



PIIE PETERSON INSTITUTE FOR
INTERNATIONAL ECONOMICS

ANNUAL REPORT 2017-2018



LEADING RESEARCH ON THE GLOBAL ECONOMY

The Peterson Institute for International Economics (PIIE) is a private, nonpartisan nonprofit institution committed to rigorous, intellectually open, and indepth study and discussion of international economic policy.

Its purpose is to identify and analyze important issues to make globalization beneficial and sustainable for the people of the United States and the world and to develop and communicate practical new approaches for dealing with challenges confronting the global economy.



PIIE PETERSON INSTITUTE FOR
INTERNATIONAL ECONOMICS



2016 AND 2017 WINNER

Best Economic and Financial Think Tank (US)
Two years in a row

June 27, 2018

Message from President Adam S. Posen

I am pleased to report to you on the accomplishments of the Peterson Institute for International Economics for the fifteen-month window from January 2017 through March 2018, and our research agenda for the coming year.

As expected, this year has been challenging for globalization and sound economic policies. Not only in the United States but also around the world some governments have emerged that directly attack rules-based economic integration from a nationalist or populist perspective. As part of those attacks, those parties also usually denigrate the influence of experts, free traders, and globalists—which pretty much describes the researchers of the Peterson Institute. We have stood our intellectual ground, and we have done so proudly.

In fact, the challenge that the liberal world economic order is facing has motivated our entire team to take our analyses and explanations directly public in new ways, to new audiences, some highlights of which are recapped in this *Annual Review*. Our scholars continue to make real and specific the full costs of protectionism, confront economic errors directly, and explain the benefits generated by US engagement with the integrated world economy, particularly from NAFTA and China-US commerce.

In this environment, I am pleased to tell you that there has been global demand for the Institute's evidence-based, nonpartisan, indepth research on the reality and benefits of maintaining open markets and international economic cooperation. While the doors of some officials have been closed to the Institute and other mainstream economists, others have been opened wide to hear from what is now the relevant radical center that our views represent.

- In Beijing, the most senior economic officials engaged directly with Institute analyses not just of Chinese trade and China-US relations but also of financial liberalization, currency regimes, and long-term growth in China.
- In Berlin, Brussels, and Paris, Institute fellows have advanced reform agendas and pushed the envelope with their proposals for strengthening Europe.
- In Canberra and Tokyo, the governments that wished to take the Trans-Pacific Partnership (TPP) forward, even without the United States, turned to Institute fellows for advice.
- In Mexico City, Ottawa, and Seoul, Institute research supported US trading partners and allies in their standing up for agreements to which previous American governments had committed.
- In nearly all the G-10 central banks, Institute studies were cited and Institute fellows were invited to inform the major policy decisions unwinding unconventional monetary policies and responding to their effects.
- At home in Washington, the Institute's meetings, publications, and fellows' active outreach were a rallying point for businesses, NGOs, scholars, and embassies standing up for sustainable economic policies, including toward foreign direct investment, taxation, and currencies.
- The Institute won the Prospect Award for Best US Economic and Financial Think Tank for the second year in a row.

Please read the first section of this *Annual Review* in the next few pages for a brief summary of the Institute's work and impact over the last fifteen months in three key areas: Standing Up for the Global Economy, Rethinking Macroeconomic Policy, and Addressing Challenges to Economic Growth. Highlights of research and influence of our individual fellows are presented next, including those of our newest scholars: Douglas Irwin, America's leading historian of trade policy; Mary Lovely, an expert at the nexus of industrial policy, China's development, and global value chains; and Martin Chorzempa, a rising star on the new issues of fintech and regulation, with a focus on China.

All our respected independent fellows are delivering evidence-based, serious, indepth analysis of complex economic policy issues in real time. We have committed additional resources and efforts to making our research timely and accessible. We create audiovisual materials, interactive graphics, and social media content to deepen the public's understanding. The Institute's Communications and Publications team has made similar strides in presenting our research and web content with innovative, clear, visceral, visual touchpoints.

The Peterson Institute for International Economics demonstrates that rigorously argued ideas do still matter in getting good economic outcomes and keeping the world economy open. The system of rules-based economic globalization, which has brought substantial benefits to so many people around the world, remains under threat, but it has proven resilient so far. Our ideas, forcefully and usefully expressed to policymakers and the public, have contributed meaningfully to that resilience. With your sustained support and engagement, we can continue to do so.

For all our achievements, the Peterson Institute for International Economics remains a small, nonprofit organization. We make our contributions to the public debate and to policymaking globally with just our team of around thirty-five senior researchers (about half of whom are in full-time residence), a dozen research analysts, and twenty dedicated colleagues on the operational side who make possible all our meetings, outreach, publications, and research.

Our annual budget of \$13 million is funded by a combination of income on our capital fund, annual donations from private corporations and individuals, and grants from a variety of private foundations and public institutions from the United States and all over the world, which we are proud to acknowledge. We depend on this financial basis, along with the contributions of many loyal annual supporters, to give us the independence to focus on research of merit rather than projects contracted for financial marketability.

A handwritten signature in black ink, appearing to be 'A. P.', followed by a long horizontal line extending to the right.

KEY AREAS OF IMPACT



STANDING UP FOR THE GLOBAL ECONOMY

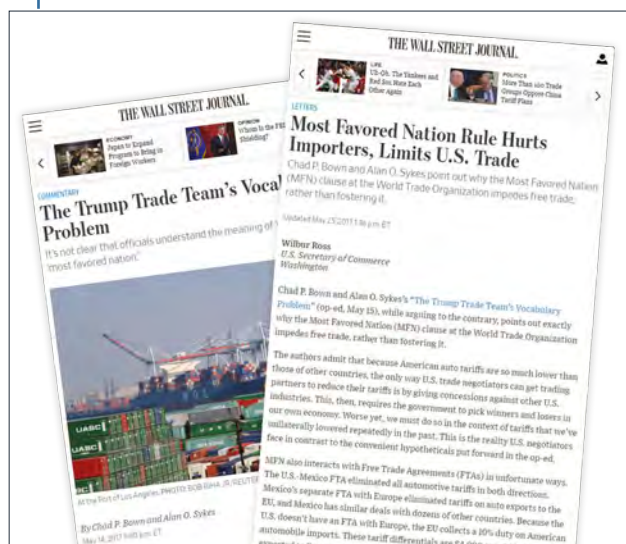
In an era of discord and confusion over trade, PIIE has elevated public understanding of the benefits and costs of trade agreements and the risks of trade wars to global prosperity and the rules-based economic order.

Upholding the Rules-Based Trading System

Adam S. Posen's featured essay in *Foreign Affairs* highlighted the economic and security dangers of the United States retreating from world economic leadership.

By 2016, the US economy was \$2.1 trillion larger as a result of liberalization of trade and investment and related technology developments since 1950, or \$18,000 per household. That number was derived by Gary Clyde Hufbauer and Zhiyao Lu in their Policy Brief, *The Payoff to America from Globalization: A Fresh Look with a Focus on Costs to Workers*, which updates a landmark study published in 2005. The jobs lost because of globalization represent less than a percent of the number of people who involuntarily separate from their jobs each year.

An op-ed by Chad P. Bown in the *Wall Street Journal*, "The Trump Trade Team's Vocabulary Problem," arguing in favor of a multilateral rules-based trading system, provoked US Secretary of Commerce Wilbur Ross to reply in the *Wall Street Journal*, "Most Favored Nation Rule Hurts Importers, Limits U.S. Trade."



Tariffs and the Potential Impact of a US-China Trade War

The 2016 PIIE Briefing, *Assessing Trade Agendas in the US Presidential Campaign*, continues to be a go-to resource on what would happen if a US-China trade war developed. The piece was widely cited, including on NPR, CNN, BuzzFeed, and several local newspapers in Ohio and Michigan.

March 2018 Media Coverage on Tariffs and Potential US-China Trade War

329 Citations

articles that quote PIIE scholars or research



10 Op-eds



21 TV Interviews



19 Radio Interviews

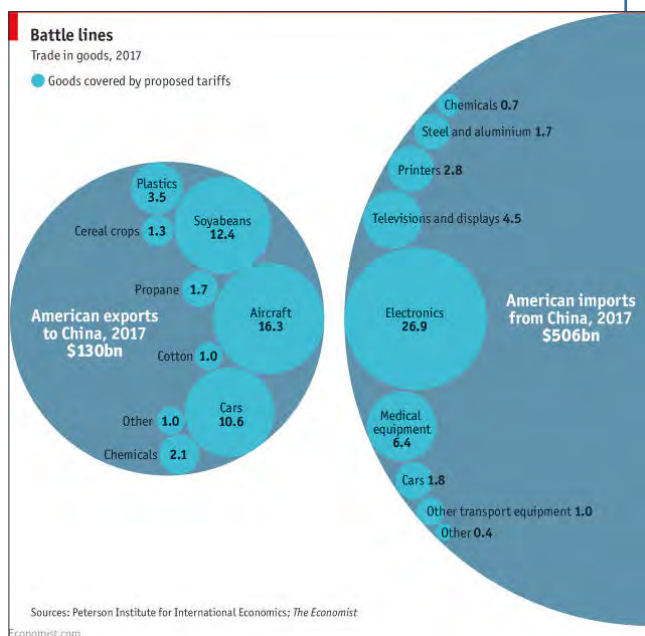


21 Quotes In NYTimes



The Institute's voluminous published data showing the effects of escalating tariffs on US exports to China and of Chinese exports to the United States were transformed into data visualizations crediting PIIE by the *Wall Street Journal* and the *Economist*.

PIIE launched an interactive timeline guide to the US-China trade confrontation with legal explanations and impacts, updated regularly, an invaluable resource to followers of this critical threat to global economic stability.



Two previously published studies on the economic costs of tariffs rose to the top of the list of most cited pieces of research in the past year. CNN host Erin Burnett cited the 2012 study, *US Tire Tariffs: Saving Few Jobs at High Cost*, while interviewing Wilbur Ross, pointing out that more jobs were lost than were gained. The 2003 Policy Brief, *Steel Policy: The Good, the Bad, and the Ugly*, on protections for US steel has been mentioned dozens of times in the news.

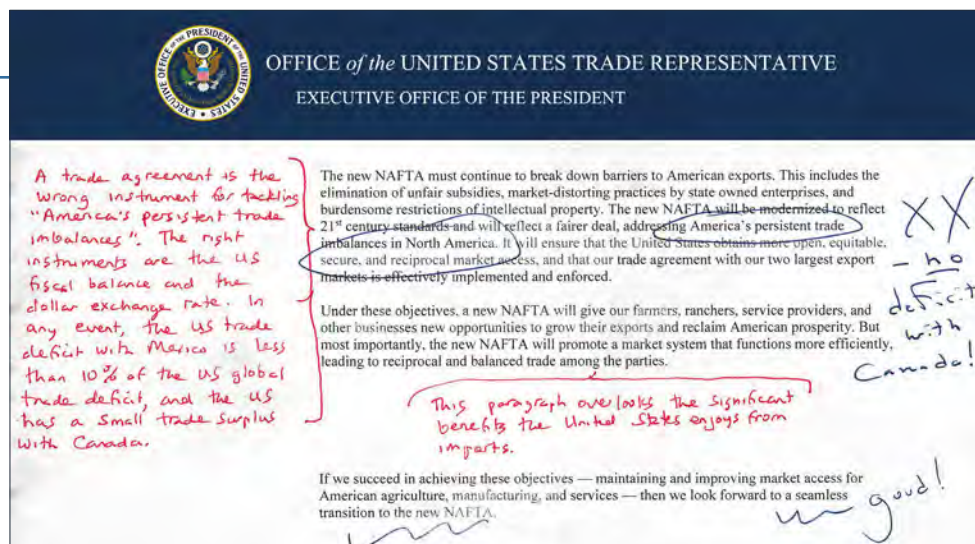


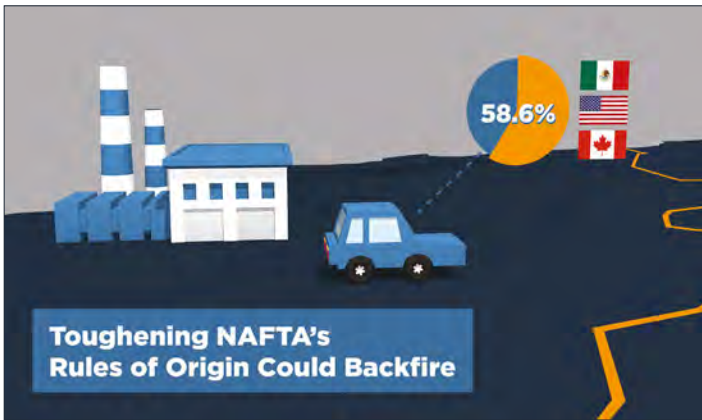
Benefits of Improving, Not Leaving NAFTA

President Trump's criticism of NAFTA and the ensuing renegotiation talks with Canada and Mexico reignited a debate over the merits of the original accord. PIIE has released a stream of research and commentary over the past year, including the PIIE Briefing, *A Path Forward for NAFTA*, featuring a chapter by C. Fred Bergsten on why focusing on bilateral trade deficits in the renegotiations is misguided.



In a new Annotated and Explained blog series, trade experts took a new approach by using handwritten notes to comment in the margins of public documents, such as the US Trade Representative's NAFTA objectives and Robert Lighthizer's statement on how he was "surprised and disappointed" after one of the renegotiation rounds. These have become some of the most popular stories on piie.com.





- Additional graphics, news stories quoting scholars, and videos explaining NAFTA's benefits and the effects of pulling out have been disseminated on social media on an almost weekly basis. Caroline Freund narrated a video on NAFTA's rules of origin that was widely distributed among industry stakeholders. It also received high engagement online. A packet compiling PIIE's most relevant work to policymakers was distributed to interested parties.



The Canadian Minister of Foreign Affairs, Chrystia Freeland, cited the Institute's 2014 Policy Brief, *NAFTA at 20: Misleading Charges and Positive Achievements* in a major speech, focusing on its conclusion that NAFTA has added \$127 billion annually to US income. Lawrence H. Summers, Robert Zoellick, and others have also cited this research in prominent venues.

