
Open Economies and the Challenge of Innovation: Policy Options in an Era of Rising Populism and Economic Nationalism

19-20 April 2018

Populist and nationalist pressures in Europe and the United States are calling into question some of the core assumptions underpinning globalization and the integrative elements of international trade and finance. In response, a number of national governments, including Japan, have reinforced their commitment to international institutions and stressed the mutual benefits of maintaining an open global economy.

In partnership with the Japan Economic Foundation, this invitation-only roundtable will explore how policy innovation in trade, social and welfare policy, and the technical changes associated with the Fourth Industrial Revolution, are helping to offset some of the negative effects of rising economic nationalism.

It will consider the resilience of free trade initiatives in Europe, Asia and North America and the sustainability of traditional, mass employment in advanced economies in the face of technical change. It will also consider how best individual economies can respond to major demographic challenges - both aging and migration - in developing appropriate social welfare policies. It will also explore the role of entrepreneurship and technical innovation in fostering long-term growth and rising productivity in advanced economies.

Thursday 19 April

19:00- Welcome dinner for speakers and selected participants
Alto Room (first floor)
The Cavendish Hotel
81 Jermyn Street
London SW1Y 6JF
+44 (0)20 7930 2111

Friday 20 April

Location: Henry Price Room, Chatham House

10:15-10:30 Registration
Tea & coffee

10:30-11:00 Welcome remarks & introductions
John Nilsson-Wright, Senior Research Fellow, Asia Programme
Kazumasa Kusaka, Chairman & CEO, Japan Economic Foundation (JEF)

11:00-12:30

Session 1: Globalization, rising populism and economic nationalism and free trade

- What explains the rise of populist politics in Europe and the United States? Are there generalizable patterns behind this trend, how durable is it, and to what extent is it contributing to economic nationalism?
- How does the reaction against globalization contribute to trade protectionism and what can and should be done to combat this tendency?
- If trade liberalization and free-trade agreements contribute to fewer workers in traditional manufacturing employment in advanced economies and, by extension, fuel the populist phenomenon what can be done to offset the negative impact of trade liberalization?

Speakers:

Sota Kato, Executive Director and Senior Fellow, The Tokyo Foundation for Policy Research

Matthew Goodwin, Associate Fellow, Europe Programme, Chatham House

The Rt Hon The Lord Andrew Lansley, Leader, House of Commons and Lord Privy Seal (2012-14)

Chair: *Edwina Moreton OBE*, Associate Fellow, International Security Department, Chatham House

12:30-13:30

Lunch

Niall Malcolm Room

13:30-15:00

Session 2: Immigration, aging society and the political economy of social welfare and healthcare

- To what extent does immigration and aging weaken social welfare provision? How might these negative effects best be addressed, and how have individual European countries (for example, the UK, France, Germany and Sweden) sought to address the disruptive effects associated with aging and long-term immigration?
- How is the Abe administration preparing to meet the increased social needs of Japan's growing elderly population?
- Does the experience of Japan's post-retirement population offer useful lessons for UK/Europe facing similar issues – either in terms of maintaining cohesive social communities or in addressing the fiscal pressures associated with pension provision in a greying society?

Takashi Unayama, Associate Professor, Hitotsubashi University

Kristin Surak, Senior Lecturer in Japanese Politics, School of Oriental and African Studies

Peter Matanle, Senior Lecturer in Japanese Studies, School of East Asian Studies, University of Sheffield

Chair: *Sebastian Lechevalier*, Director of Studies, L'École des Hautes Études en Sciences Sociales (EHESS)

15:00-15:20

Tea/coffee break
Niall Malcolm Room

15:20-17:10

Session 3: Productivity, educational and technological innovation and the growth of smart cities

- What challenges will the new technologies of the Fourth Industrial Revolution pose for human well-being in advanced economies?
- Will the current high unemployment rate in Europe be aggravated by the Fourth Industrial Revolution? What are the potential consequences for the UK of failing to adequately address these challenges?
- What role does entrepreneurship, especially among start-up companies, play in fostering productivity and growth in developed countries? What role can the public sector play in enhancing entrepreneurship? What role have British universities played in fostering scientific innovation with demonstrable commercial benefits?
- Japan is developing a reputation for pioneering policy innovation in urban planning and green growth and sustainable technologies - how is the Abe administration contributing to this change and what role does bureaucratic, corporate and educational innovation play in fostering these developments?
- What opportunities exist for enhanced UK-Japanese collaboration via programmes supported by, for example, the Japan Science and Technology Agency?

Toshiyuki Shiga, Chairman and CEO, Innovation Network Corporation of Japan; Member, Board of Directors, Nissan Motor Co. Ltd.

Hugh Whittaker, Professor in the Economy and Business of Japan and Director, Nissan Institute of Japanese Studies, University of Oxford

Patricia Nelson, Visiting Fellow, Japan Chair, Center for Strategic and International Studies

Chair: *Naoyuki Haraoka*, Executive Managing Director, JEF

17:10-17:20

Closing remarks
John Nilsson-Wright, Senior Research Fellow, Asia Programme, Chatham House

17.20-18.15

Drinks reception
Niall Malcolm Room, Chatham House