

# **Annual Report**

2013 - 2014

## **APEC Study Center**

Columbia University



**Asia-Pacific  
Economic Cooperation**



## Letter from the Co-Directors


Columbia University's APEC Study Center (ASC) had an active 2013-2014 academic year in which it sponsored 15 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.

The year was dominated by the various geopolitical rivalries and difficulties in Northeast Asia – primarily among Japan, China, and South Korea. The ASC hosted a high-level workshop to address these issues, hosted by Merit E. Janow and ASC core faculty member Gerald Curtis, and a primary reason for tensions – Japan's behavior during World War II and before – was discussed in a seminar exploring the "history problem," nationalism, and Japanese foreign policy. Other relationships were explored as well, including a dialogue about China-Korea-U.S. relations and a policy forum on the "Seoul-Beijing-Pyongyang Triangle." In two major lectures, distinguished leaders presented their views. Marty Natalegawa, Indonesia's Minister of Trade, urged a pathway of peaceful prosperity and stability rather than tension and territorial disputes; and Kenichiro Sasae, Japan's Ambassador to the U.S., similarly recommended joint exercises between Japan and China, along with economic and political reform, in order to reduce Japan's fears regarding China's intentions in the region.

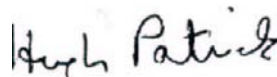
Indeed, Korea itself was a focus, with two symposia. One on North Korea analyzed its "second economy" and its culture and its everyday life; the other focused on the Korean peninsula and the strategic risks there. Several events explored business relations in Korea, including cross-investment opportunities in Korea and the U.S.; doing business in Asia; conversations with senior businessmen Y.D. Kim and Nicholas Bratt; and trade-focused events on the U.S.-Korea FTA and the most recent APEC Leaders' Summit. Two events exploring internal dynamics – environmental problems in China and a Taiwanese woman's path from prison to the vice presidency – rounded out the year's programs.

Through events like these and other activities, including its Discussion Paper Series (Section IV), the ASC demonstrates an ongoing commitment to increase understanding of the economies of the Asia-Pacific region in global and regional contexts, and support coursework and training on regional economic arrangements and initiatives.

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.



Merit E. Janow  
Co-Director, APEC Study Center  
Dean  
Professor of Professional Practice, International  
Economic Law and International Affairs  
School of International and Public Affairs



Hugh Patrick  
Co-Director, APEC Study Center  
R.D. Calkins Professor of International Business  
Emeritus  
Director, Center on Japanese Economy and  
Business  
Columbia Business School



## TABLE OF CONTENTS

I.	Introduction	
	A. APEC: A Background	1
	B. APEC Study Center at Columbia	2
	C. Institutional Cooperation	3
II.	Core Faculty	3
III.	Programs and Activities	4
	A. Conferences and Workshops	5
	B. Brown Bag Lunch Lecture Series	11
	C. Other Programs and Meetings	12
	D. Graduate Student Fellow Program	15
IV.	Discussion Papers	15
V.	Academic Courses	15
VI.	Co-Directors and Program Officer	18
VII.	Program Support	19
VIII.	Appendix	20
	A. Northeast Asia Relations Workshop Participants	20



# 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 53 percent of world GDP in purchasing power parity (PPP) terms and 44 percent of world trade (\$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 20<sup>th</sup> 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 barriers in the region have been reduced from 16.9%, when APEC was established in 1989, to 5.7% by 2012, a reduction of approximately 66%. 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.

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](http://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](http://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 of the 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; 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; Senior Research Scholar, WEAI

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

**Joseph E. Stiglitz**, University Professor of International Affairs, Economics and Finance, CBS, GSAS, and SIPA; Co-Chair, University Committee on Global Thought; Co-Founder and Co-President, Initiative for Policy Dialogue; Core Faculty, CJEB

**Shang-jin Wei**, Professor of Finance and Economics, Professor of International Affairs, and N.T. Wang Professor of Chinese Business and Economy, CBS and SIPA; Director, The Jerome A. Chazen Institute of International Business, CBS

**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; Director, Columbia East Asian National Resource Center; Core Faculty, WEAI