The New Trade Talks Podcast

Chad P. Bown started a highly rated weekly podcast, *Trade Talks*, with *The Economist* reporter Soumaya Keynes, which provides timely and engaging conversations on anything trade related. Each episode brings in several thousand listeners and is frequently mentioned on Twitter by high-profile journalists and economists.



Protecting Investment

Gary Clyde Hufbauer testified to Congress on the problems with expanding the mandate of the Committee on Foreign Investment in the United States (CFIUS) to screen outward, not just inward, investments, for technology transfers that threaten national security. He recommended a more focused, less open-ended approach.



RETHINKING MACROECONOMIC POLICY

Nearly a decade after the global financial meltdown, economists are still debating lessons learned. The Peterson Institute has led the way in shedding light on the crisis and the policy responses. In October 2017, the Institute convened two days of discussions with the world's leading policymaking economists, organized by Olivier Blanchard and Lawrence H. Summers. Their exchanges will be published jointly by MIT Press and PIIE in 2018. The next biennial conference is planned for October 2019.



Olivier Blanchard, Ben Bernanke, Mario Draghi, Lael Brainard, Philipp Hildebrand, and Adam S. Posen



Lawrence H. Summers, Gita Gopinath, Barry Eichengreen, Pierre-Olivier Gourinchas, Raghuram G. Rajan, and Carmen M. Reinhart

Audience

- 220 total hand-picked attendees
- Highest attended event at PIIE in last 5 years
- 8 Institute board members, including Stanley Fischer, Peter Fisher, Jacob Frenkel, Neeti Bhalla Johnson, Charles Lake, and Min Zhu
- 11 current central bank governors and deputies from: Bank of Finland, Bank for International Settlements, Bank of Italy, Bank of Thailand, Central Bank of Iceland, Central Bank of Israel, Danmarks Nationalbank, South African Reserve Bank, Swiss National Bank, and US Federal Reserve Board
- 25 reporters from top media outlets
- 25 senior executives from leading global companies and financial institutions
- 46,000 event page views

Broadcast on:



ADDRESSING CHALLENGES TO ECONOMIC GROWTH



Adam S. Posen, Juyeol Lee, Christine Lagarde, Hyoung-kwon Ko, and Changyong Rhee

In September 2017, the Institute held a joint conference with the International Monetary Fund (IMF) and the Bank of Korea in Seoul on Prospects and Challenges for Sustained Growth in Asia, featuring Managing Director Christine Lagarde, Korean Deputy Prime Minister and Minister of Strategy and Finance, Dong Yeon Kim, and Governor of the Bank of Korea, Ju-yeol Lee. They discussed the region's demographic changes, technology advances, lagging productivity growth, and other challenges confronting Asian economies. Our convening power is unparalleled in the think tank sphere on international economics, as is our access to key policymakers in China, Japan, and Korea, as well as at the IMF. Plans for other joint projects are under way.



Jeromin Zettelmeyer, Lawrence H. Summers, Jason Furman, Anna Stansbury, and Jaana Remes

What if the decline in US productivity growth is more than a temporary phenomenon caused by the recent Great Recession? The Peterson Institute convened leading economists for a conference on Policy Implications of Sustained Low Productivity Growth in November 2017 to wrestle with a phenomenon that threatens to impede full recovery of the US economy. The event featured Karen Dynan, Lawrence H. Summers, and Jason Furman as speakers.

SCHOLAR HIGHLIGHTS





ADAM S. POSEN

President

Joined in 1997

Expertise: G-7 Economies and Outlook,
Macroeconomic Policy, Central Banking,
Financial Crisis Resolution



Posen led a PIIE delegation to China in May 2017 for high-level meetings, including a formal discussion with Vice Premier Wang Yang in Beijing on economic reforms in China and US-China relations under the Trump administration.

1.2 million

total views of viral
speech on damage of
Brexit to UK economy



Serving sixth term
on Congressional
Budget Office Panel of
Economic Advisers



BANK OF ENGLAND

**Featured speaker at the
Bank of England's 2017
conference celebrating
20 years of central
bank independence,
arguing that monetary policy must
accommodate need for legitimacy.**



Regular commentator on top-tier news outlets in
the United States, Europe, China, and Japan

- PIIE awarded 2017 Prospect Award for Best Economic and Financial Think Tank (US), second year in a row
- Addressed G20 Eminent Persons Group on Global Financial Safety Net, December 2017
- Speaker at Brussels Economic Forum 2017
- Keynoted Asian Think Tank Summit in Yokohama, Japan, May 2017

SELECTED PUBLICATIONS

- “The Post-American World Economy: Globalization in the Trump Era,” *Foreign Affairs* (Article)
- “An Ill-advised Trade War Could Turn Out to Be Trump’s Afghanistan,” *Prospect Magazine* (Article)
- A Practical Case for Rules-based Macprudential Policy, Federal Reserve Bank of Chicago, May 2017 volume (Paper)
- Lessons for EU Integration from US History*, coeditor (Report for the European Commission)

PROJECTS IN PROGRESS

- A Structural Approach to Financial Stability
- Rethinking the Unconventional in Monetary Policy
- Implications of Sustained Low Productivity Growth in Advanced Countries
- Sustaining Economic Growth in Asia



MARCUS NOLAND

**Executive Vice President and
Director of Studies**

Joined in 1985

Expertise: Korea, Growth and Political
Economy, Middle East, Africa



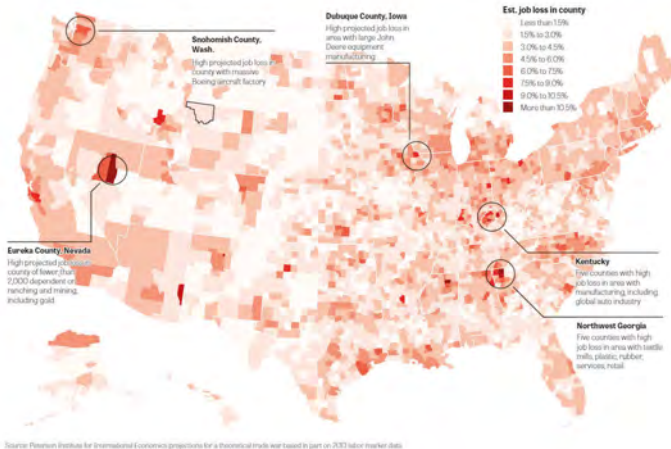
Noland's North
Korea blog cited
in US State
Department's annual
human rights report

228

media citations on
previous year's studies
on gender diversity
and presidential trade
agendas

CRITICAL ANALYSIS OF NORTH KOREA'S SANCTION IMMUNITY

The widely cited and timely research on North Korea by Noland—in *Hard Target: Sanctions, Inducements, and the Case of North Korea*, written with Stephan Haggard—explains why North Korea has been impervious to economic penalties. They find that the country's illicit activities and the economic support it receives from China undermine the effectiveness of sanctions. In addition, North Korea's authoritarian regime has shown a willingness to let its citizens suffer economic isolation while insisting that it will not abandon its nuclear programs.



Noland wrote the seminal chapter for the 2016 PIIE Briefing, *Assessing Trade Agendas in the US Presidential Campaign*, which won PIIE the 2017 Prospect Award for Best Economic and Financial Think Tank (US). The Center for Public Integrity used Noland's work to create a feature length story in May 2017 with an interactive map (above) showing US county-level job losses in a trade war scenario.

**“Is Gender Diversity Profitable?”
study cited by Canadian
Prime Minister Justin
Trudeau at the World
Economic Forum in
Davos, Switzerland.**



SELECTED PUBLICATIONS

“US Trade Policy Under the Trump Administration,” *Asian Economic Policy Review*, forthcoming.

PROJECTS IN PROGRESS

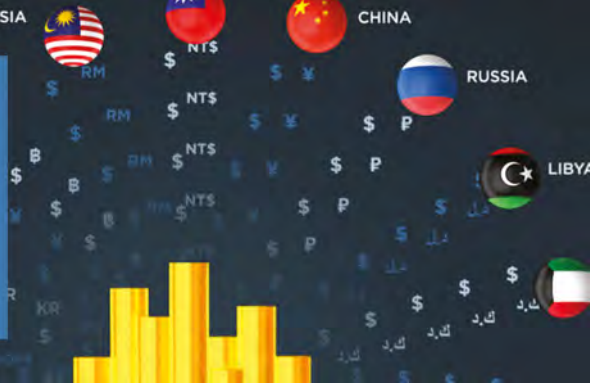
Gender Diversity in Corporate Leadership
Impact of Potential Trade Wars on the Global Economy
Future of the Two Koreas



C. FRED BERGSTEN

Senior Fellow and Director Emeritus
Joined in 1981

Expertise: Exchange Rates, Trade Policy,
International Monetary System, China/Asia



CALLS FOR CURRENCY MANIPULATION MEASURES SWAY US ADMINISTRATION



Bergsten's proposal to include currency provisions in trade agreements has been adopted by trade officials in the Korea-US Free Trade Agreement and presumably in the renegotiated NAFTA. His recommendation for countervailing currency intervention was raised during Congressional hearings in September 2017 and February 2018, with attribution to him and Joseph E. Gagnon. Treasury Secretary Steven Mnuchin said the idea was "very interesting" and is "one of the tools we can use against currency manipulators."

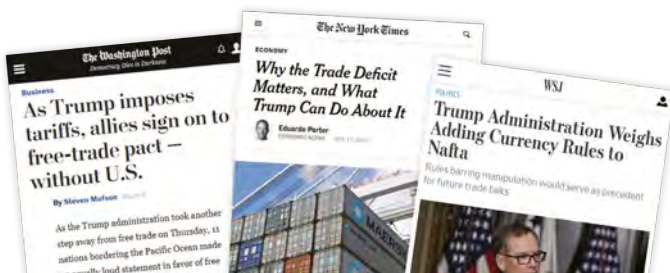
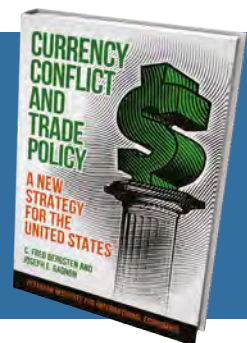


Member of President's
Advisory Committee
for Trade Policy and
Negotiations

"The Trump administration would be misguided to try to use trade agreements to reduce the overall US external deficit, which is a macroeconomic problem."

Currency Manipulation and the NAFTA Renegotiation, *The International Economy*, Summer 2017

Coauthored first
book ever to
propose a US policy
solution to currency
manipulation.



Bergsten was quoted widely in top-tier media outlets like the *New York Times*, *Washington Post*, and *Wall Street Journal* on NAFTA, trade deficits, and the Trans-Pacific Partnership.

SELECTED PUBLICATIONS

A Path Forward for NAFTA, coeditor (PIIE Briefing 17-2)

Trade Balances and the NAFTA Renegotiation, (Policy Brief 17-23)

PROJECTS IN PROGRESS

The United States, China, and the Global Economic Transformation



OLIVIER BLANCHARD

C. Fred Bergsten Senior Fellow

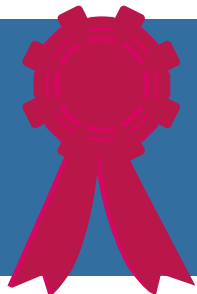
Joined in 2015

Expertise: Financial Crises, Labor,
Macroeconomics, Transition Economies,
Unemployment

70



Blanchard was elected president of the American Economic Association (AEA) in January 2018. He is one of a handful of presidents ever chosen from outside a university since its founding in 1885.



Won the Banque de France and Toulouse School of Economics award in monetary and financial economics.

- Awarded Honorary Doctorate, Ghent University
- Delivered the Haavelmo Lecture 2017 at the University of Oslo and the Stamp Memorial Lecture 2017 at the London School of Economics

CONVENING TOP EXPERTS FOR RETHINKING MACROECONOMIC POLICY

Blanchard organized the seminal Rethinking Macroeconomic Policy Conference in October 2017 with Lawrence H. Summers, in preparation for a book to be copublished in 2018. It was PIIE's highest attended event in recent years. Guests included prominent central bank officials, economists, senior executives, and journalists. The next conference is planned for October 2019.

322

media citations,
top 5 most frequently
cited PIIE scholars



SELECTED PUBLICATIONS

Why Has the Stock Market Risen So Much Since the US Presidential Election?, coauthor (Policy Brief 18-4)

Will Rising Interest Rates Lead to Fiscal Crises?, coauthor (Policy Brief 17-27)

Short-Run Effects of Lower Productivity Growth: A Twist on the Secular Stagnation Hypothesis, coauthor (Policy Brief 17-6)

Distortions in Macroeconomics, submission to the *NBER Macroeconomics Annual* (Speech)

PROJECTS IN PROGRESS

Adjustment Mechanisms in the Euro

Capital Flows and Capital Controls

Implications of Low Rates for Monetary, Fiscal, and Financial Policies



CHAD P. BOWN

Reginald Jones Senior Fellow

Joined in 2016

Expertise: Trade Policy

TRADE

talks



45,000

new followers,
becoming highly
influential among
journalists

500

media citations,
largely on the Trump
administration's trade
policies

NEW TRADE TALKS PODCAST WINS HUGE FOLLOWING, HIGH PRAISE



Highest rating on iTunes
(100 reviews)

Bown and cohost Soumaya Keynes (*The Economist*) have created a successful weekly podcast covering developments in international trade and policy. Each episode attracts around 3,000 listeners, who include journalists, policymakers, and academics. The WTO and several top trade journalists have directly mentioned the series on social media. The podcast has over 30 episodes so far, such as “Did Protectionism Make America Great?” and “The Trump Administration Views Trade as a National Security Threat,” and has featured guests like economist Dani Rodrik, European Commissioner for Trade Cecilia Malmström, and journalist Ana Swanson from the *New York Times*.



Bown's *Wall Street Journal* op-ed,
“The Trump Trade Team's
Vocabulary Problem,”
compelled US Secretary
of Commerce Wilbur
Ross to respond.



The Washington Post WSJ



Wrote 20 op-eds for the *Washington Post*, *Wall Street Journal*, PBS NewsHour, and more.

Who Is Affected by Trump's Steel and Aluminum Tariffs?

Billions of dollars



Bown's timely research on which countries and products are covered by Trump's tariffs was widely cited.

