
II. Review of Research Projects

1. Policy Proposal Research

(1) Knowledge Networks and Trilateral Industrial Cooperation between Japan, China, and Korea

The China-Japan-Korea (CJK) joint research was carried out focusing on a free trade agreement (FTA) between the three countries until it was taken over by the official tripartite joint study on the CJK FTA in 2010. Since then, other relevant research topics have been selected by the three institutions that are involved in this joint research effort. In 2012, a study on the joint technical collaboration was taken up in succession to the study on the “knowledge network between the CJK countries”.

For the CJK countries facing the current global economic climate, the joint technical collaboration—in particular the one leading to common technical standards for products—is critically important. This is because competition between countries related to the standardization of products has become increasingly stiff. In this context, the European Union has carried out the Framework Program to promote joint technical collaboration in Europe and set up and spread common technical standards that were developed as a result of the joint technical collaboration effort. The CJK joint study then tried to work out an appropriate technical collaboration scheme for the three countries based on the experience of the Framework Program.

Organizer: KUROIWA Ikuo

Co-researchers: NABESHIMA Kaoru, TANAKA Kiyoyasu, NOMURA Takashi (Counsel, Nishimura & Asahi)

(2) Upgrading of the Guangdong Economy and Challenges for Japan-China Cooperation

Since the beginning of the "Policy of Reform and Opening Doors" in 1979 in China, due to the positive foreign capital inflow based on some preferential policies and generous supplies of cheap labor, Guangdong Province has maintained high economic growth rates mainly thanks to export-oriented labor-

intensive industry, and keeps playing the role of the engine in China's economic growth. In the 2000s, the advantage of labor-intensive industry for the Guangdong economy began to decrease, because of the shortage of migrant workers, the appreciation of the Chinese yuan, and restrictions on contract manufacturing. At the same time, the negative sides of development, such as inefficiency due to excessive capital investment, regional gaps, environmental degradation and so on, are being actualized and it is beginning to often be pointed out that the Guangdong economy faces the limit of the traditional patterns of economic development.

Under this situation, the People's Government of Guangdong Province has been working consistently on structural adjustment for industrial advancement and switching the development model, recognizing that the industrial advancement of the Guangdong economy must be necessary for the sustainable development of the whole Chinese economy. Since 2009, IDE-JETRO has carried out a collaboration research project for the industrial advancement of the Guangdong economy with the Development Research Center of Guangdong Province, based on the Memorandum for Business Cooperation between the People's Government of Guangdong Province and JETRO.

This year, we systematically organized and examined the formation and development of industrial clusters and industrial policy in Guangdong Province, mainly focusing on the manufacturing industry, such as electronics and automobiles, and the service industry, such as contents and logistics, based on requests from the People's Government of Guangdong Province. As a result, we made recommendations to the People's Government of Guangdong Province about the policies necessary to achieve industrial advancement, based on painstaking interviews with Japanese companies that have invested in Guangdong Province.

Organizer: MARUYA Toyojiro (Professor, Research Institute for Regional Economics, Fukui Prefectural University)

Co-researchers: MORINAGA Masahiro, DING Ke,

TSUKADA Hiroyuki (JETRO Guangzhou), HAMADA Akikazu (JETRO Guangzhou), MORI Romio (JETRO Guangzhou), NAKAZAWA Yoshiharu (Service Industry Div., Creative Industries Promotion Dpt., JETRO), KUCHIKI Akifumi (professor, College of Bioresource Sciences, NIHON University), SUNAMI, Atsushi (Associate Professor, National Graduate Institute for Policy Studies), YASUGI Osamu (Toyota Motor Sales & Marketing Corp.), IKEBE Ryo (Associate professor, Research Institute for Regional Economics, Fukui Prefectural University), XU Zhang (GRIPS)

(3) APEC Joint Study on Possible Pathways to a Free Trade Area of the Asia-Pacific (FTAAP)

The expansions of Trans-Pacific Partnership (TPP) and Regional Comprehensive Economic Partnership (RCEP) have been identified as possible pathways to realize a Free Trade Area of Asia Pacific (FTAAP). There were a number of new developments in TPP, RCEP, and Asia Pacific Economic Cooperation (APEC), which served as an incubator for various regional initiatives in 2012.

On March 15, 2013, Japan formally announced it would join the TPP negotiations. There have already been 16 rounds of negotiations conducted and Japan needs to join the negotiations as soon as possible so that she will have some opportunity to influence the rules governing TPP.

In APEC, member economies agreed on the list of environmental goods and services (EGS) to be liberalized. The list contains 54 goods and services for which the tariff rates should be lowered to below 5% by 2015 and eliminate other non-tariff barriers.

In addition to liberalization in goods trade, more attention needs to be paid to the liberalization of services. In ASEAN, the ASEAN Framework Agreement on Services (AFAS) has been in place since 1995 to liberalize service trade within ASEAN. The current AFAS (package 8) achieves a relatively high degree of liberalization and this can be the core of the services liberalization effort in RCEP.

Organizer: HIRATSUKA Daisuke

Co-researchers: NABESHIMA Kaoru, ISHIDO Hikari (Associate Professor, Chiba University)

(4) ERIA/IDE-JETRO/UNIDO Joint Research Project “Green Growth in Asia”

① Impact of Product-related Environmental Regulations on the Diffusion of Trade and Technology through Supply Chains

Product-related environmental regulations (PRERs), such as the RoHS (Restriction of Hazardous Substance in electrical and electronic equipment) directive and REACH (Registration, Evaluation, Authorization and Restriction of Chemicals) regulations, have been introduced in the EU. The PRERs require firms in various industries to undertake chemical management beyond borders. There may be thousands of firms participating in global supply chains (GSCs) to produce one final product across different countries. Cooperation of participating firms throughout GSCs is important to meet the PRERs by checking production or passing on chemical information in products. However, difficulties arise as the level of understanding on chemicals and technological skills to undertake proper management differ among firms. We conducted a survey of firms in Vietnam and Malaysia to examine what types of firms have the capacity to adapt the PRERs, how they adapted to them and what challenges exist. The data shows that firms in GSCs tend to be required to undertake tighter chemical management of products. Most firms are found to comply with the PRERs. But export firms and small and medium enterprises that do not belong to GSCs are not required so much to undertake chemical management. The policy that helps firms adapt to the PRERs needs to take into account the differences between firms in GSCs and those out of GSCs in order to provide efficient assistance.

Organizer: MICHIDA Etsuyo

Co-researchers: NABESHIMA Kaoru, UEKI Yasushi, ARIMURA Toshi (Waseda University, School of Political Science and Economics, Professor), IGUCHI Hakaru (Atomi University, Faculty of Management, Assistant Professor), OTSUKI Tsunehiro (Osaka School of International Public policy, Associate Professor), MANAGI Shunsuke (Graduate School of Environmental Studies, Tohoku University, Associate Professor)

② Creation of Green Demand: Empirical Industrial Organization Study on the Proliferation of Energy-efficient Appliances in Developing Nations in Asia and the Top Runner Mechanism in Japan

Substantial reduction of power consumption by improving quality of life is an ideal situation. In order to pursue this purpose, a combination of standards for energy efficiency of appliances and labeling on the appliances is a prevailing method; (1) the standard is a reference to energy efficiency of appliance; (2) the label is a tool to communicate information on the standard to consumers. Analysis of data on the air conditioner market in Japan, Thailand and China showed: power consumption of air conditioners in total is substantially reduced by top runner programs, but Thailand was not able to reduce total power consumption, though efficiency per unit is improved. The results give us the following implication: a standard and labeling have a certain effect on reducing the energy consumption of appliances used in the economy. Appropriate dynamics of the standard are necessary to effectively control energy consumption in the market.

Organizer: WATANABE Mariko

Co-researchers: KOJIMA Michikazu, KUBO Kensuke, KUSAKA Wakana (Overseas Research Department, JETRO), OHASHI Hiroshi (Faculty of Economics, University of Tokyo)

③ Study on the Required Factors and Policies to Facilitate the Development of Green Industries in the Asian Region

The experience in China points to the importance of the size of the market (both domestic and foreign), technology transfer from abroad, and "frugal innovation" at various stages of the supply chain for the development of competitive manufacturing activities in renewable energy.

At this point, it will be extremely difficult for ASEAN countries to nurture a renewable energy industry based on wind, solar, and geothermal technologies. However, in an effort to diffuse these types of renewable energies, ASEAN countries still have the room to grow their own firms in construction,

management, and maintenance of these facilities. Supportive policies to encourage the emergence of these types of firms may be desirable. In addition, local manufacturing and assembly of equipment through foreign direct investment is another possible avenue.

ASEAN countries have comparative advantages in terms of biomass. Supportive policies to diffuse biomass energy and to encourage the development of firms in these areas are promising. Even in this kind of initiative, the market size would be critical, and ASEAN countries should move more towards the integration of their energy market. While ambitious, archipelago countries do have additional opportunities in exploring ocean energy. The industry here is not yet well established, and there is still room for new firms. In addition, experience counts in this kind of engineering industry. Therefore, first (or early) mover advantage is seen to be great. Since technological requirements are not so high, this may be a promising area for some countries to explore further.

Organizer: HORII Nobuhiro (Associate professor, Kyushu University)

Co-researchers: NABESHIMA Kaoru, MARUKAWA Tomoo (Professor, Institute of Social Science, University of Tokyo)

(5) The Rise of China and India and the Implications for East Asia

This project aims to analyze the influence of the "Rise of India" from various angles, and to contribute to the process of developing Japan's foreign policy regarding East Asian countries. The "Rise of India" started in the political field, and it was quite different from China. Recently, China has made plans to strengthen its military power, so East Asian countries have attached greater importance to India as an opponent to China. In the economic field, international trade and mutual investment between India and ASEAN countries grew rapidly under India's "Look-east policy" and AIFTA.

The main feature of India's foreign policy regarding China is "engagement and caution". From 2000 onwards, after the end of the Cold War, tensions between the two countries eased and they developed their economic relations, announcing the "strategic

cooperative partnership” in 2005. But recently, political exchanges between the two have increased as they look upon the other’s expansion and interests. The rise of China’s naval power threatens the interests of India, which stands as a rival to China in military fields.

Our conclusions are as follows. First, ASEAN countries and Japan will welcome the US as a “pivot to Asia”, and strengthen their relationship between India. Secondly, they will develop the FDI with India, aiming at her domestic market. Thirdly, they will start to readjust their relationship with China.

Organizer: ONISHI Yasuo

Co-researchers: REN Zhe, MURAYAMA Mayumi, SATO Yuri, ARAI Etsuyo, HISASUE Ryoichi, AIZAWA Nobuhiro, ESHO Hideki (Professor of Hosei University), TRAN Van Tu (Professor of Waseda University), ABE Jun’ichi (Senior researcher of Kazankai), HAMAMOTO Ryoichi (Professor of Center for East Asia Research, Akita International University), HORIMOTO Takenori (Professor of Kyoto University), TORII Takashi (Professor of Meiji University), LIM Jaehwan (Associate professor of Aoyama-gakuin Univ.), IKEBE Ryo (Associate professor of Fukui Prefectural University)

(6) Building an International Peace-keeping System in the Middle East and the South Asian Regions

The so called Arab Spring in 2011 transformed the Middle East and brought unprecedented political change to the region. Yet, the collapse of certain authoritarian regimes in the region does not seem to be leading to a democratic future. Instead, we believe the region is going to face a series of severe crises on all levels for years to come. The major Middle Eastern powers, including Iran, Turkey and Israel, are expected to struggle in the coming years in order to adjust to the new realities created by the Arab upheavals. In this, our institute’s intensive research on the region is of vital importance in order for Japan to adjust to the changing realities in the Middle East.

