

Center on Emerging and Pacific Economies

at the School of International Relations and Pacific Studies

2013-14 ANNUAL REPORT



DIRECTORS' MESSAGE

Greetings from the Center on Emerging and Pacific Economies (EmPac), where we look back on a tremendously exciting eighth year of operation and are on route to continue to grow and expand our mission. Based at the School of International Relations and Pacific Studies, EmPac's goal is to invite global leaders from Asia and the Americas to UC San Diego for fruitful exchange and horizon expansion. Our Pacific Leadership Fellows include executives, policy makers, journalists and scholars. Thanks to their insights and elaborations, we continue to hone our skills in how to think about and address the major challenges of our time.

Since 2006, we have welcomed 65 distinguished leaders from 19 different countries, representing business, government, civil society, the media, telecommunications and academia. During the 2013-14 academic year, we welcomed eight Pacific Leadership Fellows who addressed, among other issues: the globalization of manufacturing, both from the Chinese and Japanese perspectives; emerging economies in Latin America; East Asia and Korean politics; the current and future state of Internet commerce in China; monetary policy coordination; Japan's energy policy; the growing relevance of mobile technology in development; and China's efforts to promote green growth. Profiles and video interviews can be viewed on our website (empac.ucsd.edu).

While in residence, the fellows interact with UC San Diego faculty and students, and our conversations also include community leaders in San Diego. By building an intellectual community around the pressing issues of the Pacific, they also help expand our network in the region. We continue our engagement through regular alumni meetings and academic conferences in Asia and Latin America, and are grateful for our new friends' continued efforts to direct talent to our School.

A second area of activity for EmPac is to provide startup funding for new research initiatives in economics, public policy, international relations and management. This past year two doctoral candidates finalized multi-year projects related to anti-corruption policy and governance reform in China, and political mobilization and public policy in Singapore and Malaysia. In addition, two new grants were awarded, one on the China-Japan trade relationship and the Asian supply chain, and the other on the relationship between Internet use and local economic outcomes, such as income, employment and political participation. EmPac also co-sponsored a two-day academic workshop on the environment and human capital in Latin America, bringing together scholars and policy makers from Colombia, Mexico, Peru and the United States.

In addition to our Pacific Leadership Fellows program and these research activities, we are also happy to report that the new Policy Design and Evaluation Lab (PDEL) continues to grow in leaps and bounds. PDEL is unique in design and mission in that it functions as a multidisciplinary hub for scholars in economics, political science, management, engineering, health and other areas from across the UC San Diego campus, with the goal to combine advanced social science methodology with the power of information technology. Our goal is to help outline new policy options in a variety of areas, such as alleviating poverty and enhancing public program evaluations. PDEL is now in its second of a multi-year grant from USAID.

We express our continued deep gratitude to Joan and Irwin Jacobs for their generous support of EmPac and hope to see many of you at our various public events this coming year.



Ulrike Schaeede



Gordon Hanson



Irwin and Joan Jacobs

ACKNOWLEDGEMENTS

Joan and Irwin Jacobs' philanthropic support has had a significant impact on numerous cultural, medical, educational and civic organizations in San Diego. Since 2006, they have supported the vision of Dean Peter Cowhey and the faculty to make the creation and continued success of EmPac possible. Their leadership gift enables our campus and the greater San Diego region to become a center for reflection and action by leaders from the Pacific and supports innovative research.



Chris Locke and Ulrike Schaede at Qualcomm



Jaana Remes



PDEL ICT Pilot Project: Lowering Barriers to Elections using Mobile Technology

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YEAR AT A GLANCE

2013-14 HIGHLIGHTS

Welcomed eight Pacific Leadership Fellows from Chile, China, Japan, Korea, the United Kingdom and the United States. Fellows included prominent public figures from The Atlantic, Bank of Japan, Caribou Digital, Central Bank of Chile, governments of Japan and South Korea, Policy Research Center for Environment and Economy (China), and Sohu.com.