SELECTED PUBLICATIONS

Steel, Aluminum, Lumber, Solar: Trump's Stealth Trade Protection (Policy Brief 17-21)

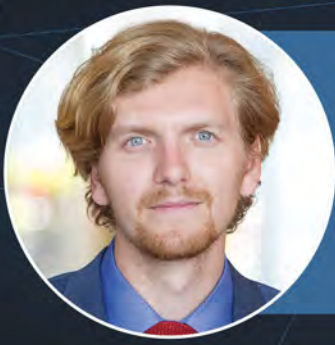
Economics and Policy in the Age of Trump, editor, published by VoxEU (eBook)

PROJECTS IN PROGRESS

Globalization and Mobility Adjustment Assistance

Enhanced Trade Enforcement: Updating and Assessing Trends in US Protectionism

Trade Policy Implications of the Global Steel Glut



MARTIN CHORZEMPA

Research Fellow
Joined in 2017

Expertise: Financial Innovation and
Regulation in China



MAKING SENSE OF BITCOIN AND THE CRYPTOCURRENCY CRAZE

Chorzempa has become a leading expert on cryptocurrencies and the need to regulate the volatile market. He was recently invited to brief staff at the Federal Reserve and US Treasury Department about digital currencies and financial technology developments that will impact their work. He argued in several articles that Venezuela's new cryptocurrency won't change the country's status as a highly speculative investment. Chorzempa also proposed a framework for regulating the international coin offerings (ICOs) market, which is an innovative but risky way of raising money.



Regular commentator on China, cryptocurrencies, and financial technology for top-tier news outlets in the United States, Hong Kong, and China



“[Venezuela’s plan] combines serious misunderstandings with wishful thinking about the benefits of blockchain technology, along with evidence that the government is either trying to fool its populace or that it does not understand the basics of cryptocurrencies, or both.”

From Monica de Bolle and Martin Chorzempa's blog post, "Venezuela's Ill-Advised 'Cryptocurrency' Scheme: An Update"



Frequent speaker at the Langdi Fintech Conference in Shanghai, China, one of the leading technology events in the country for entrepreneurs, investors, and policymakers

SELECTED PUBLICATIONS

China Needs Better Credit Data to Help Consumers (Policy Brief 18-1)

PROJECTS IN PROGRESS

Finance for the People: How the Internet is Changing Finance in China and Why the Rest of the World Should Care

Prospects and Promise of Central Bank-Issued Digital Currencies

China's Social Credit System: Automation, Regulation, and Data-Driven Governance



WILLIAM R. CLINE

Senior Fellow

Joined in 1981

Expertise: International Debt, Exchange Rates, Financial Sector Stability, Economics of Climate Change



FINDING THE RIGHT BALANCE FOR BANKS ON CAPITAL REQUIREMENTS

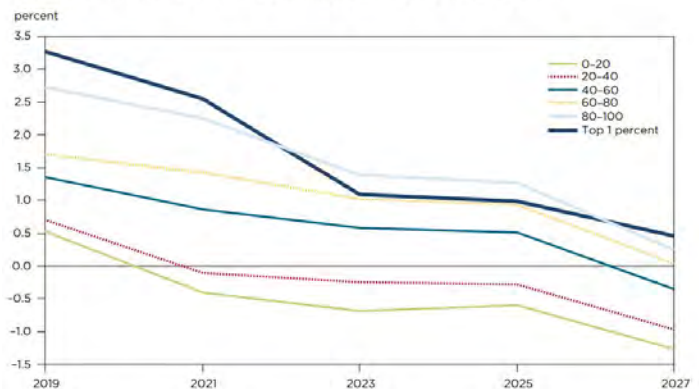
The global financial crisis produced an important agreement among regulators in 2010–11 to raise capital requirements for banks to protect them from insolvency in the event of another emergency. In his book, *The Right Balance for Banks*, Cline analyzes whether these reforms have gone far enough. On the cost side, he estimates how much higher capital requirements raise the lending rate facing firms, reducing investment in plant and equipment and thus reducing output in the economy. Applying a plausible range of parameters, Cline arrives at estimates for the optimal level of equity capital relative to total bank assets.



“Recent proposals by the US Treasury Department could weaken capital requirements, undermining the improvement in financial stability that has been achieved.”

“The Economic Cost of Weakening Capital Requirements for Large Banks,” blog post, September 2017

Figure 1 Percent change in after-tax income by quintile and the top 1 percent



Cline looks at how much the new tax law will worsen inequality but finds what really matters is whether Congress will cut from social programs to make up for the \$1 trillion revenue shortfall (Policy Brief 18-3).

SELECTED PUBLICATIONS

The New Tax Law’s Impact on Inequality: Minor but Worse if Accompanied by Regressive Spending Cuts (Policy Brief 18-3)

Will Corporate Tax Cuts Cause a Large Increase in Wages? (Policy Brief 17-30)



In March, Bloomberg Economics invited Cline to participate in a live panel discussion on Twitter on “Do Budget Deficits Matter?,” which reached nearly 14,000 viewers.



JÉRÉMIE COHEN-SETTON

Research Fellow

Joined in 2016

Expertise: Macroeconomic Policy, Europe, United States
Monetary Union, Great Depression

GLEANNING LESSONS FROM ECONOMIC HISTORY

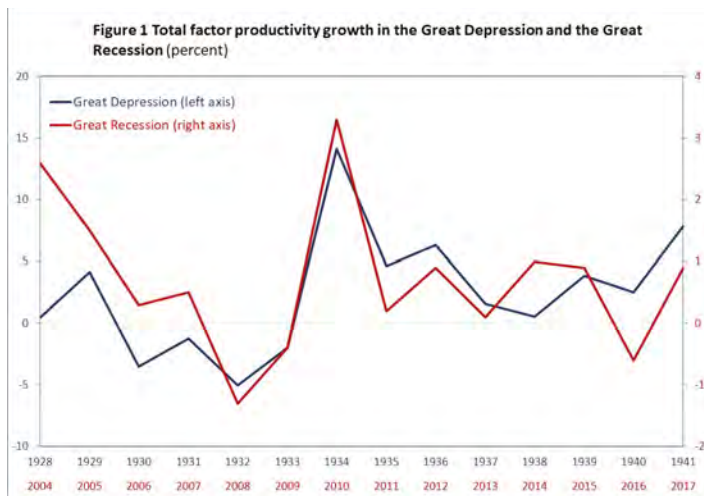
Cohen-Setton's ongoing research has provided valuable insights into the evolution of macroeconomic policies and institutions in the United States and other advanced countries. In a study for the European Commission, he found that the Great Depression led the US government to reform the Federal Reserve and give it considerably greater powers to act as a lender of last resort. He concluded that the euro crisis should lead the euro area to similarly reform the European Central Bank.



Spoke at the "Charting Europe's Path Forward" event on US lessons for the European banking union and regional convergence of business cycles



Quoted on NPR's Marketplace on US-France relations and CNBC on French elections



In a graph that Cohen-Setton wrote about in a blog post and later featured on Twitter (updated with new data above), he compared the path of total factor productivity (TFP) growth in the Great Recession and the Great Depression, arguing with evidence from the 1930s on why TFP would begin to rebound in 2017, as it began to do.

SELECTED PUBLICATIONS

Sustaining Economic Growth in Asia, coeditor (forthcoming book)

Supply-Side Policies in the Depression: Evidence from France (Working Paper 17-4)

PROJECTS IN PROGRESS

Large Fiscal Expansions in OECD Countries: Identification and Effects

What Do We Know About Tax vs. Spending Multipliers?

Use of Unconventional Stabilizing Monetary Instruments Yesterday in Advanced Economies

Rethinking the Unconventional in Monetary Policy



MONICA DE BOLLE

Senior Fellow

Joined in 2015

Expertise: Brazil, Financial Crises, Financial Markets, Latin America



De Bolle's critically acclaimed 2016 book, *How to Kill the Blue Butterfly: A Chronicle of the Dilma Era*, remains the definitive account of Brazil's mishandling of its economy that led to its 2015–16 recession. The book was on Amazon Brazil's top ten best

seller list into 2017 and was nominated for a 2017 Prêmio Jabuti, Brazil's Pulitzer-equivalent prize.

The New York Times

"I think the region as a whole—but especially Brazil and Argentina—has learned to recognize that protectionism is a lose-lose strategy."

Quoted in "World Upside Down: As Trump Pushes Tariffs, Latin America Links Up," March 18, 2018

Met with Brazil's Speaker of the House of Representatives Rodrigo Maia (left) in February 2018 and Sao Paulo Governor and presidential candidate Geraldo Alckmin (right) in March 2018 to discuss the country's trade and fiscal policies.



CO-LED PIIE'S RESEARCH ON A POSITIVE RENEGOTIATION OF NAFTA

De Bolle co-led PIIE's proposal for updating and upgrading the North American Free Trade Agreement to improve US and North American competitiveness in an increasingly competitive global economy. The research concludes that abandoning NAFTA would be disastrous for consumers, producers, and retailers in the United States.



Regularly writes for two of Brazil's leading business and political newspapers

SELECTED PUBLICATIONS

A Path Forward for NAFTA, coeditor (PIIE Briefing 17-2)

PROJECTS IN PROGRESS

Economic Nationalism

Prospects and Promise of Central Bank-Issued Digital Currencies

Brazil's Untold Story

Exchange Rates and Trade in Latin America



JOSEPH E. GAGNON

Senior Fellow

Joined in 2009

Expertise: Monetary and Fiscal Policy,
Exchange Rates, Trade Balances,
Unconventional Monetary Policies

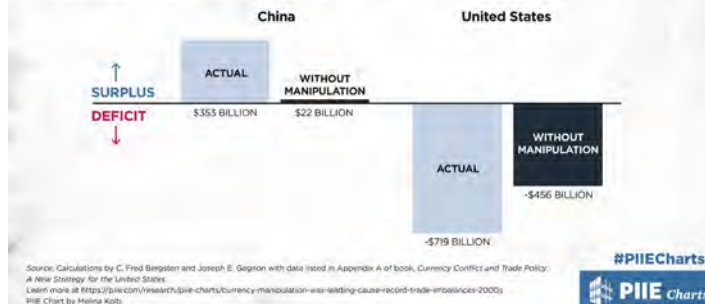


GRADING THE FEDERAL RESERVE'S MONETARY POLICY

Gagnon continued providing regular commentary and analysis on the Federal Open Market Committee (FOMC) meetings for PIIE's website, the *Wall Street Journal*, and other news outlets. He found that the FOMC may have been overly cautious in raising interest rates too quickly to prevent inflation that never seemed to reach its 2 percent target. Gagnon said that overall, the Federal Reserve under Janet Yellen was successful in its implementation of monetary policy without alarming markets and causing a recession, which often happens during tightening cycles.

Currency Manipulation Was the Leading Cause of Record Trade Imbalances in 2000s

Example of actual trade balance vs. hypothetical balance without effects of currency manipulation, 2007



In an op-ed for the *New York Times*, “To Fight China on Trade, We Need More Than Tariffs,” Senator Marco Rubio linked to Gagnon’s PIIE Chart showing how currency manipulation by China contributed to high trade imbalances in the 2000s.

Congressman Bill Foster (D-IL) recommended to Treasury Secretary Mnuchin that the US Treasury consider adopting the countervailing currency intervention proposal to defend against currency manipulation, as proposed by C. Fred Bergsten and Joseph E. Gagnon in their book, *Currency Conflict and Trade Policy: A New Strategy for the United States*.



SELECTED PUBLICATIONS

Monetary and Exchange Rate Policies for Sustained Growth in Asia (with Philip Turner)
(Chapter in forthcoming book *Sustaining Economic Growth in Asia*)

Can a Country Save Too Much? The Case of Norway (Policy Brief 18-7)

Effects of Consumption Taxes on Real Exchange Rates and Trade Balances (with Caroline Freund)
(Working Paper 17-5)

Do Governments Drive Global Trade Imbalances?
(Working Paper 17-15)

A Stability-Oriented Exchange Rate Policy for China (Paper in PIIE Briefing 17-1)

PROJECTS IN PROGRESS

Principles for a Harmonious Exchange Rate System

Offshore Renminbi Redux

A Framework for Quantitative Easing



JACOB FUNK KIRKEGAARD

Senior Fellow

Joined in 2002

Expertise: Europe, Labor and Migration, Outsourcing, Inequality, Social Security and Pensions



LIVE CNN DEBATE NIGHT: THE GOP TAX PLAN

ASSESSING THE STATE OF POPULISM AND POLITICAL ECONOMY IN EUROPE

Commentators predicted the European project would collapse after Britain's vote to leave the European Union, noting that populism was on the rise and more countries would follow suit. Kirkegaard analyzed the elections in Germany, Italy, Poland, France, Spain, and the Netherlands and found that fears for European stability are vastly exaggerated.



Met with Danish politician and member of European Parliament Jeppe Kofod and his European delegation to discuss US tax policy and its implications for Europe.



How Governments Tax Reduces Inequality More Than How They Spend

Reduction of Gini coefficients from direct government taxes vs. spending for high-income OECD countries, 2014



PIIE Chart featuring Kirkegaard's research on how taxes affect a country's inequality



NEWS AND POLITICS

Why Young People Did Not Support Brexit

It says something about young people across the world.

Jacob Funk Kirkegaard

JUN 15, 2017 2:32PM EDT

Wrote article on why millennials did not support Brexit for *Teen Vogue's* greatly expanded and highly respected news and politics section, expanding PIIE's reach to the magazine's target audience of young women.



Challenged Senator Bernie Sanders on US taxes during a televised town hall debate, which was later featured on Sanders' official Twitter account

SELECTED PUBLICATIONS

Earmarked Revenues: How the European Union Can Learn from US Budgeting Experience (Policy Brief 18-2)

Tax Overhaul Risks Making the US Tax and Transfer System (Even) More Regressive (Policy Brief 17-28)

How to Make Immigration the Bridge to an Orderly and Timely Brexit (Policy Brief 17-17)

Lessons for EU Integration from US History, coeditor (Report for the European Commission)

PROJECTS IN PROGRESS

Uneven Ageing: Pension Reform in the Era of Diverging Life Expectancies

Destination Europe: Impact of Inward Migration



NICHOLAS R. LARDY

Anthony M. Solomon Senior Fellow

Joined in 2003

Expertise: China, Asia, Economics of Transition

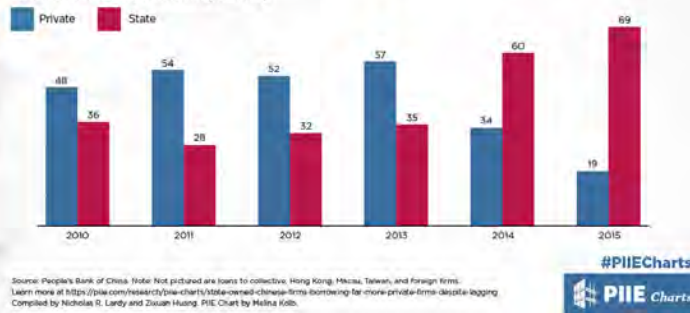


“The authorities should sustain the more moderate expansion of credit, which is consistent with the policy of reducing financial risk and putting China’s growth on a more sustainable path.”

