# **Outline of Projects Implemented** in Fiscal Year 2006

# Our Goal: Intellectual Contributions to the World

The IDE aims to make intellectual contributions to the world as a leading center of socialscience research on developing areas. We accumulate locally-grounded knowledge on these areas, clarify the conditions and issues they are facing, and disseminate a better understanding of these areas both domestically and abroad. These activities provide an intellectual foundation to facilitate cooperation between Japan and the international community for addressing development issues.

# Our Three Pillars of Research Mission: Sustained Growth and Development, Poverty Reduction, and Peace and Security

The research mission of the IDE is to contribute to "sustained growth and development." "poverty reduction," and "peace and security" in developing areas.

# Research contributing to sustained growth and development

Sustained growth and development refers to a situation in which the economy continues to grow on a stable basis while socio-economic institutions and structures change to ensure that people can live better lives. Well-balanced growth over a long period of time is indispensable to alleviate poverty and unemployment. Furthermore, there is now a greater need than ever to make growth compatible with the preservation of the global environment. The IDE, with a view to contributing to the sustained growth and development of developing areas, conduct research on economic activities, legal systems, human resources, environment, etc.

#### Research contributing to poverty reduction

Poverty reduction means reducing the number of people who cannot satisfy their minimum needs, improving their living standards, and promoting social justice by rectifying inequalities. In 2000, the United Nations established the Millennium Development Goals (MDGs), identifying specific goals in the field of poverty and hunger, education, gender, health care and the environment. The efforts toward poverty reduction represented by the MDGs are pressing tasks for us all. With this understanding, the IDE, in cooperation with the international community, is carrying out research on poverty issues in the developing areas.

#### Research contributing to peace and security

Peace and security refers not only to a situation without armed conflicts, but also to ones where security is guaranteed and human rights are not violated at multiple levels, ranging from international to national, regional and individual. In order to consolidate peace and security in developing areas, it is necessary not only to settle conflicts that have already broken out, but also to improve political conditions so as to remove potential of conflicts. The IDE, from this perspective, carries out research on conflicts, ethnic and religious issues, as well as political systems, human security, etc.

# Research Policy for FY2006

Based on the IDE's research mission and our understanding of the current world situation, we focused on the following four themes in FY2006:

- 1. Regional integration in East Asia
- 2. Production-distribution networks
- 3. Labor market and social policy
- 4. Political systems and regional stability

# 1. Regional integration in East Asia

The East Asian region has achieved de facto economic integration centered on cross-border production fragmentation, and a process of de jure integration has started based on Free Trade Agreements (FTAs). The IDE, identifying research on "regional integration in East Asia" as a priority project starting in FY2004, has promoted research on the possible impacts of regional integration, the institutionalization of regional cooperation, structural reforms in the region's countries, etc. In FY2006, we studied issues that had accompanied the progress of regional integration in East Asia, focusing on the negotiation process of FTAs, changes in industrial and trade patterns, the impacts of the rise of the Chinese economy, etc.

# Related research projects

- East Asia's Integration and Co-development of Each Economy
- Asian Regional Economic Integration from the Viewpoint of Spatial Economics
- Political Economy of FTAs: Institutional Change in Asian Countries
- Emergence of the Chinese Economy and Reorganization of the Asian Industrial Structure

## 2. Production-distribution networks

In developing areas, especially in East Asia, transportation costs have decreased due to trade liberalization, improved infrastructures and other factors, and production-distribution networks are now in place, chiefly under the control of multinational corporations (MNCs). Further, the development of the Chinese economy and the growth of Asian enterprises have given impetus to the formation of the production-distribution networks, facilitating the emergence of a borderless economy in the region. In this context, the IDE analyzed the dynamism of the networks primarily in East Asia, and improved trade data that was required for the analyses. As economic globalization changes the distribution of primary products and integrates rural communities in developing countries into the global market, we also undertook research on primary products and the rural economy.

# Related research projects

- The Global Network Economy and Logistics in East Asia: Issues and Prospects
- Chinese Enterprises: In Quest of Industrial Upgrading amid Transition
- · Competitiveness of Korea's Major Industries: How They Adjust to Ever-changing Environment in the 21st Century

- The Flowchart Approach to the Formation of Industrial Clusters: Focusing on the Mechanism of Endogenous R&D and Innovation
- Institutional Building for Local Economic Development
- Compilation and Application of Trade Indices III: The Relation between Trade Price Indices and Other Trade Indices
- Latin American New Primary-Goods Export Economy: Structure and Strategy
- Globalization and Changing Peasants' Economy in Developing Countries
- Economic Liberalization and Rural Livelihoods in Malawi

# 3. Labor market and social policy

As a priority has been placed on the improvement of the investment climate in the recent developing economies, policies have also been adopted to promote more flexible employment including the deregulation of protection rules for workers, without ensuring adequate safety nets for workers. Whereas the poverty reduction has become a global challenge, the creation of employment opportunities, which should be a core element of the effort, has not been fully addressed. In view of this situation, the IDE, while examining the labor and social security policies of developing countries, explored poverty reduction measures from the viewpoint of employment creation and public services.

