

II. REVIEW OF RESEARCH PROJECTS IN FY2017

1. Policy Issue Research

1. Nation and State after the “Arab Spring”: Start of the U.S. Trump Administration and New Circumstances for the MENA Region

The year 2017, the first year of the Trump administration in the United States, was also a year of more instability. The government the Trump administration finds most intolerable is probably that of Iran, headed by Supreme Leader Seyyed Ali Khamenei. Trump’s close relations with Prince Mohammed bin Salman in Saudi Arabia and Prime Minister Netanyahu in Israel reflect his distaste for the Islamic Revolution in Iran. At the same time, the situation does not allow Trump to impose his will easily.

Each of the main countries in the Middle East and North Africa is now acting according to its own logic in the region. Erdogan’s Turkey is operating mostly independently from Russia, as seen in its moves against the Kurds in Syria. At the same time, Turkey sometimes cooperates with Russia in terms of the peace process in Syria. Iran, looking for foreign investment, has been disappointed by the reluctance of Western companies who are afraid of Trump’s hostility toward that country. Thus Iran is now orienting itself toward Asia for economic cooperations, especially with India in the development project of Chabahar port. Israel also emphasizes relations with China and India with completely different intentions but, in a way, follows the same logic of regional context. As for Saudi Arabia’s very aggressive policy, it may be a question of how long it might remain an ally of the unpredictable Trump administration.

Organizer: Hitoshi Suzuki (Inter-disciplinary Studies Center, IDE)

Co-researchers: Ichiki Tsuchiya (IDE), Sadashi Fukuda (IDE), Hiroshi Sato (IDE), Jun Saito (IDE), Housam Darwisheh (IDE), Hirotake Ishiguro (IDE), Takashi Tsunemi (JETRO), Eiji Nagasawa (University of Tokyo), Akifumi Ikeda (Toyo Eiwa University), Manabu Shimizu (Eurasia Consulting Company), Shuji Hosaka (Institute of Energy Economics, Japan), Satoshi Ikeuchi (University of Tokyo), Nobuhisa Degawa (NHK)

2. How Kurdish Issues Affect Political Stability in the Middle East

The Kurds are the largest ethnicity in the world without a nation-state. Historically, the Kurds have resided in Turkey, Iran, Iraq, and Syria. Under the mono-national policies of these states, the identity of the Kurds has been suppressed. However, the Kurds are emerging through the ongoing collapse of the nation-states in Syria and Iraq. The activities of Turkish Kurds and Iranian Kurds also impact each of their states and the neighboring states. Grasping the aims and activities of the Kurds is essential for understanding the Middle East and international affairs.

We have succeeded in establishing a platform for Kurdish studies in Japan during FY2015–2016. We have continued to strengthen this platform and put importance on delivering basic and current information on the Kurds to Japanese policy-makers and businesspeople during FY2017. We conducted seven research meetings in FY2017. And we published a special issue on the Kurds in *Ajiken World Trends* in December 2017. Furthermore, we invited a specialist on Kurdish issues from the Netherlands

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and held the international symposium “The Middle East of the Post-IS Period: Iraq, Syria, and Turkey” on January 16, 2018.

Organizer: Hiroshi Sato (Inter-disciplinary Research Center, IDE)

Co-researchers: Kohei Imai (IDE), Kazuo Takahashi (Open University of Japan), Akihiko Yamaguchi (University of the Sacred Heart), Ikuko Katsumata (journalist), Teruaki Moriyama (Doshisha University), Akiko Yoshioka (Institute of Energy Economics, Japan), Mari Nukii (Japan Institute of International Affairs)

3. Afghanistan Facing New International Environments with U.S. Trump Administration

As the Trump administration begins in the United States, Afghanistan is also facing new international circumstances. Russia might reappear as a main contributor of development projects there, but a new U.S. military operation against “terrorist” groups in the country is still likely. Japan, as a main contributor to Afghanistan’s various rehabilitation projects, needs to review its strategy for the new conditions surrounding this fragile country.

In this context, the new development project of Chabahar port, located in the far southeast of Iran, has recently been attracting world attention. Afghanistan in particular expresses enormous expectations for it, as the country is now constructing, with the help of India, a new road from the border with Iran to connect its ring road. This will enable the cargo from Chabahar to be transferred all over the country and north to the countries of Central Asia.

Both Chabahar on the Iranian side and Gwadar on the Pakistani side have been considered crucial for the future development of Afghanistan ever since the retreat of the Taliban in late 2001. In fact, those ports could be both competitors and complementary. In fact, Iran seems willing to welcome China and Pakistan to participate in the Chabahar development project, saying it will benefit Gwadar as well. On the other side, Iran faces serious desertification in the surrounding region of Zabol, so the positive effects of the Chabahar development might reach there too.

For Japan it is a good opportunity to recognize the structural change under the surface of the Trump administration’s “America First” diplomatic policy in the United States, which has its own regional logic, and to grasp how Japan could contribute to the stable development of countries along the Pacific and Indian oceans. The development of Chabahar port is certainly worthy of our study.

Organizer: Hitoshi Suzuki (Inter-disciplinary Research Center, IDE)

Co-researchers: Kenta Aoki (Ochanomizu University), Hidenobu Sato (MOFA, Embassy in Kabul), Masato Toriya (Sophia University), Satoshi Ikeuchi (University of Tokyo)

4. Connecting ASEAN and South Asia

The project examined changes in the relationship between the two big economic regions, ASEAN and South Asia, with a special focus on the improvement of physical and institutional connectivity, especially in the Bay of Bengal countries. Connectivity in this area has improved greatly in recent years under the initiatives of development partners, including India and China. However, some obstacles have recently emerged. They include ethnic conflicts and refugee crises in the Myanmar and Bangladesh border areas, as well as increasing military tension between China and India over road construction in Bhutan.

Organizer: Shinya Imaizumi (Inter-disciplinary Studies Center, IDE)

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Co-researchers: Hideki Esho (Hosei University), Mari Izuyama (National Institute for Defense Studies), Hisaya Oda (Ritsumeikan University), Toshihiro Kudo (National Graduate Institute for Policy Studies), Kohei Shiino (Takushoku University), Masami Ishida (IDE), Mayumi Murayama (IDE), Etsuyo Arai (IDE), So Umezaki (IDE), Noriyuki Osada (IDE), Shintaro Hamanaka (IDE)

5. “One Belt One Road” Initiative and Its Impact on the Chinese Economy

After the “One Belt One Road” international forum was held in Beijing in May 2017, construction began on the One Belt One Road initiative. The Japanese government changed its approach to the initiative in 2017, and other parties also showed interest in it. Based on these changes, our project investigated three points. First, we investigated the concrete development of One Belt One Road. For this purpose, we collected information from various fields, including our research partner, the Shanghai Academy of Social Sciences. We also carried out field surveys in China and Sri Lanka. Second, we made an analysis of the problem of the initiative from the viewpoint of China and the host country. Third, we considered the position of the Japanese government toward One Belt One Road. We approached it in terms of the initiative’s influence on the construction of infrastructure, on international finance, and on business activity. We introduced the outcome of our investigation in two ways. First, we held an international public symposium on Shanghai in November 2017. Second, we wrote the final report on this project. Now we are planning to publish the report.

Organizer: Yasuo Onishi (Inter-disciplinary Studies Center, IDE)

Co-researchers: Ke Ding (IDE), Mayumi Murayama (IDE), Etsuyo Arai (IDE)

6. “One Belt One Road” Initiative and New Developments in Chinese Foreign Policy

This research project intended to analyze China’s “One Belt One Road” initiative as a foreign policy, to analyze its situation and to get insight into it.

First, we made a broad overview of the argument in China regarding One Belt One Road. We confirmed that the initiative is not a whole package but merely a redefinition of various foreign-aid policies. Second, we performed case studies on the targets, implementation systems, and loan supply of AIIB for tie-in projects. For this we entrusted the field survey of projects to overseas offices of JETRO. These projects are located in the Central Asian republics, Pakistan, and Djibouti. According to this survey, we found that they have varied characteristics. Third, we investigated One Belt One Road from the viewpoints of concerned countries. Researchers in the relevant fields and countries, including the specialists of JICA, investigated the problems mentioned above. We found that China is already supporting a number of foreign-aid projects and that China’s diplomatic influence has been strengthened.

Organizer: Yasuo Onishi (Inter-disciplinary Studies Center, IDE)

Co-researchers: So Umezaki (IDE), Haruka Mtsumoto (IDE), Akira Suehiro (Gakushuin University), Naohiro Kitano (JICA Research Institute), Shin Kawashima (University of Tokyo), Tomoo Marukawa (University of Tokyo)

7. Business and Human Rights in Emerging Markets: Baseline Study on Japanese Corporations, and Building a Platform to Formulate a National Action Plan

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In 2011, states in the United Nations Human Rights Council unanimously endorsed the Guiding Principles on Business and Human Rights. Since then, global efforts to implement the Guiding Principles have been accelerated by governments, business, and civil society groups around the world. In November 2016 at the UN Forum on Business and Human Rights, the Japanese government issued a statement to support the Guiding Principles and commit itself to create a National Action Plan (NAP) for them. The Japanese government must move expeditiously to set policies to promote respect for human rights in Japanese business operations for the effective implementation of Guiding Principles.

In this project, we researched, mainly in Asia, the trends of corporate practices and policies in order to figure out how Japanese businesses should integrate respect for human rights in their core operations and how the Japanese government could support them in its policies and measures.

The results of our survey on risks and challenges in responsible supply chains, targeting 800 Japanese companies operating overseas, reveal that their risks and challenges vary depending on the sites of operation and sectors. Our policy recommendation is that it is essential to grasp accurately the risks and challenges the Japanese companies are facing and what their needs are. The NAP should include policies and measures to make Japanese companies identify risks, including human rights due diligence, and to give special support to small and medium enterprises.

We organized seminars and workshops for awareness-raising as well as for hearing needs from companies in Tokyo, Thailand, Singapore, Malaysia, Bangladesh, and Mozambique. We also organized an international symposium sponsored by the Ministry of Economy, Trade and Industry and the Ministry of Foreign Affairs in March 2018, where we invited UN Working Group member Anita Ramasastry as keynote speaker and multi-stakeholders such as government agencies, companies, and civil society groups participated. We also featured business and human rights in the IDE monthly publication *Ajiken World Trends* (September 2017) and published newsletters on business and human rights.

Organizer: Miwa Yamada (Inter-disciplinary Studies Center, IDE)

Co-researcher: Naomi Inoue (IDE), Masayuki Kobayashi (IDE), Hiroshi Sato (IDE), Akiko Yanai (IDE), Akiko Ueno (Global Compact Network Japan), Keiichi Ushijima (EY Japan), Keisuke Ota (Global Compact Network Japan), Yukako Kinoshita (Japan Business Council in Europe), Kaori Kuroda (CSO Network), Masao Seki (Sompo Japan Nipponkoa), Daisuke Takahashi (Shinwa Sogo Law Office), Hidemi Tomita (Lloyd's Register Japan), Kanae Doi (Human Rights Watch), Toshihiro Motobayashi (Japanese Trade Union Confederation—Rengo)

8. Challenges for the Asia and Africa Growth Corridor

The purpose of this project is to conduct preliminary research as the basis for efforts to make a development vision for comprehensive industrial growth in Asia and Africa by enhancing connectivity among both regions. The research covered institutional connectivity issues such as FTA and trade facilitation, development cooperation in agriculture, manufacturing and other sectors, as well as capacity and skill development. It also includes the trial expansion of the geographical simulation model (IDE-GSM) to cover some parts of Africa.

Organizer: Shinya Imaizumi (Inter-disciplinary Studies Center, IDE)

Co-researchers: Katsumi Hirano (IDE), Ikuo Kuruoiwa (IDE), So Umezaki (IDE), Takahiro Fukunishi (IDE), Satoru Kumagai (IDE), Miwa Yamada (IDE), Ikumo Isono (IDE), Akiko Yanai (IDE),

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Souknilanh Keola (IDE), Kenmei Tsubota (IDE), Naomi Inoue (IDE), Motoki Takahashi (Kyoto University), Toshihiro Kudo (National Graduate Institute for Policy Studies), Kohei Shiino (Takushoku University)

Coordinator: Akiko Sasaki (IDE)

2. Analytical Research Contributing to Policy Proposals

2.1. Prioritized Thematic Research

1. Industrial Organisation in China: Theory-Building and Analysis of New Dimensions

The objective of this research project is to develop an improved understanding of the patterns of industrial organisation behind the remarkable growth of the Chinese manufacturing industries. By synthesising original data and existing empirical studies with relevant theoretical literature, it has sought to develop an improved understanding of the industrial organisation that lay behind the remarkable growth of Chinese manufacturing industries. The main findings are as follows. First, the original form of industrial organisation in China emerged by around 2001 among domestic firms serving the low-end domestic market. Although the literature has emphasized vertical disintegration, low concentration, and the prevalence of arm's-length relationships as its key features, this project directed particular attention to the role of platforms. We developed a better understanding of the concept of platforms and their functions in governing value chains and facilitating innovation. Second, we found that, as a result of the sophistication of consumer demand, increased competition, and technological changes in and outside of China, the original form of industrial organisation in China has been transformed. While the magnitude of transformation and its driving force varies by sectors, we found that the mobile phone industry experienced remarkable transformation, as observed in the increased levels of vertical integration and industry concentration, intensification of information flows between firms, and accelerated innovations. Third, competition in the domestic market has pressured Chinese firms to internationalise. On the one hand, among branded electric and electronics companies, home appliances firms, which face relatively small technological gaps with developed-country firms, have sought to acquire businesses of developed-country firms with the aim of acquiring technological capabilities. On the other hand, smaller companies targeting the low-end domestic market have sought new markets in developing countries. The analysis of the Vietnamese motorcycle industry confirmed that exports and foreign direct investment by Chinese component suppliers resulted in the transfer of Chinese-style industrial organisation at the destination.

Organizer: Mai Fujita (Area Studies Center, IDE)

Co-researchers: Ke Ding (IDE), Koichiro Kimura (IDE), Shiro Hioki (Tohoku University), John Humphrey (University of Sussex)

2. Comparative Study of Southeast Asian Politics

To understand Southeast Asian countries today, our team conducted preliminary research on such important issues as nationalism, income inequality and politics, religion and politics, gender, ethnicity and politics, ASEAN, human movements, the military, constitutionalism and constitutional politics, and

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local politics. Our project aims at presenting those issues faced by Southeast Asia by using comparative methods.

Organizer: Koichi Kawamura (Area Studies Center, IDE)

Co-researchers: Takeshi Kawanaka (IDE), Masashi Nakamura (IDE), Maki Aoki (IDE), Yusuke Takagi (National Graduate Institute for Policy Studies), Ken Miichi (Waseda University), Keiko Tamura (University of Kitakyusyu), Taku Yukawa (Osaka University), Saya Kiba (Doshisya University), Masaaki Okamoto (Kyoto University)

3. Vocational Training and Employment

We have worked on the following three tasks in this fiscal year: (1) reviewing the related literature, (2) making a survey of graduates of vocational education about job search and employment, and (3) having access to the administrative data of the national skill assessment and making preliminary analysis using it. In this project, we will analyze a part of the mechanism by which vocational education contributes to the employment of its trainees using the data collected by (2). Tasks (1) and (3) are to support the analysis. We have also conducted interviews with graduates of vocational and tertiary education, which are reflected in the survey design.

Organizer: Takahiro Fukunishi (Area Studies Center, IDE)

Co-researcher: Tomohiro Machikita (IDE)

4. African Women and International Migration

The objective of this research project is to elucidate the current situation and problems of women's international labor migration in the sub-Saharan African countries. While international organizations have recently paid more attention to the social effects of women's international labor migration, Japanese literature has rarely covered such migration in Africa. This research aims to analyze how African women's international labor migration has been integrated into global society and the economy with case studies.

This year is the first year of the two-year research project; the members conducted statistical surveys, literature review, and preliminary fieldwork.

Organizer: Yuka Kodama (Inter-disciplinary Studies Center, IDE)

Co-researchers: Chizuko Sato (IDE), Akiyo Aminaka (IDE), Yoko Ishii (University of the Sacred Heart), Yuko Sonobe (Kagawa University), Nobue Sunaga (University of Tokyo)

5. Labor in Global Value Chains

This research project investigated economic and political issues that developing countries face in the world economy, where countries are increasingly interconnected through production networks. We focused on the following three areas: (1) internationalization of local firms in industrializing developing economies, (2) the effect of international trade on work values, and (3) labor standards in trade agreements. The project produced the following five papers.

The paper by Sato, Tanaka, and Tran (paper 1) constructs an original survey data on northern Vietnamese firms and quantitatively examines their management practices by comparing indigenous firms that supply local affiliates of foreign firms with intermediate inputs to those firms that serve domestic

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firms only. The paper by Asuyama (paper 2) empirically examines how international trade affects people's beliefs in the relative importance of hard work rather than luck as a determinant of success, utilizing individual-level belief data from the World Values Survey and the European Values Study. The paper by Kamata (paper 3) empirically examines the effect of labor clauses in regional trade agreements (RTAs) on the signatories' domestic labor standards measured by statutory minimum wages and the strictness of employment protection, using the original classification of RTAs together with the labor market data for a wide variety of countries for multiple years. The paper by Sato (paper 4) investigates how the inclusion of labor provisions in free trade agreements (FTAs) affects external tariffs imposed on non-member countries and the political viability of FTAs with a political economy model in which the oligopolistic industry may make political contributions. The paper by Gokan, Sato, and Thisse (paper 5) proposes a tractable two-country model for investigating export-led industrialization with skill accumulation and highlights interactions among trade cost reductions, the efficiency of school systems, and market size.

Organizer: Hitoshi Sato (IDE, in Stanford)

Co-researchers: Yoko Asuyama (JETRO), Kiyoyasu Tanaka (IDE), Isao Kamata (Graduate School of Economics, Kobe University), Tran Binh Minh (Central Institute for Economic Management, Ministry of Planning and Investment, Vietnam)

6. Female Empowerment and Social Institution

The aim of this research is to improve our understanding of the roles played by social institutions in violating the human rights of women in the developing world from the perspective of female empowerment. To meet this research objective, two empirical studies using micro-level data were conducted. The first study investigates why levirate marriage, anecdotally viewed as informal insurance for widows, has recently been disappearing in sub-Saharan Africa. As the developed game-theoretic analysis reveals, female empowerment renders this widespread practice redundant because it increases widows' reservation utility. HIV/AIDS also discourages a husband's clan from inheriting a widow who loses her husband to HIV/AIDS, reducing her remarriage prospects and thus her reservation utility because she is likely to be HIV positive. By utilizing long-term household panel data drawn from rural Tanzania and testing multiple theoretical predictions, this study finds that HIV/AIDS is primarily responsible for the deterioration of levirate marriages. The second study examines whether increasing women's financial contribution to households is the key to effectively abolishing the dowry payments prevalent in South Asian countries. The estimation results, based on the unique survey conducted in Pakistan, show a negative association between female labor force participation and dowry amounts, whereas no such association is systematically observed between other marriage expenses and female labor force participation. This implies that the negative association is derived from appreciation of working women rather than their stigmatization. Female labor force participation seems to be positively evaluated in the marriage market and may be effective in discouraging the practice of giving a dowry.