Supported the new Policy Design and Evaluation Lab, a major new research endeavor that is part of the larger campus-wide design initiative and is a focal point for rigorous empirical research on the interplay of public policy, technology and economic development.

Hosted a wide range of public talks discussing issues such as Fukushima and Japan's energy policy, the role of small and mid-size enterprises in international trade, human rights and U.S. leadership, and Mexico's growth and prosperity in a two-speed economy, among others.

Provided research seed grants to fund both ongoing and new innovative research projects by professors and graduate students.

PACIFIC LEADERSHIP FELLOWS

The Pacific Leadership Fellows program brings leaders to UC San Diego from around the globe to engage in dialogue, research and instruction with students, alumni, faculty and the San Diego community. Fellows are drawn from remarkable scholars and policy makers who shape strategy in their own countries through government, the private sector and academia, and provide valuable insight into how economic and political systems are evolving. Having completed its eighth year, EmPac has now hosted 65 fellows from 19 different countries.

◆ Denotes number of past fellows from that country



FELLOWS ACTIVITIES

While in residence, each fellow fulfills a number of responsibilities. Their events and interactions vary based on interest and length of stay, but each will:

- **COLLABORATE** with a faculty partner on a project or initiative
- **MENTOR** students informally and in a classroom setting
- **SPEAK** at a public program or guest lecture at community events
- **ENGAGE** with other appropriate UC San Diego departments
- **CONNECT** with the broader San Diego regional community, and business, government or nonprofit leaders
- **INTERACT** with our supporters and local community





JAMES FALLOWS

OCT. 5 – 16, 2013

Faculty Host: Dean Peter Cowhey

JOURNALISM AND MANUFACTURING

James Fallows is a correspondent for The Atlantic and former presidential speechwriter for Jimmy Carter.

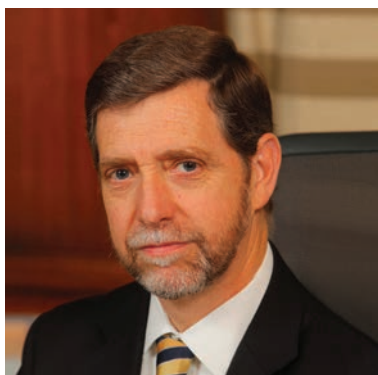
He has reported on world events for over 30 years including most recently spending three years in China. He published “China Airborne,” an exposé into the Chinese aviation industry and won both the National Book Award and the National Magazine Award, plus a New York Emmy Award.

During his residency, he spoke at a public talk titled “China and the Future of Global Manufacturing,” where he discussed

the changing global economic landscape and the stages of China’s development. While on campus, he met with faculty members as well as guest lectured in geo-spatial data analysis and Chinese environmental policy classes. He also spent time with students outside the classroom, presenting at a student-focused roundtable. His research and writing focuses on technology, innovation and how communities adapt to changing economic landscapes to create new opportunities. In this light, he met with Qualcomm Incorporated officials to discuss telecommunications advancements, including the development of small cell technology. He also met with leaders from the San Diego Regional Economic Development Corporation.



EMERGING ECONOMIES



JOAQUÍN VIAL

OCT. 31 – NOV. 8, 2013

Faculty Host: Gordon McCord

Joaquín Vial is currently a member of the board of the Central Bank of Chile. Before this appointment in 2012, he held numerous positions in Chile and the United States as a leading economist in the private sector and at academic institutions, including serving as director of the Andes Competitiveness Project at Harvard University and later Columbia University.

As a fellow, he spoke at a public talk titled “Macroeconomic Challenges in Latin America to 2020,” where he presented on new and projected trends affecting

emerging economies in Latin America. He gave guest lectures in select classes and spent time engaging with students through a career talk and networking event with the Latin America Student Organization. He also presented at the World Trade Center San Diego, discussing issues created by dependence on commodity exports and challenges for macroeconomic policy in the region. He met with officials from Sempra Energy and the San Diego Business Journal.





