

Symposium on the Domestic Politics of Free Trade Agreements: Implications for US-Japan Relations

March 19, 2019



**SCHOOL OF GLOBAL POLICY AND STRATEGY** Center for Commerce and Diplomacy







国際交流基金日米センター

# Agenda

## 6:00pm

Cocktail Reception

## 6:45pm

Opening Remarks - Prof. Renee Bowen, Director, Center for Commerce and Diplomacy

## 6:55pm

"Japan-US Trade Frictions in The Past and Present: Implications for China-US Trade War" Prof. Shujiro Urata

"Backlash against Free Trade in the U.S. and Why Trump Prefers Bilateralism" Prof. Megumi Naoi

> "Firm-level Lobbying and Trade Politics in the US" Prof. In Song Kim

> > "FTA Utilization" Dr. Kazunobu Hayakawa

> > > 7:15pm

Dinner

## 8:00pm

Keynote Address - "Japan's Trade Policy Priority for 2019" Minister Takeshi Komoto at the Embassy of Japan in the US

**8:15pm** Open Discussion Moderated by Prof. Lawrence Broz

## 9:00pm

Adjourn

# **Keynote Speaker**



#### Takeshi Komoto

Minister at the Embassy of Japan in the U.S.

Takeshi Komoto joined the Ministry of International Trade and Industry (MITI), the predecessor of the Ministry of Economy, Trade, and Industry (METI), in 1993. Much of his career focuses on international affairs.

Before his current assignment, he was the managing director for the Multilateral Trading System, Trade Policy Bureau of the Ministry of Economy, Trade and Industry of Japan since June 2017. He was responsible for World Trade Organization (WTO) issues as well as new global rule-making in areas including digital trade and investment. He led the initiative to launch an exploratory work towards future negotiations on electronic commerce at the WTO Ministerial Conference in Buenos Aires, Argentina in December 2017.

In 2016-2017, Mr. Komoto was director of the Bureau of Economic Revitalization of Japan, Cabinet Secretariat of the Japanese government. He was a senior member of the team that put together the Growth Strategy of ABENOMICS, the structural reform program ("The Third Arrow") of the economic policy led by Prime Minister Abe. He was the executive director of the Japan External Trade Organization's (JETRO) New York Office for three years, from 2013 to 2016. His mission was to promote trade and investment between Japan and the United States.

In 2011-2013, he was the director for FTA/EPA negotiations and was responsible for a number of negotiations including the China-Japan-Korea (CJK) FTA, Regional Comprehensive Economic Partnership (RCEP, what used to be called ASEAN+6), as well as the Japan-Myanmar Bilateral Investment Agreement, among others. He played a leading role in launching the negotiations for CJK FTA and RCEP in November 2012. He was second to the Asia-Pacific Economic Cooperation (APEC) Secretariat in Singapore, 2008-2011, as program director supporting committees on trade and investment as well as customs procedures. In 2010, when Japan was the chair of APEC meetings, he supported the Japanese government from the Secretariat as Host Economy Representative.

He worked on World Trade Organization (WTO) negotiations from 2004 to 2006. He designed a Non-Agricultural Market Access (NAMA) ministerial meeting for East Asian countries in Japan, which greatly contributed to the agreement in supporting the Swiss formula at the 2015 APEC Minsters Responsible for Trade (MRT) meeting in Jeju, South Korea.

He was seconded to the Japan Defense Agency in 2002-2004, serving as a chief negotiator with the U.S. Department of Defense on ballistic missile defense. He successfully concluded a deal between Japan and the U.S. to cooperate in the procurement and operation of a missile defense system.

Minister Komoto graduated from University of Tokyo in 1993 where he majored in economics. He received a master's of public affairs from the Woodrow Wilson School of Princeton University in 1998.

# **Participants**



#### **Renee Bowen**

Associate Professor, Director of the Center for Commerce and Diplomacy School of Global Policy and Strategy, UC San Diego

Renee Bowen in an associate professor of economics at the School. Her research focuses on political economy, microeconomic theory and international trade. Bowen applies dynamic game theory to study the behavior of individuals who are constrained by institutions and who have long-term strategic considerations. Her recent work examines legislative bargaining and policy experimentation.



