Peter Navarro

Peter Kent Navarro (born July 15, 1949) is an American economist who currently serves as the Assistant to the President, and Director of Trade and Manufacturing Policy. He originally served as a Deputy Assistant to the President, and Director of the White House National Trade Council, a newly created entity in the executive branch of the U.S. federal government, until it was folded into the Office of Trade and Manufacturing Policy, a new role established by executive order on April 29, 2017.[1][2] A professor emeritus of economics and public policy at the Paul Merage School of Business, University of California, Irvine, Navarro is the author or co-author of over a dozen books, including Death by China. He has published peer-reviewed economics research on energy policy, charity, deregulation and the economics of trash collection.[3]

Navarro's views on trade are significantly outside the mainstream of economic thought, and are widely considered fringe and misguided by other economists.[4][5][6] A strong proponent of reducing U.S. trade deficits, Navarro is well known as a critic of Germany and China and has accused both nations of currency manipulation.[7] He has called for increasing the size of the American manufacturing sector, setting high tariffs, and "repatriating global supply chains". He is also a strong opponent of the North American Free Trade Agreement and Trans-Pacific Partnership. With U.S. Commerce Secretary Wilbur Ross, Navarro developed an infrastructure development plan for the candidacy and presidency of Donald Trump.[8][9]

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Born
Peter Kent Navarro
July 15, 1949
Cambridge, Massachusetts, U.S.

Education
Tufts University
(BA)
Early life and education

Navarro was born on July 15, 1949, in Cambridge, Massachusetts.[10][11] Navarro's father, Alfred "Al" Navarro, a saxophonist and clarinetist, led a house band, which played summers in New Hampshire and winters in Florida.[12] His parents divorced when he was 9 or 10.[13] Subsequently, he lived with his mother, Evelyn Littlejohn, a Saks Fifth Avenue secretary, in Palm Beach, Florida.[13][14] He lived in Bethesda, Maryland in a one-bedroom apartment with his mother and brother during his teenage years.[13]

Navarro went to Tufts University on a full academic scholarship,[11] graduating in 1972 with a Bachelor of Arts degree. He then spent three years in the U.S. Peace Corps, serving in Thailand.[7][15] He earned a Master of Public Administration from Harvard University's John F. Kennedy School of Government in 1979, and a PhD in Economics from Harvard under the supervision of Richard E. Caves in 1986.[15]

Career

Policy analysis

In the 1970s, Navarro served as a policy analyst for the Urban Services Group, the Massachusetts Energy Office, and the United States Department of Energy.[15] Navarro's policy prescriptions include that "U.S. should be tough on trade, crack down on intellectual property theft, tax Chinese exports, combat Chinese mercantilism, [and] bring jobs home."[16]
From 1981 through 1985, he was a research associate at Harvard's Energy and Environmental Policy Center. From 1985 through 1988, he taught at the University of California, San Diego and the University of San Diego.[17][15] In 1989 he moved to the University of California, Irvine as a professor of economics and public policy. He continued on the UC Irvine faculty for more than 20 years and is now a professor emeritus.[18] He has worked on energy issues and the relationship between the United States and Asia.[19] He has received multiple teaching awards for MBA courses he has taught.[20]

As a doctoral student in 1984, Navarro wrote a book entitled The Policy Game: How Special Interests and Ideologues are Stealing America, which discussed that special interest groups had led the United States to "a point in its history where it cannot grow and prosper." In the book he also called for greater worker's compensation to help those who had lost jobs to trade and foreign competition. His doctoral thesis on why corporations donate to charity is one of his most highly-cited works. He has also done research in the topic of wind energy with Frank Harris, a former student of his.[21]

**Publications**

Navarro is a prolific author with over a dozen books written on various topics in economics and specializing in issues of balance of trade. He has published peer-reviewed economics research on energy policy, charity, deregulation and the economics of trash collection.[16][22][3] Navarro "is a prolific writer, but has no publications in top-tier academic journals... [although] his research interests are broader than the average economist's."[21]

*The Coming China Wars* is a book published by FT Press in (2006). Navarro examines China as an emerging world power confronting challenges at home and abroad as it struggles to exert itself in the global market. He also discusses how China’s role in international commerce is creating conflicts with nations around the world over energy, natural resources, the environment, intellectual property, and other issues. A review in *Publishers Weekly* describes the book as "comprehensive" and "contemporary" and concludes that it "will teach readers to understand the dragon, just not how to vanquish it".[23]

