

# **Annual Report**

2011 - 2012

## **APEC Study Center**

Columbia University



**Asia-Pacific  
Economic Cooperation**



## Letter from the Co-Directors

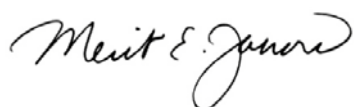
Columbia University's APEC Study Center (ASC) had an active 2011-2012 academic year in which it sponsored 16 conferences and symposia as well as seven brown bag lunch seminars. In addition, the ASC core faculty participated in numerous high-level meetings and seminars in the United States and across the Asia-Pacific region. The ASC continued to encourage study of the Asia-Pacific region by supporting courses at Columbia Business School (CBS), the School of International and Public Affairs (SIPA), and elsewhere in the University.

China's ascendance continued to dominate economic discourse this year, and accordingly nearly half of the Center's events concerned China. Professor Michael Pettis of Peking University gave his thoughts on "China's Difficult Economic Adjustment," anticipating a debt crisis and continued low household consumption; Mr. Tan Chin Hwee of Apollo Global Management explained "The Pitfalls and Opportunities of Investing in China and Asia"; Professor Jeffrey Sachs, director of Columbia's Earth Institute, described "The Economic and Political Impact of China's Overseas Direct Investment"; Mr. Nicholas Lardy of the Peterson Institute for International Economics described the obstacles to "Sustaining China's Economic Growth," echoing Professor Pettis's concerns about a savings/consumption imbalance; and finally, the ASC hosted a high-level roundtable on "China's Economic and Trade Relations" with a group of leading academic experts, practitioners, policymakers and business executives.

The ASC also cosponsored a number of conferences on regional issues, including "Power Shifts in Northeast Asia," "Localizing Global Justice: Rethinking Law and Human Rights in Southeast Asia," and "Borders and Frontiers: Connections Between Power, Ideology, and Identity in Southeast Asia." North Korea's regime change also spurred interest; the Center hosted a panel of speakers giving first-hand observations of their visit to North Korea and another panel discussing "Leadership Succession in North Korea: Regional and Global Implications." The Center also collaborated once again with the Asia Society to decipher the results of the 19<sup>th</sup> APEC Leaders' Meeting in a "Special Briefing on APEC 2011 Outcomes." Finally, the Center collaborated with the Weatherhead East Asian Institute (WEAI) on a series of brown bag seminars that also mostly focused on China and its investment practices.

The Center has an ongoing commitment to increasing understanding of the economies of the Asia-Pacific region in both global and regional contexts, and supports coursework and training on regional economic arrangements and initiatives. Many ASC activities are undertaken in collaboration with CBS's Center on Japanese Economy and Business (CJEB), WEAI, and SIPA's Program in International Finance and Economic Policy (IFEP).

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  
Professor, International Economic Law  
and International Affairs  
Director, Program in International Finance  
and Economic Policy  
School of International and Public Affairs  
mj60@columbia.edu



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  
http://columbia.edu



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## INTRODUCTION

### A. APEC: A BACKGROUND

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

APEC is the only government institution whose membership includes virtually all the economies bordering on the Pacific Ocean, namely in Asia, the South Pacific, and the Western hemisphere. APEC's 21 Member Economies are: Australia; Brunei Darussalam; Canada; Chile; People's Republic of China; Hong Kong, China; Indonesia; Japan; Republic of Korea; Malaysia; Mexico; New Zealand; Papua New Guinea; Peru; The Republic of the Philippines; Russia; Singapore; Chinese Taipei; Thailand; United States of America; and Viet Nam. They are home to more than 2.7 billion people and represent about 54 percent of world real GDP and 44 percent of world trade.

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; part of this program has been investigating the prospects of and options for a Free Trade Area of the Asia-Pacific (FTAAP), which is starting to gain momentum.

As a result of these initiatives, average trade barriers in the region have been reduced from 16.9%, when APEC was established in 1989, to 5.5% by 2004, a reduction of approximately 70%. And from 1989 to 2007, intra-APEC trade grew from \$1.7 trillion to \$8.44 trillion, an average of 8.5% per year. Similarly, APEC economies' trade with the rest of the world increased from \$3 trillion to \$15 trillion in the same period, a rate of 8.3% per year, while trade in the rest of the world increased only 7.6% over the same period. APEC's Trade Facilitation Action Plan has resulted in a 5% cost reduction for business transactions across the region between 2002 and 2006. Finally, since 1993, APEC's Economic and Technical Cooperation activities have resulted in the implementation of 212 capacity building projects by 2008 with a total value of \$13.5 million.

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 E. 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 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 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 (SIPA) and the Columbia Business School (CBS). It works closely with CJEB, of which Professor Patrick is director and Professor 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 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 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

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; 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; senior fellow in 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 at the Tokyo Foundation; Core Faculty, WEAI and CJEB

**Carol Gluck**, George Sansom Professor of History, Department of History; 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, John C. Whitehead School of Diplomacy, Seton Hall University; adjunct 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-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; director, the Jerome A. Chazen Institute of International Business, CBS

**David E. Weinstein**, Carl S. Shoup Professor of the Japanese Economy, chair, Department of Economics; associate director for research, CJEB; core faculty, WEAI and CJEB

**Madeleine Zelin**, Dean Lung Professor of Chinese Studies, Departments of History and East Asian Languages and Cultures; director, Columbia East Asian National Resource Center; core faculty, WEAI

