



**Annual Report
2007**

The Institute of Developing Economies is a government-related institution, founded in 1958 to conduct basic and comprehensive studies on economic, political, and social issues of developing countries and regions. In the years since then, the Institute has been conducting research on Asia, the Middle East, Africa, Latin America, Oceania, and Eastern Europe, mainly through field surveys and empirical studies. The Institute has also gathered materials and information on these countries and regions, made them available to the public both domestically and outside Japan, and disseminated the findings of its surveys and researches. Since 1990, the Institute has been taking an active part in the education of trainees in the areas of economic and social development of developing countries and regions.

The Institute merged with the Japan External Trade Organization (JETRO) in July 1998. JETRO was reorganized into an incorporated administrative agency in October 2003. The Institute carries on all its activities within this newly organized body, working to strengthen its research activities.



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Visiting Research Fellows during Fiscal Year 2006
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Outline of Projects Implemented in Fiscal Year 2006

Our Goal: Intellectual Contributions to the World

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

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

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

Research contributing to sustained growth and development

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

Research contributing to poverty reduction

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

Research contributing to peace and security

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

Research Policy for FY2006

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

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

1. Regional integration in East Asia

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

Related research projects

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

2. Production-distribution networks

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

Related research projects

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

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

3. Labor market and social policy

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

Related research projects

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

4. Political systems and regional stability

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

Related research projects

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

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

List of Research Projects

Priority Projects

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

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

Major Projects

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

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

Spot Research Projects

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

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

Basic and Comprehensive Studies

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

ALL-JETRO Projects

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

Collaborative Research

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

Overseas Joint Studies on Economic Development Issues

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

Commissioned Research

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

Grant-in-Aid for Scientific Study

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

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

Priority Projects

East Asia's Integration and Co-development of Each Economy

Organizer: Daisuke Hiratsuka

This research group conducted analysis of present situation and direction of integration in East Asia and its obstacles, while examining a preferable form and direction of FTA so that economic benefits from integration are distributed equally among member countries. We have especially paid attention to development of economic and industrial structure of East Asia: will it be concentrated in a few countries, such as China or developed ASEAN members or will every member state develop together by specializing in different portions of productions, and how will less developed member states economically develop in the process of integration.

Our conclusions can be summarized as follows. De facto integration in East Asia has been advanced with high economic growth, increasing compatibility and industrial agglomeration. This has increased the need of de jure integration which will complement WTO's framework, ensuring efficient as well as stable trade and investment, while at the same time decrease the economic gap between member states. We have found from quantitative analysis that irrespective of the size, all member states will be able to economically benefit from integration. However, in order to ensure equal benefit among member states where differences of economic development are extremely large, additional action will be needed for member states with small home market effect. Moreover, it is expected that vertical as well as horizontal integration will continue to advance, and therefore, in order to ensure compatibility and sustainable development as an integrated region in de jure integration, not only tax barrier but broadly defined transport cost would need to be reduced. This means establishment of efficient logistic network while making an effort to reduce border related barriers in order to minimize the cost of moving parts back and forth across borders.

Coresearchers: Ken Itakura (Nagoya City University), Fukunari Kimura (Keio University), Motoyoshi Suzuki (Japan International Cooperation Agency), Nobuaki Hamaguchi (Kobe University), Kazuhiko Yokota (The International Centre for the Study of East Asian Development); Souknilanh Keola, Ikuo Kuroiwa

Asian Regional Economic Integration from the Viewpoint of Spatial Economics

Organizer: Koji Nishikimi

Since the beginning of the 1990s, spatial economics has been studied extensively as a cutting-edge field of economics. It explicitly incorporates "space," which was neglected by traditional economics, into its theory. The dramatic increase in research on spatial economics in the last decade coincided with the globalization and regional integration of the world economy, as represented by the formation of EU and NAFTA.

In East Asia, the evolution of "de-facto" regional integration makes it apparent that traditional theories of international trade are no longer able to explain the actual trade and investment flows in this region. Spatial economics is indispensable for analyzing regional integration in East Asia, because the existence of China, which has both abundant low-cost labor and a huge domestic market, requires a theory that incorporates the notion of increasing returns.

This research project aims to analyze regional integration in East Asia from the viewpoint of spatial economics, thus contributing both theoretically and empirically to studies of regional integration.

In 2006, as the second year of two-year study plan, we discussed extensively on the results from our research and hosted an international conference. The main findings in the study are the following: (1) regional integration is likely to make the gap between “core” and “peripheral” wider; (2) a “deep” integration like EU is not feasible in East Asia at this stage; (3) “home market effect”, a central concept of new economic geography, is actually one of the important determinants of international division of labor in East Asia; and (4) a conventional concept of “comparative advantage” is still valid in analyzing the location choice and trade pattern of some industries.

The final achievement of the two-year project is to be published as *Economic Integration in East Asia: An Approach from New Economic Geography*.

Coresearchers: Ho-Yeon Kim (Sungkyunkwan University), Nobuaki Hamaguchi (Kobe University), Yoshihiro Otsuji (Ministry of Economy, Trade and Industry), Kunihiko Shinoda (Ministry of Economy, Trade and Industry); Masahisa Fujita, Toshitaka Gokan, Ikumo Isono, Akifumi Kuchiki, Satoru Kumagai

Political Economy of FTAs: Institutional Change in Asian Countries

Organizer: Shigeki Higashi

Regional integration has become a global trend since the 1990s. Japan too signed an Economic Partnership Agreement (EPA) with Singapore in 2002, and since then, bilateral Free Trade Agreement (FTA) negotiations have accelerated. EPAs with Mexico and Malaysia are already in effect. Japan also signed an EPA with the Philippines, Chile, Thailand, Brunei and Indonesia. Furthermore, ongoing negotiations are being carried out with Korea, India, Vietnam and Australia. It can be said that enhancing linkages through FTAs has become an indispensable step towards community building as well as stability and prosperity in Asia.

While the country is in the process of FTA negotiation, what kind of interactions are seen between actors such as politicians, technocrats, legislative bodies, business organizations and the civil groups? How does each actor respond to the pressure of liberalization and structural reforms? What kind of process is being followed so as to form the policies? Did stakeholders such as business organizations and civil groups have opportunities to issue their statements or to be involved in the policy making process? Taking FTA negotiations as examples and by analyzing responses and changes in politics, government sector, business sector and the industrial structure, our study aims to describe the characteristics of institutional framework as well as policy making process of countries in focus.

Our findings from the country studies are as follows. In Malaysia, Cabinet ministers are showing their leadership in the negotiations, while in Thailand, bureaucrats are the leading actor. In the Philippines, it has been widely understood that bureaucrats do not have autonomous policy making power but the case study shows they have a certain role in mitigating liberalization for the industrial development. Business organizations have great influence in Mexico and Chile. In Mexico, umbrella business organization is in the center of influence, while in Chile, the role of sectoral business organizations is quite large. In Korea, the situation is twisted such that those supporting pro-FTA President are the business organizations that used to be in the opposition wing. The main strategy of Japan's EPA negotiation is to commit economic cooperation in order to strengthen industrial

competitiveness of the negotiating country. Taking advantage of this strategy, Indonesian bureaucrats are seemingly claiming Japanese counterpart a list of economic cooperation.

The final results will be published in the IDE Research Series (in Japanese) in 2007.

Coresearchers: Makoto Anazawa (Otaru University of Commerce); Yuri Sato, Satoru Okuda, Koichi Kitano, Yurika Suzuki

Emergence of the Chinese Economy and Re-organization of the Asian Industrial Structure

Organizer: Nobuhiro Okamoto (Daito Bunka University)

After the launching of the “Open-Door Policy” in 1978 and the accession to the WTO in 2001, China realized rapid economic growth and has become one of the industrial centers of the world. China’s growing presence in the world economy has brought significant changes to the industrial network in Asia, i.e., a huge amount of investment by foreign multinationals has poured in while Chinese enterprises have extended their businesses to ASEAN countries.

This study group was organized to explore the mechanism of change of industrial networks in Asia brought by the rise of the Chinese economy by using the Asian international input-output tables as a central analytical tool.

Intensive analyses using the Asian international input-output tables revealed the emergence and the linkage structures of China’s industries in the Asia-Pacific region, especially in textiles and electronics industries. The project compiled the Transnational Interregional Input-Output Table between China and Japan 2000 that separates the national input-output tables of China and Japan into regions in order to serve as a tool for more accurate analyses on industrial linkages between China and Japan.

Coresearchers: Takaaki Kanazawa (Wakayama University), Tomoki Ishikura (National Institute for Land and Infrastructure Management, Ministry of Land, Infrastructure and Transport), Ryuichi Shibasaki (National Institute for Land and Infrastructure Management, Ministry of Land, Infrastructure and Transport), Masatoshi Yokohashi (Applied Research Institute, Inc.), Maki Tokoyama (Applied Research Institute, Inc.), Mitsuru Shimoda (Applied Research Institute, Inc.); Chiharu Tamamura, Satoshi Inomata, Hiroshi Kuwamori, Bo Meng

Major Projects

Analysis of Current Affairs in Asia

Organizer: Shinichi Shigetomi

This project aimed to analyze political, economic and social developments in the 28 countries and regions of the Far East, East Asia, Southeast Asia, South Asia and Central Asia. In addition to the country-specific reports, cross-country or extra-regional issues such as the current status of FTA negotiations and implementations in Asia, the developments of and around ASEAN and the US’s policy towards Asia were investigated.

The keyword, which featured Asia in 2006, was ‘resources’. Active diplomacy over the resources was demonstrated especially in Central Asia and Mongolia by China, Russia, Japan and other American and the European countries.

In the political field, contrary to the previous year when the way for stability was seemed to be paved, several countries including Thailand, Timor-Leste, Bangladesh and Nepal

experienced a massive turmoil which resulted in the change of government or political leadership. In Sri Lanka and Afghanistan, terrorism has been intensified. In contrast, the countries under one-party rule or authoritarian regime, namely, Vietnam, Laos, Myanmar, and North Korea saw a rather smooth political development.

The economies of Asian countries recorded the highest economic growth in the eleven years. Some countries such as China and Singapore have started to take distributional measures in the backdrop of widening economic disparities.

The growing economic and political presence of some Asian countries has squeezed out the US influence over the affairs in Asia as demonstrated in the issues related with North Korea. The ASEAN as a regional institution also failed to exert pressure over the military government of Myanmar to democratize its regime. Negotiations over FTAs were in progress among various countries and some of them reached a final agreement.

The results of the research were published in the *Yearbook of Asian Affairs 2007* (in Japanese) as well as *Ajiken World Trends* (monthly journal in Japanese).

Coresearchers: Sueo Sudo (Nanzan University), Kōji Murata (Doshisha University), Moon Ho-II (Hitotsubashi University), Shin'ich Koibuchi (Asia University), Miyuki Nakamura (Soka University), Kumiko Mizuno (Gwinnett Investments, Ltd.), Mitsue Osada (Tsukuba Gakuin University), Masami Mizuno (Nihon University), Kensaku Mamiya (Osaka University of Foreign Studies), Takeshi Yuasa (National Institute for Defense Studies), Kiichi Mochizuki (Hokkaido University); Mayumi Murayama, Jiro Okamoto, Satoru Okuda, Yuichi Watanabe, Ken'ichi Imai, Haruka Matsumoto, Takayuki Takeuchi, Hiroshi Ikegami, Minoru Teramoto, Mai Fujita, Naomi Hatsukano, Norihiko Yamada, Maki Aoki, Yurika Suzuki, Masashi Nakamura, So Umezaki, Yuri Sato, Koichi Kawamura, Toshihiro Kudo, Norio Kondo, Yoshie Shimane, Etsuyo Arai, Hisaya Oda, Momoe Makino

Projections for the Asian Industrializing Region (PAIR X)

Organizer: Jinichi Uemura

The Asian NIEs, ASEAN, and China attained high economic growth in the latter half of the 1980s and first half of the 1990s, while succeeding in the industrialization of their economies. Although the levels of industrialization differ by economies, these economies can be referred to as the "Asian industrializing region".

We recognize the increasing importance of studying the Asian industrializing region from a world-wide perspective. In FY1991, we initiated a project entitled "Projections for Asian Industrializing Region (PAIR)". Using macro-econometric models, the PAIR project aims to analyze the economic structure of the economies of the "Asian industrializing region" and to provide economic forecasts for the economies in the region. We have invited experts to join the project from research institutions in the various countries and areas of the Asian industrializing region as well as from developed economies.

One of the major objectives of the PAIR project is to conduct economic forecasts for the Asian NIEs, ASEAN and China. We have released our annual forecast for East Asia to the press over the last twenty-three years.

In the beginning of the 21st century, various FTAs are being proposed in East Asia. We believe an econometrical analysis of these FTAs in East Asia makes an important contribution to understanding the Asian economies as well as to making our economic forecasts of these economies more accurate. We decided to set up a sub-project in PAIR in order to construct a new econometric trade link model to evaluate various FTAs in East Asia.

This new sub-project was initiated in FY2004 and completed in FY2006 with holding an international workshop “FTAs in East Asia - Final Reports -”.

Coresearchers: Yoshihisa Inada (Konan University), Koichi Ishikawa (Asia University), Kanemi Ban (Osaka University), Yusuke Okamoto (Mitsubishi UFJ Research and Consulting); Chinami Yamaji, Kazushi Takahashi, Etsuyo Michida

Compilation and Application of Trade Indices III: The Relation between Trade Price Indices and Other Trade Indices

Organizer: Yosuke Noda

Purpose of this research project is to focus on the data in examining the problems of formulating world trade models and to calculate trade indices and examine their utilization, including their relationship with industrial data. This project builds on previous research projects of the “World Trade Data System: Arrangement and its Application”, “Estimation and Application of Trade Indices” and “Compilation and Application of Trade Indices II”. This project has three main fields: (1) Problem-finding in the compilation and evaluation of world trade matrices, formulation of time series data employing common trade classifications, (2) Formulation and evaluation of trade price indices for East Asian countries and regions, (3) Investigation of international comparisons and economic analyses employing various trade indices in addition to trade price indices.

Part of the outcomes of the project was published as *Trade-related Indices and Trade Structure* compiled by Noda and Kuroko (Statistical Data Series No.91). Its Part 1 deals with a subject relating to (1) above: (a) Foreign trade statistics and trade structure of the CLMV countries, (b) Conversion of Taiwan trade statistics into UN standard form, (c) Estimation of distributed weight matrix for common commodity classification and its transformation; Part 2 is about (2) above: (a) Formulation of trade indices based on UN Comtrade for SITC revision, (b) Co-movement of sector export prices by country in the world market; and Part 3 is about (3) above: (a) Long-term changes in the global trade structure, (b) Trade and business cycle correlation in the Asian-Pacific region, (c) China gaining from triangular trade, (d) Technology choice, change of trade structure and a case of Hungarian economy.

Coresearchers: Soshichi Kinoshita (Sugiyama Jogakuen University), Kyouji Fukao (Hitotubashi University), Hirokazu Kajiwara (Takushoku University), Masanaga Kumakura (Osaka City University); Jun Nakamura, Hisao Yoshino, Masato Kuroko

Research Projects Contributing to Japan's Economic Cooperation

(1) China's Emergence as an Economic Giant and the World Economy

Organizer: Reiitsu Kojima

As the Chinese economy is growing rapidly, overseas activities by Chinese enterprises, including acquisition of resources and plant and equipment, are displaying a striking increase especially in recent years. The purpose of our study is to understand the real situation of growing Chinese economy and to analyze China's impact on neighboring countries and regions as well as the overall world economy.

More specifically, we focused on these following four points. First, our study provided a basic knowledge to readers concerning the forecast of the medium-range future through analysis of the emergence mechanism of the Chinese economic growth. Second, our study

analyzed how the high growth of mainland China's economy exerts an impact on economic interrelations in neighboring countries from the viewpoint of trade, foreign investment, and human interchange. Third, the whole East Asian region, as the "world's factory," is now becoming the place with the largest accumulation of foreign currency reserves and the biggest importer of resources. Our study analyzed the influence of this new situation on the world financial and trade markets and the structure of the develop-and-import scheme. Fourth, in order to analyze the influence of high growth of China's economy on other countries and regions, the researchers studying those countries and regions participated in the research team and collaborating with researchers studying China.

In FY2006 we conducted several field surveys in China and research meetings to improve the team members' draft papers before summer. Then, in September papers were submitted and reviewed by referees, and finally published in May 2007.

Coresearchers: Kumiko Okazaki (Bank of Japan), Kazuko Inoue (Mitsui Global Strategic Studies Institute), Miyo Tsuji (University of Marketing and Distribution Sciences), Koichi Ishikawa (Asia University), Tadashi Masamoto (Daito Bunka University); Takatomo Tozuka, Mayumi Murayama, Etsuyo Arai, Mami Yamaguchi, Katsuya Mochizuki, Nobuhiro Horii, Koichiro Kimura

(2) The Global Network Economy and Logistics in East Asia: Issues and Prospects

Organizer: Shigeaki Fujisaki

The rise of the global network economy has been induced by the advancement of IT technologies and deregulation. This rise has intensified competition and has brought drastic changes to the logistics industry. For example, cargo owners (in manufacturing and distribution industries) are concentrating their businesses on core competences to survive the competitions. This presents a new business chance to logistic companies, i.e., the third party logistics (3PL).

Although East Asian economies have been displaying high economic growth, the growth was greatly advanced by multinational manufacturing companies' investment. These multinationals have a strong incentive to seek a better location for their business, which in turn presses local governments to improve infrastructure and relax regulations. East Asian economies have been competing in constructing airports and seaports, and as a result, Singapore, Hong Kong and other East Asian seaports lead the world in container throughput. And the airports of East Asian economies enjoy high growth ration in air cargo.

As the economic integration in East Asia comes to the fore, the local governments have become aware that they need to prepare for inter-modal transportation, i.e., cross-border infrastructure building, standardized cross-border systems, and authorization of cabotage transportation. From the mid- and long-term perspectives, modal-shifts, e.g., road transport to railways or ocean freight, will also be required for the protection of the global environment.

This study project focused on logistics in East Asia economies (China, Taiwan and ASEAN countries) and clarified challengers that must be addressed by these countries so as to attain sustainable development.

Coresearchers: Koichi Ishikawa (Asia University), Toshiki Otaka (Nyk Line), Suelo Kojima (Kokushikan University), Toru Tatara (Asian Development Bank Institute), Hirokazu Negishi (Study Group on Chinese Logistics), Yoshio Miura (China Ports & Logistics Society), Wang Zheng Ren (Ritsumeikan Asia Pacific University); Hiroshi Ikegami, Yasuo Onishi, Isamu Wakamatsu

(3) Myanmar at the Crossroads: Searching for a New Initiative in Myanmar Issues

Organizer: Toshihiro Kudo

More than 18 years have passed since Myanmar embarked on its transition from a centrally planned economy to a market-oriented one. However, its move to a market economy had stalled since the mid-1990s. Although Myanmar economy experienced a brief period of growth in the first half of the 1990s, it failed to effect any changes in the economic fundamentals, resulting in mounting structural problems and difficulties.

At the same time, the international community had been divided into two factions, i.e., pro-sanctions vs. pro-engagement. The Western governments not only suspended aid provision but also imposed investment restrictions and trade embargos, while neighboring countries including China, India and the ASEAN advocated increased political and economic cooperation with the regime in Yangon. Both approaches seem to have proved ineffective by now.

Our study attempts to draw a comprehensive picture of Myanmar's problems by analyzing not only economic and social issues such as poverty, food, energy, infrastructure and business environment but also international relations. All these problems and issues are intricately intertwined each other. Only a comprehensive understanding of the nature of Myanmar's issues might make the international community possible to assist its future socioeconomic development.

The study results will be published in 2007.