Organizer: Yuya Kudo (Development Studies Center, IDE)

Co-researcher: Momoe Makino (IDE)

7. Transport Infrastructure and Logistics in the Mekong Region

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The Mekong region is composed of countries whose land border is longer than that of other countries in ASEAN. Thus cross-border logistics get a great deal of attention from the business world, but at the same time, we have to pay attention to multimodal transport, including air and sea transport, given the trade between each Mekong country and third countries. In this project, we focus not only on hard infrastructure such as roads, ports, airports, and dry ports but also soft infrastructure like cross-border rules, documents, and costs.

Chosa Kenkyu Report consists of the following seven chapters. Chapter 1 (Masami Ishida) demonstrates the findings from our original survey on logistic companies in Vietnam and Myanmar. Chapter 2 (So Umezaki) illustrates the development of aviation logistics in the Mekong Region taking advantage of internationally comparable statistics on airports and airlines. Chapter 3 (Ryohei Gamada) highlights the current situation of logistics in Thailand, including the potential impact of the Eastern Economic Corridor (EEC) initiative. Chapter 4 (Naomi Hatsukano) discusses the development of logistical infrastructure in Cambodia, with special emphasis on dry ports in a suburb of Phnom Penh. Chapter 5 (Souknilan Keola) investigates the impact of the construction of the Mekong bridges on logistical costs in Laos to see how a land-locked country can be transformed into a land-linked country. Chapter 6 (Toshihiro Mizutani and Yohei Horima) and Chapter 7 (Ryo Ikebe) discuss the current situation of logistics in Myanmar and Vietnam, respectively.

Organizer: Masami Ishida (Development Studies Center, IDE)

Co-researchers: So Umezaki (IDE), Naomi Hatsukano (IDE), Souknilan Keola (JETRO Bangkok), Ryohei Gamada (JETRO Bangkok), Toshihiro Mizutani (JETRO), Yohei Horima (JETRO Yangon), Ryo Ikebe (Senshu University)

8. Entrepreneurship and Innovation in Asia

We analyze the factors and impact of the increase of startups in Asia. The factors include the development of a startup ecosystem and the chain reaction of industrial development. An ecosystem includes various entities with complementarity, such as venture capitalists, universities, governments, and supply chains. Therefore, the complementarity among players provides a efficient ecosystem for supporting entrepreneurs but also makes difficult the rapid development of every player composing an ecosystem. Moreover, the development of an industry, such as e-commerce or the sharing economy, leads to other business opportunities for entrepreneurs. The speed and size of the chain reaction influences the business environment for entrepreneurs. Therefore, we focus on the relationship among the components of an ecosystem and the inducement of industrial development and analyze the following factors: the role of universities and government for entrepreneurs, the development of venture capitalists, the changing process of product development by using open source tools, the prevalence of the sharing economy, the development of entrepreneur communities, and the utilization of Silicon Valley.

Organizer: Koichiro Kimura (Development Studies Center, IDE)

Co-researchers: Momoko Kawakami (IDE), Ke Ding (IDE), Tomoo Marukawa (Institute of Social Science, University of Tokyo), Asei Ito (Institute of Social Science, University of Tokyo), Yukihide Hayashi (Japan Science and Technology), Shaodan Zhou (Japan Science and Technology), Masakazu Takasu (Maker Faire Shenzhen), Kanetaka Maki (Waseda University), Michi Fukushima (Graduate School of Economics and Management, Tohoku University)

9. Diffusion of Regulations and Private Standards in Asia

Policy diffusion has played an important role in spreading innovative environmental policy in both developed and developing countries. In the past decades, policy diffusion from developed to developing countries has been observed in some environmental issues. This research project examines the following research questions: Does the introduction of environmental policy in developing countries through policy diffusion contribute to better governance? The examination of policy diffusion in developing countries helps to determine if policy diffusion plays a positive role in improving local governance as well as global governance. The case studies deal with both regulatory diffusion and the diffusion of private standards, with a special focus on the interrelationship between the two.

Organizer: Etsuyo Michida (Inter-disciplinary Studies Center, IDE)

Co-researchers: Michikazu Kojima (IDE), Akiko Yanai (IDE), David Vogel (University of California, Berkeley), John Humphrey (University of Sussex), Yoshiko Naiki (Osaka University), Kenji Shiraishi (University of California, Berkeley)

10. An Inquiry into the Long-Term Process of Technology Transfer from MNCs to Domestic Enterprises: A Comparative Study of the Motorcycle and Automobile Industries in India and Thailand

It is widely recognized that technology transfer from advanced to developing countries or from multinational corporations (MNCs) operating in developing countries to domestic enterprises is the engine of economic development of developing countries. However, previous studies on the actual process of technology transfer and its constraints have been lacking. This project aims to explore the long-term process of technology transfer and industrial development based on the case studies of motorcycle and automobile industries in India and Thailand.

Chapter 1 reviews the literature on global value chains (GVCs) and foreign direct investment (FDI). It shows that these two branches of the literature are concerned with information spillovers, the absorptive capacity of domestic enterprises, and backward linkages between foreign and domestic enterprises, even though their theoretical perspectives differ substantially. This literature review concludes that an integrated approach of incorporating the insights of GVC studies into the empirical specification of FDI studies will likely lead to more meaningful empirical findings. These findings may reveal in greater depth the mechanisms underlying the productivity improvements of local enterprises in developing countries.

Chapter 2 is an interim report for the analysis of the two-wheel industry in Thailand. This chapter discusses how to analyze the long-term development process of the industry and technology transfer from Japanese companies to local companies.

Chapter 3 analyzes technological development in the Indian manufacturing sector through the spillover effects of FDI using the Annual Survey of Industries. This study classifies the spillover effects into horizontal vs. backward-linkage vs. forward-linkage, and long-term vs. short term. The empirical results confirm a negative short-term horizontal effect, a negative short-term backward-linkage effect, and a positive short-term backward-linkage effect. However, there was no robust forward-linkage effect.

Organizer: Keijiro Otsuka (Inter-disciplinary Studies Center, IDE)

Co-researchers: Takeshi Aida (IDE), Takahiro Sato (Kobe University), Kohei Mishima (Keio University), Yoshimichi Murakami (Kobe University), Chadatan Osatis (Thammasat Business School)

11. Approaches to Address the Increasing Complexity of Sustainability Challenges in East Asia

East Asian countries have been facing a variety of common risks in terms of environmental, economic, and social sustainability. These include human health risks caused by air, water, and soil pollution, frequent natural disasters caused by earthquakes and climate change, nuclear power plant accident risk, and the increasing vulnerability of local communities due to depopulation and aging. These risks threaten human life, subsistence, and dignity. In tackling these challenges, developments have been made in relevant public policy by each country, bi- and multilateral intergovernmental cooperation, and transnational cooperation among non-state actors such as NGO/NPOs and research groups. However, there are non-negligible obstacles in national security issues in this region. In addition to this complexity, environmental sustainability issues have complex causal relations that require cross-sectoral approaches. In responding to these complexities in sustainability issues in East Asia, we need to pursue a way of cooperative governance beyond geographical instability and uncertainty, as well as functional specialized approaches. In the first fiscal year, we published research articles in *Chosa Kenkyu Report*.

Organizer: Kenji Otsuka (Inter-disciplinary Studies Center, IDE)

Co-researchers: Hein Mallee (Research Institute for Humanity and Nature), Jang Min Chu (Korea Environment Institute), Shunji Cui (Zhejiang University), Noriyo Isozaki (Gakushuin University)

12. India's North Eastern Region and Connectivity: Japan's Engagement in the Past, Present, and Future

India's North Eastern Region has a unique position in India for several reasons. These include its complex ethnic makeup, experiences of British control that were largely different from the rest of the country, insurgency problems in the post-independence period, and its sensitive location on the borders of five countries. For those reasons, the central government of India used to restrict foreign involvement in the region. Under the current Modi government, however, India and Japan have officially announced cooperation for the development of the region, particularly the improvement of connectivity. It should be recalled also that during World War II, the Japanese army's advance to the present Manipur and Nagaland state not only brought massive destruction but also precipitated the infrastructural development of the region and impacted the livelihood of the residents, though this fact has drawn hardly any public attention in either India or Japan.

This research project aims, first, to evaluate the changing context—political, economic, and social—of the North Eastern Region's significance in the India-Japan relationship. Second, this project aims to investigate the current conditions of connectivity in terms of economic and infrastructural development and human mobility within the North Eastern Region and with neighboring countries. It seeks to assess the potentialities along with the problems, and to elucidate the impact of improving connectivity on the various groups of people and the institutions involved.

Organizer: Mayumi Murayama (Research Promotion Department, IDE)

Co-researchers: Kanako Sakai (IDE), Kenmei Tsubota (IDE), Noriyuki Osada (IDE), Hiroshi Sato (scholar on South Asia), Takenori Horimoto (Center for South Asian Studies of Gifu Women's University), Mari Izuyama (National Institute for Defense Studies), Makiko Kimura (Tsuda University), Sanjoy Hazarika (Commonwealth Human Rights Initiative), Preeti Gill (literary agent, scholar on the North Eastern Region), Samrat Choudhury (former editor of *Asian Age*, *Free Press Journal* [Bombay]), Prabir De (research and information systems)

2.2. Regular Analytical Research

1. An Analysis of Current Affairs in Asia

Our project analyzed political, economic, and social developments in 2017 in the countries and regions of East Asia, Southeast Asia, and South Asia. The final results of this research project will be published in the *Yearbook of Asian Affairs 2018* (in Japanese), which contains reports with current analyses on Asian countries and regions.

Organizer: Etsuyo Arai (Area Studies Center, IDE)

Co-researchers: Naomi Hatsukano (IDE), Yuichi Watanabe (IDE), Takayuki Takeuchi (IDE), Futaba Ishizuka (IDE), Emi Kojin (IDE), Tsuruyo Funatsu (IDE), Yurika Suzuki (IDE), Nao Kaneko (IDE), Ryoichi Hisasue (IDE), Koichi Kawamura (IDE), Miki Hamada (IDE), Noriyuki Osada (IDE), Norio Kondo (IDE), Momoe Makino (IDE), Seitaro Namba (IDE), Naoko Eto (IDE), Amiko Nobori (IDE), Takeo Hidai (Wako University), Hoil Moon (Hitotsubashi University), Kunio Minato (Kochi University), Toru Kurata (Rikkyo University), Taku Yukawa (Osaka University), Hiroko Inoue (Daitobunka University), Naonori Kusakabe (Tokyo University of Foreign Studies), Masato Toriya (Sophia University), Michihiro Ogawa (Kanazawa University), Mayuko Sano (Fukuoka Prefectural University), Romio Mori (Daitobunka University), Satoru Okuda (Asia University), Aeka Inoue (Shujitsu University)

2. Political and Economic Analyses of the MENA Region

Our research group (editorial board) has prepared, edited, and published eight articles in Japanese and English, with seven short reports on specific political and economic topics this fiscal year for Volume 5 of *Middle East Review*. In the final version, the first three articles are in English: Prof. Arshin Adib-Moghaddam's "Iran and the World after Rouhani"; Dr. Ghoncheh Tazmini's "Rouhani Redux: Iran on the Edge of Change"; and Dr. Housam Darwisheh's "Ruling against Revolution: The Judiciary and the Restoration of Authoritarianism in Egypt." The following five articles are in Japanese: Ichiki Tsuchiya's "Can Sisi's Egypt Achieve Sustained Economic Growth?"; Sadashi Fukuda's "Rebalancing U.S. Military Presence in the Middle East and Russian Inroads: Their Influence over the Gulf Region"; Dr. Jun Saito's "Fiscal Structure of the United Arab Emirates and the Introduction of Value Added Tax"; Manabu Shimizu's "The Israeli Economy: Globalization and High-Tech Industry: Part II. Industrial Policy as a Model of a 'Start-Up' Nation"; and Keivan Abdoli's "Energy and Japan-Iran Relations in the 1950s: Reassessing the Idemitsu's Oil Deal with Iran." The last one is a Japanese translation of a Persian original text and its introduction by the translator.

Then seven short reports are included: Dr. Hitoshi Suzuki's "The Middle East in 2017: A Political Overview"; Satoshi Ikeuchi's "A Discourse Analysis of the Proclamation of President Trump on the Recognition of Jerusalem as the Israeli Capital"; Prof. Akifumi Ikeda's "Israel Turns to Asian Superpowers: Diplomatic Relations with China and India"; Sadashi Fukuda's "China's Crude Oil Imports from the Gulf States"; Ichiki Tsuchiya's "High Inflation in Egypt"; Dr. Kohei Imai's "Turkish-Russian Relations after Jet Shoot-Down Crisis"; and Rie Takahashi's "Recent Publications on the MENA Region," the last of which is a book review. All in all, the MENA region has become less stable and more difficult to predict during the first year of the Trump administration in the United States. At the same

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time, the power-holders in the region are tending to act according to their own logic in the regional context.

Organizer: Hitoshi Suzuki (Inter-disciplinary Studies Center, IDE)

Co-researchers: Jun Saito (IDE), Sadashi Fukuda (IDE), Ichiki Tsuchiya (IDE), Hirotake Ishiguro (IDE), Housam Darwisheh (IDE), Manabu Shimizu (Eurasia Consulting Company), Akifumi Ikeda (Toyo Eiwa University), Satoshi Ikeuchi (University of Tokyo)

3. Political Economy in Africa

This research project has published the online journal *Africa Report* since 2013. *Africa Report* is the only refereed academic journal in Japan specializing in current socioeconomic issues in Africa. In FY2017, seven articles, one short paper, and 21 book reviews were published. The papers covered the latest issues in Africa, including governance in Ethiopia, the resignation of Mugabe in Zimbabwe, and the massacres in the eastern Democratic Republic of Congo. The journal also published academic papers on important topics in modern African society, such as economic integration and international arms transfers, as well as the run-up to the presidential elections occurring in some countries. To enhance outreach, our journal will be available from the academic portal site J-stage, administered by the Japan Science and Technology Agency in FY2018.

Organizer: Takahiro Fukunishi (Area Studies Center, IDE)

Co-researchers: Kumiko Makino (IDE), Chizuko Sato (IDE), Shinichi Takeuchi (IDE), Akira Sato (IDE), Miwa Tsuda (IDE), Akiyo Aminaka (IDE), Machiko Tsubura (IDE), Yuka Kodama (IDE), Mayumi Kishi (IDE Library)

4. Latin American Politics, Economy, and Society

This project aims to analyze the current situations and important topics for the economic, political, and social development of the countries in Latin America. The output of the project is published as the semi-annual journal *Latin America Report* (in Japanese). In FY2017, 11 long analytical articles, two short reports, 12 book reviews, and two short essays were issued in Vol. 34, No. 1 (July 20, 2017) and No. 2 (January 20, 2018).

In recent years, the leftist wave in many Latin American countries in the first decade of the 21st century has faced some reversals. Leftists handed over power to center or center-right new presidents in Argentina, Chile, Peru, and Brazil. The leftist guerrilla group FARC finally yielded and agreed on a peace accord with the Colombian government, which won the Nobel Peace Prize. Another topic that drew attention in the year 2017 was the drastic change in U.S. policy on Mexico under the Trump administration.

Focusing on these topics, *Latin America Report* for FY2017 featured three articles on Mexico and others on Brazil, Colombia, Ecuador, Venezuela, Paraguay, and Chile.

Organizer: Aki Sakaguchi (Area Studies Center, IDE)

Co-researchers: Ryohei Konta (IDE), Hirokazu Kikuchi (IDE), Koichi Kitano (IDE), Taeko Hoshino (IDE), Tatsuya Shimizu (IDE), Naokatsu Uetani (IDE), Tomoko Murai (IDE Library), Rihito Noritake (IDE Library), Yoshitada Fujii (Senshu University), Saori Isoda (Tsukuba University)

5. Trade Standards Compliance in Asia

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The objective of this research project is to deepen our understanding of the impact of regulations/standards on international trade, with a specific focus on agriculture and food industry through rejection data. The research project aims to achieve the following three objectives: (1) empirical analysis of border rejection data based on published data from regulatory authorities in Australia, the European Union, the United States, and Japan; (2) examination of two agriculture and food supply chains (shrimp and tea) in developing countries; and (3) analysis on the diffusion and adaptation of private standards in East Asia. The findings from the data analysis suggest that East Asian countries continue to face difficulties in meeting some of the regulations set by Australia, the European Union, the United States, and Japan. These difficulties could be overcome if governments made additional efforts to assist industries to gather and disseminate necessary information and secure access to quality assurance facilities as well as institute a better traceability system. What makes it difficult for producers in East Asia to expand their exports is that private standards in major Western markets have proliferated, while Japanese importers seem to rely less on these private standards to ensure the safety of food products they import.

Organizer: Kaoru Nabeshima (Waseda University)

Co-researchers: Etsuyo Michida (IDE), Lei Lei (IDE), Aya Suzuki (University of Tokyo), Vu Hoang Nam (Foreign Trade University)

6. Development of a Geographical Simulation Model (IDE-GSM) and Geo-Economic Dataset

IDE has been developing the Geographical Simulation Model (IDE-GSM) since 2007. The IDE-GSM is a unique numerical general equilibrium simulation model based on spatial economics. It has two objectives: (1) to simulate the dynamics of locations of populations and industries in East Asia in the long term and (2) to analyze the impact of trade and transport facilitation measures (TTFMs) on regional economies at the sub-national level. This year, we have continued research in two directions: studies on data compilation and parameter estimation, as well as applications for TTFM analysis. For the former direction, we are trying to compile a geo-economic dataset for Africa, where many countries have no regional economic data or GDP by economic sector data at the national level. Thus we need to develop a new method to estimate the regional GDP to compile a geo-economic dataset for Africa, utilizing satellite imagery. For the latter direction, we have carried out the analyses on various infrastructure development projects, economic corridors, and FTA/RTAs. Recently, China's "One Belt One Road" initiative has been attracting attention, and interest in ASEAN-India connectivity is on the rise. IDE-GSM is suitable for analyzing the economic impact of these large-scale infrastructure developments involving many countries.

Organizer: Satoru Kumagai (Development Studies Center, IDE)

Co-researchers: Toshitaka Gokan (IDE), Kenmei Tsubota (IDE), Ikumo Isono (IDE), Kazunobu Hayakawa (IDE, in Singapore), Souknilanh Keola (JETRO Bangkok)

2.3. Collaborative Research

1. Impact Evaluation of the Registration Program of Female Sex Workers in the Region of Dakar

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Prostitution is one of the most dangerous occupations. The risks affect not only the sex workers themselves but society as a whole. To address these negative externalities, it is rational to not simply ban the practice but to implement harm reduction. The Senegalese government implements a decriminalization policy that requires sex workers to register and receive health-related supports from the government. We used the survey data collected in the Dakar area to assess the impact of registration. We also built a simple theoretical model to analyze the mechanism behind registration decisions. The paper was published in *Health Economics*.

Organizer: Seiro Ito (Development Studies Center, IDE)

Co-researchers: Aurélie Lépine (London School of Hygiene and Tropical Medicine), Carole Treibich (Aix-Marseille School of Economics)

2. The Role of Technological Innovation in Global Value Chains

This project has been organized in order to perform the collaborative research activities as stipulated under the memorandum of understanding among IDE-JETRO, the World Trade Organization, the World Bank Group, the Organization for Economic Co-operation and Development, the Global Value Chains Research Center, and the China Development Research Foundation. Specifically, it aims to contribute to the publication of Issue 2 of *GVC Development Report*, which is to be published as a joint effort of the above-mentioned six organizations.