### III. PROGRAMS AND ACTIVITIES

The APEC Study Center (ASC) organized and sponsored the following conferences, workshops, and lectures in 2011-12. Reports are available for some of 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 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. ***China's Difficult Economic Adjustment***, held October 6, 2011 at Columbia University. Michael Pettis, finance professor at Peking University and senior associate at the Carnegie Endowment, gave a talk at Columbia University describing the issues surrounding China's economic growth. Although China is currently experiencing tremendous growth, there are systemic and infrastructural weak points that mimic the meteoric rise and fall of other great economies. He posited that by 2013-14 Chinese GDP growth will start to level out, and by 2015-16 growth rates will slow to 3%. Professor Pettis first put China's current economic boom into context, making comparisons to the economic histories of Japan, Korea, and the Soviet Union in the mid-late 20<sup>th</sup> century. He argued that China's investments, predominantly in the form of governmental policy and financial infusion, are inefficient. High profits of state-owned enterprises translate into investment for capital-

intensive projects and can work for some time; however, if Chinese enterprises run out of investment opportunities and cannot find the next project, the Chinese government will have to shore them up. For these reasons, China's economic growth "miracle" will most likely transition into a debt crisis. For the rest of 2011 and 2012, Chinese debt levels will continue to rise quickly; attempts to rein in debt growth will fail because they will only address specifics, rather than opposing the economic model which China follows. Attempts to rein in spending at the local level will continue to fail because costs are nationalized, while benefits are local. Loans in China do not get repaid; they just get rolled over. Professor Pettis also addressed China's low domestic consumption. For much of the past decade, there has been growing recognition of its heavy export-driven economy. By 2013, Chinese household consumption will stagnate at 35% of Chinese GDP, which it achieved in 2009, and will likely start to trend downward. Finally, Professor Pettis outlined several initiatives that China can enact to stop an economic failure: 1) increase currency value; 2) raise domestic wages; and 3) raise interest rates slowly. When governments introduce distortions into the market, only certain people will benefit. If these distortions persist for too long, they may become impossible to remove. However, he does not endorse a full free market; he believes that policy and markets should work in tandem to perpetuate a strong economy. Until Beijing acknowledges that it must dramatically change its growth model, its artificial market will result in failure. This lecture was cosponsored by the Asia Pacific Affairs Council and SIPA Finance Club.

2. ***Power Shifts in Northeast Asia***, held October 28, 2011 at Columbia University. The Center for Korean Research (CKR) brought together a panel of experts to discuss the changing power dynamics in Northeast Asia for a day-long conference at Columbia University. Session One focused on "Major Powers and the Shifting Regional Balance," and was moderated by Charles Armstrong, Korea Foundation Professor of Korean Studies in the Social Sciences, Department of History and Director of CKR at Columbia University. Panelists included Victor Cha from Georgetown University discussing the United States and Northeast Asia; Richard Bush from the Brookings Institution discussing China and Northeast Asia; Sheila Smith from the Council on Foreign Relations discussing Japan and Northeast Asia; and Stephen Noerper from The Korea Society discussing Russia, Mongolia and Northeast Asia. Andrew Nathan from Columbia University served as the discussant. Following the first session, Ambassador Yong-Mok Kim, Korean Consul General to New York, gave a congratulatory address. In-Taek Hyun, Minister of Unification of Korea, then gave a keynote speech. Finally, Edward Rim from the Pacific Culture Foundation discussed the Institute for Peace Affairs. Ambassador Mark Minton, President of The Korea Society, chaired Session Two on "The Korean Peninsula." Panelists included Jin Shin from the Institute for Peace Affairs discussing Korea's relations with the major powers; Jeong-Ho Roh from Columbia Law School discussing the legal aspects of inter-Korean relations; Sung-Wook Nam from the Institute for National Security Strategy discussing the leadership transition in North Korea; and Yangho Hong from Ewha Womans University discussing South Korea's policy toward North Korea. Bernhard Seliger of the Hans Seidel Foundation served as the discussant. Finally, Jin Shin, Director of the Institute for Peace Affairs, provided closing remarks. This conference was cosponsored by Columbia's Institute for Peace Affairs, Weatherhead East Asian Institute (WEAI), Center for Korean Legal Studies, and The Korea Society.
3. ***Localizing Global Justice: Rethinking Law and Human Rights in Southeast Asia***, held November 4-5, 2011 at Columbia University. Kristy Kelly, Postdoctoral Fellow at Columbia and Duncan McCargo, Visiting Scholar at WEAI and Professor of Southeast

Asian Politics at the University of Leeds, convened this two-day conference on behalf of WEAL. The purpose was to bring together scholars and activists working at the intersections of justice, law, politics, culture and human rights in Southeast Asia with an aim to change the landscape of debate on these issues. David Engel from the State University of New York-Buffalo began the conference with a keynote address on “The Quest for Justice and the Conundrum of Rights: Law, Religion, and History in Lanna.” The first panel, moderated by Ann Marie Murphy from Seton Hall University and Columbia University, was about “Complicating Justice,” and panelists focused on disparate aspects of justice in different areas of Southeast Asia. Panelists included Jiwon Suh from Ohio State University who focused on human rights advocacy in post-new order Indonesia; Tyrell Haberkorn from ANU on torture and accountability in Thailand; Benjamin Tausig from New York University on broadcasting rights at Thai protests; and Trangdai Glassey-Tranguyen, who discussed justice in Vietnam. The theme of Panel Two, which was moderated by Amy Freedman of Long Island University and Columbia University, was “Complicating Law, Contesting Rights,” and panelists included Frank Munger from New York Law School, who considered the relationship between global law and local human rights in Thailand; Kristy Kelly on gender, class and retirement rights in Vietnam; Nguyen Thu Huong from the Vietnam National University of Hanoi on the interface of gender, sexuality, and politics in dealing with rape cases in northern Vietnam; and Michael Herzfeld from Harvard University on housing rights in Thailand. Day Two started off with Panel Three, moderated by Jayne Werner of Columbia University, on “Global-Local (Re)Imaginings.” Panelists included Ehito Kimura from the University of Hawai’i at Manoa and Leslie Dwyer from George Mason University on justice in Indonesia; Bridget Welsh from Singapore Management University on justice for Malaysian political leaders; and Eugenia McGill from Columbia University on gender justice advocacy in the Philippines. Panel Four, moderated by Professor McCargo, was about “Transitional Justice: The Case of Cambodia.” Panelists included Sophal Ear from U.S. Naval Postgraduate School, on transitional justice in Cambodia; John Ciorciari from the University of Michigan on global and local “Truths” in Democratic Kampuchea; and Alex Hinton from Rutgers University and Lorraine Paterson from Cornell University on the Khmer Rouge Tribunal. Professor McCargo moderated a closing conversation on how to effectively use the information gathered going forward. This conference was cosponsored by Columbia’s Department of East Asian Languages and Cultures, Institute for the Study of Human Rights, Southeast Asian Student Initiative, SIPA, and Economic and Political Development Program.