Japan’s dependence on energy from the Middle East makes it imperative that the Japanese government should be fully aware of how to approach the latest developments in the Middle East. Therefore, we have arranged seven seminars and invited experts on the

region to discuss and analyze events in the Middle East. In addition, in collaboration with experts from various Japanese educational institutions, we have published a book in English edited by Institute of Developing Economies (IDE) senior researcher Suzuki Hitoshi. We hope this book, which consists of 13 chapters and covers main topics in the Middle East, North Africa and South Asia, will provide researchers and policy makers with some insights into the latest issues and events in the Middle East.

Organizer: SUZUKI Hitoshi

Co-researchers: DARWISHEH Housam, FUKUDA Sadashi, YAMADA Toshikazu, TSUCHIYA Ichiki, SAITO Jun, SHIMIZU Manabu (Professor, Teikyo University), IKEUCHI Satoshi (Assistant Professor, RCAST, University of Tokyo), Ali FERDOWSI (Professor and Chair, Notre Dame de Namur University)

(7) Investment Promotion Program for Africa

South Africa has the largest number of people living with HIV/AIDS in the world. Despite their potential, little is known about the achievements and efficacy of HIV/AIDS programs in the corporate sector. In 2009 and 2010, we worked with the medical team of the leading Japanese manufacturing company in South Africa to promote the uptake of HIV tests among employees. We found:

1. Many employees expressed concern over the stigma of HIV/AIDS through discrimination and treatment methods.
2. The more connected an employee was to coworkers, the stronger one expressed the feeling that he/she does not want to be known to be getting tested or being seropositive.
3. Substantial heterogeneity exists in HIV test uptake rates, and African coloreds tended to reject the test offers more often than other ethnic groups.
4. After watching a DVD that showed the company’s support for treatment and positive aspects of being treated, the uptake rate increased.

All the results are derived from corporate information rarely found in previous literature.

Organizer: HIRANO Katsumi

Co-researchers: ITO Seiro, TSUKADA Kazunari, SATO Chizuko, KUDO Yuya, ICHIMURA Hidehiko

(University of Tokyo), SAWADA Yasuyuki (University of Tokyo), OHIRA Satoshi (Keio University), FUWA Nobuhiko (Waseda University), KUDAMATSU Masayuki (Stockholm University), ARIMOTO Hiroshi (Hitotsubashi University), HORI Narumi (St. Luke's College of Nursing), YAMAZAKI Jun'ichi (University of Tokyo)

(8) How to Escape Middle Income Trap: Strategies toward High Income Economies

Costa Rica has developed successfully, yet may face the challenges associated with the middle-income trap. Costa Rica was able to attract foreign direct investment (FDI) in electronics and medical device industries. This was made possible because of what it offered: stable political conditions, capable government agencies, incentives, good geographical location, and availability of human capital. Costa Rica has been able to establish herself as an attractive investment location. Along with this reputation, the agglomeration of firms in medical devices seems to have a critical mass where the cluster is forming and this is strengthening the attractiveness of Costa Rica.

However, there are three weaknesses in which more attention is warranted. They are: infrastructure provision, availability of human capital, and lack of backward and forward linkages with indigenous firms. Except for investment and improvement in transport infrastructure, the latter two are typical challenges that are faced by middle-income countries. To escape the middle-income trap, Costa Rica needs to overcome this challenge. The continuous inflow of FDI coupled with broadening exporting activities by domestic firms are needed to deepen the development of support industries. Finally, the most important and most durable source of growth for Costa Rica would be continuing emphasis on human capital development.

Organizer: NABESHIMA Kaoru

Co-researchers: KUMAGAI Satoru, UEKI Yasushi, ITO Tadashi, TANAKA Kiyoyasu, KASHCHEEVA Mila

(9) Trade in value-added: a new metric of international trade

The “trade in value-added” approach enables us to

redefine the relationship among countries of origin and destination in international trade. In contrast to the orthodox concept of trade balances based on foreign trade statistics, it focuses on the value-added contents of traded goods, and considers the contribution of countries to value-added generation at each stage of the production process of a given commodity.

The concept of “trade in value-added” is not necessarily new or surprising. It has already been studied widely at venues like the World Trade Organization. In practice, however, the idea was hardly realised due to the lack of appropriate methodology or database.

The international input-output table constructed by IDE-JETRO, offers a powerful analytical tool for this problem. It provides a detailed map of international transactions of goods and services, and thus enables us to trace the value-added generation process of every commodity in every country at every production stage. This study aims to synthesize the knowledge and expertise of the WTO and IDE-JETRO on international trade and the experience in constructing international input-output tables, and to contribute to the evaluation and analysis of “trade in value-added” in the field of international economics.

Organizer: INOMATA Satoshi

Co-researchers: MENG Bo, SHIBATA Tsubasa, Yaxiong ZHANG (Deputy Director-General, Economic Forecasting Department, China State Information Centre)

(10) The Construction of an Asian Research Network (Subsidized)

① Economic Reforms in Myanmar: Pathways and Prospects

To enable economic growth in Myanmar, deeper integration with the international economy is imperative, and a necessary step is to improve the investment climate for foreign capital. Challenges include upgrading the poor physical infrastructure such as the utilities supply as well as establishing an institutional framework.

The Government of Myanmar considers special economic zones (SEZs) as a cornerstone to improve

both the hard and soft infrastructure. On the one hand, it is easier to overcome the bottleneck of poor physical infrastructure by concentrating scarce resources on SEZs. On the other hand, in the midst of concerns about exploitation by foreign capital, it is politically feasible to provide favorable incentive schemes by limiting beneficiary foreign capital to those in the SEZs.

The impact of the SEZ scheme on establishing a better institutional framework depends on how SEZs initially attract foreign investment. The government can improve the institutional framework only through interaction with foreign investors.

Organizers: YAMADA Yasuhiro (JETRO Bangkok), Hank LIM (Senior Research Fellow, the Singapore Institute of International Affairs)

Co-researchers: KUBO Koji, ISHIDA Masami, KUDO Toshihiro, UMEZAKI So, Aung Min (Head of Research Department, Myanmar Marketing Research and Development Co., Ltd), Khin Thida Maw (Director, Research Department, Kanbawza Bank, Myanmar), VO Tri Thanh (Vice President, Central Institute for Economic Management, Vietnam), NGUYEN Anh Doung (Researcher, Central Institute for Economic Management, Vietnam), SUPANG Chantavanich (Director, Asian Research Center for Migration, Chulalongkorn University, Thailand), Premjai Vingsiriphisal (Senior Researcher, Asian Research Center for Migration, Chulalongkorn University, Thailand)

② A Study on Regional Development of Traiagle Areas in the Mekong Region

In the Greater Mekong Subregion (GMS), there are five triangle areas. The first one is the Cambodia-Laos-Vietnam Development Triangle Area and the second is the Emerald Triangle, composed of Cambodia, Laos and Thailand. The third one is the Golden Triangle, composed of Laos, Myanmar and Thailand, which used to be known as an area of drug trafficking. The fourth one is composed of China, Laos and Myanmar and is called the “Green Triangle” in China. The combined area of the Golden Triangle and the Green Triangle is called as the “Golden Quadrangle Area.” The fifth one is composed of China, Laos and Vietnam, but it has not come into

focus as yet. Looking at the provinces composing the triangular areas, it can be seen that the population density and GRP per capita are lower. As regards industries, agriculture and agro-processing such as cassava, coffee and natural rubber, mining, hydropower generation and tourism have been developed. For further development, improved transport infrastructure and cross-border institutions including transit facilities are necessary. However, it should be remembered that latex waste and acid-metal waste produced as by-products of natural rubber and metal-mining processing, respectively, are dangerous to health and the environment and coordination between the upstream and downstream parties to avoid flooding and drought will be necessary in the future regarding the development of hydropower plants, especially in the case of international rivers.

Organizer: ISHIDA Masami

Co-researchers: HATSUKANO Naomi, Sau Sisovanna (Office of the Council of Ministers, Cambodia), Vanthana Nolintha (National Economic Research Institute), NGUYEN Binh Ginag (Vietnam Academy of Social Sciences, Institute of World Economics and Politics), PHI Vinh Tuong (Vietnam Institute of Economics), Nucharee Supatn (Assumption University)

③ Deepening of Corporate Global Activities in East Asia

Due to the deepening of corporate activities regarding trade and investment, it has been important to establish region-wide free trade agreements (FTAs) like the Regional Comprehensive Economic Partnership in East Asia. On the trade side, some firms use multiple FTA schemes, use FTA schemes in both exporting and importing, or enjoy cumulation rules in FTA use. On the investment side, some multilateral enterprises (MNEs) establish overseas affiliates, establish regional headquarters (RHQ), expand research and development (R&D) activities in host countries, or have fiercer competition with Korean or Taiwanese MNEs. Against this backdrop, the aim of this project is to closely examine FTA and FDI issues in East Asia by employing firm-level statistics or existing questionnaire surveys. Specifically, in the analysis of FTA issues, this project uncovers the relative difficulty of FTA use between

exporting and importing, the relative difficulty between FTA use and exporting, the existence of the spaghetti bowl phenomena, and trade creation effects of cumulation rules. In the analysis of investment issues, on the other hand, we show the impacts of RHQ establishment on MNEs' overseas performance, MNEs' reallocation mechanics, the impacts of local inputs on overseas affiliates' performance, the impacts of local managers on overseas affiliates' performance, and the qualitative differences in MNEs' R&D activities between home and host countries.

Organizer: HAYAKAWA Kazunobu

Co-researchers: SHIINO Kohei (JETRO Singapore), TSUBOTA Kenmei, MATSUURA Toshiyuki (Assistant Professor, Keio Economic Observatory, Keio University), Chin-Hee HAHN (Associate Professor, Department of Economics, Gachon University, Korea), Han Sung KIM (Assistant Professor, Department of Economics, Ajou University, Korea), Young Joon JANG (Assistant Professor, Department of International Business and Trade, Kyung Hee University, Korea), Chih-Hai YANG (Professor and Director, Department of Economics, National Central University, Taiwan)

(11) The Experience of WTO Doha Development Agenda and its Impact of LDCs: For the Future of Development Friendly Trade Rules

In the WTO public forum scheduled for the autumn of 2013 in Geneva, we are planning to present some of our research findings, including those on the following issues:

(1) As a result of "voices of people" research on how the people in LDCs feel and think about WTO and free trade, (2) development-oriented measures during a Doha Round period and their effects on the developing country.

For this purpose, we carried out preliminary research to collect "the voices of people" about the free trade system. We picked out Cambodia and Madagascar from LDCs in WTO member countries. Interviewees are 'ordinary' people such as street vendors, farmers and factory workers. We asked about their place of buying and selling of daily necessities, their perception of imported goods, export promotion and free trade at large, etc.

The majority answered that the "ordinary open markets" are the place they shop for daily necessities. But "supermarkets" began to appear depending on the items in Cambodian rural areas. In Madagascar, many say that "the cheaper the better" regardless of where they are produced.

As for the imported goods, China is the overwhelming number one in Africa, but the image of "the Chinese product" varies from person to person. On the one hand, there is the image of "cheap and nasty", but on the other hand some people say "the products made in China are more stylish than those domestically produced" or even appreciate the fact that "because cheap Chinese products arrived our life became more convenient".

About food quality, most people think domestic products are safe and tasty. Many people believe that "an industrialized country gets more benefit than a developing country if trade occurs between them". Such kind of understanding may not be valid in statistical analysis, but the fact that people perceive trade in this way should not be underestimated.

