

Annual Report

2008 - 2009

APEC Study Center

Columbia University



**Asia-Pacific
Economic Cooperation**

Letter from the Co-Directors

Columbia University's APEC Study Center had a very busy year in 2008-2009. The ASC organized or co-sponsored twelve conferences or symposia and eighteen brown bag lunches, and published six Discussion Papers. In addition, the co-directors or senior faculty participated in a wide range of other meetings of direct relevance to the Center, and individual Center core faculty also traveled to the Asia-Pacific region to participate in numerous other conferences and seminars. The Center has also continued to support instruction at the Columbia Business School, the School of International and Public Affairs, and the University more broadly, on selected courses of relevance to the Asia-Pacific region.

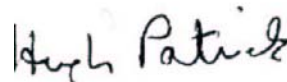
Activities this year have ranged from a panel of five prominent professors discussing the results of the April 2009 G-20 meeting to co-sponsoring two student-led academic conferences. Other events included a panel on the largest Asian corporate restructuring ever with Eui-Jei Woo, former CEO of Hynix Semiconductor; another panel on China and the world trade system with professors from Brandeis, Indiana University and Columbia; and a third panel on the U.S. government's response to the financial crisis with Henry Kaufman, President of Henry Kaufman & Company, Inc. and Peter Fisher, Managing Director and Co-Head of BlackRock's Fixed Income Portfolio Management Group. The Center also held several talks on Korea and Africa, and co-sponsored several events with the Asia Society on "Critical Issues from the 2007 APEC Summit", "China-Latin American Relations: Implications for Trade and Development" and "Southeast Asian Entrepreneurship: Creating a Global Brand". The Center also started a new collaboration with the Weatherhead East Asian Institute's Southeast Asia Student Initiative on a number of interesting brown bag seminars.

The Center has an ongoing commitment to increasing understanding of the economies of the Asia-Pacific region in both global and regional contexts. The Center's research program, events, coursework and training on a number of individual countries in the region as well as regional economic arrangements and initiatives have all expanded and deepened. Many of the activities described herein have been undertaken in collaboration with Columbia Business School's Center on Japanese Economy and Business, Columbia University's Weatherhead East Asian Institute, and the Program in International Finance and Economic Policy of the School of International and Public Affairs.

The Center's accomplishments and activities are made possible by the commitment and energy of the faculty and staff directly involved, and the support provided by corporations, foundations, and individuals. The Corporate Sponsorship Program of annual contributions has been vital in ensuring the Center's ongoing momentum. In particular, we thank the Lotte Group of Korea for its ongoing support.



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I. INTRODUCTION

A. 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 Clinton and endorsed by the leaders of the other APEC member nations at their historic meetings on Blake Island and in Seattle in November 1993. 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 Professors Merit E. Janow and Hugh 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 and the Columbia Business School (CBS). The ASC supports such activities where appropriate and requested, but many activities are highly decentralized. For example, Nobel Prize winner Professor Joseph Stiglitz, an ASC faculty member, has made major contributions to macroeconomics and monetary theory, to development economics and trade theory, to public and corporate finance, and to the theories of industrial organization and rural organization. He travels extensively and is actively involved in the Asia-Pacific 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 members 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. The ASC works closely with CBS's Center on Japanese Economy and Business (CJEB), of which Professor Patrick is Director and Professor Janow is a core member of the faculty.

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

B. 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.

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 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.

APEC's 21 members account for approximately 40.5% of the world's population, approximately 54.2% of world GDP and about 43.7% of world trade. The APEC region also represents the most economically dynamic region in the world, having generated nearly 70% of global economic growth in the first decade of APEC's existence.

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.

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 Professors Merit Janow and Hugh 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 Hugh Patrick was a founding member in 1968 and chair of its International Steering Committee until PAFTAD's 30th annual conference in January 2005. Both 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.

C. INSTITUTIONAL COOPERATION

There are currently six other active university-affiliated APEC Study Centers in the U.S. They are: Brandeis/Brown University; University of California at Berkeley; University of California at San Diego; University of Hawaii/East-West Center; University of Washington; 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'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 the international consortium of ASCs.

II. CORE FACULTY

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), the School of Law, Barnard College, and the Graduate School of Arts and Sciences. Many are also affiliated with the Weatherhead East Asian Institute (WEAI).

The co-directors, **Merit E. Janow** and **Hugh Patrick**, lead the core faculty. Please see section VI for their biographical summaries. They are also members of the program committee of the U.S. Consortium of APEC Study Centers.

Other APEC Study Center faculty members at Columbia University:

Charles Armstrong, Korea Foundation Associate Professor of Korean Studies in the Social Sciences, Department of History; Director, Center for Korean Research, SIPA; Core Faculty, WEAI

David Beim, Professor of Professional Practice, Department of Finance and Economics, CBS

Jagdish Bhagwati, University Professor, Economics and Law

Gerald Curtis, Burgess Professor of Political Science, Department of Political Science; Director, Toyota Research Program, WEAI

Carol Gluck, George Sansom Professor of History, Department of History, SIPA; Director, WEAI Publications Program, WEAI

Glenn Hubbard, Dean, Russell L. Carson Professor of Finance and Economics, CBS

Robert Immerman, Senior Research Scholar, WEAI

Xiaobo Lu, Director of Columbia Global Centers – Beijing; Professor of Political Science, Barnard College; Core Faculty, WEAI

Curtis Milhaupt, Fuyo Professor of Japanese Law; Professor of Comparative Corporation Law; Director, Center for Japanese Legal Studies, School of Law; Core Faculty, WEAI and CJEB

Frederic Mishkin, Alfred Lerner Professor of Banking and Financial Institutions, CBS

Ann Marie Murphy, Adjunct Research Scholar, WEAI

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

Joseph Stiglitz, University Professor of International Affairs, Economics and Finance, CBS, Graduate School of Arts and Sciences, and SIPA; Co-Founder and Co-President, Initiative for Policy Dialogue; Core Faculty, CJEB

Shang-Jin Wei, N.T. Wang Professor of Chinese Business and Economy, Department of Finance and Economics, CBS

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

Madeleine Zelin, Professor of History and East Asian Languages and Cultures, WEAI; Director, Columbia East Asian National Resource Center

III. PROGRAMS AND ACTIVITIES

The APEC Study Center organized and sponsored the following conferences, workshops, and lectures in the 2008-2009 period. Reports are available for some of these events at www.gsb.columbia.edu/apec. A number of Columbia faculty are actively involved in various dimensions of Asia-Pacific relations, including travel; since those activities are highly decentralized, no effort is made to describe them here.

A. CONFERENCES AND WORKSHOPS

- I. ***Hynix Semiconductor: The Largest, Most Successful Asian Corporate Restructuring Ever***, held September 23, 2008 at Columbia Business School. Eui-Jei Woo, Chairman of Hisem Corporation, Adjunct Professor at Inha University and former CEO of Hynix Semiconductor, and Robert E. Fallon, Adjunct Professor at Columbia Business School and former Chairman and CEO of Korea Exchange Bank, made presentations on the dynamic restructuring of Hynix Semiconductor, from the perspectives of the company's management and its creditors, respectively. In addition, Uichol Kim, IFP Distinguished Professor at Inha University, was on hand to

answer questions. The speakers recounted Hynix's impressive restructuring that took the company from virtual bankruptcy to reemergence as one of the world's most successful semiconductor companies.

As the CEO of Hynix's largest creditor, the Korea Exchange Bank, Professor Fallon outlined how he led the company through several transformational steps, such as the selling of non-core businesses, negotiating joint ventures and debt refinancing. He complimented Professor Woo's stewardship of the company, who took over after a failed takeover bid when the company was technically insolvent. Woo then explained how the company overcame severe adversity and continued to produce world-class semiconductors with a small R&D budget that relied only on cashflows in a time of declining sales. Woo's Blue Chip Project minimized capital expenditure and raised employee morale, resulting in the successful turnaround of Hynix. The panel was moderated by Hugh Patrick, R. D. Calkins Professor of International Business Emeritus and Co-Director of the APEC Study Center. The Asian Business Association and Korean Business Association of the Columbia Business School co-sponsored the event.

