

(Participants whose affiliation is not specified are staff members of the IDE or JETRO Headquarters, Tokyo)

Annual Bank Conference on Development Economics Tokyo 2006

May 30, 2006

Since 1988, when the World Bank held the first Annual Bank Conference on Development Economics (ABCDE), it has become an annual event, attracting broad audience each year. Over the past few years, the conference has been closely linked to the international agenda, offering a platform of exchanges and contributing ideas to the G8 Summit, the EU Presidency and other global events. Throughout the years, the ABCDE has brought together researchers, policy makers, academics, private sector, NGO representatives, and prominent leaders from all over the world such as the Prime Ministers of France, Belgium and Norway, the President of the EU Commission, Ministers, EU Commissioners, Nobel Prize laureates for economics, outstanding business leaders and representatives of civil society. In FY2006, the IDE, as one of the partner organizations, supported this conference and organized one side-session called "Industrial Network in the Asia-Pacific Region."

Triggered by the commencement of 'Open-Door Policy' in 1978 and the entry into WTO in 2001, the increasing presence of China in the world economy is expected to bring a significant change to the industrial network in Asia. The objective of the session was to discuss how China presence affects the industrial network in the Asia-Pacific region.

Firstly, Bo Meng of the IDE spoke of the characteristics and the changing patterns of industrial structures and trade structures in the Asia-Pacific region from the viewpoint of time, space, and industry, by using the Asian Input-Output Tables for 1985-2000. His remarkable findings were as follows: (1) industrial structures undergo changes in tandem with economic growth, (2) the Chinese economy is enhancing its presence in terms of trade structure as well, (3) diversification of regional trade is helping intensify interdependence among countries/regions in Asia, and the Asian economies are certainly moving toward integration.

Then, Mr. Ya-Xiong Zhang of State Information Center in China gave a presentation about the impacts of 2008 Olympic-related investments on the Chinese regional economic development, which are measured by adopting the interregional input-output model of China. The main conclusions are that the Olympic-related investments are implemented not only in Beijing and at the same time, investments in a certain region also have spillover effect on other regions; furthermore, the adoption of the interregional input-output model qualifies for a satisfactory simulation and analysis of the economic impacts.

Mr. Nobuhiro Okamoto (Daito Bunka University), a special discussant and Ms. Kit Boey Chow of Business Research Consultants in Singapore, a chairperson, made productive comments on the presentations. The session concluded with constructive comments from the floor.

Chairperson: Kit Boey Chow (Business Research Consultants, Singapore)

Speakers: Ya-Xiong Zhang (State Information Center, China), Bo Meng

Discussant: Nobuhiro Okamoto (Daito Bunka University)



International Workshop on “Asian Regional Economic Integration from the Viewpoint of Spatial Economics”

December 13-14, 2006

This workshop was held with the aim of presenting the results of a Priority Research Project entitled “Asian Regional Economic Integration from the Viewpoint of Spatial Economics.” Eight sessions were organized to discuss (1) main viewpoint and theoretical basis of the analysis, (2) overview of economic integration in East Asia, and (3) case studies of economic integration in East Asia. In Part (1), several approaches of spatial economics were presented for the analysis of how economic integration would affect industrial structure and regional inequality within the integrated economy. Then, in Part (2), development of East Asian integration was reported in some details on both *de facto* and *de jure* bases. Finally, in Part (3), the structure and determinants of intra-regional trade in East Asia were examined with special attention to the home market effect, which would provide a major force of industrial agglomeration and regional disparity. In addition, detailed discussions were made on location patterns of Japanese and Korean FDI in East Asia.

The contents of this workshop, together with other studies reported in FY2005, will be published as Fujita, Kumagai and Nishikimi (eds), *Economic Integration in East Asia: An Approach from New Economic Geography*.