“Focus on Financial Risk Puts China on a More Sustainable Path,” *Financial Times*, August 22, 2017

State-owned Chinese Firms Borrowing Far More Than Private Firms Despite Lagging Profits

Percent of renminbi corporate loans by ownership



Lardy presented research at the January 2018 event, “The New Era of Chinese Economy and China’s Financial Opening-Up,” which was later adapted into a PIIE Chart.



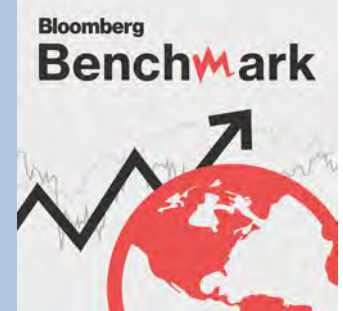
Invited annually as featured speaker at the Boao Forum in China, the top economic and political gathering of the world’s leading experts on China

LEADING FORECASTS ON CHINA’S ECONOMY

Over the past several years, experts predicted a gloomy scenario for China’s economy, with collapse being imminent. Lardy took a contrarian view and has argued that China’s economic growth remains strong as the country continues rebalancing into a consumption-based economy. His prescient projections have been realized as he argued that the financial risks in China were severely overstated and that China’s leadership was aware of the risks and taking the necessary steps to slow the growth of credit.

Despite this rosy outlook, Lardy has argued that China is reversing course on many of its reforms of state-owned enterprises, which is acting as a drag on growth and adds a degree of unnecessary risk to its economy.

Spoke in March on the Bloomberg Benchmark podcast to explain who is on China’s new economic team and how they may help direct or deflect a potential US-China trade war.



PUBLICATIONS

State Resurgence in China (Paper in PIIE Briefing 17-1)

PROJECTS IN PROGRESS

China’s Medium-Term Growth Prospects



JEFFREY J. SCHOTT

Senior Fellow
Joined in 1983

Expertise: Trade, WTO, Free Trade Agreements, Sanctions



HELPING SAVE THE TRANS-PACIFIC PARTNERSHIP

Many experts and commentators around the globe predicted the demise of the Trans-Pacific Partnership (TPP) after President Trump chose to withdraw the United States from the agreement in early 2017. Schott met with several trade ministers and negotiators of participating countries to help them devise a plan for moving forward without the United States. As a member of the President's Advisory Committee for Trade Policy and Negotiations, he urged the US administration to rejoin the agreement. He also spoke at two Asia-Pacific Economic Cooperation forum (APEC) conferences that took place in Vietnam on transforming the TPP into the Comprehensive and Progressive Agreement for Trans-Pacific Partnership (CPTPP).



Speaker at the 2017 Seoul International Conference on Trade and Industry, attended by Korea's trade minister, chairman of the Korea International Trade Association, and the deputy secretary-general of the OECD



A graphic adapted from Schott's research



Met with Swedish Prime Minister Stefan Lofven to discuss US trade policy.

Participated on a panel with former Canadian officials Ed Fast (minister of trade), John Manley (deputy prime minister), and Bob Rae (leader of the Ontario New Democratic Party) at the Canadian Global Affairs Institute

SELECTED PUBLICATIONS

Asia-Pacific Regionalism after the Trans-Pacific Partnership, coauthor (Paper in PIIE Briefing 17-1)

Updating the North American Free Trade Agreement, coauthor (Paper in PIIE Briefing 17-2)

PROJECTS IN PROGRESS

Life after TPP: The Future of Asia-Pacific Regionalism

Economic Sanctions against Russia and the Transatlantic Alliance



NICOLAS VÉRON

Senior Fellow

Joined in 2009

Expertise: Europe, Banking, Capital Markets,
Financial Regulation



Testified on euro
area financial
supervision at the
German Bundestag
in May 2017

Ranked Top 40

among top digital
influencers in the
European Union by
Euractiv and ZN
Consulting,
October 2017

LAUNCHING THE FRANCO- GERMAN PROPOSAL FOR EURO AREA REFORM



The economic and political weaknesses of the euro area raise critical questions about its future as a united bloc. Véron co-
led a team of 14 economists, along with Jeromin Zettelmeyer,
to propose reforms that would improve the euro area's financial stability,
political cohesion, and potential for delivering prosperity to its citizens, all
while addressing the concerns of participating countries. They wrote a paper
for VoxEU, "Reconciling risk sharing with market discipline: A constructive
approach to euro area reform," which was well received by policymakers
across Europe. European Commission Director-General Marco Buti and
Director-General of
Economic Policy for
Germany's economic
affairs ministry Philipp
Steinberg praised the
proposal publicly.



Philipp Steinberg

@pm_steinberg

Follow

Very promising and forward-looking - will
help a lot to make progress with the European
Project and making #EMU more resilient and
efficient #euroreport

*"Given the likelihood that the UK will
leave the single market, the default
plan for most international financial
firms will be to serve EU27 clients
from an EU27 location...an estimated
15 to 25 per cent of [London's] business
is tied to EU27 clients in a way that
makes it likely to cross the Channel (or
the Irish Sea)."*

"What will happen when the banks leave
Britain?," *Prospect Magazine*, November
13, 2017

SELECTED PUBLICATIONS

Governance and Ownership of Significant Euro
Area Banks (Policy Brief 17-18)

Making the Best of Brexit for the EU-27 Financial
System, coauthor (Policy Brief 17-8)

Thoughts on Overindebtedness from a European
Perspective, coauthor (Paper in PIIE Briefing 17-1)

PROJECTS IN PROGRESS

Governance and Ownership of Banks

European Banking Union

Making the Euro Area Resilient



JEROMIN ZETTELMEYER

Senior Fellow

Joined in 2016

Expertise: Economic Growth, Europe, Financial Crises, Sovereign Debt Restructuring, Transition Economies

LEADING THE WAY FOR EURO AREA REFORM

Zettelmeyer co-led a team of 14 economists, along with Nicolas Véron, to propose reforms that would improve the euro area's financial stability, political cohesion, and potential for delivering prosperity to its citizens, all while addressing the concerns of participating countries. Their paper for VoxEU, "Reconciling risk sharing with market discipline: A constructive approach to euro area reform," was well received by policymakers across Europe. Zettelmeyer presented the findings to the German Ministry of Finance, Ministry for Economic Affairs, and Chancellor's Office; French presidential administration, foreign ministry, and Bank of France; the European Central Bank; Bank of Finland; Board of Governors of the Federal Reserve; and the International Monetary Fund.



"Decision makers in all eurozone countries should place this contribution prominently on their policy drawing boards."

Martin Sandbu, "A Franco-German consensus on the euro?," *Financial Times*, January 17, 2018, on the euro area reform report

"The effort by the 14 FGE [Franco-German economists] is welcome and the main message should be heard loud and clear."

Director-General of the European Commission Marco Buti, in forthcoming paper for VoxEU



SELECTED PUBLICATIONS

Does Greece Need More Official Debt Relief? If So, How Much?, coauthor (Working Paper 17-6)

The Search for a Euro Area Safe Asset, coauthor (Working Paper 18-3)

Will Rising Interest Rates Lead to Fiscal Crises?, coauthor (Policy Brief 17-27)

G-7 Economic Cooperation in the Trump Era, coauthor (Policy Brief 17-15)

ECB Interventions in Distressed Sovereign Debt Markets: The Case of Greek Bonds, coauthor (Working Paper 18-1)

PROJECTS IN PROGRESS

Economic Nationalism

Crises, Adjustment Policies, and Ability to Meet Ends

Europe's Search for a Safe Asset

Implications of Sustained Low Productivity Growth in Advanced Countries



Coorganized "Policy Implications of Sustained Low Productivity Growth" conference, featuring papers by Lawrence H. Summers, Peter Orszag, and Jason Furman, which will be published in a book in fall 2018



EGOR GORNOSTAY

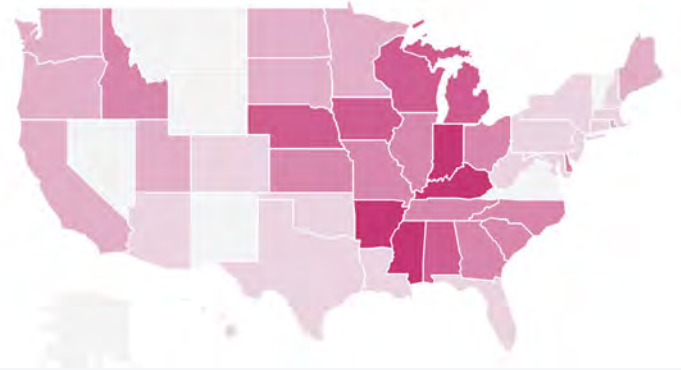
**Research Statistician
and Quality Control Coordinator**

Joined in 2015

Expertise: Monetary and Fiscal Policy,
Econometrics, Computational Economics

INSTITUTE'S FIRST RESEARCH STATISTICIAN AND QUALITY CONTROL COORDINATOR

Gornostay plays a central role in ensuring that data flowing through the Institute meet rigorous standards of replicability. PIIE research analysts and senior fellows regularly seek his guidance on statistical and programming issues while they are conducting their research.



Gornostay worked with Sherman Robinson to model how many exporting jobs would be displaced by state and sector if the United States left NAFTA.



LEE G. BRANSTETTER

Nonresident Senior Fellow

Joined in 2013

Expertise: Foreign Direct Investment, Intellectual Property Rights, Trade and Innovation, Economic Growth in East Asia

Branstetter substantially contributed to building an international framework for intellectual property (IP) laws. He spoke at two conferences at Stanford University on the economic impact of intellectual property rights and steps the United States should take to protect business IP. He will also publish a paper this year on the challenge of Chinese IP and industrial policy.



Carnegie Mellon University

Director of the Carnegie Mellon University Center for the Future of Work

PROJECTS IN PROGRESS

Challenge of Chinese Intellectual Property and Industrial Policy

Economic Potential of a United States-China Bilateral Investment Treaty



JOSÉ DE GREGORIO

Nonresident Senior Fellow

Joined in 2013

Expertise: Latin America, Monetary Policy, International Finance, Economic Development

“Monetary policy in Mexico faces a serious dilemma. On one hand is a need to support economic activity; on the other, the fear that if monetary policy is not tightened in line with the Fed funds rate in the US, there could be significant dislocation in financial markets, with rapid capital outflows and disorderly depreciation.”

“Banxico’s monetary policy dilemma,” op-ed in *Financial Times*, March 1, 2017



Research on productivity in Latin American countries was awarded the Antonio Dionis Soler Research and Studies Award 2017 from the Foundation for Financial Studies.

PROJECTS IN PROGRESS

Accumulation of Reserves in Emerging Markets

Corporate Debt Boom in Emerging Markets



SIMEON DJANKOV

Nonresident Senior Fellow

Joined in 2014

Expertise: Post-communist economies, Euro area crisis, Institutional reforms

Djankov's analysis of Brexit shows that the United Kingdom is not prepared for the impact leaving the European Union will have on its economy. He finds that Brexit will lead to a 12 to 18 percent loss in revenue and a 7 to 8 percent drop in employment in the financial sector for the city of London.



THE LONDON SCHOOL
OF ECONOMICS AND
POLITICAL SCIENCE

Named Executive
Director of the
Financial Markets
Group



Met with India's prime minister Narendra Modi to discuss tax reform in India



KAREN DYNAN

Nonresident Senior Fellow

Joined in 2017

Expertise: Economic Outlook and Growth, Macroeconomic Policy, Consumer Spending and Saving, Inequality, United States

Real GDP Growth (Y/Y)	2017	2018	2019
Global Output Growth (PPP weights)	3.7	3.8	3.9
US: a fiscal bump	2.3	2.7	2.6
Euro Area: above-trend gains	2.5	2.2	2.0

Dynan is now leading PIIE's influential forecasting of the US and world economies at the biannual Global Economic Prospects event.



Quoted frequently in top-tier news outlets on the US economy and debt concerns

➤ Gave keynote addresses at the Society of Government Economics annual meeting, May 2018, and at the Federal Reserve Bank of St. Louis-Private Debt Project Tipping Points II Household Debt Research Symposium, June 2017

➤ Testified before Congress on the Federal Reserve's Impact on Main Street, Retirees, and Savings, June 2017

PROJECTS IN PROGRESS

Designing Fiscal Policy to Deal with the Next Recession

Global Economic Prospects



JASON FURMAN

Nonresident Senior Fellow

Joined in 2017

Expertise: Macroeconomic Policy, Labor, Fiscal Policy, Tax Policy, United States

641

media citations, the most of any PIIE scholar

Regular columnist for the

WSJ



Testified to Congress in three separate hearings on retirement security, the fiscal outlook, and tax reform.

- Became a Senior Adviser to the Global Deal coordinated by the OECD and International Labor Organization
- Delivered the annual Harberger Lecture at UCLA on economic policymaking
- Spoke at the Peterson Foundation's Annual Fiscal Summit 2017

PROJECTS IN PROGRESS

Impact of Artificial Intelligence on the Future of Work

Next Steps on Tax Reform

Future of Fiscal Stimulus



ANNA GELPERN

Nonresident Senior Fellow

Joined in 2013

Expertise: Sovereign Debt Restructuring, Financial Regulation



Gelpern testified to Congress on the indispensable role of the IMF in Greece's debt crisis and how an independent IMF is in the US interest.

"[S]overeign debt is a complex political institution, which cannot be reduced to credit or coordination or any other contract problem."