*Death by China* (2011) is a book by Navarro and Greg Autry. According to *The Economist*, "the core allegations Mr. Navarro makes against China are not all that controversial. He accuses China of keeping its currency cheap . . . He deplores China’s practice of forcing American firms to hand over intellectual property as a condition of access to its market. He notes, correctly, that Chinese firms pollute the environment more freely and employ workers in far worse conditions than American rules allow."[21] Navarro argues that China violates fair trade by "illegal export subsidies and currency manipulation, effectively flooding the U.S. markets" and unfairly making it "virtually impossible" for American companies to compete.[24] It is a critique of "global capitalism" including foreign labor practices and environmental protection.[25] Currency manipulation and subsidies are stated as reasons that "American companies cannot compete because they're not competing with Chinese companies, they're competing with the Chinese government."[26]
In 2012, Navarro directed and produced a documentary film based on his book, *Death by China*. The film, described as "fervently anti-China", was released under the same title and narrated by Martin Sheen. From 2011 until 2016, Navarro was a frequent guest on the radio program the John Batchelor Show.

**Political career**

**Politics and campaigns for public office**

While teaching at UC Irvine, Navarro ran unsuccessfully for office in San Diego, California five times. In 1992 he ran for mayor, finishing first (38.2%) in the primary, but lost with 48% to Susan Golding in the runoff. During his mayoral campaign, Navarro ran on a no-growth platform. In 1993 he ran for San Diego city council and in 1994 for San Diego County board of supervisors. In 1996, he ran for the 49th Congressional District as the Democratic Party nominee, but lost to Republican Brian Bilbray, 52.7% to 41.9%. In 2001, Navarro ran in a special election to fill the District 6 San Diego city council seat, but lost in a special election with 7.85% of the vote.

Navarro supported President Barack Obama's phase-out of incandescent light bulbs, the adoption of wind energy, and carbon taxes in order to stop global warming.

**Trump campaign advisor**

In 2016, Navarro served as an economic policy adviser to Trump's 2016 presidential campaign. He advocated for an isolationist and protectionist American foreign policy. Navarro and the international private equity investor Wilbur Ross authored an economic plan for Trump campaign in September 2016. Navarro was invited to be an adviser after Jared Kushner, while he was researching China for Trump, saw on Amazon that Navarro co-wrote *Death by China*. When told that the Tax Policy Center assessment of Trump's economic plan would reduce federal revenues by $6 trillion and reduce economic growth in the long term, Navarro said that the analysis demonstrated "a high degree of analytical and political malfeasance". When the Peterson Institute for International Affairs estimated that Trump’s economic plan would cost millions of Americans their jobs, Navarro said that writers at the Peterson Institute "weave a false narrative and they come up with some phony numbers." According to MIT economist Simon Johnson, the economic plan essay authored by Navarro and Wilbur Ross for Donald Trump during the campaign had projections "based on assumptions so unrealistic that they seem to have come from a different planet. If the United States really did adopt Trump’s plan, the result would be an immediate and unmitigated disaster." When 370 economists, including nineteen Nobel laureates, signed a letter warning against Donald Trump's stated economic policies in November 2016, Navarro said that the letter was "an embarrassment to the corporate offshoring wing of the economist profession who continues to insist bad trade deals are good for America."

In October 2016, with Wilbur Ross and Andy Puzder, Navarro co-authored the essay titled "Economic Analysis of Donald Trump's Contract with the American Voter".

**White House trade advisor**
On December 21, 2016, Navarro was selected by President-elect Trump to head a newly created position, as director of the White House National Trade Council.[2] He outlines President Trump's trade policy as aiming to create jobs, revive the manufacturing sector, and improve the country's trade balance. He warned that trade deficits could jeopardize U.S. national security by allowing unfriendly nations to encroach on American supply chains. One of his main missions is to focus on behaviors by other countries that he considers abusive, cheating, illegal, and unfair against the U.S.[45][46]

**Appointment to Director of Office of Trade and Manufacturing Policy**

In April 2017, the National Trade Council became part of the Office of Trade and Manufacturing Policy, of which Navarro was appointed Director.[47] By September 2017, the Office of Trade and Manufacturing Policy had been folded into the National Economic Council, which meant that Navarro would report to NEC Director Gary Cohn.[48]

In February 2018, several media outlets reported that Navarro's influence in the administration was rising again and that he would likely be promoted from the secondary billet of Deputy Assistant to the President to Assistant to the President, giving Navarro parity with the NEC Director.[49][50] Josh Rogen, writing for *The Washington Post*, reported that Navarro had used his prior time of lower influence to lead several low-profile policy items, such as working to increase military funding, drafting Executive Order 13806, and leading the effort to solve a dispute between the United States and Qatar over the Open Skies Agreement between the two countries.[1]