SOHN HAK-KYU
 JAN. 20 – 31, 2014
 Faculty Host: Jong-Sung You

SHAPING FOREIGN POLICY

Sohn Hak-kyu is the former chairperson of the Democratic Party of Korea and was governor of Gyeonggi-do, the largest province in South Korea, from 2002-2006. He was an activist in the democratization movement as a student and has been a professor at Inha and Sogang universities in South Korea.

During his residency, he gave a public talk titled “Changing Dynamics in East Asia and Korean Politics,” where he presented on South Korean domestic politics and the role that Korea plays in shaping the future of Northeast Asia. He guest lectured in a select class and met with students on



multiple occasions, including a lunch talk on North Korean engagement policy and a networking event with Mannam, the Korea-focus student group. While on campus, he met with faculty members and leading members of the San Diego Korea-American community. He also held a discussion with Representative Ed Royce, chair of the House Committee on Foreign Affairs.



CHARLES ZHANG
 FEB. 3 – 7, 2014
 Faculty Host: Susan Shirk

FUTURE OF THE INTERNET

Charles Zhang is the founder, board chair and CEO of Sohu. Prior to founding Sohu, he worked for Internet Securities Inc. and helped establish its China operations. He is a pioneer in developing the Internet in China and has been named as one of the world’s top 50 digital elite by Time Digital.

As a fellow, he spoke at a highly attended public talk titled “China Internet Battles,” where he discussed the strengths and challenges to developing the Internet in China and the future of the Internet. He guest lectured in a select class and



attended a networking event with the China Focus student group. During his stay, he met with Qualcomm Incorporated officials to discuss smart phone technologies. He also met with IR/PS faculty members as well as participated in meetings at the Kavli Institute for Brain and Mind and the San Diego Supercomputer Center.





MASAAKI SHIRAKAWA

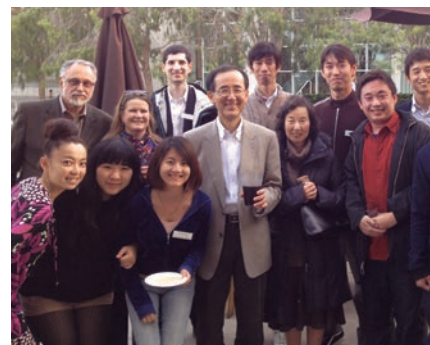
FEB. 17 – 28, 2014

Faculty Host: Ulrike Schaede

MONETARY POLICY

Masaaki Shirakawa was the governor of the Bank of Japan from 2008-2013, and as such shaped the monetary policy of the world's third largest economy during the global financial crisis. He currently serves as senior advisor and member of the Global Advisory Board at Promontory Financial Group and is a special professor of international politics, economics and communication at Aoyama Gakuin University.

During his residency, he met with IR/PS students and faculty, as well as Consul General Jun Niimi and Honorary Consul Kate Leonard. He also gave a public talk titled "Towards Global Coordination



of Monetary Policy?" where he discussed opportunities and challenges regarding global monetary policy coordination. He participated in the Economics Roundtable with UC San Diego Department of Economics faculty and spoke before the local San Diego community.



HIDEICHI OKADA

MARCH 1 – 14, 2014

Faculty Host: Ulrike Schaede

ENERGY CHALLENGES

Hideichi Okada served as vice minister for international affairs at the Ministry of Economy, Trade and Industry (METI) of Japan from 2010-2012, where he promoted international trade and investment, and expanded industrial cooperation with various countries. He also served as director general of METI's Trade Policy Bureau from 2008-2010 and director general of their Commerce and Information Policy Bureau from 2007-2008.

As a fellow, he gave a public talk addressing changes in the global manufacturing sector

and Japan's energy policy titled "Global Manufacturing and Japan's Energy Challenges." He was joined by Professor Ulrike Schaede and Jeffrey Rector, energy and project finance attorney at Sheppard Mullin Richter and Hampton LLP and president of the IR/PS Alumni Association. He attended the "China-Japan Relations and the Role of the U.S." conference on campus, and met with students, faculty and local community leaders.