"The Strained Marriage of Public Debts and Private Contracts," article in *Current History*, January 2018

PROJECTS IN PROGRESS

Sovereign Debt: Information and Standardization

What Next for FSOC?



Joined in 2012

Percent of total exports to NAFTA countries in agriculture

PATRICK HONOHAN

Joined in 2016



GARY CLYDE HUFBAUER

Nonresident Senior Fellow

former Reginald Jones Senior Fellow
Joined in 1981

Expertise: Tax Policy, Trade Policy, Foreign
Direct Investment, Sanctions

372

media citations on the
global trading system,
free trade agreements,
and taxes

C-SPAN

Debated Public
Citizen's Lori Wallach
about misconceptions
on NAFTA



Hufbauer's Policy Brief (17-16), *The Payoff to America from Globalization: A Fresh Look with a Focus on Costs to Workers*, found that by 2016, the US economy was \$2.1 trillion larger as a result of its integration into the global economy since 1950.



Discussed US trade policy
with trade envoys Cecilia
Malmström (European Union,
left), Chrystia Freeland
(Canada), and Ildefonso
Guajardo (Mexico).



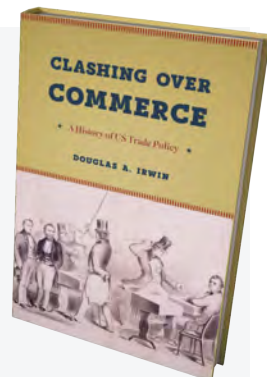
DOUGLAS A. IRWIN

Nonresident Senior Fellow

Joined in 2018

Expertise: Globalization, World Trade Organization,
Free Trade Agreements, Trade Policy, Trade Deficit

Irwin published his most recent book, *Clashing Over Commerce: A History of US Trade Policy*, the most authoritative and comprehensive work on the debates and changes in US trade policy. He makes sense of this turbulent history by showing how different economic interests tend to be grouped geographically and based on who would win and lose from the changes in trade policy. The book launch in Washington, DC, took place at PIIE in December 2017.



WSJ

"His chronicle—lengthy, detailed and readable—traces the winding trail that has brought us to the liberal world trading order we enjoy today."

The Economist

"Tells the history of American trade policy showing that trade is neither dull nor deserving of the attacks on it."

NATIONAL REVIEW

"This book is readable and illuminating, for the trade expert and for all Americans wanting a deeper understanding of America's evolving role in the global economy."



OLIVIER JEANNE

Senior Fellow

Joined in 2008

Expertise: Capital Flows, Debt, Exchange Rate Regimes, IMF, International Monetary System, Sovereign Debt Restructuring



Spoke on “Chinese Monetary Policy and Global Financial Cooperation” at the third annual PIIE-CF40 China Economic Forum in January 2018

- > Delivered keynote speech on “Capital Flow Management” at the First Fanhai Economics and Finance Conference in Shanghai, October 2017.
- > Organized conference on foreign exchange market intervention hosted by the Bank of Israel and Swiss National Bank in December 2017

PROJECTS IN PROGRESS

Chinese Exchange Rate and Capital Account Regime

Rounding the Corners of the Trilemma

International Transmission of Secular Stagnation



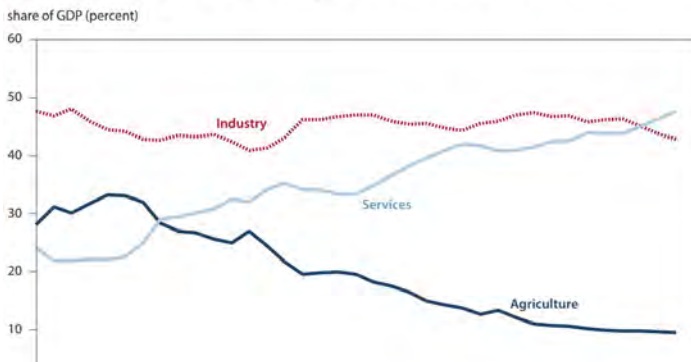
J. BRADFORD JENSEN

Nonresident Senior Fellow

Joined in 2003

Expertise: Trade in Services, Multinational Companies, Outsourcing, Productivity

Figure 1 Shares of agriculture, industry, and services in China's GDP, 1978–2014



Coauthored paper in PIIE Briefing 17-1 arguing that a bilateral investment treaty with China would increase US services exports to the country



Quoted in media on supply chains and the impact of globalization on US workers

PROJECTS IN PROGRESS

Globalization of R&D: Evidence from US Multinationals

Role of Headquarters in the Global Economy: Employment and Innovation Implications for the United States



SIMON JOHNSON

Senior Fellow

Joined in 2008

Expertise: Financial Crises and Banking Regulation,
US Economic Policy, Digital Currencies



Participated in a livestreamed Intelligence Squared debate with Jason Furman, Stephen Moore, Dambisa Moyo, and Gillian Tett on the US economic outlook



Senator Elizabeth Warren cited Johnson's 2015 Congressional testimony on the Federal Reserve's bank regulation in an op-ed for Bloomberg in October 2017.

PROJECTS IN PROGRESS

Central Banks, Digital Currencies, and Systemic Risk

Cybersecurity and Trade



ROBERT Z. LAWRENCE

Nonresident Senior Fellow

Joined in 2001

Expertise: Globalization, Trade Policy, Labor

WORKING PAPER

17-12 Recent US Manufacturing Employment: The Exception that Proves the Rule

Robert Z. Lawrence
November 2017

Abstract

This Working Paper challenges two widely held views: first that trade performance has been the primary reason for the declining share of manufacturing employment in the United States, and second that recent productivity growth in manufacturing has actually been quite rapid but is not accurately measured. The paper shows that for many decades, faster productivity growth interacting with unresponsive demand has been the dominant force behind the declining share of employment in manufacturing in the United States and other industrial economies. It also shows that since 2010, however, the relationship has been reversed and slower productivity growth in manufacturing has been associated with more robust performance in manufacturing employment. These contrasting experiences suggest a tradeoff between the ability of the manufacturing sector to contribute to productivity growth and its ability to provide employment opportunities. While some blame measurement errors for the recently recorded slowdown in

Lawrence finds evidence that the productivity slowdown is real and fears that robots will displace many manufacturing jobs appear unfounded (Working Paper 17-12).



Featured guest on Bloomberg Markets AM to discuss the impact of a US withdrawal from NAFTA on auto supply chains

PROJECTS IN PROGRESS

Why Has Labor's Share in Income Declined?

Can Manufacturing Still Provide Inclusive Growth?



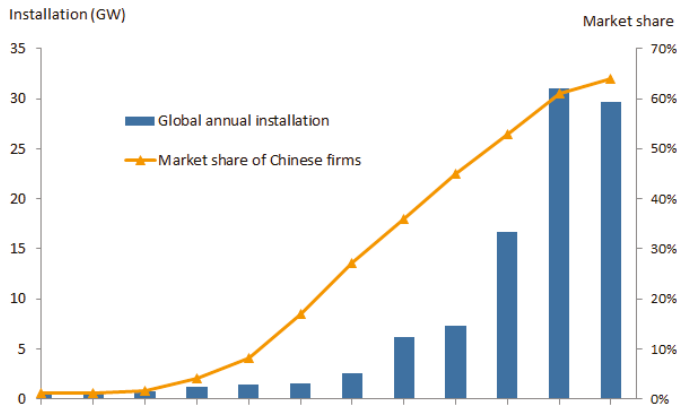
MARY E. LOVELY

Nonresident Senior Fellow

Joined in 2017

Expertise: China, Globalization, Foreign Direct Investment, Multinational Corporations

Figure 1 Global solar photovoltaic installation and Chinese firms' market share, 2001–12



Wrote several PIIE blog posts on US tariffs on solar panels and the looming trade war with China



In an op-ed for the *Financial Times*, Lovely criticizes the Indian government's 2018 budget for increasing trade barriers against Chinese imports, "thereby running the risk of locking out foreign investors and locking in the world's largest workforce."

PROJECTS IN PROGRESS

Technoindustrial FDI Policy and China's Export Surge

Foreign Investment Drives China's Export Growth



THEODORE H. MORAN

Nonresident Senior Fellow

Joined in 1998

Expertise: Foreign Direct Investment, Multinational Corporations, Foreign Acquisitions and National Security, Supply Chains



Showed how Malaysia, Costa Rica, and Morocco used FDI to change the export profile of their domestic economies (Working Paper 17-1, coauthored with Caroline Freund)

"The overwhelming bulk of Chinese investments can be welcomed without hesitation, their presence greatly beneficial to US workers, firms, communities, and consumers."

"Weighing Up China's Investment in the United States," op-ed in *East Asia Forum*, February 15, 2017



LINDSAY OLDENSKI

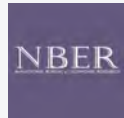
Nonresident Senior Fellow

Joined in 2013

Expertise: Foreign Direct Investment, Multinational Companies, Outsourcing, Services

Oldenski's NBER working paper, "The Labor Market Effects of Offshoring by U.S. Multinational Firms: Evidence from Changes in Global Tax Policies," was highlighted in the *Wall Street Journal's* Central Banking newsletter in October 2017 and on the NBER research spotlight in December 2017.

WSJ



"A 10 percent increase in employment at an offshore affiliate leads to a 1.8 percent increase in employment at the US firm."

Findings of Oldenski's NBER working paper (coauthored with Brian K. Kovak and Nicholas Sly)

PROJECT IN PROGRESS

Investor-State Dispute Settlement Provisions and Foreign Direct Investment

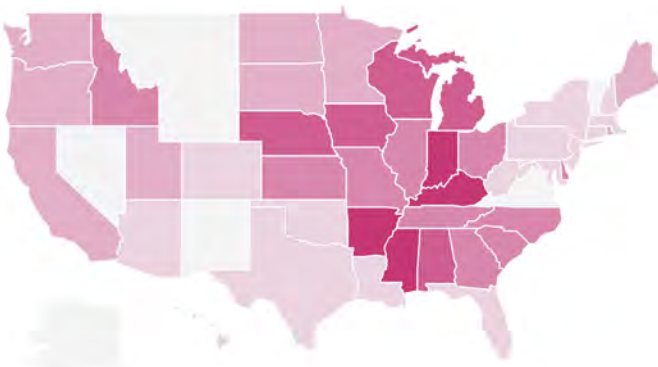


SHERMAN ROBINSON

Nonresident Senior Fellow

Joined in 2016

Expertise: Globalization, Economic Growth, Agriculture, Inequality, Labor



Robinson modeled how many exporting jobs would be displaced if the United States withdrew from NAFTA. Egor Gornostay disaggregated the data by state.



Spoke to the Washington State Senate's economic and trade committee on the impact of a US withdrawal from NAFTA.

PROJECTS IN PROGRESS

Potential Impact of Deportation of Undocumented Workers

Impact of Potential Trade Wars on the Global Economy



DAVID J. STOCKTON

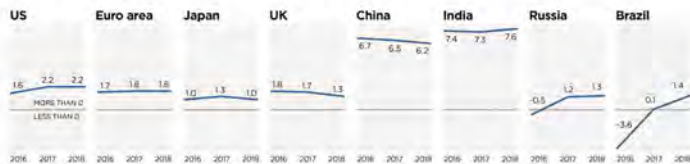
Nonresident Senior Fellow

Joined in 2013

Expertise: Economic Outlook, Central Banking, Fiscal Policy

Latest GDP projections show gradual improvements

Percent GDP growth forecasts as of Spring 2017



Sources: Consensus forecasts for 2016, PPIE for 2017 and 2018. Annual average over annual average. Latest more at <https://piae.com/research/piae-charts/latest-gdp-projections-show-gradual-improvements>. PPIE Chart by Mehna Kobi. Follow @PPIECharts on Twitter.



PPIE Chart adapted from Stockton's Global Economic Prospects presentation in Spring 2017



Quoted on the US economy and the Federal Reserve's policies

PROJECTS IN PROGRESS

History of Two Percent Inflation

Reexamining the Output and Employment Objectives of Central Banks



EDWIN M. TRUMAN

Nonresident Senior Fellow

Joined in 2001

Expertise: Sovereign Wealth Funds, International Policy Coordination, IMF

How should policymakers start regulating digital currencies, like bitcoin?

From Daniel Heller and Edwin M. Truman's blog post, "Regulating Digital Currencies: A Welcome First Step"

CHALLENGE #1
No legal entity or centralized governance mechanism.

SOLUTION
Regulate entities that operate where cryptocurrencies intersect with the conventional, incorporated financial system.

Graphics adapted from Truman's research on regulating cryptocurrencies and initial coin offerings (ICOs)

> Research on the International Monetary Fund and the future of global economic cooperation influenced the debate that led to US approval of IMF governance reforms

> Sovereign wealth fund research contributed to the Sovereign Wealth Funds: Generally Accepted Principles and Practices ("Santiago Principles")

PROJECTS IN PROGRESS

International Economic Policy Coordination Revisited



JUSTIN WOLFERS

Nonresident Senior Fellow

Joined in 2014

Expertise: Inequality, Labor, Economic Outlook,
Macroeconomic Policy



The New York Times



BUSINESS DAY

Why Women's Voices Are Scarce in Economics

Economic View

By JUSTIN WOLFERS FEB. 2, 2018



Wolfers is a regular columnist for the *New York Times* Upshot on social and economic issues, especially inequality. He also wrote a *New York Times* article on the scarcity of women economists.



144K

followers, remaining
highly influential on
social media



Chaired the American
Economic Association
event on gender issues
and economics in
January 2018

> Spoke at PIIE's popular Rethinking
Macroeconomic Policy Conference 2017

> Profiled in the *Sydney Morning Herald*



CAROLINE FREUND

Senior Fellow

(on leave for public service)
Joined in 2013

Expertise: Trade Policy, FDI and Development,
Middle East and North Africa

SENIOR RESEARCH
STAFF ON LEAVE



Rules of Origin



Freund's research on NAFTA rules of origin has been especially salient for North American manufacturers, in particular the transportation sector. She finds these rules are strict and highly complex, compared with rules in other free trade agreements, and argues in favor of streamlining them to make North American production more competitive. A video outlining these findings (shown above) was distributed to the network of a major Institute supporter in global manufacturing. She presented her research at the annual Center for Automotive Research conference, attended by auto industry executives and officials from Canada and Mexico.

