

Annual Report

2014 - 2015

APEC Study Center

Columbia University



**Asia-Pacific
Economic Cooperation**

Letter from the Co-Directors

Columbia University's APEC Study Center (ASC) had an active 2014-2015 academic year during which it sponsored 11 conferences and symposia as well as four brown bag lunch seminars. In addition, the ASC core faculty participated in numerous high-level meetings and seminars in the United States and across the Asia-Pacific region. The ASC continued to encourage study of this region by supporting courses at Columbia Business School (CBS), the School of International and Public Affairs (SIPA), and elsewhere in the University. It also is actively involved in programs at the Asia Society and Korea Society in New York City.

Progress in regional cooperation in both APEC and ASEAN this year was overshadowed by the various geopolitical rivalries and difficulties in Northeast Asia, particularly over the South China Sea, amid slowing economic growth in emerging markets led by China. A brown bag titled "To Lose without Fighting? The U.S., China, Southeast Asia and the South China Sea" featured remarks by BBC reporter Bill Hayton, who encouraged the United States to be cautious in assuming China's intentions in the region; their actions should be seen in terms of Chinese national interest and self-preservation. Another event, "South China Sea: Pathways to Peace," hosted at the Asia Society, included a vibrant panel discussion with four top-level scholars who shed light on the variety of stakeholder claims over the Sea, which is believed to be home to vast amounts of energy and fish stocks, as well as being a main route for international commerce in the region.

Economic growth in the region was another focus of ASC programs. In "Asia 2015: The Experts Forecast," hosted at the Asia Society, Ian Bremmer of the Eurasia Group and Ruchir Sharma of Morgan Stanley, along with Josette Sheeran, the Asia Society's President and CEO, discussed key events, from Modi's election in India to the increased difficulties surrounding the South China Sea. At the Korea Society, "Asia & Pacific Regional Economic Outlook" featured the IMF's Changyong Rhee, who affirmed Asia's continuing status as the world's growth leader despite large swings in foreign exchange, recent natural disasters, and the slowdown in China and Japan.

ASC was also involved in two events focusing on the role of APEC and ASEAN during the year. Michael Plummer of Johns Hopkins SAIS joined ASC co-director Hugh Patrick to discuss the centrality of ASEAN and the United States' role within the organization. Professor Plummer stated that 'ASEAN centrality' is "both a goal – the vision of a united ASEAN acting collectively – and the means to achieve it; the expectation that members will coordinate policies in order to improve welfare." In "Success at the Summit: APEC 2014 and 2015," hosted by the Asia Society, panelists discussed the successes and landmark agreements seen in Beijing in 2014, and previewed the 2015 meetings in the Philippines.

The ASC's accomplishments and activities are made possible by the commitment and energy of the faculty and staff involved as well as the support provided by corporations, foundations, and individuals. The Corporate Sponsorship Program of annual contributions has been crucial to ensuring the Center's ongoing momentum. We are particularly grateful to the Lotte Group of Korea which has been a steadfast supporter throughout the years.



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Dean
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INTRODUCTION

A. APEC: A BACKGROUND

APEC was established in 1989 to further enhance economic growth and prosperity for the region and to strengthen the Asia-Pacific community. President Bill Clinton hosted the first Summit meeting of APEC member country leaders immediately following the APEC meeting in Seattle in 1993. This annual Summit Leaders Meeting provides an invaluable opportunity for all the leaders to discuss issues of mutual concern, as well as a well-utilized venue for “side-bar” bilateral meetings among major leaders as needed.

APEC is the only government institution whose membership includes virtually all the economies bordering on the Pacific Ocean, namely in Asia, the South Pacific, and the Western hemisphere. APEC's 21 member economies are: Australia; Brunei Darussalam; Canada; Chile; People's Republic of China; Hong Kong, China; Indonesia; Japan; Republic of Korea; Malaysia; Mexico; New Zealand; Papua New Guinea; Peru; The Republic of the Philippines; Russia; Singapore; Chinese Taipei; Thailand; United States of America; and Viet Nam. APEC has grown to become one of the world's most important regional groupings. Its 21 member economies are home to around 2.8 billion people and represent approximately 57 percent of world GDP and 47 percent of world trade in 2012 (\$35.8 trillion).

APEC is the only inter-governmental grouping in the world operating on the basis of non-binding commitments, open dialogue and equal respect for the views of all participants. Unlike the WTO or other multilateral trade bodies, APEC has no treaty obligations required of its participants. Decisions made within APEC are reached by consensus and commitments are undertaken on a voluntary basis. In addition, APEC has developed sets of basic, non-binding principles and standards to address a range of relevant policy issues.

Since its inception, APEC has worked to reduce tariffs and other trade barriers across the Asia-Pacific region, creating efficient domestic economies and dramatically increasing exports. Key to achieving APEC's vision are the “Bogor Goals,” adopted by leaders at their 1994 meeting in Bogor, Indonesia, which advocate free and open trade and investment in the Asia-Pacific by 2010 for industrialized economies and 2020 for developing economies. Over 30 bilateral free trade agreements (FTAs) have been concluded between APEC member economies. APEC is also pursuing trade and investment liberalization through a regional economic integration agenda. Some of its members have been instrumental in efforts to establish the Trans-Pacific Partnership (TPP), an agreement among 12 countries in the Asia-Pacific region, recently adding Japan. This agreement, which completed its 20th round of negotiations in July 2014, would account for nearly 40% of global GDP and a third of world trade. The 12 countries have made significant progress and the negotiations are on an accelerated track toward conclusion of an ambitious, comprehensive agreement. Other members, with some overlap, have been instrumental in establishing the Regional Comprehensive Economic Partnership (RCEP), which began negotiations in November 2012 to establish their own regional trade agreement. There is some possibility that eventually these two tracks will merge into a Free Trade Area for Asia and the Pacific (FTAAP), including all APEC members.