Participants: Ho-Yeon Kim (Sungkyunkwan University, Korea), Nobuaki Hamaguchi (Kobe University), Kiyoshi Matsubara (Nagoya City University), Yoshihiro Otsuji (Ministry of Economy, Trade and Industry), Kunihiko Shinoda (Ministry of Economy, Trade and Industry); Masahisa Fujita, Akifumi Kuchiki, Toyojiro Maruya, Koji Nishikimi, Satoru Kumagai, Ikumo Isono, Toshitaka Gokan, Hisaki Kono, Souknilanh Keola, Tomohiro Machikita

International Workshop on “Emergence of Chinese Economy and Re-organization of Asian Industrial Structure”

December 14-15, 2006

This workshop was held as a part of the research project on “Emergence of Chinese Economy and Re-organization of Asian Industrial Structure” that aimed to explore the mechanism of change of industrial networks in Asia brought by the rise of the Chinese economy, by using the Asian international input-output tables as a central analytical tool.

After a keynote speech by Mr. Fan Jianping of State Information Center in China regarding the recent economic growth of China, the results of analyses on industrial linkages between China and each Asian country were reported from the collaborating institutions. The IDE presented a comprehensive picture on industrial networks between China and Asian countries. Presentations from each country revealed that the China presence in the Asia-Pacific region has rapidly grown during the 1990's and it has brought significant changes to the industrial network in Asia, and specifically, China has become a major supplier for textile and electronic industries in Asian countries.

Then followed a special lecture by Professor Maria Theodorus Stelder of University of Groningen in the Netherlands about the results of analyses on estimation methodologies of international input-output tables.

The contents of this workshop were published as Inomata and Kuwamori (eds.) *Papers and Proceedings of the International Workshop: Emergence of Chinese Economy and Re-organization of Asian Industrial Structure* (Asian International Input-Output Series No.69).

Participants: Fan Jianping (State Information Center, China), Zhao Kun (State Information Center, China), Chow Kit Boey (Business Research Consultants, Singapore), Kim Chong Gui (Bank of Korea), Norhayati Shuja (Department of Statistics, Malaysia), Gloria A. Cubinar (National Statistics Office, the Philippines), Pi Chen (Taiwan Research Institute), Budi Cahyono (Badan Pusat Statistik - Statistics Indonesia), Maria Theodorus Stelder (University of Groningen, the Netherlands), Nobuhiro Okamoto (Daito Bunka University); Mikimasa Yoshida, Chiharu Tamamura, Satoshi Inomata, Hiroshi Kuwamori, Yoko Uchida, Meng Bo, Jun Nakamura

International Symposium on “‘Tradition’, Environment and Publicness in Asia and Middle East”

December 15-16, 2006

The IDE co-hosted the International Conference on “‘Tradition’, Environment, and Publicness in Asia and the Middle East” with the Research Center on Public Affairs for Sustainable Welfare Society (ReCPA, 21st Century COE Program, Chiba University) at Chiba University.

Social problems in Asia and the Middle East including natural resource degradation, environmental pollution, and continuing conflicts imply the need for establishment of “publicness” which enables coexistence of different ethnic groups, social classes, and religions. Based on extensive research on those issues by the ReCPA at Chiba University, the International Conference was held to discuss and share ideas on present situation and future direction on these topics, by inviting distinguished scholars from Asia and the Middle East, and Japan.

In the Session 1: ‘Tradition’, Community, Environment and Publicness, we discussed about how local communities in Asia successfully managed local common property resources for long periods and its implication for other areas. In the Session 2: Globalization, Civil

Society and the State in Asia and the Middle East, we discussed how “publicness” should be regenerated especially in the Middle East in the process of impoverishment under process of globalization. In the Session 3: Environmental Policies and Social Changes in Asia, which was organized mainly by the IDE, we discussed about the process of environmental policy formation and its social background in East Asia, based on the research results by research projects at the IDE.

Three researchers of the IDE contributed to this Conference as presenters. In the Section 1, Shinichi Shigetomi presented a paper titled “Publicness and Community of Taken-for-Grantedness: Case Study of Communal Land Formation in Rural Thailand”. Tadayoshi Terao presented on “Industrial Policy and Industrial Pollution in Japan: Implications for Other Asian Countries” and Kenji Otsuka presented a paper titled “Reforming Environmental Governance in China: Focusing on Information Disclosure and Public Participation” in the Section 3. Then, Professor Ming-sho Ho of Nanhua University in Taiwan, invited by the IDE, made a presentation titled “Environmental Movement in Democratizing Taiwan (1980-2004): Protest, Party and Policy” in the Section 3.