#### Lawrence Broz

Professor, Associate Director, Center for Commerce and Diplomacy Department of Political Science, UC San Diego

Broz's current research focus is on the institutions of monetary and financial policymaking - central banks, exchange rate regimes, etc. - of which there is remarkable variation across countries and over time. Analytically, he draws from open-economy macroeconomics and positive political economy. He employs both quantitative and case study research methods. Broz's publications include International Origins of the Federal Reserve System (1997) and a number of articles in International Organization and other top journals.



## **Peter Cowhey**

Dean and Qualcomm Endowed Chair in Communications and Technology Policy

School of Global Policy and Strategy, UC San Diego

Peter Cowhey holds the Qualcomm Endowed Chair in Communications and Technology Policy and dean of the School. He is an expert on the future of communications and information technology markets and policy, specializing in U.S. trade policy, foreign policy, the Internet and international corporate strategy. His two most recent books are "Digital DNA: Disruption and the Challenges for Global Governance" and "Transforming Global Information and Communication Markets: The Political Economy of Innovation." Cowhey has extensive experience in government. In the Clinton Administration, he served as the chief of the International Bureau of the Federal Communications Commission (FCC) and negotiated many of the U.S. international agreements for telecommunications and satellite services. He had responsibility for antitrust decisions involving the communications and satellite industries. Cowhey joined the UC San Diego faculty in 1976. He was director of the University of California's system-wide Institute on Global Conflict and Cooperation from 1999-2006 and Associate Vice Chancellor-International Affairs from 2007-2009. He was the Interim Executive Vice Chancellor of UC San Diego in 2016-2017. Cowhey became dean of the School in July 2002.



## Nikia Clarke

Executive Director, World Trade Center San Diego; Vice President, Economic Development

Dr. Nikia Clarke is vice president of San Diego Regional Economic Development Corporation (EDC) and executive director of World Trade Center San Diego (WTCSD), an EDC affiliate. She oversees the economic development, research and global engagement priorities of the organization. Clarke sits on the National Investment Advisory Council, a collection of senior leaders that advises the administration on FDI policy and strategy, and is founder and former director of OUCAN, an international network of emerging market industry leaders, policy makers and researchers. She also serves on the board of the International Business program at San Diego State University and the San Diego Innovation Council. She holds a bachelor's from Loyola Marymount University, a master's of philosophy from Cambridge University and a doctorate from Oxford University.



## Rafael Fernández de Castro

Professor; Director, Center for U.S.-Mexican Studies School of Global Policy and Strategy, UC San Diego

Rafael Fernández de Castro is a professor at the School and director of its Center for U.S.-Mexican Studies (USMEX). A former foreign policy adviser to President Felipe Calderón, he is an expert on bilateral relations between Mexico and the U.S.

Fernández de Castro is founder and former chair of the Department of International Studies at Instituto Tecnológico Autónomo de México (ITAM) in Mexico City. He has published numerous academic articles and written several books, including "Contemporary U.S.- Latin American Relations: Cooperation or Conflict in the 21st Century?" and "The United States and Mexico: Between Partnership and Conflict" with Jorge Domínguez.

His current research includes a book on leadership and decision-making in Mexican foreign policy and he serves as a principal investigator along with Professor Jenny Pearce from the London School of Economics for the project "Co-constructing Security Provision in Mexico: A Methodology and Action Plan from Communities to the State". The project, funded by Mexico's National Council of Science and Technology and the UK's the Economic and Social Research Council, works with community, civil society and state actors to build shared understandings of the differential impacts of violence, insecurity and security provision to develop local security agendas constructed from the ground up in four cities severely affected by violence: Tijuana, Apatzingán, Acapulco and Guadalupe.



#### Kazunobu Hayakawa

Professor Institute of Developing Economies (IDE)

Kazunobu Hayakawa is an overseas research fellow at the Institute of Developing Economies (IDE). Prior to this position, he worked at the Bangkok office of the Japan External Trade Organization (JETRO) from 2011-2015 and was a research associate at Keio University from 2005-2008. He received his doctorate from Keio University with a dissertation on intermediate goods trade in 2008. His main research areas are international economics and economic geography. He has published in many journals including Journal of Economic Surveys, Review of World Economics and Oxford Economic Papers.