### **III. PROGRAMS AND ACTIVITIES**

The ASC organized and sponsored 15 conferences, workshops, and lectures in 2013-14. Reports are available for these events at [www.gsb.columbia.edu/apec](http://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 Asian Century and the Global Response***, held September 18, 2013 at Columbia University. H.E. Dr. Marty Natalegawa, Minister of Foreign Affairs of the Republic of Indonesia, delivered a lecture on “Indonesia and East Asia” at a special event sponsored by WEAI, the School of International and Public Affairs (SIPA), and the Southeast Asian Student Initiative. After remarks and an introduction by Myron L. Cohen, director of WEAI, Dr. Natalegawa opened his lecture by introducing “two kinds of pathways” open to East Asia in the near and distant future. He described one path of peaceful prosperity, stability, and continued economic growth, and another path marked by increased tension, threats, and territorial disputes: “How do we manage or address change?” He warned against the “return of a Cold War-type mindset” that would create fault lines in the region. He remarked on Indonesia’s purposeful and deliberate pursuit of the first vision and put forward the challenges associated with embarking upon that path, along with potential solutions; he suggested the establishment of an East Asian, Asia-Pacific, and Indo-Pacific international body with a “legally binding instrument” to aid the “peaceful settlement of disputes.” He concluded by remarking that Indonesia “projects itself as part of the solution and, hopefully, not part of the problem.”
2. ***Corporate Legacies: In Conversation with Dr. Kim Yung Duk***, held September 27, 2013 at the Korea Society. This event commemorated the one-year anniversary of the Legacies in Korea-U.S. Relations series, created to celebrate leaders in policy, economics, business and humanitarian affairs. Dr. Kim, a trained engineer, first spoke about his formative years during the Japanese, Russian and North Korean communist occupations. He then detailed the beginning of his professional career, which has always been dedicated to repairing his devastated country, even though he considers himself a refugee. After receiving his engineering degree, Dr. Kim served in the Korean Navy and was sent to the U.S. to study construction equipment management and nuclear shelter design. He then continued his civil engineering education and professional career in Canada, the U.S., Greece and Saudi Arabia. While in Saudi Arabia working for Aramco on the margins of the 1973 oil crisis, Dr. Kim came into contact with Hyundai. Dr. Kim’s subsequent success in Hyundai’s expansion allowed him to become a dynamic leader; his legacy can be seen in the close economic relationship between Korea and the U.S., the founding of the Korean Chamber of Commerce, and Hyundai’s success in the U.S. auto market. Dr. Kim attributed the successful passage and implementation of the Korea-U.S. Free Trade Agreement to the Chamber’s work, along with that of the U.S.-Korea Business Council. Stephen Noerper, senior vice president of The Korea Society, moderated this event.
3. ***Korea, the United States and Cross-Investment Opportunities***, held October 21, 2013 at The Korea Society. This event consisted of a conversation with Mr. Jong Soo Park, chairman of the Korea Financial Investment Association (KOFIA) and the International Council of Securities Associations (ICSA). Moderated by Timothy Cameron, managing director of the Asset Management group of the Securities Industry and Financial Markets Association (SIFMA), the discussion examined the investment climate in Korea. Mr. Park first catalogued the history of Korean capital markets, which have experienced exponential growth since 1953. However, Korea has entered the mature slow growth phase, which Mr. Park attributed to the existence of the industry-wide business model

that is centered on brokered revenues. He argued that now that prime brokered services are permitted, he foresees a better profit model for industry players. Mr. Park observed that Korea is becoming an aged society; in 2014 the proportion of citizens over the age of 65 will comprise 14 percent of the total population. He contended that this trend is a threat to Korean economic well-being, as the only retirement plans that exist in Korea are contractual plans, which are inherently vulnerable. Therefore, it is time for Korea to allow a broader range of products and services to meet its population's needs. The event concluded with a brief question and answer session in which Mr. Park responded to a question about steps being made by the government to enhance hedge fund growth; he contended that the government is planning drastic deregulation measures and he therefore foresees a bright future in this aspect. This event was hosted by the Korea Society.

4. ***Corporate Legacies: In Conversation with Nicholas Bratt***, held November 7, 2013 at The Korea Society. This discussion was part of a series to celebrate leaders in policy, economics, business and humanitarian affairs, and to let these leaders tell their personal stories and visions. Mr. Bratt first became acquainted with Korea while working there during the 1970s and identifying attractive Japanese investments. He found that the Japanese dismissed U.S. electronics companies such as Zenith, and were instead worried about companies like Samsung and Lucky. This prompted Mr. Bratt to begin his research, eventually leading him to the office of the CEO of Scudder Investments, Inc., and concluding that he had found the most attractive investment in the world. However, there was a key obstacle: the Korean market was not open to foreign investors. As such, Mr. Bratt is credited with spurring the creation of a Korea Fund, which took over five years because of difficulties in convincing the Korean authorities to allow foreign investors to enter their market. In order to dispel fears that all of their attractive companies would fall into the hands of foreigners, they developed creative limitations on the scope of ownership. Subsequently, more foreigners invested and the Korean stock market valuation started rising. Mr. Bratt indicated that, as a result, huge wealth was created, and even though growth slowed in the 1990s, they had created a very vibrant investment environment, raising the living standards of Koreans much faster than anyone could have imagined. Responding to a question of his views on the situation in Korea now, Mr. Bratt contended that the environment is tougher now that Korea has joined the ranks of the developed world; it is no longer a low-cost manufacturing base. Stephen Noerper, senior vice president of The Korea Society, moderated this event.
5. ***The Seoul-Beijing-Pyongyang Triangle***, held November 13, 2013 at Columbia University. Changing relationship dynamics between Seoul, Pyongyang and Beijing were highlighted in this CKR/KEI Policy Forum. Charles Armstrong, Korea Foundation Professor of Korean Studies in the Social Sciences in Columbia University's Department of History, noted that there is a new relationship dynamic between South Korea, led by Mandarin-speaking president Park Geun-hye, and China. Stephanie Kleine-Ahlbrandt, director of the Asia-Pacific Program at the United States Institute of Peace, then followed up by noting that, although China projected a more stern demeanor towards North Korea after nuclear testing, any change in their relationship was not substantive. Stability rather than denuclearization remains China's overriding goal with regard to North Korea, and Ms. Kleine-Ahlbrandt does not foresee a fundamental adjustment of Chinese policy on North Korea in the near future, although this is possible in the long term. Troy Stangarone, senior director of Congressional Affairs and Trade at the Korea Economic Institute of America, noted that China and South Korea have to work together to ensure

stability in North Korea, and that stronger economic ties are bringing China and South Korea closer. Professor Armstrong concluded by commenting on the very low probability of the North Korean regime's collapse, likening it to the play "Waiting for Godot." He also noted that ties between North Korea and China are based not on deep friendship, but national interest. North Korea has no choice in the matter since China is its economic supporter. This forum was co-sponsored by the Center for Korean Research at Columbia University and the Korea Economic Institute of America.