4. ***China’s 2012 Leadership Transition: Implications for U.S. National Security***, held November 9, 2011 at CBS. Piin-Fen Kok, senior associate at East West Institute, and Colonel Blaine D. Holt, Vice Commander of the 92<sup>nd</sup> Air Refueling Wing at Fairchild Air Force Base, engaged in a panel discussion on the state of Chinese-American security relations and how the upcoming Chinese leadership transition will have an effect on them. Ms. Kok said she strongly believes there will be a continuity of policy into the Chinese 18<sup>th</sup> congress in 2012. The fifth generation of leadership will continue a cautionary approach to security issues since they are very preoccupied with economic issues: inflation, the sustainability of the GDP growth rate, regional and economic disparity, and increasing domestic consumption. She remarked that the most important security issues in the next five years have to do with its relationship with the United States: a possible shift of power during the upcoming U.S. election; the United States’ two long wars, its perception of China as a real economic threat; tensions between the two countries resulting from the American sale of arms to Taiwan; and military maneuvers in the Yellow Sea. Likewise, other Asian countries are concerned with China’s power and

aggressiveness. Despite this situation, there are efforts to reconcile differences between the United States and China. Colonel Holt recognized this rivalry, and believed that the United States needs to understand better China's strengths and weaknesses. He believed that the United States' reliance on institutions is weak, and likewise China's leadership through "humane authority" may not work in every situation. He observed that China's passive role in global military efforts allows it to benefit greatly from American action; for instance, with America stabilizing Afghanistan, Chinese companies are able to benefit from investments into natural resources in the region. Ultimately, he believes there is great optimism between the two countries, but there are still some tough issues. It would be a huge catastrophe if China and the United States were to ever have a military conflict. This panel was convened by the Asia-Pacific Affairs Council and the Defense & Security Student Organization.

5. ***China's Economic and Trade Relations***, held November 10, 2011 at Columbia University. Professor Janow hosted a private, high-level roundtable conference on a broad range of issues related to China's economic and trade relations. The purpose of the interdisciplinary conference was to bring together a group of leading academic experts, practitioners, policymakers and business executives to analyze and discuss certain key areas of both economic tension and potential economic opportunity between China and developed economies. The conference content focused on four areas: trade, investment, capital markets, and technology/innovation. These areas were selected because they are expected to present opportunities for commercial collaboration and economic growth in the years ahead. At the outset of the conference, Professor Janow encouraged participants to be bold and creative. Each topic began with four presenters making short speeches, then questions and commentary from the group in a roundtable format, and finally a few minutes for each set of speakers to respond. These objectives were successfully achieved as the experts in the room unearthed a wide array of specific knowledge on U.S.-China economic relations and provided solution-oriented policy ideas from multiple perspectives. The flow of the discussion across the theoretical and practical divide was a testament to both the diversity and experience of the participants. This conference was co-sponsored by CJEB, the Center for International Business Education and Research, SIPA and WEAI at Columbia University; CLS and its Center for Chinese Legal Studies; and the Jerome A. Chazen Institute for International Studies at CBS.
6. ***Borders and Frontiers: Connections Between Power, Ideology, and Identity in Southeast Asia***, held November 11, 2011 at Columbia University. Commemorating the 20th anniversary of the Sylff program, this panel convened to discuss issues in power, ideology, and identity in Southeast Asia. Opening remarks were given by Myron L. Cohen, Director of WEAI and Professor of Anthropology at Columbia University. Duncan McCargo, Visiting Scholar at WEAI and Professor of Southeast Asian Politics at the University of Leeds, gave a keynote speech titled, "Mapping National Anxieties: Thailand's Multi-Layered Conflicts." The first panel, moderated by Ann Marie Murphy, Adjunct Research Scholar at WEAI and Associate Professor at the School of Diplomacy and International Relations at Seton Hall University, focused on boundary issues in Southeast Asia. Panelists included Peni Hanggarini, Lecturer at the Department of International Relations at Paramadina University, Jakarta, and PhD student in Political Science at Northern Illinois University; Emily Hong, Asia Training Associate at the Minority Rights Group International; and Kimberly Rogovin, MA candidate in Human Rights at Columbia University. The panel discussed intra-cultural border disputes, nonviolent power and protest, and issues in female migration such as institutional friction and exploitation. Panel

Two focused on power, ideology, and identity issues. Trude Jacobsen, Assistant Director at the Center for Southeast Asian Studies and Assistant Professor at the Department of History at Northern Illinois University, served as moderator. Panelists included MA and PhD candidates from various fields at Columbia University. Tony Do, MA candidate in Anthropology at Columbia University, spoke on ascribing agency to Vietnamese AIDS orphans. Karen Bryner, PhD candidate in Comparative International Education at Teachers College at Columbia University, discussed the cultural Islamization of Indonesia through integrated Islamic schools linked with the Prosperous Justice Party. Lisa H. Kim, MPA candidate in Economic and Political Development at SIPA, focused on essentializing Indonesian women by framing gender discourse within the framework of wives and mothers. Laur Kiiik, MA candidate in Anthropology at Columbia University, discussed ethnic environmentalism and military-capitalist dispossession in Kachin Land, on the Burma-China-Tibet-India borders. Closing remarks were given by Akiko Imai, the Director for Public Communications, on behalf of the Tokyo Foundation. This conference was organized by WEAI.