### Alexandra Hubenko

Interim Executive Director, Center for Commerce and Diplomacy; Program Manager, Qualcomm Institute, UC San Diego Division of Calit2

Alexandra Hubenko is a program manager at the Qualcomm Institute (QI), the UC San Diego Division of the California Institute for Telecommunications and Information Technology (Calit2). With 25 years of research and development, engineering and project management experience, she provides program and project management for large, international, multidisciplinary research projects; and has worked in a wide variety of research areas, including disaster response, cultural heritage engineering and management and global public health. She currently manages the UC San Diego-Los Alamos National Laboratory research and education collaboration and the Kidprint infant biometrics project. Prior to working at QI, Alex held positions in product development and engineering and project management in industry, working primarily in the semiconductor manufacturing and wireless communications software sectors. She holds a bachelor's of science in materials science & engineering from Cornell University, and an MBA in international management from the Thunderbird School of Global Management.



## Hisashi Kanazashi

Executive Director JETRO, LA Office

Hisashi Kanazashi is the executive director of the Japan External Trade Organization Los Angeles, a Japanese government funded trade promotions agency that focuses on advancing the Japanese entertainment and technology industries in the U.S. as well as attracting inward FDI. Hisashi joined the Ministry of Economy, Trade and Industry in 1998 with his most recent position as the director of Japan Economic Revitalization Bureau where he drafted the 2015 and 2016 Japan Growth Strategy. Hisashi holds an engineering degree from Tokyo University. He was also a visiting researcher at the Asia Pacific Research Center of Stanford University in 2007.



## In Song Kim

Associate Professor of Political Science Massachusetts Institute of Technology

In Song Kim is an associate professor of political science and a faculty affiliate of the Institute for Data, Systems, and Society (IDSS) at Massachusetts Institute of Technology. He holds a doctorate in politics from Princeton University, where he received a Harold W. Dodds Fellowship for 2012-2013. His research interests include international political economy, formal and quantitative methodology. His dissertation examined firm-level political incentives to lobby for trade liberalization (winner of the 2015 Mancur Olson Award for the Best Dissertation in political economy in the previous two years). An article version of this research received the 2018 Michael Wallerstein Award for the best published article in political economy in the previous year. In AY 18-19, he is on leave as a visiting fellow in regional political economy at the Niehaus Center for Gobalization and Governance at Princeton University.



## Takashi Kiyoizumi

Executive Manager

Takashi Kiyoizumi is a life science entrepreneur and executive with over 30 years of experience as well as a board certified plastic surgeon. As a founding president and CEO of MediciNova, he raised over \$190 million in private placements and a successful IPO, within 5 years of inception. Prior to founding MediciNova, he was president and CEO of Tanabe Research Laboratories, USA (U.S. affiliate of Mitsubishi Tanabe Pharma). Since 2005, he has been an active angel investor/board member with various life science ventures in San Diego. He earned his M.D. and doctorate from Keio University School of Medicine and master of science from Sloan School of Management at Massachusetts Institute of Technology.



### **Jim Lambright** Professor of Practice School of Global Policy and Strategy, UC San Diego

Jim Lambright is a professor of practice at the School, and has a wealth of experience leading and advising organizations operating at the intersection of global finance, business, and government. His current advisory work includes financial and energy companies exploring new business models driven by technology and policy changes.

Most recently, he served as senior vice president of Sempra Energy, overseeing M&A and corporate strategy for the Fortune 500 utility and mid-stream company. Prior to joining Sempra Energy, Lambright served as chief operating officer, chief financial officer, and board member of a San Diego-based venture-backed renewable energy company.

Lambright's earlier leadership roles include serving as the presidentiallynominated and Senate-confirmed chairman and CEO of the U.S. Export-Import Bank, an independent government corporation based in Washington, D.C., responsible for financing U.S. exports. During his tenure, Lambright managed a \$60 billion credit portfolio with exposure to more than 150 countries and transformed the Ex-Im Bank into a selffinancing institution, ending reliance on the annual federal budgeting process.



## **Greg McKee**

Former CEO CONNECT

Greg McKee is the former CEO of CONNECT. He was co-founder of Global Bio Link, a global specialty pharma company focused on the commercialization of novel and niche compounds in markets outside the United States. Prior to Global Bio Link, McKee was chairman and CEO of Akela Pharma Inc. and its predecessor company, Nventa Biopharmaceuticals. Previously, Greg held roles as head of corporate development, Valentis, Inc., and senior management roles with Genzyme Corporation in the US and Asia. McKee lived and worked in Japan and in Singapore for nine years and speaks fluent Japanese. An active member of Young Presidents Organization (YPO)/World Presidents Organization (WPO), Greg earned a bachelor's in economics from the University of Washington, a M.B.A from the Wharton School, and a master's in international studies from The Joseph H. Lauder Institute of the University of Pennsylvania.