FY2017 has been dedicated to writing background papers of Issue 2, which are based largely on the research assets and collaboration experiences from the previous joint research (Issue 1). The main outcomes include the following IDE Discussion Paper Series:

“Multi-Sectoral Value Chain in a Bilateral General Equilibrium”

Satoshi Nakano, Kazuhiko Nishimura, and Jiyoung Kim

“Changing Structure of Global Value Chains and Domestic Firms’ Productivity: Evidence from Japanese and Chinese Firm-Level Data”

Yoshihiro Hashiguchi, Keiko Ito, Chiara Criscuolo, and Jonathan Timmis

“Corruption, Import Liberalization, and Productivity in China: A Firm-Level Analysis”

Jiankun Lu, Bo Meng, Hongsheng Zhang, and Shang-Jin Wei

“Impact of New Technologies on the Organization of Global Value Chains (1): Dynamic Transformations within Global Value Chain Typology”

Satoshi Inomata

Organizer: Satoshi Inomata (Inter-disciplinary Studies Center, IDE)

Co-researchers: Yoshihiro Hashiguchi (IDE), Keiko Ito (Senshu University), Bo Meng (IDE, in New York), Jiyoung Kim (IDE)

3. Basic and Comprehensive Research

1. Evolution of Agricultural Management in Developing Countries

In recent years, it has been possible to observe significant changes in the input and output market of agricultural products, as well as the technology used in their production, processing, and distribution. Because of these changes, we have been able to observe the emergence of new types of agricultural producers, as well as new combinations of productive resources in developing countries. The objective

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of this research project is to analyze who these producers are and how they are innovating in order to combine their productive resources.

Five case studies in Asian and Latin American countries showed us that these producers have the following common characteristics. They are pursuing economies of scale not only in production with mechanization, but also in input procurement and marketing. They produce high-value added crops that consumers with higher purchasing power demand more. They depend more on external resources to organize their production, and the main function of producers is to organize these resources rather than production itself.

From these characteristics, we can conclude that with important changes in agricultural markets and technology in recent years, the distinctiveness of agriculture is diminishing. Entry into and exit from the industry is less restrictive and more frequent than before. This allows producers with higher efficiency to attract more resources.

Organizer: Tatsuya Shimizu (Area Studies Center, IDE)

Co-researchers: Kazunari Tsukada (IDE), Emi Kojin (IDE), Nanae Yamada (IDE), Seiro Ito (IDE), Hisatoshi Hoken (Kwansei Gakuin University), Hiroyuki Tani (Sophia University), Kazunari Tsuji (Saga University)

2. The Change of Economic Liberalization Policies in Iran and its Impact: Industry, Market, and Business Environment

The research results of the project are as follows. Sakanashi inquires why the cutting subsidy was finally implemented after many years of opposition to it in the parliament. Paying attention to the political positioning of the parliament in Iran, she clarified the role that the parliament played in subsidy reform. Iwasaki argues the supervising system over all domestic commercial and industrial enterprises by the Iranian government, focusing on the Law of Guild System. She argues that the Iranian government has historically intervened in the operation and personnel management of guilds, and this control has been maintained to this day through the aforementioned system. Under current circumstances in Iran, where—unlike in other countries—-independent small-scale firms are barely organized in business by the bigger producers and distributors, such a supervising system may be the government's sole economic and political control apparatus.

Both papers are expected to be published in the journal *Asian Economy*.

Organizer: Yoko Iwasaki (Area Studies Center, IDE)

Co-researcher: Sachi Sakanashi (JIME Center, Institute of Energy Economics, Japan)

3. Understanding Informal Payments in Kazakhstan: Causes and Implications

This project examined informal payments in the education and health care sectors in post-Soviet Kazakhstan. Socialist regimes guaranteed free, universal education and health care to all citizens. In practice, people often used personal connections and informal payments to obtain quality education or medical treatment. Under the shortage economy, however, the non-monetary exchange of favors accompanied by symbolic gifts to teachers and medical practitioners was more common. Following the market reforms, the use of cash payments has become conspicuous and ubiquitous. This practice not only inhibits access to public services for persons of lesser means but has also led to a deterioration in the overall quality of education and health care. This project was implemented by two researchers who have extensively studied informal practices and institutions in Kazakhstan. We share the understanding that

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liberalization of the economy and marketization of public services are not, by themselves, solutions to the problem of informal payments. Sharipova analyzes the nature and functions of informal payments in secondary education and argues that the collapse of the socialist welfare system did not decrease but instead stimulated the use of personal connections and informal payments. Oka's paper points out that practices of buying illicit services, though commonly observed in the health care sector, have been generally neglected in the discussion of the definition of informal health payments in post-socialist states. She also examines how the introduction of official user fees influenced patients' perception of and attitude toward informal payments.

Organizer: Natsuko Oka (Inter-disciplinary Studies Center, IDE)

Co-researcher: Dina Sharipova (KIMEP University, Kazakhstan)

4. Mexico in the 21st Century: Modernizing the Economy and Polarizing Society

Although political and economic reforms have been underway in Mexico since the 1980s, a democratic, stable, and egalitarian society has not been achieved. The project studied the reasons for this from two different viewpoints. The first one is to seek the causes in important issues such as the quality of democracy, the transformation of social movements, the drug war, the political action of urban informal sectors, the 2013 energy reform, and the growth of the automobile industry in the 2010s. The second one is to seek the causes in the political, social, and economic conditions as a whole. We focused on the logic behind the issues, considered the nation as the space of conflict and compromise of this logic, and said that the unattained reforms were the cause of these conflicts and compromises. Our conclusions are the following. First, Mexico has not achieved the reforms because democratization has not resulted in political stability. The main cause of the instability was the intensification of the drug war. Second, although foreign investments increased as a result of globalization, it was not a panacea for unequal distribution, because job creation was limited and the demand for a high-quality workforce was much larger than the supply. Third, inequality has made politics and the society unstable and has hindered an increase in investment. Mexico faces formidable challenges in the 21st century.

Organizer: Taeko Hoshino (Area Studies Center, IDE)

Co-researchers: Aki Sakaguchi (IDE), Yuriko Takahashi (Faculty of Political Science and Economics, Waseda University), Takeshi Wada (School of Arts and Science, University of Tokyo), Hiroyuki Ukeda (School of Arts and Science, University of Tokyo), Kaori Baba (School of Law, Hokkaido University)

5. Dynamics and Transformation of the Vietnamese Family in the *Doi Moi* Era

In the last year of this research activity, each member wrote a discussion paper to be sent to an outside journal. These papers were as follows: "Return Migration of Children with Foreign Roots and Their Family Relations in Rural Vietnam: A Case of the Mekong Delta" (by Misaki Iwai); "Southern Vietnamese Family in Social Transformation: An Analysis from the Survey in the Southern Key Economic Zone of Vietnam" (by Bui The Cuong); "Extension of Social Capital Sources in the Economic Activities of Rural Households in the Red River Delta: A Period of Transition in Vietnam" (by Nguyen Duc Chien); and "Vietnamese Families and the Lives of Disabled Family Members: A Case Study in a Commune in the Red River Delta Region" (by Minoru Teramoto).

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Moreover, the organizer wrote an IDE Research Bulletin (“The Vietnamese Family During the Period of Industrialization, Modernization, and International Integration”) to introduce our research activity and an outline of our research results.

Organizer: Minoru Teramoto (Area Studies Center, IDE)

Co-researchers: Misaki Iwai (Kanda University of International Studies), Bui The Cuong (Southern Institute of Social Sciences), Nguyen Duc Chien (Institute of Sociology)

6. The Impact of Urbanization in Indonesia: Analysis of Firm Productivity and Labor Migration

Using our original urban area dataset of Indonesia from 2000 to 2010, we will make a quantitative analysis of (1) the effects of agglomeration (dis)economies, and (2) the impact of migration on urban areas in terms of residents’ welfare. In FY2017, we wrote four papers as our interim report. First, we checked places, population size, the growth rate of population, average years of education, and so on in all urban areas as of 2010. Second, we analyzed the correlation between the amount of CO₂ emissions and the population size of urban areas from 2000 to 2010 in order to test the compact-city theory. Third, we compared wages of workers with junior-high-school-level education (low-skilled labor) in urban areas. We found that the larger the share of high-skilled labor was in an urban area, the higher the wage level was of low-skilled labor. And we checked the correlation between the characteristics of the urban areas as of 2000 and the immigrant’s characteristics in 2010. Finally, we tried to find the effects of ethnic diversity on the level of public goods in local jurisdictions by comparing them before and after the decentralization in Indonesia.

Organizer: Takayuki Higashikata (Area Studies Center, IDE)

Co-researcher: Yoshihiro Hashiguchi (IDE)

7. Politics and Judicial Independence in Bangladesh

The constitution of the People’s Republic of Bangladesh has been amended 16 times since its inception in 1972. The constitutional amendments clearly reflect the dynamics of political change in Bangladesh, and it is crucial to examine specific amendments to the constitution, their legal and political implications, and the socio-political context behind them. This is all the more true when we try to understand the rise of competitive authoritarianism in the country over the past several years. In keeping with this intent, this report attempts to document and analyze the seemingly changing relationship between the executive and judicial branches, focusing on the 16th amendment in 2014 and the fierce controversy over it. This is not only because it is the latest constitutional amendment but also because in the middle of the dispute, the chief justice ended up stepping down in an unusual manner, suggesting the erosion of judicial independence.

Organizer: Kazuki Minato (Inter-disciplinary Studies Center, IDE)

Co-researcher: Noriyuki Asano (Kansai University)

8. Globalization and Government Support in Turkey

The first paper, by Yasushi Hazama, examines the determinants of public support for free trade in developing countries. Three models of public support for free trade compete because they are dominated

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by either export or import perspectives. It is possible, however, to reconcile the three models by synthesizing both perspectives. It is argued that benefits from and preferences for trade are greater in countries with low labor productivity. The paper presents the strategy of inquiry and the preliminary results of the multilevel analysis for 34 developing countries. The last paper, by Kohei Imai, analyzes the roles played by two major economic organizations, TUSIAD and DEIK, and their division of labor. TUSIAD leads economic diplomacy with the European Union and other advanced economies, whereas DEIK focuses on the Middle East, Africa, and Asia. TUSIAD is a voluntary association and DEIK is a public organization. Since they have different areas of specialization and target areas, they play complementary roles in economic diplomacy.

Organizer: Yasushi Hazama (Area Studies Center, IDE)

Co-researcher: Kohei Imai (IDE)

9. The Middle Eastern Family in Transition

Middle Eastern families have been undergoing major changes in the context of current demographic, ideological, and economic developments, including decreasing birthrates and aging population, concerns for human rights and gender equality, and the increasing instability of employment under neo-liberal economic policies. This project aims to elucidate the dynamics of family transformation by looking at its multiplicity of institutions (law, cultural-religious norms) and personal experiences under the institutions, based on literature research and ethnographic research. The study focuses on the institutions and the personal experiences of “vulnerable” family members, such as women, children, and disabled and aged persons.

Organizer: Kaoru Murakami (Inter-disciplinary Studies Center, IDE)

Co-researchers: Sachiko Hosoya (Tokyo University of Foreign Studies), Kazuaki Takemura (Tokyo University of Foreign Studies), Junko Toriyama (J. F. Oberlin University), Erina Iwasaki (Sophia University), Masaki Okado (Sophia University)

10. Communist Single-Party Rule and Mass Organizations: A Case Study of Vietnam and Cuba

This project is aimed at studying the roles and functions of mass organizations in Vietnam and Cuba, both of which have a Communist one-party system. In particular, we focus on the women’s mass organization of each country, in which a great number of citizens participate, and have tried to analyze: (1) if there is some mechanism by which the people convey their needs to the government via the mass organization, and where the government takes steps to react to it; and (2) if the mass organization has a role in establishing institutions to guarantee the social well-being of its members and the people.

This year is the first year of the two-year project. These are our findings thus far:

In Yamaoka’s study: (1) There are some differences in the activities and objectives of the women’s mass organizations of Vietnam and Cuba, because there were many differences in the way the current Communist regimes were established and in the process of economic reform. (2) The field research found that the people’s commitment toward their women’s mass organization was lower in both countries than we had expected, but it is more likely that people in rural areas are more deeply committed to all activities of the organization than people in cities. (3) The Vietnam Women’s Union focuses more on poverty alleviation and women’s empowerment, as the economic reforms are much farther advanced

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than in Cuba. By contrast, the Federation of Cuban Women has been trying to improve institutions concerned with gender equality, because Cuba has made far less progress in its economic reforms.

In Ishizuka's study: (1) In Vietnam, under the *doi moi* (renovation) program, there is a renewed emphasis on the role of the Women's Union to represent the interests of women and reflect them in law and policy-making, and to develop the family economy through means such as providing microcredit to poor women and fostering mutual aid among them. (2) While the Women's Union has made considerable achievements in these areas by utilizing its organizational strength and special political status, in an environment where society is increasingly diversified and non-governmental organizations are burgeoning, the position of the Women's Union has become relative, and the effectiveness of its activities has come into question.

Organizer: Kanako Yamaoka (Area Studies Center, IDE)

Co-researcher: Futaba Ishizuka (IDE)

11. International Migration of Nurses

The global mobility of nurses significantly increased in recent years. The purpose of this research is to compare and contrast some aspects of the international migration of nurses from the Philippines and India. During FY2017, the research project members presented their papers at two international conferences and one domestic seminar. The brief contents of the mid-term report are as follows: Chapter 1 explores the rapidly growing business process outsourcing (BPO) industry, particularly call centers, as a major employment destination for nursing graduates in the Philippines, especially for those who took the course from circa 2005, when the United States and the United Kingdom stopped actively recruiting foreign nurses. Chapter 2 examines the relationship between nurses' intentions to migrate and their characteristics based on our survey data from Tamil Nadu, a region of South India, where nursing education is active. Chapter 3 discusses the socioeconomic background, motivation for becoming a nurse, and future career prospects of nursing students in South India.

Organizer: Yuko Tsujita (JETRO Bangkok)

Co-researchers: Hisaya Oda (Ritsumeikan University), Maria Reinaruth D. Carlos (Ryukoku University)

12. Mandatory Primaries and Satisfaction with Democracy: The Case of Argentina

Does the introduction of mandatory primaries improve voters' perception of democracy? The importance of a transparent candidate selection process leads some countries to introduce mandatory primaries. However, we still do not know if there is a causal relationship between the introduction of such systems and people's satisfaction with democracy. Reflecting the studies of American politics, comparativists have focused only on primaries' impact on the results of general elections, the characteristics of candidates selected through primaries, and the conditions under which parties hold primaries.

In order to fill this gap in the literature, I study the relationship between mandatory primaries and citizens' attitudes towards democracy in Argentina, where mandatory national primaries were introduced in 2011. In this research project, first, I hypothesized that the introduction of mandatory primaries at the national/subnational level leads politically knowledgeable voters or supporters of the governing party to be more satisfied with democracy. I then quantitatively tested this hypothesis using data from

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LAPOP (the Latin American Public Opinion Project) between 2008 and 2014. This statistical test revealed that effective mandatory national primaries (i.e., some parties presenting multiple candidate lists) make supporters of the governing party, Frente para la Victoria (FPV), more satisfied with democracy. In addition, the test also showed that the introduction of mandatory gubernatorial primaries leads to a higher level of satisfaction only when a voter is a politically knowledgeable non-FPV supporter.

The findings of this research project suggest that mandatory national primaries and mandatory sub-national primaries work under different contexts.

Researcher: Hirokazu Kikuchi (Area Studies Center, IDE)

13. Challenges in Building the Health-Care System in Vietnam

This research project tried to clarify the content, structure, and transition of the health care system in the *doi moi* era by examining how the Social Health Insurance Law of 2008 was revised in 2014. Comparing between the Social Health Insurance Law of 2008 and the revised law in 2014, I found that there was an orientation to clarify the role of each related actor and strengthen the system and management of social health insurance in Vietnam. The result of the survey was sent to the journal *Asian Economies*.

Researcher: Minoru Teramoto (Area Studies Center, IDE)

14. Technological Transfer and Learning: The Construction of Pohang Steel Works in South Korea

The purpose of this study is to investigate the process of technological learning by the Korean steel industry during the construction of Pohang Steel Works in the 1970s. This study focuses on the step-by-step process of technological transfer of total steel engineering technology from a Japanese consortium and its absorption by POSCO. This study revealed that the construction of the first phase of the Pohang Steel Works was carried out on a virtual turnkey basis by the technical cooperation of the steelmakers' consortium and by the construction cooperation of suppliers, mainly of general trading companies, and that this virtual turnkey basis fostered POSCO's technological learning. This study also revealed that the reason that POSCO had to seek technical cooperation from Japanese steelmakers again at the third phase of construction work, despite steadily improving the technical capabilities, was the lack of project execution capability, including project and organization management.

Researcher: Makoto Abe (Area Studies Center, IDE)

15. Comparative Study of Political Trust in Five South Asian Countries

Many people in South Asia are said to be democracy-oriented. However, it is not necessarily clear why people have such a democratic orientation. I have tried to answer the question on the basis of the large-scale opinion survey, AsiaBarometer, which has about 5,000 samples for five South Asian countries.

In the analysis, it became clear that the people with higher income and higher political trust in the lower-level administrative organization, such as the police, the health-care system, and the school system, are likely to have a democratic orientation. Political trust in the lower-level administration, in turn, is likely to be higher if the people have higher political trust in the central government, army, or political parties, feel safe from socio-political threats, and think that the government's performance is better.

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On the other hand, social trust, which is often considered an important variable for the growth of people's democratic orientation, is not significant enough to be linked to democratic orientation, on the basis of the statistical analysis. There might be several reasons for that. Social schisms based on religion, caste, class, ethnicity, and so forth in South Asia are likely to prevent the social trust needed for people's democratic orientation to grow. In addition, large-scale political turmoil caused, for instance, by civil war or a military regime might prevent the growth of social trust, and, as a result, democratic orientation.

In order to promote the growth of democracy in South Asia, governments must perform better and increase political trust among the people. The economic development and expansion of education are also necessary conditions.

Researcher: Norio Kondo (Area Studies Center, IDE)

16. Judicial Activism and Development in South Asian Countries

Judicial activism is one of the key features of contemporary India. Its judiciary rejected development policies deployed by the government several times in the 1960s and 1970s, and it has attempted to deliver justice to the weaker section of society, which has been neglected by the government since the 1980s. The activism has also had a major impact on neighboring countries such as Pakistan and Bangladesh. This research project will study why and how such activism has been possible and how it has been transforming through interactions with the socioeconomic development of the societies. The project will then compare this with the experiences of South Asian countries.

Researcher: Hajime Sato (Area Studies Center, IDE)

17. Accountability of the Legislature and Executive Branches in the Arab Gulf States

Does enhancing government accountability in authoritarian regimes, which have insufficient popular political participation and contestation, promote participatory governance and democratic rule, or only preserve the incumbent's rule? To answer this question, this study examines the factors involved in reforming policies to enhance accountability in authoritarian regimes. Our investigation focuses on the Arab Gulf states, especially Kuwait, by analyzing elections and the development of parliamentary politics in terms of the strength of the opposition, which is prescribed by the degree of popular political participation and contestation, as well as the accountability of the government. The Arab Gulf states have been struggling to end their excessive dependence on oil revenue by setting a vision for national development that involves ambitious socioeconomic reform policies. Some of these reform policies force citizens to bear a painful burden, such as imposing taxes and cutting subsidies. However, the government remains reluctant to embrace political reforms that will lead to democratization. In this situation, in order to obtain citizens' consensus, the government has attempted to improve accountability. This study is valuable in that it investigates how the accountability of the Arab Gulf states informs their vision of national development.