As a result of trade liberalization initiatives over the years, average trade tariffs in the region have been reduced from 16.9%, when APEC was established in 1989, to 5.2% by 2012. As a consequence, foreign direct investment into the APEC region grew at 9.2 percent per year from 1994 to 2012, while outflows from the region grew by 10.6 percent per year over the

same period. APEC economies' total trade with the rest of the world increased from \$3 trillion to \$20.5 trillion from 1989 to 2012, an almost sevenfold increase, outpacing trade in the rest of the world during the same period, which increased from \$4.6 trillion to \$22.7 trillion, a fivefold increase. In addition, trade within APEC trade grew from \$1.7 trillion in 1989 to \$9.9 trillion in 2010, nearly a sixfold increase. Since 1993, APEC's Economic and Technical Cooperation activities have resulted in the implementation of 1600 capacity building projects, around 100-150 per year, with a total value of over \$23 million for 2010-11. Growth has soared in the region, with real GDP doubling from just \$16 trillion in 1989 to \$31 trillion in 2013. Residents of the Asia-Pacific saw their per capita income rise by 45 per cent.

Academic support for APEC activities is provided through the APEC Study Center consortium, of which Columbia University is a member; by the tripartite Pacific Economic Cooperation Committee, in which Dean Janow and Professor Patrick have actively participated as U.S. members; and by the policy-oriented academic conferences and networking of PAFTAD (Pacific Trade and Development Program), of which Professor Patrick was a founding member in 1968 and chair of its International Steering Committee until 2005. Both professors are also founding members of the U.S. Asia Pacific Council which, along with the East-West Center, now takes an active role in organizing these academic, business and governmental activities, and serves as the U.S. member of the Pacific Economic Cooperation Council.

For more information about APEC, please see the APEC Secretariat's website at www.apecsec.org.sg.

B. THE APEC STUDY CENTER AT COLUMBIA

Columbia University established the APEC Study Center (ASC) in 1994 at the request of the U.S. Department of State in response to the APEC Leaders' Education Initiative. This Initiative was introduced by President Bill Clinton and endorsed by the leaders of the other APEC member nations at their historic 1993 meetings mentioned above. It calls on institutions of higher education in the United States and throughout the Asia-Pacific to collaborate on Asia-Pacific policy research, and to help establish—through exchanges, joint research, conferences and other contacts—an emerging region-wide network of personal and institutional relationships for all member economies. The ASC is co-directed by Dean Janow and Professor Patrick.

Columbia University has long been a leading center for the study of China and Japan, with one of the oldest and most highly regarded programs of study in these areas, including one of the nation's largest concentrations of specialists in East Asian affairs. Over the years, the University has built upon its global reputation for academic excellence and policy relevance in these areas, adding the study of Korea, Southeast Asia, India, and U.S. relations with East Asian countries to its core expertise in Chinese and Japanese studies.

The ASC core faculty, representing a number of Columbia's 13 professional schools, is engaged in the study of business, economics, development, health, political science, security, law, and other matters that impact the Asia-Pacific region. Reflecting its broad mandate, the ASC is jointly administered under the School of International and Public Affairs (SIPA) and the Columbia Business School (CBS). It works closely with CJEB, of which Professor Patrick is director and Dean Janow is a core member of the faculty. The ASC supports faculty research projects where appropriate and requested, but many activities are highly decentralized. For example, Nobel Prize winner Professor Joseph E. Stiglitz, an ASC faculty member, travels

extensively and is actively involved in the Asia-Pacific region, and has made major contributions to macroeconomics and monetary theory, development economics and trade theory, public and corporate finance, and theories of industrial organization and rural organization in the region.

The ASC enhances the University's rich tradition of research, conferences, lecture programs, and teaching on the Asia-Pacific region by serving as the focal point of study on issues of business and economic importance for the region. The focus of the Center's activities are twofold: the institutional arrangements and public policy issues related to the APEC forum itself; and consideration of the economic, trade, legal, and political dimensions of the APEC member countries and their efforts at increased regional integration and cooperation. In this way, the Center is focused on policy matters affecting the region as a whole and in a multidisciplinary fashion.

For more information, please see the Columbia ASC webpage at www.gsb.columbia.edu/apec.

C. INSTITUTIONAL COOPERATION

There are currently five other active university-affiliated APEC Study Centers in the U.S. They are: Brandeis/Brown University; University of California at Berkeley; University of Hawaii/East-West Center; University at Buffalo-SUNY; and Washington State University.

In order to improve interaction among U.S. APEC Consortium members and other individuals and groups concerned with APEC issues, Columbia University's ASC collaborates in the development of a range of activities, including the organization of substantive conferences in connection with regular meetings of Consortium members; extending invitations to interested scholars at other APEC Study Centers to attend conferences; compiling information on academic classes on APEC-related subjects; and supporting faculty and student exchanges at universities and institutions that are Consortium members. None of the American ASCs receive direct funding from the U.S. government; their activities are thus constrained by budget limitations.

Internationally, most of the APEC member economies have established their own ASCs, typically funded by their governments and located at government-selected universities or research institutes. As in the United States, their broad purposes are to establish further economic cooperation and provide information to that country's officials, academics, business people, and the public. Columbia's ASC is a member of this international consortium of ASCs.

II. CORE FACULTY

In addition to co-directors Professor **Hugh Patrick** and Dean **Merit E. Janow** (see section VI for full bios), the APEC Study Center draws upon a strong core faculty of Asia and discipline specialists within Columbia University: Columbia Business School (CBS); the School of International and Public Affairs (SIPA); Columbia Law School (CLS); Barnard College; and the Graduate School of Arts and Sciences (GSAS). Many are also affiliated with the Weatherhead East Asian Institute (WEAI).