Organizer: SATO Hiroshi

Co-researchers: YANAI Akiko, ITO Tadashi, FUKUNISHI Takahiro, NAKAMURA Mari, HATSUKANO Naomi, OHNO Atsushi (Associate Professor, College of Economics, Ritsumeikan University), AKIHO Sayaka (University of Tsukuba), UESU Sayoko (National Graduate Institute for Policy Studies)

2. Analytical Research Contributing to Policy Proposals

(1) Policy Issue Research

① Regional and Class Disparities in India: Future Direction for the Nation's Poorest State of Bihar

The Indian economy, the second largest consumer market in the world, has enjoyed high economic growth in recent years. It is widely acknowledged in mainstream accounts that higher economic growth accompanies a reduction in the speed of poverty alleviation, a widening economic disparity among regions and social stratification.

In this project, we have focused on the most underdeveloped regions and on social stratification to re-examine the causes of underdeveloped regions' backwardness and of the obstacles to change, as well as to investigate the impact of higher economic growth and development in recent years on disparity, to describe dynamics of bureaucracy and politics at the grassroots level, and to explore migration and wellbeing in the places of origin and destination.

Our main findings are as follows: (1) Agricultural backwardness in underdeveloped regions is attributable to lack of new agriculture technologies rather than the conventional notion of institutional constraints related to land tenure system; (2) The effect of recent economic growth and development on the predominantly agrarian economy is still limited to particular sections of the states; (3) The processes of failure of land reforms as well as political and bureaucratic dynamism to deliver development programmes in rural areas, particularly to the underclasses; and (4) Outbound migration cannot drastically redress economic disparity and change the agrarian hierarchical structure in the short run, are documented so as to describe how particular regions and the underclasses lag behind.

Organizer: TSUJITA Yuko

Co-researchers: KONDO Norio, MINATO Kazuki, FUJITA Koichi (Kyoto University), ODA Hisaya (Ritsumeikan University), NAKAMIZO Kazuya (Kyoto University), DASGUPTA Chirashree (Ambedkar University, Delhi)

② Islam and political dissent: Studies and Comparisons from Asia and the Middle East

In parts of Asia and the Middle East, Islam is the moral and ideological fount of political dissent that offers a powerful appeal and a growing reach. There, diverse dissident Islamic forces operate under complex conditions, including the so-called 'War on Terror' and its threats to national sovereignty, and neoliberal global capitalism and its constraints on autonomous economic development. To varying degrees, these forces re-shape balances of power between Islamic and secular institutions, social movements and authoritarian regimes, and populism and oligarchic rule. Such complexities make it necessary not to treat

political dissent in the name of Islam as simply a 'religious phenomenon' or a manifestation of extremism, but to trace its origins and trajectories and evaluate its outcomes critically. This Project will conduct studies of evolving social bases, economic transformation and changing state institutions which influenced the course of Islamic political dissent in selected Asian and Middle-Eastern countries. Based on its thematic studies and case studies, the Project plans to develop a comparative understanding of Islam and dissent in different socio-political settings. In that way, the Project hopes to contribute to international academic debates on 'Islamization' and 'political Islam'.

In 2012-2013, the second (and final) year of the project, all eleven members of the project team presented their draft papers at a project workshop on Nov 7-8. On Nov 9, the team met to evaluate the workshop proceedings and discuss further responsibilities towards the completion of the project. Based on the discussions at the workshop and team meeting, it was confirmed that the Final Report would consist of the following sections: Political Economy (ROBISON), Organisational Vehicles (HADIZ), Algeria (COLAS), Egypt (DARWISHEH), Indonesia (WILSON), Iran (MATSUNAGA), Malaysia (KHOO), Pakistan (NAKANISHI), Tunisia (MARZOUKI), Morocco (WATANABE) and Turkey (WHITE). In the preparation of a book manuscript, the editors will write an introductory chapter.

Organizers: KHOO Boo Teik, Vedi HADIZ (Murdoch University, Professor)

Co-researchers: NAKANISHI Yoshihiro, DARWISHEH Housam, WATANABE Shoko, Richard ROBISON (Murdoch University, Professor), Ian WILSON (Murdoch University, Research Associate), Alejandro COLAS (University of London, Senior Lecturer), Nadia MARZOUKI (European University Institute, Jean Monet Fellow), MATSUNAGA Yasuyuki (Tokyo University of Foreign Studies, Associate Professor), Jenny Barbara WHITE (Boston University, Associate Professor)

③ The Linkage between Agriculture and Industry in India

After Japan passed the turning point from labour

surplus to labour shortage in the 1960s, wages in small and medium enterprises (SMEs) rose. The rise of wages encouraged innovation in SMEs. In India, unemployment and underemployment are still serious.

As industrialization in the apparel clusters like Ludhiana and Tiruppur has progressed, the demand for a labour force in factories has increased. Agricultural labourers got regular wage jobs in factories. Although wages are low, commuting to factories is attractive for ex-agricultural wage labourers due to income stability. At present, most of the agricultural labourers depend on non-farm employment in suburb villages of Ludhiana and Tiruppur. The availability of alternative employment improved the bargaining power of agricultural labourers.

In Ludhiana and Tiruppur, migrant workers flowed into the clusters from the same state and other states to meet the demand for a labour force in factories. The inflow of migrants could not catch up with the rapid increase in labour demand. As a result, labour shortages appeared in apparel factories in both clusters. New machinery has not been introduced to substitute for the labour force. Computer controlled knitting machines are spreading to produce specially designed and high-quality products.

Organizer: UCHIKAWA Shuji

Co-researchers: USAMI Yoshifumi (Senior Researcher, University of Tokyo), SUGIMOTO Daizo (Associate Professor, Faculty of Economics, Meijo University), FUJITA Koichi (Professor, Center for Southeast Asian Studies, Kyoto University), ISHIGAMI Etsuro (Professor, Faculty of Commerce, Fukuoka University), FUJIMORI Azusa (Assistant Professor, Graduate School of Economics, Osaka City University), Jesim Pais (Institute for Studies in Industrial Development), Kamal Vatta (Punjab Agricultural University), M. Jegadeesan (Tamil Nadu Agricultural University, Madurai)

④ East Asian Integration and its Theoretical Basis

In recent years, economic integration in East Asia has been driven by free trade agreements (FTAs). Economic integration is crucially important not only for developing economies but also more mature

economies like Japan, where an aging society is most likely to contract the future domestic market. It is therefore understandable that many books relating to economic integration have been published in Japan. Although these books are helpful to understand how FTAs work and what benefits are derived from them, they lack the rigorous analytical framework necessary to explore the mechanics of economic integration. In this study, we aim to produce a textbook on economic integration in East Asia in order to diffuse information and knowledge among university and graduate students, researchers, policy makers, and so on. The textbook covers areas such as free trade agreement (institutional aspects), trade, investment, trade in services, labor movement, agriculture, monetary and financial integration, industrial location, regional disparities, infrastructure development, and technological transfer.

Organizer: KUROIWA Ikuo

Co-researchers: TANAKA Kiyoyasu, NABESHIMA Kaoru, KUMAGAI Satoru, MACHIKITA Tomohiro, WATANABE Yorizumi (Professor, Keio University), HONMA Masayoshi (Professor, University of Tokyo), KAWASAKI Kentaro (Associate professor, Toyo University), ITO Keiko (Associate professor, Senshu University), ISHIDO Hikari (Associate professor, Chiba University), SATO Hitoshi (Fellow, Research Institute of Economy, Trade, and Industry)

⑤ Regional Financial Cooperation in Asia Revisited: Progress and Issues

In this research project, we analysed the achievements and present/future issues in ASEAN's developing economies (Indonesia, Malaysia, Philippines, Thailand, and Vietnam) with regard to the regional financial cooperation frameworks (Asian Bond Fund [ABF] and Asian Bond Market Initiative [ABMI]), established to minimize influences of future financial crises. Our main findings are: (a) under the ABMI and ABF, its basic measures to improve capital (bond) markets have been materialized; however, further improvements are necessary, namely, tax incentives, increasing market participants and listings and their diversity, and based on the five country studies, (b) in the past 15 years, the sovereign bond yield-curves were generally established, and at the

stage of expanding their secondary markets, (c) corporate bond markets are less developed or under construction, especially in need of demand/supply-side diversity of their participants. Thus, we recommend the following: (d) to shift the framework logic to one that regards bond-issuing as an alternative to corporate financing measures, and thus, (e) to make each domestic financial sector more liquid, the importance of the roles that banks play as market participants and financial intermediaries should be fully re-recognized.

Organizer: KASHIWABARA Chie

Co-researchers: HAMADA Miki, NGUYEN Quoc Hung (Associate Professor, School of Economics, Hyogo University), KINKYO Takuji (Professor, Graduate School of Economics, Kobe University), KUNIMUNE Kozo (Professor, School of Economics, Kinki University), MIENO Fumiharu (Associate Professor, Center for Southeast Asian Studies, Kyoto University), MIZUNO Kengo (President, Nomura Research Institute Thailand), NAKAGAWA Shinobu (General Manager, Hakodate Branch, Bank of Japan), NAKAGAWA Rika (Associate Professor, School of Economics, Toyo University)

⑥ Coexistence with the Aging Society in Developing Economies

This research project started to present a series of basic analyses on an international cooperative framework that may offset the negative effects of population aging, and also enable the enjoyment of benefits from the so-called "demographic dividends" that may exist in developing economies with an abundant working population relative to its volume of dependents, utilizing a multi-region, multi-sector endogenous growth model with overlapping generations in the framework of applied general equilibrium analysis (OLG/AGE). The analytical model has been developed and is working with a set of artificial data. On the other hand, numerous unexpected problems arose in the model building process and hampered the project team in achieving the primary purpose shown above. Since sharing the experience of facing the problem with model builders, as well as disclosing technical information, must be an important and valuable contribution to the OLG/AGE

community, those experiences and findings are noted as the final report.

Organizer: OIZUMI Keiichiro (Senior Economist, Economics Department, Japan Research Institute, Limited)

Co-researchers: OYAMADA Kazuhiko, SOMEYA Masakazu (Associate Professor, Faculty of Economics, Chiba Keizai University), ITAKURA Ken (Associate Professor, Faculty of Economics, Nagoya City University)

⑦ Internally Valid Microeconomic Development Analysis

When a policy maker develops a policy, one needs to have knowledge on what to expect from the measures taken. Any policy analysis has to first reveal the causal impacts of policy on outcomes of interest. It has been discussed elsewhere that honest efforts in performing the correct causal inference, or inference with internal validity, is less frequent than one would expect. There are potentially two methods to conduct internally valid inferences with high credibility:

1. Acknowledge the shortcomings of observational data and employ various estimation techniques to control for endogeneity (or omitted variables, measurement errors). This necessarily entails an extensive discussion on why one can use such techniques and can claim to have attained high credibility in inference.
2. Collect better data. This is possible if one can find a natural experiment or can conduct a randomized control trial (RCT).

The bottom line is that, one should never give up on internal validity, as it is the starting point of empirical knowledge production. It is essential for the researchers to consider the possible questions and available methods to conduct statistical inference with high credibility. The use of strong assumptions needs to be accompanied with explicit reservations on the conclusions. This is more about work ethics and there is no clear guideline on the choice of methods and sharpness of conclusions at the expense of credibility. Our project tries to address this moral issue with a series of papers we drafted.

Organizer: ITO Seiro

Co-researchers: KUDO Yuya, SHONCHOY Abu, TSUKADA Kazunari, ARIMOTO Yutaka (Hitotsubashi University), FUWA Nobuhiko (Waseda University), OHIRA Satoshi (Keio University)

⑧ **The Socioeconomic Impact of Natural Disasters and Chronic Poverty: Natural Experiment Approach with Household Panel Data based on the Floods in North-West Bangladesh**

Bangladesh is amongst the most densely populated countries in the world and where chronic poverty is widespread and acute. Poor people are found in both rural and urban areas throughout the country. Particularly dense pockets of ultra-poor (or extreme poor) can be found in many river island areas mainly in the northwest part of Bangladesh. River islands, which are locally known as “*char*”, are areas of land that regularly form from sediments and are eroded by the major rivers of Bangladesh.