2. ***China and the World Trade System: Does It Play By the Rules?***, held October 2 at Columbia Business School. Professor Shang Jin Wei, the N. T. Wang Professor of Chinese Business and Economy at Columbia Business School, brought together a distinguished panel to discuss China's relationship with the WTO since its accession in 2001. Participants included Chad P. Bown, Associate Professor at the Department of Economics and International Business School at Brandeis University and the Brookings Institution; Scott Kennedy, Associate Professor, East Asian Languages & Cultures and Political Science at Indiana University; and Merit E. Janow, Professor of International Economic Law and International Affairs at Columbia University's School of International and Public Affairs and Co-Director of Columbia University's APEC Study Center.

Professor Bown said that the role of the WTO has increased with the growth of world trade, as has the role of China within the WTO. The WTO is intensely political because it is often used as a mechanism to allay other concerns. Until recently, the main players in this "game" have been the Americans and the Europeans, whose economies are similar, exports and imports are analogous and trading needs are approximately the same. It is unclear how China, which has recently been thrust into this complicated environment, will respond.

China's economy is upstream from both Europe and the U.S.; the U.S. will not gain much from attacking part of the supply chain that helps keep the U.S. industry humming. Likewise, China as a plaintiff has a weak hand because its industry consists of lower-end consumer goods that could be moved to several other developing countries with low labor costs. Will China seek settlement, pursuit or mitigation? At this point, it is too early and difficult to tell. In the past – for instance, during the melamine-in-milk scandal – the government declined to supply any information or give adequate safeguards. However, according to Professor Kennedy, there is a growing sense in China that it is important to adhere to WTO guidelines; leaders recognize that engaging in world trade confers greater responsibilities of ensuring adequate standards and information. Also, increasing technical standards will allow it to move

up the food chain of value-added products. So it is in China's best self-interest to play by the rules of the game.

Professor Janow said that China has showed itself capable of being absorbed into the community of nations within the WTO: it made huge strides to be able to gain accession to the WTO, and is already a valued and active participant in the working groups of the WTO. This event was co-sponsored by the Jerome A. Chazen Institute of Global Business at Columbia Business School.

3. ***Colonial Memory: A Comparative Perspective of Africa and Southeast Asia***, held October 14, 2008 at SIPA. Romain Bertrand, Senior Research Fellow at Columbia University's Center of International Studies and Research (CERI) and a lecturer at SciencesPo, Paris, gave a presentation on colonial interpretations from a comparative perspective. Professor Bertrand offered a critique regarding the parameters by which academia views colonialism, often criticizing assumptions that scholars make when studying the effects of colonialism. He especially criticized scholars who ignore the dynamics of African and Asian societies before the period of colonization, nor have an appreciation of the extent to which the trajectory of history was radically altered by colonialism. To rectify this, Bertrand proposes a pre-European narrative in order to look at groups outside a European context, examining earlier relationships between Africans and between Asians. By seeking to escape the conception of colonialism as dominated from a European-first mentality, Bertrand establishes a new philosophical debate that places colonial legacy on an equal footing between European and non-European participants. Furthermore, he wishes to alter the debate from simply a history of deficiency to a more positive, alternative viewpoint.

The event was moderated by Professor Mamadou Diouf, Leitner Family Professor of African Studies and Director of the Institute of African Studies, and co-sponsored by The Alliance Program, the Institute of African Studies, and the Weatherhead East Asian Institute (WEAI).

4. ***APEC 2008 Summit: "Growth, Equity and Sustainable Development: Challenges for APEC"***, held December 4, 2008 at Asia Society. This symposium, exploring issues raised in the November 20-23, 2008 summit in Lima, Peru and looking forward to the 2009 summit in Singapore, featured Ambassador Patricia M. Haslach, U.S. Senior Official, APEC; Ms. Wendy Cutler, Assistant U.S. Trade Representative for Japan, Korea, and APEC Affairs; and Mr. Mitchel Lee, Consul, Consulate of the Republic of Singapore in New York. Ambassador Haslach reported that, in the face of the global economic crisis, the APEC member economies in Peru reaffirmed their commitment to free and open trade and investment in the Asia-Pacific region. They firmly rejected the idea of erecting trade barriers to protect jobs, which they anticipated from some quarters amidst the deepening crisis. President Bush was very supportive of APEC's work, particularly a proposed Free Trade Area of the Asia-Pacific (FTAAP). Ms. Monica Whaley, Executive Director, National Center for APEC moderated the event. In addition to the APEC Study Center, this event was also co-sponsored with the Weatherhead East Asian Institute, New York University's Asian Pacific American Institute, and the United States Council for International Business.

5. ***China-Latin American Relations: Implications for Trade and Development***, held December 5, 2008 at Asia Society. This symposium, exploring recent developments in China and Latin America relations, featured John Delury, Director, China Boom Project and Associate Director, Center on U.S. – China Relations; Don Hanna, Managing Director, Emerging Market Economic & Market Analysis, Citigroup; and Kati Suominen, International Trade Specialist, Inter-American Development Bank. Chris Sabatini, Sr. Director of Policy, Americas Society/Council of the Americas, moderated the event. The speakers explored issues of trade, investment and political experiences between China and Latin America. In addition, the panel addressed the deepening ties between the two regions as evidenced by the recent membership of China to the Inter-American Development Bank. This event was organized by the Asia Society and co-sponsored by the APEC Study Center.

6. ***18th Annual Graduate Student Conference on East Asia***, held February 6-7, 2009 at Columbia University. Nearly a hundred graduate students presented papers on all aspects of East Asian studies – history, economics, business, political science, literature, art history, and religion. Three panels were related to business or trade: “Chinese Corporatism and Market in the Global Age”; “Regional Security and Economic Integration with North Korea”; and “Free Trade, Microfinance, and Diversity in Contemporary East Asia”. This event was co-sponsored by the Department of East Asian Languages and Cultures.

7. ***Food and Water Security Issues: Lessons Learned and Challenges Ahead for Asia and Africa***, held February 25, 2009 at SIPA. Regina Birner, Senior Research Fellow at the International Food Policy Research Institute, and Alan Nicol, Research Fellow and Program Director at the Overseas Development Institute (UK), examined the dire environmental challenges in Asia and Africa.

Dr. Nicol discussed the critical water problems in Ethiopia. He framed the problem as one that is primarily political rather than "natural". Better use of land and water are deeply connected to corruption, waste and decades of poor policy making. He also pointed out that international issues impact Ethiopia's water situation/access. The country suffers from a lack of regional coordination and lack of power (regionally) over usage questions regarding the Nile.

Dr. Birner discussed food and water security in India. She described the impact of decentralization on the work of NGOs, and addressed malnutrition and poor water supplies. She gave examples of how local leaders and their family/friends used programs from aid agencies to enrich themselves so that even the best designed programs could be thwarted. She also gave examples of feeding programs that were only open sporadically and the challenges faced by agencies trying to do development work in India. This event was co-sponsored by WEAL.

8. ***The Financial Crisis: The Government’s Response and Next Steps***, held March 4, 2009 at SIPA. Several renowned financial industry experts gave presentations critiquing the U.S. government’s handling of the current economic crisis. These included Dr. Henry Kaufman, President, Henry Kaufman & Company, Inc; Mr. Peter R. Fisher, Managing Director, Co-Head, Fixed Income Portfolio Management Group, BlackRock; Professor Harvey J. Goldschmid, Dwight Professor of Law, Columbia

University and former Commissioner, U.S. Securities and Exchange Commission; and Professor Charles Calomiris, Henry Kaufman Professor of Financial Institutions, Columbia Business School. Merit E. Janow, Professor of International Economic Law and International Affairs and Director of the Program in International Finance and Economic Policy, SIPA, moderated the event.