Charles Armstrong, Korea Foundation Professor of Korean Studies in the Social Sciences, Department of History; Core Faculty, WEAI

David Beim, Professor of Professional Practice, Department of Finance and Economics, CBS; Bernstein Faculty Leader, Sanford C. Bernstein & Co. Ethics Fellow, Sanford C. Bernstein & Co. Center for Leadership and Ethics, CBS

Jagdish Bhagwati, University Professor, Economics, Law and International Affairs; Senior Fellow for International Economics, Council on Foreign Relations

Gerald Curtis, Burgess Professor of Political Science, Department of Political Science; Director, Toyota Research Program and former Director, WEAI; Senior Research Fellow, The Tokyo Foundation; Core Faculty, WEAI and CJEB

Carol Gluck, George Sansom Professor of History, Department of History; Professor of East Asian Language and Cultures, Department of East Asian Languages and Cultures; Director, Publications Program and Core Faculty, WEAI

Glenn Hubbard, Dean, Russell L. Carson Professor of Finance and Economics, CBS; Co-Director, Richard Paul Richman Center for Business, Law, and Public Policy at Columbia University; Core Faculty, CJEB

Xiaobo Lü, Professor of Political Science, Barnard College; Core Faculty, WEAI

Curtis J. Milhaupt, Fuyo Professor of Japanese Law; Parker Professor of Comparative Corporate Law; Director, Center for Japanese Legal Studies, CLS; Core Faculty, WEAI and CJEB

Ann Marie Murphy, Associate Professor, School of Diplomacy and International Relations, Seton Hall University; Fellow, National Asia Research Program; Associate Fellow, The Asia Society; Senior Research Scholar, WEAI

Andrew Nathan, Class of 1919 Professor of Political Science; Core Faculty, WEAI

Joseph E. Stiglitz, University Professor of International Affairs, Economics and Finance, CBS, GSAS, and SIPA; Co-Founder and Co-President, Initiative for Policy Dialogue; Co-Chair of the High-Level Expert Group on the Measurement of Economic Performance and Social Progress, Organisation for Economic Co-operation and Development (OECD); Core Faculty, CJEB

Shang-Jin Wei, Chief Economist, Asian Development Bank; former Professor of Finance and Economics, Professor of International Affairs, and N.T. Wang Professor of Chinese Business and Economy, CBS and SIPA

David E. Weinstein, Chair and Carl S. Shoup Professor of the Japanese Economy, Department of Economics; Director of Research, CJEB; Core Faculty, WEAI and CJEB

Madeleine Zelin, Dean Lung Professor of Chinese Studies; Professor of History, Department of East Asian Languages and Cultures and Department of History; Core Faculty, WEAI

III. PROGRAMS AND ACTIVITIES

The ASC organized and sponsored 15 conferences, workshops, and lectures in 2014-15. Reports are available for these events at www.gsb.columbia.edu/apec. Typically, the ASC cosponsors these programs with other academic organizations at Columbia, notably with the Weatherhead East Asian Institute (WEAI). It also cosponsors relevant programs at the Asia Society, The Korea Society, and Japan Society in New York. Many Columbia faculty members are also actively involved throughout the year in various dimensions of Asia-Pacific relations; since those activities are highly decentralized, no effort is made to describe them here.

A. CONFERENCES AND WORKSHOPS

1. ***The Future of the Korean Peninsula***, held August 20-21, 2014 at Columbia University. The 29th Annual ROK-US Security Conference was a two-day conference featuring panel discussions and keynote addresses from ambassadors, prominent scholars, and policy practitioners engaged in research policy on the Korean Peninsula, United States, and East Asia. Keynote addresses were given by General David H. Petraeus; Yong Ok Park, Former Defense Minister of South Korea; Oh Joon, ROK Ambassador to the United Nations; Victor Cha, D.S. Song Chair in the Department of Government and School of Foreign Service and director of Asian Studies at Georgetown University; former Director for Asian Affairs at the U.S. National Security Council. Panels were held on “Changes and Continuity in the Korean Peninsula: Whither North Korea?”; “Unification Policy and Regime Survival, South and North Korea”; “Peaceful Unification of the Korean Peninsula and the Regional Powers’ Strategic Interests”; “Korea’s Peaceful Unification and International Cooperation”; and “Wrap Up and a Way Forward: The Future of the Korean Peninsula.” A full agenda can be found at <https://www.eventbrite.com/e/the-29th-rok-us-security-conference-the-future-of-the-korean-peninsula-tickets-11937686943>. It was cosponsored by 17 organizations including WEAI and the Korea Society.
2. ***The North Korean Human Rights Conundrum***, held November 6, 2014 at Columbia University. Greg Scarlatiou, Executive Director of the Committee for Human Rights in North Korea, addressed many sides of the North Korean human rights situation, including the oppression that exists to maintain the status quo. He discussed the UN Commission of Inquiry report on North Korean human rights, along with its international legal framework. In closing the program, Mr. Scarlatiou addressed the Kim regime’s longevity and the possibility of the erosion of their power. This event was organized by WEAI and the Department of East Asian Languages and Cultures at Columbia University.
3. ***South China Sea: Pathways to Peace***, held November 12, 2014 at the Asia Society. This event engaged four top-level scholars to examine the ways in which the South China Sea dispute could be ameliorated while evading catastrophic conflict between the major players – particularly China, Japan, the U.S., the Philippines, and Vietnam. Peter Dutton, Professor of Strategic Studies and Director of the China Maritime Studies Institute at the U.S. Naval War College, Robert Kaplan, Chief Geopolitical Analyst at Stratfor and foreign correspondent at *the Atlantic*, Holly Morrow, Fellow, Geopolitics of Energy Project, Belfer Center for Science and International Affairs at Harvard University, and Zha Daojiong, Professor of International Political Economy at Peking University joined Orville Schell, Arthur Ross Director of the Center on U.S.-China Relations at the Asia Society for the discussion. This highly divisive international dispute is characterized by well-established

stakeholder positions and an overlapping assortment of claims, based on both legal codes and ancient tracts. Below the South China Sea, there are believed to over 10 billion barrels of oil and almost 200 trillion cubic feet of natural gas, along with expansive fisheries. The sea's waterways are also critical for international commerce, as about 50% of oil trade passes through it.