CHRIS LOCKE

APRIL 7 – 19, 2014

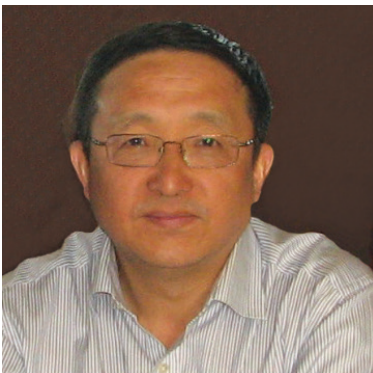
Faculty Host: Craig McIntosh

DIGITAL ECONOMIES

Chris Locke has spent the past 15 years working in the mobile and Internet industries for companies including the Virgin Group, Three, AOL and T-Mobile. He was previously the managing director of GSMA Mobile for Development, and is now the founder at Caribou Digital, working with development organizations to build digital economies in emerging markets.

During his residency, he gave public talks on “Mobile Technology at the Border” and “Creating New Connected Economies,” where he provided unique insight on the role of mobile technology in fostering development in emerging markets. He also

engaged with students, professors and project scientists at the Qualcomm Institute for Telecommunications and Information Technology. In addition to guest lecturing in professor Gordon McCord’s integrated development class, he participated in a daylong “Sustainability in Emerging Digital Markets” roundtable with leading scholars and practitioners. He had the opportunity to meet with officials from Qualcomm Incorporated, and many leading scholars and practitioners in the telecommunications field in San Diego.



XIA GUANG

APRIL 21 – MAY 16, 2014

Faculty Host: Junjie Zhang

GREEN ECONOMY

Xia Guang is currently the director general of the Policy Research Center for Environment and Economy at the Chinese Ministry of Environmental Protection (MEP). He is also a member of the Science and Technology Committee of MEP and the intergovernmental advisory panel for the Global Environmental Outlook of the United Nations Environment Programme. He is a professor at Renmin University of China and Shanghai University of Finance and Economics, and has published seven books.

As a fellow, he gave a public talk titled “Green Economy in China: Actions, Effects and Challenges,” where he presented on China’s efforts to promote green growth. He met with faculty across campus, in particular with leading scholars at the UC San Diego Scripps Institute of Oceanography. In addition to meeting with students one-on-one, he presented a special talk for them on “China Air Pollution Control Countermeasures,” and enjoyed a networking event held in his honor.



UPCOMING PACIFIC LEADERSHIP FELLOWS

The following are the confirmed Pacific Leadership Fellows for 2014-15. Please visit us online for an updated list.

FELLOW	RESIDENCY DATE
KAN SUZUKI Politician, Democratic Party of Japan	Oct. 27- Nov. 6, 2014
ARTURO SARUKHAN Former Mexican Ambassador to the U.S.	Nov. 3-12, 2014
WILLIAM KENNARD Senior Advisor, Grain Management	Nov. 17-23, 2014
JOSE DALISAY Professor and Novelist	Jan. 20-30, 2015
HIROSHI FUJIWARA President and CEO, BroadBand Tower, Inc.	May 11-24, 2015

ACADEMIC EVENTS

EmPac engages with other research-based centers, universities, corporations and government agencies to provide a focus for dialogue.

Fukushima and the Politics of Japan's Energy and Innovation Policy

Sept. 20, 2013

Kiyoshi Kurokawa, chair of the Health and Global Policy Institute and chair of the Parliamentary Commissioned Independent Task Force for Fukushima Nuclear Accident Investigation, discussed the ongoing politics of Japan's energy and innovation policy in relation to his role with Fukushima. The event was co-hosted by c.japan and Rady School of Management.