Dr. Kaufman opened by unfavorably comparing the current crisis to the fifteen previous post-war downturns that have afflicted the US economy. He believes that the Federal Reserve failed to do its job due to its overarching belief in the clearing power of markets. Mr. Fisher then delineated the crisis in three steps. It began when many institutions could not de-lever through borrowing even with low interest rates. They were then unable to raise additional equity. Finally, contagion took hold as the Fed's capitalization program came too late and Lehman, Fannie Mae and Freddie Mac failed. Professor Goldschmid contrasted the difference in regulation between the equity and mortgage industries and how the lack of safeguards in the mortgage industry led to systemic failure. As a result, unregulated credit default swaps encouraged more risky lending while banks made the false assumption that housing values would continue to increase. Professor Calomiris closed by focusing on government policy errors as the cause for the crisis. He was especially critical of the U.S. government's overactive enthusiasm for pushing home ownership as well as weak corporate governance that allowed CEOs to ignore shareholder concerns.

This event was co-sponsored with the Program in International Finance and Economic Policy, SIPA.

9. ***Southeast Asian Entrepreneurship: Creating a Global Brand***, held March 20, 2009 at the Asia Society. Dr. Ly Qui Trung, CEO and Founder of PHO24, described how he developed his Vietnamese company into one of Southeast Asia's most successful global brands. *Pho*, a delectable beef noodle soup, is one of Vietnam's most treasured exports and has become a household name over the past few years. It is sold in locations throughout the Asia Pacific, including Australia, Cambodia, Indonesia, Korea, Philippines and Singapore. Dr. Trung introduced the concept of franchising to Vietnam, and his books are regarded by many as the "franchising bibles" there. Dr. Trung is also co-founder and Chairman of the Leading Brands Club (LBC) that consists of over 50 leading CEOs/brands in Vietnam. This event was organized by the Asia Society, and co-sponsored by the APEC Study Center and the Asia-Pacific Development Society at Columbia University.
10. ***Assessing the G-20 Results: Regional Perspectives***, held April 7, 2009 at SIPA. Several distinguished SIPA faculty presented their views on the results of the 2009 London G-20 summit, including Richard Clarida, C. Lowell Harriss Professor of Economics and International Affairs; Sharyn O'Halloran, George Blumenthal Professor of Political Economy and Professor of International and Public Affairs; Guillermo Calvo, Professor of International and Public Affairs and Director of the Program in Economic Policy Management; Padma Desai, Harriman Professor of Comparative Economic Systems and Director of the Center for Transition Economies and Arvind Panagariya, Professor of Economics and Jagdish Bhagwati Professor of Indian Political Economy. Merit E. Janow, Professor, International Economic Law and International

Affairs and Director of the Program in International Finance and Economic Policy, SIPA, moderated the discussion.

Richard Clarida spoke about the effect of the G-20's coordinated stimulus agreement in the United States and was impressed by the results of the summit from the notoriously slow-moving body. Sharyn O'Halloran provided global economic statistics that underscored the urgency of the meetings. Guillermo Calvo was concerned about the lack of assistance for Latin America from the G-20 in the face of capital flow reversals in the region. Padma Desai sees a silver lining in the crisis for Russia – it might be the impetus for policy reform that the country needs. Arvind Panagariya said that India used the G-20 meeting to press for increased IMF voting rights for developing economies. He doesn't believe that the additional stimulus packages agreed to at the summit will affect India very much due to its strong fiscal position and policy response.

For a complete report and video of this event, please go to our website at www.gsb.columbia.edu/apec. The event was co-sponsored by the Program in International Finance and Economic Policy, SIPA.

11. ***Korean Soft Power in International Relations***, held April 14, 2009 at SIPA. Shin-wha Lee, Visiting Professor at Columbia University and Professor of Political Science at Korea University, presented her views on Korean soft power and the current challenges facing it.

Professor Lee began by defining power and comparing hard and soft power. She identified hard power as military, economic and political power, and associated it with material incentives or threats. She contrasted this to exercising soft power by using diplomacy, culture and ideals. Soft power, she elaborated, is about gaining international legitimacy in the long-term through credibility, consensus and national appeal.

Professor Lee then assessed the soft power of the U.S., Europe, China, Japan and South Korea. She concluded that U.S. soft power is quite extensive, primarily through its cultural reach and historical advocacy of human rights, which reinforces its hard power. She contrasted this to the 'Beijing Consensus' and Japanese 'cash diplomacy', which are not as effective. Korean soft power primarily consists of diplomacy, the high tech sector, and Korean popular and traditional culture. The main constraint to Korean soft power comes from the North Korean desire to develop nuclear weapons and its heavy border military build-up aimed at Seoul. Korea aims to address this issue through its "Sunshine Policy" of downplaying hard power and embracing the North through soft power. She believes perception and policy gaps between the U.S. and Korea will be major challenges in executing this policy – and the soft power tactics it ends up using are important, because its hard power is weak.

This event was co-sponsored by the Center for Korean Research.

12. ***Oscar Lee Symposium of Undergraduate East Asian Studies***, held April 24, 2009 at SIPA. This half-day conference, organized by the Columbia Undergraduate East Asian Studies Initiative (EASI), gathered diverse Columbia student groups, academic

departments, and institutes into a collaborative and multi-disciplinary effort toward furthering the undergraduate interdisciplinary study of East Asia. Three panels and eight presenters presented their research findings and received constructive criticism. Relevant panels included “Buying Bali Hai: Evolving Taiwanese Foreign Policy in the Pacific Islands, 1988-2008”; “Using Popular Culture to Explain Sino-Korean Bilateral Ties and Prospects for Future Reorganization”; and “The Political Economy of South Korean Rice Subsidies.” Support for the EASI also contributed to publication of the *Columbia East Asian Review*, an annual, online, peer-review academic journal dedicated to furthering knowledge of East Asia through the promotion of research and interdisciplinary dialogue. It can be accessed at www.eastasiareview.org, and the symposium at www.eastasiasymposium.org. The EASI was co-sponsored by the WEAI, the Department of East Asian Languages and Cultures, and the Columbia College Student Council.

B. BROWN BAG LUNCH LECTURE SERIES

The APEC Study Center co-sponsors and actively promotes “Brown Bag” luncheon seminars, which are organized with the Weatherhead East Asian Institute and held at the School of International and Public Affairs. These highly informative, informal gatherings usually run from 12-1:30 pm, including a question-and-answer session. In the spring of 2009, the APEC Study Center engaged in a collaboration with the Southeast Asian Student Initiative which, in addition to talks co-sponsored by WEAI and other Centers, resulted in a total of eighteen seminars in 2008-09:

1. ***Urban Wholesale Price Change and Economic Growth in Modern China***, September 22, 2008 (co-sponsor: WEAI). Yuru Wang, professor of economic history at Nankai Institute of Economics and director of the Economic History Research Center at Nankai University, spoke about the relationship between growth trends in modern China and the fluctuations of urban wholesale prices. She said that, while certain sectors of China’s economy experienced notable growth prior to 1937, it did not lead to China’s modern economy. As part of her research, Wang formulated an urban wholesale price index through a weighted average method using data from Tianjin, Shanghai and Guangzhou from the 1910s to 1940s. The motion of prices tell a storied past, reflecting the development of China’s transportation industry.

Between 1913 and 1925, price levels between Tianjin and Guangzhou differed dramatically. The variations reflected a period of turbulence in China marked by separatist warlord regimes and war. Yet from 1927 until the Sino-Japanese War in 1937, prices dropped in consumption and production goods and price differentials between Tianjin, Shanghai and Guangzhou shrank. The changes signaled the onset of economic stability with the establishment of the Nanjing National Government in 1927, as well as rampant expansion of China’s railways and highways between 1928 and 1937. Despite the peaked development of China’s transportation industry, Wang said there were still price differentials in rural and remote areas.

The urban wholesale price index after 1937 showed an upward trend in prices, particularly in Tianjin. Wang explained the surge in prices reflected the onset of the Sino-Japanese War, a period marked by zero economic development and severe inflation. Although certain sectors such as transportation grew rapidly prior to the war, Wang said

those made up only a small proportion of the annual growth rate of the national economy. She added that China's modern economy was therefore not realized prior to 1936.