## Megumi Naoi

Associate Professor Department of Political Science, UC San Diego

Megumi Naoi is associate professor of political science at University of California, San Diego. Her research interests bridge the fields of international and comparative political economy with particular interests in the politics of trade and redistribution. Her regional expertise is East Asia, particularly Japan. She is the author of Building Legislative Coalitions for Free Trade in Asia, which received honorable mention for the 2016 William Riker Award for the best book on political economy published in the past three years by American Political Science Association. Her other works have appeared in American Journal of Political Science, Comparative Political Studies, International Organization, International Studies Quarterly and others. She serves as an editorial board member of International Organization. She received a doctorate from Columbia University and master's and bachelor's from Keio University in political science.



#### Hiroyuki Mori

Executive Vice President/Corporate Advisor, CAMEX Group (Toyota Tsusho Subsidiaries) Group Manager, Toyota Tsusho America, Inc.

Hiroyuki Mori has served as executive vice president/corporate advisor of Toyota Tsusho Subsidiaries (logistics & light assembly service) at the Toyota Motor Manufacturing Baja California Plant since 2017. In 2016, he served as a secretary of president of Toyota Tsusho Corporation in Japan. Before that, he spent 5 years in Texas and Kentucky in order to support Toyota's U.S. plant through logistics service from 2010-2015. He served as a logistics planner of Toyota Motor Corporation's new overseas plant in Japan from 2007-2008. He received his bachelor's degree from University of Aichi, Japan



Joe Panetta President and CEO

Biocom

Joseph Panetta is president, CEO and a member of the board of directors of Biocom, California's largest and most-experienced leader and advocate for the life science industry. In 2014, Mr. Panetta was appointed by California Governor Jerry Brown to the Independent Citizens Oversight Committee, which serves as the governing and oversight board for the California Institute for Regenerative Medicine (CIRM) and is responsible for providing grant funding under the \$3 billion California Stem Cell Initiative. He is past chairman of the Council of State Bioscience Associations (CSBA) and founding chairman of the State Medical Technology Alliance (SMTA).

Mr. Panetta serves on the boards of directors of the San Diego Regional Economic Development Corporation, the San Diego Regional Chamber of Commerce and CONNECT. He is a past chairman of the board of the San Diego Workforce Partnership. Mr. Panetta is a member of advisory boards of the Pharmacy School at UC San Diego, the Engineering school at San Diego State University, the College of Science and Mathematics at Cal State University San Marcos and the National University School of Business and Management.



## **Rafael Pastor**

Former Chairman of the Board and CEO Vistage International

Rafael Pastor's career has spanned the media/entertainment, education and business/financial services sectors. Pastor started his career as an attorney, first at the Wall Street law firm of Hawkins, Delafield and Wood and then as associate general counsel at CBS Inc. He earned a bachelor's degree from Columbia University and a J.D. from NYU School of Law.

Currently, Pastor serves on a variety of boards and as an adviser. He is dedicated to helping organizations harmonize strategy, execution and culture. He serves on the boards of KinderCare Education, RosettaBooks, insureWell and Boost Academy, as well as on the advisory boards of MD Revolution and Thuzio. He also serves as an adviser to Vistage International and to Sonenshine Partners. He is a member of the board of the La Jolla Music Society; the advisory boards of the Rady School of Management and GPS; the board of the National Association of Corporate Directors (Southern California Chapter); and the Strategic Roundtable of the San Diego Regional Economic Development Corp.



#### **Jeff Rector** Co-founder and CEO Millennium Microgrid

Jeff Rector is an energy project finance attorney and social entrepreneur with a passion for solving problems and building projects that improve people's lives today without compromising the livelihood of future generations. During his twenty years of experience as a business developer, entrepreneur and lawyer, he has contributed to the development and financing of energy and infrastructure projects in more than 15 countries on five continents. He is the co-founder and CEO of Millennium Microgrid, a social enterprise that develops and finances microgrid projects that bring affordable, sustainable energy services to rural off-grid communities in Sub-Saharan Africa. A native Californian, Rector earned a law degree from Stanford Law School, a master's of Pacific international affairs from the School of Global Policy and Strategy at University of California San Diego and a bachelor's in political science from University of California San Diego.