4. **Reflections on Korea: In Conversation with Ambassador Stephen Bosworth**, held December 5, 2014 at the Korea Society. Stephen Bosworth, senior fellow at the Belfer Center of Harvard Kennedy School, reflected on his years of professional and personal commitment to Korea in a discussion moderated by Stephen Noerper, senior vice president at the Korea Society. Ambassador Bosworth served as director of the Korean Peninsula Energy Development Organization (KEDO), U.S. Ambassador to the ROK, dean of the Fletcher School of Law and Diplomacy, and U.S. Special Representative for North Korea Policy. Ambassador Bosworth catalogued his rewarding experience as the inaugural Director of KEDO, negotiating with complicated actors in the region, to his ambassadorship in Seoul, which coincided with the Asian financial crisis of the late 1990s. He then discussed his transition into academia and subsequent part-time return to public service as the Obama Administration's Special Representative for North Korea, which he found to be more challenging than his earlier pursuits on the peninsula. Ambassador Bosworth spent much of the talk debunking the myths of American foreign policy toward Korea. He stated that the people of the North and the South are not fundamentally different, but that the Northern citizens are subject and accustomed to a vile regime. Additionally, the regime is not temporary, and any effort of U.S. policymakers to believe that truth will be of great benefit to further relations. Further, the North Koreans are capable of rational negotiation and keeping agreements; Ambassador Bosworth used his experiences with KEDO to explain this reality.
5. **Success at the Summit: APEC 2014 and 2015**, held December 16, 2014 at the Asia Society. This event featured a panel of APEC "insiders," including Doris Ho, chair of the APEC Business Advisory Council; Guillermo Luz, Private Sector co-chairman of the National Competitiveness Council; Robert Wang, U.S. Senior Official for APEC; and Monica Whaley, president of the National Center for APEC. Moderated by Josette Sheeran, president and CEO of the Asia Society, the event addressed APEC's broad themes of consensus, cooperation and economic prosperity, assessed the successes of the most recent meetings in Beijing, and provided a preview of the following year's summit in the Philippines. Panelists discussed their interpretations of the landmark agreements and media attention of China's host year and the key, yet evolving role of the private sector in advising and implementing deliverables. The Philippines plan to host a forum focused on inclusion and regional development issues. This event was co-sponsored by the U.S.-APEC Business Coalition.
6. **Asia 2015: The Experts Forecast**, held December 17, 2014 at the Asia Society. This event featured three experts on Asia: Ian Bremmer, president of Eurasia Group; Ruchir Sharma, head of Emerging Markets and Global Macro at Morgan Stanley Investment Management; and Ms. Sheeran. Together, they discussed 2014 predictions made by Tom Nagorski, executive vice president of the Asia Society. A few of Mr. Nagorski's 14 predictions of "what might happen in Asia in the coming year" came to fruition: Joko Widodo of Indonesia and Narendra Modi of India won office, and elections in Afghanistan proved relatively peaceful. However, as of this event, the nuclear deal with Iran had not been signed by P5+1 countries. Further, there were many global crises that affected the region in 2014: the rise of ISIS, the Russia / Ukraine conflict, and added aggression to

ongoing disputes in Northeast and Southeast Asia. Given these 2014 events, the panel weighed in on their predictions Asia in 2015. Mr. Nagorski moderated the conversation.

7. **24th Annual Graduate Student Conference on East Asia**, held February 20-21, 2015 at Columbia University. This was a forum for promoting and circulating new ideas within East Asian studies and an opportunity to engage with fellow graduate students across disciplinary and regional frontiers. Participants explored categories such as nation, society, politics, objects, space, economics, race, class, mind, identity, culture, body, art, and nature. They focused particularly on work that crosses national, temporal, and disciplinary boundaries in order to critically rethink the categories that both bind and sub-divide area studies.
8. **Thailand Update: One Year After the May 2014 Coup: Where is Thailand Heading?**, held May 1, 2015 at Columbia University. This all-day conference, organized by Duncan McCargo, senior research affiliate at WEAI and professor of political science at the University of Leeds considered the prospects for post-coup Thailand and Southeast Asia more broadly. It featured presentations from prominent panelists including Pitch Pongsawat of Harvard University and Chulalongkorn University, Tyrell Haberkorn of the Radcliffe Institute and The Australian National University, Pinkaew Laungaramsri of Harvard University and Chiang Mai University, Napat Jatusripitak, a Ph.D. student at the University of Minnesota, Joseph Liow, senior fellow at the Center for East Asia Policy Studies, Lee Kuan Yew, chair in Southeast Asia Studies at the Brookings Institution, Frank Munger, professor of Law and co-chair of the Law and Society Program at New York Law School, Sudarat Musikawong, associate professor of Sociology at Siena College, and Kriangsak Teerakowitkajorn, Ph.D. student and teaching assistant at Syracuse University. This event was cosponsored by the New York Southeast Asia Network.
9. **KORUS FTA and the Korea-U.S. Economic Partnership**, held May 5, 2015 at the Korea Society. Ambassador Gheewhan Kim, in his first major appearance in his new role as the consul general at the Korean Consulate General in New York, reflected on the KORUS FTA and the future of the Korea-U.S. economic partnership. KORUS entered into force over three years ago and, as a result, Korea has risen to be the U.S.'s sixth-largest trading partner, surpassing both the U.K. and France. Trade volume has risen 11.6% from \$103.6 billion in 2013 to \$115.6 billion in 2014. Further, Korean investment in the United States rose 16.8% to \$6.25 billion in 2014, which has contributed to the strengthening of the U.S. economy. Ambassador Kim shared his vision for deepening economic cooperation and addressing mutual global economic issues. This session was moderated by Korea Society president Mark Minton.
10. **Asia & Pacific Regional Economic Outlook**, held June 5, 2015 at the Korea Society. Changyong Rhee, director of the Asian and Pacific Department at the International Monetary Fund, discussed the general economic outlook for the region over the medium term in an event moderated by Mr. Minton. Despite heterogeneity and a prospected slowdown, Asia continues to be, and is projected to remain, the global growth leader. Asia accounts for 40 percent of world GDP, but vulnerabilities exist for sustained growth; large swings in the foreign exchange market, coupled with structural delays and other variables, may disrupt this trajectory. Furthermore, while India is expected to grow to approximately 7.5 percent in 2016, China and Japan have slowed down. As was seen with the recent catastrophic earthquake in Nepal, climate change and natural disasters play a significant role in Asia and its economies. Focusing on Korea, Rhee stated that Koreans are accustomed to a high growth rate due to government policy; for sustained economic

growth, Korea should limit macro interventions and research other structural reform policies. Additionally, foreign banks are leaving Korea due to market saturation and an inability to keep up with domestic players.