Peru: The Andean Jaguar

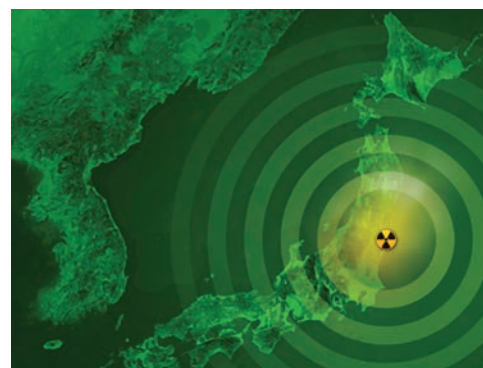
Jan. 9, 2014

Daniel Schydrowsky, chief financial regulator of Peru, reviewed the fundamental drivers of Peru's recent growth, related it to external market and internal political factors, assessed the role of policy and evaluated how much room there is for continued growth.

Japanese Manufacturing Strength: Monozukuri and Genba Management

Feb. 4, 2014

Masakazu Sekiguchi, vice president and senior officer at Manufacturing and Global Operations at Bridgestone, discussed his approach to overseas procurement, manufacturing management, global production administration and logistics, and mold technology and manufacturing at a roundtable luncheon.



Night on Earth: Spatiotemporal Observations of Anthropogenic Processes from Night Lights

April 2, 2014

Christopher Small, geophysicist at the Lamont-Doherty Earth Observatory of Columbia University, presented his research on quantifying the spatiotemporal changes of Earth's surface and understanding the causes and consequences of these changes before a group of scholars and students.



Christopher Small

The Emerging Export Engine: Small and Mid-Size Enterprises (SMEs)

April 16, 2014

Kati Suominen, founder and CEO of Nextrade Group LLC, discussed the role of SMEs in international trade in Latin America and the Caribbean as well as other parts of the world, presenting policy recommendations on ways to unlock this export engine.

U.S. Leadership in the 21st Century: The Human Rights Viewpoint

April 21, 2014

Carroll Bogert, deputy executive director of Human Rights Watch, discussed whether rising powers of the global south will incorporate human rights into their foreign policies and whether China will remain a dissenting voice on human rights. The event was hosted by UC San Diego's International Affairs Group and co-sponsored by EmPac, 21st Century China Program and San Diego World Affairs Council.

UC San Diego and the Local Ecosystem: Insights from Wireless and Biotech

May 15, 2014

Dean Mary Walshok and professor Steven Casper presented results from their chapters on UC San Diego in the Stanford University Press book "Public Universities and Regional Growth: Insights from the University of California" edited by Martin Kenney and David Mowery. The event was co-sponsored by UC San Diego Extension, CONNECT, UC San Diego Library and EmPac.

A Tale of Two Mexicos: Growth and Prosperity in a Two-speed Economy

May 28, 2014

Jaana Remes, partner at McKinsey Global Institute, presented the latest research on how, in the 20 years since the North American Free Trade Agreement, Mexico has become a global manufacturing leader, yet the country's economic growth continues to disappoint and the rise in living standards has stalled. The root cause is a chronic productivity problem that stems from the economy's two-speed nature. The event was co-sponsored by the Center for U.S.-Mexican Studies.



Kati Suominen



Jana Remes and Gordon Hanson

RESEARCH GRANTS

EmPac fosters academic inquiry by collaborating with faculty at the School and other departments such as economics and political science. Every year, EmPac supports grants to fund innovative research by professors and those working with master's degree and doctoral candidates.



JONATHAN SHALFI
M.P.I.A. CANDIDATE

IR/PS, UC San Diego

CHINA-JAPAN BUSINESS RELATIONS AND THE ASIAN SUPPLY CHAIN

Jonathan Shalfi's research project examines economic analyses of trade flows, which show a steep increase in trade between China and Japan, leading to conclusions of interdependence. This research project is the beginning of a larger project that analyzes the business aspects of supply chain relations in Asia, more importantly from a Japan perspective. In addition to trade data, the research looks at business decision-making by companies to identify relative resource dependencies as well as firm strategies adopted for mitigation.