In explaining his role in the Trump administration, Navarro said that he is there to "provide the underlying analytics that confirm [Trump's] intuition [on trade]. And his intuition is always right in these matters."[6]

In June 2018, Navarro said that there was "a special place in hell" for Justin Trudeau, the Prime Minister of Canada, after Trudeau said that Canada would respond with retaliatory tariffs since the United States had placed tariffs on Canada.[51] The Prime Minister's point-of-view and Canada's response to these tariffs were already public and well-known when Navarro made this comment.[52] Navarro later apologized.[53]

In May 2019, Navarro said that Trump's decision to place tariffs on Mexico unless Mexico stopped illegal immigration to the United States as "a brilliant move".[54]

In September 2019, after being tasked by the President to combat China's usage of international mail rates to more cheaply ship products into the US, Navarro successfully led a diplomatic effort to the third Extraordinary Congress of the Universal Postal Union where it agreed member countries could be able to opt-in to self-declare their rates starting in July 2020, after repeated threats from the
Trump administration to leave the UPU unless global postage rates were changed so countries like China could no longer unfairly benefit from international delivery prices, particularly when it came to e-commerce deliveries.[55][56]

Infrastructure plan

During the campaign Navarro, together with Wilbur Ross who became Trump's Commerce Secretary, designed a $1 trillion infrastructure development plan for Trump's presidential campaign.[9] The plan called for $137 billion in tax credits to private business to induce them to financing the bulk of infrastructure spending. Economists across the political spectrum derided the proposal.[8] Trump released a $1.5 trillion version of this plan in February 2018[57] but the Republican-controlled Congress showed little enthusiasm for the proposal, with The Hill reporting, "President Trump's infrastructure plan appears to have crashed and burned in Congress"[58]

Views on trade

Navarro has been a staunch critic of trade with China and strong proponent of reducing U.S. trade deficits. He has attacked Germany, Japan and China for currency manipulation. He has called for increasing the size of the American manufacturing sector, setting high tariffs, and repatriating global supply chains. He was a fierce opponent of the Trans-Pacific Partnership.

According to Bloomberg News, Navarro had "roots as a mainstream economist" as he voiced support for free trade in his 1984 book The Policy Game. He changed his positions as he saw "the globalist erosion of the American economy" develop.[6]

According to Político, Navarro's economic theories are "considered fringe" by his fellow economists.[59] A New Yorker reporter described Navarro's views on trade and China as so radical "that, even with his assistance, I was unable to find another economist who fully agrees with them."[60] The Economist described Navarro as having "oddball views".[61] The George Mason University economist Tyler Cowen has described him as "one of the most versatile and productive American economists of the last few decades", but Cowen noted that he disagreed with his views on trade, which he claimed go "against a strong professional consensus."[59] University of Michigan economist Justin Wolfers described Navarro's views as "far outside the mainstream," noting that "he endorses few of the key tenets of" the economics profession.[4] According to Lee Branstetter, economics professor at Carnegie Mellon and trade expert with the Peterson Institute for International Economics, Navarro "was never a part of the group of economists who ever studied the global free-trade system ... He doesn't publish in journals. What he's writing and saying right now has nothing to do with what he got his Harvard Ph.D. in ... he doesn't do research that would meet the scientific standards of that community."[62] Marcus Noland, an economist at the Peterson Institute for International Economics, described a tax and trade paper written by Navarro and Wilbur Ross for Trump as "a complete misunderstanding of international trade, on their part."[38]

In August 2019, Navarro asserted the tariffs of the ongoing China–United States trade war were not hurting Americans. Citing extensive evidence to the contrary, Politifact rated Navarro's assertion "Pants on Fire."[63]

Border adjustment tax
Navarro supports a tax policy called "border adjustment", which, as commonly used in the VATs of most countries, taxes all imports at the domestic rate while rebating tax on exports, essentially transforming taxes from taxes on production to taxes on consumption.[62] In response to criticism that the border adjustment tax could hurt U.S. companies and put jobs at risk, Navarro called it "fake news."[62]

**Criticism of China**

According to *Politico*, "Navarro is perhaps the most extreme advocate in Washington, and maybe in all of economics, for an aggressive stance toward China."[59] Navarro put his attention to China in the mid-2000s.[64] His first publication on the subject is the 2006 book *The Coming China Wars: Where They Will Be Fought, How They Can Be Won.*[65] Navarro has said that he started to examine China when he noticed that his former students were losing jobs, concluding that China was at fault.[64]