11. ***Korea and the Asian Infrastructure Investment Bank***, held June 18, 2015 at the Korea Society. The Republic of Korea recently joined the newly created China-led Asian Infrastructure Investment Bank (AIIB), whose goal is to finance infrastructure development projects in Asia. This event featured a discussion with David Dollar, senior fellow at the Thornton China Center at Brookings, and was moderated by Dr. Noerper. Dr. Dollar touched on topics such as China's leadership of the bank and the controversial position of the United States as a result; Korea's entry into the bank despite the United States's disapproval; and the Bank's relative position to other multilateral organizations such as the IMF and the World Bank. Dr. Dollar mentioned that his initial reaction to the AIIB announcement was very positive because of the large infrastructure needs in Asia. However, the U.S. government handled this development badly, with poor coordination between agencies. Many allies of the United States joined the AIIB, so the United States inadvertently entered a diplomatic fiasco. Dr. Dollar stated that he suspects that relevant U.S. officials talked to Korean officials about their concerns, and Korea joined the AIIB to inspect the Bank's transparency first-hand. The media overstated the severity of the disagreement. China is Korea's largest trading partner and, as such, Korea's economy is tied to the success of China. Dr. Dollar asserted that he predicts that the AIIB will have a lot of exchanges with the existing banks, but there will also be some competition. For example, its existence has the World Bank worried about their inefficient bureaucracy. In closing, he mentioned that North Korea approached China about joining the AIIB but were rebuffed, since there was not enough information about their economy to assess their borrowing capability.

B. BROWN BAG LUNCH LECTURE SERIES

The ASC co-sponsors and actively supports and promotes "Brown Bag" luncheon seminars, which are generally organized with and held at WEAI. These highly informative, informal gatherings include a question-and-answer session. Four ASC-sponsored seminars were held in 2014-15:

1. ***ASEAN Centrality and the ASEAN – U.S. Economic Relationship***, held October 3, 2014 at Columbia University. This event featured Michael Plummer, director of SAIS Europe and Eni Professor of Economics at Johns Hopkins University, and was moderated by Professor Patrick. Professor Plummer featured arguments from his recently co-authored book, *ASEAN Centrality and the ASEAN-U.S. Economic Relationship*. As the region becomes an economic center of growth in today's world, ASEAN, the Association of Southeast Asian Nations, has encountered a new and enhanced role for itself. To Professor Plummer, 'ASEAN centrality' is "both a goal – the vision of a united ASEAN acting collectively – and the means to achieve it; the expectation that members will coordinate policies in order to improve welfare." Due to the region's diversity, both economically and politically, ASEAN centrality will be difficult to achieve. However, Professor Plummer stated that its "potential benefits provide an important incentive to pursue an ASEAN-centric approach." Further, Professor Plummer argued that ASEAN centrality would benefit China and the United States as they continue to engage in dialogue with the Association. This event was co-sponsored by WEAI.

2. ***To Lose Without Fighting? The U.S. China, Southeast Asia and the South China Sea***, held October 20, 2014 at Columbia University. This event featured remarks by BBC reporter Bill Hayton on his new book, *The South China Sea: The Struggle for Power in Asia*, published by Yale University Press. During the session, which was moderated by Kristy Kelly, associate research scholar at WEAI, Mr. Hayton emphasized that the United States may “lose without fighting” in the region. This key phrase in his book is a play on a quote of Sun Tzu: “to win without fighting.” Mr. Hayton asserted that the United States should be cautious in their assumptions regarding China’s intentions in the region; China’s actions may not be provocations or deliberate moves to fractionalize U.S. alliances in Asia. Hayton argued instead that China’s actions should be reconsidered to take into account history and their national self-interest and preservation. This event was co-sponsored by WEAI, the Southeast Asian Student Initiative (SEASI), and the Asian American Journalists Association at Columbia University.

3. ***From Nationalism to Globalism: Toward a Korean History Narrative Beyond Ideological Contention***, held March 23, 2015 at Columbia University. Djun Kil Kim, Professorial & Research Chair at the Samsung Korean Studies Program, College of Arts & Sciences, University of Asia & the Pacific, began his talk with an overview of “historical perspectives,” or *sagwan*, in traditional and modern Korea. Traditional perspectives included Confucian, Buddhist, and Neo-Confucian; modern perspectives included nationalist, colonial, Marxist, North Korean, Positivist, and Neo-nationalist. Professor Kim proposed a new “globalist view” of how great civilizational doctrines, such as Buddhism, Neo-Confucianism, Communism, and American functionalism, transformed Korea, focusing mainly on two tragic historical events of the twentieth century: colonialism and national division. A global approach to these events, Professor Kim suggested, would move beyond modern views of history to fully grasp the modern, united, and globalized Korea of the twenty-first century. This event was organized by the Center for Korean Research.

4. ***Dealing in Desire: Asian Ascendancy, Western Desire, and the Hidden Currencies of Global Sex Work***, held March 25, 2015 at Columbia University. Kimberly Kay Hoang, assistant professor of sociology and international studies at Boston College, described her findings regarding the ascendant economies of the Asia-Pacific, particularly Vietnam, through a 15-month stint working in several “hostess bars” which Asian businessmen would frequent (she wrote a book with the same title as this talk chronicling her experiences). Vietnam’s economy has grown 8% per year since joining the WTO in 2007, and the attitudes of its businessmen show it; they spend \$1,000 - \$2,000 per night in these bars, and are quick to display their cash and demonstrate their success. This talk was moderated by Jayne Werner, research scholar at WEAI, and cosponsored by WEAI and the Southeast Asian Student Initiative.