7. ***Sixty Years After the San Francisco Peace Treaty: Peace, Conflict, and Historical Reconciliation in the Asia-Pacific***, held November 18, 2011 at Columbia University. Bringing together experts from around the world, the Second International Forum for Peace and Prosperity in Northeast Asia convened to discuss the legacies of the 1951 San Francisco Peace Treaty and issues in international politics following its creation. Welcoming remarks were given by Professor John Coatsworth, Dean of SIPA. Jae-jeong Chung, President of the Northeast Asian History Foundation, gave the keynote speech. The conference was divided into three sessions, each covering a broad topic. Session One focused on the San Francisco Treaty and the making of the postwar Asia-Pacific region. Professor Armstrong chaired the session. Presentation topics included U.S. relations with postwar Asia, continuing legacies of the San Francisco system, a reinterpretation of the U.S. Occupation of Japan, and third parties involved and affected by the 1951 San Francisco Peace Treaty. The topic for Session Two was conflict and security during the Cold War and post-Cold War. Kenneth R. Robinson, of the Northeast Asian History Foundation, presided over this session, which explored psychological operations and warfare in Cold War East Asia, U.S. security policy in the post-Cold War Asia-Pacific region, Chinese perspectives on the U.S.-ROK alliance, and challenges and prospects facing the South Kuril Islands. Session Three dealt with historical reconciliation in comparative perspective. Victor Cha, Professor, D.S. Song-KF Endowed Chair in Government and Asian Studies, and Director of Asian Studies at Georgetown University, presided as chair for this session. Presenters discussed the reconciliation process between native Hawaiians and the U.S.; the influence of historical memory on reconciliation in East Asia; and changes in international law, conflict resolution, and education after the second World War. This forum was sponsored by CKR and the Northeast Asian History Foundation. It was also cosponsored by the Donald Keene Center, the Harriman Institute, the Institute for the Study of Human Rights, and the Center for Korean Legal Studies.
8. ***Special Briefing on APEC 2011 Outcomes***, held January 18, 2012 at Asia Society. This special briefing was the concluding event of the United States' 2011 APEC hosting responsibilities. Participants reviewed the results of the 2011 APEC meetings from both a business and policy perspective, and looked ahead to Russia's APEC Chairmanship in 2012. Speakers included Cristina Ampil, Managing Director and Leader of the Thought Leadership Institute, PricewaterhouseCoopers; Karan Bhatia, Vice President and Senior

Counsel, International Law & Policy, General Electric Company and Chairman, National Center for APEC; Matthew Goodman, Former White House Coordinator for APEC; Aleksey Shishayev, Senior Counselor, Head of Economic Office, Embassy of Russian Federation USA; William Weldon, Chairman and CEO, Johnson & Johnson and APEC 2011 USA Host Committee Member; and Monica Whaley, President, National Center for APEC. The briefing strongly emphasized APEC 2011's success in merging private industry with government; all speakers credited this to a format that encouraged frequent, small-group interaction between business leaders and top country officials. Given the presence of CEO Weldon of Johnson & Johnson, much of the briefing reflected on the CEO Summit, a special portion of APEC devoted to determining the pulse of corporate leaders with respect to the Asia-Pacific region. This event was hosted by the Asia Society and the U.S. National Center for APEC in cooperation with the U.S.-APEC Business Coalition.

9. **21<sup>st</sup> Annual Graduate Student Conference on East Asia**, held February 10-11, 2012 at Columbia University. This conference provided a forum for graduate students from institutions around the world to meet and present their research for discussion with other students and Columbia faculty. Nearly a hundred students presented papers, including "State and Society in Contemporary China," and "Evolutions in Chinese Economic Development." This event was cosponsored by the Department of East Asian Languages and Cultures, as well as several other organizations at Columbia. Details can be found at [www.columbia.edu/cu/ealac/gradconf](http://www.columbia.edu/cu/ealac/gradconf).
  
10. **Leadership Succession in North Korea: Regional and Global Implications**, held February 14, 2012 at Columbia University. A panel of experts discussed the implications of the recent death of Kim Jong-il and ascension to power of his son Kim Jong-un. The panel included Professor Charles Armstrong; Jeong-Ho Roh, Lecturer-in-Law and director of the Center for Korean Legal Studies at Columbia University; Sue Mi Terry, senior research scholar at the Weatherhead East Asian Institute (WEAI); and Joel Wit, also senior research scholar at WEAI. The discussion was moderated by Curtis Milhaupt, Vice Dean, Parker Professor of Comparative Corporate Law, Fuyo Professor of Japanese Law, and Director of the Center for Japanese Legal Studies at Columbia Law School. Professor Armstrong asserted that North Korea as a regime will not go away anytime soon and that Kim Jong-un will stay in power for the foreseeable future. The hereditary system of rule in North Korea has enjoyed an unprecedented longevity, and the political system operates through collective leadership in the party. For these reasons, Kim Jong-un's youth and lack of experience are not necessarily challenges to the regime. Professor Roh agreed, but emphasized the DPRK's constitution; in the preamble, North Korea states that Kim Il Sung will be the eternal leader and that his legacy will be carried out through his lineage, setting the stage for continuous succession. Unfinished revolutionary work will have to be carried out by Kim Jong-un. Dr. Terry, former National Intelligence Fellow in the Council on Foreign Relations, took a contrasting view, arguing that it is impractical to conclude that the transition will remain smooth for the foreseeable future. For instance, Americans did not even know of Kim Jong-il's death until North Korean media decided to inform the world, and the facts around his death remain mysterious. Dr. Terry added that under Kim Jong-il's reign there was corruption, bribery, and information penetration; more of the same would not be a surprise. Mr. Wit, who currently works at the Korean Peninsula Energy Development Organization (KEDO), asserted that the United States should become more proactive with regards to North Korea. He mentioned that security policy could only be figured out by making contact with North Korea and negotiating what is possible in the future. He believes that we were on the

right track before Kim Jong-il died, when North Korea was about to suspend uranium production and resume six-party talks. Speculation is always difficult, and in the case of North Korea this is especially true. We have seen various predictions in the past in terms of the regime collapse of the DPRK, but as Professor Armstrong pointed out, the regime has managed to survive until today. This discussion was organized by WEAI, CKR, and the Center for Korean Legal Studies at CLS.