2. ***China's New Confucianism: Politics and Everyday Life in a Changing Society***, October 1, 2008 (co-sponsor: WEAI). Daniel Bell, Professor of Philosophy at Tsinghua University in Beijing and author of a book of the same title as this seminar, spoke about the revival of Confucianism and its potential for inspiring a more "harmonious" form of governance in China, in contrast to the dictatorial rule of the Mao era.

Several factors explain the revival, Bell said. Amid the vast changes in China's economy, there lies a growing desire to return to the country's ancient values. China's economic strength has been quickly followed by cultural pride in a country that had been embarrassingly cast as poor and backwards during the days of Mao. The Chinese have more confidence on the global stage, which encourages a more individualistic and competitive society where people today are free to choose careers and travel abroad. Indeed, this revival also indicates a waning of Marxist ideology that drove Maoist followers. Some of China's schools have even begun teaching students Confucian classics.

As China becomes a more open society, Confucian classics could inspire leaders to govern with a kind of "moral sensitivity," Bell said. The central values of Confucianism include emphasis on keeping good social relationships with friends, neighbors, and especially family. It also stresses public service and peaceful ways of resolving conflict. Bell also argued the philosophy could actually help drive economic equality in China, since those with more social power are encouraged to help those with less social power.

3. ***Chinese Lessons: Roadblocks on the Way to China's Superpower Status***, held October 27, 2008 (co-sponsor: WEAI). John Pomfret, Outlook Editor and former China Bureau Chief for the Washington Post, gave a presentation describing the challenges that China faces in its development toward superpower status. One of the first American students to enter the country in 1980, Pomfret used the personal narratives of many of his classmates to personify the rapid change China has experienced throughout the past generation.

Pomfret also identified potential barriers to China's continuing emergence. Among them are the inflexibility of a one-party state, the patronage system by which party leaders distribute capital, demographic challenges, environmental degradation and a lack of a national belief system that could unite the Chinese for a common good.

Pomfret sees cause for optimism regarding the future relationship between America and China. Irrespective of the "visceral fear" that many Americans have of China, there are in fact several areas in which the two nations enjoy positive bilateral cooperation.

The event was moderated by Howard French, Shanghai Bureau Chief of the New York Times.

4. ***Factory Towns: Portraits of Modern China***, held November 5, 2008 (co-sponsors: WEAI and the International Media and Communication Concentration, SIPA). Peter Hessler, Staff Writer for the New Yorker and a contributing writer to National Geographic, described his recent experience traveling to factory towns in the Wen Jo province of China.

Many of China's provinces specialize in manufacturing specific items in bulk. For instance, Chao To has 370 button factories, and manufactures one-third of the world's socks. Wen Jo manufactures a good percentage of the world's shoes, and about 70% of the world's cigarette lighters. 90% of Wen Jo's economy is private, and foreign direct investment is not a big factor. Though not a special economic development zone, the economic pressure to develop was so great that he witnessed a business owner design an entire factory floor on a piece of paper in 27 minutes. He also saw several buildings go up within five weeks.

During the Q&A session, Mr. Hessler noted that governmental institutions like the Labor Board have some influence, but are not very integrated into the system yet; most negotiations take place within the factory. Much of the regulatory regime is actually tied to profit, and some corruption; for instance, the tax bureau came into one factory and "recommended" a particular accountant in order for it to avoid problems. Relatedly, he said that China's social networks are also more profit-oriented; there are more private businesses, and less non-governmental organizations. Finally, he said that, because of China's status as a supplier country, he is very concerned about the potential for financial collapse during a weak economy since it is so dependent on constant growth.

5. ***How East Asians View Democracy: Findings from the Asian Barometer Surveys***, held November 10, 2008 (co-sponsor: WEAI). Yun-han Chu, distinguished research fellow at the Institute of Political Science of Academia Sinica and professor of political science at National Taiwan University, and Andrew J. Nathan, Class of 1919 Professor of Political Science at Columbia University, discussed the findings from a large-scale survey-research project which were compiled in their new book, [How East Asians View Democracy](#). The project, called the East Asian Barometer, consisted of eight research teams conducting national-sample surveys in five new democracies (Korea, Taiwan, the Philippines, Thailand, and Mongolia), one established democracy (Japan), and two nondemocracies (China and Hong Kong) in order to assess the prospects for democratic consolidation.

"The provocative finding is that of the eight countries we surveyed, public satisfaction with the regime is highest in authoritarian China, lowest in democratic Japan and Taiwan, and very rocky in the other newly emerged democracies that we surveyed (Korea, Thailand, Philippines, Mongolia)," said Nathan. East Asian democracies are in trouble, their legitimacy threatened by poor policy performance and undermined by nostalgia for the pro-growth, soft-authoritarian regimes of the past. Yet citizens throughout the region value freedom, reject authoritarian alternatives, and believe in democracy.

Professors Chu and Nathan don't believe democratic governance is incompatible with East Asian cultures, but counseled against complacency toward the fate of democracy in the region. While many forces affect democratic consolidation, popular attitudes are a crucial factor.

6. ***Is China As Strong As It Seems?***, held November 12, 2008 (co-sponsors: WEAI and the International Media and Communication Concentration, SIPA). Robert Gifford, London Bureau Chief of U.S. National Public Radio, spoke about the "hope and despair" that essentially sums up politics and economics in China today. China has achieved unprecedented economic growth over the last three decades, and lifted 400 million people out of poverty. Residents have more freedom and are able to make individual choices, from spouse to occupation. China's premier cities, Shanghai and Beijing, mirror the advances and infrastructure of major cities in the west.

But the country is much more fragile than perceived. During a tour across China in 2005, Gifford saw many remote villages where most residents had seen few, if any, benefits from China's economic growth. Quality health care and education is out of reach for many, which explains their extraordinarily high private savings. It also partly explains why China's growth has continued to rely on capital accumulation and energy-intensive industries, rather than consumption and service-oriented models.

Shanghai has made efforts to transition from a manufacturing to service-oriented economy, but factories still dominate the city's business landscape. China's pattern of growth poses several problems globally. Its mounting demands for resources means it is likely to continue supporting controversial regimes such as Sudan and Burma. The global economic slowdown is presenting major hurdles for the country's continued growth and stability, with many factories closing down. Gifford said it remains to be seen how effective China's recently approved stimulus package will be on the economy.

Professor Gifford said while economic modernity has improved the lives of many, it has also introduced unique contradictions to Chinese society. He pointed to a photo of monks surfing the Internet after prayer and questioned whether this technology has made the country stronger or weaker. It has given the Chinese access to information, but this access has come at the expense of individual privacy, as the Chinese government monitors internet users.

7. ***Book Talk and Reception: Legacy of Engagement in Southeast Asia***, held January 29, 2009 (co-sponsor: WEAI). Authors and editors of this new book presented their chapters and insights on the development of Southeast Asia, including Frederick Brown, Fellow at the Foreign Policy Institute of the Paul H. Nitze School of Advanced International Studies of Johns Hopkins University; Hugh Patrick, Robert D. Calkins Professor Emeritus of International Business, Columbia University; Donald Weatherbee, Donald S. Russell Distinguished Professor Emeritus, University of South Carolina and Bridget Welsh, Associate Professor in the Southeast Asia Studies Program, Johns Hopkins University.

Professor Brown spoke on Vietnam, where an entrenched Communist Party is struggling to redefine itself in an increasingly sophisticated society facing new challenges. Professor Patrick explained how Japanese development assistance over the past four decades has been successful in stimulating growth and repairing damage to past historical blights. Professor Weatherbee was critical of ASEAN, where nationalistic tendencies are threatening regional integration. Professor Welsh outlined the challenges facing the region, such as corruption, the retrenchment of democracy and a growing income inequality.

The panel was moderated by Ann Marie Murphy, Assistant Professor at the John C. Whitehead School of Diplomacy at Seton Hall University, and an editor of the book. Professor Murphy opened with complimentary remarks commemorating Jack Bresnan, a former Columbia University professor and mentor to many of the panelists.

8. ***Environmental Activism in China***, held February 18, 2009 (co-sponsor: Asia Pacific Affairs Council, WEAI). Wu Fengshi, Assistant Professor of Government at the Chinese University of Hong Kong, gave a presentation describing environmental activism in China.