Researcher: Hirotake Ishiguro (Area Studies Center, IDE)

18. Analytical Perspectives on Distributive Politics: Examining Pork-Barrel Politics and Political Clientelism

In this research project, we have examined the literature on distributive politics in Latin America and other developing countries focusing on pork-barrel politics and political clientelism. Many studies on

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these topics tend to be case-oriented, while some important studies are theory-driven. We have extensively reviewed the literature, discussed it, and identified new analytical perspectives. The two papers in the final research report are a fruit of such activities.

Uetani's paper examines the limitations and possibilities of political ethnography, which has been heavily used as a method for the empirical analysis of political clientelism. The paper begins with a brief description of the characteristics of this method and introduces some important existing studies. Uetani then discusses the limitations and problems of this method and future tasks for a better analysis of "poor people's practice" (including political clientelism).

Kikuchi's paper discusses "executive pork," which includes presidential pork as well as ministerial and bureaucratic pork. After an extensive review of the literature on legislative and executive pork, it engages in a reanalysis of the case of federal transfers to non-profit organizations in Brazil. The paper hypothesizes that President Rousseff utilized the transfers for her re-election bid, as well as to serve supporters of the Workers' Party.

Organizer: Naokatsu Uetani (Area Studies Center, IDE)

Co-researcher: Hirokazu Kikuchi (IDE)

19. Industrialization and De-Industrialization in Developing Countries

The manufacturing sector has long been regarded as the "engine of economic growth." It has been pointed out, however, that employment by the sector has been rather stable in the world economy and that there is a trend toward de-industrialization, not only in post-industrial economies but also in latecomer countries. This preliminary project conducted basic and preparatory research on whether this "premature de-industrialization" is really taking place and the mechanisms behind it by surveying previous studies on late industrialization and other data. Chapter 1 looked at major literature that put forward the idea and concept of premature de-industrialization in terms of their theories and findings. Chapter 2 considered the data and analytical methodologies used in the literature. We have found that there are some conundrums in defining premature de-industrialization, both theoretically and empirically. It could be that the share of the manufacturing sector in terms of employment and of output tends to peak in the earlier stage of development in developing countries, in contrast with the experiences of advanced countries. However, there is still a need to examine the phenomenon and the concept carefully, both theoretically and empirically.

Organizer: Hajime Sato (Area Studies Center, IDE)

Co-researcher: Hiroshi Kuwamori (IDE)

20. Basic Studies on the Maldives

We have done a literature review and commentary on the constitution of the Maldives. Though there was little available literature, we were able to collect information on political, economic, and social issues. Some problems, such as the lack of connectivity, were solved due to the development of communication infrastructure. Human resource development remains unsolved. We found that a new approach is needed for current problems such as relations with China and Middle Eastern countries. Our economic coverage will help clarify the situation in the tourism sector, which has become the most important sector in the Maldives.

Organizer: Etsuyo Arai (Area Studies Center, IDE)

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Co-researcher: Shinya Imaizumi (IDE)

21. The Structure and Succession of Family Businesses in the MENA Region

The purpose of this study is to attempt a basic analysis concerning the succession of managerial resources in family businesses in the Middle East and North Africa. This study includes the legal system surrounding the companies, corporate governance, the relationship with the governments, the inheritance system, and company efforts to avoid the diffusion of managerial resources in their succession process.

The major family companies in the United Arab Emirates (UAE) have developed along with the expansion of Emirates power and government-led domestic development before the foundation of the UAE. The founders of many major family companies are still healthy but are of advanced age. They are facing the problem of who will inherit their business. In some cases, lineal relatives do not inherit the family business.

The private corporate sector in Egypt has expanded since the late 1970s. Most private companies are family businesses, and respected major companies in Egypt are owned and managed by families. Those family companies utilized the management resource that accumulated in the expanded their business rapidly, starting in the 1980s. They entered overseas markets in the first decade of the 21st century.

The inheritance system in Iran provides a substantial proportion of inheritance to relatives other than the spouse and children. For example, when a person who is part owner of the family business passes away, his/her property is bequeathed to many individual “outsiders.” This inheritance system is one of the factors that make business succession difficult.

Organizer: Jun Saito (Area Studies Center, IDE)

Co-researchers: Yoko Iwasaki (IDE), Ichiki Tsuchiya (IDE)

22. Islam and Socio-Political Change in Africa

In recent years, Islamist insurgents have become more active in sub-Saharan Africa. This phenomenon not only draws attention to those interested in “terrorism” and conflict but also requires researchers to reconsider the role of Islam, historically and in at present, for politics and societies in Africa. This study group was launched to explore the potential of this research topic. As a preliminary stage of the research, we worked this year to grasp the overall situation of the Muslim population in each of the countries we chose and to review the literature. The outcome of this first year’s activity includes a chapter expressing the detailed plan of this research and several chapters describing the Muslims’ situation in selected countries: South Africa, Mozambique, Kenya, and the Central African Republic. We hope this outcome contributes to the development of the study of Muslims in sub-Saharan Africa.

Organizer: Akira Sato (Area Studies Center, IDE)

Co-researcher: Shinichi Takeuchi (Inter-disciplinary Studies Center, IDE / Tokyo University of Foreign Studies), Miwa Tsuda (IDE), Chizuko Sato (IDE), Akiyo Aminaka (IDE), Kumiko Makino (IDE)

23. Township Leaders and Village Chiefs in Contemporary China

The relationship between a township leader and a village chief in contemporary China is something of a political puzzle. Researchers have generally argued that China’s bureaucratic system presents a very

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important political contracting framework. Within this framework, there is a strong relationship between the career of a cadre and the performance of a contract that may include not only economic development but other aspects of political and social development. Past research argued that political contracting was applied to leadership positions, at both the town and village levels, which makes the “contractual” demands on township leaders and village chiefs comparable. Characteristics of the two positions, however, differ significantly, particularly with regards to their consequences in leadership performance and accountability. For instance, a cadre’s career strongly depends on his or her performance assessed by senior and high-level cadres. By contrast, one can only become a village chief through a village election. And once elected, a village chief cannot be dismissed by a township government unless the village chief is convicted of a crime. Furthermore, since a village chief is an elected leader, he or she does not necessarily have a clear and strong career plan akin to that of a cadre, who typically works and seeks to be promoted in the bureaucratic system. For these and other reasons, it is doubtful that the conventional political contracting model can adequately explain the complex relationships that exist today between township leaders and village chiefs in China. My proposed research will address this issue by constructing a new framework to account for the complexities and subtleties that have emerged in the relationships between the two different types of leaders working in their respective spatio-organizational settings under conditions of rapid socioeconomic and political transformation.

Researcher: Zhe Ren (Inter-disciplinary Studies Center, IDE)

24. Development and Applications of a Novel Global Economic Model

The history of the world economy shows that the economic interdependence of nations has been strengthened through trade and investment. Moreover, due to globalization, there is a trend of borderless and spatial impact onto other economic agents. As the economic interdependence of nations has been strengthened through trade, it is quite difficult for one country to combat various policy issues by itself. This effect indicates that international policy coordination is becoming more important.

Focusing on fiscal/monetary policies under the international economic system, this research project aims at developing an empirical model that interlinks a multi-country and multi-sectoral sub-model with a monetary sub-model and applies the model to international monetary policy coordination issues.

In FY2017, we mainly constructed a local-currency-based multi-country and multi-sectoral model evaluated in constant prices and denominated in local currencies and improved the performance of this model. The theoretical structure is based on the optimization problems of individuals by micro foundations. In addition, we constructed a financial/macro-econometric model, which helps us to better understand the detailed spillovers among markets.

The summary of this project output is published as IDE Discussion Papers: “A Local-Currency-Based Multi-Sectoral Model for Global Economic Analysis” and “An Econometric Analysis of Unconventional Monetary Policy: The Cases of Japan and United States.” It would be necessary to link a financial/macro-econometric model with a local-currency-based multi-country and multi-sectoral model. This will be done in future studies.

Organizer: Takashi Yano (Senshu University)

Co-researchers: Tsubasa Shibata (IDE), Hiroyuki Kosaka (Keio University)

25. Reinvigoration of the Philippine Economy

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The Philippines has recently drawn the attention of developed/emerging countries given its high GDP growth rate since 2010 (6 percent on average). On the other hand, the country has struggled with persistent challenges, such as underdeveloped infrastructure and a steady poverty rate of around 25 percent. In this research project, we conducted analyses in view of “inclusiveness” on the following since the first decade of the 21st century: (1) macroeconomic developments, (2) policy developments under the Arroyo, Aquino, and Duterte administrations, and (3) selected industries (food and food processing, wholesale and retail/transportation and storage, finance [banking], and IT-BPO). The research results show that the country and its industries contain various inequalities and disparities, such as in terms of regional concentration/dispersion, the industrial players in terms of scale and efficiency, and the competition/demarcation conditions among local/foreign players. To achieve the present administration’s goal to upgrade the country to higher-middle-income status, as well as the goal of the country’s “Long-Term Vision” to eliminate poverty by 2040, the Philippines needs to fully address its institutional bottlenecks and establish industrial strategies to maintain recent favorable economic conditions and make them sustainable and inclusive.

Organizer: Chie Kashiwabara (Development Studies Center, IDE)

Co-researchers: Yurika Suzuki (IDE), Yusuke Takagi (National Graduate Institute for Policy Studies)

26. Appraisal of Asian International Input-Output Tables

IDE-JETRO has compiled international input-output tables for Asian countries for over 40 years. However, the international input-output tables have been constructed under strong assumptions, mainly due to severe data limitations. Therefore, their accuracy must be evaluated, and the characteristics of the tables must be identified, in order to facilitate appropriate use and accurate analyses. This study will thus try to evaluate the accuracy of the Asian international input-output tables using statistical information that has recently become available. In FY2017, the first year of the project, the 2005 Asian table was evaluated by utilizing the statistics that were recently available. Furthermore, the characteristics of the Asian table were examined through comparisons with other international input-output tables compiled by other academic/international institutions.

Organizer: Hiroshi Kuwamori (Development Studies Center, IDE)

Co-researchers: Yoko Uchida (IDE), Chiharu Tamamura (Teikyo University)

27. Fundamental Research on International Flow-of-Funds Analysis

The savings glut causes a public-debt problem in developed economies. At the same time, a lack of investment undermines the economic growth of underdeveloped countries. However, the discrepancy of financial systems between developed and developing countries hinders the global redistribution of funds. This research project aims to comprehend and organize the flow-of-funds accounts of various countries of the world, especially the case studies of Brazil and Japan, and their analysis methods systematically in order to analyze the situation of global maldistribution of funds. Furthermore, the global financial input-output tables, including Japan, Korea, the United States, and Canada, are created. The countermeasure for underdeveloped countries with inadequate statistics can be examined in concrete terms. This research project produced three papers: “A Structural Analysis of Japanese Economic Development” by Tsujimura and Tsujimura, “Flow-of-Funds Analysis of the Brazilian Economy (2004–

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2014)” by Burkowski and Kim, and “Flow of Funds in Asia-Pacific Region” by Hagino, Kim, and Inomata.

Organizer: Kazusuke Tsujimura (Keio University)

Co-researchers: Jiyoung Kim (IDE), Satoshi Inomata (IDE), Masako Tsujimura (Rissho University), Satoru Hagino (Fukuyama University)

28. Production Patterns of Heterogeneous Multinational Firms: Theory and Empirics

One of the key factors behind the growth in global trade in recent decades is the increase in intermediate input as a result of the development of vertical production networks. It is widely recognized that the formation of production networks has resulted from the expansion of multinational enterprises’ activities. Developing economies have benefited from the development of vertical production networks, since these networks enable them to incorporate an appropriate portion of the production process. This study aims to explore the factors and policies that may help bring a production process into a developing country utilizing the knowledge-capital model, in which firm heterogeneity is explicitly incorporated and to empirically test the validity of those factors. This year, we conduct surveys on the Melitz model and an extension of the models from both theoretical and empirical aspects. We also present explanatory notes on the basic structure and main assumptions of an analytical model being prepared to consider the strategic choice between exporting, horizontal foreign direct investment (FDI), and export-platform FDI made by heterogeneous firms that have different levels of productivity. The notes also include a memorandum on the procedures to parameterize the model as a numerical simulation program.

Organizer: Yoko Uchida (Development Studies Center, IDE)

Co-researcher: Kazuhiko Oyamada (IDE)

29. Childhood Conditions in the Developing World

To improve the understanding of childhood conditions in the developing world, the following two studies are conducted. The first study explores whether and how the abandonment of female genital cutting (FGC) is associated with women’s marriage in the long term. This study first provides evidence consistent with the view that Burkina Faso’s FGC-discouraging political efforts increased the cost of FGC, as perceived by those who reside in the borderlands of its neighboring countries due to cross-border knowledge spillovers, while reducing the cutting rate. However, this external policy shock only trivially affected a range of young women’s marital outcomes in the borderlands. Thus, from the mating perspective, women’s welfare may not markedly decline concomitantly with the decline in FGC. The second study examines the intergenerational transmission of health in South Africa using a nationally representative panel data that spans eight years. While most of the related literature uses maternal variables, the data allow for the use of paternal variables and more detailed economic background variables. The study uses height for age as an indicator of health. The estimated results indicate catch-up growth of infants who may have suffered from malnutrition in earlier days, and the tendency of mothers with nutritionally rich diets to give birth to relatively tall children.

Organizer: Yuya Kudo (Development Studies Center, IDE)

Co-researcher: Seiro Ito (IDE)

30. Transformation of the ASEAN Commercial Banking Sector

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Since the 2010s, in the ASEAN economy, regional capital participation has been proceeding. The commercial banking sector of the five original ASEAN countries (Thailand, Malaysia, Indonesia, Malaysia, and Singapore) has been largely transformed.

In the first year of the two-year study project, in order to empirically grasp the present condition of the ASEAN commercial banking sector from the perspective of each country's regulation, major banking trends and the financial and capital movement environment of ASEAN economies are examined. From a cross-cutting perspective, issues such as the macroeconomics of the countries, the cross-border development of commercial banks, and the profit structure of commercial banks are addressed. And as a case study, the current situation of the commercial banking sector in Thailand, the Philippines, and Indonesia is analyzed.

Commercial banks in this region are looking for a business model that responds to the consumption economy on the background of the growth of the real economy and the change in the composition of foreign assets through the current account surplus in the region since 2010. Meanwhile, the inter-regional investment by banks in East Asia and Asia has intensified, and the competitive environment of the market is changing. It is also suggested that the trend of ASEAN market integration will accelerate this.

Organizer: Fumiharu Mieno (Center for Southeast Asian Studies, Kyoto University)

Co-researchers: Miki Hamada (IDE), Chie Kashiwabara (IDE), Kozo Kunimune (School of International Studies, Kwansai Gakuin University), Satoshi Shimizu (Center for Pacific Business Studies, Economics Department, Japan Research Institute, Ltd.), Wanxue Lu (Center for Southeast Asian Studies, Kyoto University)

31. Use of Econometric Models on Asian Economies

This research project attempts to evaluate the long-term growth potential of East Asian economies through macroeconometric models. Special attention is paid to (1) the prospects of domestic demand and demographic transformation, and (2) the international linkage measured by import/exports not only among the East Asian economies but developed countries. A trade-link system has been developed in the earlier project connecting 19 "link member economies" which consists of both developing and developed economies in Asia, the United States, Oceania, and the Euro area.

Organizer: Jinichi Uemura (Development Studies Center, IDE)

Co-researchers: Masami Ishida (IDE), Yuichi Watanabe (IDE), Hisao Yoshino (IDE), Hiroyuki Taguchi (Saitama University), Vu Tuan Khai (Hosei University)

32. Monetary Policy under the Floating Exchange Rate Regime in Chile

This research project discussed the formation process of a monetary policy framework under the floating exchange rate regime in Chile. The exchange rate regime in Chile changed from a crawling band to a floating exchange rate regime in September 1999. Under the crawling band, obligatory buying and selling of foreign currencies by monetary authorities is restricted to the case where they attain the exchange rates of the ceiling and the floor. Therefore, control of the monetary base is potentially easier under the crawling band than under the exchange rate regimes that require the attainment of a particular rate. Because monetary authorities do not have an obligation to buy and sell foreign currencies in the

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foreign exchange market under the floating exchange rate regime, the easiness of controlling the monetary base improves. As control of the Central Bank deposits by banks is made easier by increasing exchange rate flexibility, control of short-term interest rates is made easier.

The policy interest rate whose operational target was the one-day interbank interest rate in an indexed unit of account, UF, was formed in May 1995 under the crawling band. The policy interest rate was nominalized in August 2001, and a monetary policy framework under the floating exchange rate regime was established. After nominalization, controllability of the operational target to the policy interest rate increased. If interest-bearing government debts are held as assets by the Central Bank, they increase the monetary base; therefore, monetary policy also depends on the government's budget balance and government debt. It was important that reforms of the transition in exchange rate regimes in 1999 and nominalization of the policy interest rate in 2001 were made under circumstances of fiscal soundness.

Researcher: Hisayuki Mitsuo (Development Studies Center, IDE)

33. Trade in Value-Added: An Overview

The study documents the development of the "Trade in Value-Added (TiVA)" approach: its concept, backgrounds, theoretical frameworks, and recent applications. The TiVA approach enables us to redefine the relationship among countries of origin and destination in international trade. In contrast to the orthodox notion of trade balances based on foreign trade statistics, it focuses on the value-added contents of traded goods and considers the contribution of countries to value-added generation at each stage of the production process of a given commodity. In particular, the recent development of an international input-output database, a detailed map of international transactions of goods and services, has significantly contributed to the advancement of the methodology and enabled us to trace the value-added generation process of every commodity in every country at every production stage.

This study synthesizes the knowledge and expertise of previous studies on the TiVA approach within the analytical framework of global value chains.

Researcher: Satoshi Inomata (Inter-disciplinary Studies Center, IDE)

34. Formation Process of Administrative Organizations for Resource and Environmental Policies

Resource and environmental policies are often referred to as "latecomer public policies." The position they assume in the public policy spheres in each country can be analyzed by investigating the formation and transformation process of administrative organizations in charge of resource and environmental issues. This research project compares the positions of administrative bodies in charge of resource and environmental policies among various countries and attempts to elucidate the policy issues behind the different positions of these organizations within the entire government.

Organizer: Tadayoshi Terao (Inter-disciplinary Studies Center, IDE)

Co-researchers: Kenji Otsuka (IDE), Jin Sato (University of Tokyo), Hiroki Oikawa (Yokohama National University), Susumu Kitagawa (University of Yamanashi)

35. Accessibility Law for Persons with Disabilities in Asia

This study will use the UN Convention on the Rights of Persons with Disabilities (CRPD) as criteria and outline the actual barriers that persons with disabilities in Asia face regarding access to facilities,

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transportation, information, and services. It will also describe legal developments taken to dissolve the barriers and indicate the remaining problems. The target countries in this study are the members of the UNESCAP which took the lead in the region in establishing the CRPD (Korea, China, Vietnam, Thailand, the Philippines, and India). The study will focus on each country, and a comparative study will also be conducted to find common issues.

All the target countries examined recognized the necessity of accessibility to information and services as provided in the CRPD, as well as accessibility to facilities and transportation. All countries promulgated some kind of legislation regarding accessibilities, such as in a comprehensive disability law, independent accessibility law, and government ordinances and standards. One of the issues the countries had in common was that no person with disabilities was in attendance during either the draft-making or the monitoring process. This resulted in legislation focusing more on regulating rather than ensuring accessibility, and also the making of “barrier-free” facilities that, in practice, were not usable. Accessibility is a precondition for persons with disabilities to participate independently in society, and therefore, law and social infrastructure should be made based on their point of view.

