

TADAKATSU SANO

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Our next speaker is Tadakatsu Sano. He is a former chief of staff for the Japanese prime minister and also a former Vice Minister of international affairs. I understand you were in Doha in 2001 for the launch of the Doha round. 15 years later, what do you think of what is now likely to happen to free trade?

Tadakatsu SANO

Thank you IFRI for organizing an excellent conference.

Who is a winner and who is a loser in the US election? Trump is the winner and Clinton is the loser. It is commonly said. I was in the US last week and listened to the voices of ordinary people who live in Florida enjoying their retired life by serving as board members of private companies.

There are diverse views but the representative view is that they:

“[Were initially] surprised and depressed. [After a deep breath], became cautiously hopeful, optimistic. Pretty hopeful in domestic policy. Scared in trade policy.”

Well, I did not hear much about security issues, but, I was relieved to finding the article by Bob Woodward saying in the Washington Post as follows:

“The President-elect must first receive intelligence briefings on the United States’ deepest secrets. The briefings will cover everything from top-secret CIA programs to reviewing important intelligence orders signed by the President.”

[Some have said that] Obama said after a briefing, “It’s good that there are bars on the windows here because if there weren’t, I might be jumping out.” It is anyone’s guess how Trump might react. Let us see.

We don’t need to be too worried about uncertainty.

The real loser seems to me to be the traditional establishment.

Trump attacked career politicians, Media, Academia, business people in the finance industry and international institutions.

Hillary Clinton was targeted as a symbol of the establishment.

I hear many people even in business say that she is dishonest and not trustworthy even though the major media outlets supported her.

Many intellectuals and journalists criticized Trump and warned us about the consequences of Populism.



But it seems to me that the affluent elites failed to persuade or convince voters who felt left out of the recent economic prosperity.

I was not aware of the Citizens United Supreme Court decision in 2010.

We should be aware that after Citizens United American corporations can spend almost unlimited amounts of money on election campaigns.

I am concerned that US politics may be influenced by a limited number of rich families.

Whatever the results of the election, the divided society may be aggravated.

Doha

In November 2001, the Fourth WTO Ministerial Conference was held at this Sheraton Hotel. I participated in that Ministerial conference as one of the trade negotiators for Japan. It was two months after the World Trade Center attack. We called for greater political cohesion and saw that the Round could help the world economy. At that Conference, the Ministers launched the Doha Development Agenda. The affluent establishment vigorously promoted globalization, but they were challenged and opposed by many developing countries.

The Fifth Ministerial Conference in Cancun failed. The major trading parties moved toward bilateral or regional Free Trade Agreements such as TPP and TTIP among others. It should be noted that these agreements are not inclusive as the WTO was but rather are exclusive.

Globalization

The Establishment has been promoting globalization through trade negotiations and financial restructuring applying information technology. But, if I may say, we moved too fast and too far. Faster than people can digest and adapt themselves to the rapid and drastic changes that globalization carries with it. This innovation based on information technology made real globalization resulting in a divided society between the rich and the poor not only globally but also within many countries. People in the Rust Belt, the Midwest states, where Trump got much of his support, have not been able to adapt themselves to the industrial change and lost their jobs, while multi-cultural young people enjoy working in the coastal areas such as California, New York, and Massachusetts, where the Democrats won handily. Jobs in the software industry are increasing remarkably while the traditional manufacturing sector is shrinking.

Reconsider

It is the time for us to reconsider our approach. Listening to the voice of people who suffer from the changes, while it is evident that the changes caused by destructive innovation cannot stop, we should find some remedy to mitigate the resulting suffering. I think that it is the responsibility of the affluent establishment to think carefully about ways to address this.

Challenge

I am firmly convinced that the victory of Donald Trump is a real challenge for the affluent establishment.

Thank you.