11. ***The Pitfalls and Opportunities of Investing in China and Asia***, held February 22, 2012 at Columbia University. As the 2012 Distinguished Speaker in International Finance and Economic Policy (IFEPEP), Mr. Tan Chin Hwee, co-Head of Asia for Apollo Global Management, discussed the dynamics of investing in China. Professor David O. Beim, Professor of Professional Practice in Finance and Economics and Bernstein Faculty Leader at the Sanford C. Bernstein & Co. Center for Leadership and Ethics, provided commentary, and Professor Janow moderated the session. Mr. Tan focused on credit as one of the major investment opportunities in China, as Asian banks have not been lending to small and medium enterprises. He used two case studies, on FibreChem Technologies and Celestial NutriFoods Limited, to demonstrate the challenges and pitfalls of lending to Chinese companies. He emphasized the importance of looking for red flags, such as inflated earnings, manipulated cash flows, and fluctuating expenses. As a framework for assessing corporate governance, he proposed examining structural risk, accounting risk, transaction risk, and history. Mr. Tan provided several common attributes of mismanaged or fraudulent corporate activity, such as being foreign-listed, the resignation of a CFO, lacking access to domestic capital markets, or holding large cash reserves. This event was sponsored by IFEPEP.
12. ***Economic Growth and Structural Change: Priorities for the Least-Developed Countries***, held March 9, 2012 at Columbia University. This conference brought United Nations officials, academic, and private sector leaders together to explore priorities for growth in the least-developed countries (LDCs) amidst a fast-changing global economic landscape. Justin Yifu Lin, chief economist at the World Bank, gave the keynote address, noting that, “By following their comparative advantage, low-income countries facing high unemployment can seize the bonanza of the 85 million manufacturing jobs China will shed in the coming years because of fast rising wages for unskilled workers.” Mr. Lin outlined a theory of “new structural economics” in which he suggested that LDCs identify industries with growth potential in line with their economy’s comparative advantage, and then facilitate growth in these areas by providing information and coordination services. The remainder of the event explored how least-developed countries could overcome economic vulnerabilities and better manage risks to achieve sustained, equitable and inclusive economic growth. Cheick Sidi Diarra, under-secretary general and UN high representative for least developed countries, landlocked developing countries and small island developing states, highlighted the importance of the Istanbul Programme of Action for the LDCs for the Next Decade, a 10-year action plan that seeks to address the structural handicaps of the LDCs. The Permanent Representative of Turkey to the UN, Ertuğrul Apakan, stressed that LDCs have huge untapped potential, and said that the implementation of the IPoA necessitates structural transformation as well as mainstreaming LDC issues not only in national development plans but also in international processes. The Permanent Representative of Nepal to the UN, Gyan Chandra Acharya, said that the issue of equity remains key to the development of LDCs. Next, a group of panelists moderated by John S. Wilson, lead economist in the Development Research Group of the World Bank, discussed the key constraints for growth and development



facing least-developed countries. Frannie Léautier, executive secretary of the African Capacity Building Foundation, said the biggest challenge facing African countries is how to translate economic growth into development outcomes and jobs, and adapt to new vulnerabilities amid commodity-price shocks and continued distress in global financial markets. Léonce Ndikumana, Andrew Glyn Professor of Economics at the University of Massachusetts at Amherst, echoed these concerns, saying rising inequality threatens to destabilize economic gains made in Africa in recent years. Aaditya Mattoo, research manager of the Trade and International Integration team of the World Bank's Development Research Group, outlined trade policy priorities for least-developed countries as the WTO Doha round of trade negotiations stalled and the global financial crisis continued to present challenges. World Bank research, he said, shows trade policies can bring significant gains, if they address non-tariff barriers, such as standards harmonization, improvements to the business regulatory environment, and removing barriers in the services sector. This event was organized in partnership with the UN's Office of the High Representative for the Least Developed Countries and Small Island Developing States and the Trade and International Integration team of the World Bank's Development Research Group.

13. ***The Politics of Deepening Economic Reform and the Role of the State in China***, held March 28, 2012 at Columbia University. Professor Jean-Francois Huchet, School of China Studies, National Institute of Oriental Languages and Civilizations, Paris, France, lectured on the future of China's economy at SIPA. He posited that China has been experiencing a repressed financial sector, i.e., negative real interest rates, artificially fixed exchange rates, and an inefficient public sector that harbors more corruption and hinders productivity more than the private sector. Although China has been performing well in the last two decades, there may be some mid-long term growth problems if the role of the state does not evolve. He hypothesized that Chinese leadership is not yet addressing these issues because there was a rush of rapid reform in the 90s that hasn't yet been fully implemented. Furthermore, the state is focusing on social security and environmental issues since there has been a priority of profits over wages, and the international community has been critical of China's pollution problems. Once the state focuses on economic reform in the future, Professor Huchet predicted there are three possible scenarios of action: business as usual; minimal change with no systemic reform; or bold reforms, much like Deng Xiaoping in the early 1990s. He further predicted that reform will be minimal since there isn't a large incentive to be bold, and China's economic strength can "steamroll" along into the future. The Asia Pacific Affairs Council of WEAI co-sponsored the event.
14. ***Sustaining China's Economic Growth***, held April 10, 2012 at Columbia University. The second annual N. T. Wang Distinguished Lecture featured Nicholas R. Lardy, a senior fellow at the Peterson Institute for International Economics, who offered his thoughts about the future of China's economic growth. Mr. Lardy said that its recent double-digit growth rate is threatened by a savings/consumption imbalance: "Almost half of the country's GDP goes to investment — it's been above 40 percent of GDP for eight years." This means that, without domestic consumers to buy Chinese goods, it's only a matter of time before the economy stumbles. Mr. Lardy, the author of *Sustaining China's Economic Growth After the Global Financial Crisis* (2012, Peterson Institute), outlined causes and effects of the imbalance. Chief among the culprits is the lack of a social safety net, which leads Chinese households to save furiously in an attempt to self-insure in case of illness. Though investment in property has helped the Chinese economy stay afloat, Mr. Lardy