Environmental activism first began in the 1990s, and is currently much more widely accepted by both the government and broader society than other issue groups, such as

HIV/AIDS, religious or democracy movements. This is partly due to the leeway, and sometimes support, that the Chinese government gives to environmental NGOs and public officials that deal with environmental issues. This is in spite of the fact the environmental activism has its roots based in the democratic movements that shocked the country in the 1980s.

China boasts some of the world's most reputable environmental scientists, which give the Chinese more credibility in dealing with this issue. Environmental activism could become more successful, Wu argues, if the movement could become more cohesive, both domestically and more in line with the broader international environmental movement.

The event was hosted by WEAL and moderated by Elizabeth Wishnick, Assistant Professor of Political Science and Law at Montclair State University, and Research Associate at WEAL.

9. ***The Real Story Behind the International Human Rights Campaign for Burma: A Conversation with Burma Advocates from Asia and Europe***, held March 24, 2009 (co-sponsor: Southeast Asia Student Initiative [SEASI]). The following human rights advocates presented: Khin Ohmar of the Burma Partnership, Roshan Jason from the ASEAN Inter Parliamentary Caucus, Lwe Aye Nang and Thin Thin Aung of the Women's League of Burma, Debbie Stothard from the Alternative ASEAN Network on Burma and Mark Farmener of Burma Rights Campaign UK. The discussion was moderated by Michael Buehler, a Postdoctoral Fellow in Modern Southeast Asian Studies at WEAL.

Khin Ohmar reviewed the rights-based activities undertaken by local women activists, many of whom are now in jail. Roshan Jason admitted that ASEAN does not press Burma for change in the human rights sphere, and that it is up to foreign governments to pressure ASEAN to develop stronger incentives to protect human rights among its member countries. Lwe Aye Nang spoke of her organization's role in advocacy with the United Nations, and its covert grassroots community mobilization efforts. Thin Thin Aung traced the history of the military regime and the negative effect that the junta has had on the country's development. Debbie Stothard explained how the political system is skewed in favor of the military. Mark Farmener closed by discussing the government's persecution of minorities in eastern Burma, and how there is little information disseminated and no sense of urgency from the international community.

10. ***Democracy without Accountability: Party Cartels and Presidential Power in Indonesia***, held March 24 (co-sponsor: WEAL). Dan Slater, Assistant Professor of Political Science at the University of Chicago, presented his research on the development of political parties and resulting cartel system in Indonesia. The panel was moderated by Professor Michael Buehler of WEAL.

Professor Slater argued that political elites in Indonesia share power instead of competing for it. He discussed some theories that characterize political systems, such as robust competition, where a plausible opposition party exists to monitor the government in power, and vertical and horizontal accountability, where officials are checked by the ballot box and by independent institutions.

Professor Slater gave several examples demonstrating the cartel in practice. One was the cohesion of an ideologically divided parliament that orchestrated the overthrow of Suharto and his former vice president and successor Rudi Habibie. This was further

demonstrated by the expulsion of Abdurrahman Wahid from the presidency and the placement of Megawati as vice president.

Professor Slater then probed into some possible reasons for the emergence of a political cartel in Indonesia, concluding that the allure of serving in the government, especially in a cabinet position, kept all parties except for one in a coalition. Slater believes that populism and oligarchy tend to cycle back and forth, one backlash leading to the ascension of the contrasting system. Thus, “new democracies are not so much consolidating or collapsing as careening.”

11. ***Gendered Punishment and Punitive Memory in Democratic Kampuchea***, held March 31, 2009 (co-sponsor: SEASI). Trudy Jacobsen, ARC Postdoctoral Fellow in the Monash Asia Institute and the School of Political and Social Inquiry, Monash University, described gender roles in Cambodia during the time of the Khmer Rouge and beyond. The panel was moderated by Professor Michael Buehler of WEAI.

When the Khmer Rouge came to power, they endorsed gender equality. However, since they didn't make an effort to change the traditionally patriarchal attitudes in general, they made very little progress toward gender equality. For example, all of the prostitutes were killed. And while Khmer cadres weren't allowed to rape women or “behave improperly”, they tortured women sexually. And in the event that a woman was raped, it would bring shame to her because it was considered her fault; she was in the wrong place at the wrong time, wearing inappropriate clothing.

The Khmer Rouge may have planted a seed for gender equality, though; after their ouster in 1979, the next ten years, 1979-89, was the most gender-egalitarian period in Cambodian history. As the traditional elites returned assumed power again, however, the traditional patriarchal ideas returned. Unfortunately, now there is a lot of violence against women – mostly against prostitutes. There are many non-governmental organizations that are working to combat this problem.

12. ***Language Regimes and State-Building in Southeast Asia***, held April 7, 2009 (co-sponsor: SEASI). Emory University political science Ph.D. candidate Amy Liu presented her dissertation project examining language regime choice in Indonesia, Singapore and Taiwan. She argued that governments choose to share linguistic powers when the threat of state destabilization is high. The talk was moderated by Professor Michael Buehler of WEAI.

Liu characterized language regimes as institutions that affect individual behavior. Due to this institutional nature of language regimes, politicization of the choice of regime type gains importance. Liu analyzed these political origins to understand the importance of language regimes. She argued that language regime choice parallels state-building constraints. These constraints can lead to systemic vulnerability that heightens the threat of state failure.

Liu developed two tests around the independent variable of state failure and the dependent variable of language regime. The first test concluded that, due to the presence of systemic vulnerability, Singapore chose a power-sharing language regime. However, Taiwan chose a power-concentrating regime due to an absence of vulnerability. The second test results showed that due to the presence of systemic vulnerability in both, Singapore and Indonesia similarly chose power-sharing language regimes.

Liu concluded that language regime choice is highly political, with implications for civic development, economic growth and ethnic conflict. Additionally, language regimes provide an important contribution to state-building and institutional choice.

13. ***ASEAN and the USA: Moving Forward Amidst Crises***, held April 8, 2009 (co-sponsor: SEASI). Simon Tay, Associate Professor at the National University of Singapore and Chairman of the Singapore Institute of International Affairs, presented his views on the future of ASEAN and the possibility of re-establishing cooperation with the U.S. Tay said that, under the Bush administration, the U.S. had neglected ASEAN relations. With the advent of the Obama administration, Tay wondered if ASEAN would get more attention. If so, which issues will take priority? According to Tay, ASEAN aims to re-establish itself by strengthening the ASEAN Charter, expanding economic community integration and addressing human rights. This internal stability will provide a platform for dealing with the global priorities of economics, environment and security.

Professor Tay began by outlining the positive nature of the official visit of Secretary of State Clinton to Asia and contrasting this to the Bush administration policy regarding China and India. Tay believes that neglect of ASEAN by the U.S. compounded problems within the region. He noted that this has not been completely unwarranted since ASEAN has not been effective in addressing its own issues. These issues include democracy and human rights in Myanmar, changing Asian values exemplified by the development of democracy in Indonesia, and the capacity of ASEAN to mediate regional security flare-ups.

Professor Tay then addressed the broader regional challenges of Asia, particularly the rising power of China and India. Smaller ASEAN nations feel threatened and ineffective when dealing with these large actors. He believes that ASEAN must strengthen cooperation to mitigate this risk. Therefore, ASEAN should redouble efforts toward the establishment of a free trade area, strengthen the rules and Secretariat through the ASEAN charter, and emphasize ASEAN as a convener for dialogue and cooperation for smaller powers.

Regarding the relationship between the U.S. and ASEAN, Professor Tay said that ASEAN must commit to establishing and maintaining a unified community, and the U.S. must be a willing and patient participant. By resolving cultural differences, the U.S. and Asia can engage in constructive discourse to address policy. Issues to address include global governance, balancing intra-Asian regionalism through APEC, developing a new and shared process on Myanmar, and promoting greater cooperation on climate change.