Coresearchers: Koichi Fujita (Kyoto University), Bi Shihong (Yunnan University), Haruyuki Shimada (Japan International Cooperation Agency); Masami Ishida, Ikuko Okamoto, Koji Kubo

(4) Democratization of Egyptian Society and the Mubarak Regime

Organizer: Toshikazu Yamada

Egyptian society is facing challenges for political, economic and social reforms, i.e., transparent political procedures, respect for citizenship, and participation; sustainable growth and poverty reduction; and establishment of safety net for the vulnerable.

In 2005, 88 independent candidates of Muslim Brotherhood defeated the ruling NDP's candidates and others in the People's Assembly (444 elected seats) election after the election of President Mubarak for his fifth term. By the fact that elections disclosed the frustration of Egyptian people over political and economic lives, sincere implementation of the President's election campaign programs and a new thought of the ruling NDP centering on political reforms, employment, and improvement of living standard of the Egyptian peoples of various classes are required.

With these situations in the background, Tanada re-examined the influence of population changes in Egyptian society. As for the political aspects, analyses were conducted on the current governing structures: politics and government (Ino) and the recent politics played by political parties and parliament (Suzuki).

Nagasawa surveyed the history of economic reforms in modern Egypt from the political economic perspective. On current situations of the economic policies, Yamada dealt with economic reforms and the Mubarak's program with respect to sustainable growth and poverty reduction.

Trade and industry policies (Noguchi) and regional integration policies (Watanabe) during advancement of globalization and regionalism were analyzed from the viewpoint of

institutional development and theoretical justification. As for the agriculture, evolution of agricultural policy in successive governments and its impact on production was reexamined (Tsuchiya). Kashiwagi investigated the social and labor policies from the viewpoint of establishing the cheap government.

Finally, Egypt's development and environmental policies in energy and water resources were analyzed (Uchida) since these areas are crucial for the development and preservation of natural resources.

Our conclusion is that Egyptian society requires transparency and accountability for the development and stability, although the recent economic performance has improved due to the reforms of Nazif government.

Coresearchers: Takeji Ino (Wayo Women's University), Kenichi Kashiwagi (Tsukuba University), Eiji Nagasawa (University of Tokyo), Emi Suzuki (University of Tokyo), Hirofumi Tanada (Waseda University), Katsumi Uchida (Japan Bank for International Cooperation), Matsuo Watanabe (Japan International Cooperation Agency); Katsuaki Noguchi, Ichiki Tsuchiya

Spot Research Projects

Vietnam's New Socio-economic Development Strategies Towards 2010

Organizer: Shozo Sakata

In 2006, Vietnam celebrates its success of 20 years' *Doi Moi* reform. While Vietnam has achieved rapid economic growth, more than 7% GDP growth per year on average, there still remain many challenges ahead. These challenges include state owned enterprise (SOE) reform, administrative reform, human resource development and environmental protection, all of which are necessary for the further pursuit of 'quality of growth'. It is predicted that the forthcoming five years from 2006 to 2010 be the period in which changes in Vietnam's external economic relations will bring about various transformations in socio-economic, administrative, and political spheres. Vietnam is in the process of institutional building in order to adapt new external economic conditions.

The principal objective of this research is to review the contents and the processes of formulation of new laws, resolutions, regulations, treaties and agreements being formulated from the end of 2005 to 2006. The resolution of the 10th Congress of Vietnam Communist Party, which was held in March 2006, is among the most important subjects to be reviewed in this research. The research tries to analyze the Party's, as well as the Government's, directions towards future development. By doing so, the research aims to indicate prospects and challenges that Vietnam will face in the coming years.

The study results were published as Current Affairs Report No.3 in October 2006 (in Japanese).

Coresearchers: Cu Chi Loi (Vietnam Institute of Economics, Vietnamese Academy of Social Sciences); Mai Fujita, Akie Ishida, Minoru Teramoto, Emi Kojin

Toward a Single Market of the Greater Mekong Sub-region - The Potentiality of the Three Economic Corridors -

Organizer: Masami Ishida

This research project tried to analyze the economic impacts of three economic corridors of Greater Mekong Sub-region (GMS) Economic Cooperation Program: East-West, North South and Southern Economic Corridors. GMS Economic Cooperation Program has been conducted in six countries: Cambodia, Laos, Myanmar, Vietnam, Thailand and China at the initiative of Asian Development Bank (ADB). This research project was timely planned, marking the completion of the Second International Mekong River Bridge of East West Economic Corridor between Savannakhet and Mukdahan.

Through our research project, it became clear that cross-border linkages have been much closer in a region that used to be unstable because of wars from 1950s until the beginning of 1990s, and that this region has played a role of bridging between China and ASEAN. For example, chambers of commerce of north-eastern parts of Thailand and middle part of Vietnam have tried to increase exchanges. In addition, efforts to strengthen logistic ties between Hanoi and Southern China and between Hanoi and Bangkok have been made by private logistic companies. In Guangxi, which joined GMS in 2005, has started to strengthen ties with not only the GMS area but with other ASEAN countries by utilizing sea ports. For Cambodia and Laos that suspect they would be by-passed due to the economic corridors, it is expected that Thailand will build roads and develop industrial estates in border areas. In Myanmar, border areas have been better developed than the central regions such as Yangon and Mandalay.

Coresearchers: Zhengming Zhu (Yunnan Academy of Social Science), Ryo Ikebe (JETRO Guangzhou); Toshihiro Kudo, Daisuke Hiratsuka, Takao Tsuneishi, Naomi Hatsukano, Souknilanh Keola

The Japanese Generic Pharmaceuticals Market and the Manufacturers of India and China

Organizer: Kensuke Kubo

The Japanese generic pharmaceutical market has been growing steadily in recent years, as a result of policy measures designed to promote the usage of generic drugs, as well as to strengthen the supply of such drugs. This will lead to lower national medical expenditures, as generic drugs are less expensive than their brand-name counterparts. While the Japanese generics market is supplied mostly by domestic companies that manufacture finished formulations, a large proportion of the pharmaceutical ingredients is being imported from abroad: traditionally from Italy, Spain, Israel and other industrialized countries, and more recently from India and China. Moreover, several foreign manufacturers – including Indian companies – have entered the Japanese finished formulations market in recent years. This study assesses the role of Indian and Chinese manufacturers in the Japanese generic pharmaceutical market, both as suppliers and as competitors. In three chapters on the Indian pharmaceutical industry, we analyze the source of competitiveness of Indian firms, and discuss two domestic issues that need to be confronted by Indian policy makers: improvement of quality regulation towards small-scale manufacturers and the control of drug prices in the face of new patent legislation. In two chapters on China – coauthored by researchers of the Enterprise Research Institute, Development Research Center of the State Council – we describe the structure of the Chinese pharmaceutical industry, and explain the

policies that have contributed to its growth. As in the case of India, the enforcement of quality standards, the control of domestic drug prices, and ensuring the profitability of domestic companies are the key issues in China. In the final two chapters, we consider the source of competitiveness in the global generic pharmaceutical market. In particular, national patent laws are shown to have a significant effect on the competitiveness of firms, as such laws determine the timing of market entry.

Coresearchers: Chen Xiaohong (Enterprise Research Institute, Development Research Center), Atsuko Kamiike (Konan University); Kazuki Minato, Mariko Watanabe, Xiang Anbo (Enterprise Research Institute, Development Research Center), Zhang Zhengjun (Enterprise Research Institute, Development Research Center)

Local Industries in Competition with Asian Drivers in Africa

Organizer: Eiichi Yoshida

Local industries and policy makers in Sub Saharan Africa are facing a severe competition with Chinese and Asian products in African market and in the exporting market in EU and the USA in the last couple of years. This research project aims to measure and clarify the significance of this Asian drivers' impact on local industries in Sub-Saharan Africa and it also aims to discuss general trend of trade relations between China and Africa and diplomacy to African states.

Particularly in the apparel sector in Africa, local industries are much affected in the exporting market in the USA and domestic and regional market on the continent with Asian products. Some local industries lost export and local market but apparel firms in Kenya are trying to remain in the local market by shifting the production range and specializing in the uniform wear market. Producers in South Africa have achieved productivity upgrading. These show different reaction to the Asian drivers' impact. Some firms have already moved out foot loosely and others are trying to remain by managerial efforts. Now, it is becoming an imperative for the local and national governments to take hand in hand with firms trying to remain in the market and put various counter measures to the influx.

This project argues for African local industries to survive in this inter LDC (least developed countries) competition, government policy guidance is critical. Each government needs to identify competitive local industries in each country, enhance production environment and institutions. For this achievement, each government in Africa has to maintain competitive negotiation and coordination capacity. They are also expected to build sufficient trade incentives for local industries and reasonable regulations to products from Asian countries. It is also critical for African states to differentiate a trade negotiation and discussion on development aid particularly with the Chinese government who offers numerous opportunities and development aid programmes.

Coresearchers: Sayaka Ogawa (Kyoto University), Hiromichi Hara (Japan International Cooperation Agency), Akio Nishiura (Soka University); Ding Ke, Takahiro Fukunishi, Akifumi Kuchiki

Basic and Comprehensive Studies

ASIA

Asia General

Development and Restructuring of the Iron and Steel Industry in Asian Countries

Organizer: Hajime Sato

This two-year research project studies the development and restructuring of the iron and steel industry in Asian countries. There are two main reasons why we decided to focus on this industry. First, it has been changing rapidly, in terms of production, technology and trade patterns. Second, the steel industry has significant backward and forward linkages to other manufacturing sectors. The aim of the project is as follows: first, to study changes in the iron and steel industry in each economy; second, to delineate the patterns of development and restructuring of the industry; and third, to discuss the relationship between the changes in the steel industry and economic development as a whole. For the first year of the project, we have focused on the first purpose mentioned above, and published a research report. In the report, the introduction shows the increasing importance of Asia in the world steel industry, and the first chapter sheds light on various technologies in iron and steel making and rolling process. These set the benchmark for considering development stages of steel industries of each country. The other chapters respectively study steel industries in five countries, namely, South Korea, Taiwan, India, Malaysia, and Vietnam. The former three countries are the example of countries which have integrated steel works launched as governmental project, while the latter two are the example with no integrated steel production. The report has found that inter-action between policies and the industry, and inter-relation between steel companies and steel users should be studied further for the both cases, to achieve the second and third goals described above. Advancing these studies in this second year of the project, the final results will be published in the IDE Research Series in 2008

Coresearchers: Etsuro Ishigami (Fukuoka University), Nozomu Kawabata (Tohoku University), Takashi Sugimoto (Osaka City University); Makoto Abe, Yukihito Sato, Yuri Sato

Decentralization and Environmental Policies in Asia

Organizer: Tadayoshi Terao

Although local governments have been entrusted with many aspects of environment policy, the enforcement process has often been hindered by shortages of budget and human resources before the progress of decentralization. However, in the process of decentralization, some budgetary and human resources have been transferred from the center to local governments and therefore the conditions that hampered the execution of environmental administration by local government are changing drastically.

With the progress of decentralization, local governments gained the ability to introduce environment policies that were more advanced than the requirements of the central government. On the other hand, there are examples of local governments placing a clear priority on the promotion of industrialization rather than environmental protection.

Analyses of (1) the influence of decentralization on the relationship between central and local governments, (2) the role of the local political process concerning "development and the

environment” and environmental administration, and (3) the policy of the local governments are important for gaining an overall view of the environmental policy of each country as a whole.

This research project attempts to establish a framework for analyzing the effectiveness of local environmental policy in developing countries, by examining the relationship between the central and local governments, and the environmental policy and administration of the local government. As a result of this research project, we compiled papers of case studies in Indonesia, Thailand, Mainland China, Taiwan, and Japan. Although we observed many examples of negative effects of decentralization on development of environmental policies, they could be considered as short term effects. In the long run, decentralization might realize effective environmental policies, by enabling information disclosure, and participation of more wide varieties of actors.

Coresearchers: Yasushi Ito (Chiba University of Commerce), Ryo Fujikura (Hosei University), Jin Sato (University of Tokyo); Kenji Otsuka, Michikazu Kojima

Recycling in Asia

Organizer: Michikazu Kojima

In Asian countries, although recycling in a market base has so far been performed, a legal system for recycling has been established and the opportunity for recycling is growing. Recycling-related legislation has been already implemented in South Korea and Taiwan. In China and Thailand, a legal system for promoting recycling is under preparation. However, there is still a shortage of fundamental information such as capacity of recycling, recycling rate and items not being recycled. In considering the international cooperation in the field of recycling, it is necessary to clarify such fundamental information. In this study group, through a field survey and joint research with the University of the Philippines, etc., the situation of the recycling in Asia is investigated.

Coresearchers: Yoshifumi Fujii (Bunkyo University), Hiroyuki Miyake (University of Kitakyushu), Ken'ichi Togawa (Kumamoto University), Aya Yoshida (National Institute for Environmental Science), Rie Murakami-Suzuki (National Institute for Environmental Science), So Sasaki (Hokkaido University), Chung Sung Woo (Hokkaido University); Tadayoshi Terao

Elections and Developing Democracies in Asia

Organizer: Norio Kondo

Developing countries in Asia are in the different stages of consolidation of democracy. In the process of the consolidation of democracy, the institutionalization of election is essential. It has two aspects, namely, the establishment of the public institution and the acclimatization of people to the institution. The latter is more difficult, especially in developing countries, because the government in the initial stage does not enjoy enough confidence of people and the people themselves are often so divided socially or ethnically that the election can not be a process to integrate nation. In this research project, our focus is on the two points, that is, the influence of social or ethnic cleavages of society upon the voting behaviours of people, and the effect of people's evaluation of the government performance, especially economic policy, upon their voting behaviours. The basic purpose of this two-year research project is the

comparative study of India, Turkey, Sri Lanka, Malaysia and Indonesia in terms of the two points.

This year, we made reviews of election studies in each country. After reviewing, first, we came to know that it is very difficult to prepare a consistent and continuous aggregate election data-set except for India. Secondly, it became clear that the research focussing on the effects upon the voting behaviours of both the socio-economic and ethnic cleavages on the one hand, and the people's evaluation for government performance on the other, is very important in all the five countries. The outcome of the reviews was published and is available on IDE's website.

Coresearchers: Hiroki Miwa (University of Tsukuba); Yasushi Hazama, Masashi Nakamura, Koichi Kawamura

East Asia

Chinese Enterprises: In Quest of Industrial Upgrading amid Transition

Organizers: Kenichi Imai and Ding Ke

In recent years China has been in the process of establishing itself as a nation with the largest manufacturing capacity in the world, churning out overwhelming varieties of products from textiles to automobiles. Indigenous Chinese firms are gaining competitiveness in export-oriented manufacturing which was once almost completely dominated by foreign firms. Behind this accelerated industrialization we can witness tides of transformation of industrial sub-sectors underway. On the one hand, China is building up capacities for producing industrial materials such as steel and petrochemical, including hi-value-added products which have been largely imported from industrialized countries to date. In advanced sub-sectors such as communication equipment and semiconductors, the country is eager to build its own technological capabilities. On the other hand, in labor-intensive sub-sectors in which China still boasts strong competitive advantage, Chinese firms are making their way aggressively into the international market, exploiting its huge industrial agglomeration as leverage.

In this context, our China project focuses on survey of recent development in some representative sectors (mobile phones, automotives, automotive parts, steel, textiles and garments, daily commodities, beer, and physical distribution), with special emphasis on industrial upgrading and building-up of production networks. We then explore the questions of how corporate and industrial evolutions affect both China's economic growth and the development of the world economy. In FY 2006 we published as an interim report *Trends of Industrial Upgrading in China: Evolution of Industries and Enterprise*. Our final report, which will be a fully-updated version of the interim report, will be published early FY 2008.

Coresearchers: Huang Xiaochun (Hirosaki University), Tomoo Marukawa (University of Tokyo), Nobuhiko Nakaya (Nagoya University), Jingming Shiu (University of Tokyo); Yasuo Onishi, Shigeki Higashi

Competitiveness of Korea's Major Industries: How They Adjust to Ever-changing Environment in the 21st Century

Organizer: Satoru Okuda

Korea's economic growth is gradually decelerating as its per capita income is reaching \$20,000. Nevertheless, Korean people still eagerly seek for a higher standard of living. In order to maintain and improve the quality of life, further development of their major industries is a critical challenge of the country. At the current stage, special efforts have been made in the form of globalization, and maintaining and enhancing the technological advantage. Such efforts of Korea stimulate other competitors, notably Japan and China. Considering these entire situation surrounding Korea, our study analyzed major industries of machinery, auto vehicles, steel and semiconductor industries, along with banking industries and 'de facto' industrial policy that underlie the development of the major sectors. Also our study compared Korea's technological advantage vis a vis Japan and China, making an extensive use of the trade-related indicators.

The industry-wise analysis revealed that Korea's major industries have rigorously practiced external strategies such as constructing overseas factories, leading the architecture of a product, enhancing exports to the Chinese market and allying with Japan. Our study also sketched the recovery of the banking sector after receiving the public rescue fund, and the government's recent efforts to stimulate R&D by offering tax incentives. Finally, the analysis of the trade data showed that Korea is gradually catching up Japan, but at the same time losing its advantage against China at a rather rapid pace.

Coresearchers: Tamio Hattori (University of Tokyo), Kim, Bong Gil (Toyama University), Yuichi Takayasu (Cabinet Office, Government of Japan), Hidemi Yoshioka (Kyushu University); Makoto Abe, Yuichi Watanabe

Asian Capitals' Competition and Cooperation in China

Organizer: Yukihito Sato

We did research on the entangled relations among Asian enterprises in China with the following three questions in mind. First, who are the actors? Second, are they competing or cooperating with one another, and in what ways and why? Third, which area, in particular which industries, comprises the field of their activities?

Ito analyses Japanese-Taiwanese joint ventures in the multiple sectors in China. The paper focuses on the cooperation between Japanese and Taiwanese firms and shows that the peculiar resources of Taiwanese firms and the mutual trust among companies are the factors that strengthen their cooperative relations.

Sato's paper examines Seven-Eleven Japan and FamilyMart's strategies of entering China's convenience store business. FamilyMart's strategy was utilizing its Taiwan subsidiary and cooperating with the Tin Hsin International Group, while Seven-Eleven Japan chose to set up operations alone. The paper shows that their choices stemmed from their different experiences.

Cheng argues two sets of alliances between Taiwanese and Japanese auto producers, Yulon/Nissan and China Motor/Mitsubishi. Their geographical fields of investment include both Taiwan and mainland China. He demonstrates how Taiwan's automakers became independent from Japanese leasers when the latter was in a slump and how they tried to maintain their autonomy when Japanese counterparts recovered.

Within ODM transaction of notebook PC which Kawakami analyzed, Taiwanese manufacturers and American and Japanese customers cooperate with one another competing with other customer/manufacture teams. At the same time, the manufacturers compete for customers and the customers compete for better manufacturers. Kawakami shows that a manufacturer can acquire more knowledge through transactions with many customers rather than with a single customer.

Huang's study focuses on Korean firms in Chinese markets such as automobiles and mobile phone sets. He examines the competition between Korean firms and technologically advanced foreign multinationals which have already built up business operations in China, and shows that despite their latecomer status, Korean firms have won substantial shares in some markets through the strategic investment of marketing resources.

Coresearchers: Lin Huang (Kobe University), Lu-Lin Cheng (Institute of Sociology, Academia Sinica), Shingo Ito (Mizuho Research Institute); Momoko Kawakami

Comprehensive Study on Taiwan I: Growth and Transformation of Taiwan's Firms and Industries

Organizer: Yukihito Sato

Our research started with the following understanding on Taiwan's economic transformation since the mid-1980s: Taiwan's economy has transformed from the exporter of labor-intensive manufacturing goods to the supplier of intermediate and capital goods to overseas Taiwanese factories as well as to the high-tech producers. The drastic contraction of the labor-intensive industries has brought in the declining share of the manufacturing sector in the economy despite the growth of capital- and technology-intensive industries. Instead, the tertiary sector has substantially boosted its presence.