6. ***The Korean Peninsula and Strategic Risk***, held November 14, 2013 at the Korea Society. Bruce Klingner, Northeast Asia senior research fellow at the Heritage Foundation, shared his perspectives on the change, or lack thereof, in North Korea, delving into options for U.S. foreign policy and the U.S. relationship with China. Mr. Klingner first expressed his pessimism regarding the situation with North Korea, stating that 2013 contained some of the most intense rhetoric from its leadership, creating serious concern in the international community. It appeared that Kim Jong Un would not be more benign than his predecessors; indeed, he had consolidated his control, shifting power away from the military by firing many generals. With regard to China, Mr. Klingner asserted that North Korea has rejected entreaties from Beijing, but Beijing has not adopted a tougher policy in return. While China contends that it is in favor of North Korean denuclearization, it has since publicly rescinded this assertion. The event concluded with a brief question and answer session. The first questioner asked Mr. Klingner what he thought to be the challenges for Washington in this environment; his response was that the United States' policy of "timid incrementalism" creates minimal benefits to going back to the negotiating table. He encouraged policymakers to use this time away from talks to their benefit by imposing sanctions. Mr. Klingner then responded to the question of whether or not he thinks North Korea will ever change, to which he answered that he sees no indications of change as the DPRK is reluctant to implement any kind of reform. The session concluded with a question on the human rights situation. Mr. Klingner asserted that he does not envision a "Korean Autumn" because of the tight control of the media; in addition, he finds policymakers uncertain how to address the national security and the human rights concerns with North Korea at the same time. Stephen Noerper, senior vice president of The Korea Society, moderated the conversation.
7. ***China-Korea-U.S. Relations; A Robert Scalapino Memorial Dialogue***, held December 13, 2013 at Korea Society. This event included a series of panel discussions on the complexities and challenges of trilateral relations between China, Korea and the United States. The panels were moderated by Korea Society Senior Vice President Stephen Noerper and featured a diverse set of panelists. Discussants included Ralph Cossa, president of the Pacific Forum of the Center for Strategic and International Studies, Professor Shen Dingli of Fudan University, Professors Han Sukhee and John Delury of Yonsei University, Scott Snyder, senior fellow for Korea studies at the Council on Foreign Relations, and Professor Sung-Yoon Lee of the Fletcher School of Law and Diplomacy at Tufts University. The event was divided into four panels with distinct themes: 1) North Korea Power Struggle, 2) China-Korea-U.S. Relations: Korea's Navigating Space, 3) China-Korea-U.S. Relations: Domestic Factors, and 4) China-Korea-U.S. Relations: Sino-U.S. Cooperation or Differences. Discussants touched upon many timely subjects such as Japan's role in the region, prospects for North Korean denuclearization, reflections on a year that included notable instances of shuttle diplomacy, and a frank discussion of the

implications of the recent execution of Kim Jong-un's uncle, Jang Song-taek. This event was hosted by The Korea Society.

8. ***APEC Briefing 2013-14: China Takes the Reins***, held January 14, 2014 at Asia Society. A panel of APEC experts examined the previous APEC Leaders' Summit in Bali, Indonesia, in which China had been left in the spotlight in Bali because U.S. President Barack Obama had to cancel his trip because of Washington gridlock. The panel also looked forward to the fall 2014 Summit in Beijing, China. China itself is embarking on a series of reforms that aim to restructure China's economy, and there will be new developments in the Trans-Pacific Partnership (TPP) and Regional Comprehensive Economic Partnership. The panel examined how China's domestic reform agenda will impact the development of these free trade Initiatives, how U.S. companies can adapt an ever-changing Asian business landscape, how China's economic headwinds will impact Asia's role as the driver of global growth and where does the U.S., a key member of APEC, fit into this major shift. Robert S. Wang, the U.S. senior official for APEC, said that China takes its role as an emerging leader in APEC very seriously, and wants to work with the U.S. on advancing regional integration and reforming the trading system. Ann Weeks, the vice president of Global Government Affairs at Underwriters Laboratories (UL), said that technical regulations were needed to "grease the wheels of trade," for instance in the burgeoning electric car industry. Peter Petri, the Carl Shapiro Professor of International Finance at Brandeis International Business School, focused on the TPP, saying its goal was to successfully negotiate between 12 or 13 countries in order to weave trans-Pacific architecture into the rules. He and his colleagues have estimated that the benefits of passage would be quite large; China has historically viewed these argument with suspicion, but less so in the past three months. He noted that if China will accept strong regulations, the TPP could be a viable pathway to passage of a Free Trade Area of the Asia-Pacific (FTAAP). Monica Whaley, president of the National Center for APEC and chairman of the U.S.-APEC Business Coalition, asserted that U.S. engagement is crucial to the ongoing APEC process. There is a goal to reduce the supply chain cost by 10% from 2010-15, and that peer reviews of fossil fuel subsidies should be undertaken, with the aim of cutting them and building up renewable energy. Tom Nagorski, Executive Vice President of Asia Society, moderated this event, which was organized by the Asia Society and sponsored by the U.S. APEC Business Coalition.
  