Organizer: Masayuki Kobayashi (Inter-disciplinary Studies Center, IDE)

Co-researchers: Soya Mori (IDE, in Berkeley), Takanori Sai (DPI-Japan), Toshiyuki Uwano (University of Tokyo), Kikuo Nishizawa (Kansai University), Noriyuki Asano (Kansai University)

36. Problems and Prospects of the Second Xi Jinping Government

The 19th National Congress of the CPC was held in October 2017. Xi Jinping enhanced his power base, and the second term of the government started. To concentrate power, Xi took many measures. First, he established many “leading groups” and took top positions. Second, he practiced an anti-corruption campaign to purge his political enemies. Third, he tightened ideological control to defuse the opposition. In contrast with these achievements, Xi did not accomplish economic and social reform. Evidently, Xi’s activity in this field has not been as strong as in the political field. In foreign policy, Xi launched new ideas such as “Great-Power Politics with Chinese Characteristics” and the “One Belt One Road Initiative.” These new foreign policies, which use economic and cultural influence, merit closer examination. We conducted a field survey in China to extensively collect materials. And based on our discussions with Chinese scholars, we intended to analyze many fields, such as politics, economics, diplomacy, and social affairs, to prove some viewpoints concerning the nature of Xi’s government. Finally, we investigated what China’s impact on Japan and the world will be in the near future.

Organizer: Yasuo Onishi (Inter-disciplinary Studies Center, IDE)

Co-researchers: Ke Ding (IDE), Takashi Suzuki (Aichi Prefectural University), Hideo Ohashi (Senshu University), Masafumi Iida (National Institute of Defense Studies), Satoru Shimokawa (Waseda University)

37. Law and Society in the Philippines during Three Decades of Re-Democratization

It has been 30 years since President Ferdinand Marcos’s regime collapsed and the re-democratization of the Philippines took place. During past three decades, a significance of the rule of law has increased, and judicial reforms have advanced one after the other. Although understanding of Philippine law is fragmented, the overall picture of the legal system seems difficult to grasp. The purpose of this study is to outline Philippine law as a whole by taking several concerned sectors examining the changes across the board. It also aims to illustrate a full-length portrait of changes especially regarding the judicial

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system framed under the constitution established in 1987. In addition, reviewing current affairs will be added including the reform of the election system that defines the basis of democracy.

Organizer: Izumi Chibana (Inter-disciplinary Studies Center, IDE)

Co-researcher: Shinya Imaizumi (IDE)

38. Poverty Alleviation and the Role of the Convenience-Store Chain

The Japanese-style convenience store has evolved ever since the convenience-store concept was imported from the United States in 1974. The Japanese-style convenience store now constitutes a respected business model in East Asian countries such as Taiwan, Korea, and China. Now Japanese-style convenience stores have started penetrating into Southeast Asian countries such as Thailand, the Philippines, Singapore, and Indonesia. They have expanded to Malaysia, Vietnam, and Cambodia. This new type of business has had a huge impact on service standards, logistical modernization, and the accessibility of public services for ordinary people, such as paying bills for water, electricity, the telephone, and so on. We studied the current situation of convenience stores in Asia and the possible impact on poverty alleviation in those countries. This study also discussed cases in Thailand, Indonesia, Taiwan, and India.

Organizer: Hiroshi Sato (Inter-disciplinary Studies Center, IDE)

Co-researchers: Mari Nakamura (IDE), Yukihiro Sato (IDE), Hisao Sekine (Tsukuba University), Hidemi Yoshida (Hosei University), Atsushi Hamamoto (Nagoya City University), Rieko Kubota (National Institute for Environmental Studies), Yukimi Shimoda (Tsukuba University)

39. Political Economy of Cross-Strait Relationships under the Ma Ying-jeou Administration

With the KMT government's return to power in 2008, the China-Taiwan relationship, which was severely strained during the DPP regime in 2000–2008, started to improve rapidly. Economic integration and social interaction across the Taiwan Strait accelerated within a few years after the formation of the Ma administration. The aim of this research project is to elucidate the impact of the drastic détente across the Taiwan Strait on Taiwan's political and economic structure under the Ma administration. The final product of our project will be published as an edited volume consisting of an introduction and six chapters. Chapters 1 and 2 will explore the political economy of cross-Strait relationships, with a special focus on the formation of principal-agent networks across the Strait. Chapters 3 and 4 investigate political and diplomatic challenges that Taiwan faced during the Ma administration. Ma's strategies towards China and the international context surrounding the China-Taiwan relationship will be discussed. Chapters 5 and 6 will explore the impact of economic integration with China on Taiwan's industries and job opportunities for the young generation.

Organizer: Momoko Kawakami (Area Studies Center, IDE)

Co-researchers: Haruka Matsumoto (IDE), Yukihiro Sato (IDE), Takayuki Takeuchi (IDE), Jun Akabane (Yokohama City University), Mitsutoyo Matsumoto (Kyoto Women's University)

40. Comparative Studies of Trends in Regional Structures

South Asia is expected to become more regionally integrated in the next few decades. When we imagine a South Asia without borders, how does it differ from the borderless region during the British

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colonial period? This research project explores the shifting trends of regional structures with the partitioned regions under the current territories.

Within this project, we have completed three papers: (1) “Regional Disintegration in South Asia: Evidence from the End of the British Empire on Maritime Networks,” (2) “The Structure of Coasting Trade in British India from 1901 to 1931,” and (3) “Displacement in Bengal Revisited.” We have explored the impact of partition in South Asia in 1947, specifically, on maritime transportation in (1) and on population geography in the short term on smaller geographical units in (3). Moreover, we have shown the extent of regional integration in British India in (2). All of these outcomes can contribute to a better understanding of 20th-century regional integration in South Asia.

Organizer: Kenmei Tsubota (Development Studies Center, IDE)

Co-researchers: Abu Shonchoy (IDE, in New York), Noriyuki Osada (IDE), Michihiro Ogawa (Kanazawa University), Takashi Kurosaki (Hitotsubashi University), Cesar Ducruet (Centre national de la recherche scientifique)

41. Impact of Political Protests: A Case Study on Bangladesh

Political protests in the form of strikes, locally known as hartals, remain quite common in the countries of the Indian subcontinent. Such a form of protest is associated with a mass movement that is intended to cause a total shutdown of economic activities and closure of educational institutes, and often results in coercion, violence, and damage to public and private property. Hartals were instrumental in strengthening democratic progress in the subcontinent during and after the anti-colonial struggles. However, long after the colonial period ended and democracy was achieved, hartals remain a prominent part of political culture in this part of the world. Along with Bangladesh, both India and Nepal still face a concerning number of hartals each year, and their frequency has risen quite sharply over the years (Rudolph and Rudolph 1987).

The objective of this study is to understand the impact of political protest in the form of the hartal and to systematically analyze the impact on the economy. Since hartals negatively impact outputs, inputs, and supply chains, we use a host of indicators—namely, stock price as an output indicator and the movement of the domestic price of essentials as a supply chain indicator—in such a way that these variables encompass all the potential effects on these two aspects of the production process. Since the occurrence of hartals is a high-frequency (daily) variable, in order to have a cleaner identification strategy for its impact, particular attention has been paid to those variables for which high-frequency data is available.

Organizer: Abu Shonchoy (IDE, in New York)

Co-researchers: Kenmei Tsubota (IDE), Kazi Iqbal (Bangladesh Institute of Development Studies), Mainul Hoque (Bangladesh Institute of Development Studies)

42. Structural Changes in Industry and Trade in East Asia

This paper has two sections. In the first section, the authors conducted a comparative study on trade structure in East Asia. Two indices, the PRODY and the EXPY, were calculated from the trade data. The results show that (1) EXPYs for Japan, Korea, China, and Thailand achieved a peak in 2007, after which they stagnated; (2) EXPYs for Malaysia and Indonesia stagnated until 2008, because they were both affected by the natural-resource boom. The study also shows that the PRODY has some merits as an index for indicating the sophistication of a given export structure, but it also has many drawbacks.

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In the second section, the Trade in Value-Added analysis was conducted using the Asian International Input-Output data. First, we found that there is a significant difference between the trade-data-based and the value-added-based export structure, especially in the high-technology industry. Second, Southeast Asian countries have higher VS shares than Northeast Asian countries; at the same time, Southeast Asian countries depended highly on Northeast Asian countries for the procurement of intermediate inputs. Finally, it is shown that the semiconductor and integrated circuit sector has an extremely high VS share—indicating a significant leakage of value added due to induced foreign inputs—in Southeast Asian countries such as Thailand and Singapore.

Organizer: Ikuo Kuroiwa (Development Studies Center, IDE)

Co-researcher: Satoru Kumagai (IDE)

43. International Trade of Secondhand Goods

This study focuses on the volume of trade, the background of import and export, trade players, trade restrictions, the location of the related industries, and the issue of waste disposal after use. Various used goods such as household appliances, agricultural machinery, railway cars, automobiles, and tires are studied. The target area is mainly in Asia, but it also covers exports to Africa, New Zealand, and the Asia-Pacific island countries.

Based on field surveys, hearings at research meetings, and other sources, we found a new trend that emerged after we had conducted surveys for our previous study, “International Recycling and Developing Countries” (Institute of Developing Economies), edited by Michikazu Kojima in 2014. First, it looks as if secondhand-goods exports from middle-income countries to lower developing countries may increase. Second, the progress of the digital economy has influenced the import/export business of used goods. Consumers purchase used cars through internet auctions or purchase used cars directly from shows in other countries through the internet. Traders can get finance to trade used goods with crowdfunding.

This research result is still an interim one. In the second year, we will carry out further field visits and other activities. We will compile manuscripts in English and plan to publish them as a book.

Organizer: Michikazu Kojima (Inter-disciplinary Center, IDE)

Co-researchers: Shozo Sakata (JETRO Bangkok), Koichi Kawamura (IDE), Yutaka Asazuma (Hokkai Gakuen University), Sayaka Ogawa (Ritsumeikan University), So Sasaki (Chuo University), Tomoko Fukuda (Chiba University)

44. Evaluation Systems for Asian Countries' Social Sciences and Humanities in the 21st Century

Our project examines what kinds of research evaluation systems have been set up under globalization, as well as the rapid progress of ICT technologies and what impact they have had on academic activities in South Korea, China, Hong Kong, Taiwan, and Japan. In the first year of the project, we conducted preliminary studies.

First, we looked at the structures of the research evaluation systems and their backgrounds. In Korea, the Korean Council for University Education provides a model of evaluation system on the academics. In Hong Kong's research evaluation system, the University Grants Committee plays a key role. Japan's

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evaluation system on the academics originates from the Educational Reform Council of the Nakasone cabinet.

Second, we found the following problems that the evaluation systems have caused. China's evaluation systems, which are closely linked with monetary incentives, have succeeded in rapidly increasing the production of academic papers but have also imposed serious stress on academics. In Taiwan, the petition that academics presented to the government pointed out the problems with the evaluation system, including the neglect of education and the undervaluing of publishing in Chinese and additional languages other than English. In Japan, the evaluation systems on academics, which have increasingly prevailed in higher education, have put considerable burdens on the universities. In the second year of the project we will examine these problems more closely.

Organizer: Yukihiro Sato (Inter-disciplinary Studies Center, IDE)

Co-researchers: Hiroyuki Nikai (IDE, in Seoul), Mayumi Kishi (IDE Library), Yuko Sawada (IDE Library), Shuji Kano (IDE Library)

45. Unsuccessful FTA Negotiations

For developing countries, the mutual recognition of professional qualifications is critically important for the export of services, as well as general economic and human development. In particular, mutual recognition agreements (MRAs) are widely considered to have a huge potential to facilitate the flow of services. However, in reality, there are too many mechanisms intended to facilitate mutual recognition at various levels—country level, bilateral level, regional level, international level, and global level (e.g., WTO). As a result, the multi-layered mutual recognition system as a whole has become significantly more complicated. This study will identify the effectiveness of each mutual recognition mechanism and the relationship (consistency) among various mutual recognition measures by conducting in-depth interviews with government officials and professional associations.

Organizer: Shintaro Hamanaka (Development Studies Center, IDE)

Co-researcher: Sufian Josoh (National University of Malaysia)

46. Local Government Survey in ASEAN Countries: Review of Comparative Perspective and Data Processing

In some ASEAN countries, a number of decentralization reforms took place simultaneously between 1990 and 2010. Since this wave of decentralization, local government bodies in ASEAN countries have been assuming important roles in local development and public service delivery. The members of this study team previously conducted the Local Governance Survey in Indonesia, the Philippines, and Thailand from 2011 to 2014, supported by JSPS KAKENHI Grant Number 21252003. To proceed with further analysis of the survey data, this study project was set up at IDE and reviewed several important issues concerning the analysis of the survey in Southeast Asia. The report presents a review of perspectives on the central-local relationship, local political leaders and political dynasties, development planning and local participation, local networking, the politics of budgeting and the budget systems and the Local Government Law 2014 in Indonesia. The study team also made a comparison of the survey data in three countries and processed some parts of the survey data for further comparative use.

Organizer: Tsuruyo Funatsu (Inter-disciplinary Studies Center, IDE)

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Co-researchers: Fumio Nagai (Graduate School of Law, Osaka City University), Masaaki Okamoto (Center for Southeast Asian Studies, Kyoto University), Kenichi Nishimura (Center for International Education and Exchange, Osaka University), Kazuhiro Kagoya (College of Law, Kanto Gakuin University), Takuya Hasegawa (Faculty of Humanities and Social Sciences, Tsukuba University)

47. Impact of ASEAN Open Skies

The establishment of the ASEAN Economic Community (AEC) at the end of 2015 was a milestone of economic integration in ASEAN. During the process, ASEAN successfully completed the ratification process of regional open-sky agreements and gradually advanced the negotiation of air transport agreements with neighboring countries. Along with such progress in institutional liberalization, aviation networks connecting ASEAN member states and others have rapidly expanded, and increased its importance as infrastructure to transport freight and passengers. Given this background, this research project aims to analyze quantitatively the expanding process of aviation networks in the region and the impact of institutional liberalization (open-sky agreements).

Researcher: So Umezaki (Development Studies Center, IDE)

48. Unsuccessful FTA Negotiations

In this first attempt to systematically analyze both successful and unsuccessful free trade agreement (FTA) negotiations, we differentiate between country pairs that initiated negotiations but did not conclude an agreement and pairs that did not initiate negotiations, though previous studies treat the two groups equally as an “absence of FTA.” By comparing successful and unsuccessful negotiations, we reveal certain associated factors that may affect the negotiation outcomes. We examined three factors associated with negotiations: (1) the existence of a diplomatic mission in negotiating partner countries; (2) the reciprocity of tariff cuts under free trade agreements; and (3) the number of negotiations conducted in parallel by one country. While our sample size is small—only 25 free trade agreement negotiations were conducted by Singapore (17 successfully and eight unsuccessfully)—the following can be asserted based on comparison between the two groups. First, when negotiating parties have diplomatic missions in the partner country, they are more likely to conclude free trade agreement negotiations between the two. Second, when the level of “most favored nation” (MFN) rates between negotiating parties is similar, they are more likely to conclude FTA negotiations between the two. Finally, when one country conducts multiple parallel free trade agreement negotiations, the (less important) earlycomer negotiating partners may be crowded out by a new, more important negotiating partner.

Researcher: Shintaro Hamanaka (Development Studies Center, IDE)

49. Effects of Trade Policy on Technological Innovation in Agricultural Markets: Implications for the Developing Economies

With increasing global interdependence, a country’s policy can induce technological innovation in its trading partner countries through international trade. An induced technological innovation, which may be biased as a result of policy orientation, can have a complex impact on the traded commodity, particularly in a market with highly differentiated products. Furthermore, especially for developing countries, most of which are based on agriculture, it is important to understand that impact. This paper aims to study a recent policy change by the European Union, one of the largest agricultural import markets,

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through the use of an ex-ante method and a displacement model. The policy change affected global apple exports to the EU, particularly for large exporters such as China, South Africa, Chile, and the United States. Considering data availability, the project focuses on the U.S. market to study the impact of the EU's policy-induced, biased, and technological innovation in the U.S. agricultural industry. The results and policy implications are generally applicable to other major agricultural exporters, including those from developing countries.

Researcher: Lei Lei (Inter-disciplinary Studies Center, IDE)

4. Funded Research

1. Integrated Approach for Dissemination of the Decentralized Domestic Wastewater Treatment System in Southeast Asia

Researchers: Kenji Otsuka (Inter-disciplinary Studies Center, IDE), Michikazu Kojima (senior economist, Economic Research Institute for ASEAN and East Asia [ERIA])

In recent years, water pollution has become a serious concern in Southeast Asia due to the unregulated system of wastewater management. While it is not realistic to expect a rapid improvement of the sewer system in Southeast Asia, the Japanese septic tank system is considered an effective measure to prevent the pollution. However, it is necessary to both localize the system designed for ASEAN countries and build institutional systems in order to disseminate the Japanese septic tank system to Southeast Asia. This research project aims to pave the way to disseminate the Japanese decentralized wastewater treatment system in ASEAN countries by a comprehensive approach combining institutional building and localization of technology. IDE-JETRO is in charge of the regional localization of environmental technology, and investigated regulations and rules of wastewater management and related precedent cases of standardizing institutions in ASEAN countries. It also built networks with stakeholders, including administrative agencies, industrial organizations, and research institutes to realize the dissemination of the Japanese decentralized wastewater treatment system.

5. Projects Funded by the Japanese Government's Grants-in-Aid for Scientific Research

Grant-in-Aid for Scientific Research (B)

1. Analyzing Markets and Industrial Development in Developing Countries Using the Structural Estimation Method: The Case of the Motorcycle Industry in Southeast Asia

Principal investigator: Mai Fujita (Area Studies Center, IDE)

This research aims to capture the structure of both the market and industry cohesively by conducting a structural estimation of the behavior of consumers and producers as well as interactions among the players. It does so by examining the motorcycle industries in Vietnam and Indonesia, which have experienced remarkable growth driven by competition between foreign and local producers.

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In 2017, the last year of the project, we mainly conducted the following two activities. First, we refined our analysis of the motorcycle purchase behavior of the two countries using quantitative and qualitative data on the motorcycle manufacturers' product development and introduction strategies and records collected via interviews in Indonesia, Vietnam, and Japan. On this basis, we substantially revised our paper on the motorcycle markets in the two countries and positioning of major manufacturers in the two countries and presented it at international conferences. Second, we analyzed the data on motorcycle production in the two countries. We collected quantitative and qualitative data on motorcycle parts suppliers in order to supplement the data collected via with the cooperation of research institutes in Indonesia and Vietnam. We used this data to analyze the bargaining relationship between motorcycle manufacturers and parts manufacturers.

The findings suggest that, although Indonesia and Vietnam are both large motorcycle markets in Southeast Asia in which Japanese motorcycle manufacturers hold dominant shares, there are not only similarities but also differences in terms of consumers' motorcycle purchase behavior and the structure of motorcycle production in the two countries.

2. The Role of the Judiciary in the Process of Democratization: Comparative Analysis on the Middle East and Islamic Countries

Principal investigator: Hirotake Ishiguro (Area Studies Center, IDE)

This research project aims to explain the mechanism that causes the progress, stagnation, or regression of democratization in the Middle East and Islamic countries by the level of judicial independence and preference of constitutional review for hegemonic preservation or horizontal accountability. For this purpose, we focus on common phenomena of the "judicialization of politics" in five Middle Eastern and Islamic countries (Turkey, Egypt, Kuwait, Pakistan, and Azerbaijan).