Through our one-year discussion, we discovered there still remained many problems to be solved. First, it is not apparent whether the sophisticated division of labor system which had developed in the exporting sector before the mid-1980s has entirely disappeared or succeeded in upgrading. Second, many new industries have been established by the business groups. At the same time, however, they tend to seek rents in the protected market. We need to solve this paradox. Third, our understanding about the development of the service sector is obviously limited.

We also found in the 2000s some aspects of Taiwan's economy diverged from the trends in the 1990s. First, the overseas production by Taiwanese firms considerably expanded the scale, extended the scope and raised the level in the 2000s. Second, the TFT-LCD industry which began to grow in the late 1990s has different development mechanism from such preceding high-tech industries as personal computers and semiconductors. Moreover, in the mid-2000s Taiwanese TFT-LCD manufacturer succeeded in getting rid of technological dependence on the Japanese companies. Third, the division of labor between public and private sectors needs to be argued in the late 2000s when government almost completed privatization of the public enterprises which were easily privatized.

In the second year of our project we will examine these problems.

Coresearchers: Shingo Ito (Mizuho Research Institute), Jun Akabane (Mitsubishi Research Institute), Michiko Kitaba (Hosei University); Hiroshi Ikegami, Momoko Kawakami

Sustainable Governance for River Basins: A Review of Experiences in Japan and China toward International Cooperation

Organizer: Kenji Otsuka

Water crisis is recognized seriously enough in the world to promote governments, international organizations and NGOs to take concrete measures to mitigate it. In Japan, amendment of River Law in 1997 and enforcement of Nature Restoration Promotion Law in 2003 are requiring public involvement and stakeholders' participation in the process of river management and nature restoration plans. After amendment and enforcement of these laws, consultative committees with broader stakeholders including experts, local NGOs and community representatives are set up in many river basins and other wetlands. Besides legislative actions at the national level, many local governments (prefectures) are now introducing or considering taxation, which aims to promote water resources and forestry preservation in sharing the part of its cost among beneficiaries upon decentralization reform. NPOs are also playing an important role to initiate water works in Japan. While Japan is moving forward sustainable river basin governance with decentralization and broader stakeholders' participation, China is still struggling with how to reform river basin management to mitigate water crisis such as long term depletion of river water flow, frequent flood, and serious water pollution. China is also stepping into building sustainable river basin governance system, but not like Japan, it has faced a lot of institutional barriers. This study group aims to examine sustainable governance for river basins both in Japan and China, and possibilities of their international cooperation.

In this study, we focused on such issues as institutional reform of river basin management, institutional reform of grassroots-level system of rural water, roles of NGOs and journalists in river basin environmental preservation, situations and tasks in wetland management, and international river basin management in China. We also focused on Japanese experiences and challenges in river basin management in the Yodo River and taxation for water resource and forest preservation by prefectures. Furthermore, we examined international cooperation for water resource and river basin management in China.

Coresearchers: Naoki Kataoka (Tokyo Keizai University), Mikiyasu Nakayama (University of Tokyo), Kaori Fujita (Momoyama Gakuin [St. Andrew's] University), Kayo Onishi (University of Tokyo); Nanae Yamada

Challenge to Political Stabilization in China: Risk Factors and the Political System

Organizer: Norihiro Sasaki

After the acceleration of the transition toward the market economy of 1990's in China, various actors have arisen, political process has complicated, and Communist party of China has confronted serious problems.

Our study attempts to draw a comprehensive picture of China's problems by analyzing political and social issues such as community administration in urban area, expropriation of land in rural area, labor relation, state-owned assets administration, state integration, and foreign policy. All these problems and issues are intricately intertwined each other. Only a comprehensive understanding of the nature of China's problems might make the international community possible to assist its future socioeconomic development and political stabilization.

The results of the study were published in Japanese as a working paper.

Coresearchers: Kazuko Kojima (Tsukuba University), Fumiki Tahara (University of Tokyo), Masahiro Hoshino (University of Shizuoka), Takeshi Watanabe (Kyorin University); Haruka Matsumoto

Regional Integration Theories and East Asia

Organizer: Jiro Okamoto

Economic relations among East Asian countries (Japan, China, South Korea and ASEAN members) after WWII had been gradually deepened without institutional frameworks such as free trade agreements (FTAs). In recent years, however, many FTAs have been concluded between these countries and even the creation of an 'East Asian (Economic) Community' has been widely discussed, partly due to the perceived inability of existing multilateral and regional regimes, such as the WTO and APEC, to deliver economic gains to their members. Nevertheless, arguments on the proliferation of FTAs and the creation of a community in the region so far have tended to be discussed from normative and/or policy points of view. There is much less discussion on how recent 'integration' phenomena in East Asia can be understood from theoretical perspectives.

Theories on regional integration have been developed in International Relations and International Political Economy through discussions on the conditions for individual states to cooperate in the international society. It is not yet clear how well these theories, developed mainly in Europe and the United States, can explain the recent 'integration' phenomena in East Asia and, if they do not explain them fully, a new view point or an analytical framework needs to be established.

As a first step to explore the necessity of such a new view point, this research project first reviewed existing theoretical frameworks, then examined the economic integration process in East Asia. Taking two countries in the region (Japan and Thailand) and one extra-regional country (Australia) as cases, it also investigated their incentives for participating in the economic integration process in East Asia.

Coresearcher: Maki Aoki

Southeast Asia

Vietnam's "State and Society" in the Doi Moi Period

Organizer: Minoru Teramoto

This two-year research project aims to verify Vietnam's situations in the Doi Moi period from "the State and Society relations" as well as to understand real situation of various arenas. The outcome of the first year of the research was published as a research report titled "Concerning the Relationship between the State and Society in the Doi Moi Period." Following previous years, in FY2006 members of our study group worked on subjects such as labor migration (Iwai), research with Development Economics Approach (Takeuchi), civic movement (Nakano), and welfare for the handicapped (Teramoto). While all the points made by each study in this project are of value, here are some main findings which are related to the relationship between the State and Society.

We could confirm various patterns of the relationship between the State and Society as follows. Firstly, the State succeeds in mobilizing the Society with its consent and they cooperate with each other and make united efforts to accomplish certain purposes. Secondly,

the State and the Society play their own role to accomplish certain purposes, even though they can not reach the level of “cooperation.” Thirdly, the Society bears the burden in spheres where the State is not able to respond properly. Fourthly, the Society opposes the establishments and makes a proposal to transform it. The State interferes with it and reinforces control over the movement, etc.

Putting accounts together, the State of Viet Nam has been proceeding state-building by leaning on the Society, while sometimes it is shaken by the Society.

Coresearchers: Motoo Furuta (University of Tokyo), Ikuo Takeuchi (Tokyo University of Agriculture and Technology), Ari Nakano (Waseda University), Misaki Iwai (Kanda University of International Studies)

Thailand in the Era of Reforms: Political and Administrative Reforms since 1997 to the Thaksin Administration

Organizer: Yoshifumi Tamada

Thailand went through the massive movements to call for political reforms in the period marked by two coup d’etat, Coup in February 1991 and Coup in September 2006. In this research project, we focused on the process and features of these political and administrative reforms of importance (e.g., election system, jurisdiction system, decentralization, education reforms, administrative reform, socio-economic policy mechanism, social welfare scheme, foreign policy) and synthesized their impact on Thai politics in the long run. In analyzing the respective field of reforms, we shared the common perspective as the following: (1) to clarify the impact of major political change such as democratization, promulgation of the 1997 Constitution and the Thaksin administration and (2) to describe the process of reforms since the beginning of the change until the most recent phase. The final report of this project will be published in FY2007.

This book concludes that Thai political and administrative reforms since the 1990s seem to head toward the principle of “good governance” whose indicators consist of democratization, accountability for political power, rule of law, efficient administration and civilian control, etc. The process of reforms is mainly influenced by the two features, namely “democratization” and development toward “middle-income countries.” As a result, aside from suppression of corruption, most of the indicators of “good governance” in the reforms improved by the end of the Thaksin administration. Among other things, the most remarkable change was retreat of Royal Army from the front stage of Thai politics which enabled continuous Prime Ministerial elections since 1992 and allowed the elected Prime Minister to hold stronger power to realize more efficient administration. However, the fifteen year’s reform process was suddenly interrupted by coup in 2006 led by military junta who intended to protect monarchy and to combat corruptions in the Thaksin Administration. It seems that political situations and some sort of reforms in Thailand would go back to the time around 1997; however, it is not predictable until the promulgation of the new constitution and general election expected in the year end of 2007.

Coresearchers: Akira Suehiro (University of Tokyo), Keiichiro Oizumi (Japan Research Institute), Fumio Nagai (Osaka City University); Tsuruyo Funatsu, Shinya Imaizumi, Maki Aoki

South Asia

Globalization in South Asia: Its Impact on Employment and Labor Issues

Organizer: Hiroshi Sato (Tokyo University of Foreign Studies)

Economic globalization has had a far-reaching impact on the world economy, bringing about multi-dimensional changes in various sectors including trade, finance and information and employment. Up until now, however, its impact on employment and the labor situation in developing countries has not been as well researched as other dimensions. In South Asia, as in other regions, globalization has given rise to new industries and created new employment opportunities in sectors such as the IT industry in India and readymade garment industries in Bangladesh and Sri Lanka. At the same time, globalization has brought changes in employment practices both in the public and private sectors, resulting in a shrinking of formal employment and an expansion of non-standard work arrangements.

The major objective of this two-year research project was to draw a comprehensive picture of employment and labor problems of South Asia today. The countries covered were India, Pakistan, Bangladesh and Sri Lanka. Cross-country studies have been made on the important themes such as non-standardization of employment, competition and the protection of workers or the underprivileged, labor law reform, employment in readymade garment industry, and migration and well-being. The findings show both the similarities and dissimilarities among the four countries. While in the backdrop of the process of 'job creation' and 'job loss' under globalization, increasing flexibility or informalization as well as homogenization of the labor market have been observed across the four countries, the differences in socio-economic and cultural characteristics of households, communities, and countries in which workers, thus the sites of production are embedded, have precluded a random application of standardized labor policies and also presented differed opportunities and challenges.

The outcome of the research will be published in English. Following the introductory chapter which examined central themes of our project and outlined the theoretical and methodological positions of each chapter, ten articles are compiled under four sections, i.e., Dissecting the Changes in the Workplace, Employment: Law and Policy Reforms, Employment: Assessing the Regulatory Effects, and Migration, Employment and Well-being.

Coresearchers: Junko Kiso (Ferris University), Takahiro Sato (Osaka City University), Arup Mitra (Institute of Economic Growth); Mayumi Murayama, Hisaya Oda, Etsuyo Arai, Yoshie Shimane, Momoe Makino, Hitoshi Ota, Yuko Tsujita

Central Asia

Mobilization of Ethnic Minorities and International Relations: "Triadic Nexuses" in Kazakhstan

Organizer: Natsuko Oka

Why has Kazakhstan succeeded in maintaining political stability despite its complex ethnic composition since Soviet dissolution in 1991? Our project tackled this puzzle by focusing on state policy and international relations. The extant literature explained Kazakhstan's stability by its ethno-demographic balance with no single absolute majority, identities that divide or cross-cut ethnicity, and obstacles to fully-fledged Kazakh nation-building, while paying little

attention to state strategy for avoiding ethnic mobilization. In the mid-1990s, some observers warned that the Russians in Kazakhstan were likely to organize a separatist movement, which would find support from Russia, and which would thus fuel conflict between the two states. This fear, however, proved unfounded. Meanwhile, non-Russian ethnic minorities in the republic were almost ignored in the context of domestic and international politics.

This study examined Kazakhstan's state strategy aiming to avoid politicization of ethnicity by applying the "control" model proposed by Ian Lustick. Based on Rogers Brubaker's triadic nexus model, it also focused on the relationship between Kazakhstan's minorities (Russians, Uzbeks, Uighurs, and Koreans) and their respective ethnic homelands (Russia, Uzbekistan, Xinjiang Uighur Autonomous Region of China, North and South Korea), as well as the relationship between Kazakhstan and these states or a region.

The findings of the study are summarized in the following two points. Firstly, control is a highly effective strategy for managing ethnic divisions under authoritarian rule, as it simultaneously serves to depoliticize ethnicity and also maintain the regime. Secondly, in a triadic relationship between the host state, its minority, and the minority's kin state, the power of ethnic linkages between minority and their kin state is often overemphasized; in fact, it is quite limited. Rather, the host state is in a position to manipulate such relationship to its advantage.

MIDDLE EAST

Law and Custom in Real Estate Transactions of Iran

Organizer: Yoko Iwasaki

The focus of this project is the historical development of customary practices in real estate possession and the related legal system in Iran and Egypt since the 19th century. Although both nations formerly observed Islamic Law called Sharia, they introduced the majority of their present legal systems from Europe during modernization. However, the introduction of the modern Western legal system did not invalidate all traditional legal criteria. Their legal reforms were instead implemented in the form of a mixture and compromise between the two. In order to examine how regional customs and an Islamic mindset in these countries remained in their new legal system in the process of "localizing" Western Law, this project focuses on the property rights of real estate, emphasizing the following topics: Waqf, the preemption of land, and usufruct of shop lease-holders.

Existing literature on the legal system in the Middle East, paying too much attention to apparent changes after legal reform, tended to assume a serious discontinuity between the pre-modernization period and after the subsequent era. However, by virtue of this project, it was proved that various rights *in rem*, which had been established in traditional law and which were seemingly demolished within the Western-styled legal system, managed to survive in the actual application of laws and socio-economic institutions in Iran and Egypt.

The research results were published in our periodicals *Asia Keizai* (Asian Economy) in Japanese, June 2007.

Coresearchers: Nobuaki Kondo (Research Institute for Languages and Cultures of Asia and Africa, Tokyo University of Foreign Studies), Satoe Horii (J. F. Oberlin University)

Political System under the Social Transformation in the Gulf and Arabian Oil Producing Countries

Organizer: Sadashi Fukuda

This study aimed to analyze the effect of social transformation on the political system in Iran, GCC states and Yemen. Iran and GCC states have peculiar political systems such as Islamic republics and absolute monarchies. Yemen's political system is deeply rooted on its tribal society. Their political systems have remained almost unchanged since the 1990s, though they have experienced many political incidents. However, the social transformation that has taken place in the course of economic development is exerting a deep influence on the political systems in those countries.

In the starting year of this two year research project, we studied political system, economic developments and social transformation in those countries, gathering basic data on the topics. With regard to Iran, we studied the Basij as an example representing the relation between ruling power and people. We also studied the rural political assembly and its history of development. Then we analyzed the ruling system in Saudi Arabia, political and economic system in Kuwait and Qatar, political and economic change in Yemen. We continue our studies to deepen the analysis on the effect of social transformation on the political system next year.

Coresearchers: Hidenobu Sato (Ministry of Justice), Hiroshi Matsumoto (Daito Bunka University), Takio Mizushima (Tokushima University); Hitoshi Suzuki

Political Structures and Interrelations in the Contemporary Levant States

Organizer: Hiroyuki Aoyama

Since the outbreak of the Iraq War, the Arab world has witnessed unprecedented changes resulting from the external pressure justified under the propaganda "War on Terror" and "democratization." Syria and Lebanon are not exceptions; the assassination of former Lebanese Premier Rafiq al-Hariri (February 2005) triggered a Syria-bashing campaign in the international community (especially the U.S. and France) and the so-called "*Intifadat al-Istiqal*" (or "Cedar Revolution," an anti-Syrian campaign) in Lebanon. In consequence, Syria was forced to abandon its control over Lebanon, which raised uncertainty regarding the political stability and national security. On the other hand, Lebanon has faced the internal strife over its domestic and foreign policies after the "restoration of sovereignty" (the Syrian withdrawal from Lebanon). The Lebanon Conflict (July-August 2006) deteriorated this situation, which led to substantial paralysis in politics.

This research project aims to analyze: (1) how the power structure of both Syria and Lebanon have transformed in the abovementioned situation; (2) how the intertwined relations between the power structures of the two states have been reconstructed especially after the assassination of former Premier al-Hariri; and (3) how these transformation and reconstruction influence the political stability (or instability) of Syria and Lebanon as well as the whole Arab world.

The project launched in April 2006 and is planned to continue for two years. In the first year (2006), the research was conducted for clarifying the characters of the power structures and the major political actors both in Syria and Lebanon, as the first step for understanding their political reality, whose outcome was compiled and published as the interim report (in Japanese) in March 2007. The final report will be published in the IDE Research Series (in Japanese) in 2008.

Coresearchers: Kota Suechika (Ritsumeikan University), Masaaki Watanabe (on administrative leave since September 2006)

International Relations of Afghanistan and Its Neighboring Countries

Organizer: Hitoshi Suzuki

This study project intends to clarify the basic needs for successful long-term re-construction process of Afghanistan nation through the multilateral relationship of neighboring countries such as Pakistan, Iran, Central Asian countries, India, China and Russia. In our understanding what is most needed at this stage is a political stability inside and outside Afghanistan borders.

Japan, together with the United States and EU countries, is responsible for the successful process of Afghanistan re-construction. This study project aims at gathering basic knowledge and data for the effective and sustainable support for the future development of Afghan society. Our purpose is to mark a firm start-point for the future shaping of area-studies of Afghanistan in Japan.

As the project is in the fourth and also the final year, we made every effort to discuss effectively for the preparation of a report which is intended for a broader scope of readers who are practically interested in Afghanistan issues. Also, we conducted a field survey in Pakistan (Fukamachi) and Central Asian countries (Shimizu). Our understanding is that Afghanistan's future is still dependent on the very complicated relationships of surrounding countries, interested countries and superpowers.

The result of our study will be published in the IDE Study Series (in Japanese), and a summary of the results appeared in *Ajiken World Trends* (monthly journal in Japanese), April 2007 issue. In these publications, we intend to present a basic structure of relationships and main problems surrounding Afghanistan for the purpose of effective and sustainable re-construction of Afghanistan.

Coresearchers: Manabu Shimizu (Sophia University), Hiroki Fukamachi (Obirin University), Koichiro Tanaka (JIME Center, Institute of Energy Economics), Kazushige Shibata (Afghan Network), Terue Okada (University of Tokyo); Madoka Onishi

AFRICA

Economic Liberalization and Rural Livelihoods in Malawi

Organizer: Tsutomu Takane

Malawi is one of the poorest countries in the world and its population is predominantly rural. The livelihoods of rural dwellers rely mainly on small scale agriculture, but are constrained by unfavorable conditions such as land shortages, low agricultural technologies, erratic rains, food deficit, and labor shortages caused by the spread of HIV Aids.

In the past two decades, Malawi government adopted a series of reform measures that aimed to transform the smallholder sector. The measures included liberalization of agricultural commodity prices and marketing channels, removal of subsidies on fertilizers, reforms in rural credit systems, and liberalization of burley tobacco production by smallholders.

Based on the data obtained from micro-level fieldwork, this study aimed to clarify the ways in which these reforms affected the livelihoods of smallholder households. The result of the

study will be published in a book in the IDE Research Series (in Japanese). The book contains eight chapters. After an introductory chapter, Chapter 1 traces the historical change of colonial and post colonial governments' policies on the smallholder sector in Malawi. This is followed by the description of six case study villages in which the author conducted his fieldwork. Chapter 3 examines the dynamics of customary land tenure in the study villages, while Chapter 4 reveals patters of labor deployment and characteristics of labor contracts in agricultural production. Chapter 5 provides an in-depth analysis of production of two main crops, maize and tobacco. Chapter 6 analyzes the income portfolio of rural households. Chapter 7 examines the livelihood strategies of female headed households. Chapter 8 concludes.