C. OTHER PROGRAMS AND MEETINGS

ASC faculty members participate in a wide range of Asia-Pacific academic activities, including meetings and conferences, which are too numerous to list in detail. Some of those events that involved the ASC’s co-directors or core faculty are listed below.

1. ***Challenges Facing the World Trading System***, New York, September 30, 2014. Dean Janow organized and welcomed participants to this high-level conference. She also chaired a panel on “Doha and its Aftermath” and participated in a panel on the “Trans

Pacific Partnership: Perspectives from Japan.” Professor Patrick chaired and participated in the latter panel.

2. **Columbia University Seminar on Southeast Asia in World Affairs**, New York, November 2014 – April 2015. Professors Patrick, Jayne Werner of Columbia University and Ann Marie Murphy of Seton Hall University co-chair this annual seminar. Members include academics and professional specialists in business, law, the media, and the non-profit world. This year, there were five lectures:
 - a. *Southeast Asia’s Strategic Environment* by Dr. Joseph Chinyong Liow, Lee Kuan Yew Chair in Southeast Asian Studies, Brookings Institution; Professor and Associate Dean, S. Rajaratnam School of International Studies, Nanyang Technical University, November 12, 2014.
 - b. *Dealing in Desire: Asian Ascendancy, Western Decline and the Hidden Currencies of Global Sex Work* by Dr. Kimberly Kay Hoang, Assistant Professor, Boston College, March 25, 2015.
 - c. *Who Can Be Killed With Impunity and Who Cannot Be Impugned in Thailand*, Dr. Tyrell Haberkorn, Visiting Fellow, Radcliffe Institute for Advanced Study, Harvard University, and a Fellow, Department of Political and Social Change, Australian National University, April 30, 2015.
3. **NYU Asia Policy Seminar**, New York, November 11, 2014. Professor Patrick participated in a freewheeling discussion with Edward Lincoln, Professorial Lecturer at George Washington University. Professor David Denoon, director of the NYU Center on U.S.-China Relations, served as moderator. They discussed the “Prospects for the Japanese Economy.”
4. **Sanya Forum**, Hainan Province, China, December 12-14, 2014. Dean Merit E. Janow attended and provided remarks at the Sanya Forum, a gathering of leaders in politics, business and academia representing the USA, China, Europe, the Americas, and Asia. The group discussed topical issues in global finance and trade and proposed solutions to pressing global challenges.
5. **Gabriel Silver Memorial Lecture featuring Roberto Azevedo**, New York, NY, February 9, 2015. Dean Janow moderated a discussion with Mr. Azevedo, director-general of the World Trade Organization, about the multilateral trading system and the future of the WTO.
6. **A Fireside Chat with Takatoshi Ito and Gerald Curtis**, New York, NY, February 23, 2014. Dean Janow moderated a discussion with Professors Takatoshi Ito and Gerald Curtis of Columbia University on the subject of Japan’s economic prospects, U.S.-Japan and regional relations, and trade and investment trends and challenges in Japan and Asia more broadly.
7. **Transatlantic Trade and Investment Partnership (T-TIP) Negotiations Lecture**, New York, NY, February 26, 2015. Dean Janow moderated a discussion with Seward (Skip) Jones, Executive Director, Europe and Eurasia International Trade Administration, U.S. Department of Commerce, on the status of the ongoing T-TIP negotiations and the opportunities that the T-TIP will provide to businesses in both the United States and Europe, as well as its larger impacts on global trade.

8. ***The U.S. and Japan: Allies, Global Partners, and Friends for the Future***, New York, NY, January 13, 2015. Dean Janow moderated a discussion with Daniel R. Russel, assistant secretary of state for East Asian and Pacific Affairs, U.S. State Department, on the U.S.-Japan alliance and key issues facing both nations and the relationship moving forward. The event was sponsored by the Japan Society.
9. ***A Meeting with a Delegation from the China Institutes for Contemporary International Relations (CICIR), Led by Dr. Hu Jiping***, New York, April 16, 2015. Professors Patrick and Gerald Curtis participated in this important roundtable meeting with Chinese academics organized by the National Committee on American Foreign Policy's Forum on Asia-Pacific Security.
10. ***KEI's 2015 Advisory Council Meeting***, Washington, DC, April 17, 2015. As a Council member, Professor Patrick attended this meeting which discussed the issues for Korean reunification and the current state of relations between Korea and Japan.
11. ***Challenges of Womenomics: Enhancing Women's Leadership in Japan***, New York, NY, May 1, 2015. Masako Mori, Member of the Japan House of Councillors and Former Minister in charge of Supporting Women's Empowerment and Child-Rearing, provided keynote remarks on enhancing women's leadership in Japan and participated in a panel discussion with Dean Merit E. Janow and Professor Takatoshi Ito. This event was co-hosted by SIPA and CJEB.
12. ***Meetings***, Tokyo, Japan, May 7–28, 2014. Professor Patrick met with Japanese business leaders, policy makers, and academics. At CJEB's annual Tokyo conference on May 21, "Japan's Changing Corporate Governance," he moderated both keynote speeches: "Productivity Change and Corporate Governance: Japan and the United States" by Professor Bruce Greenwald, Robert Heilbrunn Professor of Finance and Asset Management at CBS, and "New Dawn of Corporate Governance in Japan" by Yasuchika Hasegawa, Chairman of Takeda Pharmaceutical Company Ltd. Professor Patrick also delivered closing remarks.
13. ***The E15 Initiative on Digital Economy***, New York, NY, May 13, 2015. Dean Janow hosted the first in a series of meetings of the E15 Initiative, which convenes world-class experts and institutions to examine the challenges and opportunities that the growth of the digital economy creates for trade and development around the world. Co-led by Dean Janow, the E15 Initiative will identify constraints and areas for improvement in the global trade system and propose specific options for governance of trade in a digital economy. E15 is a joint program of the World Economic Forum and the International Center for Trade and Sustainable Development.
14. ***Meetings***, Seoul, Korea, June 7-12, 2015. Professor Patrick met with policy makers, business leaders, academics and students from Seoul National University.
15. ***The 37th Pacific Trade and Development (PAFTAD) Conference: Asia and the Middle-Income Trap***, Singapore, June 3-5, 2015. Professor Patrick attended this annual conference, and chaired a discussion session titled "India: Escaping Low-Income Traps and Averting Middle-Income Ones." Other sessions included "Resilience and Escaping Development Traps: Lessons for Asia-Pacific Economies"; "Can China Rise to High Income?"; "Escaping the Middle-Income Trap: Governance and Institutions"; "Escaping the Middle-Income Trap: Trade, Investment, and Innovation"; and "Prospects for Asian Countries to Successfully Negotiate the Income Trap."