In FY2017, based on the progress of each case analysis, we discussed a new analysis framework for the final outcome, together with our overseas research collaborators. Regarding mutual relationships between judicial authority and other institutional actors such as executives, legislatures, armed forces, and royal over constitutional reviews, we confirmed that the influence of external actors, such as the ombudsman and related international regimes, especially the European Human Rights Court through training in personnel exchanges with certain conditions, is also an important variable. In addition, we confirmed the comparability of our study with other regions from the common phenomenon of the judges' career pattern and attitudes pursuing treatment and fame as a sort of collective interest, and the design and operation of the system behind it. While theoretical frameworks such as "hegemonic preservation" and "fragile democracy" that we referred to tend to discuss how to make democracy work well, this research project is more closely related with the research field on the sustainability factor of the authoritarian regime.

3. Development Sociology of Postwar Japan: Comparative Study of Social Conditions Needed for High Economic Growth

Principal investigator: Hiroshi Sato (Inter-disciplinary Studies Center, IDE)

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In this research, we aim to re-examine the postwar recovery and development process of Japan, including the rapid economic growth—known as the “Japanese Miracle”—in the 1960s from the perspectives of “development sociology.” By doing so, we expect to present the characteristics of Japan’s development experience in a way that allows for comparisons with today’s emerging/developing countries.

The perspectives of “development sociology” here mean (1) focusing on social relations among actors at the micro level, (2) paying attention to the role of value/culture surrounding development (macro level), (3) considering the background policies and domestic and international environments surrounding the development project (macro level), (4) looking at the medium- to long-term social impact of 50 years (historical vision). Mobilizing those four perspectives in development activities may help us to compare the development experiences between countries.

We will apply those “development sociological” perspectives in analyzing four development sectors in postwar Japan as case studies. They are a) rural life improvement, b) public health, c) coal mine development and closure, and d) the construction of hydro-power dams. Using these four sectors, we would like to highlight social preconditions for rapid economic growth and present the concrete analysis examples using our method.

In 2018, which is the final year of the three-year project, we plan three activities. First, we will continue to interview elderly people in Japan who have detailed knowledge of the events relating to each case study. Second, we will conduct a organized session at the Asian Rural Sociological Association scheduled in Indonesia in August. In this session, we present the results of individual case studies (rural life, public health, coal mine, dam) that we conducted in the last two years. This session may help future study on current development projects in emerging and developing countries, since many rural sociologists from East Asia and Southeast Asia will attend the conference. Comments and an exchange of opinions at the academic society are expected to be an important touchstone for the next stage of this research. Third, we will compile the final report of the three-year study, and prepare for publication.

4. The Determinants and Costs of Utilizing Regional Trade Agreements

Principal investigator: Kazunobu Hayakawa (IDE, in Singapore)

Collecting the data on the utilization of regional trade agreements (RTAs) in East Asia, this project conducts two analyses. One is to theoretically and empirically investigate firms’ choice of tariff regimes when multiple RTAs are available for firms. With the emergence of more mega-RTAs (such as the Regional Comprehensive Economic Partnership), firms have more opportunities to select from multiple tariff regimes. The other is to measure the costs of utilizing RTA regimes by country-pairs and products. By utilizing the variation of the costs across country-pairs and products, we try to uncover the determinants of the costs for RTA utilization.

In 2017, significant progress was made on both theoretical and empirical analyses. In terms of empirics, we obtained the data on RTA utilization in Japan, Thailand, Indonesia, Korea, and Australia. We also developed the theoretical framework to investigate firms’ tariff regime choice when multiple RTAs are available, in addition to deriving the structural equation to measure the costs for RTA utilization. Based on this progress, as a trial, we examined the tariff regime choice when importing from Japan and Thailand, and measured the costs for RTA utilization when importing from Japan.

Grant-in-Aid for Scientific Research (C)

5. The Impact of Migration on Economic Disparities in Rural India

Principal investigator: Yuko Tsujita (JETRO Bangkok)

This research aims to examine the impact of increasing out-migration on economic disparities in rural India in the short and medium term. Specifically, this research focuses on Bihar, one of the most under-developed states in India. By revisiting the same households in rural Bihar where a project member previously conducted surveys, this research examines economic changes of households and villages by migration. An attempt has also been made to investigate the impact of remittance on households and to illustrate the impact of migration on changes in agriculture and non-agriculture wages together with female participation in the rural labor market. During the last year of the project, focus-group discussions were conducted in rural areas in order to triangulate some findings from the household survey.

6. GMS Economic Corridor: Focusing on Human Connectivity

Principal investigator: Masami Ishida (Development Studies Center, IDE)

This research project showed that people-to-people connectivity has emerged in a sub-region between northeastern Thailand, south-central Laos and central Vietnam through mutual visits of tourists, educational exchanges, and exchanges of provincial governments. First, a three-night, four-day tour of Hue, Da Nang, and Hoi An has become popular among northeastern Thai people since about 2005. A two-night, three-day tour of Vientiane, Udon Thani, and Nakhon Phanom, where Ho Chi Minh once lived, has also become popular among Vietnamese in central Vietnam since 2015. In central Vietnam, a growing number students are studying the Thai language in Thailand in order to work as tour guides for Thai tourists. The number of Lao students who study in Vietnam also increased; Ha Tinh University, for instance, received 1,900 Lao students in 2015. Taking opportunities such as the completion of the Third Mekong Friendship Bridge between Nakhon Phanom and Thakhek, four provinces in northeastern Thailand, two provinces in Laos, and three provinces in central Vietnam have exchanged views in annual meetings.

The project examined the reasons for these phenomena. First, many overseas Vietnamese are originally from this sub-region, and they play a role as intermediaries. Second, abundant tourism resources exist in parts of central Vietnam such as Hue and Hoi An, and Nakhon Phanom has a special meaning for Vietnamese people. Third, cross-border transport infrastructure, including the East-West Economic Corridor and the Second and Third Mekong Friendship Bridges, has been improved, and in this region the Lao-Vietnamese border is not far from the Lao-Thai border.

7. The Rise of Latecomer Firms as Platform Vendors: The Case of Taiwanese SoC Vendors

Principal investigator: Momoko Kawakami (Area Studies Center, IDE)

“Industry platforms” are products, services, or technologies that serve as foundations upon which other firms can build complementary products, services, or technologies (Gawer 2009). Since the first years of the 21st century, Taiwan has witnessed the emergence of local core component vendors that act as industry platform providers. This research project investigates the firm-level learning mechanism that makes the emergence of these latecomer platform vendors possible. In FY2017, I engaged in the fol-

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lowing research activities. First, I conducted a series of interviews with Taiwanese med-tech entrepreneurs to understand their strategies to launch platform-oriented devices and solutions. I also interviewed government officials to understand recent trends in innovation policies in Taiwan. Second, I revised and submitted my paper investigating the formation of the “total solution business model” of Taiwanese IC fables firms that have emerged as platform vendors. The paper will be published in FY2018.

8. International Solidarity against Apartheid: The Case of Japanese Citizens’ Movements

Principal investigator: Kumiko Makino (Inter-disciplinary Studies Center, IDE)

This research project aims to trace the historical development of the anti-apartheid movement in Japan, which started in the 1960s and continued until the early 1990s, when the apartheid regime fell and was replaced by a democratic government in South Africa. During FY2017, two research workshops—“Women, Literature and the Anti-Apartheid Movement” in May 2017 and “An Africanist Scholar’s Experience of Citizens’ Movements” in July 2017—were held as part of the project. The principal investigator presented a paper at the annual convention of the Japan Association of International Relations (Kumiko Makino, “The Japanese Anti-Apartheid Movements in Retrospect: Between Transnational and Localized Activism”). She also contributed a chapter to an edited book on Africa-Asia relations (Kumiko Makino, “Travelling for Solidarity: Japanese Activists in the Transnational Anti-Apartheid Movement,” in Scarlett Cornelissen and Yoichi Mine, eds., *Migration and Agency in a Globalizing World: Afro-Asian Encounters*, Palgrave Macmillan). The proceedings of the public seminar titled “Remembering the Anti-Apartheid Movement,” which was held at Rikkyo University in December 2016 to commemorate the transfer of the archives of the Japan Anti-Apartheid Committee (JAAC) to the Rikkyo Research Center for Cooperative Civil Societies, Rikkyo University, was also published.

9. Re-Examination of the Taiwan Strait Crises and Sino-American Relations

Principal investigator: Haruka Matsumoto (Area Studies Center, IDE)

This research aims to investigate trilateral relations among the United States, China (People’s Republic of China), and Taiwan (Republic of China) during the two Taiwan Strait crises in the 1950s. It utilizes not only U.S. sources but also recently declassified Chinese and Taiwanese archival documents. In doing so, this research re-examines the development of Sino-U.S. relations and the transformation of regional dynamics in East Asia during the period. This year, I conducted archive research in Taiwan.

10. De-Dollarization in Myanmar

Principal investigator: Koji Kubo (IDE, in Bangkok)

This study aimed at investigating the conditions of dollarization in Myanmar and clarifying issues to resolve the dollarization. First, we obtained time-series data on the foreign currency deposits (FCDs), which indicated a considerable degree of dollarization in the country, at least in the first few years after 2001. However, thorough investigation of the foreign exchange system revealed that a significant portion of FCD belonged to the state sector. In fact, transferring FCDs of the state sector to the international reserves of the central bank in 2012 resulted in a sharp decline in the dollarization index. Second, we conducted a survey of 240 import/export firms as samples and examined their motivation for holding FCDs. The survey data indicated that FCDs were held for the purpose of unofficial currency trading

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among firms. Therefore, it is thought that improving the banks' dealings with official customers is conducive to the elimination of dollarization in Myanmar. The result of the research is published as a monograph entitled *Myanmar's Foreign Exchange Market: Controls, Reforms, and the Informal Market*.

11. Growth of Agricultural Corporations in Latin America

Principal investigator: Tatsuya Shimizu (Area Studies Center, IDE)

In order to satisfy emerging countries' increasing demand for grains such as soybeans and maize, Latin American countries are increasing their production as well as exports. The development of grain production in midwestern Brazil is one of the most outstanding examples.

This study tried to identify characteristics in the farm management of emerging large-scale grain producers. We found that large-scale producers put more effort into financing input provision, instead of depending on barter contracts with grain traders and input providers. This will leave enough room for producers to improve their margin and expand their production.

In 2017, the researcher presented the results of this study in the following forms: "Growing Grain Production in Brazil and Corporate Family Farm Management," in Shimizu, ed., *Evolution of Agricultural Management in Developing Countries*, interim report, IDE-JETRO, March 2017; "Large-scale Grain Production in Midwestern Brazil," a conference presentation at the Japan Society of Social Science on Latin America, Kanto meeting (July 15, 2017, at the University of Tokyo, Komaba campus); "Brazil: Development of Large-scale Grain Production," *Ajiken World Trends*, No. 264 (October 2017); "Independent Farm Management by Grain Producers in Midwestern Brazil," in Shimizu, ed., *Evolution of Agricultural Management in Developing Countries*, IDE-JETRO, forthcoming (all papers and presentations are in Japanese).

12. The Impact of Product-Related Environmental Regulations in Asia through Supply Chains

Principal investigator: Etsuyo Michida (Inter-disciplinary Studies Center, IDE)

Globalization presents new challenges for the rapidly growing economies of East Asia. One notable trend in global markets is the increasing importance of public regulations as a condition for access to the markets of developed countries. The current research examines the dissemination of public regulations and private standards introduced in developed countries and the impact on manufacturing firms in Asian countries engaged in exporting. The regulations require firms to upgrade product quality and to respond to these new challenges in order to keep market access to regulated markets.

By using firm survey data conducted in Vietnam, Malaysia, and Japan, this research attempts to reveal how regulatory introduction affects firm behavior. It particularly focuses on European Union regulations on chemicals and hazardous substances (RoHS and REACH). There is a great deal of literature on product quality and trade, and regulation and trade, using bilateral trade data, as well as manufacturing plant data. However, the current project offers new evidence by examining a change in firm decisions on the timing of regulatory introductions that require upgrades in product quality.

13. The Rise of Temporary Jobs in Local Labor Markets

Principal investigator: Tomohiro Machikita (Development Studies Center, IDE)

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It has become important to gain an accurate and deeper understanding of how economic globalization affects local labor markets through transactions along global production networks. This research project has two main agendas. First, we advance our basic understanding of city-level facts on (1) industrial localization, the agglomeration of different industries, and their changes in the last 30 years in Japan; (2) the composition of regular and temporary employment workforces and their changes in the last 30 years within and across the regions in Japan; (3) trade-induced local labor market shocks due to the impact of economic transactions along production networks within and across borders; and (4) changes in firm entries, exits, and workforce distribution responding to changes in the geographic distribution of the industries. Second, we develop a theoretical model to explain the empirical patterns of the above facts and the effects of trade on changes in regular and temporary employment through the production chains within and across borders. This model incorporates firm-level choices on flexibility and upgrading by outsourcing tasks to temporary or foreign workers based on changes in the division of labor across countries and industrial upgrading in emerging economies. The proposed research thus contributes to the existing literature on labor economics, international trade, and policy discussions in order to identify and estimate the globalization channels for changes in local labor markets from the angle of restructuring global production networks.

14. Stunted Manufacturing Growth in Africa: Labor Cost Approach

Principal investigator: Takahiro Fukunishi (Area Studies Center, IDE)

This project focuses on the role of labor costs in changes of industrial structure, a subject that few studies in Africa have investigated so far. To empirically investigate labor migration and the wage gap between urban and rural areas, we have started to analyze the national worker/household data of Ethiopia (Labor Force Survey 2013). The project has been extended to FY2018 in order to complete the remaining work, including the collection of additional data through an original survey.

Given the significant growth of the export-oriented labor-intensive industry, namely the cut-flower, textile, and leather industries, the Ethiopian economy—among all sub-Saharan African economies—is most likely to experience structural changes. We expect that comparison of its labor market with those in other African countries will indicate labor-related factors facilitating or disturbing structural changes in the economy.

15. Development and Applications of an Applied General Equilibrium Model of Global Trade with a Public System that Partially Subsidizes the Fixed Costs of Private Firms

Principal investigator: Kazuhiko Oyamada (Development Studies Center, IDE)

The purpose of this research project is to develop an applied general equilibrium (AGE) model of global trade that explicitly includes mechanisms through which infrastructure development and public services financed by tax revenues reduce the fixed-cost burden for business operations. Considering the Melitz-type production/sales system instead of the “Armington assumption,” which has been widely assumed in many AGE models, analyses on the effectiveness and optimal volumes of public support for overseas business development, such as those provided by the Japan External Trade Organization (JETRO), are carried out. In FY2017, a series of simulation analyses using a global AGE model with Melitz-type firm heterogeneity has been performed to clarify the main characteristics of the model from

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several different points of view. In particular, the program code for the GAMS (General Algebraic Modeling System) software has been extended and transplanted to the GEMPACK (General Equilibrium Modeling PACKage) software, and utilized for experimental simulations. The findings obtained from the experimental simulations have been widely reported in international conferences and at professional meetings. In FY2017 we also attempted an empirical analysis to validate the model. Unfortunately, this part of our project has not yet gone as expected. It has taken an inordinate amount of time to collect and select the appropriate data, as well as to revise the model to be consistent with those data.

16. Income Inequality and Political Stability: Comparative Study of Five Southeast Asian Countries

Principal investigator: Takeshi Kawanaka (Area Studies Center, IDE)

In recent years, we have observed political instability and the transformation of relations between political groups in five economically advanced Southeast Asian countries: Indonesia, Malaysia, the Philippines, Singapore, and Thailand. These changes seem to be caused by widening income inequality. This study aims to reveal the causal mechanism of inequality and political instability in order to understand the current political situation in Southeast Asian countries. We focus on political institutions as the connecting point between inequality and political instability, and examine the institutions' role and function in coordinating interest conflicts caused by widening income disparity in each country. This study is expected to identify the institutional conditions that would bring about political stability amid socioeconomic changes not only in Southeast Asia but also in general. For FY2017, I conducted field research in Singapore, Malaysia, and the Philippines to collect related data and documents.

17. Prolonged Competitive Authoritarian Regimes in South America

Principal investigator: Aki Sakaguchi (Area Studies Center, IDE)

The Chavez administration (1999–2013) and the subsequent Maduro administration (2013–present) in Venezuela, the Morales administration in Bolivia (2006–present), and the Correa administration in Ecuador (2007–2017) share certain similarities in their political conduct and experiences. For example, they conduct regular elections and have stayed in power for over a decade by winning elections consecutively. However, they are often criticized for their lack of respect for some fundamental democratic values, such as checks and balances among the state powers (legislative, administrative, and judicial), political and ideological freedom and the basic human rights of their citizens, and the independence of the mass media. By comparing the three administrations and using the concept of competitive authoritarianism, this project will analyze the factors that have made it possible for the three administrations to stay in power for such a long time.

In 2017, we focused on two topics as the explanatory factors of the continuity of the competitive authoritarian regimes: the functions of elections under authoritarian regimes, and the political strategies and capabilities of the opposition groups. For the first topic, we discussed how the Chavez and Maduro administrations have utilized elections as a strategy to divide and thus weaken the opposition parties. For the second topic, we discussed the fact that the opposition parties in Bolivia have not been able to compete with the government party at the national level, even though some of them are very strong at the local level, focusing on their political strategies.

18. Protection of Rights of Persons with Disabilities in China: Development through Local Legislation

Principal investigator: Masayuki Kobayashi (Inter-disciplinary Studies Center, IDE)

This study focuses on the development of local legislation aimed at protecting the rights of persons with disabilities in China. The objective of this study is to identify issues hindering the realization of rights of persons with disabilities. It will analyze local legislation enacted by the local government referring to the core principle of the UN Convention on the Rights of Persons with Disabilities (CRPD) such as anti-discrimination and important provisions in education and employment as a criterion. It will focus on the relation between national law and local legislation, and the relation between the convention and local legislation. It will examine (1) in what ways the Law on the Protection of Persons with Disabilities is implemented locally, (2) whether there are any unique developments in local legislation, including “adding” to the national law, and (3) whether CRPD has influenced local legislation and whether it is consistent with it. The local areas studied are Beijing, Shanghai, and Guangdong, which have advanced economic development and said to have an advanced disability policy. In FY2017, field work interviewing Disabled Persons’ Federations, DPOs, NGOs, and persons with disabilities was conducted, in addition to a literature survey.

19. Emergence of the “Mekong Region”: From Mekong Committee to GMS

Principal investigator: Maki Aoki (Area Studies Center, IDE)

After decades of war, a number of initiatives for regional development cooperation, such as the Greater Mekong Sub-region (GMS), were launched in mainland Southeast Asia. The projects have developed not only the physical infrastructure but also the concept of the “Mekong region” or the “Mekong basin” as a new regional framework for cooperation. The research studies how and by whom the relatively new concept of the “Mekong region” has been forged by examining the development process of regional cooperation initiatives from the Cold War period until 2010.

The main focus of FY2017, the second year of the project, was document and interview research overseas.

1. Archive research in Bangkok on Thailand’s commitment in Mekong development projects (August 2017 by Aoki)
2. Interview research in Mekong River Commission HQ in Vientiane (December 2017 by Imaizumi)

The project also conducted a discussion among members over the data and information that we collected in the field research. After the examination, the members temporarily agreed that the concept of peace-building through functional development cooperation, which can often be seen in the policy documents of Japan and international aid organizations in the early 1990s, was not clearly shared with the policy-makers in Thailand. The project leader, Maki Aoki, published this observation in the paper “Domestic Origin of Mekong Regional Cooperation: Through the Study of Domestic Institutional Change in Thailand in the 1990s,” *Ajiken World Trends*, No. 265 (November 2017).