Reconsidering Personal Rulership in Sub-Saharan Africa

Organizer: Akira Sato

This two-year research project focusing on rulers in Sub-Saharan Africa was launched, being expected to find a new perspective of analysis on African politics and states. We use here the notion of rulers to refer collectively to kings, presidents, prime ministers, heads of sole party in Marxist-Leninist states, and head of military juntas. Except for a few works, including the well-known pioneering one published in 1982 by Robert Jackson and Carl Rosberg which presented the notion of "personal rule," African rulers have never fully been examined from an academic perspective. The notion of personal rule, though we admit it could still be useful vocabulary to describe the way of governing in the case of some rulers, seems too narrow to encompass the various forms of rulership. Moreover, although we admit as well the novelty of the personal rule perspective which attempts to explain the different ways of ruling in terms of "system," the whole structure of the relationship established and maintained between the ruler and the ruling elites, it seems more important to broaden the notion of "system" by incorporating the other factors and aspects than the limited sphere of ruling class, such as human networks, institutions, historical back-ground, and external relationships, in expectation to understand the whole structure of power that makes rulers. This re-examination of the personal rule perspective allowed us to proceed to in-depth analyses. Case studies elaborated in this project are as follows: comparative study of eight military rulers in Nigeria (Ochiai); re-examination of legacies and meanings of Siyaad Barre's rule in Somali history (Endo); analysis of the Kenyan power-struggle from a viewpoint of draft constitutions as "endorsed" political agreement to designate the future power holders (Tsuda); the nature of Habyarimana regime in Rwanda and the local-level power structure observed in the genocide in 1994 (Takeuchi); comprehensive portrait of John Garang in Sudan (Kurimoto); Houphouët-Boigny's moral of governing seen from a remote village (Majima). The final report of the research, which contains, in addition to these case studies, an introductory chapter and a comprehensive list of rulers in Sub-Saharan Africa (both are by the organizer), will be published in 2007.

Coresearchers: Mitsugi Endo (University of Tokyo), Eisei Kurimoto (Osaka University), Takehiko Ochiai (Ryukoku University), Ichiro Majima (Tokyo University of Foreign Studies); Shinichi Takeuchi, Miwa Tsuda

Post-Conflict Challenges in Africa

Organizer: Shinichi Takeuchi

Although a number of armed conflicts broke out in the 1990s, many of them tend to calm down recently: serious conflicts in such countries as Liberia, Sierra Leone, Burundi, and Democratic Republic of the Congo, came to an end in the 2000s. While we know that armed conflicts still continue in countries like Somalia and Sudan, and that the peace attained after the above-mentioned conflicts are generally fragile, recent political situation in Africa has clearly changed in comparison with that of the 1990s. Taking the change into account, this research project aims to clarify political processes leading from war to peace as well as the actualities of countries that had experienced serious armed conflicts, in order to examine challenges with which they are now facing. For this purpose, it is both necessary to understand deeply the situation in these African countries and to compare them with similar cases in other regions. In order to discuss these wide ranges of issues, not only researchers on African studies but also specialists of peace-building on the background of International Relations as well as International Law were invited to participate in this project. From the discussion of the first year, we have noticed the importance of international community in the peace process in African countries. Intervention of the international community such as United Nations, governments of developed countries, and international NGOs varies from mediating peace negotiations, sending Peace Keeping Operations, assisting elections, to aiding the DDR, security sector reform, and so on. In the second year, we continue to research on the actualities of African countries after the breakout of conflicts in order to shed light on their challenges and to reflect on the background of this active intervention of the international community. The result of the first year research was published as a report titled "Post-Conflict Challenges in Africa: a mid-term report" (in Japanese).

Coresearchers: Takehiko Ochiai (Ryukoku University), Hideaki Shinoda (Hiroshima University), Sayaka Funada-Classen (Tokyo University of Foreign Studies), Yoichi Mine (Osaka University), Yasue Mochizuki (Kwansei Gakuin University), Tatsuo Yamane (Hiroshima University); Akira Sato

LATIN AMERICA

Latin American New Primary-Goods Export Economy: Structure and Strategy

Organizer: Taeko Hoshino

Increase of primary-goods exports and diversification in its contents is a remarkable phenomenon observed since the 1990s in Latin American economy. Although traditionally Latin American exports had been concentrated on a limited number of primary commodity goods, newly developed commodity goods and formerly non-existent value added primary products have been gaining importance in exports in recent years. What are the factors which made possible an increase and diversification of primary-goods exports? What is the perspective of sustainable growth of these primary-goods export industries? The purpose of this research is to answer these questions by empirically analyzing trajectories of development of several primary-goods export industries of principal Latin American countries.

The industries analyzed in this research are soybeans and chicken meat in Brazil, pork meat of Mexico, asparagus of Peru, wood and pulp of Chile, bananas of Ecuador and petroleum of Venezuela. Their recent development was analyzed by focusing especially on

technologies of production, specific natures of goods, the structure of their world trade, their industrial organization within each country, characteristics of principal actors of production and distribution, especially local ones, and the role of government in its export growth. Our analysis shows that recent increase and diversification of primary-goods exports was made possible by changes in both demand and supply sides. For the changes of demand side, those factors such as expansion of the Chinese market, lowering of trade barriers in the world, expansion of markets for value added primary products in developed countries are important. These changes made Latin American producers possible to access to wider range of markets. With regards to changes in supply side, the advance of technological and managerial innovation carried out by principal producers is important. Our analysis also stressed the important role played by governments in lowering export barrier and in promoting local producers.

Coresearchers: Yoichi Koike (Takushoku University), Hidekazu Araki (Kanagawa University); Aki Sakaguchi, Koichi Kitano, Tatsuya Shimizu, Yasushi Ueki

Educational Development in a Mexican Indigenous People's Region: The Case of Mixe, Oaxaca

Organizer: Akio Yonemura

In Mexico, indigenous peoples have appeared in the social and political arena as important protagonists since the government's bilingual education policy began in the 1970s. As this shows, the educational development among and influence upon them is an essential factor to understand their social and political situation. This study aimed to comprehend historical processes of the educational development, focusing upon interaction between the state and indigenous peoples. Furthermore, the study tried to grasp the level the educational development has reached from the viewpoint of national integration through an analysis of children's educational aspiration data.

The study resulted in two articles. "Educational Development in Mexican Indigenous People's Regions: Government's Policies and Peoples' Responses" analytically depicts the educational development in indigenous peoples' regions. It reveals that the bilingual education policy was undertaken as practical and easy measures for the state to train and supply teachers for indigenous peoples' areas in order to promote quantitative diffusion for national integration.

"Permeation of 'Modern' Educational Aspiration in a Mexican Indigenous People Region, Mixe, Oaxaca: Primary Students' Educational Aspiration and Views about Spanish" analyzes, based upon 1991 and 1998 field survey data, the level of achievement of national integration and its heterogeneity within the region. Some of the findings are as follows: children's aspiration towards formal education is considerably high; thus, the intention of national integration by the state is also considerably achieved; at the same time, influence of ideology of indigenous peoples' movement over students' view about Spanish is detected; and synthesis of these results suggest that indigenous peoples' ideology and their movement do (or can) not negate the formal education system but rather this is a fight for political control over education in the definition of meaning of education.

GENERAL

The Flowchart Approach to the Formation of Industrial Clusters: Focusing on the Mechanism of Endogenous R&D and Innovation

Organizer: Akifumi Kuchiki

In 2006, the forerunner of this research project completed the task of constructing a flowchart model to serve as a prototype for industrial cluster policy in Asia, North America, and Latin America. The current research group seeks to clarify the conditions required for and the process of formation of innovation mechanism. We also seek to generalize this flowchart model by conducting a comparative research on diverse industrial agglomerations in Asia, North America, and Latin America.

The goal of this project was two-fold. First, we develop and apply a simple flowchart model with R&D in each industrial cluster or establishment to estimate conditions for formation of new industrial cluster with endogenous innovation, by using each case study. Second, we analyze the following specific issues: (1) the effects of industrial development on the competition in industrial agglomeration and (2) the effects of adoption of new technology on emergence of product and process innovation in each industrial cluster or establishment. Thus we show how to extend our approach to characterize counterfactual evidence using the estimated model to estimate the impacts of local public policy relates to fostering industrial agglomeration on the emergence of innovation. This enables us to have comparable characteristics of each industrial cluster and present alternative policy recommendations.

In the next step, we are going to explore ways to tighten the causal relationship between industrial agglomeration and fostering innovation systems using evidence-based policy-making motivated from economic theory and convincing fact-finding.

Coresearchers: Masatsugu Tsuji (University of Hyogo), Aya Okada (Nagoya University), Yumiko Okamoto (Doshisha University), Yoshiaki Hisamatsu (Toyo University), Shoichi Miyahara (Aoyama Gakuin University), Kentaro Yoshida (Center for Strategic and International Studies), Jobaid Kabir (Environmental Compliance Lower Colorado River Authority), Somrote Komolavanij (Thammasat University), Chawalit Jeenanunta (Thammasat University); Yasushi Ueki, Ding Ke, Tomohiro Machikita,

Institution Building for Local Economic Development

Organizer: Yoshiaki Nishikawa (Nagoya University)

In the recent discussions in the local development discourse, a local discretionary power/authority and its empowerment has become an important issue among local economic development practitioners who are involved in Japan and in the least developed countries (LDCs). At the moment there is not sufficient research on this in the Western countries, Japan and even in LDCs. In the practical scene on local development, it has become a consensus that each locality should have an autonomous development policy apart from the central, urban or costal regions to make the local development more sustainable. But practical institutional building has just been started to do so.

Through the comparative study in Asia and Africa, the research project aims to clarify conditions including actor relations and resource accessibility necessary for institutional building in such locality.

As a mid term report of the two year project, project team members tried to conceptualize endogenous development, local actor's relation with external parties, and participation of

local producers in forming the demand driven market. Other members discussed and reported on the endogenous rural tourism by the producer cooperatives and relations between external and internal actors in the development aid project management. Also, changing perspectives of central and local authorities and residents toward the local development have been discussed through a case on a remote island development policy. Besides these, files and archives of various local development projects have been compiled in the report, including a time series file on the one village one product movement in Oita, Japan.

Coresearchers: Akira Munakata (Asian Productivity Organization), Yoshinobu Sato (Nagasaki Wesleyan University), Masanobu Kiyoka (Japan International Cooperation Agency); Eiichi Yoshida, Azusa Harashima, Kazuhisa Matsui

Financial Markets and Money in Developing Countries

Organizer: Hisayuki Mitsuo

We analyzed banking and currency crises, fragilities associated with debts denominated in foreign currencies, and central bank's balance sheet management in developing countries.

Banking crises which occurred frequently in developing countries for the past quarter century are often associated with output decline and liberalization of deposit interest rates. "Models of Banking Crises: Explaining Associations with Output Decline and Financial Liberalization" introduces representative models of banking crises.

"Understanding Krugman's "Third-Generation" Model of Currency and Financial Crises" presents a dynamic version of the Krugman's model and confirms existence of the equilibrium in which currency and financial crises are involved. It also examines economic structure in which the 'crisis equilibrium' tends to exist.

In the model of the "Foreign Currency Debt as a Barrier to Price Adjustment in a Financially Constrained Economy" paper, it is assumed that a monopolistically competitive firm has debts denominated in foreign currency and that the net profit of the firm can not be non-negative, because of the strong need for repayment. If a negative shock to export demand hits the economy, the firm lowers output for the non-negative net profit constraint.

Due to increases of capital flows, the importance of managing foreign exchange reserves of central banks in developing countries is rising. "Monetary Policy, International Liquidity and Central Bank Balance Sheet in Emerging Market Economies" shows determinants of the lower bound of the ratio of money to capital in the central bank's balance sheet when the central bank targets its ratio.

"Lessons from Financial Deregulation Policy, Financial Development and Crisis - Case of Indonesia" analyzes behaviors of state owned banks and business group banks, international capital movements, and fiscal and monetary policies in Indonesia until the currency and financial crises in 1997/98.

The research output was compiled as *Financial Fragilities in Developing Countries*, edited by Hisayuki Mitsuo (Chosakenkyu-Hokokusho, June 2007).

Coresearchers: Hidehiko Ishihara (Senshu University), Masanaga Kumakura (Osaka City University), Masaaki Komatsu (Hiroshima University), Kaku Furuya (Daito Bunka University)

The IMF and Developing Countries

Organizer: Kozo Kunimune

It is very important for any developing country to maintain stable macroeconomic environment because it is a necessary condition for sustaining economic development. When the external macroeconomic stability (i.e., stability in the balance of payment and exchange rate) becomes unsustainable, the international community will provide help normally via the IMF (International Monetary Fund). In other word, the IMF is expected to be the keystone of international safety net for macroeconomic stability. However, it is sometimes called into question whether the IMF measures up to this expectation. Especially, it was criticized about its operations during the Asian currency crisis in 1997-98.

This research project evaluates the functions and roles of the IMF and provides basic information for speculating about reform of the IMF or ideal setup of international financial cooperation. We will try to analyze not only the IMF's policy in view of economics, but also problems in its governance, institutional structure, and political economy surrounding it. In addition, we will consider ideal relationship between the IMF and the regional financial cooperation.

We compiled an interim report in FY2006. We will complete the study in FY2007, the result of which is expected to be published in 2008.

Coresearchers: Hirohisa Kohama (University of Shizuoka), Masanaga Kumakura (Osaka City University); Chie Kashiwabara, Masahiro Kodama, Rika Nakagawa

Macroeconomic Implications of Imperfect Markets in Developing Countries

Organizer: So Umezaki

Since the rational expectations revolution in the 1970s, macroeconomic models have been reconstructed as dynamic general equilibrium models basing on rigorous micro-foundations. In developing the models, macroeconomists often assume a representative agent who consumes, invests and provides labor. The representative agent determines the levels of consumption, investment, labor and so forth, in order to maximize his expected life-time utility. Let us call this type of macroeconomic models as "dynamic macroeconomic models". As is usual in the development of economic theories, dynamic macroeconomic models have been developed to be applied to advanced countries. At present, explicit application of dynamic macro-economic models to developing economies is very limited. One reason for this shortage may stem from the unrealistically strong assumptions which are often used in the standard versions of dynamic macroeconomic models.

This special issue, focusing on the applicability of dynamic macroeconomic models to analyze developing economies, consists of two strands of researches. The first strands, Yuki (2007), Kodama (2007), and Kawabata (2007), directly apply dynamic macroeconomic models to analyze macroeconomic issues in developing economies. Yuki (2007) develops a dynamic macroeconomic model to explain the structural changes in the Philippine economy, and numerically analyses the factors behind the changes. Kodama (2007) incorporates consumption composition, typical in African countries, with a dynamic macro-economic model, and numerically investigates the effects of changes in consumption composition on business cycles. By conducting an empirical analysis with time series models, Kawabata (2007) examines the implication of a dynamic macroeconomic model into which dynamic changes in the demand structure are taken account. The second strands, Umezaki (2007) and Kunimune (2007), deal with the issues which may be abstracted from the dynamic

macroeconomic models, due to strong assumptions of the models. Umezaki (2007) casts doubt on the open-economy trilemma, which is a popular implication from the standard macroeconomic theory, by econometrically describing the monetary policy in Malaysia. Finally, Kunimune (2007) examines whether self-fulfilling multiple equilibria can be formed when we drop the assumption of a representative agent, which is the very basic assumption of the second generation models of speculative attacks.

Coresearchers: Kazuhiro Yuki (Kyoto University), Koji Kawabata (Kobe University); Masahiro Kodama, Kozo Kunimune

Theories and Realities of Rural Development

Organizer: Masami Mizuno (Nihon University)

In the context of Japan's international development, the word "rural development" has been used as a synonym for "agricultural development". Only recently, rural development becomes recognized as a broader concept which includes the interventions for poverty reduction. Once it covers poverty reduction and social development, a planner of the rural development needs to consider socio-cultural conditions of each rural society where he is trying to intervene. Sociology, anthropology and area studies have accumulated the knowledge of rural societies in developing countries. But very few of that knowledge have been utilized in planning rural development intervention. This study tries to find the way to bridge the knowledge about rural society and rural development strategy. Through two-year research, we revealed that Japanese rural development experiences, especially those in Post World War II era have a lot of relevant lessons to today's developing countries.

Coresearchers: Shonosuke Tomita (Association for Agricultural Improvement Extension Service), Keishiro Itagaki (Tokyo University of Agriculture), Masafumi Ikeno (Koei Research Institute), Kazuko Tatsumi (Yamaguchi University), Eri Sugita (Japan International Cooperation Agency), Kazuhito Suga (Japan International Volunteer Center); Hiroshi Kan Sato

Theorizing Law and Development Issues

Organizer: Masayuki Kobayashi

Theoretical studies on "law and development" began in the 1960s in the United States, but it became stagnant by its self-criticism that it might unjustifiably force its own institution to the recipients. Later in the 1990s, prior to the implementation of legal technical aid projects in developing countries, studies on "law and development" began to re-emerge and many studies including empirical ones have flourished since then. The objective of this research project was to seek for new ideas on methodologies on "law and development" and new research topics. We have surveyed preceding studies regarding "law and development" and other legal theories supporting legal technical aid practices.

The project, while re-considering the role of law in development, examined many preceding studies and has published the outcome as a research report. In the report, the relation between "law" and "development" was examined by discussing the status of law in existing "law and development" studies and the relation between law and economics basing on the history of economic analysis. Furthermore, as a future direction of research, emergence of the concept of ethnicity, expansion of scope to the field of disability, and issues related to law and politics were discussed. We have recognized that in order to advance

studies on “law and development,” further collaboration with other disciplines such as area studies and development studies is indispensable in addition to carrying out legal studies basing on the field.

We have also coauthored a book review on Nobuyuki Yasuda’s *Law and Development - A Study on Legal Systems of Asian Post-Development States* (The University of Nagoya Press, 2005), which was published in *Ajia Keizai*, vol.48 no.2, 2007, pp.66-72 (in Japanese).

Coresearchers: Shinya Imaizumi, Hajime Sato, Miwa Yamada, Naomi Hatsukano

Globalization and Changing Peasants’ Economy in Developing Countries

Organizer: Shinichi Shigetomi

Peasants have long been the major actors of agricultural production and rural society in developing countries. The globalization after the 1980s has been rapidly changing their economy. The impact is twofold. Firstly, they become involved in the market economy more extensively than before. It means that peasants can hardly escape from the deep impact of market. Secondly, they are now facing with new conditions of market. They find new buyers, demands for new produce, new quality standards, and new institutions of transaction. In some cases, they find new market for their labor force out of agriculture. Our question is how peasants in developing countries are coping with these impacts. A number of literature has argued the impact of globalization to rural economy, but mostly through macro economic data. We intend to understand the situation of peasants through the field survey on farm economy. Our study covers nine countries in Asia, Africa, and Latin America.

We have found out that every peasant does not necessarily enjoy the economic opportunity which is brought by the globalization. We identify four kinds of restrictions to the peasants. Firstly, the market opportunity at the locality limits the number of peasants who can sell their products to the market. Secondly, peasants face limitation of access to some inputs, such as land and capital, since they are not necessarily provided through a free and globalized market. Thirdly, some resources for production have the limitation of natural endowment. Lastly, internal resources of each farm condition the accessibility to external resources. The peasants without enough internal resources, such as owned land, education, and social capital, are often excluded from the opportunity to access to the market of inputs.

Coresearchers: Naoko Amakawa, Azusa Harashima, Yuka Kodama, Emi Kojin, Kensuke Kubo, Ikuko Okamoto, Tatsuya Shimizu, Nanae Yamada

Poverty Reduction through Generating Employment Opportunities

Organizer: Tatsufumi Yamagata

Poverty reduction became the ultimate goal of international development as one of the Millennium Development Goals in 2000. This research project attempted to figure out ways to address poverty reduction by generating income of the poor rather than giving goods and services, as have commonly been resorted to. The report written as the final product of the project was divided into two parts: the one to study the roles of production sectors to generate income of the poor through creating employment, and the other to scrutinize the effectiveness of various institutional schemes designed for poverty reduction.