The data allowed him to assess how dependent Japan is on China for trade and business, and to examine Japanese business activity in China by industry, geographical area and over time. First results of this research were presented at conferences in 2014 including the March 7, 2014 conference "China-Japan Relations and the Role of the U.S.," organized by the 21st Century China Program and Fudan-UC Center on Contemporary China at UC San Diego.



MATTHEW GIBSON
PH.D. CANDIDATE

Department of Economics,
UC San Diego

THE INTERNET AND LOCAL ECONOMIC OUTCOMES

While the Internet is widely recognized as an important technology, it is difficult to study. Launched in 2014, Matthew Gibson's project is designed to acquire unique data sets on county-level use from 1994-2008 for statistical analysis of the causal relationship between Internet use and local economic outcomes like income, employment and political participation.

He hopes that by recovering causal estimates of Internet effects, the study will improve the understanding of how the Internet influenced economic outcomes in recent decades. Additionally, the research could shed light on the channels—worker productivity, reduced communication costs, network externalities—through which the Internet affects the economy.

He notes broader impacts could include better analysis of the Broadband Initiatives Program (BIP) contained in the 2009 American Recovery and Reinvestment Act. BIP aimed to increase broadband access in under-served rural areas. While the costs of the program are straightforward, the benefits are impossible to quantify without understanding the relationship between Internet use and societal outcomes. Preliminary estimates suggest the economic benefits of the Internet are large. Should those results hold in the final study, they would provide support for additional Internet programs in poor and rural areas, such as those proposed, with FCC support, in the 2013 Broadband Adoption Act, which did not become law. Many public libraries offer free Internet access and this study would also suggest the approximate magnitude of the benefits from such programs.



JOSHUA GRAFF ZIVIN
PROFESSOR

IR/PS, UC San Diego

WORKSHOP ON ENVIRONMENT AND HUMAN CAPITAL

Human capital is widely viewed as playing an essential role in the creation of wealth and economic growth. Health and education lie at the core of human capital formation and are profoundly influenced by environmental quality and climate. While the impacts of adverse environmental conditions on health are reasonably well understood, the evidence on other aspects of human capital, as well as behavioral responses to mitigate these impacts, is limited.

In May 2014, the UC Working Group on Climate, Environment and Human Capital held a two-day workshop sponsored by the UC Institute on Global Conflict and Cooperation with support from EmPac. Scholars from

throughout the University of California system, and scholars and policy makers from Colombia, Mexico, Peru and the United States, attended.

The workshop focused on Latin America in order to explore data availability and possible joint projects that could expand the knowledge base in this area and help promote evidence-based policy making to enhance social welfare in the region more generally.



PARTICIPANTS

Daniel Anavitarte, Ministry of Education, Peru

Discussant topic: Pollution, Health, and Human Capital

Prashant Bharadwaj, UC San Diego

Presentation: "Grey Matters"

Adriana Camacho, University of Los Andes, Colombia

Discussant topic: Fetal Origins

Olivier Deschenes, UC Santa Barbara

Presentation: "Measuring the Impact of Climate Change on Human Health"

Joshua Graff Zivin, UC San Diego

Presentation: "Environment and Human Capital – A Conceptual Framework"

Kelsey Jack, Tufts University

Discussant topic: Overview of Health and Human Capital Impacts and Empirical Challenges

Pedro Luna, Secretariat of Finance and Public Credit, Mexico

Opening remarks

Gordon McCord, UC San Diego

Presentation: "Malaria Ecology, Climate Change, and Social Impact"

Carlos Muñoz Piña, Mario Molina Center, Mexico

Discussant topic: Challenges and Opportunities in Latin America

Matthew Neidell, Columbia University

Presentation: "Common Empirical Issues and Potential Solutions"

Paulina Oliva, UC Santa Barbara

Presentation: "Short Run Effects of Air Pollution on Health and Labor Supply"

Janice Seinfeld, Videnza Consulting Group, Peru

Presentation: "Challenges and Opportunities – Some Examples from Peru"