Professor Tay sees the Obama administration's greater belief in multilateralism as an opportunity for ASEAN to return to prominence in the region. Embodying multilateralism in ASEAN will come from developing a common foreign and security policy. The current global nature of the financial crisis has highlighted the interdependence of the world's economies and given further impetus for deeper cooperation. Tay believes the need to strengthen cooperation through greater engagement with the U.S. will be beneficial for all parties in the future.

14. *Timor-Leste Since the 1999 Referendum*, held April 9, 2009 (co-sponsor: SEASI). John M. Miller, National Coordinator of the East Timor and Indonesia Action Network, gave a presentation at the School of International and Public Affairs regarding the development of East Timor as an independent state. The talk was moderated by Professor Michael Buehler of WEAI.

Mr. Miller spoke about East Timor's long road towards independence, first from Portugal in 1975 and then finally from Indonesia in 2001. Miller also highlighted several events that led to independence. This included a 1991 massacre in the capital of Dili, the awarding of the 1996 Nobel Peace Prize to two Timorese activists and a 1998 change in government in Indonesia.

Miller reviewed the strife that has often characterized Timorese politics since independence, including a 2006 armed forces split that led to violence and 40 deaths and a 2008 attempted assassination against President Jose Ramos-Horta and Prime Minister Xanana Gusmao. Miller also identified two key areas in which East Timor should improve: the opaque manner in which the government has handled the controversial petrol projects that contribute to the majority of East Timor's revenue, and a greater focus on the development of rural areas, where the majority of the population lives.

15. ***Language Shift and Language Death in Island Southeast Asia***, held April 20, 2009 (co-sponsor: SEASI). James T. Collins, director of the Center for Southeast Asian Studies at Northern Illinois University, presented his research at the School of International and Public Affairs regarding the change of language patterns in Indonesia. The talk was moderated by Professor Michael Buehler of WEAI.

After studying Indonesian language use for 30 years, Professor Collins has determined that there are 600-800 languages spoken in the country. A reason for the existence of so many is because of the low mutual intelligibility, which leads to the proliferation of many languages. Collins also found strong evidence of language consolidation among the Christian population – as older speakers died, languages died with them. Muslims, he argued, have done a better job of maintaining their languages but they are still not being passed onto younger generations at a rate that can guarantee future survival. Ultimately, languages disappear or remain in use based on decisions made by villages. The decision of what language to use can be attributed to many factors, such as general preferences, the effects of religion, the movement of people, or the dynamics of local educational systems.

16. ***Their Moment in the Sun: Indonesia's New Gangster Politicians***, held April 21, 2009 (co-sponsor: SEASI). Mr. Loren Ryter, Visiting Scholar and Lecturer at the University of Michigan, gave a presentation at WEAI on the presence of former gang members, or "premans", in the Indonesian parliament. The talk was moderated by Professor Michael Buehler of WEAI.

During the Suharto era, there were many youth organizations (Organisasi Kelompok Pemuda, or OKP in Indonesian) that supported the ruling party, Golkar. After Suharto resigned, the former leaders of OKPs were in a good position to campaign for seats in the Indonesian parliament because of their political affiliations, extensive and long-term network, and ability to turn out supporters and raise money. Furthermore, a job in Parliament is appealing; it is seen as a place where one can achieve power and money relatively quickly. Consequently, there is presently a higher percentage of the Parliament that are former OKP members than those unaffiliated with OKPs.

One positive and democratic effect of the OKP presence is that, since these members are generally less guarded from the citizens, they are more likely to respond to constituents' pressure "to avoid getting hassled," as Mr. Ryter put it. Another positive note is that the term "gangsters" doesn't necessarily mean that these members are violent; more accurately, it connotes that they are part of a group with a reputation of intimidation.

17. ***Islam, Elections, and Politics in Indonesia***, held April 22, 2009 (co-sponsor: SEASI). Robin Bush, Director of The Asia Foundation, Jakarta, discussed recent election results in Indonesia, and broader trends within Islam in Indonesia, at WEAI. The talk was moderated by Professor Michael Buehler of WEAI.

During the recent April 10 elections, the four Islamic parties tallied only 5 - 8% each, totaling about 26%. This vote signified confidence in the ruling Democratic party, and a drastic reduction in support for the Islamic parties.

Dr. Bush believed the Islamic parties' losses were partly due to the perception that they couldn't deliver stability and effective governance, especially in a time of worldwide financial crisis. In contrast, in 2004 the Islamic parties were thought of as the "reform", non-corrupt, and financially competent parties. Only six years before, in 1998 after the fall of Suharto, the ban on Islamic parties was lifted, so there had been a huge upsurge in interest, and voting for them was sometimes equated with "freedom". Furthermore, after the September 11, 2001 attacks in the United States, Islamist parties had surged in popularity as they took advantage of anti-West sentiment.

18. ***Indonesia 2015: Demography, Geography and Spending for the Next Decade***, held April 30, 2009 (co-sponsor: SEASI). Wolfgang Fengler, Senior Economist, Poverty Reduction and Economic Management from The World Bank in Jakarta gave a presentation at WEAI regarding government spending priorities in Indonesia. The talk was moderated by Professor Michael Buehler of WEAI.

Dr. Fengler said that recent public expenditure trends have been alarming because subsidies to targeted industries such as electricity and fuel have been crowding out social service spending. However, Fengler was mostly positive, pointing out favorable demographic trends as well as a budget expansion of 25% due to oil revenue increases and high economic growth. Dr. Fengler also called Indonesia the world's leader in debt reduction, as the country has lowered its external debt from 80% of GDP to 30% of GDP over the past few years.

Dr. Fengler then closed with some priorities that he thinks deserve fiscal attention. This included infrastructure development, a commitment to improving the quality of higher education, a more expansive healthcare system, and spending in agriculture technology to improve productivity and reduce regional disparities.

C. OTHER PROGRAMS AND MEETINGS

The APEC Study Center 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 APEC Study Center specifically and/or its co-directors or core faculty are listed below.

1. ***University Seminar on Southeast Asia in World Affairs***, New York, 2008-2009. Professors Hugh Patrick, Ann Marie Murphy of Seton Hall University, and David Denoon of New York University co-chair this seminar. Seminar members include academics and professional specialists in business, law, the media, and the non-profit world. There were four meetings held during this academic year on the following topics and with the following presenters:

- a. "Alternative Futures for ASEAN", David Denoon, Professor of Politics and Economics, New York University, October 2008
 - b. "Asian Regionalism and the Financial Crisis: How Will They Affect Global Economic Governance?", Peter Petri, Carl J. Shapiro Prof. of International Finance, Brandeis University, November 2008
 - c. "The De-Democratization of Thailand and Its Regional Implications", Donald Weatherbee, Emeritus Professor, University of South Carolina, February 2009
 - d. "Indonesian Foreign Policy in the Reformasi Era", Marty M. Natelegawa, Ambassador of the Republic of Indonesia to the United Nations, March 2009
2. **Korea Economic Institute Advisory Council Meeting**, New York, NY, September 16, 2008. Professor Patrick participated in this conference, which featured remarks by Kim Myong-gil, DPRK Mission to the UN, on "The DPRK Perspective on Six-Party Talks". There were also panels on "The First Six Months of the Lee Myung-Bak Administration" led by Sun Joun-yung, Kyungnam University; "How is Korea Reacting to Developments in the U.S. Market and Elsewhere?" led by Jeffrey Shafer of Citigroup; and "The Two U.S. Presidential Candidates and Their Positions on the KORUS FTA", led by Gordon Flake of the Mansfield Foundation and Bruce Klingner of The Heritage Foundation.
 3. **Shifting Strategic and Political Relations With the Koreas**, New York, NY, September 16-18, 2008. Professor Patrick moderated a breakfast meeting of this conference on "View From The Street: Roundtable Discussion on the Korean Economy and Business Opportunities in the Korean Market".
 4. **Global Creative Leadership Summit**, New York, NY, September 21-23, 2008. Professor Merit E. Janow spoke at this summit, in which leading figures in the areas of science/technology, culture, business and politics were brought together with Heads of State and representatives from global agencies. Delegates addressed pressing global problems such as trade, poverty, cultural conflict and climate change.
 5. **Association for Asian Studies Finance Committee Meeting**, New York, NY, September 26, 2008. Professor Patrick chaired this meeting, in which the Committee met with Douglas Kelly of Legg Mason Investment Counsel to evaluate the AAS portfolio. Though it had lost some value due to the financial crisis, it had performed about 3% better than the stock market up until September 25. While Legg Mason continues to make profits and will not go bankrupt, there is a probability that it could be acquired by another asset management firm in the current financial environment, so the Committee decided to monitor it more closely.
 6. **Meetings at Lingnan University**, Hong Kong, October 23, 2008. Professor Patrick met with many officials and professors at the University, including President Yuk-shee Chan and Vice President Jesús Seade. He talked with Professor Seade about a proposed conference on economic integration in the South Pacific which would be co-sponsored by the APEC Study Centers of Lingnan and Columbia.
 7. **Columbia Business School Pan-Asian Reunion**, Hong Kong, October 24-26, 2008. Professor Patrick moderated a panel discussion on "Asian International Financial Centers: Activities and Aspirations".
 8. **Business Law and Innovation Conference**, New York, NY, October 31 – November 1, 2008. Professor Patrick moderated a panel on "Innovation Finance in Japan".