16. *Demystifying the AIIB: Implications for China, Japan & the U.S.*, New York, NY, June 16, 2015. Dean Janow moderated a panel discussion hosted by the Japan Society and China Institute on the newly established Asian Infrastructure Investment Bank (AIIB), an initiative by China to provide financing for infrastructure projects in Asia. The panel explored the purpose and motivation for the AIIB and whether the United States and Japan should engage it.

D. GRADUATE STUDENT FELLOW PROGRAM

The ASC continued its successful Graduate Student Fellow (GSF) program. GSFs attend and report on various events throughout the year, and help promote events to their fellow students. Two graduate students served as GSFs this year: Jenna Barzelay at SIPA, with a concentration in international finance and economic policy, and Joseph Maruchek at CBS.

IV. DISCUSSION PAPERS

The APEC Study Center added the following Discussion Paper to its series during 2014-15. These paper is available at www.gsb.columbia.edu/apec/discussionpapers.

77. Next Great Industrial Transmigration: Relocating China's Factories to Sub-Saharan Africa, Flying-Geese Style?, by Terutomo Ozawa, Professor Emeritus of Economics, Colorado State University, April 2015.

V. ACADEMIC COURSES

There are a substantial number of courses taught at Columbia Business School (CBS), Columbia Law School (CLS), and the School of International and Public Affairs (SIPA) that are directly relevant to the ASC through the combinations of their substantive and country specific or regional focus. In addition to courses in history and political science, the following graduate courses, offered during the 2014-15 academic year, were particularly relevant for students interested in APEC.

CHINA AND INTERNATIONAL LAW

This seminar was offered at CLS in the spring, and taught by Thomas Kellogg, Lecturer-in-Law and Anthea Roberts, Professor of Law. Over the past thirty years, China has gone from one of the most isolated countries in the world to a major player in international affairs, a leading exporter, and a much more influential voice on regional security matters. Yet even with the rapid economic growth and increased influence that China has achieved over the past several decades, it maintains an ambivalent attitude towards many key aspects of international law and the architecture of global order. This class explored China's ambivalent engagement with international law in the context of its increasing prominence as an emerging power, and in particular addressed the question of how China might adapt to the existing world order, and the ways in which it might look to influence its evolution. The class covered a range of issues, including China's membership in the WTO; its engagement with the international human rights regime; its approach to international cooperation on issues like global warming and nuclear non-proliferation; international law aspects of the dispute over the South China Sea; and others.

CHINA'S NEW MARKETPLACE

This course was taught in the fall semester by Daniel Rosen, an adjunct associate professor at SIPA, visiting fellow at the Peterson Institute for International Economics in Washington and founder of Rhodium Group, a macro-strategic advisory firm focused on China, India and climate policy based in New York. Through this seminar, students develop an integrated perspective on the Chinese economy and the policy environment and choices that are under consideration by and available to policy makers and business executives. The global implications of the changing nature and structure of the Chinese economy are examined. The objective of the seminar is mastery of available evidence on the current state of the Chinese economy and its global implications. It is designed to be equally useful to professionals in policy or commercial fields, both from a Chinese perspective and from the viewpoint of China's major trade and investment partners. The course is interdisciplinary and works with macro-economic and micro-economic perspectives, as well as the larger policy and legal contexts.

ECONOMIC DEVELOPMENT OF JAPAN

This lecture course is offered by the Department of Economics in the fall semester, and is generally taught by David E. Weinstein, Carl S. Shoup Professor of the Japanese Economy at Columbia's Department of Economics. However, last year, during the second year of Professor Weinstein's term as chair of the Department of Economics, it was taught by visiting professor Edward Lincoln, professorial lecturer at George Washington University. It covers Japan's economic organization, structure and performance from the mid-nineteenth century to the present, focusing on the postwar period. Special emphasis is placed on the character of Japanese economic policy making as well as on the behavior of Japanese enterprises, financial institutions, labor force and households. In addition, there is considerable discussion of Japan's recent economic condition.

ECONOMIC ORGANIZATION AND DEVELOPMENT OF CHINA

This lecture course is offered by the Department of Economics in the spring semester, and is taught by Carl Riskin, senior research scholar and adjunct professor of economics. Professor Riskin conducts an analytical survey of the economic history of China since 1949, with some initial discussion of major issues in China's pre-Communist economic history. Principal themes of the course include the evaluation of the development record of the Maoist period and exploration of China's unique approach to the transition from central planning to a market economy.

INTERNATIONAL TRADE LAW

This course was offered by CBS in the spring semester in Shanghai, and was taught by Anu Bradford, Henry L. Moses Professor of Law and International Organization. It examines the law and policy of international trade in goods and services, beginning with an overview of the economics and politics of international cooperation on trade, and then moves on to study the core obligations that states have under the WTO/GATT rules. These rules address tariff and non-tariff barriers, discrimination of importers, regional trade agreements, anti-dumping duties, countervailing duties, and safeguards measures. Topics included the negotiation, implementation and enforcement of international trade agreements, with a particular interest in the relationship between free trade and other areas of international cooperation, such as environment, public health, intellectual property protection, human rights and development.