In *Politico*’s description of the book, "Navarro uses military language to refer to China's trade policies, referring to its 'conquest' of the world's export markets, which has 'vaporized literally millions of manufacturing jobs and driven down wages.' ... China's aspirations are so insatiable, he claims, that eventually there will be a clash over "our most basic of all needs—bread, water, and air."[65] Navarro has described the entry of China to the World Trade Organization as one of the United States' biggest mistakes.[64] To respond to the Chinese threat, Navarro has advocated for 43% tariffs, the repudiation of trade pacts, major increases in military expenditures and strengthened military ties with Taiwan.[65][64] *The New York Times* notes that "a wide range of economists have warned that curtailing trade with China would damage the American economy, forcing consumers to pay higher prices for goods and services."[3] Navarro has reportedly also encouraged President Trump to enact a 25-percent tariff on Chinese steel imports, something that "trade experts worry... would upend global trade practices and cause countries to retaliate, potentially leading to a trade war".[66]

Navarro has said that a large part of China's competitive advantage over the United States stems from unfair trade practices.[21] Navarro has criticized China for pollution, poor labor standards, government subsidies, producing "contaminated, defective and cancerous" exports, currency manipulation, and theft of US intellectual property.[21][67] In his 2012 documentary, Navarro said that China caused the loss of 57,000 US factories and 25 million jobs. Navarro maintains that China manipulates its currency, and although most economists believe that it is not the case, the U.S. Treasury officially designated China as a "Currency Manipulator" on August 5th, 2019.[68][64]

Of the more than dozen China specialists contacted by *Foreign Policy*, most either did not know of him or only interacted with him briefly.[64] Kenneth Pomeranz, University of Chicago professor of Chinese History, said that his "recollection is that [Navarro] generally avoided people who actually knew something about the country."[64] Columnist Gordon G. Chang was the only China watcher contacted by *Foreign Policy* who defended Navarro, but even then noted that he disagreed with Navarro’s claims of currency manipulation, opposition to the TPP and calls for high tariffs.[64] James McGregor, a former chairman of the American Chamber of Commerce in China, said that Navarro’s books and documentary on China "have close to zero credibility with people who know the country," and are filled with "hyperbole, inaccuracies" and a "cartoonish caricature of China that he puts out."[64]
Some of Navarro's views on China fit within the mainstream, such as criticism of Chinese currency manipulation (pre-2015), concern that China's rapid ascension to the World Trade Organization harmed the Rust Belt, and criticism of China's weak environmental regulations and poor labor standards.[7][21]

Ron Vara

In six of his books about China, Navarro quotes a "Ron Vara", whom he describes as a China hawk and former Harvard PhD doctoral student in economics, and who says crass Sinophobic things about China and the Chinese. An investigation by the Chronicle found that this character was made up, and that Ron Vara (an anagram of Navarro) appeared to represent views that Navarro himself held.[69][70] Navarro has admitted to making up the character and quoting him in his books. Economist Glenn Hubbard, who co-authored Seeds of Destruction with Navarro,[71] has said he was not aware that Vara was fictional and that he was not okay with it. [72] In December 2019, a memo apparently authored by Ron Vara began circulating in Washington DC. The memo highlighted the "Keep Tariff Argument" and the use of tariffs against China a few days before an additional 15% tariff on $160 billion of Chinese made goods was set to be implemented. Navarro later confirmed that he had written the memo.[73]

Germany

Navarro drew controversy when he accused Germany of using a "grossly undervalued" euro to "exploit" the US and the rest of the European Union.[74] Politico noted that the German government does not set the value of the euro.[65] Economists and commentators are divided on the accuracy of Navarro's remarks.[75][76] Paul Krugman said that Navarro was right and wrong at the same time: "Yes, Germany in effect has an undervalued currency relative to what it would have without the euro... But does this mean that the euro as a whole is undervalued against the dollar? Probably not."[77] Boston University economist Laurence Kotlikoff described Navarro's accusation of Germany as a currency manipulator as "#stupideconomics".[78]

Manufacturing

Navarro argues that the decline in US manufacturing jobs is chiefly due to "unfair trade practices and bad trade deals. And if you don't believe that, just go to the booming factories in Germany, in Japan, in Korea, in China, in Malaysia, in Vietnam, in Indonesia, in Italy—every place that we're running deficits with."[79] However, many economists attribute the decline in manufacturing jobs chiefly to automation and other innovations that allow manufacturing firms to produce more goods with fewer workers, rather than trade.[79][80]