To the best of our knowledge, no systematic evaluation has yet been conducted in Bangladesh using household-level data to estimate the extent of impact of floods on *char* dwellers. In our study, we will survey households on *chars* in northern Bangladesh.

Sampling:

1. *Char* villages: Given our focus on chars, we mainly concentrated on island chars. We have used Landsat images to identify the chars. We selected 80 *char* villages without an active NGO presence in finance and asset transfer programs.
2. Households: We used a participatory rural appraisal (PRA) mapping process to create a village map. We identified the ultra and moderate poor in the village. We have randomly selected 14 households from ultra-poor and 6 from moderate poor.

We have completed the survey and this data will serve as the baseline in the upcoming research project in FY2013 funded under Grants-in-Aid, the Ministry of Education, Culture, Sports, Science and Technology.

Organizer: SHONCHOY Abu

Co-researcher: ITO Seiro

⑨ **The Impact of Micro-Credit Repayment Rules on Seasonal Migration and Loan Repayment during the Agricultural Lean Season: A Randomised Experiment in Bangladesh**

The mismatch between credit repayments and income seasonality can create serious distortions. However, typically, Micro-Finance Institutes (MFIs) do not provide any adjustments during the period of income seasonality. For instance in northern Bangladesh, income and consumption downfalls during the time of the post-Aman rice plantation season are quite regular phenomenon, locally known as “*monga*”. Poor landless agricultural wage laborers suffer the most due to this seasonality and usually they face difficulty regulating their consumption. As a result, it is extremely difficult to arrange the regular weekly micro-credit loan repayments, which they have taken out during the productive part of the year. The reluctance for the MFIs to not provide any flexibility or seasonal adjustments during the period of *monga* is mainly for two reasons; 1) it might break the loan collection discipline and 2) it might increase the loan defaults. Using a field experiment through RCTs in northern Bangladesh, we randomly assigned seasonality adjusted flexible micro-credit and traditional rigid micro-credit to different borrowing groups. Our results suggest no statistically discernible differences among the treatment arms in case of default, repayment frequency or overdue amount, which is in favor of flexible design of micro-credit. However, we did not find any immediate positive impact of the repayment flexibility on food consumption during the lean season.

Organizer: SHONCHOY Abu

Co-researchers: YAMAGATA Tatsufumi, KUROSAKI Takashi (Professor, Institute of Economic Research, Hitotsubashi University), TSUKADA Kazunari

⑩ **Law and Migration Policies in East Asia**

The purpose of our research was to determine the feasibility of establishing a legal system relating to the movement of labor that would be shared among East Asian countries. We analyzed the laws and migration policies of several countries including China, Indonesia, the Philippines, Thailand, Vietnam and

Cambodia as well as regional and bilateral instruments in East Asia, with particular attention to non-skilled/low-skilled labourers, and considered the question: 1) To what extent have common practices been established? We found out the sending countries faced common challenges to protect their nationals abroad and send more skilled laborers; on the other hand, the receiving countries had certain legal restraints on foreign workers in terms of working conditions, and allowed limited access to their market, because migrant workers were considered just as a temporary workforce. The question 2) was whether the accumulation of bilateral agreements would contribute to developing a common platform for the labor market in East Asia. The answer is, rather, they adversely affect such development. Our finding is such bilateral agreements will be more effectively implemented by having a third party institution to observe the agreements by the parties, rather than creating a new multinational agreement.

Organizer: YAMADA Miwa

Co-researchers: HATSUKANO Naomi, ISHIZUKA Futaba, IMAIZUMI Shinya, KOBAYASHI Masayuki, SUZUKI Sanae, CHIBANA Izumi, OKUSHIMA Mika (Associate Professor, Faculty of International Studies, Tenri University)

⑪ Trade and Environment Issues from the Perspective of Developing Countries

This study aimed to find ways in which developing countries will be able to realize sustainable development on the basis of integrating the promotion of trade liberalization and the protection of the natural environment. In the first year of this study, it clarified the problems that developing countries are facing in trade-environment interface, and also discussed the merits and demerits of policies and measures regarding trade-environment issues. We examined five issues such as (i) development issues in global warming, (ii) transboundary movement of hazardous waste, (iii) forest products trade and sustainable forest management, (iv) the impact of product-related environmental regulations on the global supply chain, and (v) the impact of food safety standards on developing countries' exports. The second year, we considered cross-sectional issues in order to make clearer the situation where the

developing countries are placed, such as (i) compatibility of environmental subsidies with the WTO agreements, (ii) the impact of environment-related private standards, (iii) preferential treatment for developing countries, (iv) environmental provisions in regional trade agreements, and (v) capacity building on trade and environment. The rise of the emerging economies has caused differentiation among the developing countries, which makes it complicated for developing countries to realize sustainable development on the basis of integrating the promotion of trade liberalization and the protection of the natural environment.

Organizer: YANAI Akiko

Co-researchers: MICHIDA Etsuyo, KOJIMA Michikazu, IINO Aya (Associate Professor, Nihon University), SHIMAMOTO Mihoko (Professor, Hosei University), TAKAMURA Yukari (Professor, Nagoya University)

⑫ Study on the Current State of Manufacturing Industries in Bangladesh

Bangladesh, earlier perceived as a typical example of a stagnant economy, has now transformed into one of the potential growth centers following BRICs. In Japan, also, there has been a growing interest in Bangladesh as a destination of investments as well as a competitive source of imports. Behind this dramatic change were enormous contributions made by the manufacturing sector, especially, the readymade garment industry. Except for the readymade garment industry as an example of success, however, information regarding the individual manufacturing and related sectors, particularly, company-level activities, is still very limited in general and more so in readily available media. Against this backdrop, our project aims to garner basic information regarding the leading manufacturing and related sub-sectors, to delineate the issues individual sub-sectors face, and to provide resources on the basis of how we can foresee the potential of each sector. The sectors to be covered include textile and readymade garments, jute, leather, pharmaceuticals, light engineering, food processing, ICT and ICT-enabled services, ship building and ship breaking, and the retail sector. In addition, we would investigate the leading business groups that are increasingly demonstrating their prominence in the

economy. We have conducted a survey of the top 20 firms in each sector with support from the Metropolitan Chamber of Commerce and Industry, Dhaka. In 2012/13, as the first year of the two-year project, we have covered 5 sectors, namely, textile and readymade garment, jute, leather, pharmaceutical, and retail. Added in the interim report are papers analyzing the trend of Japanese investment in Bangladesh and statistics related to the manufacturing sector in Bangladesh.

Organizer: MURAYAMA Mayumi

Co-researchers: YAMAGATA Tatsufumi, SHONCHOY Abu, TSUBOTA Kenmei, SUZUKI Takashi (Representative, JETRO Dhaka), ANDO Yuji (Trainee, JETRO Dhaka)

⑬ The Role of Judges and Judicialization of Asia

In the last few decades, we have witnessed the growing influence of the judiciary toward the policy making and political process in Asia, as well as in other regions. The recent study has conceptualized such expansion of judicial review as “judicial activism” or “judicialization”. What has caused judicialization in Asia? What determines the pattern of judicialization? This study covers South Korea, Taiwan, Hong Kong, the Philippines, Indonesia, India, and Thailand. In some Asian countries, judicialization has emerged from the democratic movement and the series of institutional reforms. The reform includes the establishment of the Constitutional Courts modeled on continental European countries and the enactment of the Bill of Rights. In addition to institutional changes, we think the role of judges and the strategy of users of litigation also matter. Certain types of litigants try to make use of new procedures and opportunities that are newly opened for them in order to realize their interest and arguments. The background of judges varies among the courts. For example, in the Constitutional Courts of Korea and Taiwan, many judges are selected from law scholars and professionals other than career judges.

Organizer: IMAIZUMI Shinya

Co-researchers: CHIBANA Izumi, SUZUKI Ken (Professor, Hokkaido University School of Law),

KOKUBUN Noriko (Professor, University of Tsukuba Graduate School of Humanities and Social Sciences Law), ASANO Noriyuki (Associate Professor, Osaka Ohtani University), SHIMADA Yuzuru (Associate Professor, Nagoya University Graduate School of International Development)

(2) Regular Analytical Research Projects

① Analysis of Current Affairs in Asia

Asia in 2012 was heavily affected by the China-US rivalry and the European financial crisis. The China-US rivalry had two major aspects: China’s growing interests in maritime claims paralleled by expansion of air and marine forces, and the strategic shift of the US armed forces towards Asia to check China’s rise in the region. The negative impact of the European financial crisis reached Asia. Several leading economies stayed stagnant, affected by the prolonged worldwide recession.

Our project analyzes political, economic and social developments in 2012 in the countries and regions of East Asia, Southeast Asia and South Asia. In addition to the country- and region-specific reports, we investigated the US policies toward Asia.

The final results of this research project have been published in the *Yearbook of Asian Affairs 2013* (in Japanese), which contains 24 reports of current analyses on Asian countries and regions.

Organizer: NAKAGAWA Masahiko

Co-researchers: ARAI Etsuyo, SATO Yuri, SASAKI Norihiro, IKEGAMI Hiroshi, SUZUKI Yurika, WATANABE Yuichi, OSADA Noriyuki, LYU Haksu, MATSUMOTO Haruka, HOKEN Hisatoshi, ISHIZUKA Futaba, KOJIN Emi, HATSUKANO Naomi, YAMADA Norihiko, FUNATSU Tsuruyo, AIZAWA Nobuhiro, CHIBANA Izumi, HISASUE Ryoichi, KAWAMURA Koichi, HIGASHIKATA Takayuki, OKAMOTO Ikuko, KONDO Norio, MAKINO Momoe, SUZUKI Hitoshi, HIRAIZUMI Hideki, OKUDA Satoru (Asia University), MINATO Kunio (Ritsumeikan University), MIFUNE Emi (Komazawa University), YUKAWA Taku (Japan Society for the Promotion of Science / University of California, Berkeley), SUZUKI Ayame (Fukuoka

Women's University), MIZUNO Kumiko (South-East Asian Researcher), SATO Hiroshi (South Asian Researcher), MIZUNO Masami (Nihon University), MURATA Koji (Doshisha University), INOUE Takeshi (Nanzan University)

② Econometric Modelling on Asia for Long-term Evaluation (EMALE) III

This research project attempts to provide an outlook regarding long-term growth prospects based on domestic demand expansion in Asian countries. Macro-econometric models, which give attention to demographic factors as determinants of consumption, are constructed, and alternative policy options for domestic demand expansion are discussed. Firstly, consumption functions with demographic variables are estimated for East Asian economies. Secondly, bilateral import functions for the purpose of construction of a trade link model are estimated for China, Japan, Korea, Taiwan and the United States, which will be included in each country model. Thirdly, prototype models for Korea and Taiwan are constructed, and some tests are conducted for model stability. Finally, all the datasets that are collected and processed for these topics are provided.

Organizer: UEMURA Jinichi,

Co-researchers: WATANABE Yuichi, OIZUMI Keiichiro (Senior Researcher, Japan Research Institute)

③ Compilation and Use of the 2005 Transnational Interregional Input-Output Tables for China, Japan and Korea

IDE-JETRO has already constructed and released the "2000 Transnational Inter-regional Input-Output Table between China and Japan." This time, the new data, "2005 Transnational Inter-regional Input-Output Table for China, Japan and Korea" will be constructed, using the basic framework of the newly released 2005 Asian International Input-Output Table. It is expected that the data will serve as a basic analytical tool for studying the evolution of cross-national production networks in East Asia on a region-to-region basis. The project has been conducted in close collaboration with the foreign institutions in charge of constructing their own national data: the State Information Center of

China and the Bank of Korea.