A cross-country study with thirteen developing countries seeking for general patterns of structural changes in composition of employment of the poor leads Part I. The following three chapters are case studies of poverty reduction by generating income of the poor in Japan, a

pair of Least Developed Countries, i.e., Bangladesh and Cambodia, and Kenya. Japan has a long history of continuous poverty reduction, while Bangladesh and Cambodia recently achieved industrial development led by the garment industry which is labor-intensive and highly export-oriented. Kenya suffers from underemployment with high average wage rate which seems to prevent FDI from massively flowing in.

Part II exhibits four institutional experiments to assist the poor to get out of poverty, namely microfinance, social fund, employment by the public sector, and reservation of employment for people with disability. Now microfinance is so proliferated that it contains finance for both profit-making business and subsistence economic activities. The social fund is another financial scheme directly applied to rural communities by international donors bypassing the central government. The public sector has played a key role in creating employment opportunities for the poor in an emergency due to economic adversities such as a natural disaster and acute economic crisis. Finally, schemes for employment of people with disability undertaken in India and the Philippines are critically reviewed.

Coresearchers: Takeshi Daimon (Waseda University), Akio Nishiura (Soka University); Miki Hamada, Takayuki Higashikata, Seiro Ito, Soya Mori, Hiroki Nogami, Hiroko Uchimura.

Health Service and Poverty: Making Health Services More Accessible to the Poor

Organizer: Hiroko Uchimura

Health is increasingly a critical concern in the context of poverty reduction. Poor people suffer most from ill health and disease; by the same token, people are more likely to fall into poverty because of ill health. Reflecting this vicious cycle of poverty and ill health, health is a focal issue in development. In fact, three of the eight Millennium Development Goals (MDGs) require substantial improvements in the health sector by 2015.

Although international concern about health is increasing, health outcomes do not appear to be improving at a steady rate. Recent evidence shows that the MDGs relating to health are unlikely to be accomplished in many developing countries. A fundamental problem is that necessary and affordable services do not reach those in need. What factors hinder the poor from accessing the health care services they need? Family characteristics, such as education level, have an effect on the behavior of the poor when they are seeking health care services, which is an issue on the demand side. Other issues are on the supply side, for instance in the provision of health goods and services, or in the financing of health systems. A limited capacity to provide health services in developing countries is a critical concern in the health sector and a major bottleneck for improving the access of the poor to health care services. This supply side issue is our underlying focus in this study.

In this context, this research program studied resources for health, in particular finance for health as well as medical personnel and medicine for health, as the first year of a two-year research program. The interim report included the issues on health financing systems, fiscal decentralization and health, external fund for health (aid for health), medical personnel migration, and antiretrovirals (ARVs) procurement prices, which was released as Joint Research Project Series No. 142.

Coresearchers: Masako Ii (Hitotsubashi University), Banri Ito (Global Security Research Institute, Keio University), Hiroko Yamane (National Graduate Institute for Policy Studies); Seiro Ito, Kensuke Kubo, Tatsufumi Yamagata

New Issues in Development Studies and Social-Welfare Studies

Organizer: Soya Mori

Our research team found the following conclusion through the research project. For an effective approach to disability and development, the social model of disability, not medical model, should be the basic framework. The development should be disability inclusive development approach, not the charity approach nor the social welfare approach, under the two important courses of empowerment and mainstreaming.

Mori's first paper is the introduction for "disability and development" study. Nogami's paper reviews the UN's Human Development Report and exiting disability statistics by UN and governments. Kuno's first paper argues that the participation of disabled persons should also be an important viewpoint for development assistance. Nagase analyzes the negotiation process of UN's Convention on the Protection and Promotion of the Rights and Dignity of Persons with Disabilities. Kobayashi's paper analyzes situation of access to justice for the disabled in China. Kuno's second paper evaluates community-based rehabilitation (CBR) in Malaysia and claims that the capability approach and inclusion of the people with disabilities would be the key for its success.

Kamei's paper suggests a new model of development from the observation of African experiences in deaf education. In his conclusion, he claims that the empowerment to the deaf community as a linguistic minority group would be important. Nakanishi's paper argues the necessity of a new movement from CBR towards independent living (IL) in Asian countries. Kano analyzes the deaf organization and the history of deaf education in Sri Lanka in contrast with the background of this country's Buddhist nationalism and ethnic conflicts. Mori's second paper describes the deaf education and the history of deaf community in the Philippines and the glory and downhill of self help group (SHG).

Coresearchers: Mitsuru Kano (Nagaoka University of Technology), Nobutaka Kamei (Kwansei Gakuin University), Osamu Nagase (University of Tokyo), Yukiko Nakanishi (Asia Disability Institute), Kenji Kuno (Japan International Cooperation Agency); Masayuki Kobayashi, Hiroki Nogami

Social Movements and Popular Political Participation in Developing Countries

Organizer: Shinichi Shigetomi

In recent years, we observe an increasing number of social movements in developing countries. With area studies specialists on Asian, African and Latin American countries as project members, this research project aims to obtain new perspectives on social movements in developing countries, based on deep understanding of political, economic, and social structures of local communities. As the first year of a two-year project, our focus in FY2006 was to study and discuss existing theories on social movements, which had been developed mainly in the context of developed countries. We used Nick Crossley's *Making Sense of Social Movements* (Buckingham: Open University Press, 2002) as a textbook, and reviewed theories and concepts such as collective behavior, rational actor theory, resource mobilization, networks, political opportunity structures, political process approach, repertoire, framing, protest cycles, and "new" social movements. We also conducted literature reviews on respective social movement fields (areas and issues) which each project member would study further in FY2007. We published an interim report titled *Development and Social Movements: A Literature Review* (in Japanese), in which Shinichi Shigetomi, the organizer of the project, argued that existing theories on social movements could be characterized as

“marketing approach” since they put emphasis on the role of social movement organizations with resources and capacity to “sell” the issues of their movements. Shigetomi argues that this approach does not give a suitable framework for analyzing social movements in developing countries. As the forms of social movements, as well as the mechanisms of movement generation and development, are highly dependent on local socio-economic and political structures, we need to integrate these structural conditions into analysis of social movements in developing countries, which we will pursue in FY2007.

Coresearchers: Noriko Hataya (Sophia University); Mayumi Murayama, Katsuya Mochizuki, Kenji Otsuka, Kumiko Makino

Employment and Social Security in the Newly Industrializing Countries

Organizer: Koichi Usami

In the process of globalization, transformation of industrial relations, especially flexilization of industrial relations in the formal sector, was observed, or at least discussed in the newly industrializing countries of Asia, Latin America and Africa. In Latin America and South Africa, the phenomenon of informalization of formal sector is also paid attention to. In Asian countries which we discuss here, their unemployment rates are relatively low compared to Latin American countries, although expansion of non-standard employment becomes a social problem. At the same time, social security reform becomes one of the primary policy issues in Latin American countries and the social security system itself is expanding in East Asian countries. In China, her social security system which was based on nation owned companies is required to change while her economic system is transforming into market economy. In Malaysia which is short of labor force, the situations of foreign laborers now become a problem.

The aims of this research group are to clarify (1) the transformation of industrial relations in the newly industrializing countries after the 1980s by paying attention not only to institutional change but also real change in each labor market, (2) how to correlate that transformation of industrial relations with social security reform or their expansion, and (3) how to regulate the transformation of industrial relations and social security systems. We paid attention to the corporatism in each country that affected the industrial relation and social security reform.

Coresearchers: Keiko Hata (Waseda University), Kim Jo-Seol (Shinshu University), Mako Yoshimura (Hosei University), Yukari Sawada (Tokyo University of Foreign Studies), Yasuhiro Kamimura (Hosei University); Kumiko Makino, Naokatsu Uetani

ALL-JETRO Projects

Taskforce for Japan-China Economic and Business Cooperation

Organizer: Akifumi Kuchiki and Tomoharu Washio

It is easy to imagine that in the near future China will exceed Japan in terms of scale of economy and presence in the world economy and East Asia. What should Japan do to boost its presence? It is time to construct a new relationship between Japan and China. This project aimed to explore the ways to construct a good economic relationship with China.

We set a stable increase of Japanese companies' FDI to China as the mid- and long-term goal and discussed problems and prospects for future cooperation between China and Japan as follows: (1) obstacles that Japanese companies face in doing business in China and possible solutions for them, (2) business alliances between Japanese companies and Chinese local companies, (3) manufacturing strategy of Japanese and Chinese companies, (4) present situation and prospect of international division of labor between Japan and China, (5) cooperation in the field of intellectual property right, (6) technology level of Japanese and Chinese companies in major industries such as electronics, automobile, steel and textile and possibility of technical cooperation.

"The Memorandum of Understanding of co-research for developing economic relationship between Japan and China" was concluded between JETRO and Chinese Academy of International Trade and Economic Cooperation, the Ministry of Commerce of the People's Republic of China. These two organizations set up a study group respectively and promoted study which will contribute to developing cooperation between the two countries in trade and investment, and to formulating "The Mid- and Long-term Vision between Japan and China for Cooperation in Economic and Trade" of the Ministry of Economy, Trade and Industry of Japan and the Ministry of Commerce of the People's Republic of China.

We held a seminar on March, 2007 to present our research findings and we invited Mr. Chen Wenjing, Vice President of the Academy, as a keynote speaker.

Coresearchers: JETRO Headquarters – Atsuke Kawada, Dai Hakozaki; IDE – Toyojiro Maruya, Hiromichi Ozeki, Kumiko Sato, Toshitaka Gokan

Collaborative Research

The Regional Development Strategy in Southwest China

Organizer: Nobuhiro Okamoto (Daito Bunka University)

Despite the launching of the Western Area Development Strategy in 2000, the southwest region of China still remains underdeveloped. In particular, Guizhou is China's most underdeveloped province. In order to clarify the problems of regional development in Southwest China, we focus on the causes of its backwardness from the main viewpoints of rural community, economic development, and political institution. This research project has been conducted as a joint research between the IDE and Yamaguchi University, which has an exchange research program with Guizhou University in China.

The main outcomes are as follows: in order to catch up with the development of the coastal area, it is necessary for the southwest region to make the other factors except labor and capital work well. In particular, human resource development of peasants and a practical policy should be implemented by the local governments; in the field of economic development, proper industrial policies in commerce, energy and trade, which fulfill needs of local people and economic development should be pursued; and in the field of political institution, it is important to realize its regional development by making use of market mechanism such as implementation of state owned enterprises reform and government reform.

Coresearchers: Noriatsu Matsui (Yamaguchi University), Haifeng Li (Yamaguchi University), Lichun Chen (Yamaguchi University), Longtang Shi (Yamaguchi University); Dai Hakozaki, Mami Yamaguchi, Norihiro Sasaki, Nobuhiro Horii

Overseas Joint Studies on Economic Development Issues

Coordinator: Susumu Imura

This research project, launched in 1987 as “Joint Studies on Economic Development Policies in ASEAN and Neighboring Countries,” aims to analyze economic development policies in developing countries or regions and identify policy orientations for achieving development goals. Local collaborative research groups comprising academics, policy makers and other specialists in the fields are organized in the countries under studies. Through joint activities of group members, including discussion meetings, field surveys, workshops, data processing, the results, findings and recommendations are published and disseminated in English from the IDE.

In FY 2006, four projects were conducted in Singapore (Singapore), Jakarta and Makassar (Indonesia) and Beijing (China).

Economic Integration in Southeast Asia: Location of Industries, Production Networks, and Development Strategy

Organizer: Ikuo Kuroiwa (in Singapore)

In this study, the focus is on how developing economies in Southeast Asia ride on the wave of globalization that brings along benefits and economic growth with expanding trade and investment linkages. The central concept used in this study is the production network which aptly reflects the importance of an economy to be a cogent component in the network in order to enjoy the benefits of globalization. Inability to plug into such a network may disadvantage the indigenous enterprises with lagging competitiveness.

This study is composed of two parts. In the first part, we will explore the factors which have promoted the formation of the production network in Southeast Asia. Especially, we focus on such factors as advancement in logistics and supply chains, regional trade agreements, and industrial policies in this region. These factors are considered to play an important role in shaping the production network and industrial cluster in this region. In the second part of the study, the bio-medical science cluster in Singapore, the electronics clusters in Malaysia and Indonesia, and the automotive cluster in Thailand are chosen to exemplify the avenues and derivable benefits from strategic participation in the production network.

Coresearchers: Toh Mun Heng, Shandre Thangavelu, Henry Wai-chung Yeung, Sum Chee Chuong, James Ang (National University of Singapore); Hank Lim (Singapore Institute of International Affairs); Rajah Rasiah (University of Malaya), Nipon Poapongsakorn, Kriegkrai Techakanont (Thammasat University); Fukunari Kimura (Keio University)

Law and Democratization in Indonesia after the Legal Reform 1998-2004

Organizer: Naoyuki Sakumoto (in Jakarta)

Legal reform or “Reformasi Hukum” in Indonesia in the post-1998 period can be characterized as the largest legal reform undertaking in the history of Indonesia. Almost all areas of laws were covered in the legal reform and a tremendous number of laws and regulations were either enacted or repealed during the reform period from 1998 to 2004.

Seven areas of laws were taken up to study the development as well as the tasks left behind after the legal reform. They are Independence of Judiciary, Constitutional Court,

Administrative Court, Human Rights Guarantee, Intellectual Property Law, Labor Law and Environmental Law. Some of the findings are that even though such new laws and institutions were established, there are still shortcomings of political will, subsidiary laws, and legal consistency. Especially in the political law areas, while very advanced institutions such as Constitutional Court and Administrative Court are established, there are problems in implementation. In laws of socio-economic areas, several factors such as international influence have accelerated the reform; however, lack of implementing the laws is pointed out. Further, it becomes clear that in some official documents of Indonesia, political democratization is defined as one of the national development policies; however, the attainment of democracy is not defined as the goal of legal reform. In this sense, it can be concluded that the legal reform in Indonesia has not yet been completed in its substantial sense. The research results were published as *Reforming Laws and Institutions in Indonesia: An Assessment* (ASDEP Series No. 74).

Coresearchers: Rifqi Assegaf (Institute for an Independent Judiciary); Benny Harman (Abdul Hakim Nusantara & Partners Law Office); Hikmahanto Juwana, Agus Sardjono, Anna Erl yana, Az.Nasution, Alloysius Uwiyono (University of Indonesia)

An Empirical Study on Corporate and Industrial Growth in China: Strategy, Competition and Institution

Organizer: Mariko Watanabe (in Beijing)

Since 2006 Spring, China's policy and politics have been turning towards a direction whereby the "distribution of fruits of reform" is stressed more than the "growth first" policy. This political change is affecting corporate and industrial institutions and policies are being re-designed in order to alleviate the negative side effects of the "growth first" priority.

This research project focuses on the case of the pharmaceutical industry. Although the latter has successfully achieved drastic growth in order to become an active global ingredient production base, China remains far behind India as an exporter of generic pharmaceuticals. The industry suffered from excessive competition and sheer profit, as well as weak development capacity to enjoy substantial market share and profit. Conversely, the prices of drugs in China are the object of complaints, since they are perceived as too expensive relative to the income level of the household sector, which is currently an issue focusing social and political attention. All these problems are significantly affected by the current institutions of the pharmaceutical industry, i.e., policies such as pricing, patents and "new drug market exclusivity," or a corporate system, where the state and government engage in strong intervention as owners.

This project started in September 2006 and the primary investigation is complete. Based on the analysis of the primary research, intensive field research and the construction of a database will be conducted in the first half of 2007. The project aims to collect sufficient information and analysis to form an effective policy on the development of Chinese industry. In order to accomplish this target, the project will both conduct field research to obtain effective qualitative information and also compile related data in order to capture a macro view of the industry.

Coresearchers: Chen Xiaohong (Enterprise Research Institute, Development Research Center), Cao Jinyan (State Intellectual Property Office, Intellectual Property Development Research Center), Shi Luwen (Department of Pharmacy Administration and Clinical Pharmacy International Research Center for Medicinal Administration, Peking University)

Chen Jing (Department of Pharmacy Administration, Peking University) Zhang Zhengjun (Enterprise Research Institute, Development Research Center), Xiang Anbo (Enterprise Research Institute, Development Research Center)

Regional Development Policy after the Direct Election of Local Head in Indonesia

Organizer: Kazuhisa Matsui (in Makassar, Indonesia)

This study aims to analyze the impact of the direct election of local head, which started in 2005, after the introduction of the direct election of president and vice president in 2004 in Indonesia, on the formulation and implementation of regional development policies in Indonesia. Especially, it focuses on East Indonesia where is the most prioritized area set by the government of Indonesia, to get some implications for regional development policy of East Indonesia. In Indonesia where decentralization policy had started since 2001, the direct election of local head may give more impact on regional development policy because the intention of the local head may be directly realized in the policy.

We set up our study group including seven scholars who were recommended by rectors of five national universities in East Indonesia on this theme. The first meeting of our study group was held in November 25, 2006 at Makassar and discussed schedule and contents of our study. Our members are now going to prepare their own final papers based on case studies about such as fiscal decentralization and local government finance, peace building and regional development policy in Ambon city, issues and problems of special autonomy in Papua, and regional development policy of newly established local governments.

According to our discussion, we have three assumptions on regional development policy after the direct election of local head: (1) the impact of the direct election of local head as like as American system might be bigger than the introduction of decentralization, (2) democratization policies might give some negative impacts to native democratic system in local origin, and (3) local government might be more centralistic or be as like small kingdom because decentralization drive from local government to village/community is stagnant.

The final report will be published in September 2007.

Coresearchers: Abdul Madjid Sallatu, Andi Lolo (Hasanuddin University), Lucky Sondakh (Sam Ratulangi University), Joyce Lopian (Sam Ratulangi University), Fenty Puluhulawa (Gorontalo National University), Tonny Donald (Peiela Pattimura University), Mohammad Musa'ad (Cenderawasih University)

Commissioned Research

Industrial Waste Management and Recycling Policy in Asia

Organizer: Michikazu Kojima

The project was consigned by Japan's Ministry of Economy, Trade and Industry. In recent years, there has been progress in measures of proper waste management and proper recycling in Japanese companies located in Asia. Responding to requests from Japanese manufacturers who generate waste, several Japanese recyclers made investments in other Asian countries. However, there is a lack of basic information, such as on legal systems' provisions for waste management and recycling in Asian countries. The need to share information on regulations related to waste management and recycling in each Asian country

was pointed out by the Working Group for Enhancing International Recycling in the Industrial Structure Council. The project is a response to the request of the working group.

As part of this project, an “Industrial Waste Management and Recycling Policy” study group has been organized at the IDE. The trends in the industrial waste and recycling policies in 11 nations and territories, i.e., Republic of Korea, China, Hong Kong, Taiwan, the Philippines, Vietnam, Thailand, Malaysia, Singapore, Indonesia and India were studied. The information collected by the study group includes the definition of a fundamental legal system, related ministries and government offices, associations of industries and NGOs, responsibilities of waste generator, waste treatment and recycling industries, manifest system for industrial waste, the international trade of recyclable waste.

Coresearchers: Rie Murakami-Suzuki (National Institute for Environmental Studies), Aya Yoshida (National Institute for Environmental Studies), So Sasaki (Hokkaido University), Chung Sung Woo (Hokkaido University); Etsuyo Michida

Potential of Energy Conservation in China’s Power Industry

Organizer: Nobuhiro Horii

China is now the second largest energy consuming country next to the United States. 69% of primary energy was supplied by coal, which causes severe environmental pollution. China is also the second largest power producing country and 80% of power is produced by fossil fuels. More than half of total coal consumption is used by power industry. Therefore, improvement of the efficiency of coal utilization in power industry contributes not only to slowing down energy consumption increase but also to reducing air pollution.