ON LEAVE TO LEAD TRADE AND INVESTMENT TEAM AT THE WORLD BANK

As of January 2018, Freund is taking leave to serve as director of trade, regional integration and investment climate at the World Bank. In this role, she manages a team of 120 people focused on helping countries pursue reform agendas conducive to strengthening inclusive growth led by the private sector.



Wrote an article for *Teen Vogue* in September 2017 examining the dearth of females in the economics field and why more need to join the profession

SELECTED PUBLICATIONS

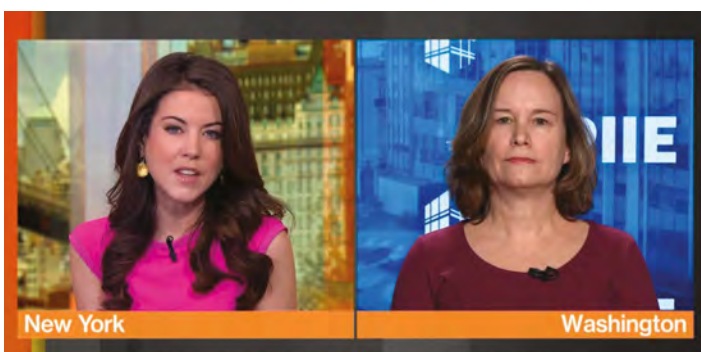
Streamlining Rules of Origin in NAFTA (Policy Brief 17-25)

Global Competition and the Rise of China, coauthor (Working Paper 17-3)

Multinational Investors as Export Superstars: How Emerging-Market Governments Can Reshape Comparative Advantage, coauthor (Working Paper 17-1)

PROJECTS IN PROGRESS

Globalization and Mobility Adjustment Assistance



Freund made numerous media appearances discussing NAFTA, including on Bloomberg where she described the US administration's proposed sunset clause as akin to asking married couples to renew their marriages every 5 years.



ARVIND SUBRAMANIAN

Dennis Weatherstone Senior Fellow

(on leave for public service)

Joined in 2007

Expertise: International Trade System, Development and Growth, India, China



Subramanian's term as chief economic advisor to the Indian government was extended by one year.

THE ECONOMIC TIMES

We need to do steady consolidation: Arvind Subramanian, Chief Economic Adviser

By Deepanksha Sukumar & Vinay Pantley, ET Bureau | Jan 10, 2018, 11:10 PM IST



Spoke with media throughout India on the economic survey his office released in January 2018



In April 2017 he presented his assessment at PIIE on the Indian economy three years after the Modi government came to power.

RESEARCH



TRANSPARENCY POLICY

PIIE has adopted a comprehensive policy requiring full transparency of its research by providing all data sources and files for Institute work on its website (or links to other sites) to enable other researchers to easily replicate our statistical results. In addition, the Institute discloses sources of funding and any material about authors' financial relationships that might bear on their research.

Replicability is the hallmark of intellectually honest empirical research. We at the Institute believe that enabling researchers to check and replicate our findings will enhance our work's persuasiveness, elevate the profile of the work in the research community, and increase the Institute's credibility to critique the policies and research of governments and other organizations. Institute books undergo extensive internal and external peer review, while Policy Briefs, working papers, and other shorter publications are subject to other forms of open internal review at the Institute prior to publication. An upgraded standard set by the Institute, adopted in Spring 2014, allows anyone with the relevant software to reproduce the statistical results in its publications. (The Institute, however, will not provide extensive "after sales service" beyond posting the relevant data and code.) Specific limited exceptions to full disclosure may be made when data are confidential or proprietary or when publication of the data (on illegal activities, for example) could cause direct harm to individuals. These instances will be rare and will themselves be disclosed.

Financial disclosure is also an Institute commitment. Supporters of the Institute have been listed annually on the PIIE website since June 2013. All Institute books, Policy Briefs, and working papers acknowledge any direct funding sources, and web pages for these publications provide links to underlying data files to demonstrate the independence of analysis. Funders are never given the right to final review of a publication prior to its release. Author disclosures include employment, consulting, or ownership relationships with firms or public institutions that might be substantially affected by their research. This requirement applies to relationships that have been active three years prior to publication and includes all coauthors on PIIE publications, not just PIIE staff. Authors must also disclose any potential conflict of interest to the Institute that might arise as a result of leadership positions or board memberships in advocacy groups. Consistent with these principles, all authors of any PIIE publications must sign the Transparency and Disclosure form accepting PIIE disclosure and conflict-of-interest requirements. PIIE staff, including nonresident and part-time research staff, may not have a primary affiliation or employment with a for profit company or any organization representing private sector or a government agency's interests. PIIE staff are free to use their Institute affiliation as personal identification on an outside project or when acting as a consultant, but they must make clear in any written product or public speaking role that it is solely in their individual capacity and that it is neither a PIIE position nor has the project been subject to PIIE review and disclosures.

GLOBALIZATION AND HUMAN WELFARE



Article

The Post-American World Economy: Globalization in the Trump Era

Adam S. Posen

Trump's "America First" policies will make the global rules-based system poorer, nastier, less fair, and more dangerous.

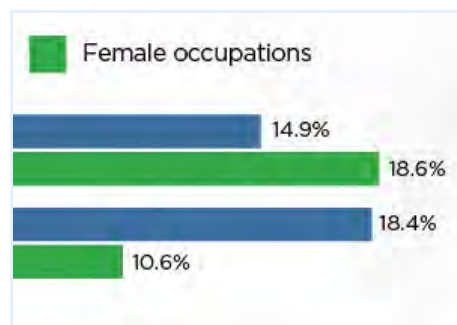


Blog

Why China Isn't Ready Yet to Lead Globalization

Caroline Freund

To overtake the United States as the global leader, China must reform its state-owned enterprises.



PIIE Chart

Job Opportunities Have Declined for Less-educated Men, but Expanded for Less-educated Women

Caroline Freund and Christine McDaniel (Sidley Austin LLP)

Jobs dominated by less educated men, like metalworkers and carpenters, are in decline, while jobs dominated by less educated women, like manicurists and hair stylists, are rising.

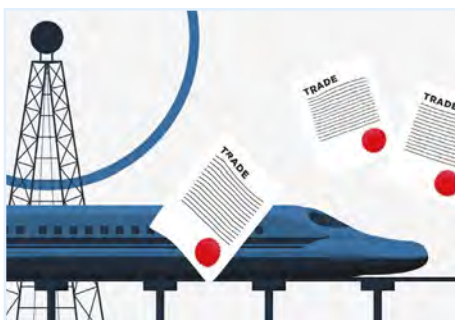


Policy Brief

Tax Overhaul Risks Making the US Tax and Transfer System (Even) More Regressive

Jacob Funk Kirkegaard

Among the world's high-income countries, the United States has the least redistributive government tax and transfer system. Adding federal value-added taxes or general sales taxes, unless supplemented with increases in government transfers to be less regressive, will only worsen income inequality in America.



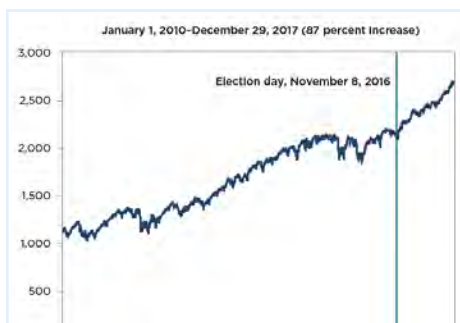
Policy Brief + Video

The Payoff to America from Globalization: A Fresh Look with a Focus on Costs to Workers

Gary Clyde Hufbauer and Zhiyao (Lucy) Lu

The United States gained roughly \$2.1 trillion from trade expansion between 1950 and 2016, which translates into an increase of \$7,014 in GDP per capita and \$18,131 in GDP per household.

INTERNATIONAL FINANCE AND EXCHANGE RATES

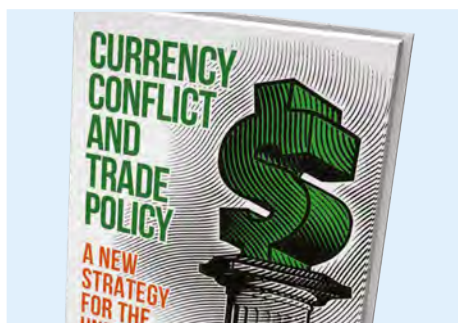


Policy Brief

Why Has the Stock Market Risen So Much Since the US Presidential Election?

Olivier Blanchard

Improved economic activity and lower economic policy uncertainty around the world were the main drivers of the stock market rise since the 2016 presidential election.



Book

Currency Conflict and Trade Policy: A New Strategy for the United States

C. Fred Bergsten and Joseph E. Gagnon

As a centerpiece of its new currency policy, the United States should announce that it will apply countervailing currency intervention measures unilaterally against any systemically important country that aggressively manipulates its currency.



Event

The New Era of Chinese Economy and China's Financial Opening-Up

Third PIIE-CF40 Annual China Economic Forum

To stabilize its economy and improve relations with the United States, China must continue with its economic reforms.

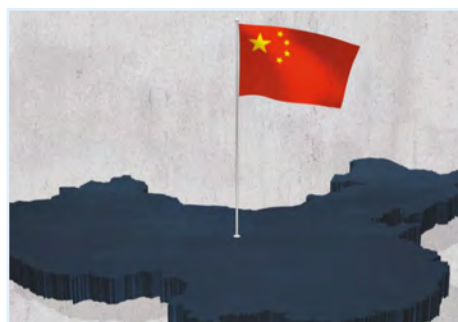


Blog

Venezuela's Ill-Advised "Cryptocurrency" Scheme: An Update

Monica de Bolle and Martin Chorzempa

The Venezuelan government's plan to issue a cryptocurrency will not solve the country's economic problems because the proposal is not a cryptocurrency and, if issued, it is likely to be a highly speculative investment.



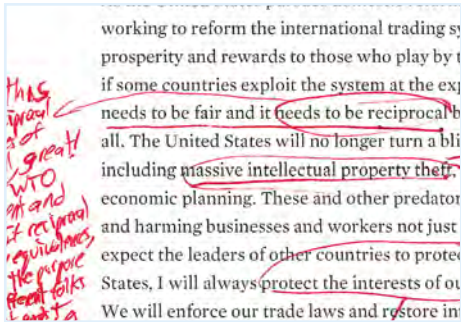
Policy Brief

China Needs Better Credit Data to Help Consumers

Martin Chorzempa

Hundreds of millions of Chinese citizens lack access to credit due to insufficient data on creditworthiness. China should build a system that allows consumers to control and share their data with lenders.

INTERNATIONAL TRADE AND INVESTMENT



Blog

Trump's "America Is Open for Business" Speech at Davos—Annotated and Explained

Adam S. Posen

President Trump's Davos speech was notable for what he did not say rather than for what he did say. It was promising to see he did not repeat attacks on the international economic system, but he missed the opportunity to present specific goals for how countries could work together for shared prosperity.

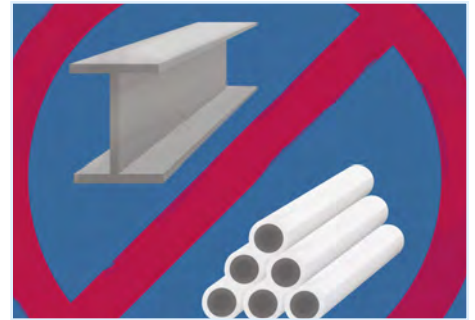


Working Paper

Going It Alone in the Asia-Pacific: Regional Trade Agreements Without the United States

Peter A. Petri

By withdrawing from the Trans-Pacific Partnership, the United States not only foregoes estimated gains of \$131 billion but also loses an additional \$2 billion because US firms will be at a disadvantage under the new trade pact without the United States.



Policy Brief

Steel, Aluminum, Lumber, Solar: Trump's Stealth Trade Protection

Chad P. Bown

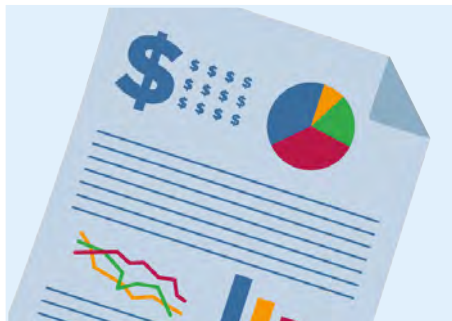
The Trump administration's aggressive and antagonistic use of US trade laws to protect US companies from foreign trade could severely damage the US economy and lead to a trade war. The administration's approach punishes trading partners who are allies while shutting out the possibility of constructively engaging with China on legitimate grievances.



Podcast

Trade Talks

Chad P. Bown launched the first ever Peterson podcast that covers international trade issues. His cohost is Soumaya Keynes, a journalist with *The Economist*.



Blog

The Fallacy of Trump's Alternative Trade Calculation

Caroline Freund

President Trump's proposal to change the way we calculate trade balances will superficially but misleadingly inflate the overall US trade deficit and bilateral deficits with important trading partners.



Blog

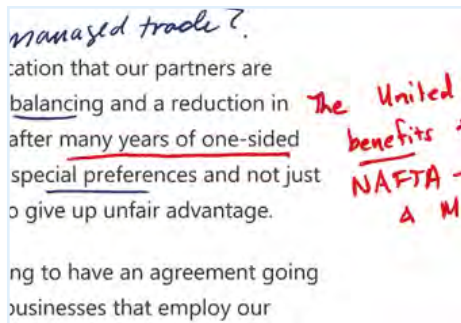
We Know What Causes Trade Deficits

Joseph E. Gagnon

The main causes include fiscal policy and currency manipulation. Tariffs and other trade barriers do not affect overall trade deficits.

INTERNATIONAL TRADE AND INVESTMENT

NAFTA

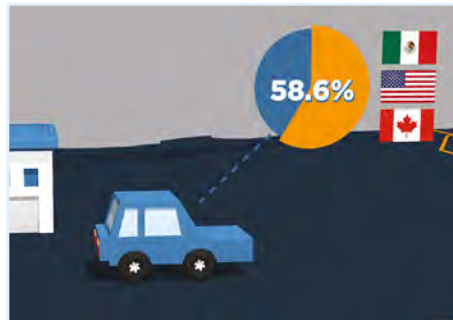


[Blog](#)

US Trade Representative “Surprised and Disappointed” Statement from Latest NAFTA Talks—Annotated and Explained

Chad P. Bown and Caroline Freund

USTR Lighthizer should not be surprised that Canada and Mexico are resisting unorthodox changes to NAFTA.