Organizer: INOMATA Satoshi

Co-researchers: MENG Bo, HASHIGUCHI Yoshihiro, SHIBATA Tsubasa, OKAMOTO Nobuhiro (Daito-bunka University), ARAI Sonoe (Ministry of Economy, Trade and Industry)

④ Long-term Forecast for Population and Industrial Clusters in East Asia using The Geographical Simulation Model: Study based on 2010 Economic Geographical Data (I)

The Geo-Economic Dataset for Asia (GEDA) covers 16 countries and regions in East Asia (i.e., ASEAN10, China, Japan, Korea, Taiwan, India, and Bangladesh) at the sub-national level and includes population, area, and GDP by industry for 2005. GEDA includes GDP by industry at the sub-national level for the following 26 sectors: Agriculture, Fishing and Forestry, Mining, Manufacturing (16 sectors), and Services (7 sectors). GDP is nominal and converted into US dollars using the average exchange rate between the local currency and US dollars in 2005, based on International Financial Statistics (IMF). The division of regions in GEDA follows the administrative divisions in each country. Except for Hong Kong, Macao, Singapore, and Brunei, GEDA adopts a primary-level administrative division, although secondary-level administrative divisions are adopted for China, India, Indonesia, Bangladesh, and Myanmar. Although GEDA was primarily created as a dataset for Geographical Simulation Model (IDE-GSM), it also suits general use and is a pioneering work to provide a unified geo-economic dataset for Asian countries at the sub-national level. We have strived to make GEDA as accurate as possible, while providing data for more regions and sectors. GEDA has been made public as an atlas, and the raw data is also partly downloadable.

Organizer: KUMAGAI Satoru

Co-researchers: TSUBOTA Kenmei, KEOLA Souknilanh, ISONO Ikumo (Economic Research Institute for ASEAN and East Asia (ERIA)), HAYAKAWA Kazunobu, GOKAN Toshitaka

(3) Spot Research Projects

① The 13th General Election in Malaysia: Issues, outcomes and implications

The 13th General Election (GE 13) in Malaysia is expected to be the country's most tensely contested election to date. Its outcome, uncertain given the present political flux, is potentially far-reaching for power restructuring. If the opposition coalition performs better than in 2008, there will be major changes to the political system, affecting the viability of a two-coalition system and raising implications for pluralist politics, regional balance of power and revisions of the policy regime. If the ruling coalition overcomes the opposition challenge in a dominant way, basic policies will be retained, but the existing ethnic framework of representation and power-sharing will come under considerable stress. As some parameters of electoral politics become infeasible, new sources of political activity, new alliances and demands for reform will combine to determine the outcome of GE 13. One issue is critically important – the conduct of GE 13 itself. The ruling coalition and the Electoral Commission insist that GE 13 will be fair and free, but the opposition coalition and a broad-based movement for electoral reforms demand crucial changes to procedures and rules before the election takes place. If the election results in a 'hung Parliament', the political system could enter a stage of considerable instability.

Organizer: KHOO Boo Teik

Co-researchers: NAKAMURA Masashi, SUZUKI Ayame, (Fukuoka Women's University, Japan)

② The Era of Great Floods in Thailand: Lessons from 2011 and information on preventive measures

The floods that occurred in Thailand in 2011 were an unprecedented national crisis. In this book, the study team (composed of 3 natural scientists and 4 social scientists) takes up the following themes: (1) questions on the causes of the floods, (2) loss and damage in the industrial estates and airports, (3) provisions for floods and social reaction, (4) preventive measures after the floods. The study aims to deepen

the understanding on this historical event through detailed records and tries to provide the necessary background for understanding the effects of the 2011 Thailand floods.

Organizer: TAMADA Yoshifumi (Professor, Graduate School of Asian and African Area Studies, Kyoto University)

Co-researchers: FUNATSU Tsuruyo, HOSHIKAWA Keisuke (Center for Integrated Area Studies, Kyoto University), AIZAWA Nobuhiro, SUKEGAWA Seiya (JETRO Bangkok)

③ The impact of intra-regional assistance on reshaping the regional order within the Middle East after the Arab Spring

After the Arab Spring, the regional order has shifted between individual countries as well as at the regional level. In some countries, new political actors have emerged as a result of regime change and tried to make new relationships with neighboring countries. Other countries that are relatively stable in the political realm have attempted to have an influence on the regional order.

In this research project, we focused on nine Middle Eastern countries and analyzed their economic diplomacy after the Arab Spring. The countries in question can be classified into the three following broad categories: (1) The countries such as Egypt, Turkey, and Qatar, which pursue aggressive diplomacy to stabilize the regional situation, (2) GCC countries, which have attempted to maintain the status quo of the regional order, and (3) Iran, which has tried to find ways to influence regional issues.

Organizer: TSUCHIYA Ichiki

Co-researchers: SAITO Jun, SATO Hiroshi, MATSUO Masaki (Associate Professor, Utsunomiya University), TSUJIGAMI Namie (Associate Professor, University of Tokyo), HORINUKI Koji (Researcher, The Institute of Energy Economics), IWASAKA Masamichi (Research Fellow, Japan Society for the Promotion of Science), SAKANASHI Sachi (Senior Analyst, The Institute of Energy Economics)

④ Policy Changes and Transformation in Democratic South Africa

Since the apartheid regime ended, South Africa's presence in the global economic and political arena has increased, being now regarded as an emerging power. When we turn our eyes to the internal situation, however, there are huge challenges remaining for economic and social transformation. The aim of this research project was to explore the relationships between public policy and socio-economic transformation in South Africa since democratisation. In the final report, we traced the trajectories of several important public policies under the ANC government since its inception in 1994, and analysed what impact they have had on the South African economy and society. The policy areas that we covered include Black Economic Empowerment (BEE), social security, local government reform, trade policy, exchange control, and immigration policy. In our analysis, we deliberately incorporated regional and global perspectives, in addition to examining the domestic policy process.

The members of this research project were contributors to our previous book in Japanese, which was published in March 2013 (*Minami-afurika no Keizai-shakai-hen'yo* [Economic and Social Transformation in Democratic South Africa], Kenkyu Soshu No. 604). Based on the book, in this project we updated information at the timing of the National Conference of the governing party, the African National Congress (ANC), in December 2012, and compiled a final report in English. The report will be printed in book form as well as published on the IDE website.

Organizer: MAKINO Kumiko

Co-researchers: SATO Chizuko, YANAI Akiko, AMINAKA Akiyo (Research Fellow, Japan Society for the Promotion of Science), NISHIURA Akiyo (Professor, Soka University), FUJIMOTO Yoshihiko (Hiroshima University)

⑤ Venezuela's Presidential and Regional Elections in 2012

This study aimed to analyze the presidential and regional elections celebrated in Venezuela in 2012. The election was to determine whether Chavez could extend

his term in office to 20 years, and whether the country would deepen Chavez's socialist revolution, named the "Bolivarian Revolution". Chavez won his fourth victory in October, as did most of his candidates in the regional elections in December. However, Chavez had to confess that he had a cancer relapse only one and a half months after his victory. He passed away in March 2013, and a new election was called, in which Vice-President Maduro, Chavez's hand-picked successor, won to continue the 'revolution'.

The objective of this research project was to analyze the two important elections in 2012. Most of the chapters had been written before Chavez's death; however, the analysis, information, and perspectives that those chapters present are still relevant and important even after the drastic change in the situation. The new developments after Chavez's death, the new presidential election, and the inauguration of the Maduro government, were incorporated into the introduction.

The preliminary version of the report was made public on the IDE's website on March 13th in order to present the analysis as soon as possible after Chavez's death on March 5th. The final report is to be published as a topic report in August 2013.

Organizer: SAKAGUCHI Aki

Co-researchers: Thais Maingon (professor, CENDES-UCV), Jorge Díaz-Polanco (professor, CENDES-UCV), Héctor Briceño (professor, CENDES-UCV)

⑥ China's new leadership: Transfer of power from Hu to Xu

Xi Jinping's government started during the 18th National Congress of the CPC in November 2012. This project intended to investigate the political, economic, and diplomatic problems that confront his government and to make a survey of them. We provided two chapters to investigate the urgent problems, the reform of state-owned enterprises and the social welfare system. This February, we released the interim report on our website. Afterwards, we continued to analyze the result of the first session of 12th People's Congress this March. We investigated personnel changes in the cabinet, economic policy and foreign policy. All results will be published as a situation analysis report (Josei-bunseki-repoto).

Organizer: ONISHI Yasuo

Co-researchers: SASAKI Norihiro, WATANABE Mariko, MATSUMOTO Haruka, ABE Junich (Kazankai Foundation), SAWADA Yukari (Professor, Tokyo University of Foreign Studies)

(4) Collaboration Research Projects

① [Joint Study with TIER] Taiwan's Challenges to its Upgrade Metal and Machinery Industries and the Possibility of Cooperation with Japan's Industries

The long-term economic stagnation and the appreciation of the Japanese yen since 2008 have forced Japanese firms to accelerate internationalization. However, Japanese small- and medium-sized enterprises (SMEs), who have transacted mainly with large domestic companies so far, are seriously lacking in experience and the resources necessary for internationalization although they still possess a number of advanced technologies. Taiwan's economy has sustained steady growth, accommodating itself in the changing global economy and exploiting the resources in mainland China in particular, while it requires more sophisticated technologies for the purpose of further upgrading. The mutual complementarity of advantages and problems has created the possibility of alliances between Japanese and Taiwanese firms.

In actual fact, the exchanges between them have been very active in recent years and lots of alliances have been achieved. Nevertheless, there are many challenges remaining for further promoting formation of alliances. Taiwanese firms should deepen their understanding of Japanese firms introducing excellent Japanese systems such as the Toyota Production System. Taiwan's government needs to strengthen the functions of portals for Japanese firms such as the Taiwan-Japan Industrial Collaboration Promotion Office. So that Japanese firms realize the goal of internationalization, it is essential for them to understand its significance and remain on the right path. Japanese central and local government as well as various organizations have supplied support for the SMEs' internationalization and should maintain and expand this support. Especially, it is expected to

intensify the support in the stage of negotiations for alliances, which are remarkably insufficient compared to other stages.

Organizer: SATO Yukihiro

Co-researchers: LIN Xinwu (Director, Research Division III, Taiwan Institute of Economic Research), WANG Muchun (Research Division III, TIER), CHENG Hanjung (Research Division III, TIER), MORINAGA Masahiro

② [Institute of Developing Economies – Fukuoka Prefecture Joint Research Project FY2012] International Environmental Cooperation between Local Governments and the Perspectives of Environmental Business throughout Asia

IDE-JETRO and Fukuoka Prefecture have conducted a joint research project that views the economy in Fukuoka from the perspective of Eastern Asian economic integration and discusses the growth strategy that reflects its local geographical characteristics since FY2010. Fukuoka Prefecture jointly proposed the “Green Asia International Strategic Comprehensive Special Zone” with Fukuoka City and Kitakyushu City, and this proposal was designated as one of the “International Strategic Comprehensive Special Zones” by the national government. Under this strategy, Fukuoka prefectural government has been promoting the “Local governments' environmental collaboration in Asia” project since 2011 to support the resolution of environmental problems in friendship areas in Asia based upon the experience and know-how obtained from overcoming industrial pollution. Therefore, in FY2012 joint research, IDE-JETRO and Fukuoka Prefecture analyzed what types of environmental cooperation would contribute to environmental business activities in Asia by companies in Fukuoka, and studied how local governments' environmental cooperation should function to realize its potential capacity in the field of the environment. The policy proposal of this project is summarized as follows: in order to promote international cooperation and to effectively support the international business development of companies in Fukuoka, first, it is important to understand the current situation regarding

environmental strategy and the division of the roles in the government of partner countries. Second, it is also necessary to explore their needs by giving them the opportunity to learn about Japanese technology and its social system.

