in Asia, thus posing a challenge to prevailing assumptions and fears.

This research project studied how three foreign policy “schools of thought” contended for influence in the domestic energy security debates of several countries in Asia. The nationalist school argues that energy vulnerability demands greater national autonomy, mercantilist policies, and aggressive military strategies to realize these goals. Globalists, on the other hand, emphasize liberal market approaches and international regimes as solutions for the region’s energy demands. A third group, realists, focuses on geo-strategic international cost-benefit calculations.

In Japan, South Korea, and to a degree in China, coalitions of pragmatic realists and liberal globalists have thus far steered domestic energy debates away from

the nationalist camp. This Policy Brief explores energy debates in Asia, the factors underlying them, and the future outlook for energy security and U.S. foreign policy in the region.

## **The Resilience of Japan's Globalist-Realist Coalition in the Face of Disaster**

As an island nation with limited energy resources at home, Japan is keenly aware of its significant energy security challenge. The March 2011 accident at the nuclear reactor in Fukushima exacerbated an already stressed energy market in Japan and stalled the country's ambitious nuclear energy plans. Given a tense security environment with China's growing naval power looming nearby, instability in the Middle East threatening Japan's major source of fossil fuels, and the burgeoning energy demands of others in the region, one might expect Japan to drift toward more nationalist, mercantilist, and competitive energy and maritime strategies.

*Due to slower than expected economic growth, Japan's energy demand has risen at a more leisurely pace than predicted several years ago.*

However, Mike Mochizuki, an associate professor at The George Washington University's Elliott School of International Affairs, argued that there are a number of important reasons why Japan has adopted a more realist-globalist attitude to meet its own energy needs:

- China has a vast supply of energy resources at home, mostly in the form of coal. Nuclear energy will remain part of China's energy portfolio, but it will unlikely grow beyond its relatively small share today with debate focused mainly on safety concerns and the pace of development.
- China's slow moving bureaucracy has coped with energy security issues for decades without fundamental change.
- Even as it closely monitors the U.S. rebalancing to Asia strategy, China's political leadership is not overly concerned with losing access to sea-lanes necessary for the transit of its energy supplies.

Yet, Mochizuki conceded there are roadblocks Japan must overcome to avoid a surge of nationalist views. Japanese power companies resist efforts to expand the country's renewable energy sources at the expense of nuclear power. Lower gas prices may also reduce the incentive for Tokyo to shift further toward renewables. While pronuclear energy groups in Japan have seen their influence diminish in recent years, the country is still likely to see 15 to 20 percent of its energy needs met by nuclear power once a number of the nuclear plants come back online – though this figure is significantly lower than ambitious pre-Fukushima targets (50 percent by 2030) or preFukushima operating capacities (30 to 40 percent). Nevertheless, Mochizuki believed Japan should feel quite comfortable with its energy future.

## **The Rise of South Korean Globalists**

Like Japan, South Korea is unable to rely on its truncated supply of energy resources at home. Scott Snyder, a senior fellow for Korea studies and director of the Program on U.S.-Korea Policy at the Council on Foreign Relations, sensed that South Korean leaders have been closely observing and adapting Japanese energy policies. Steady access to energy is a prime component of South Korea's decades-long goal to transform itself into a modern state and a rising power in the region. However, South Korea's unique security environment vis-à-vis North Korea and Seoul's plans to become a major nuclear power exporter have presented distinct challenges for the country's energy strategies.

Snyder observed a clear shift within South Korea from one dominated by nationalists in the 1970s flirting with the idea of an indigenous nuclear arsenal and energy self-sufficiency to today's globalist-realist security strategy and globalist market-oriented energy policies. As evidence of this shift, he offered several points:

- Rather than insisting on a robust “nuclear sovereignty” in response to North Korea's nuclear weapon tests, Seoul has largely relied on U.S. security guarantees – including the possible reintroduction of U.S. tactical nuclear weapons into South Korea – to allay its security concerns.
- To demonstrate its willingness to become a responsible stakeholder in the nuclear energy field and a renewed focus on becoming a major nuclear exporter, South Korea moved to join a number of international regimes such as the IAEA and the Nuclear Suppliers Group.
- South Korean energy decisions are increasingly

less state-led and more market driven with significant input from private industry.

South Korea will likely be able to meet its energy needs through a combination of nuclear power and continued imports from the Middle East. The country's globalist worldview seems to have survived a critical test as a delicate compromise was reached in late April following almost five years of sensitive negotiations on a revised framework for future civilian nuclear cooperation between Washington and Seoul. Snyder had warned that nationalist outrage was possible if South Korean leaders saw the deal as unfairly denying them freedom in how to handle U.S.-origin nuclear fuel. In the absence of a satisfactory agreement, globalists who want South Korea to be as competitive as possible in the global nuclear export market (e.g. to be able to offer fuel enrichment, spent fuel reprocessing, and waste depository options) may have joined this coalition as well.