worried that such a property surge cannot last. Rather than a bursting of the bubble, he predicted a substantial and prolonged construction slowdown either when housing demand is met, when interest rates rise enough to encourage bank deposits, and/or when the rapidly growing price of housing just becomes too much for would-be homeowners to stomach. If the country doesn't get its act together, the drag on the economy could be substantial — and have political implications. There is a massive and rapidly-growing income imbalance between classes and geographic regions of the country which doesn't leave enough consumers with disposable income to keep the economy humming. Mr. Lardy outlined four broad reforms — two financial and two social — that could help correct the imbalances, thus encouraging consumption and continued growth. By raising bank deposit rates, the government could help redirect savers' cash out of property and into more fluid bank savings. The economy should also be rebalanced to rely more on domestic consumption and less on internal investment and exports. The government could encourage this by allowing the renminbi to appreciate further against the dollar and other currencies, which would make exports more expensive and imports cheaper. Social reforms include broad healthcare and insurance adjustments to create a safety net and thus free the Chinese people from the need to self-insure, and reducing preferential treatment aimed at exporters so that domestic aspects of the economy can grow. This lecture was organized by WEAI and the Jerome A. Chazen Institute of International Business at CBS.

15. ***The Asia-Latin America Axis: Cooperation or Competition?***, held May 8, 2012 at Asia Society. This public panel discussion featured a panel of experts who explored the economic relationship between Asia and Latin America. The latter has served primarily as a supplier of natural resources, helping to fuel the manufacturing boom in Asia, especially in China. Dan Silber, managing director and deputy head of global markets at HSBC, the Americas, presented introductory and concluding remarks to the panel discussion. Christopher Sabatini, senior director of policy at the Americas Society and Council of the Americas moderated a conversation with Ann Lee, author of *What the U.S. Can Learn from China* and senior fellow at Demos, and Shelly Shetty, senior director and head of Latin America Sovereigns at Fitch Ratings, who analyzed this complex and crucial issue. Latin America and Asia have had a natural open trading system that has allowed this division of labor to intensify over the past 15 years, and isolationist voices from within these economies have been minimal. However, the economic crisis and more competitive Latin-American economic growth rates in comparison to Asian nations may change this. Mr. Silber outlined the rapidly growing trade flows between the regions, which increased from about \$68 billion in 2006 to over \$180 billion in 2010. This is part of a larger pattern in commerce within the global south. Mr. Sabatini highlighted the wealth of natural resources and raw materials that Latin American economies are supplying to China. However, Ms. Shetty noted that not all Latin American countries with commodity windfalls have had a wholly positive outlook; for instance, Brazil's robust growth and high external accounts have led to fiscal deficits, while oil-rich Venezuela is witnessing a 30 percent inflation rate. Ms. Lee noted that Chinese technocrats want to engineer a soft landing for the economy to prevent an abrupt slowdown, and will gradually pivot to a consumer market. In turn, this will adversely affect Latin American economies that have become more dependent on exports to China. This discussion was organized by Asia Society in conjunction with the Americas Society / Council of the Americas.
16. ***The Economic and Political Impact of China's Overseas Direct Investment***, held June 11, 2012 at Columbia University. Peter Drysdale, emeritus professor of economics

and head of the East Asian Bureau of Economic Research and East Asia Forum at the Crawford School of Public Policy at the Australian National University, and Shang-Jin Wei, N. T. Wang Professor of Chinese Business and Economy and director of the Jerome A. Chazen Institute of International Business, hosted leading Chinese experts at a roundtable conference at Columbia Business School to share their insights about how China's rapidly expanding overseas direct investment (ODI) could shift the balance of economic and political power around the world. The forum focused on three key areas of concern: the drivers behind China's rush to invest in developing and developed countries; the economic and social impact on a country when China sets up shop; and the political reactions in host countries to Chinese overseas direct investment and how to ensure that both parties benefit. The first panel was on "The Chinese overseas direct investment model," which Professor Wei chaired, and included Yiping Huang from Barclays Capital, The Australian National University & Peking University; Merit E. Janow from Columbia University; Andrew Micheltore from the Minerals and Metals Group; and Ilan Alon from Rollins College. The second panel, "Chinese direct investment in developed countries," was chaired by Hugh Patrick of Columbia's APEC Study Center, and included Yasheng Huang of the Massachusetts Institute of Technology; Daniel Rosen of Columbia University and the Rhodium Group; Doug Ritchie from the Rio Tinto Group; and Charles Ding from Huawei Technologies Co. The third panel, "Chinese direct investment in developing countries," was chaired by Karl Sauvant of Vale Columbia Center, and included Deborah Brautigam of American University, Miguel Perez of the Economic Commission for Latin America and the Caribbean, and Wenran Jiang of the University of Alberta. The private roundtable conference was followed by a public program in the evening. Jeffrey Sachs, Quetelet Professor of Sustainable Development and director of Columbia's Earth Institute, gave the keynote address, proclaiming that, "Nothing will be more important to the world's economy, for past and for future generations, than China's development." Furthermore, as China increases its ODI investment, the pace of that change will accelerate. The subsequent panel discussion was chaired by Ilan Alon of The China Center at Rollins College, and included Professor Huang; Greg Mills of the Brenthurst Foundation; Professor Rosen; Mr. Ritchie; and Professor Yang Yao of the China Center for Economic Research and the National School of Development at Peking University. Professor Huang furthered Professor Sachs's remarks, adding that China's capital outflow has grown tenfold over the past decade to an estimated \$60 billion this year; given its estimated \$3.5 trillion in capital reserves, estimates of the country's ODI by 2020 range from \$500 million to \$5 trillion. Professor Huang said there were a lot of assumptions built into these projections, but agreed that regardless, China is already carving its own unique and indelible imprint into the global ODI market. The main driver is direct access to raw materials and the technological and managerial expertise required to become globally competitive, since China doesn't have incentives to increase ODI for the usual reasons – seeking a cost advantage for their manufacturing output or access to once-closed markets. And ODI is set to increase dramatically, since up until now, most of China's ODI has come from state-owned enterprises (SOEs), but these first steps are simply paving the way for China's private sector to enter the global market. This conference was organized by the Jerome A. Chazen Institute of International Business and the Australian National University in conjunction with the Vale Columbia Center.