9. ***Japan and the World***, held February 18, 2014 at Columbia University. Kenichiro Sasae, ambassador extraordinary and plenipotentiary of Japan to the United States, spoke in the Dean's Lecture Series at SIPA. Ambassador Sasae began his talk by reminiscing about the 1990s, describing the difficulties regarding trade and investment issues between the United States and Japan at that time. He recalled that President Clinton was keen on Japan opening up its markets, which created difficulty between Tokyo and Washington, with most of the friction surrounding trade in automobiles. Relatedly, he addressed "Abenomics," the economic policies of Prime Minister Shinzo Abe, focusing particularly on Japan joining the TPP. He discussed the reasons for joining, the economic effect TPP would have in the Asia-Pacific region, and the remaining bilateral issues between the United States and Japan regarding TPP. He then commented on the role of China within the context of TPP and questioned whether China's economic power will be translated into military power. He concluded by stating that additional military exchanges and joint exercises between Japan and China, along with economic and political reform, will ease Japan's concerns about China. Merit E. Janow, dean and professor of practice in international economic law and international affairs at SIPA, served as moderator for this

event, which was also co-sponsored by SIPA and the Center on Japanese Economy and Business (CJEB).

10. ***Integrating East and Southeast Asian Case Studies into the Global History of Genocide***, held February 25, 2014 at Columbia University. Ben Kiernan, A. Whitney Griswold Professor of History, director of the Genocide Studies Program, and chair of the Council on Southeast Asia Studies at Yale University, gave a fascinating review of his findings regarding genocide. After studying genocidal regimes dating back to Rome and its genocide of Carthage, he concluded that genocidal thinking consistently contained four properties: racism; expansionism; agrarianism; and a cult of antiquity. He cited examples ranging from the Vietnamese conquest of Champa in the 1400s to Americans quoting scripture to justify killing Native Americans. Jayne Werner, research scholar at WEAI, moderated this event.
11. ***KORUS FTA at Two Years***, held March 13, 2014 at Korea Society. Tami Overby, vice president of the Asia Division of the U.S. Chamber of Commerce and president of the U.S. Korea Business Council, assessed the current status of the Korea – U.S. Free Trade Agreement (KORUS) on the two-year anniversary of its implementation. Ms. Overby stated that KORUS is off to a very good start, despite the recent press surrounding new export numbers which show that U.S. exports to Korea have declined since implementation. Ms. Overby reminded the audience that, in the late 1980s, the U.S. business community believed that the Korean business environment was the most difficult in Asia; now, the trade relationship between the U.S. and Korea is massive. Ms. Overby said that the export numbers are deceiving, because they exclude trade in services, in which the United States enjoys a 20 percent surplus. There are other situational factors that have contributed to the decline in exports, from the recent drought to the change in Korea's energy mix. Ms. Overby went on to discuss the power of KORUS, the United States' highest-standard FTA: it has created a structure for the two countries to do business and includes a dispute resolution mechanism. She pointed out a few success stories of U.S. business taking advantage of increased competitiveness as a result of the removal of tariffs associated with KORUS. Despite these successes, Ms. Overby noted a few areas that the agreement can evolve and be improved, notably within the realm of cross-border data flows, which is part of current TPP negotiations. Regarding the TPP, Ms. Overby said that after 19 rounds of talks, about 80 percent of the deal is complete; the remaining portion consists of politically difficult issues such as intellectual property, labor and the environment. The true challenge remains in the United States' trade relationship with Japan, specifically on market access in five "sacred" areas of agriculture. In conclusion, Ms. Overby stated that President Park's recent innovation initiatives will be a distinct area of growth for the agreement; the continued collaboration of the business communities in the United States and Korea is at the forefront of the success of the agreement and will ensure that the trade relationship continues to be mutually beneficial. This event was moderated by Nikita Desai, director of policy and corporate programs at The Korea Society.
12. ***Doing Business in Asia: 2014 & Beyond***, held March 25, 2014 at Asia Society. This event featured an esteemed panel discussing the business climate in Asia, considering shifting regulatory conditions, slowing growth, and heightened local competition which have contributed to a bearish outlook for many economies. Introductory remarks were given by Wally Martinez, managing partner at Hunton & Williams, and the panel included Edward Cunningham, assistant professor at Boston University's Department of Earth and

Environment and director of the Harvard Kennedy School Asia Energy and Sustainability Initiative; Gwynn Guilford, a reporter and editor for *Quartz*; Ed Koehler, a managing partner at Hunton & Williams; Bruce Thomas is president of MeadWestvaco Healthcare. Panelists discussed the challenges companies face, and some of the solutions they see in China, India, Japan, Hong Kong and other economies across Asia. Tom Nagorski, executive vice president of the Asia Society, moderated the session.