Organizer: KOJIMA Michikazu

Co-researchers: IMAI Kenichi (Research Associate Professor, The International Centre for the Study of East Asian Development, Kitakyushu), AMANO Hiroyasu (Chief Researcher, Fukuoka Asian Urban Research Center), MAEDA Toshizo (Senior Researcher, Kitakyushu Urban Center, Institute for Global Environmental Strategies), MATSUMOTO Toru (Professor, Department of Life and Environmental Engineering, The University of Kitakyushu), ARAHATA Minoru (JETRO Fukuoka), ISHIGA Yasuyuki (JETRO Kitakyushu), SAKATA Shozo, SATO Hajime, YOSHIDA Ryuzo (Planning Counsellor, Environmental Policy Division, Environmental Department, Fukuoka Prefectural Government), ONIKI Yukio (Deputy Director, International Business & Tourism Promotion Division, Commerce and Industry Department, Fukuoka Prefectural Government)

③ [IDE-JETRO/UNIDO] Asian Trade Standards Compliance Report; Analysis on Trade Border Rejection Data in Developed Markets

In this collaborative research with UNIDO, IDE analyzed the trends in port rejections of exports from East Asian countries to the four important markets of US, EU, Japan, and Australia. To identify critical weak points in the export value chains, we conducted detailed case studies of frozen vegetables and eels from China, and pangasius and shrimp exports from Vietnam. Our research points out that the export activities in these countries are vertically integrating, which is the only way to ensure that exports from these countries can meet the required standards set by importing countries by putting in a rudimentary traceability system.

The implication is the bifurcation of these industries into export-oriented and domestic-oriented segments. The actions to improve quality of agricultural and food products should be initiated now so that even the

smallholder farmers can adjust their production processes to meet higher standards in both international and domestic markets. Without these efforts, smallholder farmers will be further left behind and could potentially lead to an increase in inequality. In addition, the presence of foreign direct investment provides great benefits to the development of local industry in the agriculture and food sector. Further liberalization of foreign direct investment in this sector should be pursued simultaneously.

Organizer: NABESHIMA Kaoru

Co-researchers: MICHIDA Etsuyo, YAMADA Nanae, MORI Romio (JETRO Guangzhou), OHTSUKI Tsunehiro (Professor, Department of International Public Policy, Osaka School of International Public Policy), SUZUKI Aya (Lecturer, Graduate School of Frontier Sciences, the University of Tokyo), VU Hoang Nam (Professor, Foreign Trade University Vietnam), YOSHIDA Noboru, Steffen KAESER (UNIDO Trade Capacity Building Branch, Industrial Development Officer), Thomas BERNHARDT (UNIDO Trade Capacity Building Branch, Industrial Development Officer)

3. Basic and Comprehensive Research

(1) Rural Development in Vietnam: Transformation of the Rural Economy under Rapid Economic Growth

This study aims to analyze the characteristics of the transformation of the rural economy in Vietnam in the context of the nation's rapid economic growth. Although the *Doi Moi* reform has brought rapid industrialization to Vietnam, the country's economic growth still owes much to its export of agro-produce such as rice, coffee and cashew. Despite the fact that the value of agricultural production has decreased to below 20% of GDP, the number of rural inhabitants still counts for 70% of the total population. This study focuses in particular on the modernization of agricultural production and the emergence of non-agricultural economic activities in rural areas.

One of the main findings includes the fact that increased productivity of agricultural land since the 1990s has curbed the liquidity of property in the land market, due to the increased incentive for each farmer

to keep their agricultural land. Under such circumstance, farmers, instead of abandoning agricultural activities, have opted for measures to increase their income by, for example, investing in agricultural machinery to rent out to other farmers, or letting their young household members work in the industrial sector based in rural areas. In rural Vietnam, local enterprises in industrial parks that look for low-wage labor and informal businesses in “craft villages” have provided employment opportunities for those farmers.

Organizer: SAKATA Shozo

Co-researchers: TSUKADA Kazunari, KOJIN Emi, TSUJI Kazunari (Associate Professor, Faculty of Agriculture, Saga University), NIIMI Tatsuya (The Institute of Economic Research, Chuo University), TAKAHASHI Rui (Junior Associate Professor, School of Political Science and Economics, Tokai University), FUJIKURA Tetsuro (Graduate School of Arts and Sciences, University of Tokyo)

(2) Comparative Study on the Organizational Capabilities of Asian Rural Societies

The self-organizing activities of local people are a prerequisite for community-based and participatory rural development. The research objective of this volume is identifying the local mechanisms through which rural people organize themselves for their development needs. We have innovated and applied an “organizational process approach”, a method in which we investigated the local social systems by examining the way of forming development organizations. Through case studies in seven Asian countries, we have found that the local society is a composition of locality groups (local administrative organizations and social organizations) each of which has institutions and resources that could be mobilized for organizational activities. The characteristics of each locality group and the composition affect the form of organizations and way of building organizations. We have presented some varieties of local social systems that may be useful for researchers and practitioners on rural development to understand their project sites.

Organizer: SHIGETOMI Shinichi

Co-researchers: OKAMOTO Ikuko, YAMADA Nanae, IWAI Misaki (Kanda University of International Studies), HAYAMA Atsuko (Kurume University), SHIMAGAMI Motoko (Kyoto University), Akina VENKATESWARLU (Senior Fellow, Centre for Economic and Social Studies, India)

(3) Business Management and Information Gathering of Textile and Apparel Enterprises in Middle Eastern Countries

The research project aims to clarify how Egypt and Iran are coping with the government’s policy alteration and globalization, dealing with the textile and apparel industries of these countries as objects of our research.

Both countries are exposed to harsh competition with foreign goods at the moment, due to deregulation and liberalization. Even a pessimistic view of the textile industry’s ‘total demolition’ is often heard in Egypt and Iran. However, this view is a too-hasty conclusion. Newly rising apparel producing firms are found over a large area in Egypt. It is observed in Iran, too, that apparel firms have not been totally ‘culled’ and some of them succeed in surviving by switching business. We can see early signs of novel forms of business in both countries.

It can be inferred that a difference in historical circumstances between Egypt and Iran has a considerable effect on the development patterns of textile and apparel industries. In the Egyptian textile and apparel industry, which has grown under the strong protection of the state, there are many small firms that have just entered the business. These producing firms are already being corralled by the distributors in big cities. The firms might be integrated vertically and horizontally, just like the old industrial cluster centering on the public sector in Egypt.

Contrary to this in Iran, where the role of the public sector has been relatively small, business management know-how must be accumulated more in private firms. The apparel firms respond quickly to change in the economic environment, and secure manifold alternatives including switching business. Furthermore, some large top-ranking apparel firms even succeed in extending their market in neighboring countries, against intensifying competition. Although the management skill of each Iranian apparel firm seems to be outstanding compared to Egypt, the

possibility is slight that the producing firms will be extensively organized in Iran in the foreseeable future.

Organizer: IWASAKI Yoko

Co-researchers: KATO Hiroshi (Research Professor, Graduate School of Economics, Hitotsubashi University), KASHIWAGI Kenichi (Assistant Professor, The Alliance for Research on North Africa, University of Tsukuba), IWASAKI Erina (Assistant Professor, Faculty of Arts and Letters, Kyoritsu Women's University)

(4) Dynamics of the Garment Industry in Low-income Countries following the MFA Phase-out

The export-oriented garment industry has grown in low-income countries and provided employment opportunities to unskilled workers. While it is regarded as a non-innovative sector, which is destined to participate in the “race to the bottom”, much of it has, in fact, continued to grow in the liberalized market with significant increases in real wages. This project aims at demonstrating the dynamism of the garment industry and exploring its contribution to economies and poverty reduction through comparative case studies in seven low-income countries, namely, Bangladesh, Cambodia, Kenya, Madagascar, Myanmar, Pakistan and Vietnam.

The most significant finding is that the garment industry is dynamic: firms have made progress and product innovation is motivated by frequent firm turnover within the industry. Technological and managerial upgrading realized the growth of exports and increase of real wages in a competitive market. In Pakistan, garment firms are even challenging social norms that restrict female labor force participation. In contrast, such dynamism has not occurred in Kenya where wages for unskilled workers are the highest among the seven countries. High wages must be accompanied with skill and a good business environment, so that firms can upgrade product quality.

Garment industries are susceptible to intervention and to market access conditions. In Myanmar and Madagascar, restrictions on access to the US and EU markets significantly reduced garment exports and employment for unskilled workers. Without interventions, the garment industry contributes to

economic growth and poverty reduction in low-income countries.

Organizer: FUKUNISHI Takahiro

Co-researchers: MAKINO Momoe, ASUYAMA Yoko, GOTO Kenta (Associate Professor, Department of Economics, Kansai University), KUDO Toshihiro, YAMAGATA Tatsufumi

(5) Analysis of 30 years of Industrial Development in China: An Industrial Organization Theoretical Approach

China has achieved striking economic development since it initiated its open-door policy in 1978, becoming the world's second largest economy in 2010. Market structures within each of the various industries of China are extremely diverse compared to India, which has a population that is similar to China's, or compared to Japan, which China has recently surpassed in terms of total GDP. This fact implies that fixed costs, which constitute the cost of entering industries, are low but have not decreased, and that variable costs are low, thereby facilitating a longer stay in the market. Therefore, we explore fixed costs, variable costs, and other factors that have determined the developmental path in the past, and which can be used to predict the future development of industries in China. In regard to entry cost, we focus on technology and distribution channels. We also refer to food production, energy policy, and the labor market.

Organizer: WATANABE Mariko

Co-researchers: KIMURA Koichiro, DING Ke, HOKEN Hisatoshi, ASUYAMA Yoko, YAMAGUCHI Mami, MARUKAWA Tomoo (University of Tokyo), OHARA Moriki (Ryukoku University), HORII Nobuhiro (Kyushu University)

(6) Impact of the Global Economy on Trade Trends in India

Traditionally, it is said that India's economic growth has mainly been driven by domestic demand, though its dependence on foreign demand has steadily increased during the last few decades. Recognizing the importance of export expansion in the Indian economy, a large amount of the literature has empirically examined the causal relationship between

export expansion and economic growth in India. Although the direction of causality appears rather mixed, depending on the variables selected, sample periods, and empirical techniques, the more recent literature is likely to find support for the export-led growth hypothesis in India. Given these recent empirical findings, we focus on export growth as an engine of growth, and by estimating India's export demand function examine whether and to what extent India's export trend has been affected by external factors, particularly in the post-liberalization period. The empirical results indicate that all estimated coefficients are statistically significant with expected signs, and that the absolute value of the coefficient is the largest for the world price, followed by world income and domestic income. Our results reveal that price competitiveness has improved India's export market. Moreover, the statistically significant world income elasticity suggests that the global economic boom may contribute to an increase in India's exports, whereas the global recession has likely had an adverse impact on the Indian economy through its trade channel.

Organizer: INOUE Takeshi

(7) Modern Agribusiness and Land Property in Latin America

This study looks at the property rights system for agricultural land as a determining factor of the agribusiness structure in Latin America. Property rights regarding land take various forms, such as open access, communal property, private property, and state property. Also, depending on the land rights in each country / region / commune, even global agribusiness enterprises have to adjust the production processes in their supply-chains according to each regional institution. In this study we will focus on the land for indigenous minority groups and ex-coca growers as the emerging issues of agricultural land policy in Latin America.

As a preliminary study for the two-year project, we reviewed the historical data as well as statistical data concerning the relevant topics of this project. One is the historical process of the land reform in each country, which has affected the present formation of the land tenure system. Statistical analyses of our study also provide regional variations for land tenure and agricultural systems.