CHINA AND INDIA: DEVELOPING LEGAL INSTITUTIONS IN COMPARATIVE PERSPECTIVE

This seminar course was offered by CLS in the fall, and was taught by Professors Benjamin Liebman, Sudhir Krishnaswamy, and Stephanie Balme. It began by briefly reviewing the main taxonomies of legal systems with an emphasis on their legal origins (civil law or common law) and the continuing influence of pre-modern legal traditions (Confucian, Hindu or Islamic law) on China and India. The primary focus of this seminar was to develop an empirical approach to understanding contemporary legal problems in India and China. The seminar examined the legal traditions that have influenced the development of law and legal institutions in both countries. It then turned to the constitutional arrangements in both societies and assess the debates on securing the rule of law. It then focused on key aspects of how the legal institutions function in India and China today: civil litigation, alternative dispute resolution and access to civil justice; criminal justice and arbitrary detention; protection of property rights. The seminar concluded by reviewing how India and China can inform key methodological concerns in comparative law more generally.

TOPICS IN TRADE

This lecture course is offered by the Department of Economics in the fall semester, and is taught by Donald Davis, Kathryn & Shelby Cullom Davis Professor of Economics & International Affairs. This course covers topics at the frontier of international trade research, placing an emphasis on theory. Professor Davis focused on trade patterns, offshoring, inequality, unemployment, trade and matching, firm organization, and trade policy.

VI. CO-DIRECTORS AND PROGRAM OFFICER

MERIT E. JANOW is dean and professor of practice in international economic law and international affairs at Columbia University's School of International and Public Affairs (SIPA). She is codirector of Columbia's APEC Study Center and chair of the Faculty Oversight Committee of Columbia's Global Center East Asia. Professor Janow teaches graduate courses in international economic and trade policy and China in the global economy at SIPA and international trade law and comparative and international antitrust at Columbia Law School. She serves on the faculty of Columbia University's Weatherhead East Asian Institute. Previously, she was director of the Master's Program in International Affairs and the International Finance and Economic Policy concentration at SIPA, as well as chair of Columbia University's Advisory Committee on Socially Responsible Investing. In December 2007, Professor Janow finished up a four-year term as the North American member of the Appellate Body of the World Trade Organization (WTO). The Appellate Body hears final appeals on issues of law and legal interpretation in international trade disputes between countries that are members of the WTO. For two years, ending in March 2000, Professor Janow served as executive director of a new International Competition Policy Advisory Committee to the attorney general and assistant attorney general for antitrust at the Department of Justice, Washington, D.C. This was the first such committee established by the Department of Justice to consider international antitrust matters. Before joining Columbia University, from 1989 to 1993, Professor Janow served as the deputy assistant United States trade representative for Japan and China at the Office of the United States Trade Representative, Executive Office of the President in Washington, D.C. She was responsible for developing, coordinating, and implementing United States trade policies and negotiating strategies toward Japan and China. Prior to her tenure in government, she was an

associate at Skadden, Arps, Slate, Meagher & Flom, specializing in corporate mergers and acquisitions. She is a member of the Board of Directors of Japan Society, chairman of the Nasdaq Exchange LLC, and a board member of two fund clusters in the American Funds family and Trimble Navigation. She is also a member of the International Advisory Council of the China Investment Corporation, China's sovereign wealth fund. Professor Janow received a BA in Asian studies from the University of Michigan and a JD from Columbia Law School. She is the author of three books and numerous articles and is fluent in Japanese.

HUGH PATRICK is director of the Center on Japanese Economy and Business, R.D. Calkins Professor of International Business Emeritus at Columbia Business School, and codirector of Columbia's APEC Study Center. He joined the Columbia faculty in 1984 after some years as professor of economics and director of the Economic Growth Center at Yale University. He completed his B.A. at Yale University in 1951, earned M.A. degrees in Japanese Studies (1955) and Economics (1957) and a Ph.D. in Economics at the University of Michigan in 1960. He has been a visiting professor at Hitotsubashi University, The University of Tokyo and University of Bombay. Professor Patrick has been awarded Guggenheim and Fulbright fellowships and the Ohira Prize. His professional publications include sixteen books and some 60 articles and essays. His major fields of published research on Japan include macroeconomic performance and policy, banking and financial markets, government-business relations, and Japan-United States economic relations. His most recent book, co-authored and co-edited with Professor Yung Chul Park of Korea University, is *How Finance is Shaping the Economies of China, Japan and Korea* (Columbia University Press, November 2013). Professor Patrick is actively involved in professional and public service. He served as one of the four American members of the binational Japan-United States Economic Relations Group appointed by President Carter and Prime Minister Ohira from 1979-1981. He has testified before Congressional committees on numerous occasions. He is on the Board of Directors of the U.S. National Committee for Pacific Economic Cooperation, and the U.S. Asia Pacific Council. He succeeded Dr. Saburo Okita and served as chairman of the International Steering Committee for the conference series on Pacific Trade and Development (PAFTAD) from 1985-2005, having served on the Committee since PAFTAD's inception in 1968. He was on the Board of the Social Science Research Council from 1982-88, and served as its chairman from 1985-88. He was a member of the Board of Directors of the Japan Society for seven three-year terms. In November 1994 the Government of Japan awarded him the Order of the Sacred Treasure, Gold and Silver Star (Kunnitō Zuihōshō). He was awarded an honorary doctorate of Social Sciences by Lingnan University, Hong Kong in 2000. He also received an Eagle on the World award by the Japan Chamber of Commerce and Industry of New York in 2010. He has been a member of the Council on Foreign Relations since 1974, and is a senior scholar of the Jerome A. Chazen Institute of International Business.

ANDY WANNING is the ASC's Senior Program Officer, and has been with the Center since 2001. He holds an M.S. in Sustainability Management at Columbia University's Earth Institute, and a B.A. in Anthropology & Sociology from Lafayette College. He has been active with non-governmental organizations at the United Nations. He spent a year teaching English in Costa Rica with WorldTeach, a non-profit organization based at the Center for International Development at Harvard University.

VII. PROGRAM SUPPORT

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