## **China's Pragmatic Realists**

While leaders in Japan and South Korea may obsess over energy security, Robert Sutter, a professor of practice of international affairs at The George Washington University's Elliott School of International Affairs, was surprised to find that China takes a more relaxed and pragmatic approach to the topic. There are certainly nationalists seeking to control global energy supply chains and suspect the United States of trying to cut off markets and sea-lane access to China. There are also globalists who implore leaders to focus on domestic energy efficiency, count on the global energy market, and trust U.S. benevolence and the international community to keep sea-lanes open. Sutter characterized the majority of Chinese decision-makers, however, as pragmatic realists who examine issues on a case-by-case basis rather than exclusively rely on either of the other schools of thought.

Energy debates in China are important to be sure, but considerably less dramatic and more "ho-hum" compared to the rest of the neighborhood. There are several reasons for this disparity:

- China has a vast supply of energy resources at home, mostly in the form of coal. Nuclear energy will remain part of China's energy portfolio, but it will unlikely grow beyond its relatively small share today with debate focused mainly on safety concerns and the pace of development.
- China's slow moving bureaucracy has coped



with energy security issues for decades without fundamental change.

- Even as it closely monitors the U.S. rebalancing to Asia strategy, China's political leadership is not overly concerned with losing access to sea-lanes necessary for the transit of its energy supplies.

As a result, China's pragmatic realists adopt energy policies on a case-by-case basis. On pipeline

*China's  
pragmatic  
realists adopt  
energy policies  
on a case-by-  
case basis.*

development and securing oil contracts, nationalist viewpoints may emerge on top. On energy efficiency investments, further integration with global energy market, and cooperation on sealane access, globalists may win out. Even as anti-U.S. rhetoric heats up, Sutter determined that China's energy policies and related maritime strategies remain largely unchanged. In other words, realists hedge their bets with policies from other schools of thought depending on the specific issue under discussion.

## **Future Outlook: The Role of the Public and Warning Signs**

There are two final trends worth noting while looking ahead to the future of energy security in Asia. First, the role of civil engagement in energy debates is evolving. Mochizuki believed that the voices engaged within Japan's energy debate have become more diversified with civil society concerned with nuclear safety and energy supplies. This is echoed in South Korea with public protests on safety and waste depository siting, the insistence on local referendums to decide nuclear matters, and uproar after controversies involving improper nuclear operators and suppliers. While China's decisionmaking remains centralized, its pragmatic realists will not entirely ignore cost and safety concerns raised by its citizens and industries.

Second, the roundtable's scholars were watching for potential developments that could disrupt today's optimistic outlook. While Mochizuki doubted that another oil shock or Middle East crisis would dislodge Japan from its realist-globalist coalition, he underlined that the U.S. commitment to protect sea-lane access and maintain the U.S.-Japan alliance is absolutely essential to prevent a surge of nationalist views. Likewise for South

Korea, the guarantee that America would be there for support in a potential conflict on the Korean Peninsula remains key. For the time being, the successful conclusion of the U.S.-South Korea civilian nuclear cooperation talks should reassure Seoul. According to Sutter, nationalists in China will closely monitor U.S. naval deployments in the region for possible threats to Beijing's ability to rely on sealane transit for its energy security. As these debates progress, it is clear that energy security remains a top challenge for Asia and U.S. foreign policy in the region.

*By Timothy Westmyer, Research and Program Assistant, Rising Powers Initiative, GWU*

---

### **About the Rising Powers Initiative and Sigur Center for Asian Studies**

The Sigur Center's Rising Powers Initiative examines how domestic political debates and identity issues affect international relations in Asia. The Policy Brief was supported by a generous grant from the the Carnegie Corporation of New York. RPI also acknowledges support from the MacArthur Foundation for research on maritime security that contributed to this project.



The Sigur Center for Asian Studies is an international research center of The Elliott School of International Affairs at The George Washington University. Its mission is to increase the quality and broaden the scope of scholarly research and publications on Asian affairs,

promote U.S.-Asian scholarly interaction and serve as the nexus for educating a new generation of students, scholars, analysts and policymakers. The Sigur Center houses the Rising Powers Initiative, a multi-year, multi-project research effort that studies the role of domestic identities and foreign policy debates of aspiring powers.

Sigur Center for Asian Studies  
Elliott School of International Affairs  
The George Washington University  
1957 E St. NW, Suite 503  
Washington, DC 20052

TEL 202.994.5886  
EMAIL [gsigur@gwu.edu](mailto:gsigur@gwu.edu)  
<http://www.gwu.edu/~sigur>  
<http://www.risingpowersinitiative.org>