13. ***China and the Environment: A Conversation***, held March 31, 2014 at Columbia University. Three leading experts discussed the importance of looking to the past in order to address China's present environmental situation. Peter Perdue, professor of history at Yale University, spoke about China's long environmental history, focusing on the need to present a "longer term view" of China and the world's environmental challenges. The good news is there is information in the past that we may be able to learn from; the bad news is that environmental crises are deep-seated and very hard to reverse. Micah Muscolino, associate professor of history at Georgetown University, focused on the need to incorporate many disciplines and all regions of the world into the discussion of environmental history. In his research, he has looked at the legacies of how people in China have perceived and responded to environmental change; these legacies will shape the options available to China as well as the rest of the world, as people grapple with environmental change on a global scale. He concluded by asserting that "literally everything in China's history has environmental components." Isabel Hilton, the editor of *Chinadialogue*, spoke about the potential role that journalists could play in addressing environmental problems in China. While there is political will to confront the environmental issues and a number of laws have been created in China, enforcement of top-down policies is likely to fail without the proper horizontal checks and balances; there must be freedom of the press and social media for society's efforts to fight pollution to be effective. Eugenia Lean, associate professor of Chinese history, served as moderator for this event, which was co-sponsored by WEAI and CJEB.
14. ***Culture and Everyday Life in North Korea***, held April 25, 2014 at Columbia University. Six scholars in the field of Korean history and literature made intriguing presentations on ways to better understand culture and everyday life in North Korea using various approaches. These included Charles Armstrong, Korea Foundation Professor of Korean Studies in the Social Sciences in the Department of History at Columbia University; Ruth Barraclough, senior lecturer at the School of Culture, History & Language at The Australian National University and visiting scholar at Columbia University; Cheehyung Kim, ACLS Faculty Fellow in the Department of Asian & Middle Eastern Studies at Duke University; Suzy Kim, assistant professor of Korean history at Rutgers University; Andre Schmid, associate professor in the Department of East Asian Studies at the University of Toronto; and Dafna Zur, assistant professor in the Department of East Asian Languages and Cultures at Stanford University. By looking at a Korean female communist's life, child models presented in magazines, workers' lives reflected in fiction and letters, religious aspects of society, and other examples, they examined how personal or local stories were intertwined with grand historical processes and challenged the monolithic view that sees North Korea within a totalitarian framework.
15. ***Northeast Asia Relations Workshop***, held June 27, 2014 at Columbia University. This high-level workshop was organized to address the numerous high-stakes political issues occurring in Northeast Asia at the time. The first session focused on China-Japan relations and discussions regarding how to ameliorate territorial, historical, and other



tensions, and ways that the United States can play a role in fostering a closer relationship between the two as well as trilaterally. The second session concerned the Korean peninsula and Japan-Korea relations, including historical points of contention between South Korea and Japan, multilateral approaches to North Korea policy, and U.S. policy toward North Korea. The final session focused on the state of the U.S. “pivot” to Asia, possible adjustments to U.S. alliance policies, and U.S. economic involvement in East Asia. The workshop concluded with overall reflections on how the group can make a positive contribution to efforts to maintain peace, stability, and economic growth in the region. Even Medeiros, senior director of Asian Affairs at the National Security Council, gave a special talk at the dinner following the workshop. This event was held in partnership with CJEB, WEAI, and SIPA, and a full list of participants can be found in Appendix A.

## **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 2013-14:

1. ***The Everyday Politics of the Second Economy in North Korea: A Force for Regime Stability or Corrosion?***, held November 21, 2013. In the event, Dr. Alexander Dukalskis shared his research on the second economy – those markets inconsistent with government ideology or law – and the impact it has on the North Korean regime's stability. Through a discussion on the history of the second economy, a survey of literature on this topic, hypotheses from other totalitarian states, and his original research, Dr. Dukalskis came to the conclusion – however tentative given the paucity of data in that country – that the underground market has more of a stabilizing than a subversive influence on the government. This is due to several factors: there is much official presence and buy-in within the underground markets; they allow the elite of the country to acquire more wealth, keeping them satisfied; they allow small business owners to make enough money to leave the country if they are unsatisfied, thus ridding the country of potential dissidents; and they are tightly controlled, preventing the types of gatherings that can lead to revolutions. Charles Armstrong, Korea Foundation Professor of Korean Studies in the Social Sciences in the Department of History, Columbia University, served as moderator for this event, which was co-sponsored by the Center for Korean Research, the WEAI, the APEC Study Center, and the Institute for the Study of Human Rights.
2. ***East Asian Miracle at Risk: Is a Social Crisis Brewing?***, held February 19, 2014 at Columbia University. An academic panel considered whether the social and economic conditions present in China, Japan, Korea, and other countries were ripe for social unrest. Panelists included Qin Gao, associate professor at Fordham University's Graduate School of Social Service; Yoonkyung Lee, associate professor of sociology and Asian and Asian-American Studies at Binghamton University; Arvid Lukauskas, executive director of the Program in Economic Policy Management at Columbia University and Yumi Shimabukuro, associate research scholar at WEAI. Isabela Mares, professor of political science at Columbia University, moderated the event, which was organized by the Program in Economic Policy Management.