Organizer: KITANO Koichi

Co-researchers: TANI Hiroshi (Sophia University), SANO Sayaka (Toyo University), SENDAI Yuichi (Sophia University), MURASE Sachiyo (Sophia University)

(8) Japanese and Chinese Models of Industrial Organization and Industrial Development: An Analysis of the Vietnamese Motorcycle Industry

This research was an attempt to shed light on the processes and mechanisms by which developing country suppliers at the bottom of the technological ladder develop their firm-level capabilities over an extended period of time. To this end, this research engaged in a systematic empirical analysis of local suppliers' capability building in the Vietnamese motorcycle industry over the period of a decade since the late 1990s, applying original methodological apparatuses.

The key findings are two-fold. First, supplier learning was found to be an evolutionary process involving major leaps, slower progress, and/or even halted learning at different phases. Starting at very rudimentary levels, supplier learning entered a qualitatively new phase towards the end of the decade under investigation, with high-performing suppliers acquiring basic innovative levels of capabilities demanded by their customers and learning driven by mechanisms qualitatively different from previous phases. Second, supplier learning in the Vietnamese motorcycle industry was explained in terms of the transformation of two contrasting learning models, which was driven by shifting roles played by the suppliers and their lead firms.

In all, the above findings not only pointed to a much more dynamic picture and provided greater insight into local suppliers' capability building than that illustrated by previous research, but also made key theoretical and methodological contributions to the processes and mechanisms of developing country suppliers' learning about participating in varieties of value chains.

Organizer: FUJITA Mai

(9) Conflict and Reconciliation in Africa and the Middle East

Reconciliation is undoubtedly the ultimate goal in the post-conflict peace-building process. Through our previous research project conducted in FY2009-2010, we had confirmed the analytical validity of the concept of “state formation,” which entails broad processes such as the establishment of state institutions, nation-building and national integration, and consolidation of a particular power structure and political economy, to deepen our understandings of conflicts. We relied consecutively on the same analytical concept – state formation – in this research project focusing on post-conflict reconciliation in Africa and the Middle East. By doing so, we expected to depict reconciliation as a multi-dimensional project concerning memory, justice, social integration, state institution, and democracy. During this year, we conducted case studies on the following eight countries: Burundi, Côte d’Ivoire, Iraq, Kenya, Rwanda, Somalia, South Africa and Syria. These countries had been selected to represent a transection of the diverse task of post-conflict reconciliation in terms of historical background, nature, and significance. The final report will be published in FY2013 by IDE.

Organizer: SATO Akira

Co-researchers: TSUDA Miwa, TAKEUCHI Shinichi, ENDO Mitsugi (Professor, University of Tokyo), AOYAMA Hiroyuki (Associate Professor, Tokyo University of Foreign Studies), ABE Toshihiro (Associate Professor, Otani University), YAMAO Dai (Lecturer, Kyushu University)

(10) Costa Rica: Latin America’s Small Dragon, or the Region’s Unique Social Democracy?

The purpose of the project is to publish a book on Costa Rica’s democracy and development. Costa Rican society has been polarized since the introduction of neo-classic economic reforms in the 1980s. Yet, Costa Rica has successfully maintained its liberal democracy based on popular sovereignty, civil liberties, and a check-and-balance system among legislative, administrative and judicial powers. The people’s trust of their democracy has been fairly

strong in all classes, which guarantees a stable democratic system in Costa Rica. Costa Rica has maintained strong diplomatic and military relations with the US, and also in recent years, open and close economic and commercial relations with the country, principally on the free trade agreement.

Costa Rica’s generous social policy has been introduced and maintained by the social-democratic National Liberation Party (PLN). Institutionally the social policy has been transformed to be more neo-liberal, but the public budget based on it has been quite considerable. The PLN has especially emphasized the importance of public education, but recently acknowledged the necessity to strengthen secondary education, which had been neglected for several years for structural adjustment programs. The effect of industrial policy through foreign direct investments has been limited, but foreign investments have contributed to high economic growth. Although Costa Rica has much less poverty than most Latin American countries, income distribution has worsened. Public opinion on neo-classical economic policy has been sharply divided, and Costa Rica’s traditional politics based on consensus has not functioned well. However, the people’s strong trust in democracy would maintain stable democracy in a case of economic or social crisis, without inclining to authoritarian or populist regimes.

Organizer: YAMAOKA Kanako

Co-researchers: USAMI Koichi, YONEMURA Akio, MITSUO Hisayuki, KITANO Koichi, KOZAKI Tomomi (Senshu University), HISAMATSU Yoshiaki (Toyo University), OJIRI Kiwa (Tokyo Woman’s Christian University), MURAI Tomoko

(11) Urbanization in China: Expansion, Instability and Social Management Mechanisms

The purpose of this project is to consider what kind of impact urbanization has given to politics in contemporary China. Our findings can be summarized by the three points below.

First, there are changes in the social space caused by urbanization. For a long period, *danwei* was a basic unit that constituted urban society in China. After 1990s, *danwei* became diversified and fragmented

through the collapse of the *danwei* system and the progress of urbanization. To manage a fragmented urban society, the *shequ* (community) appears as an autonomous institution. With strong support from government, the *shequ* plays important roles as a government agency rather than a self-governed institution. Social organizations based on self-interest or public interest began to challenge this situation.

Next, social stratification is the main reason to explain the rising number of social organizations. But there is another movement to recover equilibrium by those people who suffered damage during the process of urbanization. Even if a formal organization cannot be launched due to institutional restraint and other factors, it is a characteristic that society is going to affect policies through collective action.

Third, only a few social organizations can affect the policy process by the limits of institutional arrangements. However, opinion that represents public interest has a strong impact on the policy process. Meanwhile, the state tends to cope with various opinions from society by strengthening the social management function of the army, and reorganization of government agencies.

Organizer: AMAKO Satoshi (Waseda University)

Co-researchers: REN Zhe, Jaehwan LIM (Aoyama Gakuin University), Maosong WU (Keio University), Mei HUANG (University of Tsukuba)

(12) Family and Sexual Honor among the Urban Poor in Turkey

In Turkey, the ideals of the Western modern family and romantic love were introduced to replace traditional kinship and sexual honor (*namus*) in the course of modernization reform. While the idea of the modern family has been widely accepted, especially among the middle and upper classes, it has not been well examined how people actually live with these seemingly conflicting ideas and accordingly reorganize their families. This study aims to examine how the concept of sexual honor as the value of kinship is interpreted, and reconcile with the ideal of the modern family among the urban poor, using the results of fieldwork conducted in the low-income district of Istanbul. The major findings are as follows. First, women tend to distinguish the meaning of protection of their honor by

their husbands and by their relatives. They accept the former as the expression of conjugal love, while finding the latter as ever more oppressive than before. Second, women now understand economic support by their husbands as the proof of love. These changes suggest the transformation of the concept of honor to the one that suits the ideal of the modern family.

Organizer: MURAKAMI Kaoru

(13) Economy of Cash Transfer Policies in Developing Countries

Nowadays, cash transfer policies have come to be the main poverty alleviation policies in Asia, Africa, and Latin America. After the 1990s, Conditional Cash Transfer programs that require accomplishment of children's education, immunization programs and so on are widespread in Latin America and the conventional cash transfer programs are also seen in these areas. At the same time, the various types of discourse about Basic Income Grant are realized widely. Basic Income Grant is one of the ideas of social policy that insists every citizen should receive a certain amount of money only under the condition of being a citizen.

We try to analyze how certain types of ideas of cash transfer programs are transferred internationally, how they are adopted, and how they are realized as a program under certain institutions in this study program. This is an interim report of our research. We surveyed previous studies of cash transfer programs and explained their characteristics in this report. This research studied the cases of Poland, South Korea, Mexico, Brazil, Argentina, South Africa, and Ethiopia.

Organizer: USAMI Koichi

Co-researchers: MAKINO Kumiko, MIZUNO Junko, KODAMA Yuka, KONTA Ryohei, HATA Keiko (Professor, Waseda University), SENGOKU Manabu (Professor, Seinan Gakuin University)

(14) Political Participation in Latin America in the Era of "Post-neoliberalism"

The purpose of this study group is to elucidate the reality of civic political participation that has been deployed in the Latin American 'post neoliberal period'. Neoliberal reforms in the 1980s and 1990s

have changed the state-society relationships, reduced the powers and resources of central government, and with the force of anti-neoliberal movements, expanded the horizons of political participation. We can recognize various forms of (new) civic political participation beyond the traditional representative democratic framework for political participation, such as civic participation in the budgeting and policy-making of local government, the establishment of a new forum for policy discussion in local sites, non-institutional political protests against government and its policies, and so on. Moreover, this new practice was one of the crucial factors that have led to 'the resurgence of the Latin American left' in recent years. Therefore, through this research project, we aim to explore and analyze the background, operation, level of institutionalization and political impact of these new forms of current political participation. Especially, in this year term, we have intensively discussed through the theoretical and methodological issues "What does 'post-neoliberal' mean?", "How should we define 'political participation'?", and so on.

Organizer: UETANI Naokatsu

Co-researchers: SAKAGUCHI Aki, IZUOKA Naoya (Keio University, Professor), SHINOZAKI Hideki (Keio University, Part-time Lecturer), FUNAKI Ritsuko (Chuo University, Associate Professor), MASUKATA Syuichiro (Sophia University, Doctor Course Student), MIYACHI Takahiro (Doshisha University, Assistant Professor)

(15) Who Benefits? : The Class Impact of Social Security Reform in Turkey

The literature shows that the provision of public health services in advanced economies is fairly equal across income groups; in developing countries, however, lower income groups often lack access to public health services. To reduce this inequality several developing countries have introduced universal public health services, but few studies have examined the impact of the extended health insurance coverage on the poor. Turkey began to reform its health services in 2003 and introduced universal health insurance in 2008. Compared with other studies

on health system reform in developing countries, the longer time period of the Turkish reform allows the effect of sequential expansion of public health service coverage on the poor to be examined. This paper tested the interaction effect of a dummy variable for each year and the lower income dummy variable on satisfaction with public health services. The results of the ordered logit model analysis reveal that health service satisfaction in the lowest 30% income group increased more than that in the highest 70% income group as the reforms proceeded. The interactions between the year dummy and the lower income dummy were consistently positive from 2005 to 2011. The analysis also shows that the larger increase in satisfaction in the poor compared with the rich persisted even during the post-reform consolidation period (2009-2011), which suggests that their satisfaction increased not so much because they were impressed by the positive changes as because they appreciated the current level of service delivery.

Organizer: HAZAMA Yasushi

(16) Political Determinants of Social Policy

Does democratization bring about greater redistribution of wealth in developing countries? If not, why not? This is the main question we seek to address in this research project. In order to address this question, we seek political factors determining social policy (redistributive policy), which is closely related with socioeconomic inequality. Our reviews on existing literature indicate there exists variation in redistribution in new democracies while democratic institutions have certain impacts on redistributive policy. We also found that previous studies imply that there is a missing link between redistribution and inequality, because increases in expenditures for redistribution do not necessarily reduce inequality especially in new democracies. We mainly consider that four political factors are the keys to explaining such variation in redistribution and the gap between redistribution and inequality. They are (1) state capacity, (2) voter's subjective belief and the multidimensionality of policy choice, (3) the gap between procedural political equality and substantive political equality, and (4) political market imperfections.