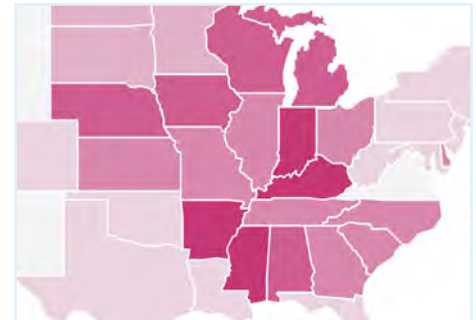


[Blog](#)

A US Content Requirement in NAFTA Could Hurt Manufacturing

Caroline Freund

Adding a US-specific content requirement for vehicles imported via NAFTA would likely backfire and hurt the US auto industry.



[Blog](#)

Withdrawing from NAFTA Would Hit 187,000 US Exporting Jobs, Mostly in Heartland

Sherman Robinson, Egor Gornostay, Monica de Bolle, and Junie Joseph

US states most affected by a withdrawal from NAFTA would be Arkansas, Kentucky, Mississippi, and Indiana. Autos, agriculture, and manufacturing (non-auto) would be the most affected sectors.



[PIIE Briefing](#)

A Path Forward for NAFTA

C. Fred Bergsten and Monica de Bolle, editors

PIIE's blueprint for renegotiating NAFTA suggests that the negotiations can succeed only if they focus on updating and upgrading the agreement. But President Trump's zero-sum "America First" agenda could derail the talks and hurt US competitiveness.

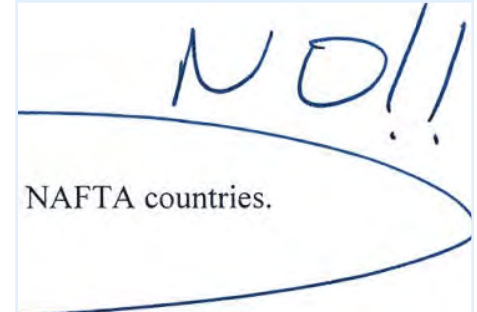


[Blog](#)

NAFTA Mischief in Fruits and Vegetables

Gary Clyde Hufbauer and Euijin Jung

USTR's proposal to make it easier to limit imports of fruits and vegetables from Mexico and Canada will only benefit trade lawyers while harming US consumers, as well as US growers of fruits and vegetables sold to Mexico and Canada.



[Blog](#)

Trump's NAFTA Agenda— Annotated and Explained

C. Fred Bergsten and Gary Clyde Hufbauer

The administration's focus on bilateral trade deficits makes no economic sense and could jeopardize the talks. But its support for the WTO is promising given President Trump's past criticism of the organization.

MACROECONOMIC POLICIES AND FINANCIAL STABILITY



Event + Videos

Rethinking Macroeconomic Policy

Olivier Blanchard and Lawrence H. Summers organized PIIE's Rethinking Macroeconomic Policy Conference to analyze challenges facing policymakers in today's environment of low inflation (despite low unemployment), rising inequality and stagnating productivity, and the unresponsiveness of long-term interest rates to rising public debt.

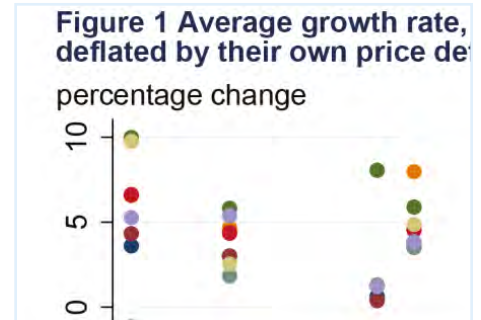


Blog

What Ten Million Simulations Tell Us about President Trump's Chances of Achieving 3-Percent Economic Growth

Jason Furman

The US economy has only a 4 percent chance of growing at 3 percent over the next decade, essentially requiring the economy to repeat some of the fastest productivity growth seen over the past seven decades.



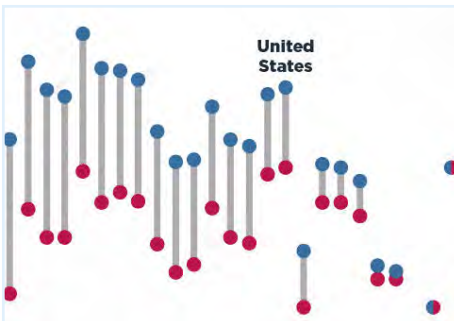
Blog

An Unusually Balanced US Recovery

Olivier Blanchard and Colombe Ladreit de Lacharrière (PIIE)

Relative to the six previous post-recessionary expansions, the US recovery from the Great Recession is unusually balanced and healthy.

TAXES

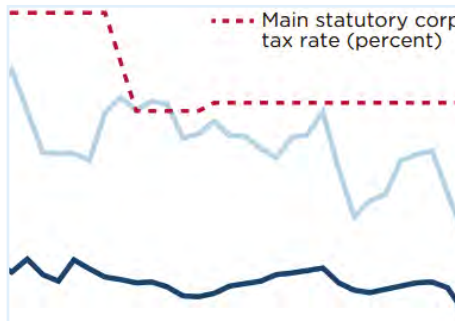


Policy Brief

United States Is Outlier in Tax Trends in Advanced and Large Emerging Economies

Simeon Djankov

Unlike other advanced economies, the US tax system relies primarily on high direct personal and corporate taxes and has no value-added or carbon tax.

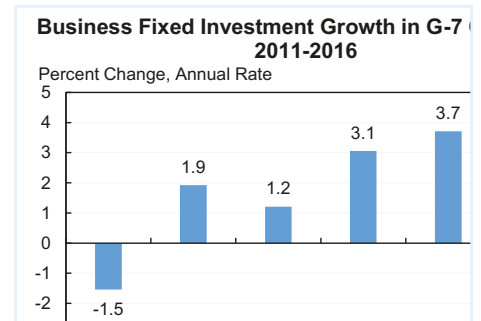


Policy Brief

Will Corporate Tax Cuts Cause a Large Increase in Wages?

William R. Cline

Wage gains from corporate tax cuts will likely be far smaller than the range claimed by the Trump administration.



Speech

Some Preliminary Macroeconomics of the Tax Cuts and Jobs Act

Jason Furman

In presentations given at a 2018 American Economics Association meeting, Furman explains how the Tax Cuts and Jobs Act will increase growth over the next year or two, but will be a drag on long-term growth as it increases the debt.

MACROECONOMIC POLICIES AND FINANCIAL STABILITY

CENTRAL BANKING



Video

Posen at the Bank of England's "Independence: 20 Years On" Conference

Adam S. Posen addressed the Bank of England's event commemorating its 20 years of institutional independence with insights from the global experience of central bank independence.



Blogs

FOMC Updates

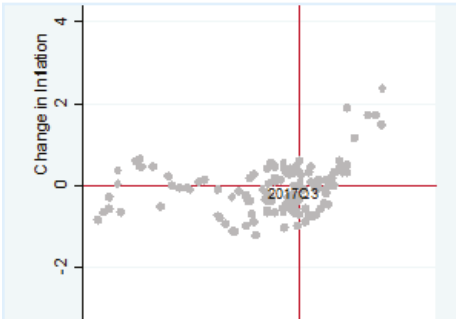
Joseph E. Gagnon regularly interprets meetings and statements of the Federal Open Market Committee.



Blogs and Policy Brief

Olivier Blanchard's DSGE series

Blanchard believes economists need to understand the limits of different macroeconomic models; no single model can serve all purposes. Former Fed Chair Janet Yellen cited the papers in her speech given at Jackson Hole, and former Fed Vice Chair Stanley Fischer discussed them on Bloomberg TV.

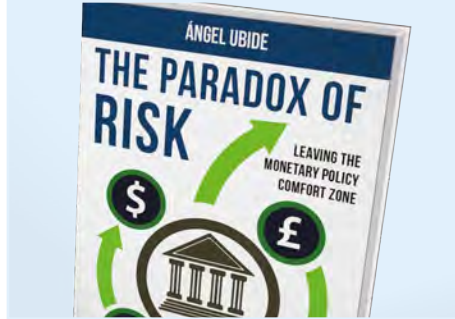


Blog

There Is No Inflation Puzzle

Joseph E. Gagnon

US inflation has remained low while the economy has reached full employment, puzzling some economists. Yet, inflation is behaving exactly as the Phillips curve predicts. The decline in the US unemployment rate is too recent and too small to have caused any significant rise in inflation to date. The real puzzle is why inflation did not decline much in 2010–14, when employment was below potential.



Book

The Paradox of Risk: Leaving the Monetary Policy Comfort Zone

Policy Analyses in International Economics 108

Ángel Ubide

Central banks' fear of inflation and risk taking impeded global recovery from the Great Recession. Policymakers should leave their comfort zone and take bolder actions to fight recessions.



Event

World Trade and Exchange Rates: From the Pax Americana to a Multilateral New Order

17th Annual Stavros Niarchos Foundation Lecture

Lord Mervyn King, former governor of the Bank of England, delivered the 2017 Lecture. He outlined the case for greater multilateral cooperation to sustain the international rules-based system.

REGIONAL STUDIES

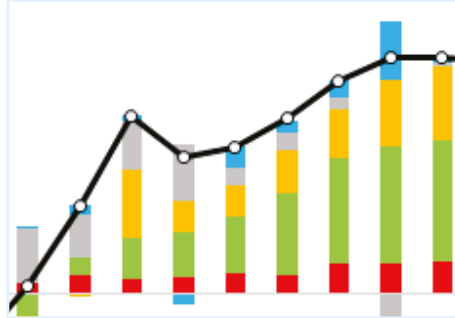
EUROPEAN UNION



Report

Reconciling Risk Sharing with Market Discipline: A Constructive Approach to Euro Area Reform

A team of European economists proposes a reform package to improve the euro area's financial stability, political cohesion, and economic growth while addressing the priorities and concerns of euro area countries.



Blog

Positive Signs in European Labor Markets in 10 Charts

Jacob Funk Kirkegaard

The key to continuing the euro area's recent strong economic performance will be the ability of the region's labor markets to continue to generate new jobs.



Book

Hard Target: Sanctions, Inducements, and the Case of North Korea

Marcus Noland and Stephan Haggard
North Korea's robust illicit financial network enables the rogue regime to evade UN sanctions.



Policy Brief

Governance and Ownership of Significant Euro Area Banks

Nicolas Véron

Public transparency in many significant euro area banks is low, with correspondingly low market discipline. Their links with governments perpetuate the vicious circle between banks and sovereigns, which has been a key driver of the euro area crisis.

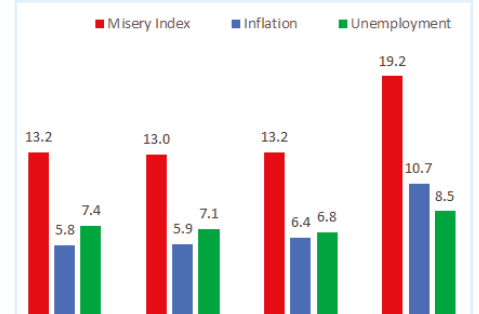


Report

Lessons for EU Integration from US History

Jacob Funk Kirkegaard and Adam S. Posen, editors

In a report for the European Commission, PIIE scholars provide insights from the long history of US economic integration to guide European policymakers.



Blog

Brazilian Misery: A Cautionary Tale for the US?

Monica de Bolle

Brazil's economic malaise can explain why the former Brazilian President Luiz Inacio Lula da Silva has been rising in the presidential polls despite facing several corruption charges.

REGIONAL STUDIES

BREXIT



Video

Posen speech on Brexit

Adam S. Posen explains the many ways the UK economy will suffer as a result of its exit from the European Union. Videos of the speech were viewed more than 1.2 million times across social media.



Policy Brief

Making the Best of Brexit for the EU-27 Financial System

Nicolas Véron

Roughly €1.8 trillion (or 17 percent) of all UK banking assets might move to the EU-27 as a consequence of Brexit.



Policy Brief

The City of London after Brexit

Simeon Djankov

London's financial sector will lose 12 to 18 percent of revenue and 7 to 8 percent of jobs as a result of Brexit.

CHINA



China Trip

PIIE delegation to China

Sixth annual PIIE-CF40 Beijing conference

Adam S. Posen, Nicholas R. Lardy, Jacob Funk Kirkegaard, Jason Furman, Nathan Sheets, Chad P. Bown, Karen Dynan, Nicolas Véron, Jeromin Zettelmeyer, Jeffrey J. Schott, and Zixuan Huang traveled to China in May 2017 for high-level meetings, including a formal discussion with Vice Premier Wang Yang in Beijing on economic reforms in China and US-China relations under the Trump administration.



PIIE Briefing

US-China Cooperation

PIIE and CF40 scholars identify ongoing areas of common economic interest for Chinese and American governments, practical ways that they might work together on economic issues, and what is at risk if the Trump administration attacks the rules-based international economic system.

COMMUNICATIONS & MEDIA OUTREACH

PIIE



PIIE

ADVANCING PIIIE'S DIGITAL STRATEGY

To broaden its outreach, PIIIE has introduced new approaches to communicate its traditional research and commentary. The innovations include improved social media distribution, new visual content, unified branding, all with an eye toward tracking by up-to-date web and search engine analytics.

Research-Based Core Content

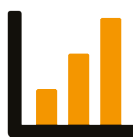


Policy briefs, briefings, books, presentations, testimonies, working papers, op-eds, and blog posts

Multimedia/Social Media Content



PIIE Short Video,
Peterson Perspectives,
Expert Explainer Video,
Event Highlights Video



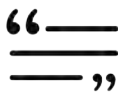
PIIE Chart



Web Feature,
Infographic, Interactive
Data Visualization



Editorial
Illustration



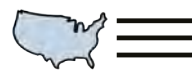
Social Media
Quote Graphic



Social Media
Video, GIF



Instagram
Image



Social Media
Custom Graphic

Focused Audience

Wider Audience

Icons from The Noun Project: Rflor, Julynn B., Peter Parničan, Setyo Ari Wibowo, Alfa Design, AlfredoCreates.com/icons & Flaticondesign.com, Alex De Stasio, Sharon Showalter, Gregor Cresnar



PIIE Short Videos Explain the Economy

- Dozens of videos were produced distilling complicated topics into accessible formats, such as “Why Reducing Trade Deficits with NAFTA Is the Wrong Strategy” and “What Have Economists Learned from the Global Financial Crisis?” Some videos were adapted from traditional publications or were shortened versions of event videos with accompanying animated text. The videos have been especially effective on Facebook.