Participants: Yutaka Suga (University of Tokyo), Wooyoun Lee (Sungkyunkwan University, Korea), Makoto Inoue (University of Tokyo), Atsushi Kitahara (Ryukoku University), Minoti Chakravarty-Kaul (Lady Shri Ram College, India), Haruka Yanagisawa (Chiba University), Hiroshi Kato (Hitotsubashi University), Mohamed Abdel Aal (University of Cairo, Egypt), Eiji Nagasawa (University of Tokyo), Ayşe Buğra (Boğaziçi University, Turkey), Faleh A. Jabar (Iraq Institute for Strategic Studies), Amita Baviskar (Institute of Economic Growth, India), Ming-sho Ho (Nanhua Univeristy, Taiwan); Shinichi Shigetomi, Tadayoshi Terao, Kenji Otsuka

International Symposium on “Rise of the Next Giants?: Anatomy of BRICs”

December 20, 2006

The explosive growth of emerging economies in recent years, in particular the so-called BRICs countries -Brazil, Russia, India and China- has captured the attention of economists and investors around the world. Japan began to take note of these emerging giants in earnest after a 2003 report by Goldman Sachs titled “Dreaming with BRICs: The Path to 2050”. Since then, Japanese investors have looked to Brazil, Russia, India and China with vast consumer markets, soaring growth rates and increased demand for capital as investment destinations that can not be ignored.

Against a backdrop of continued buoyant growth in the BRICs, the IDE, together with Asahi Shimbun and the World Bank, organized the symposium which explored the sustainability of BRICs’ growth. The symposium specifically focused on the roles played by public and private sectors and also on the roles of institutions related to finance, labor and technological innovations, which have underpinned the rapid growth of BRICs.

As keynote speakers Professor Alice H. Amsden of the Massachusetts Institute of Technologies in the United States spoke of the important role of local firms in the rapid growth of BRICs and Dr. William Martin of the World Bank spoke of the impact of growth of China and India on the world trade and the investment. Then followed an introductory remark by Taeko Hoshino of the IDE and four presentations of prominent economists from four BRICs countries, Professor Zhang Jun of China, Professor Murali Patibandla of India, Professor Evgeny Yasin of Russia, and Dr. Joan Carlos Ferraz of Brasil on how they evaluate the rapid growth of their home countries. Finally, a panel discussion moderated by Dr. Masahisa Fujita, President of IDE, was organized with participation of seven speakers of the symposium.

The number of symposium audience totaled around 450 from a variety of sectors such as business, academic, government and diplomatic communities.

Keynote speakers: Alice H. Amsden (Massachusetts Institute of Technology), William John Martin (World Bank)

Panel members: Zhang Jun (China Centre for Economic Studies, Fudan University), Murali Patibandra (Indian Institute of Management), Evgeny Yasin (State University, Higher School of Economics, Russia), Joao Carlos Ferraz (Economic Commission for Latin America and the Caribbean, Brazil); Taeko Hoshino

Moderator: Masahisa Fujita

International Workshop on “Regional Development Strategy in the Southwest of China”

February 15, 2007

In China, a development policy for the western region has been implemented over a six year period, and the regional development in the western region has been a focus of many analysts and policymakers. This symposium was held as a part of the joint research project between the IDE and Yamaguchi University and focused on the regional development of Southeast China.

At the beginning of the symposium, Dr. Wei Houkai of Center for Development of Western China/Institute of Industrial Economics, CASS made a keynote speech on the progress and the issue of the Western Area Development Strategy of China.

The second part of the symposium presented the project's research outcome. The main conclusions were (1) in order to catch up with the development of coastal area, it is necessary for the southwest region to make the other factors except labor and capital work well and in particular, human resource development of peasants and the practical policy should be implemented by the local governments; (2) in the field of economic development, proper industrial policies in commerce, energy and trade, which fulfill needs of local people and economic development should be pursued; and (3) in the field of political institution, it is important to realize its regional development by making use of market mechanism such as implementation of state owned enterprises reform and government reform.