In fact, there seems to be very big potential of energy efficiency improvement in China’s power industry. The countermeasures are of many varieties because the whole system of power industry is very wide from generation, transmission and distribution. Potential would be very big not only in improving generation efficiency but also in building up efficient coal supply chain and cutting off the loss of transmission and distribution. It is needed to review the whole system and evaluate the potential of energy conservation in each part of the system.

The final purpose of this study was to evaluate the potential of energy conservation in China’s power industry and to recommend concrete measures towards Japan-China cooperation. Final report was prepared through several field and questionnaire surveys including recommendations on Japan-China cooperation in power industry.

Coresearchers: Taishi Sugiyama, Takeo Imanaka (Central Research Institute of Electric Power Industry)

FY2005 Thematic Evaluation of “Improvement of Living Environment and livelihood in Poor Communities in the Case of Peru”

Organizer: Seiro Ito

This study aims at giving quality control to the Thematic Evaluation, “Improvement of Living Environment and livelihood in Poor Communities in the Case of Peru” of Japan Bank for International Cooperation. Impact evaluation was conducted by Grupo del Analisis para el Desarrollo (GRADE) of Peru. The team members at the IDE gave technical advice and have submitted a commentary report on GRADE’s evaluation report.

Coresearcher: Tatsuya Shimizu

Taskforce for Economic Integration in East Asia

Organizer: Shuji Uchikawa

Japan's Ministry of Economy, Trade and Industry (METI) proposed establishment of Economic Research Institute for ASEAN and East Asia (ERIA) in order to conduct research, analyses and studies on regional-economic integration at the 13th AEM-METI Consultations which was held in Kuala Lumpur, Malaysia on August 23, 2006. The ASEAN Ministers welcomed the proposal and requested Japan to discuss this proposal further with the ASEAN Secretariat.

The IDE was commissioned the Project on Economic Integration in East Asia by METI and therefore invited experts from 15 countries in East Asia to discuss the establishment of ERIA. The IDE sponsored meetings at Jakarta on November 4 and December 1-2, at Beijing on January 16 and at Manila on March 31, 2007.

Experts of 16 institutes including the IDE agreed to set up a physical institute not a network of research institutes, which is independent of governments and international organizations. The agreement was approved by the governments of Asian countries. Six projects: (1) Developing a Comprehensive Roadmap toward the ASEAN Economic Community and Beyond, (2) International Infrastructure Development in East Asia, (3) Analyses of Industrial Agglomeration, Production Networks and FDI Promotion, (4) Development Strategies for CLMV in the Age of Economic Integration, (5) SMEs in Asia and Globalization, and (6) Energy Project, will be conducted at Bangkok Research Center of the IDE in FY 2007.

Coresearchers: Masahisa Fujita, Akifumi Kuchiki, Toyojiro Maruya, Daisuke Hiratsuka, Mitsunori Yokoyama, Masami Ishida, Koji Nishikimi, Toshihiro Kudo, Akihiro Nagamori, Akihiko Ueno, Naoko Endo, So Umezaki, Yasushi Ueki, Satoru Kumagai, Ikumo Isono, Toshitaka Gokan

Legal Study on Competition and Banking in Asia

Organizer: Shin'ya Imaizumi

This study analyzes the law and policy toward enhancement of competitive environment of financial sector in Asian countries. The financial industry has been the most typical case of highly regulated industry, but there is a growing trend to give much emphasis to the competitive aspects in financial sector reforms in developed countries, as well as in Asia. After a decade from the Economic Crisis, there is a strong indication of the recovery of financial industries in Asia. Many Asian countries have shifted their policy priority from the rehabilitation of their damaged financial system to the rationalization and restructuring of regulatory and supervisory framework to enhance the resilience of financial institutions, as well as to ensure the stability of financial sector in the middle or long run. The pressure for liberalization and deregulation of financial sector, mainly from WTO/GATS or other international commitments, also encourages such changes. This study surveys the recent changes of the regulatory and supervisory framework on financial institutions (e.g., regulation on entry, branching, foreign banks, consumer protection, etc.), as well as the applicability and influence of competition or anti-monopoly laws to financial industry. The focus of this research is banking sector, and other sectors such as insurance and securities business may be considered to limited extent. The study covers China, Korea, Indonesia, Malaysia, the Philippines, Thailand, Vietnam and India. This study is commissioned by the Financial

Services Agency (FSA) of Japan. The research result will be available from the website of FSA.

Coresearchers: Soichiro Kozuka (Sophia University), Masao Yanaga (Tsukuba University), Motoaki Tazawa (Meijo University), Yuka Kaneko (Kobe University), Shigeki Kozuka (Kyoto Sangyo University), Takeshi Kawana (Waseda University), Seo Hee-Seok (Hitotsubashi University); Chie Kashiwabara, Rika Nakagawa

Basic Data Building for Future Emission Inventory in China, Russia and India for Atmospheric Composition Change Forecasting Model

Organizer: Nobuhiro Horii

Building atmospheric composition change forecasting model is definitely needed to clarify change of density and composition in greenhouse gas, ozone, aerosols, and so forth. The effect of chemical transport and photochemical reaction should be considered in the model and therefore emission inventory of chemical materials influencing the change of density, composition and distribution of air pollutants is a very important part of building model. Japan Agency for Marine-Earth Science and Technology (JAMSTEC) already created emission inventory of 28 countries in Asia for the years 1995 and 2000 and started to estimate gaseous pollutants emission caused by fuel combustion for 2010, 2020 and 2030.

JAMSTEC recognizes the importance of China and India, the largest emission sources in Asia, and Russia in enhancing accuracy of model forecasting and decided to outsource the task of collecting and preparing basic data related to these three countries' future emission estimates to the IDE.

Research approach was firstly collecting data through published or unpublished statistics and literatures and interviews with policy makers, thereafter investigating collected data carefully and converting them into model input.

Grant-in-Aid for Scientific Study

Recycling in Asia and Policies for Managing International Trade of Recyclable Resources and Promoting 3R

Organizer: Michikazu Kojima

This research is funded by grant in aid for scientific research on waste management, provided by the Ministry of Environment, Japan. The purpose of this research is to make a policy proposal on management regime of the recyclable resources in Asia and the legal system for domestic recycling, which takes into account international trade of recyclable resources, based on study on present condition of the recycling systems and industries.

To collect basic information on recycling systems, we are conducting field surveys, interview with government officials, business man and researchers. In the Philippines, we are conducting questionnaire survey to junk shops, traders and recyclers, with Center of Integrative and Development Studies in University of the Philippines. In Vietnam, we are conducting questionnaire survey to recycling villages, with Institute of Economics in National Center for Social Sciences.

Regarding recycling of electric and electrical waste, the legal systems of Japan, South Korea, and Taiwan are reviewed. Draft laws on recycling e-waste in China and Thailand are also studied. We compare responsibility of producer, collection system, cost sharing mechanism and obligation of dismantling factory.

On the system concerning transboundary movements of recyclable resources, we are studying regulation on import and export of hazardous waste and recyclables. To identify problems in implementing such regulation, case studies on ship-back are conducted.

Coresearchers: Rie Murakami-Suzuki (National Institute for Environmental Studies), Aya Yoshida (National Institute for Environmental Studies), So Sasaki (Hokkaido University), Chung Sung Woo (Hokkaido University); Tadayoshi Terao, Shozo Sakata, Hajime Sato

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

Annual Bank Conference on Development Economics Tokyo 2006

May 30, 2006

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

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

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

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

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

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

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

Discussant: Nobuhiro Okamoto (Daito Bunka University)



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

December 13-14, 2006

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

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

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

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

December 14-15, 2006

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

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

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

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

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

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

December 15-16, 2006

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

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

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

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

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

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

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

December 20, 2006

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

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

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

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

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

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

Moderator: Masahisa Fujita

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

February 15, 2007

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

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

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

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

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

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

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

March 13, 2007

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

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

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

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

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

March 13, 2007

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

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

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

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

The IDE Library, Japan's largest library specializing in the developing regions, collects basic and academic social science literature on developing countries, as well as the latest related information and statistical materials. The Library makes these materials widely available to the general public, and in particular to researchers, students, and people involved in business who have an interest in the developing regions.

1. Library Collection

Since the founding of the Institute, the Library has placed emphases on the collection of (1) publications of governments and public organizations in the developing countries, (2) journals and newspapers, (3) research reports from universities and research institutes overseas, and (4) statistical materials. In particular, through the exchange of IDE's publications with those of major overseas research institutes and government agencies, the Library has made efforts to acquire publications that are difficult to obtain through commercial channels. As of the end of FY2006, the Library exchanged publications with 1,079 foreign institutions (Table 1).

Table 1. Partner Institutions for International Exchanges

Region	International Institution	Government	Library	Research Institute	University	Bank	Corporation	Academic/General Organization, etc.	Total
Asia	15	217	14	90	150	37	1	56	580
East Asia	0	48	7	25	39	9	0	4	130
Southeast Asia	9	100	4	13	27	12	0	8	171
South Asia	0	59	1	28	14	10	1	1	114
Central Asia	0	5	0	0	0	5	0	0	10
Japan	8	5	2	24	70	1	0	45	153
Middle East and North Africa	3	36	2	9	15	31	0	5	101
Latin America	7	51	1	14	24	41	0	15	153
Africa	3	68	0	4	4	39	0	1	117
Oceania	1	9	1	1	11	3	0	1	27
CIS/Eastern Europe	0	9	2	7	2	1	0	0	17
North America	12	2	1	0	20	1	0	0	36
Western Europe	20	0	1	13	10	2	0	2	48
Total	61	386	22	138	236	155	1	80	1,079

Starting in FY2003, the Library began to actively acquire electronic journals and online databases, which have become widespread in recent years, and for which there is great demand among users. Especially, the Library is also making efforts to acquire back issues of journals that are not available in our collection.

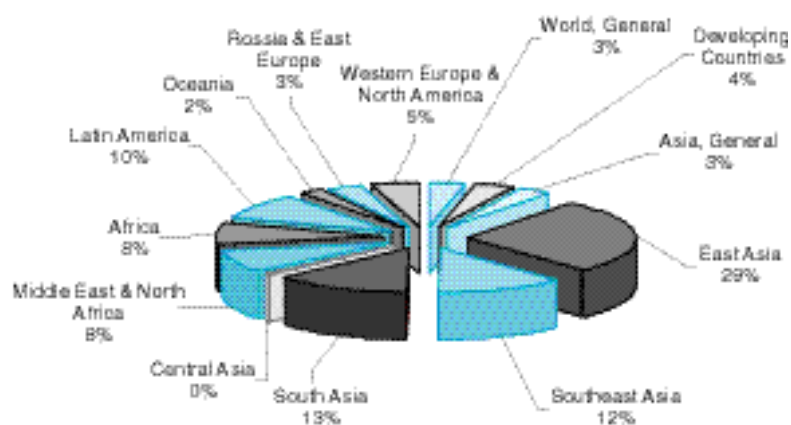
With the cooperation of IDE research fellows sent abroad and local researchers overseas, the Library collects local publications and materials that cannot be easily found in Japan. In particular, this fiscal year, the Library has collected materials in vernacular languages and statistical materials from Egypt, Uganda, Kenya, Argentina, Turkey and other countries.

As of April 2007, the total number of volumes in the collection has reached 560,087. The breakdown of the collection by languages and materials, as well as by region, is shown in Table 2 and Figure 1.

Table 2. New Arrivals and Collection in FY2006

	New Arrivals in FY2006	End of FY2006
Books:		
Western	7,075	245,676
Japanese	1,926	73,139
Chinese	1,643	39,725
Korean	711	20,185
Bound journals	2,001	65,424
Statistical materials	3,550	115,938
Total	16,906	560,087
Newspapers (titles)	0	298
Periodicals (titles)	22	3,614
Maps (sheets)	161	53,779
Microfilms (reels)	1,591	85,777
Videotapes	1	421
Electronic media	601	1,966

Chart 1. Breakdown of Collection by Region



2. Services to Users

In FY2006, there were 5,437 visitors to the Library. Looking at the visitors by occupation, as in the past, the majority is graduate students and university faculty.

In FY2006, to improve services to visitors and remote users, efforts were made in the following areas: (1) increasing users of the SDI (Selective Dissemination of Information) Service, (2) releasing the institutional repository and the digital archives on the internet, and (3) retrospectively entering data into OPAC (Online Public Access Catalog) on multilanguage materials that had not yet been entered. With regard to (1), as of the end of March 2007, there are 1,014 registered users. Regarding (2) Academic Research Repository at the Institute of the Developing Economies (ARRIDE) and three kinds of the digital archives entitled “Kishi Koichi Collection”, “Japan in Modern Asia” and “Passing the Japanese Experience – Technology Transfer, Transformation and Development” are released one after another. And as for (3), the task was completed by the end of FY2006.

At the IDE Library Satellite Office in Tokyo (JETRO head office), the exhibitions for the special collections of the IDE Library were held in this fiscal year.

In addition, during this fiscal year, “Tracing Indonesia’s Transformation (2001-2005): a List of Annotated Periodical Articles in Indonesian on Politics, Economy and Society” was published and forum for “Understanding Developing Countries” were organized by the Library.

The Library provided reference services to answer inquiries about information, materials, and statistical data on developing countries. In FY2006, there were 1,178 major inquiries and consultations.



IDE Advanced School (IDEAS)

Chancellor: Masahisa Fujita (President, IDE-JETRO)

Secretary General: Minoru Makishima

IDEAS was established as an education wing of the IDE. Since its inauguration in 1990, it has offered postgraduate-level programs in development studies in order to nurture experts who are able to deal with development issues that developing countries face today.

IDEAS offers two types of programs in parallel: a one-year program for Japanese students (September–July) and a six-month overseas fellows program for young government officials of Asian countries (October–March). During the first six months (October–March), many courses are offered jointly to the two groups in English, which allows close interactions between the Japanese and foreign learners. Through the programs, students are expected to develop a comprehensive understanding of national development policies, so that they will be able to propose solutions to existing development issues, and to acquire practical knowledge to implement specific projects.

The main feature of the curriculum is an introduction of structured cluster courses. In particular, the program provides four core courses including two intensive lectures in the first semester, in which both Japanese students and overseas fellows can learn together about experiences of Japan and Asia in socioeconomic development as well as contemporary issues of development. For this curriculum enhancement, the school should acquire a higher capacity in training experts in economic and social development for developing countries. This modification may enable IDEAS to offer diplomas based on a balanced and accountable credit system.

Japanese students who successfully complete the program can then proceed to a graduate school in development studies at an appropriate university abroad.

Number of Japanese Students and Overseas Fellows (1991-2006)

Term	Japanese Students	Term	Overseas Fellows
1 (1990/10–91/9)	13	1 (1991/10–92/3)	8
2 (1991/10–92/9)	12	2 (1992/10–93/3)	11
3 (1992/10–93/9)	11	3 (1993/10–94/3)	13
4 (1993/10–94/9)	11	4 (1994/10–95/3)	15
5 (1994/10–95/9)	11	5 (1995/10–96/3)	15
6 (1995/10–96/9)	11	6 (1996/10–97/3)	17
7 (1996/10–97/9)	11	7 (1997/10–98/3)	15
8 (1997/10–98/9)	11	8 (1998/10–99/3)	15
9 (1998/10–99/9)	11	9 (1999/10–2000/3)	15
10 (1999/10–2000/9)	11	10 (2000/9–2001/3)	13
11 (2000/9–2001/8)	11	11 (2001/9–2002/3)	15
12 (2001/9–2002/8)	9	12 (2002/9–2003/3)	15
13 (2002/9–2003/8)	10	13 (2003/9–2004/3)	16
14 (2003/9–2004/8)	11	14 (2004/9–2005/3)	16
15 (2004/9–2005/8)	12	15 (2005/9–2006/3)	15
16 (2005/9–2006/8)	10	16 (2006/9–2007/3)	14
17 (2006/9–2007/8)	11		
Total	187	Total	213

Training program for fellows from Asian Countries

(October 2006-March 2007)

The training program for overseas fellows was initiated in 1991. The objective is to increase absorption capacity of foreign aid in developing countries. This objective can be achieved by training government officials who are in charge of planning and implementing socioeconomic development policies in the developing regions. The program provides opportunities to become acquainted with the aid administration policies of Japan and other developed countries as well as to study economic development in Japan and other Asian countries. In the current academic year, we invited fourteen government officials from eighteen Asian countries.

Follow-up Program

IDEAS conducts a short-term training program for the graduate IDEAS overseas fellows. This follow-up program aims to provide practical skills to cope with development issues which the overseas fellows are facing in their day-to day work after completing the IDEAS program. The follow-up program started in 1995 and was carried out in Asian countries from 2001 to 2004. The program for the 2005/06 academic year was held in Kyushu, Japan in November 2005 and that for the 2006/07 was held at the IDE under the theme of "Economic Development and Income Disparity" in November 2006 .

Training Program for Japanese Students

(September 2006-July 2007)

This marked the seventeenth academic year that we trained 11 Japanese students selected from among 33 applicants.



Intensive Lecture by Dr. Natalia Mirovitskaya, Senior Research Scholar and Lecturing Fellow of Public Policy, Duke Center for International Development, Duke University, USA

Curriculum for the IDEAS Program

During Fiscal Year 2006

1. Lectures for the 16th Group of Overseas Fellows (September 2006-March 2007)

Subject	Lecturer	Affiliation
Joint Lectures with Japanese Students		
Development Experience of Japan		
-Economic Development	Jozen Takeuchi	Zhejiang University
-Development in Agriculture	Akimi Fujimoto	Tokyo University of Agriculture
-Industrial Policy	Yoshiki Mikami	Nagaoka University of Technology
-Social Development – Poverty Reduction	Hiroshi Sato	IDE
-Environmental Issue and Development	Ryo Fujikura	Hosei University
International Trade and Policy and Industrial Development		
-International Economics: Opportunities and Challenges of Globalization from the Viewpoint of Developing Countries	Yumiko Okamoto	Doshisha University
-Economic Crises, Policy Prescription, and External Debt Management	Sayuri Shirai	Keio University
-WTO, Regional Trade Arrangements and East Asia Economic Integration (Intensive Lectures)	Hank Lim	Singapore Institute of International Affairs
-Case Studies of Industrial Development	Masami Ishida Wang Mariner	IDE Ritsumeikan Asia Pacific University
International Cooperation		
-Prospects for and Issues of Inter- national Development Assistance	Takamasa Akiyama	Nihon University
-Development and Law, Governance	Miwa Yamada	IDE
-International Development Cooperation by Japanese NGOs and NGOs in Asian Countries	Michio Ito	Rikkyo University
Contemporary Issues of Development		
-Project Planning and Management	Le Thanh Nghiep Kuriki	Josai International University
-Development and Infrastructure	Tsuneaki Yoshida	Tokyo University
-Development and Education	Kazuo Kuroda	Waseda University
-Policy Analysis for Development including gender issues (Intensive Lectures)	Natalia Mirovitskaya	Duke University, USA.
Special Lectures		
-Introduction to Input-Output Analyses	Satoshi Inomata	IDE
-Modern Society in Japan	Gregory Clark	Honorary President, Tama University

Lectures only for Overseas Fellows

Development Experience of Asian Countries

-East Asia	Reiitsu Kojima	Professor Emeritus, Daito Bunka University
-Southeast Asia	Kunio Yoshihara	University of Kitakyushu
-South Asia	Hiroichi Yamaguchi	Former Professor, Bunkyo University

Special Lectures

-Japanese Technical Cooperation and Role of JICA	Tomoyuki Tada	JICA
-Role and Function of JBIC	Toshio Nagase	JBIC
-Current State of the Japanese Economy	Dai Higashino	JETRO
-Japan's Inward and Outward Foreign Direct Investment (FDI)	Shin Tanimura	JETRO
-Economy and Politics in Postwar Japan	Minoru Ouchi	Nihon Fukushi University
-Japanese Style Management	Hideaki Miyajima	Waseda University

Others

-Development Economics	Kazumi Yamamoto	Aichi University
-Japanese Language	Japanese Instructors	Overseas Vocational Training Associations (OVTA)

2. Lectures for the 16th Group of Japanese Students (March-July 2006)

Subject	Lecturer	Affiliation
Intensive Lectures		
-Rural Development in Asia	Ashwani Saith	Institute of Social Studies (ISS), the Netherlands
Development Theories		
-Social Development	Hiroshi Sato	IDE
-Human Development	Hiroki Nogami	IDE
	Soya Mori	IDE
Area Studies		
-Middle East	Sadashi Fukuda	IDE
	Hiroyuki Aoyama	IDE
	Masaaki Watanabe	IDE
-Latin America	Akio Yonemura	IDE
	Taeko Hoshino	IDE
	Koichi Usami	IDE
-Africa	Shinichi Takeuchi	IDE
-Southeast Asia	Naoko Amakawa	IDE
Economics and Mathematics for Social Science		
-Data Analysis	Tatsufumi Yamagata	IDE
-Mathematical Statistics (Elective)	Hisayuki Mitsuo	IDE

Seminar

-Area Research/Social Development	Shinichi Shigetomi Hiroshi Sato	IDE IDE
-Economic Development	Tatsufumi Yamagata Hiroki Nogami	IDE IDE

Special Lectures

-Development and Environment	Michikazu Kojima Tadayoshi Terao Kenji Otsuka	IDE IDE IDE
-Population and Development	Yasuko Hayase Hideyuki Takahashi	Meikai University Japanese Organization for International Cooperation in Family Planning (JOICFP)
-PCM Training (Participatory Planning)	Takumi Kawahara	IC Net, Ltd.