TRADE TALKS PODCAST TAKES OFF

- *Trade Talks*, a “weekly and geeky” podcast with Senior Fellow Chad P. Bown and *The Economist* trade reporter Soumaya Keynes, provides an informative, accessible, and entertaining resource for students, economists, journalists, trade officials, and the general public. With its own Twitter account, the podcast has won a loyal following—3,000 listeners per episode—and stellar reviews on iTunes and social media. The show has featured guests like economist Dani Rodrik, European Commissioner for Trade Cecilia Malmström, and journalist Ana Swanson from the *New York Times*.

Praise from Social Media



PROMOTING NAFTA RESEARCH ACCESSIBLY

Annotated and Explained

Another widely praised innovation came with the introduction of a popular feature in which Institute scholars acerbically annotate official documents in their own handwriting. The most popular critique was levelled at US Trade Representative Robert Lighthizer's statement during the NAFTA talks.

been clear about our second objective. NAFTA has res
for the United States and has cost us tens of thousand
The agreement has become very lopsided and need
course have a five-hundred billion dollar trade deficit.
matter. And we intend to reduce them

Then don't cut taxes

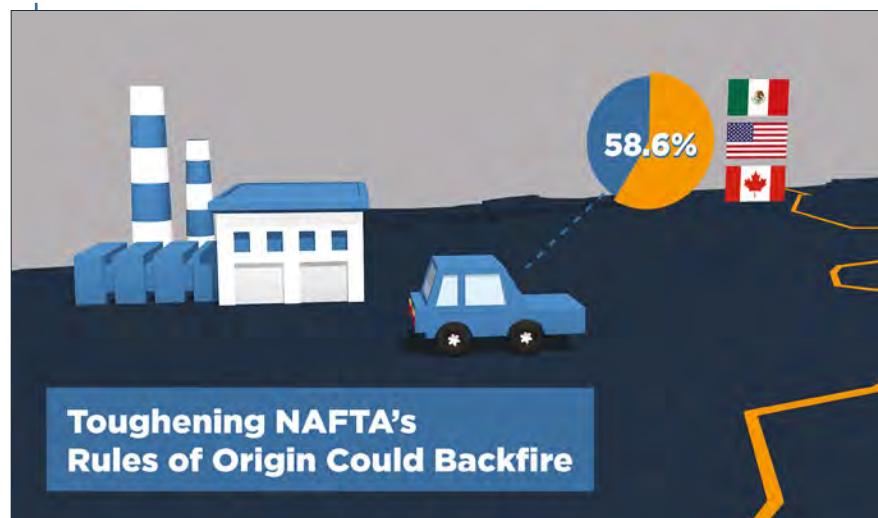
A Guide to Renegotiating NAFTA

This visual explainer features an interactive map and custom illustrations, which were turned into a series of individual social media posts that generated a torrent of retweets. The office of Leonel Fernández, former president of the Dominican Republic, called to compliment PIIE on this feature.



Rules of Origin Video

Caroline Freund narrated a video explaining why increasing North American content requirements could backfire, reducing the number of American jobs in affected sectors. A major Institute funder was so impressed that its office sought PIIE expertise on videomaking and digital marketing and distributed the video to its network.



Disruptions to NAFTA Agricultural Trade Could Especially Hurt Trump-voting States

Percent of total exports to NAFTA countries in agriculture

10 20 30 40 50

States Won by Trump in 2016



PIIE Chart on US Agriculture

A PIIE Chart on NAFTA's impact on agricultural trade using data compiled by Cullen S. Hendrix shows the states most vulnerable to NAFTA disruptions organized by Trump-voting and Clinton-voting states.

Social Media Graphics

PIIE has posted social media graphics showing how leaving NAFTA would raise tariffs and especially hurt US agricultural exports.

Interactive Map on US Exporting Jobs

The map allows users to rollover individual states and see how many exporting jobs would be dislocated in two different scenarios.

Leaving NAFTA would hurt US meat exports to Mexico.

Mexican tariffs with NAFTA: **0%**

without NAFTA:

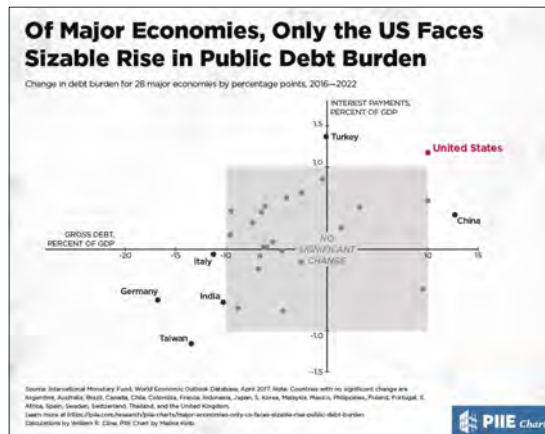


Source: World Trade Organization (WTO) average MFN applied tariff rates for 2017, accessed on Integrated Database (IDB) notifications. Refers to HS codes 0201, 0202, 0203, 020711-020714.



**WITHDRAWING FROM NAFTA
WOULD HIT 187,000 US EXPORTING
JOBS, MOSTLY IN HEARTLAND**

TARGETED OUTREACH TO WIDER AUDIENCES



PIIE has made headway reaching wider audiences to increase brand recognition and educate the public (and potential future influencers).

PIIE Charts are an increasingly popular feature on social media, distilling research into easy-to-read data visualization and text. Major news media have picked them up, including “State-owned Chinese Firms Borrowing Far More Than Private Firms Despite Lagging Profits” in the *Financial Times* and “Currency Manipulation Was the Leading Cause of Record Trade Imbalances in 2000s” in a *New York Times* op-ed by Senator Marco Rubio.



Teen Vogue, one of the most popular US sites for young audiences, especially women, welcomed our pitches for content to that hard-to-reach demographic. Caroline Freund’s “We Need to Talk About How Female Economists Are Treated” and an article by Jacob Funk Kirkegaard, “Why Young People Did Not Support Brexit,” were promoted to the 3.5 million followers of the @TeenVogue Twitter account.



In another innovation, the Institute co-hosted special events with Young Trade Professionals, a program of the Washington International Trade Association (WITA), which were also livestreamed on Facebook, reaching early to mid-career men and women in government, business, and public policy sectors.

SCHOLARS TESTIFY TO CONGRESS

Jason Furman argued in December 2017 that the GOP tax reform bills would raise taxes on middle-class families while giving cuts to those at the top, and increase the national debt with very little effect on growth.

Gary Clyde Hufbauer testified in January 2018 that expanding the mandate of the Committee on Foreign Investment in the United States (CFIUS) to vet outward, not just inward, foreign investments for threats to national security would increase government bureaucracy and hamper the global competitiveness of US corporations.

In July 2017, Karen Dynan defended the independent role of the Federal Reserve and the benefits of accommodative monetary policy for economic recovery.



SCHOLARS PROVIDE ONGOING COMMENTARY



- – Monica de Bolle writes columns for Brazilian news outlets *Estadão* and *Poder 360* on economic policy and the political economy in Brazil and the world.



- – Chad P. Bown regularly contributes to The Monkey Cage column in the *Washington Post*.



- – Jason Furman regularly contributes op-eds to the *Wall Street Journal*.

MEETINGS PROGRAM



MAJOR EVENTS

In its critical role as a forum for high-level substantive debates on economic issues, PIIE convened events covering the postcrisis future of macroeconomic policy, the slowdown in productivity growth, NAFTA revision, European integration and reform, and more.

Prospects and Challenges for Sustained Growth in Asia

In September 2017, PIIE held a conference jointly with the International Monetary Fund (IMF), Bank of Korea, and the Ministry of Strategy and Finance in Seoul featuring IMF Managing Director Christine Lagarde, Korean Deputy Prime Minister and Minister of Strategy and Finance, Dong Yeon Kim, and Governor of the Bank of Korea, Ju-yeol Lee. Over a dozen Asian economies, including China, India, Indonesia, Japan, and Thailand, were represented among the participants.



Rethinking Macroeconomic Policy Conference

Lessons learned from the global economic crisis of 2008–09 were the focus for two days in October 2017 of the most well-attended event at PIIE in the last five years. Some of the 24 speakers included Ben Bernanke, Lael Brainard, Mario Draghi, Andrew Haldane, and Raghuram Rajan. Their remarks and those of other participants were live-streamed, and excerpts were condensed in a standalone Rethinking Macro video series. A conference volume is forthcoming in 2018 by MIT Press in partnership with PIIE.



A Positive NAFTA Renegotiation

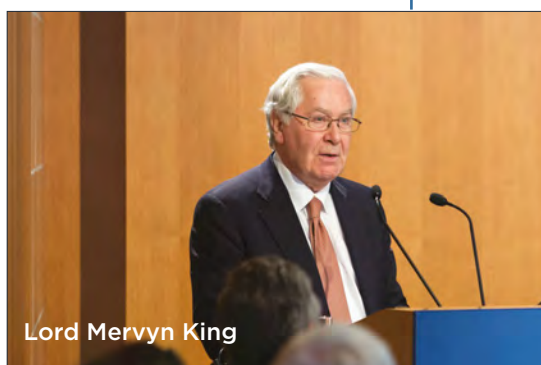
PIIE and the Centre for International Governance Innovation cohosted two conferences in June and July 2017 (the second along with the Center for Strategic and International Studies) to explore ways to renegotiate NAFTA in a positive direction by addressing labor, environment, energy, and security issues.





Policy Implications of Sustained Low Productivity Growth

Conference organizers Adam S. Posen and Jeromin Zettelmeyer assembled leading economists and practitioners in November 2017 to discuss policies to address the widespread effects if the global slowdown in productivity growth continues.



World Trade and Exchange Rates: From the Pax Americana to a Multilateral New Order

Lord Mervyn King, former Governor of the Bank of England, delivered the Institute's 17th Annual Stavros Niarchos Foundation Lecture in May 2017. He outlined the case for greater multilateral cooperation to sustain the international rules-based system. Previous Niarchos Foundation lecturers include Agustín Carstens, Alan Greenspan, Mario Monti, Lawrence H. Summers, Jean-Claude Trichet, Long Yongtu, and Ernesto Zedillo. The next Niarchos Foundation Lecture will be given by Tharman Shanmugaratnam of Singapore in May 2018.



Deepening of the European Economic and Monetary Union (EMU)

In June 2017, the Institute, along with the European Commission, hosted the North American launch of the European Commission's "Reflection Paper on the Deepening of the Economic and Monetary Union (EMU)," which proposes steps to complete the EMU architecture. Research on the lessons from the United States' own history of slow integration, conducted by PIIE scholars Jacob Funk Kirkegaard, Anna Gelpern, Nicolas Véron, Jérémie Cohen-Setton, Jeromin Zettelmeyer, and Egor Gornostay, was later presented as an independent guide for European policymakers in March 2018.

PIIE Book Launches

Publishing and promoting books reflecting longer-term research by PIIE authors is one of the Institute's ongoing priorities.

- Ángel Ubide discussed his widely praised book calling for greater monetary policy boldness to help the world climb out of its economic downturn.
- The last year featured two powerful books on financial regulation, one by William R. Cline on the right level of capital to be held by banks and the other by Morris Goldstein on sweeping reforms of bank stress tests.
- C. Fred Bergsten and Joseph E. Gagnon presented their path-breaking study on currency conflicts and trade policy.
- Marcus Noland and his coauthor, Stephan Haggard, presented their book on the difficulty of imposing economic sanctions on North Korea.
- Paolo Mauro and Tomáš Hellebrandt discussed their book about future economic and environmental burdens on the global economy from an expanding middle class.





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FACTS ABOUT OUR FUNDING

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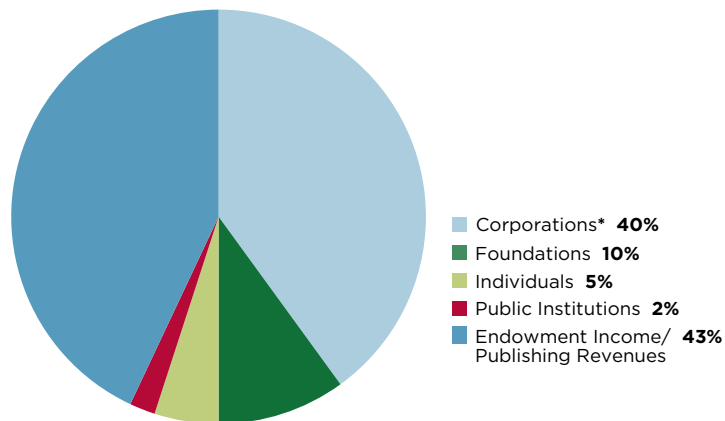
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2017

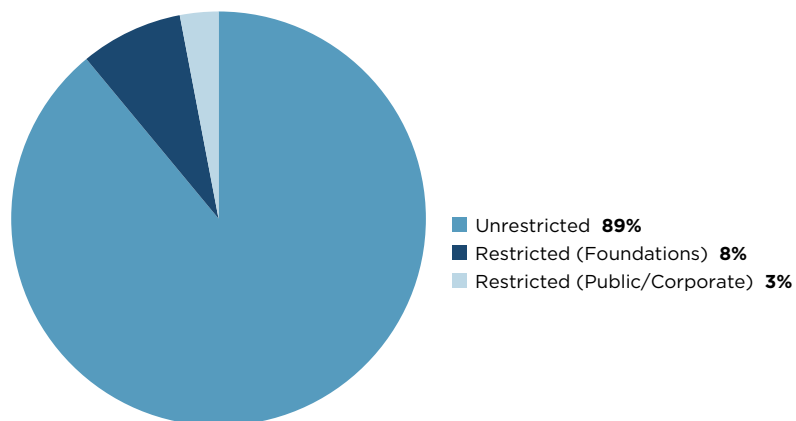
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Revenue Percentages by Source Category



Restrictions on Support by Project



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