# Related research projects

- The Regional Development Strategy in Southwest China
- · Vietnam's "State and Society" in the Doi Moi Period
- Globalization in South Asia: Its Impact on Employment and Labor Issues
- Employment and Social Security in the Newly Industrializing Countries
- Poverty Reduction through Generating Employment Opportunities
- Health Service and Poverty: Making Health Service More Accessible to the Poor

#### 4. Political systems and regional stability

Recent changes of global circumstances, such as the end of the Cold War, economic globalization and the rapid development of information and communication technologies, have had a great impact on world politics and have destabilized the politics of some developing countries, while creating a situation in which turmoil in one country can easily cross the border. In view of these circumstances, the IDE analyzed the political systems of countries in Asia, the Middle East and Africa, identified structural factors that generate instability as well as conditions for the consolidation of democracy, and discussed measures for achieving regional stability.

## Related research projects

- Elections and Developing Democracies in Asia
- Political System under the Social Transformation in the Gulf and Arabian Oil Producing Countries
- Political Structures and Interrelations in the Contemporary Levant States

- Mobilization of Ethnic Minorities and International Relations: "Triadic Nexuses" in Kazakhstan
- Reconsidering Personal Rulership in Sub-Saharan Africa
- Post-Conflict Challenges in Africa

# List of Research Projects

# **Priority Projects**

The Priority Projects, in view of the importance of their themes, are taken up by the entire Institute. As the Mid-Term Objectives have given priority to "research directed toward economic development within the East Asian region," the IDE undertook the following priority projects on "regional integration in East Asia."

- East Asia's Integration and Co-development of Each Economy
- Asian Regional Economic Integration from the Viewpoint of Spatial Economics
- Political Economy of FTAs: Institutional Change in Asian Countries
- Emergence of the Chinese Economy and Reorganization of the Asian Industrial Structure

# **Major Projects**

In the framework of the Major Project, the IDE has undertaken studies extending over years, including current analyses of political and economic affairs in Asian countries, macro economic projections, and the maintenance of a database of trade statistics. Further, several research projects were carried out to contribute to Japan's economic cooperation.

- · Analysis of Current Affairs in Asia
- Projections for the Asian Industrializing Region (PAIR X)
- Compilation and Application of Trade Indices III: The Relation between Trade Price Indices and Other Trade Indices
- Research Project Contributing to Japan's Economic Cooperation (4 themes)

## Spot Research Projects

Spot Research Projects are implemented in order to make prompt and adequate responses to fluid international situations or urgent matters that cannot be incorporated into other research categories, which are set up at the beginning of each fiscal year. The findings are communicated promptly using various channels. In FY2006, analyses were carried out on issue as follows:

- Vietnam's New Socio-economic Development Strategies Towards 2010
- Toward a Single Market of the Greater Mekong Sub-region The Potentiality of the Three Economic Corridors -
- The Japanese Generic Pharmaceuticals Market and the Manufacturers of India and China
- Local Industry in Sub-Saharan Africa under the Threat of Asian Drivers

# **Basic and Comprehensive Studies**

Basic and comprehensive studies are research projects delving deeply into a variety of themes being faced by the developing countries and regions in a wide area, ranging from Asia to the Middle East, Africa, and Latin America as well as other regions. In FY2006, we conducted basic and comprehensive studies on 38 themes.

# **ALL-JETRO Projects**

The JETRO Headquarters and the IDE set up a system for collaborative projects that take advantage of the human resources and knowledge of both institutions, in order to quickly respond to broad social needs faced by the Japanese government and industries, etc., and to actively provide useful information. JETRO as a whole is strengthening its functions of information analysis and supply.

#### Collaborative Research

The IDE implements collaborative research with other organizations in Japan such as universities, research institutions and local governments, capitalizing on the knowledge held by the respective institutions. In FY2006, we carried out research on "Regional Development Strategy in Southwest China" in collaboration with Yamaguchi University.

# Overseas Joint Studies on Economic Development Issues

The IDE carries out Overseas Joint Studies on Economic Development Issues, in which IDE's senior research fellows sent abroad respectively organize a joint research group with local researchers and disseminate the outcomes both globally and locally. In FY2006, four overseas joint studies were conducted in China, Indonesia, and Singapore.

#### Commissioned Research

The IDE conducts commissioned research at the request of governmental departments/organizations, private companies, and international organizations. In FY2006, six projects were organized at the request of the Japan Agency for Marine-Earth Science and Technology (JAMSTEC), the Ministry of Economy, Trade and Industry (METI), Tokyo Electric Power Company, Japan Bank for International Cooperation (JBIC), and the Financial Services Agency (FSA). To note, the IDE was commissioned the "Project on Economic Integration in East Asia" by METI for the purpose of establishing Economic Research Institute for ASEAN and East Asia (ERIA), and coordinated experts from 15 Asian countries, with whom the IDE reached a consensus on the fundamental issues such as organization and study themes.

#### Grant-in-Aid for Scientific Study

In FY2006, one project was funded by grant in aid for scientific research on waste management, provided by the Ministry of Environment, Japan.