# Naoki Sakurai

CEO Tanabe Research Laboratories

Naoki Sakurai has served as president and CEO of Tanabe Research Laboratories since 2011 and has held numerous pharmaceutical roles, with increasing responsibilities, since joining Tanabe Seiyaku in 1985. He previously served as director of the research division of Mitsubishi Tanabe Pharma, where he was responsible for biologics, biomarkers, target discovery, in-licensing and open-innovation alliance with academia. Before that, he was director of biology, leading multifunctional teams focused on inflammatory and metabolic diseases, and he served as the senior research scientist of the Discovery Research Laboratory at Tanabe Seiyaku from 1998 to 2002, directing bone biology research and HTS/exploratory units to support various cross-functional projects. He also worked with Signal Pharmaceuticals (now Celgene) as a research scientist. Dr. Sakurai received his bachelor's, master's and doctorate from Kyoto University.



#### **Shujiro Urata** Professor of Economics Graduate School of Asia-Pacific Studies, Waseda University

Shujiro Urata is a professor of Economics at the Graduate School of Asia-Pacific Studies, Waseda University, faculty fellow at the Research Institute of Economy, Trade and Industry (RIETI), research fellow at the Japan Center for Economic Research (JCER), and senior research advisor at the Economic Research Institute for ASEAN and East Asia (ERIA). Professor Urata received his Ph.D. in Economics from Stanford University.



## Luis Videgaray

Former Foreign Secretary of Mexico

Dr. Videgaray was born in Mexico City in 1968. He holds a bachelor's in economics from the Instituto Tecnológico Autónomo de México (ITAM) and a doctorate in economics with a specialization in public finance from the Massachusetts Institute of Technology (MIT). He has more than 25 years of experience in public administration. The many positions he has held include: advisor to the Secretaries of Energy and Finance and Public Credit; Director of Public Finance at Protego, SA; Finance Secretary of the State of Mexico; and Federal Deputy in the 61st Legislature, where he served as Chairman of the Budget and Public Accounts Commission. He was campaign manager for the PRI presidential candidate and he led the presidential transition team. In President Enrique Peña Nieto's administration, he has served as Secretary of Finance and Public Credit (2012-2016) and as Secretary of Foreign Affairs, since January 4, 2017.



#### **Joel Watson** Professor of Economics UC San Diego

Joel Watson is a professor in the economics department at the University of California San Diego. His research examines how contractual relationships are formed and managed, as well as the role of institutions in facilitating contracts and enforcement, using game-theoretic models. Watson's work addresses topics in a variety of applied areas, including law and economics, macroeconomics, labor economics, international economics, and environmental economics. Watson obtained his bachelor's from UC San Diego and his doctorate from Stanford's Graduate School of Business. He spent two years at Oxford's Nuffield College before returning to UC San Diego as a faculty member. Watson has also had several visiting appointments at Yale University over the years and was fellow at the Center for Advanced Study in the Behavioral Sciences at Stanford in 2012-2013. He is a fellow of the Econometric Society.

Watson has extensive experience and a record of leadership in administration, instruction and professional service. He was the chairperson of the economics department at the University of California, San Diego from 2006 until 2008, and has served as the chair of UC San Diego's Campus and Community Planning Committee, He was a Co-PI on Scripps' NSF IGERT grant "Global Change, Marine Ecosystems, and Society" and has been part of the leadership team at the Center for Marine Biodiversity and Conservation. Watson is also a pedagogical innovator, in particular with respect to video presentations and hybrid class formats.

# **Center for Commerce and Diplomacy Faculty Affiliates**

John Ahlquist, GPS Eli Berman, Economics Bill Bold, GPS Tai Ming Cheung, GPS Francisco Garfias, GPS Erik Gartzke, Political Science Stephan Haggard, GPS Gordon Hanson, GPS David Lake, Political Science Jim Lambright, GPS David Michael, GPS Karthik Muralidharan, Economics Megumi Naoi, Political Science Barry Naughton, GPS Paul Niehaus, Economics Agustina Paglayan, GPS/Political Science Lauren Prather, GPS Nico Ravanilla, GPS Christina Schneider, Political Science Branislav Slantchev, Political Science Joel Watson, Economics

# About the Center for Commerce and Diplomacy

For the advancement of worldwide peace and prosperity, our mission is to produce high-quality research that informs government and business leaders about the challenges and institutions of international commercial diplomacy in a changing world.