3. ***The ‘History Problem’ (rekishi mondai), Nationalism, and Foreign Policy Preferences in Japan: Evidence from a Survey Experiment***, held April 8, 2014 at Columbia University. In the lecture, Dr. Yongwook Ryu explored the persistence of the historical animosity between Japan, China, and Korea almost 70 years after the end of the second Sino-Japanese War as well as the establishment of Korean independence. He believes that the primary reason is because, for politicians in all of the countries, it is advantageous to bring up these issues because it stirs up the nationalists in each country, while the general population is generally apathetic. In addition, for China and Korea (as well as Taiwan), Japan’s behavior is one of the few issues that unite them. Dr. Ryu also described the make-up of nationalist beliefs by gender, age, and political part. This event was organized by WEAI.
  
4. ***My Fight for a New Taiwan: One Woman's Journey from Prison to Power***, held April 23, 2014 at Columbia University. Annette Lu, former vice president of the Republic of China, talked about her new book *My Fight for a New Taiwan: One Woman's Journey from Prison to Power*. The book’s co-author, Ashley Esarey, who earned his Ph.D. in political science from Columbia University, also spoke. Lu—who has experienced imprisonment as well as election to the vice presidency—reflected on the start of her political life when she was still in Harvard Law School, compared Taiwan’s history and its present, and expressed her passion about women’s empowerment. Lu concluded by saying she is very proud of Taiwan’s development in two specific areas: nonviolent democratization and women’s emancipation. She said in this five-decade struggle, “The process was bitter, but the fruit was delicious.” Although she has faced a number of difficult challenges, including an assassination attempt, cancer, and prison, she said that “I’m proud that I’ve never surrendered.” Andrew Nathan, the Class of 1919 Professor of Political Science at Columbia University, moderated this event, which was co-sponsored by WEAI and Taiwan Focus.

### 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. ***The 2013 Leir Retreat Center NJIT Financial Bubble Conference***, New York, September 20 – 21, 2013. Professor Patrick attended this conference, which focused on bubble-induced financial market turmoil.
  
2. ***State Intervention and Private Enterprise: Japan, the U.S., and China***, New York, October 2, 2013. This conference featured three panels focusing on state intervention in the United States, China, and Japan, followed by a roundtable which provided a cross-cultural analysis. Professor Hugh Patrick provided the welcoming remarks and moderated the roundtable discussion, and Dean Janow moderated one of the panels at the event.
  
3. ***Columbia University Seminar on Southeast Asia in World Affairs***, New York, September 2013 – May 2014. 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. *Myanmar's Transition from Authoritarianism: Challenges and Opportunities* by Dr. Ardeth Thawngmung, Professor of Political Science, University of Massachusetts Lowell, September 25, 2013.
  - b. *Cambodia's Recent Elections* by Dr. Duncan McCargo, Professor of Southeast Asian Politics, School of Political and International Studies, University of Leeds and Visiting Professor, Columbia University, October 23, 2013.
  - c. *Indonesia in ASEAN: A Crumbling Cornerstone* by Dr. Donald E. Weatherbee, Department of Political Science, University of South Carolina, December 4, 2013.
  - d. *Writing Environmental Histories of Vietnam and Cambodia* by Dr. Ben Kiernan, Professor of History; Director of the Genocide Studies Program; Chair, Council on Southeast Asia Studies, Yale University, February 25, 2014.
  - e. *Untapped Middle Power Ties: What South Korea and ASEAN Can Do for the Region* by Dr. Yongwook Ryu, Assistant Professor at the Department of International Relations, Australian National University, April 9, 2014.
4. ***Symposium on Building the Financial System of the 21<sup>st</sup> Century: An Agenda for Japan and the United States***, Armonk, NY, October 25 – October 27, 2013. Professor Patrick presented his paper, “Japan's Abenomics: Recovery Leading to Good Growth?” at this symposium organized by Harvard Law School.
  5. ***Meetings***, Beijing, November 4-6. Professor Patrick visited the China Center of Economic Research (CCER) at the National School of Development of Peking University, where he met with Justin Yifu Lin, former chief economist at the World Bank, Yang Yao, dean of CCER, and Yiping Huang, professor at CCER. Professor Patrick spoke on the Japanese economy and Abenomics.
  6. ***2013 Beijing Roundtable: Defining Markets: Asia as Capital Source and Destination***, Beijing, November 6-8, 2013. Professor Patrick attended this event, where participants explored topics at the forefront for institutional investors, including the outlook on Chinese and global economies, RMB internationalization, the outlook for private equity in Asia, demographic trends and the social safety net, implications of China's public debt, and the U.S.-China relationship.
  7. ***CAIJING Annual Conference 2014: Forecasts and Strategies***, Beijing, China, November 18, 2013. Dean Janow participated in a plenary session on the relationship between China and the U.S. in the Asia-Pacific as China asserts itself in the region; the strategic positioning of the two countries will be the most influential factor in shaping the global landscape. Participants also discussed the TPP and TTIP (Transatlantic Trade and Investment Partnership), which will change the regulations framework and the geographical flow of global trade and investment liberalization.
  8. ***The 36th Pacific Trade and Development (PAFTAD) Conference: Financial Development and Cooperation in Asia and the Pacific***, Hong Kong, November 19 – 21, 2013. Professor Patrick attended this annual conference, hosted by the Hong Kong Institute for Monetary Research, and chaired a discussion session titled “Prudential Regulation and Supervision in Asia and the Pacific.” The conference explored topics such as the financial system and economic development, capital market development in Asia and the Pacific Region, monetary policy framework in the Asia and Pacific region, regional

financial cooperation and policy coordination, financial development and the spillovers to the corporate sector, and capital account liberalization in China and its implications for the region.