## 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 WEAL. These highly informative, informal gatherings usually run from 12:00-1:30 pm, including a question-and-answer session. These and other collaborations resulted in a total of seven seminars in 2011-12:

1. ***Report on a Visit to North Korea***, September 22, 2011. Professor Charles Armstrong; Abraham Kim, vice president of the Korea Economic Institute; and James Person, program associate at the North Korea International Documentation Project of the Woodrow Wilson International Center for Scholars, gave fascinating accounts of their recent 5-city tour of North Korea. They were surprised to find many Western influences in apparel, as well as modern luxury goods and technology, including internet access, although these accoutrements were likely restricted to the elite of Pyongyang. This seminar was cosponsored by the Center for Korean Research in addition to WEAL.
2. ***Capital Punishment in China and the United States***, September 27, 2011. Ji Dianpeng, director of the Beijing Jingdian Law Firm, adjunct professor of Southwest University of Political Science and Law and Zhongnan University of Economics and Law, gave an overview of the practice of capital punishment in China and the United States, respectively number one and five globally in terms of the number of people executed in 2011. This seminar was cosponsored by the Society for Chinese Law in addition to WEAL.
3. ***China in the World Economy***, October 27, 2011. Fu Jun, executive dean at Peking University’s School of Government, ascribed China’s 10% growth rate to standard economic theories bringing about “catch-up growth” rather than a “special Chinese method.” However, he distinguished theory from strategy, positing that the Washington Consensus, with its emphasis on supply-side economics, would have a better chance of balancing domestic demand than the Beijing Consensus. This seminar was cosponsored by SIPA in addition to WEAL.
4. ***Recent Development and Next Focus in China’s Democratic Governance***, November 14, 2011. Yu Keping, professor and director of the China Center for Comparative Politics and Economics as well as the Center for Chinese Government Innovations of Peking University, described the prospects for more democratic governance in China’s heretofore autocratic regime. This seminar was cosponsored by the Institute for the Study of Human Rights in addition to WEAL.
5. ***Impact of the U.S. Foreign Corrupt Practices Act on Foreign Businesses: the Thai Experience***, January 26, 2012. Medhi Krongkaew, commissioner of the National Anti-Corruption Commission (NACC) of Thailand, explored the significant influence of the 1977 U.S. Foreign Corrupt Practices Act on international law. It strengthened Article 16 of the UN Convention Against Corruption, and played a strong role in the formation of the NACC; its inquisitorial approach is effective in performing due diligence and account audits in order to discover corruption.
6. ***China’s Labor Practices in Zambia***, February 27, 2012. Phelim Kine, China researcher and Matt Wells, Africa Researcher at Human Rights Watch, described the findings of their investigation into the Chinese Non-Ferrous Metals Mining Corporation (CNMC), a large Chinese mining company in Zambia. The results were largely negative, with a bad safety

record, low wages compared to European owners, prevalent 12-hour shifts in a chemical-laden environment, and generally low marks relative to other companies; part of the blame laid with Zambia, which performed inadequate inspections and instituted inadequate fines. However, the CMC had recently given a 44% pay raise, and the researchers were optimistic that the incoming president, Michael Sata, would enforce the country's labor laws. This seminar was cosponsored by the Institute of African Studies in addition to WEAL.

7. ***The Rivalry Between China and Japan for Economic and Strategic Leadership in Asia***, February 29, 2012. Claude Meyer, professor at Sorbonne University, Sciences Po, provided a comprehensive examination of the past, present, and projected future strengths and weaknesses of Japan and China in terms of GDP, development, finance, population, technology, innovative capacity, and environmental issues, among others. He also factored in the affects of projected trade and political relations, including ASEAN and ASEAN+3, as he sketched out possible scenarios for Asian leadership in the medium-long term. This seminar was cosponsored by CJEB and the Alliance Program in addition to WEAL.

### **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. ***Annual meeting of the China Investment Corporation***, Beijing, China, July 17-18, 2011. Professor Janow participated in this meeting as a member of the international advisory council of the CIC, which is China's sovereign wealth fund. Members of the Council exchanged views on issues such as the global macroeconomic outlook, investment opportunities and challenges, international regulatory environment and risk management.
2. ***Summer Palace Dialogue***, Beijing, China, September 12-13, 2011. Professor Janow participated in this high level exchange among U.S. and Chinese economists and experts. The Dialogue focused on rebalancing the global economy in light of a stubbornly persistent economic downturn. Participants stressed that the United States is going through a painful but necessary process of decreasing household debt. They also assessed China's current economic challenges: inflation, local debt, and the possibility of a housing crisis. Beijing's primary rebalancing task remains to increase Chinese domestic consumption.
3. ***Pacific Economic Cooperation Council 20<sup>th</sup> General Meeting***, Washington, DC, September 29, 2011. Professors Patrick and Janow attended the meeting, whose theme was "State of the Region." The meeting tackled critical issues to spurring sustainable growth including facilitating trade services, making growth more inclusive, and making progress on the Trans-Pacific Partnership. The meeting also addressed some of the underlying structural issues in the Asia-Pacific economy: the risk of long-term unemployment and policy frameworks to create jobs; energy security issues; and the fundamental changes that have taken place in the trading system since the launch of the WTO Doha Round.