English

-English Academic Writing	Paul Consalvi	English Instructor
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3. Lectures for the 17th Group of Japanese Students (September 2006-February 2007)

Subject	Lecturer	Affiliation
Joint Lectures with Overseas Fellows		
Development Experience of Japan		
-Economic Development	Jozen Takeuchi	Zhejiang University
-Development in Agriculture	Akimi Fujimoto	Tokyo University of Agriculture
-Industrial Policy	Yoshiki Mikami	Nagaoka University of Technology
-Social Development – Poverty Reduction	Hiroshi Sato	IDE
-Environmental Issue and Development	Ryo Fujikura	Hosei University
International Trade and Policy and Industrial Development		
-International Economics: Opportunities and Challenges of Globalization from the Viewpoint of Developing Countries	Yumiko Okamoto	Doshisha University
-Economic Crises, Policy Prescription, and External Debt Management	Sayuri Shirai	Keio University
-WTO, Regional Trade Arrangements and East Asia Economic Integration (Intensive Lectures)	Hank Lim	Singapore Institute of International Affairs
-Case Studies of Industrial Development	Masami Ishida Wang Mariner	IDE Ritsumeikan Asia Pacific University

International Cooperation

-Prospects for and Issues of International Development Assistance	Takamasa Akiyama	Nihon University
-Development and Law, Governance	Miwa Yamada	IDE
-International Development Cooperation by Japanese NGOs and NGOs in Asian Countries	Michio Ito	Rikkyo University

Contemporary Issues of Development

-Project Planning and Management	Le Thanh Nghiep Kuriki	Josai International University
-Development and Infrastructure	Tsuneaki Yoshida	Tokyo University
-Development and Education	Kazuo Kuroda	Waseda University
-Policy Analysis for Development including gender issues (Intensive Lectures)	Natalia Mirovitskaya	Duke University

Special Lectures

-Introduction to Input-Output Analyses	Satoshi Inomata	IDE
-Modern Society in Japan	Gregory Clark	Honorary President, Tama University

Lectures only for Japanese Students

Development Theories

-Social Development Introduction	Hiroshi Sato	IDE
Social Development and Human Rights	Yasushi Katsuma	Waseda University
Rural Development and People's Organization	Masafumi Ikeno	KRI International Corp.
Rural Development and Improvement of Living	Kazuko Oguni	Nihon Fukushi University
Life and Water	Eri Sugita	JICA
Development and Health	Shoko Matsuyama	Nagasaki University
Education and Development	Yoshiko Isono	Rikkyo University
Family Planning and HIV	Emi Inaoka	JBIC
Microfinance	Hidemi Yoshida	IC Net Ltd.
Social Investigation	Takuo Utagawa	Hokkaido University of Education
Social Development and Facilitator	Miho Ota	Tokyo University
Role of Education Development and World Bank	Takako Yuki	International Development Education Consultant, Yuki & Associates
Social Capital	Shozo Sakata	IDE
-Economic Development	Hiroki Nogami	IDE

Area Studies

-East Asia		
China	Kenichi Imai	IDE
Taiwan	Momoko Kawakami	IDE
South Korea	Satoru Okuda	IDE
-Southeast Asia		
Mekong Area Development	Toshihiro Kudo	IDE
Malaysia	Masashi Nakamura	IDE
Vietnam	Shozo Sakata	IDE
Myanmar	Ikuko Okamoto	IDE
-South Asia	Norio Kondo	IDE
	Mayumi Murayama	IDE
	Hisaya Oda	IDE

Economics and Mathematics for Social Science

-Micro Economics	Seiro Ito	IDE
	Kensuke Kubo	IDE
-Macro Economics	So Umezaki	IDE
-Data Analysis	Tatsufumi Yamagata	IDE
-Mathematics for Economics	Hiroshi Kuwamori	IDE
	Masahiro Kodama	IDE

Statistics and Econometrics (Elective)

-Mathematical Statistics	Hisayuki Mitsuo	IDE
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English

-English Academic Writing	Paul Consalvi	English Instructor
-TOEFL (Elective)	Kregg Johnston	English Instructor

4. Lectures for the 17th Group of Japanese Students (March-July 2007)

Subject	Lecturer	Affiliation
Intensive Lectures		
-Participation and Social Development in Developing Countries	Sunil Kumar	The London School of Economics and Political Science (LSE), UK
Development Theories		
-Social Development	Hiroshi Sato	IDE
Gender Work Shop	Yoshiko Isono	Rikkyo University
-Human Development	Hiroki Nogami	IDE
-Disability and Development	Soya Mori	IDE
Area Studies		
-Middle East		
Iran	Yoko Iwasaki	IDE
Sectarian Institution and Sectarian Confrontation	Hiroyuki Aoyama	IDE
Egypt	Ichiki Tsuchiya	IDE
-Latin America	Akio Yonemura	IDE
	Taeko Hoshino	IDE
	Koichi Usami	IDE
-Africa	Shinichi Takeuchi	IDE

Economics and Mathematics for Social Science

-Data Analysis Tatsufumi Yamagata IDE

Statistics and Econometrics (Elective)

-Mathematical Statistics Hisayuki Mitsuo IDE

Seminar

-Social Development Hiroshi Sato IDE

Shozo Sakata IDE

-Economic Development Tatsufumi Yamagata IDE

Hiroki Nogami IDE

Special Lectures

-Development and Environment Michikazu Kojima IDE

Tadayoshi Terao IDE

Kenji Otsuka IDE

-Population and Development Yasuko Hayase Adjunct Professor, Meikai University

Hideyuki Takahashi JOICFP

-Project Evaluation Seminar (Elective) Seiro Ito IDE

-Globalization and Developing Countries John T. Thoburn University of East Anglia, UK

-PCM Training (Participatory Planning) Takumi Kawahara IC Net, Ltd.

English

-English Academic Writing Paul Consalvi English Instructor

Invitation of Visiting Research Fellows (VRF)

In this program, academic or other specialists are invited exclusively from developing countries as VRFs for a period of three to ten months. This program offers VRFs opportunities to carry out research, exchange opinions and information on development issues with IDE researchers, and learn about the Japanese development experience through activities such as study tours and seminars about Japan. In FY2006, the IDE invited and financially supported eleven VRFs, one of whom participated in one of the IDE research projects. The IDE also invited five self-supporting VRFs from abroad within the same period.

Dispatching of IDE Staff Abroad

The IDE dispatches researchers abroad on two-year assignment to have them build up experiences of conducting research in developing countries or regions. Through this program, researchers are expected to improve their ability to make in-depth analyses of economic, political, and social phenomena in those countries and to build overseas institutional networks. In FY2006, fourteen researchers were sent abroad to be affiliated with research institutes, universities and international organizations. Four senior research fellows organized research teams and conducted joint studies in Singapore, Beijing, Jakarta, and Makassar in collaboration with academics and experts in those areas.

Networking Activities

The IDE has carried out various activities to serve as the center of excellence for development studies. Activities in FY2006 are summarized as follows:

- Receiving 86 overseas visitors
- Delivering presentations at international forum such as academic societies and international meetings

Support for the Global Development Network (GDN)

The GDN was established in 1999 by the World Bank and has been a worldwide fora on development studies, in both developed and developing countries.

The Eighth Annual GDN Conference was held in Beijing, China from January 14-16, 2007. In this conference, the IDE jointly organized one of the parallel sessions, titled "Cluster Development for Economic Growth and Poverty Alleviation: With a Focus on Case Studies from China and Africa" with the Japan Bank for International Cooperation (JBIC) and the Foundation for Advanced Studies on International Development (FASID).

In addition, the IDE jointly held a workshop by GDN-Japan titled "Industrial Development, Trade and Investment Promotion in Africa: Lessons from Asia." Its main theme was "Shaping a New Global Reality: The Rise of Asia and its Implications." About 600 researchers, policy makers, and politicians attended the workshop.

Seminars and Lectures

The IDE regularly organizes lectures and seminars in order to disseminate current research findings to wider public. Themes of lectures and seminars are decided in accordance with social interests and needs that we find through various surveys. Audience to the seminars and lectures varies from government officials, members of research organizations, the press, university professors, graduate students, and others. In FY2006, the IDE organized 39 lectures and seminars (48 courses) and the number of participants stood at over 2,700. According to our evaluation survey, more than 90% showed satisfaction.

The IDE organizes Summer Seminars every year in Tokyo and we held 10 courses in FY2006. Among others, lectures on the Indian economy and political situation in the Middle East received good participation and reputation from audience.

IDE researchers are encouraged to disseminate their research findings through publications, seminars and lectures in English so as to achieve international recognition. As one of such efforts, the IDE organized a seminar about development of industrial cluster in Asia in collaboration with the Harvard University in the United States. The IDE plans to hold collaborative seminars of this kind overseas such as in the United States and Europe.



Commendation for Outstanding Publications

(Awards for the Promotion of Studies on Developing Countries)

In order to promote studies on developing countries, and to encourage researchers in Japan who are engaged in such studies, the IDE grants awards every year for outstanding publications on economic and other issues concerning developing countries. In 2006, a total of 57 books and papers published during the previous year were recommended for consideration by distinguished scholars in related fields. The selection committee, consisting of the members listed below, examined four reports and eventually selected one publication as below. The award was presented to the author by the IDE on July 5, 2006

Award-Winning Publication

Yoshiki Seki (Researcher, Institute for Global Environmental Strategies), *Fukuzatsutekioukei ni okeru Nettairin no Saisei - Ihoubassai kara Jizokukanou na Ringyo he* [Regenerating Tropical Forest in Complex Adaptive System: From Illegal Logging to Sustainable Forestry], Tokyo, Ochanomizushobo, 2005, 255 pp.

Members of the Selection Committee

Katsuji Nakagane (Chairman; Professor, Aoyama Gakuin University)

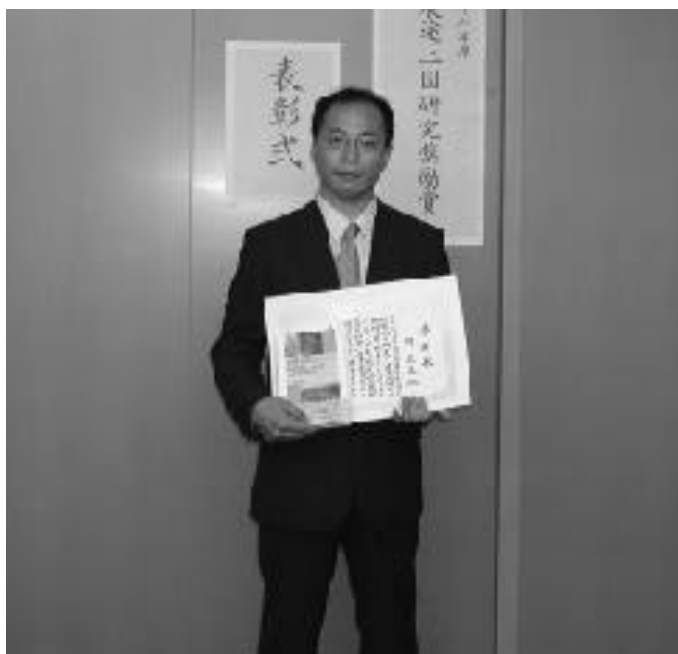
Takeshi Endo (Editorial Writer, Asahi Shimbun)

Takashi Shiraishi (Vice President and Professor, National Graduate Institute for Policy Studies)

Juro Teranishi (Professor, Nihon University)

Yonosuke Hara (Professor, University of Tokyo)

Masahisa Fujita (President, Institute of Developing Economies)



Books in English

IDE Occasional Papers Series

Electoral Volatility in Turkey: Cleavages vs. the Economy

By Yasushi Hazama

IDE Occasional Papers Series No. 41, 166 pp.

Among the developing countries, Turkey stands out for its half-century history of multiparty democracy despite two brief military interventions. Its party system, however, has displayed growing electoral volatility, especially since the 1980s. This study seeks to answer the following puzzle: why is electoral volatility persistently high and even increasing, after five decades of multiparty politics?

Two types of volatilities – cleavage-type volatilities based on social cleavages and retrospective-type volatilities based on voter punishment of the incumbent – are analyzed using separate regression models. The results demonstrate, first, that deep social cleavages once increased electoral volatility but that since the 1990s, they have begun to stabilize voting behavior. Second, electoral volatility as a whole nonetheless remains high because of a growing trend toward retrospective voting. Low economic growth and high unemployment are the major reasons for this.

The apparent instability in the party system stems not from a lack of representation in parliament of major social groups but rather from poor government performance. Persistently high electoral volatility thus does not necessarily indicate an absence of party system institutionalization. This current phenomenon in Turkey appears to be analogous with the world trend toward declining trust in government and growing trust in democratic and party systems.

Copublications with Commercial Publishers

Recovering Financial Systems: China and Asian Transition Economies

Edited by Mariko Watanabe

Copublication with Palgrave Macmillan, 304 pp.

This volume explores what happened in the Asian transition economies of China, Vietnam and Myanmar from both macro and micro perspectives. These economies opted for the gradual transition approach rather than the big bang approach that Russia and some CIS economies took. This ensured that institutional change was possible, unlike with the big bang approach. However the processes organized are done so by the governments, the same entities responsible for the planning during the planned economic eras, and whose incentive to reform may be debatable. This book questions whether these governments are capable of implementing effective reform and transformation.

East Asia's De Facto Economic Integration

Edited by [Daisuke Hiratsuka](#)

Copublication with Palgrave Macmillan, 288 pp.

It is often claimed that de facto economic integration has proceeded in East Asia, yet this is only true in part. Few studies have been conducted on the extent of the integration and what sort of integration has been accomplished. Currently economic integration in East Asia has not reached the level of that in the European Union with East Asia's trajectory seeming to be different from the path on which Europe once advanced. The nature and characteristics of de facto economic integration are also crucially important and this book presents a deeper understanding of the on-going de facto economic integration in East Asia.

New Developments of the Exchange Rate Regimes in Developing Countries

Edited by [Hisayuki Mitsuo](#)

Copublication with Palgrave Macmillan, 272 pp.

This book presents theoretical and empirical analyses of the new developments in exchange rate regimes in developing countries since the 1990s. It addresses a variety of exchange rate regimes from hard peg to floating and their impact in regions such as East Asia, Latin America and Eastern Europe. From this we can observe diverse case studies of how various exchange rate regimes relate to national economy in developing countries.

Regional Integration in East Asia: From the Viewpoint of Spatial Economics

Edited by [Masahisa Fujita](#)

Copublication with Palgrave Macmillan, 192 pp.

With the globalization of economic activity bringing about the expansion of markets and deepening of economic interdependency beyond state-borders, a new political challenge arises: how to effectively integrate the interdependent economies into a harmonious unity through the creation of new super-state institutions? This book applies a spatial economics perspective to the understanding of the recent dynamism of the global economy, with particular focus on East Asia. In addition, it examines the prospects of regional integration in East Asia.

Development of Environmental Policy in Japan and Asian Countries

Edited by [Tadayoshi Terao](#) and [Kenji Otsuka](#)

Copublication with Palgrave Macmillan, 304 pp.

This book examines the issues of environmental policy formation and implementation linked to economic development, by reviewing the Japanese experiences and the examples of other Asian countries. This reveals factors, which could mutually influence effectiveness in environmental policy, of dynamism between environmental policy and social change in a domestic, regional and global context.

Books in Japanese

IDE Research Series

The Transformation of Vietnam's Industry during the Period of Transition: Aspects of Development Led by the Growth of Domestic Enterprises (*in Japanese*)

Edited by Mai Fujita

IDE Research Series No. 552, 260 pp.

Japanese title: Iko-ki Betonamu no Sangyo Hen'yo: Jiba Kigyo Shudo ni yoru Hatten no Shoso.

Industrialization in CLMV Countries: The Experiences and Prospects of Late-Comer ASEAN Countries (*in Japanese*)

Edited by Naoko Amakawa

IDE Research Series No. 553, 254 pp.

Japanese title: Kohatsu ASEAN Shokoku no Kogyoka: CLMV Shokoku no Keiken to Tenbo.

Asia's Motorcycle Industry: The Rise of Local Companies and the Dynamism of Industrial Development (*in Japanese*)

Edited by Yuri Sato and Moriki Ohara

IDE Research Series No. 554, 377 pp.

Japanese title: Ajia no Nirinsha Sangyo: Jiba Kigyo no Bokko to Sangyo Hatten Dainamizumu.

Cleavage Structures and Political Systems in West and Central Asia (*in Japanese*)

Edited by Yasushi Hazama

IDE Research Series No. 555, 253 pp.

Japanese title: Nishi Chuo Ajia ni okeru Kiretsu-kozo to Seiji-taisei.

The Information Technology Equipment Industry in East Asia: the Dynamics of Specialization, Competition and Symbiosis (*in Japanese*)

Edited by Kenichi Imai and Momoko Kawakami

IDE Research Series No. 556, 232 pp.

Japanese title: Higashi Ajia no IT Kiki Sangyo: Bungyo, Kyoso, Sumiwake no Dainamikusu.

Malaysia under the Mahathir Administration: 22 Years of Striving to Create Advanced Country with Islamic Value (*in Japanese*)

Edited by Takashi Torii

IDE Research Series No. 557, 379 pp.

Japanese title: Mahatiru Seiken-ka no Mareshia: "Isuramu Senshinkoku" o Mezashita 22 Nen.

Korea in the Post-crisis Era: Socioeconomic Challenges for the Mature Stage (*in Japanese*)

Edited by Satoshi Okuda

IDE Research Series No. 558, 310 pp.

Japanese title: Keizai-kiki-go no Kankoku: Seijuku-ki ni Mukete no Shakai, Keizai-teki Kadai.

Globalization and Economic Law Reform in Developing Countries *(in Japanese)*

Edited by [Shinya Imaizumi](#)

IDE Research Series No. 559, 336 pp.

Japanese title: Kokusai Ruru Keisei to Kaihatsutojokoku: Grobaruka suru Keizai Housei Kaikaku.