9. **World Economic Forum**, Davos-Klosters, Switzerland, January 22-25, 2014. In this year's Forum, which examined "The Reshaping of the World: Consequences of Society, Politics and Business," Dean Janow moderated a panel on "The New Rules of International Trade." The panel examined the consequences for business of shifting from multilateral to plurilateral or mega-regional trade agreements, focusing on changing global value chains, the effectiveness of the World Trade Organization (WTO), the evolving role of investment, and geopolitical barriers and protectionism. Ed Fast, minister of international trade of Canada, provided opening remarks, and discussion was led by Roberto Azevedo, director-general of the WTO; James Jay Barber, president of UPS International; Karel De Gucht, commissioner for trade at the European Commission; Michael Froman, U.S. Trade Representative; and Ildelfonso Guajardo Villarreal, secretary of economy of Mexico.
10. **U.S. and China as the Most Important Engines of Growth for the World Economy: Challenges and Opportunities**, Beijing, China, April 7-8, 2014. Dean Janow participated in a panel on "Trade, Investment and Finance Between China and the U.S." This was the fourth Summer Palace Dialogue between Chinese and American economists, and was hosted by the Chinese Economists 50 Forum and the Fung Global Institute.
11. **The Trilateral Commission**, Washington, DC, April 25-27, 2014. Dean Janow participated in the 2014 Plenary Meeting. Sessions included "United States Politics and the Economy"; "A View from the White House"; "Restructuring International Trade: Multilateralism vs. Regionalism"; "International Monetary System"; "Development and its Effect on Climate and Environmental Change"; "The Future of European Economic and Monetary Governance and its Relevance to the World"; and "The Future of Asia."
12. **Escaping the Middle Income Trap: Managing Asia's Risk**, Hong Kong, May 3-4, 2014. Professor Patrick participated in the 2014 "Asia Vision 21" conference. Panels were held on "Asia's Future: Sustaining the Miracle," "Breaking Through the Middle Income Trap," "Long Term Plans for Sustainability," "Escaping the Middle Income Trap," "Coping with Asia's Aging Society," "China-U.S. Relations," and "A Map of Better State Governance."
13. **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 15, "Restoring the Japanese Economy," he moderated the keynote speech by Mr. Haruhiko Kuroda, governor of the Bank of Japan, "Toward Overcoming Deflation," and delivered closing remarks.
14. **Meetings**, Seoul, Korea, May 28- June 5, 2014. Professor Patrick met with policy makers, business leaders, academics and students from Seoul National University.
15. **Conference on Japanese Entrepreneurship**, Stanford, CA, June 9-10, 2014. Professor Patrick provided the introductory address for Stanford University's 6<sup>th</sup> annual STAJE conference. The theme was "Entrepreneurial Effects: the consequences of entrepreneurial development across the Pacific Rim."

## **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 and Penn Nee Chow, both of whom are students at SIPA with concentrations in international finance and economic policy.

## **IV. DISCUSSION PAPERS**

The APEC Study Center added the following Discussion Papers to its series during 2013-14. These papers are available at [www7.gsb.columbia.edu/apec/discussionpapers](http://www7.gsb.columbia.edu/apec/discussionpapers).

76. **How Much Do Bank Shocks Affect Investment? Evidence From Matched Bank-Firm Loan Data**, by Mary Amiti, assistant vice president, Federal Reserve Bank of New York and David E. Weinstein, chair and Carl S. Shoup Professor of the Japanese Economy, Department of Economics, Columbia University, July 2013.
77. **Explaining the Rise of East Asian Multinationals: State-Industry Links, A Stages Model of Structural Change, and Japan as a Precedent Setter**, by Terutomo Ozawa, professor emeritus of economics, Colorado State University, March 2014.

## **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 2013-14 academic year, were particularly relevant for students interested in APEC.

### **BUSINESS DEVELOPMENT ASIA, LLC: CHINA'S OUTBOUND M&A GOALS IN THE MANUFACTURING SECTOR**

This capstone seminar was offered by SIPA in the spring, and taught by Dean Janow (see section VI for bio). The course examined the drivers behind the increasing merger and acquisition (M&A) activity by Chinese manufacturing companies. Students discerned aggregate trends in Chinese outbound M&A by country and sector in order to understand to what extent the focus has shifted from resource-driven transactions to manufacturing and services, as well as how much the government is driving this development as opposed to market forces. They reviewed the incentives that the Chinese government has developed to encourage outbound M&A and investment, as well as regulatory barriers and other competitive disadvantages for Chinese companies.