Navarro has been a proponent of strengthening the manufacturing sector's role in the national economy: "We envision a more Germany-style economy, where 20 percent of our workforce is in manufacturing. ... And we're not talking about banging tin in the back room."[62] The New York Times notes that "experts on manufacturing ... doubt that the government can significantly increase factory employment, noting that mechanization is the major reason fewer people are working in factories."[3]

Opposition to NAFTA

https://en.wikipedia.org/wiki/Peter_Navarro
Navarro has called for the United States to leave NAFTA and has tried to convince President Trump to leave NAFTA.[66]

**Repatriation of global supply chains**

Navarro has called for repatriating global supply chains.[65][67] According to Politico's Jacob Heilbrunn, such a move "would be enormously costly and take years to execute".[65]

**Trade as a national security risk**

Navarro has framed trade as a national security risk.[65][81] Navarro has characterized foreign purchases of U.S. companies as a threat to national security, but according to NPR, this is "a fringe view that puts him at odds with the vast majority of economists."[82] Dartmouth economist Douglas Irwin noted that the US government already reviews foreign purchases of companies with military or strategic value, and has on occasion rejected such deals.[82] Irwin said that Navarro had not substantiated his claim with any evidence.[82]

Navarro has also said that the United States has "already begun to lose control of [its] food supply chain", which according to NPR, "sounded pretty off-the-wall to a number of economists" who noted that the US is a massive exporter of food.[82] Dermot Hayes, an agribusiness economist at Iowa State University, described Navarro's statement as "uninformed".[82]

**Trade deficits**

Navarro is a proponent of the notion that trade deficits are bad in and of themselves, a view which is widely rejected by trade experts and economists.[83][84][85] In a white paper co-authored with Wilbur Ross, Navarro stated, "when a country runs a trade deficit by importing more than it exports, this subtracts from growth."[86] In a *Wall Street Journal* op-ed defending his views, Navarro stated, "If we are able to reduce our trade deficits through tough, smart negotiations, we should be able to increase our growth."[87] Harvard University economics professor Gregory Mankiw has said that Navarro's views on the trade deficit are based on the kind of mistakes that "even a freshman at the end of ec 10 knows."[88][89] Tufts University professor Daniel W. Drezner said about Navarro's op-ed, "as someone who's written on this topic I could not for the life of me understand his reasoning".[90] According to Tyler Cowen, "close to no one" in the economics profession agrees with Navarro's idea that a trade deficit is bad in and of itself.[91] Nobel laureate Angus Deaton described Navarro's attitude on trade deficits as "an old-fashioned mercantilist position."[85]

*The Economist* magazine has described Navarro's views on the trade deficit as "dodgy economics",[21] while the *Financial Times* has described them as "poor economics".[92] Economists Noah Smith,[93] Scott Sumner, Olivier Blanchard,[67] and Phil Levy[94] have also criticized Navarro's views on the trade deficit. Dan Ikenson, director of the Cato Institute's Herbert A. Stiefel Center for Trade Policy Studies goes so far as to call Navarro a "charlatan" and says that "99.9 per cent of respectable economists would eschew" what he says: "He says imports deduct from output, and he calls that accounting identity the 'economic growth formula'. He thinks that for every dollar we import, our GDP is reduced by a dollar. I don't know how he got his PhD at Harvard."[95]
Opposition to Trans-Pacific Partnership

Navarro opposes the Trans-Pacific Partnership.[96] In an April 2015 op-ed, Navarro said, "To woo us, their spinmeisters boast the TPP will spur American exports to stimulate sorely needed economic growth. In truth, the American economy will suffer severely. This is because the TPP will hammer two main drivers of economic growth—domestic investment and 'net exports.'"[96] Navarro said in March 2017 that TPP "would have been a "death knell" to America's auto and vehicle parts industry that we "urgently need to bring back to full life."[67] Politico's Jacob Heilbrunn and the Economist argue that there may be a disconnect between Navarro's policy on China and his opposition to the TPP, as scuttling the TPP will strengthen China's hand.[65][21]

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External links

- Official site (http://www.peternavarro.com/)
-Appearances (https://www.c-span.org/person/?peternavarro02) on C-SPAN
- UCI Faculty Profile (http://merage.uci.edu/Faculty/FacultyDirectory/FacultyProfiles.aspx?FacultyID=1589)
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