Reed Walker, UC Berkeley

Presentation: "The Early Life Environment and Long-Run Human Capital: Evidence from Administrative Earnings Records in the United States"

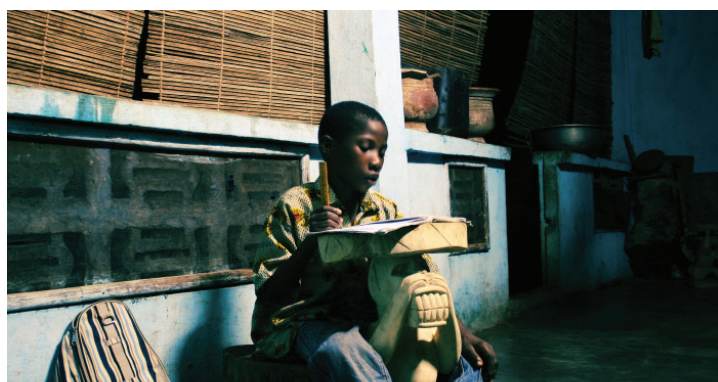
POLICY DESIGN AND EVALUATION LAB (PDEL)

UC San Diego launched a groundbreaking policy research lab in 2013 under the directorship of professors Eli Berman, Gordon Hanson and Craig McIntosh.

The lab is designed to be an international focal point for rigorous empirical research on the interplay of public policy, technology and economic development. The mission of PDEL is to combine advanced social science methodology with the power of information technology to design policies and programs that alleviate poverty; promote health, welfare and security; and enhance accountability.

PDEL comprises a large faculty cluster of new empiricists, skilled in three indispensable building blocks: social science lab experiments, field experiments and natural experiments. It is a consortium of researchers working at the forefront of social science policy analysis. Through a combination of rigorous empirical methods and cutting-edge technological tools, scholars seek to shed light on how innovation can be brought to bear to improve the human condition.

Visit pdel.ucsd.edu to learn more



ICT Pilot Project: Using Mobile Technology to Direct Remittances Toward Secondary School Fees. Researchers: Claire Adida, Ramesh Rao



ICT Demonstration Project: Mobile Salary-linked Savings in Afghanistan. Researchers: Mike Callen, Josh Blumenstock and Tarek Ghani

INFORMATION AND COMMUNICATIONS TECHNOLOGY (ICT) FOR ACCOUNTABILITY

PDEL is partnering with UC Berkeley as part of the Development Impact Lab (DIL) to utilize information and communication technology to measure and promote accountability and public service delivery. Funding is provided by the U.S. Agency for International Development.

Rapid expansion of information and communication technology in the developing world enhances our capacity to reduce poverty and accelerate citizen empowerment. Mobile devices are already widely used to deliver services in low-income countries—including financial services, preventive health care and agricultural extension. Deploying mobile technology requires thoughtful design, testing and redesign to maximize sustained effectiveness.

Six ICT demonstration projects in multiple countries and contexts were launched in this first year.

RESEARCH INNOVATIONS WORKSHOP

Can e-payments fix India's social safety net?

May 7, 2014

Karthik Muralidharan is an assistant professor of economics at UC San Diego, where he has been on the faculty since 2008. Paul Niehaus is also an assistant professor at UC San Diego, as well as faculty research fellow at the National Bureau of Economic Research, junior affiliate at the Bureau for Research and Economic Analysis of Development, affiliate of the Jameel Poverty Action Lab and affiliate at the Center for Effective Global Action.

empac.ucsd.edu

STAY CONNECTED

EmPac wants to keep you informed. Many of our events are recorded to make the information accessible to anyone who is interested. Please visit our website for the most current videos, pictures, stories and interviews.

Explore new ways to connect with members of our global community and keep up to date with the latest events and news items using social media at EmPac and IR/PS.

Information and updates can be found on Facebook, Twitter and Vimeo.



Read Ulrike Schaede's regular column, in Japanese, published in Nikkei Business Online.
http://j.mp/Schaede_Nikkei

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