Keynote speaker: Houkai Wei (Center for Development of Western China/Institute of Industrial Economics, CASS)

Panel members: Noriatsu Matsui, Haieng Li, Lichun Chen, Longtang Shi (Yamaguchi University); Dai Hakozaiki, Mami Yamaguchi, Norihiro Sasaki, Nobuhiro Horii

Moderators: Nobuhiro Okamoto (Daito Bunka University), Noriatsu Matsui (Yamaguchi University), Sadao Fujiwara (Yamaguchi University)

International Symposium on “Asia’s Clothing Industry at a Crossroads amid Intensified Global Competition”

March 13, 2007

The clothing industry is an easily-accessible sector for low income countries because of its labor-intensive nature and low entry barrier in terms of the amount of investments and the level of technology required to start the business. The industry is also pro-poor in the sense that it creates a number of job opportunities to the uneducated and unskilled people who struggle for getting out of poverty in developing economies.

On the other hand, the clothing industry is foot-loose because of the low set-up costs, so that firms engaging in the business may move from one country to another, seeking for low-wage labor force and the import quota available towards the markets of advanced countries. With the abolishment of the Multi-Fiber Arrangement (MFA) at the beginning of 2005, the industry has entered into the intensified global competition, and it triggered shifts of some factories very quickly and globally. Developing countries that have depended on clothing exports were facing challenges and opportunities in the global market, irrespective of the scale of countries.

In these years the IDE has conducted four research projects on the prospects and consequences of development of the clothing industry in Asia in cooperation with research institutes in developing countries. In order to disseminate the results of the projects, an international symposium was held, inviting resource persons from the counterpart research institutes. Five delegates from Bangladesh, Cambodia, China, Myanmar and Vietnam, a Japanese resource person in textile business, and three IDE fellows presented and discussed their views. Sixty-five people in the society of business and academia attended this symposium and actively participated in the discussion.

Speakers: Cu Chi Loi (Vietnam Institute of Economics), Akio Mera (Japan Textiles Export Organization), Gu Qingliang (Dong Hua University, China), Mashuda Khatun Shefali (Nari Uddug Kendra [Centre for Women's Initiatives], Bangladesh), Myint Soe (Myanmar Garment Manufacturers' Association), Hach Sok (Economic Institute of Cambodia); Toshihiro Kudo, Mayumi Murayama, Tatsufumi Yamagata

International Workshop on the Study of the Relationship between Innovation and Industrial Clusters

March 13, 2007

Policymakers urge us to show how to extend our approach to characterize counterfactual evidence using the estimated model to estimate impacts of local public policy relating to fostering industrial agglomeration on the emergence of innovation. This study enables us to find comparable characteristics of each industrial cluster and present alternative policy recommendations.

The aim of this workshop is two-fold. First, we develop and apply a simple flowchart model with R&D in each industrial cluster or establishment in order to estimate conditions for formation of a new industrial cluster with endogenous innovation, using case studies of China, Thailand, the United States, Mexico, and Brazil. Second, using case studies of India, Thailand, and Japan, we analyze the following specific issues: (1) the effects of industrial development on the competition in industrial agglomeration and (2) the effects of adoption of new technology on emergence of product and process innovation in each industrial cluster or establishment.

Through the discussion, the workshop found cross sector cooperation among the four or five key economic agents - local government, small and medium enterprises, large private firms, research institute/university, and consumer in each industrial cluster. In particular, the stronger ties and competition the economic agents have, the more innovation is likely to be sustained and looped.

Participants: Masatsugu Tsuji (University of Hyogo), Aya Okada (Nagoya University), Yumiko Okamoto (Doshisha University), Yoshiaki Hisamatsu (University of Tokyo), Shoichi Miyahara (Aoyama Gakuin University), Jobaid Kabir (Environmental Compliance Lower Colorado River Authority), Somrote Komolavanij (Sirindhorn International Institute of Technology, Thammasat University), Chawalit Jeenanunta (Sirindhorn International Institute of Technology, Thammasat University); Masahisa Fujita, Akifumi Kuchiki, Toyojiro Maruya, Yasuo Onishi, Daisuke Hiratsuka, Junko Mizuno, Hisaki Kono, Kazuki Minato, Ikumo Isono, Toshitaka Gokan, Souknilanh Keora, Yasushi Ueki, Ding Ke, Tomohiro Machikita