9. **Interview by TV Tokyo**, New York, NY, Columbia University, November 3, 2008. Professor Hugh Patrick spoke about a broad range of financial issues surrounding the forthcoming U.S. presidential election. These included the future prospects for the Japanese economy; the financial crisis and its implication for American capitalism; and an evaluation of the bank bailout.
10. **Summit on the Global Agenda**, Dubai, United Arab Emirates, November 7-9, 2008. Professor Janow attended and served on the Global Agenda Council on the Global Trade Regime.
11. **Interview by Kyodo News**, New York, NY, Columbia University, December 12, 2008. Professor Hugh Patrick spoke about the financial crisis, including the potential causes; lessons from Japan's crisis for the U.S., and how Japan should react now; and the future course of capitalism under the Obama Administration.
12. **Business and Economics in East Asia: A Guide for Undergraduates**, Columbia University, New York, NY, February 12, 2009. Professor Patrick participated in a panel discussion which served to provide undergraduates a foundation with which to approach future employment in business, in both East Asian companies and those with markets in East Asia. They focused especially on the impact that the financial crisis would have on students' job opportunities, and whether their job-seeking strategies should be modified as a result.
13. **Current Economic Conditions in Japan and Asia**, Columbia University, March 2, 2009. Professor Patrick moderated a discussion sponsored by the Center on Japanese Economy and Business featuring a presentation by Naoyuki Yoshino, Professor of Economics at Keio University.
14. **Guest Lecture at Carnegie Mellon University**, Pittsburgh, PA, February 9, 2009. Professor Patrick gave a lecture on "Japan's So-Called Lost Decade" via videoconference to Associate Professor Lee Branstetter's class, "Rise of the Asian Economies".
15. **Columbia and Japan: A Celebration of the 60th Anniversary of the Weatherhead East Asian Institute**, Tokyo, Japan, June 3, 2009. Professors Patrick, Janow, and Gerald Curtis presented on "U.S.-Japan Relations Under the Obama Administration" in a panel moderated by ASC Core Faculty member Carol Gluck. ASC Core Faculty Xiaobo Lu and Curtis Milhaupt spoke at the panel on "U.S.-Japan-China Relations".
16. **Meetings**, Seoul, Korea, June 4-13, 2009. On behalf of the APEC Study Center, Professor Gerald Curtis, Burgess Professor of Political Science, was in Korea June 4-11 and Professor Patrick June 8-13. In addition to meeting individually and jointly with Korean business leaders, policy makers, and academics, they participated in a June 11 meeting organized by the Korea National Committee for Pacific Economic Cooperation titled "Challenges for Korea-U.S. Economic Relations under President Obama". They also participated in the Weatherhead East Asian Institute's conference celebrating 60 years of Korea-Columbia University studies titled "Global and Local Korea: Korean Studies in a Changing World".
17. **Inaugural Meeting of the China Investment Corporation's International Advisory Council**, July 5-6, 2009. Professor Janow attended this meeting as a member of the Council.

D. GRADUATE STUDENT FELLOW PROGRAM

The ASC runs a successful Graduate Student Fellow (GSF) program. GSFs attend and report on various conferences and brown bags throughout the year, and help promote events to their fellow students. Three graduate students served as GSFs this year: Nin-Hai Tseng, Chris Thurlow, and Alex Anich, all students at the School of International and Public Affairs (SIPA) and affiliated with the Program in International Finance and Economic Policy.

IV. DISCUSSION PAPERS

The APEC Study Center added six Discussion Papers to its series during 2008-09:

59. ***Computational Analysis of APEC Trade Liberalization*** by Kozo Kiyota, Associate Professor, Faculty of Business Administration, Yokohama National University and University of Michigan; Robert Stern, Professor Emeritus of Economics and Public Policy, College of Literature, Science, and the Arts, and Professor Emeritus of Public Policy, Gerald R. Ford School of Public Policy, University of Michigan, July 2008
60. ***Dealing with the Proliferation of Trade Agreements*** by Jayant Menon, Principal Economist, Officer for Regional Integration, Asian Development Bank, September 2008
61. ***How Much of Chinese Exports Is Really Made in China? Assessing Domestic Value-Added When Processing Trade is Pervasive*** by Robert Koopman, Chief Economist and Director, Office of Economics, United States International Trade Commission; Zhi Wang, Office of Economics, United States International Trade Commission; and Shang-Jin Wei, Centre for Economic Policy Research, National Bureau of Economic Research, and N.T. Wang Professor of Chinese Business and Economy, Columbia University, September 2008
62. ***Governance, Corruption, and Trade in the Asia Pacific Region*** by Kazutomo Abe, Professor, Tokyo Denki University and John S. Wilson, Lead Economist, Development Research Group-Trade, The World Bank, October 2008
63. ***Understanding International Price Differences Using Barcode Data*** by Christian Broda, Professor of Economics, University of Chicago, Booth School of Business and the National Bureau of Economic Research and David E. Weinstein, Carl S. Shoup Professor of the Japanese Economy, Department of Economics, Columbia University and the National Bureau of Economic Research, May 2009
64. ***Foreign Ownership, Listed Status, and the Financial System in East Asia: Evidence from Thailand and Malaysia*** by Fumiharu Mieno, Professor, Kobe University, June 2009

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 APEC Study Center 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 2008-09 academic year, are particularly relevant for students interested in APEC.

CHINA'S NEW MARKET PLACE

This seminar has been offered at SIPA in the fall semester since 2001, and will continue in the fall of 2009. It is taught by Daniel Rosen, who is an adjunct assistant 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. Students examine the most pressing economic and commercial policy issues affecting China today, and develop applied commercial and economic insights for the real world.

CHINESE LAW AND SOCIETY

This colloquium is offered by CLS during the spring semester. It is taught by Benjamin Liebman, Professor of Law and Director of the Center for Chinese Legal Studies, and Madeleine Zelin, Professor of History and East Asian Languages and Cultures. The course will introduce students to current scholarship on Chinese law, society, and governance, examining both China's legal history and its contemporary legal evolution, with particular attention to themes that link historical and contemporary developments. Topics to be examined include the criminal justice system, the legal profession, the role of constitutional law, the roles of courts and other legal institutions, the development of corporate law, and the influence of rights consciousness and of social protest.

COMPARATIVE AND INTERNATIONAL ANTITRUST LAW

This seminar is offered by CLS in the fall. It is taught by Petros Mavroidis, Edwin B. Parker Professor of Foreign and Comparative Law, and David Unterhalter, visiting professor of Law and member of the WTO Appellate Body, and Professor Merit E. Janow. This course integrates comparative and critical perspectives on the basics of antitrust regulation in the European Union and the United States, familiarizing students with the overall attitude of the two competition authorities when facing comparable problems. International and global trends in competition law and enforcement are considered, including select issues in Japanese and Korean antitrust law and policy. Class discussion also focuses on the implications for transaction costs resulting from the regulatory diversity and to what extent there are merits on the demarche for international antitrust. The seminar is offered to those students with a strong background in antitrust issues.