IDE Study Series

OVOP and Developing Countries: How is Japan's Local Development Experience Transferred? *(in Japanese)*

Edited by [Kazuhisa Matsui](#) and [Susumu Yamagami](#)

IDE Study Series No. 3, 266 pp.

Japanese title: Isson Ippin Undo to Kaihatsu Tojokoku: Nihon no Chiiki Shinkou wa Dou Tsutaerareta ka.

East Asia FTA and Japan-China Trade *(in Japanese)*

Edited by [Chiharu Tamamura](#)

IDE Study Series No. 4, 259 pp.

Japanese title: Higashi Asia FTA to Nicchu Boueki.

Political Economy of Human Development *(in Japanese)*

By [Hiroki Nogami](#)

IDE Study Series No. 5, 141pp.

Japanese title: Ningen Kaihatsu no Seiji Keizai Gaku.

"What is Asia?" Series

Inside of Russia's Resource Industry *(in Japanese)*

By [Toshihiko Shiobara](#)

"What is Asia?" Series No. 109, 242 pp.

Japanese title: Roshia Shigen Sangyo no "Naibu."

Current Affairs Reports

Bush Administration and the Middle East—in Political Turbulence *(in Japanese)*

Edited by [Yasushi Fukuda](#)

Current Affairs Report No. 2, 212 pp.

Japanese title: America Busshu Seiken to Yureru Chūtō.

Vietnam's New Socio-economic Development Strategies Towards 2010 *(in Japanese)*

Edited by [Shozo Sakata](#)

Current Affairs Report No. 3, 156 pp.

Japanese title: 2010 Nen ni muketa Betonamu no Hatten Senryaku: WTO Jidai no Aratana Chosen.

Greater Mekong Sub-region Economic Cooperation Program: Realizing Three Economic Corridors *(in Japanese)*

Edited by Masami Ishida and Toshihiro Kudo

Current Affairs Report No. 4, 193 pp.

Japanese title: Dai Mekon-ken Keizai Kyoryoku: Jitsugensuru 3 tsu no Keizai Kairo.

The Japanese Generic Pharmaceuticals Market and the Manufacturers of India and China *(in Japanese)*

Edited by Kensuke Kubo

Current Affairs Report No. 5, 184 pp.

Japanese title: Nihon no Jenerikku Iyakuhin Sijo to Indo, Chūgoku no Seiyaku Sangyo.

Local Industries in Competition with Asian Drives in Sub-Saharan Africa *(in Japanese)*

Edited by Eiichi Yoshida

Current Affairs Report No. 6, 161 pp.

Japanese title: Afurika ni Fuku Chūgoku no Arashi: Tojokoku Kan Kyoso ni Sarasareru Chiiki Sangyo.

Copublications with Commercial Publishers

Structural Change of Economy and Demography in Northeast Asia *(in Japanese)*

Edited by Hideki Hiraizumi

Japanese title: Tohoku Ajia Chiiki ni okeru Keizai no Kozo Henka to Jinko Hendo.

Copublication with Akashi Shoten, 296 pp.

The Formation and Development of Taiwan's High-Tech Industries *(in Japanese)*

IDE Research Library of Iwanami No. 3, 308 pp.

Edited by Yukihito Sato

Japanese title: Taiwan Haiteku Sangyo no Ikusei to Hatten.

Copublication with Iwanami Shoten

Bibliographies

Changing Indonesia (2001-2005) - Bibliography of Political, Economic, and Social-Related Journal Articles and Papers in Indonesian *(in Japanese)*

Edited by Muneo Takahashi, 295 pp.

Japanese title: Hendosuru Indonesia (2001-2005): Seiji, Keizai, Shakai Kanren Indonesia-go Zasshi Kiji · Ronbun Kaidai

Statistics

Trade-Related Indices and Trade Structure (*in English*)

Edited by Yosuke Noda and Masato Kuroko

IDE Statistical Data Series No. 91, 344 pp.

Periodicals

The Developing Economies (*Quarterly, in English*)

An international and interdisciplinary forum for studies on social sciences relating to the developing countries. Provides an opportunity for discussions and exchanges across a wide spectrum of scholarly opinions to promote empirical and comparative studies on the problems confronting developing countries. Established in 1962.

Editorial Board (as of March 31, 2007):

Editors: Katsuji Nakagane (Chair, Editorial Board; Prof., Aoyama Gakuin University), Shujiro Urata (Prof., Waseda University), Yoshimi Kuroda (Prof., Kyushu Sangyo University), Takashi Korosaki (Prof. Hitotsubashi University), Juro Teranishi (Prof., Nihon University), Akiyoshi Horiuchi (Prof., Chuo University); Chiharu Tamamura, Kenichi Imai, So Umezaki, Kensuke Kubo, Yukihiro Sato, Hiroki Nogami, Tatsufumi Yamagata

Editorial Advisors: Galal A. Amin (American University in Cairo), Kaushik Basu (Cornell University), Timothy Besley (London School of Economics and Political Science), G. K. Chadha (Jawaharlal Nehru University), Edward K. Y. Chen (Lingnan University), Raul V. Fabella (University of the Philippines), Joao Carlos Ferraz (Economic Commission for Latin America and the Caribbean), Masahisa Fujita (President, IDE), Hal Hill (Australian National University); Managing Editor: Masahiro Okada; Assistant Editors: Yukio Saito, Mami Ishigaki

Asian Economies (*Monthly, in Japanese; Japanese title: Aija Keizai*)

A leading journal in Japan which reports on studies of development issues and related topics. Contains articles, theoretical and empirical notes, occasional reports of surveys and conferences, and book reviews. Open for contributions of manuscripts by scholars and students. The editorial committee is responsible for selecting the manuscripts to be published. Established in 1960.

Members of the Editorial Committee (as of March 31, 2007): Sadashi Fukuda (Chair), Hiroyuki Aoyama, Kenichi Imai, Susumu Imura, Jiro Okamoto, Satoshi Kumagai, Masahiro Kodama, Masayuki Kobayashi, Aki Sakaguchi, Shinichi Shigetomi, Yoko Suzuki, Muneo Takahashi Shinichi Takeuchi, Junichi Nitta

Yearbook of Asian Affairs (*Annually, in Japanese; Japanese title: Aija Dōkō Nempō*)

An analytical overview of yearly economic and political affairs in Asian countries including the Central Asian countries, with an outline of issues and news arranged in chronological order. Key economic statistics and documents are attached. English version for 2006 is available.

Members of the Editorial Committee (as of March 31, 2007): Sadashi Fukuda (Chair), Yasuo Onishi, Michio Kimura, Shinichi Shigetomi, Mayumi Murayama, Satoshi Okuda, Yuri Sato, Naoko Amakawa, Norio Kondo, Kenichi Imai, Shigeki Higashi, Shozo Sakata, Hisaya Oda, Ikuko Okamoto, Yuichi Watanabe, Takeshi Inoue

Ajiken World Trends (*Monthly, in Japanese; Japanese title: Ajiken Wārudo Torendo*)

This analytical and informative journal explores the future prospects of developing countries. It provides the latest information on political, economic, and social issues, feature articles, and economic statistics of Asian countries.

Members of the Editorial Committee (as of March 31, 2007): Mikimasa Yoshida (Chair), Susumu Imura, Kenji Otsuka, Koichi Kitano, Toshihiro Kudo, Hiroshi Kuwamori, Hajime Sato, Yuko Sawada, Masashi Nakamura, Junichi Nitta, Takayuki Higashikata, Momoe Makino, Koji Matsubara, Eiichi Yoshida, Masaaki Watanabe

The Contemporary Middle East (*Biannually, in Japanese; Japanese title: Gendai no Chūtō*)

This journal, which specializes in the Middle East, provides analytical views on the structure of Middle East, issues involving CIS countries, and demonstrative data, based on local materials.

Members of the Editorial Committee (as of March 31, 2007): Yasushi Hazama, Hiroyuki Aoyama, Yoko Iwasaki, Natsuko Oka, Jun Saito, Hitoshi Suzuki, Kaoru Murakami, Masaaki Watanabe

Latin America Report (*Biannually, in Japanese; Japanese title: Raten America Repōto*)

Provides accurate analysis of information on the fluid Latin American region, and overviews of various aspects of long-term social development in the region.

Members of the Editorial Committee (as of March 31, 2007): Naokatsu Uetani, Koichi Usami, Maho Kato, Koichi Kitano, Aki Sakaguchi, Shigeo Sasaki, Tatsuya Shimizu, Taeko Hoshino, Tomoko Murai, Akio Yonemura

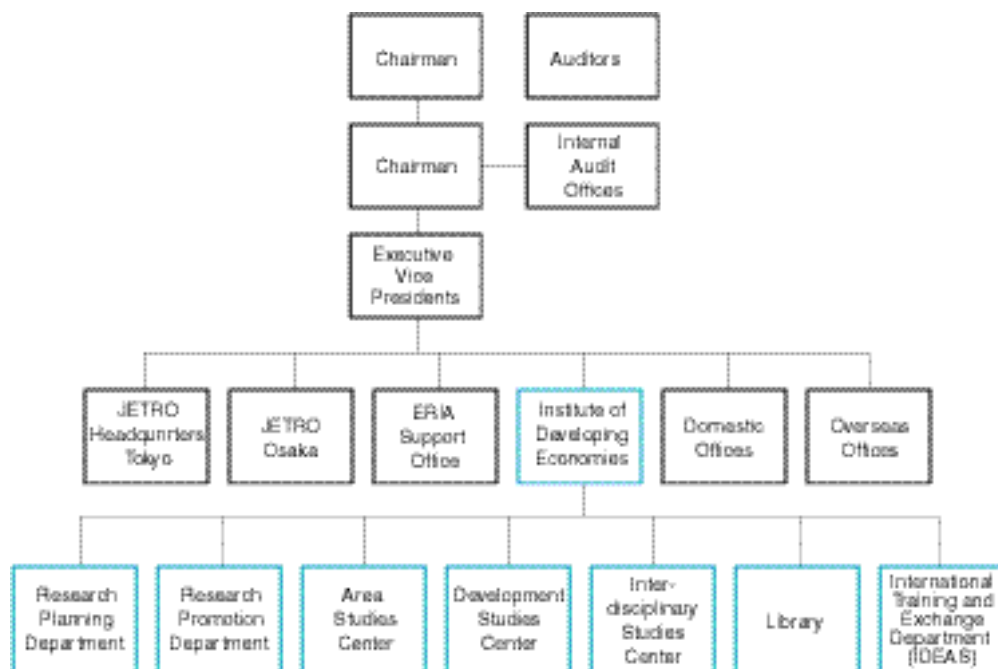
Africa Report (*Biannually, in Japanese; Japanese title: Afurika Repōto*)

Provides commentaries on problems faced by African countries, from the viewpoint of political, economic, and social trends.

Members of the Editorial Committee (as of March 31, 2007): Shinichi Takeuchi, Azusa Harashima, Akira Sato, Miwa Tsuda, Kumiko Makino, Katsuya Mochizuki, Eiichi Yoshida

Organization

Organization Chart



Budget For Fiscal Year 2006

(Million yen)

Income	
Government grant	3,951
Other operating income	176
Total	4,127
Expenditure	
Research	262
Library	205
Publications, seminars and lectures	144
International research exchange	228
IDE Advanced School (IDEAS)	83
Personnel costs and related expenses	2,569
Other operating expenses	636
Total	4,127

Research Projects and Organizers for Fiscal Year 2007

Priority Projects

- Chinese Enterprises: The Quest for Industrial Upgrading amid Transition (Kenichi Imai)
- Challenge to Political Stabilization in China: Risk Factors and Political System (Norihiro Sasaki)
- Structural Reform of the Rural Economy and Change of the Agricultural System through Agro-industrialization Policy in Rural China (Akihide Ikegami*)
- Sustainable Growth of the Chinese Economy: Overcoming Resource and Environmental Constraints (Nobuhiro Horii*)
- Indian Economy: Conditions for Growth (Hisaya Oda)
- Prospects for the Indian Democracy: Stability and Limits of the Democratic Regime in the Era of the Multi-party System and Economic Growth (Norio Kondo)
- The Flowchart Approach to the Formation of Industrial Clusters: Focusing on the Mechanism of Endogenous R&D and Innovation (Akifumi Kuchiki)
- Economic Integration and Vertical Specialization in East Asia (Daisuke Hiratsuka)
- Climbing up the Global Value Chain: Possibilities and Limitations for East Asian Manufacturers (Momoko Kawakami)
- Economics of East Asian Economic Integration (Koji Nishikimi)
- After Conflicts Break Out: African Experiences (Shinichi Takeuchi)
- Role of Small Scale Finance in Rural Development: Rural Finance and Microfinance (Miki Hamada)
- Poverty Reduction for the Disabled: Livelihood of Disabled People in Developing Countries (Soya Mori)

Long-Term Research Projects

- Analysis of Current Affairs in Asia (Shinichi Shigetomi)
- East Asian Regional Model (I) (Jinichi Uemura)
- Compilation and Application of Trade Indices IV (Yosuke Noda)
- Compilation and Use of the 2005 Asian International Input-Output Table (Satoshi Inomata)
- Compilation of the BRICs International Input-Output Table: A Feasibility Study (Satoshi Inomata)

Spot Research Projects

- First Decade of Hong Kong Politics after the Handover (Takayuki Takeuchi)
- The Korea-US FTA: Recent Developments in Korea's FTA Policy (Satoru Okuda)

Regular Research Projects

Researches for Sustainable Growth and Development

- Competitiveness of Korea's Major Industries: How They Adjust to Ever-changing Environment in the 21st Century (Satoru Okuda)
- Institutional Building for Local Economic Development (Yoshiaki Nishikawa*)
- Shop-lease Contracts and Islamic Law in Iran (Yoko Iwasaki)
- Leftist Latin American Governments: Their Backgrounds and Policies (Koichi Usami)

- Micro Data and Quantitative Analysis in the Middle East (Ichiki Tsuchiya)
- Changing Management Strategies of Vietnam's Economic Entities (Shozo Sakata)
- Integration System of the Stock-Raising Business in Latin America (Taeko Hoshino)
- Political Economy of the Oil Industry in Developing Countries (Aki Sakaguchi)
- Development and Restructuring of the Iron and Steel Industry in Asian Countries (Hajime Sato)
- The IMF and Developing Countries (Kozo Kunimune)
- Liberalization of Capital Movements in Developing Countries (Hisayuki Mitsuo)
- Developing Countries and Fiscal Administration Issues (Chie Kashiwabara)
- Comprehensive Study on Taiwan I: Growth and Transformation of Taiwan's Firms and Industries (Yukihito Sato)
- Organizational Restructuring under Market Transition in Post-Reform Rural China: A Study on the Role of Intermediate Organizations (Nanae Yamada)
- Growth and Changes of SMEs in Myanmar: The Case of the Sugar-Processing Industry (Toshihiro Kudo)
- A Study on the Formation of Rural Small Towns (Rusta-shahr's) in Post-revolutionary Iran (Hitoshi Suzuki)
- Economic Reforms in Egypt: Retrospectives and Perspectives (Toshikazu Yamada)
- Resource Management in Developing Countries (Tadayoshi Terao)
- Knowledge and Power in the Pacific Island Countries (Mitsuki Shiota)
- Birth of the Capital Goods Market and Foreign Direct Investment to Russia and Vietnam (Junko Mizuno)

Researches for Poverty Reduction

- Social Movements and Popular Political Participation in Developing Countries (Shinichi Shigetomi)
- The Status of the Poor in the Developing Fishery Sector in Myanmar (Ikuko Okamoto)
- Community Based Organizations and Civil Society in Rural Africa (Yuka Kodama)
- The Labor Inspection System in China: Its Role in the Labor Dispute Settlement Framework (Masayuki Kobayashi)
- Japanese Experiences on Poverty Alleviation and Social Development (Hiroshi Sato)
- A Study on the Mekong Region: Focusing on Border Economics (Masami Ishida)
- Health Services and Poverty: Making Health Services More Accessible to the Poor (Hiroko Uchimura)

Researches for Peace and Security

- Elections and Developing Democracies in Asia (Yasushi Hazama)
- The Power Structures and Their Interrelations in Contemporary Syria and Lebanon (Hiroyuki Aoyama)
- Reconstruction and Development of Rural Cambodia: From Krom Samakki to Globalization (Naoko Amakawa)
- Migration and "Return": Diasporas and Their Homelands (Natsuko Oka)
- Parties under Political Change in Developing Countries: Cross-Area Study (Akira Sato)
- Analysis of the Legal System against Trafficking in Persons from the Perspective of Law and Development: Cases of Thailand and Myanmar (Miwa Yamada)
- Political Systems under the Social Transformation in the Gulf and Arabian Oil Producing Countries (Sadashi Fukuda)

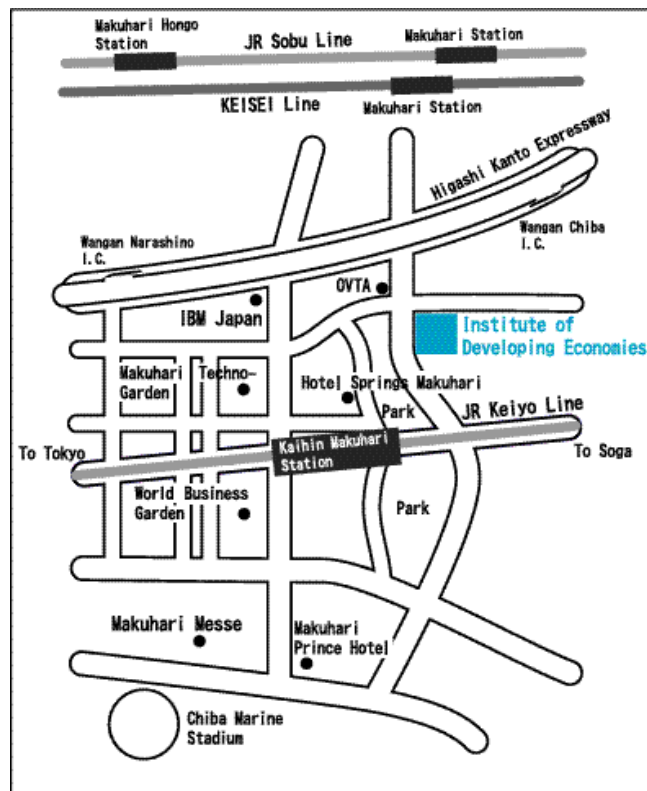
- Regional Integration in East Asia and Australia's Foreign Economic Policy towards ASEAN (Jiro Okamoto)
- Comprehensive Study on Taiwan II: Taiwan's Politics after Democratization (Masahiro Wakabayashi*)
- The Central-Local Relationship in Thailand: Analysis of the Thai Local Administration Organizations (Tsuruyo Funatsu)

Overseas Joint Studies on Economic Development Issues

- Economic integration in Southeast Asia: Location of Industries, Production Networks, and Development Strategy (Ikuo Kuroiwa)
- Law and Democratization in Indonesia after the Legal Reform 1998-2004 (Naoyuki Sakumoto)
- An Empirical Study on Corporate and Industrial Growth in China: Strategy, Competition and Institution (Mariko Watanabe)
- Regional Development Policy after the Direct Election of Local Head in Indonesia (Kazuhisa Matsui)

* Non-IDE researcher

INSTITUTE OF DEVELOPING ECONOMIES, JETRO



Address 3-2-2 Wakaba, Mihama-ku, Chiba-shi, Chiba 261-8545, Japan

Access

JR Keiyo Line: 10-minute walk from Kaihin Makuhari Station
(approximately 30 minutes from Tokyo to Kaihin Makuhari)

JR Sobu Line: 20-minute walk from Makuhari Station
12 minutes by bus from Makuhari Hongo Station
(bound for the north exit of Kaihin Makuhari Station)

Higashi Kanto Expressway: 5-minute drive from Wangan Narashino I.C.