### **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.

### **FROM TRANSITION REFORMS TO GLOBALIZATION AND FINANCIAL CRISIS**

This lecture course is offered by the Economics Department in the spring semester, and is taught by Padma Desai, Gladys and Roland Harriman Professor of Comparative Economic Systems. The first section deals with several transition issues in the post-Soviet, East Central European, and the East Asian economies of China and Vietnam as they moved from a planned to a market system. These issues relate to price liberalization and inflation control, currency reform, and asset privatization in these countries. The second section deals with the opening up of these emerging markets to a global economy via capital flows and exchange rate movements with a potentially destabilizing impact. The final section deals with the causes and consequences of the Asian financial crisis of 1997-1999 and of the recent global crisis which originated in the US toward the end of 2007.

### **INTERNATIONAL BUSINESS AND INVESTMENT TRANSACTIONS WITH CHINA**

This lecture course was offered by CLS in the fall, and was taught by Owen Nee, Lecturer-in-Law. It introduces students from a common law background to international business and investment transactions with China. It covers all forms of commercial and investment transactions with China, from international sales contracts to the formation of domestic businesses. The focus of the course is a detailed examination of the principal Chinese laws regulating such business. Students learn China has moved from a State-planned economic system to a system where the market mechanism plays the primary role in regulating commercial activities, while allowing a continuing role for the prevalent political forces in the country. The likely future course of economic regulation in China will be examined, including corporate governance reforms, stock market regulation, antitrust and bankruptcy law developments.

### **INTERNATIONAL SEMINAR – SHANGHAI**

This seminar was offered by CBS in the spring semester in Shanghai, and was taught by Shang-Jin Wei, N.T. Wang Professor of Chinese Business and Economy and director of the Jerome A. Chazen Institute of International Business. This case study of China discusses how the Chinese economy has gotten to where it is by managing three transitions simultaneously: from Marx to market, from an inward-looking Middle Kingdom to an externally-oriented world factory, and from farming to industrialization. It focuses particularly on the role of Hong Kong for international business in China. Finally, it considers factors that could influence the chance of success/failure of doing business in China, including the history that lives in the Chinese psyche, laws and regulations toward foreign investors, local financial and macroeconomic environment, corruption, and negotiation style.

### **LAW AND LEGAL INSTITUTIONS IN CHINA**

This lecture course is offered by CLS in the fall, and is taught by Professor Benjamin Liebman. This course surveys contemporary Chinese legal attitudes and institutions in historical and comparative perspective. The course begins with a brief examination of certain key themes and practices in China's traditional legal order and an appraisal of China's early-twentieth-century effort to import a Western legal model. The major portion of the term is devoted to a study of formal and informal legal institutions and procedures in the criminal and civil processes of the People's Republic of China and China's contemporary legal reform efforts. Topics will include an examination of the roles of the legal profession and the judiciary, the sources of law in contemporary China, efforts to use law to address China's growing

environmental problems, and the development of China's legal framework governing financial markets.

### **THEORY OF INTERNATIONAL 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. Professor Davis discusses the theory of comparative advantage, the gains from trade, trade and income distribution, international factor mobility, and growth and trade.

## **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 (Kunitō 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

Resources for the APEC Study Center's basic infrastructure are provided by Columbia University. Corporation and foundation support in the United States and Asia are sought for specific programs and projects. The APEC Study Center especially thanks the Lotte Group of Korea for their support.

For more information, please contact:

Andy Wanning  
Senior Program Officer  
APEC Study Center  
Columbia University  
3022 Broadway, 2M-9 Uris Hall  
New York, NY 10027-6902  
aw2040@columbia.edu

Tel: 212-854-3976 Fax: 212-851-9508

Website: [www.gsb.columbia.edu/apec](http://www.gsb.columbia.edu/apec)

## **IX. APPENDIX**

### **A. PARTICIPANTS IN NORTHEAST ASIA RELATIONS WORKSHOP, JUNE 27, 2014:**

Samuel R. Berger, Chair, Albright Stonebridge Group  
Dennis C. Blair, Chairman, Sasakawa Peace Foundation USA  
Richard K. Betts, Director, Saltzman Institute of War and Peace Studies, Columbia University  
Stephen W. Bosworth, Senior Fellow, Belfer Center for Science and International Affairs,  
John F. Kennedy School of Government, Harvard University  
Anla Cheng, Senior Partner, Sino-Century China Private Equity Partner, LLC  
Gerald L. Curtis, Burgess Professor of Political Science, Department of Political Science,  
Columbia University  
Karl W. Eikenberry, William J. Perry Fellow in International Security, Center for International  
Security and Cooperation  
Takeo Hoshi, Henri and Tomoye Takahashi Senior Fellow, Walter H. Shorenstein Asia-Pacific  
Research Center, Stanford University  
Merit E. Janow, Dean, SIPA, Columbia University  
Robert Jervis, Adlai E. Stevenson Professor of International Politics, Columbia University  
Charles D. Lake II, Chairman, Aflac Japan  
Winston Lord, Former U.S. Ambassador to China  
Xiaobo Lü, Professor of Political Science, Barnard College  
Andrew J. Nathan, Class of 1919 Professor of Political Science, Columbia University  
Marcus Noland, Vice President and Director of Studies, Peterson Institute for International  
Economics  
Hugh Patrick, R. D. Calkins Professor of International Business Emeritus  
Ezra F. Vogel, Henry Ford II Professor of the Social Sciences Emeritus, Harvard University  
Donald S. Zagoria, Senior Vice President, National Committee on American Foreign Policy