ECONOMIC DEVELOPMENT OF JAPAN

This lecture course is offered by the Department of Economics in the fall semester, and is taught by David E. Weinstein, Carl S. Shoup Professor of the Japanese Economy. Professor Weinstein focuses on the growth and structural changes of the post-World War II economy; its historical roots; interactions with cultural, social, and political institutions; and its economic relations with the rest of the world.

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.

ECONOMIC REFORMS IN TRANSITIONAL ECONOMIES

This lecture course is offered by the Economics Department in the fall semester, and is taught by Padma Desai, Gladys and Roland Harriman Professor of Comparative Economic Systems. Professor Desai covers reform issues in transition economies such as price liberalization, currency reform, asset privatization, macroeconomic stabilization, trade liberalization and exchange rate policies, and foreign resource flows. She uses examples from the experience of the transition economies of Russia, the post-Soviet states, East-Central Europe, China and Vietnam, including discussion of the recent financial crisis.

INTERNATIONAL BANKING: VALUE AND RISK

This course was offered during both semesters by CBS, and was taught by Robert E. Fallon, adjunct professor in the Department of Finance and Economics and former Chairman and CEO of Korea Exchange Bank. The course examines both the theory and the practice of international banking: the value of banks and the management of banking risk. Banking is a business in transition from information-intensive relationship lending to market-risk management. Technology and deregulation are undermining bank franchise value, and banks increasingly make money by taking risk. Particular attention is paid to the problem of bank value. A benchmark is the "market bank", which buys market assets and sells market liabilities. By understanding the characteristics of this model, the actual sources of value in real banks are more clearly seen. The course also emphasizes VaR analysis, RAROC, and the international rules for bank capital, as well as the evolving markets for loan trading and collateralized loan obligations (CLOs). It ends with a review of the institutional evolution of international banking in recent decades, including the impact of the "sub-prime" credit crisis. It utilizes case studies and other materials on various APEC economies.

INTERNATIONAL BUSINESS

This lecture course is offered by CBS in the fall and spring semesters, and is taught by Shang-Jin Wei, N.T. Wang Professor of Chinese Business and Economy and Professor of Finance and Economics. At the dawn of the 21st Century, nations are more economically integrated than at any other point in human history. This presents business leaders with unprecedented opportunities and challenges. On the one hand, the opportunity to sell to global markets rather than a single national market increases the potential profitability of nearly every kind of business activity. On the other hand, globalization increases the number and range of potential competitors in nearly every industry, and the challenges of effectively managing a multinational enterprise can be substantially greater than those confronting a firm largely based in a single country.

This course seeks to equip future business leaders to exploit these opportunities and cope with these challenges. The course will accomplish that goal by providing students with a systematic understanding of the fundamental aspects of the global business environment that

influence business decisions and behavior. Managers must understand the structural economic factors that determine locational advantages, the way government policies both promote and restrain the integration of national economies with the global economy, and the impact of volatility in the global macroeconomic environment on international business strategy.

LAW AND LEGAL INSTITUTIONS IN CHINA

This lecture course is offered by CLS in the spring, and is taught by Professor Liebman (see above). 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.

MAJOR ISSUES IN U.S. FOREIGN ECONOMIC AND TRADE POLICY

This large lecture course, offered for a number of years at SIPA, is taught by Professor Janow (see above). This course covers multilateral, bilateral and regional trade arrangements and also considers selected topics in international trade such as intellectual property, telecommunications and investment.

THEORY OF COMMERCIAL POLICY

This lecture course is offered by the Department of Economics in the spring semester, and was taught last year by Kyle Bagwell, Kelvin J. Lancaster Professor of Economic Theory and Professor of Business. Professor Bagwell discussed the welfare economics of international trade and investment; analysis and evaluation of the effects of tariffs and quotas on production, consumption, and trade under competitive and monopolistic conditions; retaliation and trade warfare; the theory of optimal intervention in the presence of distortions of the price system; the brain drain and taxation; and optimal trade and tax policy in the context of international factor mobility.

THEORY OF INTERNATIONAL TRADE

This lecture course is offered by the Department of Economics in the fall semester, and is taught by Donald Davis. Professor Davis discusses the theory of comparative advantage, the gains from trade, trade and income distribution, international factor mobility, and growth and trade.

WORKSHOP IN INTERNATIONAL ECONOMIC POLICY

This workshop in international economic policy is offered during the spring semester by Professor Janow (see above) with three institutional clients: the World Bank, the InterAmerican Development Bank, and Citigroup. Teams of students undertook projects that considered diverse subjects such as sovereign wealth funds, China's development experience and its relevance for Africa and entrepreneurship in India and Latin America.

WORLD TRADE ORGANIZATION LAW

This seminar course is offered by CLS in the fall semester, and was taught last year by Petros Mavroidis, Edwin B. Parker Professor of Foreign and Comparative Law, and Professor Bagwell (see above). The seminar deals with particular topics of the WTO integration process; in 2007-2008 it focused on "Contingent Protection in the WTO". After a four week introduction on the law and economics of the WTO, students are exposed to speakers of renown authority (economists, lawyers, and political scientists) who presented their papers on specific topics selected by the instructors. Students are introduced not only to the legal regime of the WTO, but also made aware of the criticism against the legal regime as it stands, and/or as it has been interpreted by WTO adjudicating bodies. Since the WTO is a largely incomplete contract, the emphasis on its completion through interpretation has been considered necessary.

VI. CO-DIRECTORS AND PROGRAM OFFICER

MERIT E. JANOW is Professor of International Economic Law and International Affairs at Columbia University's School of International and Public Affairs (SIPA). She is also Director of the Program in International Finance and Economic Policy at SIPA and Co-Director of Columbia's APEC Study Center. Professor Janow teaches graduate courses in international economic and trade policy at SIPA and international trade law and comparative and international antitrust at Columbia Law School. She serves on the faculty of Columbia's Weatherhead East Asian Institute and the Center on Japanese Economy and Business at Columbia Business School. In December 2007, Professor Janow completed 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 U.S. Trade Representative for Japan and China at the Office of the U.S. Trade Representative, Executive Office of the President in Washington D.C. She was responsible for developing, coordinating and implementing U.S. trade policies and negotiating strategies towards 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 the author of numerous articles and several books. She is a member of the Board of Directors of Japan Society, Chairman of the Nasdaq Exchange LLC, and a board member of the fund in the American Funds family and Trimble Navigation. Professor Janow received a B.A. in Asian Studies from the University of Michigan and a J.D. from Columbia Law School. She is fluent in Japanese.

HUGH PATRICK is Director of the Center on Japanese Economy and Business and R.D. Calkins Professor of International Business Emeritus at Columbia Business School, and Co-Director 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, 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 sixty 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 Takatoshi Ito and David Weinstein, is *Reviving Japan's Economy: Problems and Prescriptions* (MIT Press, September 2005). Other publications include: *Crisis and Change in the Japanese Financial System* (with Takeo Hoshi); *The Japanese Main Bank System* (with Masahiko Aoki); *The Financial Development of Japan, Korea and Taiwan* (with Yung Chul Park); *Pacific Basin Industries in Distress: Structural Adjustment and Trade Policy in Nine Industrialized Economies*; *Regulating International Financial Markets: Policies and Issues* (with Franklin Edwards); *Japan's High Technology Industries: Lessons and Limitations of Industrial Policy*; and *Asia's New Giant - How the Japanese Economy Works* (with Henry Rosovsky).

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, 1979-1981. He has testified before Congressional committees on numerous occasions. He has been a member of the Council on Foreign Relations since 1974. He is on the Board of Directors of the United States 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) between 1985-2005, having served on the Committee since PAFTAD's inception in 1968. He was on the Board of the Social Science Research Council, 1982-88, and served as its chairman 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.

ANDY WANNING is the ASC's Senior Program Officer, and has been with the Center since 2001. He completed his BA in Anthropology & Sociology at Lafayette College, and 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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