4. **Meetings**, Tokyo, Japan, October 12 - 22, 2011. Professor Patrick met with Japanese business leaders, policy makers, and academics. He gave welcoming remarks for CJEB's October 21 conference, "Moving Forward: Japan in the World Economy," which had been postponed from March 2011 following the Tohoku Earthquake.
5. **University Seminar on Southeast Asia in World Affairs**, New York, November 2011 – April 2012. Professor Patrick and Professor Ann Marie Murphy of Seton Hall University co-chair this 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 these presenters:
  - a. *Glass Half Full or Half Empty? Indonesian Politics in 2011* by Ehito Kimura, assistant professor at the University of Hawai'i Manoa, November 2011
  - b. *The Realm of the Possible: Anti-Corruption Efforts and the Challenge of Good Governance in the Philippines and Indonesia* by David Timberman, Technical Director for Conflict and Governance Programs for Management Systems International, December 2012
  - c. *Is Freedom of Religion in Indonesia in Peril?* by Endy Bauyuni, former Editor-in-Chief of the Jakarta Post; fellow, East-West Center, March 2012
  - d. *Toward Identifying a Deep Architecture of Indonesian Politics* by Dr. Edward Aspinall, Fellow, Department of Political and Social Change, Australian National University, April 2012
6. **Executive Seminar on Japan**, Washington, DC, November 30, 2011. Professor Patrick led a luncheon discussion titled, "Thoughts on the Japanese Economy."
7. **Meetings**, Tokyo, Japan, May 5 - 27, 2012. Professor Patrick met with Japanese business leaders, policy makers, and academics. He gave the introduction for CJEB's annual conference, "Tensions in the Global Regulatory Environment."
8. **Meetings**, Seoul, Korea, May 28 – June 2, 2012. On behalf of the APEC Study Center, Professor Patrick met individually and jointly with Korean business leaders, policy makers, and academics, as well as with students at Seoul National University.
9. **PAFTAD 35: Human Capital and Economic Growth in Asia and the Pacific**, Vancouver, BC, Canada, June 6-8, 2012. Professor Patrick attended this conference, which included eight paper presentations which will be published in a volume.
10. **Japan Society Evening Lecture: A Roadmap for Japan's Steady, Sustainable Pathway Forward**, New York, NY, June 18, 2012. Professor Patrick presided over this lecture by Daniel Okimoto, professor emeritus of the Department of Political Science and the Freeman Spogli Institute for International Studies at Stanford University.

#### **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: Ehsan Iraniparast and Louise Loo, students at the School of International and Public Affairs (SIPA) with concentrations in international economics and international finance and economic policy, respectively.

#### **IV. 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 2011-12 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 Professor Janow (see section V 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'S NEW MARKET PLACE**

This seminar has been offered at SIPA in the fall semester since 2001, and will continue in the fall of 2011. It is taught by Daniel Rosen, who is 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. Students examine the most pressing economic and commercial policy issues affecting China today, and develop applied commercial and economic insights for the real world.

##### **ECONOMIC DEVELOPMENT OF JAPAN**

This lecture course is offered by the Department of Economics in the fall semester, and was taught by Professor Weinstein last year. 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 current global crisis which originated in the US toward the end of 2007.

### **INTERNATIONAL SEMINAR – BEIJING AND HONG KONG**

These seminars are offered by CBS in the spring and summer semesters in Beijing and Hong Kong, respectively, and are 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 will discuss 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 will focus particularly on the role of Hong Kong for international business in China. Finally, it will consider 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.

### **JAPANESE LAW AND LEGAL INSTITUTIONS**

This course is generally offered by CLS in the spring semester, and is taught by Curtis Milhaupt, Fuyo Professor of Japanese Law, Parker Professor of Comparative Corporate Law, and director of the Center for Japanese Legal Studies at Columbia Law School. (Professor Milhaupt will be on sabbatical next year so it won't be offered in spring 2013). The course provides a critical introduction to the institutions and actors that comprise the Japanese legal system. Topics covered include the legal profession, formal and informal dispute resolution mechanisms, employment law, corporate law and governance, and economic regulation. Major theoretical debates about the role of law in Japan are examined in connection with each substantive topic. Throughout the course, law is placed within the context of Japanese social, political, and economic institutions.

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

This lecture course is offered by CLS in the fall, and is taught by Professor Benjamin 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.



## **THE LAW OF THE WORLD TRADE ORGANIZATION**

This intensive 3-week course is offered by CLS in the fall semester, and is open to law, SIPA and economics students. It is taught by Petros Mavroidis, Edwin B. Parker Professor of Foreign and Comparative Law. It offers a detailed introduction into the law and economics of the WTO, divided into two parts: trade in goods and dispute settlement. The first section included the history of the world trading system, the GATT discipline, and the the WTO institution; the treatment of quotas and tariffs; the most-favored nation discipline; special and differential treatment; preferential trade agreements; national treatment; general exceptions and national security; technical barriers to trade; sanitary and phyto-sanitary measures; antidumping; subsidies and countervailing duties; and safeguards. The second section included the GATT years, dispute settlement in the WTO, and sources of law; consultations, panel procedures and the Appellate Body; and enforcement of WTO obligations.

## **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.

## **V. CO-DIRECTORS AND PROGRAM OFFICER**

**Merit E. Janow** is professor of practice in international economic law and international affairs at Columbia University's School of International and Public Affairs (SIPA). She is director of the International Finance and Economic Policy program at SIPA and codirector of Columbia's APEC Study Center. 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. 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 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). 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 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. 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 is currently pursuing an M.S. in Sustainability Management at Columbia's Earth Institute. He completed his B.A. 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.

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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: 212-678-6958  
Website: [www.gsb.columbia.edu/apec](http://www.gsb.columbia.edu/apec)