20. An Empirical Study on Managerial Innovation by ASEAN Local Firms

Principal investigator: Yasushi Ueki (Development Studies Center, IDE)

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This study aims at identifying mechanisms of firm-level technological capacity building through managerial innovation. Local firms in Southeast Asia lack sufficient internal resources for developing their technological capacities. Local firms need to make efficient use of internal resources and combine them with external resources that their customers and suppliers have to acquire and enhance their technological capacities. Managerial innovation can be recognized as an approach to create a mechanism for such purpose. Managerial innovations may be associated with management practices widely adapted by firms in Southeast Asia such as quality control, cross-functional teams, and information system development. In FY2017, this study project attempted mainly two analyses using existing survey data. The first is an examination with structural equation modeling (SEM) of the association between ICT uses for sharing information internally and externally available for firms and new product introductions. The second aims to investigate characteristics of the firms that attempt managerial innovations. A regression analysis is applied to examine the relationships between human resource management, a cross-functional team for achieving technological innovations, and managerial innovations. The results of these preliminary analyses conducted in FY2017 will be presented at international conferences and elaborated in FY2018.

21. A Study of the Impact of the Four Thai-Lao Mekong Friendship Bridges with Remote Sensing Data

Principal investigator: Souknilanh Keola (JETRO Bangkok)

Studies of the impact of economic integration are often done by country or administrative boundaries. However, economic integration happens through logistical infrastructure such as seaports, airports, and bridges installed at specific locations. The impact of such infrastructure may extend beyond administrative boundaries; and within boundaries, it affects places differently. The aim of this research is to use spatio-temporally high-definition remote sensing data collected from the sky, and administrative data collected on the ground in a complementary manner, to study the positive and negative impacts of regional integration with a spatial unit of analysis independent of administrative boundaries. In FY2017–18, I made field trips to the four existing Mekong Friendship Bridges to familiarize myself with condition on the ground, as well as to collect time-series data on the surrounding areas. I have also downloaded Monthly Nighttime Light Data (especially the Visible Infrared Imaging Radiometer Suite), published two to three months after it was acquired, and aggregated to regions of interest. Tentative study results were also presented at a related event of APEC 2017 in Hanoi, Vietnam.

22. The Americanization of the Innovation Model in East Asia: A Case Study of the Med-Tech Innovation Ecosystem

Principal investigator: Momoko Kawakami (Area Studies Center, IDE)

Since the first years of the 21st century, East Asian countries have sought to spur innovation from startups. The common goal for these policy efforts is to replicate Silicon Valley's high-tech community and nurture a local ecosystem conducive to innovation. As a part of these efforts, policy-makers in East Asia have tried to duplicate key elements of the Silicon Valley ecosystem and strengthen its links with the Northern California Bay Area community. A growing number of co-working spaces, the emergence of angel investors, and the rise of university-based high-tech startups are common trends in these economies. In this research project, I call this development the "Americanization of innovation models" in

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East Asian countries and investigate its impact on East Asia's economic development. In FY2017, I engaged in the following research activities. First, I surveyed the existing literature on Silicon Valley's ecosystem, trans-border high-tech communities, and innovation ecosystems in the United States and Asia, and built a research framework to capture dynamic interactions among key actors of the innovative ecosystem. Second, I interviewed policy-makers and startup entrepreneurs in Taiwan's medical device sector to collect information regarding the med-tech innovation ecosystem in Taiwan and its linkages with Silicon Valley. In FY2017, I will conduct in-depth interviews with policy-makers and high-tech startups to elucidate the dynamics that spur the trend of "Americanization of innovation models" in East Asia.

23. Empirical Studies of the Global Value Chains with the Use of International Input-Output Tables

Principal investigator: Ikuo Kuroiwa (Development Studies Center, IDE)

The first year of this research work explored the structure of the electronics and the motor vehicle value chains in East Asia. Trade in Value-Added analysis and its decomposition method were applied to the inter-country input-output data of the Organization for Economic Co-operation and Development. The method of value-chain mapping has been introduced to illustrate the upstream and downstream transactions of goods and services along the value chain. The analysis shows that the electronics industry has a greater vertical specialization (VS) share than the automotive industry. At the same time, Southeast Asian economies have a higher VS share than the Northeast Asian economies. The decomposition analysis, which focuses on the electronics and motor vehicle industries in Korea and Thailand, reveals that the Korean industries were strongly integrated into the Chinese value chains, whereas the Thai industries continued to be overwhelmingly dependent on Japan, albeit with increased linkages with neighboring Southeast Asian economies. Moreover, value-chain mapping demonstrated that China has increased its presence not only as an export platform for multinational firms but also as a consumer of final goods—especially for Korean industries.

24. Overcoming Vulnerabilities and Promoting Social Integration of African Migrants and Refugees in South Africa

Principal investigator: Chizuko Sato (Area Studies Center, IDE)

This research examines the challenges of overcoming vulnerability and promoting the social integration of migrants and refugees in a democratic South Africa. In the first fiscal year (FY2017), I started interviewing African migrants and refugees in a Y area in Johannesburg, the largest industrial city in South Africa, about their motivation for leaving their countries and coming to South Africa, their experiences of living and working in Johannesburg, their involvements in associational activities, and their communication with people back home. With the cooperation of two African migrants' associations, 40 African migrants and refugees coming from nine countries—the Democratic Republic of Congo, Zimbabwe, Burundi, Côte d'Ivoire, Nigeria, Malawi, Rwanda, Uganda, and Ghana—were interviewed. This study employs the hypothesis that African migrants in South Africa face different problems depending on whether they came from neighboring southern African countries or from other African countries, and that the social integration programs for these two groups should differ accordingly. Through the first year's interviews, the following observations were made. First, the legal status that a migrant can obtain

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in South Africa apparently differs depending on one's nationality. Second, male migrants and female migrants have different concerns and difficulties in adjusting to their lives in South Africa. Third, the intensity of associational activities is also different for each nationality. Since the number of people interviewed is still small, the interviewing process will be continued in FY2018.

25. Education, Poverty, and Schooling: A Study of Delhi Slum Households

Principal investigator: Yuko Tsujita (JETRO Bangkok)

This research aims to investigate the relationship between education and poverty, as well as the influence of poverty on children's education in the context of the slums in Delhi, India. We will carry out the household survey by tracking the same households that we visited twice in the last decade, and conducting in-depth interviews with some slum dwellers. During the first year of the research project, preparation for the household survey was completed.

26. Voting Behavior in the Predominant Party System: Macro- and Micro- Analyses

Principal investigator: Yasushi Hazama (Area Studies Center, IDE)

Using Turkey as a prime example of the predominant party system, we investigate (1) the impact of long-term and short-term economic evaluation, corruption perception, and social cleavages on incumbent support, and (2) how the relative salience of these variables changes from the emergence and consolidation to the decline of the PPS. In 2017, we prepared a questionnaire on voting behavior by drawing on the literature. The face-to-face questionnaire survey was carried out by Metropoll, a leading opinion poll company in Turkey in September 2017, in 28 of the total 81 provinces, using multi-stage stratified sampling with weight for a sample of 1,770 citizens. The preliminary results indicate the importance of evaluation of the national economy, political identity, religious and sectarian identity, and ethnic identity to explain voter decisions. During our fieldwork in July 2017, we visited Istanbul and Ankara to collect academic studies on voting behavior and party systems in Turkey, to explore new datasets released by opinion poll companies, universities, and research institutes, and to exchange opinions with academics and specialists.

27. Compilation of an Extended Multi-Country Input-Output Table Based on Firm-Level Microdata and its Application to Trade in Value-Added Analyses

Principal investigator: Satoshi Inomata (Inter-disciplinary Studies Center, IDE)

This research investigates the possibility of incorporating firm-level microdata in a multi-country input-output framework, which is the principal tool for estimating the metrics of trade in value-added (TiVA).

The effort to consider firm heterogeneity in constructing input-output tables has advanced considerably in China, where the mode of processing trade was highly prevalent in the production system. China has been a primary driver of the relevant studies, yet the United States and the European Union launched similar efforts as the issue gained increasing attention worldwide. Currently, the United States and China jointly lead the APEC project of constructing the "APEC TiVA database," in which firm heterogeneity is extensively considered, while the European Union, in the context of collaboration between Eurostat and the OECD, built the "Trade by Enterprise Characteristics" database and strives for the data integration into multi-country input-output tables.

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The present research aims to identify some viable approaches for transforming Japanese databases in these directions, by learning from the preceding practices and thoroughly examining Japanese statistical infrastructure.

28. Impact Evaluation of the Minimum Wage Increase in Indonesia

Principal investigator: Takayuki Higashikata (Area Studies Center, IDE)

In this research project, I will mainly analyze the impact of the minimum wage hike in Indonesia on the unemployment rate, especially in the first years of the 21st century, when Indonesia experienced a drastic increase in unemployment. I will conduct this analysis through a comparison between regions, as in the previous literature, as well as a quasi-experimental situation under which local governments separated. I will construct a dataset using manufacturing firm data and individual-level panel data for the analysis.

In FY2017, I surveyed previous works and collected data, such as the National Socioeconomic Survey (SUSENAS), the Large and Medium Manufacturing Survey, and the Indonesian Family Life Survey (IFLS). Afterward, I conducted data cleaning for analysis. In addition, I collected information on regional minimum wages from the 1990s to 2017, as well as local government election data made public by the General Election Committee in Indonesia (KPU).

29. Ethnic Problems and the Limits of the Democratic Regime in India

Principal investigator: Norio Kondo (Area Studies Center, IDE)

This research topic is very important for Indian democracy because of the country's tremendous ethnic diversity and its impact on the functioning of democracy. The aim of this research project is to clarify the conditions of coexistence of the recalcitrant ethnic movements within Indian democracy.

In 2017, a theoretical investigation was done on the conditions for coexistence of multi-ethnicities. In addition, a survey of the literature and a field survey of northeast India were conducted. The theoretical survey revealed that federalism with an appropriate institutional and political power-sharing mechanism is a key to the stable coexistence of ethnicities in an electoral democracy. Under such a regime, the tyranny of the majority nationality against minority ethnic groups might be avoided.

Concerning the case of northeast India, the study shows that the forceful integration of the region by the Indian Union government was the fundamental cause of the ethnic turmoil in the region, including that in the Naga area at the time of independence, Sikkim in 1975, and so on. However, it is also confirmed that the Indian federal system, which has shown special respect and preferential socioeconomic treatment for the region, has been gradually facilitating and preparing the conditions of coexistence between the union government and the northeast region.

30. South Korea and Taiwan's Challenges in the Completion of Catching Up and Transition to Innovation-Led Economies

Principal investigator: Yukihiro Sato (Inter-disciplinary Studies Center, IDE)

The purpose of our project is to show the problems that South Korea and Taiwan, the most highly developed latecomers, faced at the stage of completion of catching up and transformation to innovation and the reasons why those problems emerged. Although in South Korea and Taiwan, some industries, such as the semiconductor industry, successfully caught up and acquired the ability to sustain innovation,

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they also have some industries that still remain at the catching-up stage, as well as industries that fully caught up but then fell back into the catching-up stage. This project focuses on these industries.

Considerable research has been done on latecomers' catching-up. However, their completion of catching-up and their transformation into innovators are newly arisen issues that did not come up until South Korea and Taiwan reached that stage. Therefore, the existing studies are limited. The studies on the factors that hinder the completion of catching-up and the failure of transformation are particularly scarce. We are seeking to complement these absences of the catching-up study.

In the first year of the three-year project, we conducted a literature review. We found that "windows of opportunity" in the existing studies are a very useful concept for our study.

Grant-in-Aid for Young Scientists (B)

31. Empirical Analysis of the Impact of Women's Old-Age Concerns on Investment in Kinship Networks in Rural Tanzania

Principal investigator: Yuya Kudo (Development Studies Center, IDE)

Levirate marriage, whereby a widow is "inherited" by male relatives of her deceased husband, has anecdotally been viewed as an informal safety net for widows who have limited property rights. This study investigates why this widespread practice in sub-Saharan Africa has recently been disappearing. A developed game-theoretic analysis reveals that levirate marriage arises as a pure strategy subgame perfect equilibrium when a husband's clan wishes to keep the children of the deceased within its extended family and widows have limited means for an independent livelihood. Female empowerment renders levirate marriage redundant because it increases widows' reservation utility. HIV/AIDS also discourages a husband's clan from inheriting a widow who loses her husband to HIV/AIDS, reducing her remarriage prospects, and thus her reservation utility, because she is likely to be HIV positive. Consequently, widows' welfare tends to decline (or, respectively, increase) in step with the deterioration of levirate marriage driven by HIV/AIDS (female empowerment). By utilizing long-term household panel data drawn from rural Tanzania and testing multiple theoretical predictions relevant to widows' welfare and women's fertility, this study finds that HIV/AIDS is primarily responsible for the deterioration of levirate marriage. Young widows in Africa may need some form of social protection against the influence of HIV/AIDS.

32. Impact Evaluation of Decentralization in Indonesia through Natural Experiment

Principal investigator: Takayuki Higashikata (Area Studies Center, IDE)

Indonesia implemented a radical decentralization in 2001 during its rapid democratization after the Asian financial crisis. The main purpose of this project is to evaluate the impact of its decentralization. First, I made an impact evaluation of the decentralization on the welfare level of residents. I showed that ethnically diverse jurisdictions experienced a relatively poor level of infrastructure development, as well as slow growth of the urban population rates, after the introduction of the decentralization. Second, I utilized administrative village/town-level panel data, which I prepared for the above analysis, to construct an original urban area dataset and identified positive causal effects of the population growth of urban areas on the per capita expenditure of rural villagers around those areas, especially that of the poor households from 2000 to 2010, by utilizing earthquakes on Java island as quasi-experimental events.

33. Empirical Analysis of Media Control by the State: The Case of Bihar, India

Principal investigator: Kazuki Minato (Area Studies Center, IDE)

In recent years, the Indian media has been under enormous pressure from the state (both the central government and state governments), which could distort its role as “the fourth pillar of democracy.” This research project reveals that “media bullying” by the state government has been rampant in the state of Bihar after Nitish Kumar came to power in 2005. The project focuses on the hypothesis that the state government exploits government advertisements as an important means of media control.

In Bihar in 2016–2017, I had a series of interviews with local journalists, researchers, and bureaucrats. I found that there are three ways that the state government controls the media. First, the present government finds relatively natural cooperation with the media, because it is dominated by upper castes who had been suppressed under the previous regime. Second, the state government gives various kinds of bribes (including a seat in the Rajya Sabha, the upper house of parliament) to journalists, editors, and media owners. Finally, newspapers are very reluctant to write something critical of the government or the chief minister, because government advertisements are an important source of revenue. To substantiate these points, I collected data on government advertisements that appeared in local newspapers.

34. Study of the Evaluation of Collective Ownership Reform in Rural China: Economic Analysis of the Land Shareholding Cooperative System

Principal investigator: Nanae Yamada (Inter-disciplinary Studies Center, IDE)

Since the late 1990s, China has been suffering from three rural problems (*sannong wenti*): low agricultural productivity due to small-scale farming, stagnation of the rural economy, and expanding income disparity between rural and urban residents. These problems are partly due to the inefficiency and biased profit distribution caused by the socialist public ownership system and insufficient market system. This study focuses on one of the newly invented economic systems, called the “Land Shareholding Cooperative System” (LSHCS), which emerged through bottom-up trials to overcome the inefficiency caused by the collective land tenure system as part of the process toward becoming a market economy. This study also aims to clarify the features of the LSHCS and to empirically evaluate its contributions to rural development, the improvement of equity of income distribution, and the efficiency of land utility.

In FY2017, the third year of this project, I conducted an empirical evaluation of the governance structure and business performance among farmer cooperatives that enacted LSHCS, as well as the internal hierarchical membership structure and profit distribution system among participants based on an intensive interview survey in Hebei Province, which was implemented in the first fiscal year. Furthermore, in order to compare the data collected in Hebei, this project conducted a rural survey on farmers’ cooperatives and large-scale farms in other regions in China, including Guizhou and Sichuan Province. To share the findings and research ideas with Chinese researchers, I gave a presentation at the Chinese Academy of Social Sciences, Shanghai, in August and also conducted a joint workshop with the Research Center for Rural Economy, Ministry of Agriculture, People’s Republic of China, in December at IDE.

35. Costs of Deviating from the Social Norm: Toward the Enhancement of Female Labor Force Participation in Pakistan

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Principal investigator: Momoe Makino (Area Studies Center, IDE)

This study aims to investigate the level of normative and structural barriers that prevent female labor force participation (FLFP) in Pakistan, where the FLFP rate is the lowest among South Asian countries, and to explore the factors that could reduce them, and eventually to lead to policy implications enhancing FLFP. We focus on (1) the level of practice of purdah (female segregation from non-relative males) and (2) the costs of deviating from purdah. In South Asia, violating purdah is considered a shame for the entire family. While women can maintain value as a bride in the marriage market by observing purdah, they lose income-generating opportunities. This study conducted a unique household survey to collect data to measure (1) and (2), and aims at empirically revealing the determinants of (1) and (2).

In 2017–2018, I conducted a second-round household survey of the eligible households, that is, those having less than three acres of agricultural land with at least one unmarried daughter aged 15–30, in the rural area of the Pakistani Punjab, where opportunities exist for females to work in export-oriented garment factories. This was the follow-up survey of the 2016 baseline survey (first-round) and the randomized controlled trials (RCTs). I am currently analyzing the panel data and the effects of RCTs. In 2017–2018, based on the first-round survey, I pursued empirical analysis, wrote up a research paper titled “Female Labor Force Participation and Dowry in Pakistan,” and presented it in workshops and international conferences such as the Population Association of America, the Society of Economics of the Household, and the Asian and Australasian Society of Labor Economics. In these conferences, the paper was evaluated in terms of a unique dataset based on the original household survey. I revised the paper following the comments obtained in these conferences and submitted it to the refereed journal.

36. Township Leaders and Village Chiefs in Contemporary China

Principal investigator: Zhe Ren (Inter-disciplinary Studies Center, IDE)

The relationship between a township leader and a village chief in contemporary China is something of a political puzzle. Researchers have generally argued that China’s bureaucratic system presents a very important political contracting framework. Within this framework, there is a strong relationship between the career of a cadre and the performance of a contract that may include not only economic development but other aspects of political and social development. Past research argued that political contracting was applied to leadership positions at both the town and village levels, which makes comparable the “contractual” demands on township leaders and village chiefs.

Characteristics of the two positions, however, differ significantly, particularly with regards to their consequences in leadership performance and accountability. For instance, a cadre’s career strongly depends on his or her performance as assessed by senior and high-level cadres. By contrast, one can only become a village chief through a village election. And once elected, a village chief cannot be dismissed by a township government unless convicted of a crime. Furthermore, since a village chief is an elected leader, he or she does not necessarily have a clear and strong career plan akin to that of a cadre, who typically works and seeks to be promoted in the bureaucratic system. For these and other reasons, it is doubtful that the conventional political contracting model can adequately explain the complex relationships that exist today between township leaders and village chiefs in China.

My proposed research will address this issue by constructing a new framework to account for the complexities and subtleties that have emerged in the relationships between the two different types of leaders working in their respective spatio-organizational settings under conditions of rapid socioeconomic and political transformation.

37. Regional Security and Conflict Management of Regional Organizations: A Comparative Analysis of Asia and Africa

Principal investigator: Sanae Suzuki (IDE, in Copenhagen)

This research aims to analyze the difference between organizations in Africa and Asia regarding conflict management. Its cases include the Association of Southeast Asia Nations (ASEAN), the Economic Community of West African States (ECOWAS), and the African Union (AU). Field research has been conducted in the AU Commission in Addis Ababa, Ethiopia, and the ECOWAS Commission in Abuja, Nigeria, where I collected materials, including official documents of the ECOWAS and the AU, and interviewed officials working for security cooperation in those organizations. Based on this field research, I wrote papers entitled “International Actors for Legitimacy: The Case of the ECOWAS Interventions” and “Exploring the Roles for West African Conflicts by the AU and the ECOWAS.” It also brings comparative observation with the ASEAN. While the ASEAN, the ECOWAS, and the AU are intergovernmental, they are different with respect to the roles of supranational organs such as the AU Commission. Given the strong mandates of supranational organs in conflict management, the member states in the ECOWAS and the AU attempt to influence their policy-making by utilizing supranational organs.

38. Decolonizing the Colonial City: Social Changes in Yangon, the Capital City of Myanmar, in the Mid-20th Century

Principal investigator: Noriyuki Osada (Area Studies Center, IDE)

This study aims at describing the distinct historical process that Yangon, the largest city and former capital city of Myanmar, experienced from the 1930s to the 1960s, when Yangon transformed from a colonial city in the British Empire to the national capital of Myanmar.

In 2017–2018, the third year of the four-year project, the principal investigator published an article titled “A Note on the Decolonization Process of Rangoon, Burma, with a Focus on Population and Chinatown’s Land Use” (in Japanese) in the *Journal of Tokyo Keizai University: Economics*, vol. 297. By using census data and commercial directories of Burma/Myanmar in the 1950s and early 1960s, it tentatively analyzes the socio-spatial changes in Rangoon/Yangon’s Chinatown in the decade immediately after the country’s independence from the British.

39. Social Bases of Islamic Reform Movements: The Case Study of Algeria in the Mid-20th Century

Principal investigator: Shoko Watanabe (IDE, in Rabat)

The project focuses on the bottom-up and grassroots dimensions of the Islamic reform movement in the modern Muslim world, a movement that has previously been considered to be limited to some intellectual circles. It gives special attention to the colonial Algerian case, by studying the social bases of the movement that financially supported the activities of the reformists (e.g., the construction of private Arab schools) to expand their cultural influences through the country.

The research results of the year 2017–2018 include one chapter in a Japanese book, one paper submitted to an international meeting, and the organization of a meeting in Tokyo. The paper by the project’s leader, “Islamic Reform Movement Seen through its Grassroots Supports, Its Relationship with

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Algerian Society in the Colonial Period: A Literature Review” (in Japanese) was published as a chapter in the book *History, Religions, and Politics in the Middle East and the Muslim World* (Akashi Shoten, February 2018). The paper reviews the theoretical debates on historical backgrounds of Islamic reform movements since the 19th century, to clarify the problematics.

The project leader also contributed to the international symposium “Savoirs et renouvellement des connaissances socioanthropologiques et historiques sur le Maghreb,” organized by Tizi-Ouzou University November 12–13, 2017, with her paper “Les ecoles coraniques entre 1947 et 1954: Une analyse quantitative” (in French).

Finally, on May 9, 2017, the project co-organized with Tokyo University a talk hosting Professor M’hamed Oualdi (Princeton University, Department of Near Eastern Studies) to discuss how to understand the periods of modernization reforms within North African historiography.

40. A Consequence of Subnational Authoritarianism: Career Path and Legislative Behavior of Senators in Comparative Perspective

Principal investigator: Hirokazu Kikuchi (Area Studies Center, IDE)

What is the influence of varieties and changes in subnational democracy over national politics? The existing studies on “subnational authoritarianism”—the survival of subnational authoritarian regimes in emerging democracies—have focused on the maintenance or changes of such regimes, as well as on how to measure the regimes. However, few studies deal with the impact of such regimes on national democratic institutions. I thus study the committee behavior and floor behavior of federal senators in Argentina and Brazil, and show how the degree of subnational democracy of each senator’s state influences his/her behavior in committees and on the floor. Cross-national and intra-national comparison of the two countries, which are diverse but share some institutional similarities, will lead me to develop a general theory that also explains the relationship between subnational democracy and national legislative behavior.

In FY2017–2018, I developed my theoretical framework for this research project and took a field trip to Argentina and Brazil for data collection. In addition, utilizing some of the collected data, I published an article in a peer-reviewed journal on the political career path of Brazilian legislators of Asian descent. Through these research activities, I also realized the importance of recognizing variations in the relationships between national legislators and subnational politics. In the province of Buenos Aires, for example, famous national legislators control subnational legislators in some areas, while competitive elections have destroyed such national legislators’ machines in some areas. In Brazil, legislators of Asian descent conduct electoral campaigns that heavily depend on their ethnic identity, in contrast with the machine politics of legislators of European descent. I plan to take into account these varieties in my research activities for the next fiscal year.

41. Development of U.S.-China Cooperative Relations and the Construction of International Institutions: The Case of Energy, Environment, and Climate Change

Principal investigator: Fang-Ting Cheng (Inter-disciplinary Studies Center, IDE)

The purpose of the project is to clarify the influence of great-power relations on the construction of international institutions by investigating the United States and China’s cooperation in the fields of energy, the environment, and climate change. In response to the question of how great-power relations affect the overall international institutional construction, the project focuses on the formation and current

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state of the bilateral cooperative framework between the great powers, that is, the United States and China. As a case study, the project takes up the formation of various institutions concerning energy, environmental protection, and climate change, and clarifies how the two countries' cooperation has so far contributed to the building of institutions such as international agreements and regimes. The project analyzed Sino-U.S. strategic cooperation, and we can expect the role of great powers in the formation of international institutions to become more critical and influential than ever.

In FY2017, the project continued to conduct research activities in order to establish its own analytical framework, by reviewing the literature on international relations, global governance, and international regimes. As an achievement of the project, the principal investigator published an academic book titled *The Formation of Complementary Relationships among Overlapping Regimes: Negotiations on Climate Changes, U.S.-China Relations, and the Paris Agreement in March 2017*, which included part of this project's analysis. To further improve the explanatory power of the project's analytical framework, research activities, such as fieldworks and interviews with universities, research institutes, government ministries and agencies, business and industry, NGOs, and the media, will continue. The project will also examine the comments and critiques received from experts in various disciplines and specialties in order to revise the current analysis and thus to publish the study results as peer-reviewed papers.

42. The Impact of Inward Foreign Direct Investment on the Growth of Informal Firms: The Case of Cambodia

Principal investigator: Kiyoyasu Tanaka (Development Studies Center, IDE)

Informal firms account for a large share of economic activity in developing economies and provide considerable employment opportunities for the poor. Economic growth can be facilitated by the growth of foreign firms and local formal firms, thereby producing new employment opportunities for workers in informal firms. As employment shifts from low productive informal firms to high-productivity foreign and formal firms, the developing economies can continue to grow. In this project, the research objective is to examine the complex relationship among foreign, formal, and informal firms in developing economies. Firm-level panel data are constructed to investigate the dynamics of informal firms such as entry, exit, and growth, thereby shedding light on potential channels through which foreign firms affect the growth of informal firms.

In Cambodia, formal firms are defined as business enterprises with official company and tax registration. Informal firms are those without official company and tax registration. However, some informal firms in this definition may formally obtain business permits from the government. Since the exact definition of informal firms needs to be revised according to industry characteristics, an interview survey will be conducted. Next, the dynamics of informal firms will be examined by using firm-level micro data in Cambodia, including formal firms, informal firms, and foreign firms. The newly constructed dataset will shed light on the characteristics and changes of the informal firms, as well as a transition from informal to formal firms.

43. Rural Social Stratification and Land Institutions in Vietnam's Rice Farming Villages: A Comparative Study of the Red River Delta and the Mekong Delta

Principal investigator: Emi Kojin (Area Studies Center, IDE)

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This study aims to explore the various mechanisms of rural social stratification between the Mekong Delta and the Red River Delta, with a focus on the influence of land institutions. The Mekong Delta and the Red River Delta have been regarded as typical examples of two categories of Southeast Asian society—that is, an open society and a closed society. The hypothesis of this study is that land institutions in each rural society are different, as their development tends to depend on a historical path, and thus, the forms of rural social stratification in these two rice-farming deltas is different. Through literature review and analysis of the data, which will be collected by interview surveys and questionnaire surveys in the selected areas (administrative villages) in both deltas, this study empirically verifies the hypothesis.

In FY2017, the second year of this project, we selected a survey site in the Red River Delta and conducted survey interviews at the provincial, district, and commune level. Unlike the Mekong Delta, where we already completed interview and questionnaire surveys, land transaction through the market is not active in the Red River Delta, and the homogeneous peasant society seems to have been maintained. Although the policy for consolidating small and dispersed land is implemented, the mechanism is very complicated, as equality among households, measured by both quality and scale of land, is emphasized.

While conducting this qualitative survey in certain sites, we also exchanged ideas with researchers of the Vietnamese Institute of Social Sciences about the possibility of analyzing the correlation between rural social stratification and land holding scale by using national-level data, specifically the Vietnam Households Living Standards Survey.

44. Turkey's Contributions to Developing the Non-Western International Relations Theory

Principal investigator: Kohei Imai (Area Studies Center, IDE)

This research project aims to explore Turkey's contributions to developing a homegrown theory of international relations. Over the past decade, non-Western international relations theory (NWIRT) has been a hot topic in the overall theory of international relations (IR). In particular, Latin America, East Asia, Southeast Asia, India, and Russia have generated many studies on—or have at least been passionate about—homegrown contributions to NWIRT. However, relatively few works on NWIRT have been generated in the Middle East and Africa. This study attempts to fill in the research gaps by analyzing the case of Turkey.

This study regards NWIRT as (i) clarifying the gap between Western international relations theory (WIRT) and non-Western cases, (ii) a uniquely developed WIRT in the process of being accepted in non-Western states, and (iii) “homegrown” theory from non-Western regions or states, based on local knowledge that emerged from, or was created by, various regions, religions, or ethnic cultures.

In FY2017, I put importance on research topics (ii) and (iii). I published a textbook on international relations theory. In this textbook, I emphasized the importance of NWIRT in the last three chapters (“Foreign Policy Analysis,” “Historical Sociology,” and “Non-Western International Relations”). Moreover, I wrote “Purchasing Passive Peace: Turkey's Policy toward the Syrian Civil War” in *Theory of Security Governance: Non-Westernization and Reconstruction* (edited by Kenki Adachi). This book is based on the idea of NWIRT and is closely related to my research topic.

45. Identifying the Determinants of China's Organic Agri-Food Exports to the Developed Countries

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Principal investigator: Lei Lei (Inter-disciplinary Studies Center, IDE)

The purpose of this project is to determine the key factors of China's organic exports to developed countries. Exporting organic agri-food products (now popular but under-supplied) to developed countries' markets via the global value chain (GVC) will help developing countries' economic growth. But quantitative agri-food GVC studies are limited. This project is aiming, for the first time, to identify and quantify key determinants of organic agri-food exports using China's successful cases in representative crops, using data from field investigation and major trade database. The results will contribute to international trade and development literature by providing firsthand and unique macro-level empirical analysis of organic agri-food GVC; shed light on agri-production and trade policy-making; and stimulate future studies in high-value-added agri-food GVC trade.

In the first year of the four-year project, I have mainly deepened and broadened the literature investigation in the field of organic agriculture, agri-food GVC, regulation (compliance with public and private standards) in agricultural trade, and organic farming and exports in China. A sound desktop study is fundamental for future field investigation and data collection.

Grant-in-Aid for Scientific Research on Innovative Areas

46. Empirical Study on Politician-Teacher and Patron-Client Relationships

Principal investigator: Momoe Makino (Area Studies Center, IDE)

Educational reform toward enhancing literacy and school quality is often considered "politically unacceptable" in developing countries. However, it is not clear what "politically unacceptable" means concretely. The purpose of this research is to investigate what has impeded the educational reform that developing countries need to become emerging and developed countries, and the policy implications for educational reform.

The focus of research is Pakistan, which has a high illiteracy rate and aspires to a high rate of economic growth like India has. The unique teacher-household surveys were conducted in Pakistan to empirically examine the hypothesis that politicians and teachers are in a patron-client relationship that affects the voting behavior of ordinary villagers.

In 2017–2018, the follow-up survey to the 2016 teacher-household survey was conducted. Based on these surveys, I pursued empirical analysis, wrote up a research paper, and presented it in workshops and conferences. The empirical analysis found that villagers' voting decision-making strongly depends on their informal network and that the teacher households have some influence over their voting decision-making. The informal network plays a role in providing informal credit and unpaid labor.

In addition, the follow-up survey revealed the following points.

(1) Nepotism in teacher recruitment: Teacher recruitment was computerized in 2012. There was opportunity for nepotism prior to 2012, and our sample may include some teachers recruited through nepotism. Prior to computerization, politicians of provincial and federal governments could have quotas on candidates for new teachers and submit a list of their preferred candidates to the district office that was in charge of teacher recruitment. These listed candidates were given priority in hiring. Thus the association between general elections (for provincial and federal governments) and teacher recruitment seems strong.

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(2) Do teachers benefit from having political connections? Any benefit concerning transfer is not obvious, because teachers who are assigned to their preferred school are rarely transferred to other schools. (They can request a transfer to their preferred school once they work as a teacher for three years.) However, it is possible that, in exchange for political support for a certain candidate, they receive a promise that they will never be transferred. In this case, not being transferred can be interpreted as a sort of compensation and a benefit. Another explicit benefit is that negative reports are unlikely to be sent to district and *tehsil* (sub-district administrative division) offices. The Community Development Board in the village is supposed to report any misconduct by teachers. However, the Board members consist of influential people in the village, including those from teacher households, and thus, negative reports rarely come out.

47. Economic Analysis of Subjective Well-Being in Emerging Economies

Principal investigator: Takeshi Aida (Development Studies Center, IDE)

The aim of this research project is to investigate subjective well-being in emerging economies using household- or individual-level microdata. The three main research topics are: (1) the effect of interaction via spatial networks; (2) the relationship between subjective well-being and objective poverty indices; and (3) the role of behavioral economics parameters. For each research topic, the following progress has been made:

(1) Using the National Income Dynamics Survey (NIDS) data collected in South Africa, I estimated a spatial econometric model to explore the regional disparities in subjective well-being. I am now writing an academic paper on this topic.

(2) I revised the analysis on the relationship between subjective well-being and objective poverty indices using NIDS data and wrote an academic paper. This paper was published as IDE Discussion Paper No. 707. I am now revising the paper to submit to an academic journal.

(3) I designed an experiment and a survey to capture the level of aspiration, which is a hot topic in recent development and behavioral economics. I am now cleaning the dataset to conduct an econometric analysis and write an academic paper.

48. Empirical Analysis of International Labor Migration of Rural Women from Ethiopia to the Middle East

Principal investigator: Yuka Kodama (Inter-disciplinary Studies Center, IDE)

This study focuses on the labor migration of young women from rural Ethiopia to the Middle Eastern countries. It seeks to grasp their circumstances and to elucidate their survival strategies through field surveys, statistical data, and government documents. Based on the findings obtained there, the study will present problems and possible solutions concerning the women's international labor movement. It has been drawing considerable attention since the 1970s, especially in Asia. Despite the fact that sub-Saharan African countries including Ethiopia had already sent many women to the Middle East in the 1990s, little research has been done. While NGOs and international organizations reported on poor labor conditions such as abuse, low wages, and human rights violations, they have not been concerned with African women's motivations and survival strategies in the Middle East.

In FY2017 field surveys were conducted in Ethiopia as a sending country, and UAE and Bahrain as receiving countries. In Ethiopia, I conducted interviews with women who had returned from the Middle

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East and also visited government agencies and international organizations to collect information on their policies related to women's migration. I also conducted surveys in the UAE and Bahrain, gathering information on government policies and interviewing Ethiopians living in these countries.

49. Localization Process of Japanese-Style Convenience Stores in Asia

Principal investigator: Hiroshi Sato (Inter-disciplinary Studies Center, IDE)

Since the convenience-store system was imported from the United States to Japan in the early 1970s, a great deal of evolution (localization) has taken place in Japan. This evolution includes the improvement of the service level and logistical system, efficient methods of display, and a wider range of services (such as administrative paperwork and concert tickets) at the counter. This evolution was prompted by the needs of customers. As a result, the Japanese-style convenience store model has been established. Japanese convenience store systems are rapidly being exported to other Asian countries. Of course, the chain stores developed by global companies face local resistance, including the existing distribution system, traditional retailers, and a number of small mom-and-pop stores.

Our study aims to elucidate how the convenience store system is “localized” in the effort to more rapidly penetrate the local market. Since the Japanese-style convenience store is based on a very uniform business model, we can use this model as a reference tool among many Asian countries and societies. By comparing countries and regions with the same reference point, we hoped to bring new methods of regional comparison to area studies.

A convenience store can be regarded as a “super modern retail shop,” but when it is introduced by foreign actors, the traditional retail shop—the mom-and-pop store or *yorozu-ya* in Japanese—and its consumers, as well as the general public, may feel discomfited. It is also worth observing how traditional brokers and distributors in each country react and whether they refuse or accept consumer behavior in using convenience stores. Cross-regional comparisons among Asian countries focusing on these points also make it possible to emphasize regional characteristics behind the differences in response.

Two points are expected to be clarified through this study. First, the different reactions to the convenience store in each region and country, and also the different degree of acceptance by item (soft drinks, tobacco, semi-processed food, cooked food to go [sandwiches and *onigiri* (rice balls)], toiletry products, public services payment, etc.). We can analyze those differences in terms of their social, cultural, and political aspects, and this may help create new arenas of comparative area studies. Second, we can provide empirical examples of what kind of “acceptance strategy” each people/region is trying to take in response to the goods and services global companies provide. This acceptance strategy is not confined to convenience stores but also applies to fast-food chains, supermarkets, and e-commerce—in another words, all kinds of “globalization.”

6. Research Cooperation with Other Organizations

(1) Participation as Committee Members

IDE research staff members provided cooperation in response to requests from universities, governments, and other organizations (75 cases in FY2017).

| Requested by | | Type of Role | |
|-----------------------------------|----|----------------------------|----|
| Governments | 9 | Research committee members | 49 |
| Universities / academic societies | 27 | Review committee members | 16 |

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| | | | |
|------------------------------|----|------------------|---|
| Nonprofit organizations | 30 | Visiting fellows | 9 |
| Private sectors | 5 | Lecturers | 1 |
| Overseas research institutes | 4 | | |

(2) Cooperation with Overseas Research

In response to requests from universities, governments, and other organizations, IDE research staff members participated in research activities, conferences, and the activities of academic societies in foreign countries (56 cases in FY2017).

| Requested by | | Area | | Type of Role | |
|-----------------------------|----|----------------|----|-------------------------|----|
| Domestic universities | 17 | East Asia | 8 | Conferences / workshops | 46 |
| Foreign universities | 4 | Southeast Asia | 28 | Field studies | 10 |
| Non-profit organizations | 4 | South Asia | 1 | | |
| International organizations | 14 | Oceania | 1 | | |
| Foreign research institutes | 15 | Middle East | 3 | | |
| Private think tanks | 2 | Africa | 3 | | |
| | | North America | 5 | | |
| | | Europe | 7 | | |