Organizer: KAWANAKA Takeshi

Co-researchers: HAZAMA Yasushi, NAKAMURA Masashi

(17) The Impact of Legal Reform on the Shop-lease Contract with Sar-qofli following the Iranian Revolution

In today's Iran, there exists a form of lease contract called the "shop-lease contract with *sar-qofli*", which is peculiar to commercial districts. In this contract, which gives the hirer a strong usufructuary right that is supported by intangible property in business such as the shop's reputation, ownership by the lessor is in reality considerably restricted. The "shop-lease contract with *sar-qofli*" evolved from a fusion of the concept of "goodwill", which was brought into Iran by an American financial advisor in 1943, with customs that were traditional in Iran's business quarters. After the 1979 revolution, the Law of Lessors-Hirers Relationships, which gives a legal framework to the practice of "shop-lease contract with *sar-qofli*" was amended, since *foqahā* (Islamic jurists) and the Ministry of Justice regarded the system as it stood as problematic. This amendment removed the legal-cultural inconsistency between Islamic Law and modern law that existed in the legislation in question. The changes made it easier for lessors of shops to choose forms of lease contract other than the "shop-lease contract with *sar-qofli*". Nevertheless, the "shop-lease contract with *sar-qofli*", which is a system of long standing, remains the most widely used form of lease contract in Iran's property-for-lease market. By analyzing changes in the laws relevant to the leasing of real estate in Iran, this paper will provide an example of how a disparity between Iranian traditional custom and an Anglo-American value concept has affected Iranian society.

Organizer: IWASAKI Yoko

(18) The New Brazil: Transformations of the Nation since "The Miracle"

The objective of this research project is to understand comprehensively the characteristics of the development and the "new" about "the new Brazil", which has again increased its influence in the world at the beginning of the 21st century. When we see the

Brazil of recent years as a nation or more specifically as a country or a system from a superior conception, it is possible to understand "the new Brazil" as a Brazil with new elements different from before owing to various turning points in various fields. It is not intended to deny the continuity and dependency that exist in the history and development process of a nation, however. "The new Brazil", which has increased its presence in the world of the early 21st century, can be understood as a transformation, accomplished as a result of the construction and maintenance of its institutions in different fields, with a continuous and consecutive process, based on its past experiences. And also, it can be understood as one of the processes of Brazil's challenges as it tries to adapt to a new changing environment.

Organizer: KONTA Ryohei

Co-researchers: NINOMIYA Yasushi (Deputy Director, Overseas Research Department, JETRO), HORISAKA Kotaro (Professor Emeritus, Sophia University), KOIKE Yoichi (Professor, College of Economics, Ritsumeikan University), HAMAGUCHI Nobuaki (Professor and Director, Research Institute for Economics and Business Administration, Kobe University), KOYASU Akiko (Associate Professor, Department of Luso-Brazilian Studies, Faculty of Foreign Studies, Sophia University), KAWAI Saori (Graduate Student, Graduate School of International Cooperation Studies, Kobe University)

(19) Political, Economic, and Social Issues in Latin America

Latin American countries received great benefits from rising prices for primary products until the middle of 2008. However, this region suffered serious negative effects from the economic crisis that began in the US in 2008 and the European economic crisis that started in 2011. A lot of Latin American leftist governments formed in the 21st century, while criticizing neoliberal economic policies realized in the 1990s, are facing serious challenges created by these economic crises. This research project aims to publish *Latin America Report Vol. 29 No. 1 and No. 2* through which convey information on political, economic, and social issues in the Latin American region to students, business people, and government officials. The

specialists of each topic write the articles for this journal in an easy-to-understand format for a wide range of readers.

Organizer: USAMI Koichi

Co-researchers: SAKAGUCHI Aki, KITANO Koichi, YAMAOKA Kanako, KONTA Ryohei, UETANI Naokatsu, MURAI Tomoko, YONEMURA Akio

(20) Methodology in Gender Analysis

While the importance of economic/social research from the gender point of view has been widely recognized among academic circles, it is still at the stage of searching for the appropriate methodology for gender analysis. Specifically, this research project examined literature related to a standpoint approach and discourse analysis. The first chapter examined the former: background, characteristics and critics of the standpoint approach, while the second chapter reviewed literature related to sexual honor (*namus*) in Turkey, mainly focusing on discourse analyses.

This research project is the preliminary one and the results will be utilized for the future research project related to gender relations.

The outcome of this project was published as a web report on the IDE homepage.

Organizer: KODAMA Yuka

Co-researchers: MURAKAMI Kaoru

(21) Structural Changes in the Marketing of Agricultural Produce in Peru: The Role of Intermediaries in the Supply Chain

Since the decade of the 2000s, demand and supply for agricultural products for export and the national market are growing. This is due to socioeconomic changes in the country in recent years. Progress of urbanization, increase of population in principal cities, stable economic growth, improvement of income, etc., are raising demand for agricultural products not only in quantity, but also in quality.

Under these circumstances, agricultural distribution is also changing. In retail sales, the number of supermarkets is increasing. They are no longer stores only for rich people, but also for the emerging middle

class. They offer products with better quality than traditional local wet markets and grocery stores. In order to procure products that satisfy their clients, supermarkets increase their procurement not from the traditional wholesale market, which is an open and spot market, but from closed and coordinated supply chains in which sellers and buyers negotiate terms of sales in detail beforehand. We did case studies of potato, rice, chicken and avocado in Peru.

While there are changes in distribution channels, all actors in supply chains are not necessarily receiving benefits from these changes. While suppliers for supermarkets are adding value to merchandise and receiving rewards for their work, there are few changes at the producers' level. In the case of avocados, small and medium-scale producers do not even harvest their produce, thus they lose an opportunity to earn. In order to gain from changes in agricultural distribution, each actor in supply chains needs to adapt to changes of supply and demand and add value to their products.

Organizer: SHIMIZU Tatsuya

Co-researchers: David GONZALES (Associated Researcher, Peruvian Center for Social Studies (CEPES)), Gianmarco CHENG (Researcher, Peruvian Center for Social Studies (CEPES)), Gregory SCOTT (Professor, CENTRUM Business School of the Pontificia Universidad Católica del Perú (PUCP))

(22) Exploring Informal Networks in Kazakhstan: A Multidimensional Approach

This project examined corruption in Kazakhstan from three different perspectives: on a micro-level concerning the everyday life of ordinary people; on a macro-level related to the politics and the economy of the state; and in the sphere of migration policy and foreign workers. The following is a summary of an interim report, which presents the results of our research activities conducted in FY2012. "Everyday Corruption in Kazakhstan: An Ethnographic Analysis of Informal Practices" (Natsuko OKA) explained the validity of qualitative methodology after referring to two major approaches in corruption studies. Then the report discussed the spread of corruption in post-independence Kazakhstan, institutionalization of corruption and the mechanism of its reproduction by

providing concrete examples obtained from fieldwork. It also examined the ways in which informal networks are being used and have changed from the Soviet era. "Informal Practices and Corruption in Regulation of Labour Migration in Kazakhstan" (Bhavna DAVE) analyzed the factors that caused labor migrants in Kazakhstan to work illegally, and illustrated the emergence of a shadow economy related to migration. It began with an analysis of the legal and administrative framework of official migration policies, and then detailed the practices of legalization and documentation on the ground by utilizing data from interviews with migrant workers. In "Corruption in Kazakhstan and the Quality of State Governance", Dosym SATPAYEV examined the scale of the shadow economy, the spheres in which corruption is most pervasive, and the influence of foreign investors. Next, the report pointed out the low level of transparency in state institutions, the strong influence of informal actors in the political process, and the gap between central and regional executive power as well as rivalry among and within ministries and agencies. Analyzing the legal and institutional framework of the government's anti-corruption policies and its concrete measures, the report contended that the reform of the entire political system is required in order to diminish the level of corruption.

Organizer: OKA Natsuko

Co-researchers: DAVE Bhavna (Senior Lecturer, School of Oriental and African Studies, the University of London), SATPAYEV Dosym (Director, Kazakhstan Risks Assessment Group)

(23) The Power Structure of China's State Development Reform Commission

This is the first year of a two-year-term study group. An important contribution of this research project is its exploration of the role of China's State Development Reform Commission (SDRC) on economic decision making. This research begins with analyses that are macro in scope, historical changes of the institutional function and the executive members. Moreover, we examine the various functions of SDRC through some case studies on economic decision making, investment project, distribution policy, industry policy, and price policy. The results of the study were published in Japanese as a working paper.

Organizer: SASAKI Norihiro

Co-researchers: ONISHI Yasuo, HOSHINO Masahiro (Nanzan University), WATANABE Naoto (Kinki University)

(24) Theory of International Input-Output Analysis

Institute of Developing Economies, JETRO (IDE-JETRO) has been engaged in Asian international input-output (I/O) projects for over four decades in collaboration with government agencies and research institutions in Asia. In these projects, many international I/O tables have been produced and various kinds of economic analyses using these I/O tables have been conducted.

This study was conducted to compile a book that provides comprehensive knowledge on international I/O analysis, by utilizing the wisdom on compilation and analyses that were accumulated in the projects. Theoretical and empirical investigations were made on the international I/O tables. The theoretical investigations identified the foundations of the international I/O model. Empirical analyses using the Asian international I/O tables such as measuring vertical international specialization indices, international spillovers and feedback, income multipliers, impacts of price changes, etc., revealed the features of the interdependent structures in the Asia-Pacific region. In addition, the compilation methodology of international I/O tables and the history of constructing national and international I/O tables in Asian countries with the list of tables published are also reported to serve as a reference for users (compilers, policy makers, practitioners, etc.).

Organizer: TAMAMURA Chiharu

Co-researchers: KUWAMORI Hiroshi, UCHIDA Yoko, SANO Takao (former professor at Gifu Shotoku Gakuen University)

(25) Economic Development and Technology Choice

The world has seen remarkable progress in technology in recent times. Given this, there is a need for analysis of the institutional background of technology choice in a historical context in order to understand the mechanisms of economic development. This analysis should be conducted on industrial

sectors that are the driving forces of economic development. For example, the IT (Information Technology) industry has become huge in terms of production scale, demand and growth rate. There are two competing technologies in this industry. They are the System LSI technology, which is embodied in the labor force, and general-purpose technology, which is embodied in capital. We conducted empirical studies on economic development by investigating the relationship between technology choice and industrial development for each country and industry.

Organizer: GEMMA Masahiko (Professor, Faculty of Social Sciences, Waseda University)

Co-researchers: YOSHINO Hisao, OYAMADA Kazuhiko, YOKOTA Kazuhiko (Associate professor, School of Commerce, Waseda University), SHIMIZU Masayuki (Faculty of Law and Letters, Department of Comprehensive Social Systems Studies, University of the Ryukyus)

(26) Time series analysis of Myanmar's informal economy

Myanmar used to practice a multiple exchange rate system, and the parallel market exchange rate was left untamed. In the past two decades, the Myanmar kyat exchange rate of the parallel market exhibited the sharpest fluctuations among Southeast Asian currencies in real terms. Since the move to a managed float regime in April 2012, the question has arisen whether exchange rate policies will be effective in stabilizing the real exchange rate. This paper investigates the sources of fluctuations of the real effective exchange rate by the structural vector autoregression (VAR) model of Blanchard and Quah (1989). Decomposition of the fluctuations into nominal and real shocks indicates that the impact of nominal shocks is small and diminishes quickly, implying that foreign exchange market interventions would not be effective without sterilization.

Organizer: KUBO Koji

(27) Verification of Changes in Sivakasi, India: The Town of Child Labor Elimination

Sivakasi, India, was notorious as a place of intensive

child labor in the production of matches and fireworks; but now the reputation of the Sivakasi district has changed to that of a regional center of higher education. Many employment opportunities have been produced by taking advantage of the matches and fireworks industries for factory workers and the sideline of rural women. Through data collection conducted by a joint research body, Gandhigram Rural Institute, we verified changes in the attitudes of low-income households, considered to be the principal suppliers of child labor. There had been significant differences in the experience of child labour and relief from labour between the adult generation and the younger generation. This showed that considerable efforts to eliminate child labour had been conducted not only by local government, but also by employers' associations, school teachers, and local social organizations.

Organizer: NAKAMURA Mari

(28) Women's Marriage Migration and Old Age Insurance Strategy in Rural Africa

In a traditional system of exogamous and patrilocal marriage prevalent in much of Sub-Saharan Africa, when she marries, a rural woman typically leaves her kin to reside with her husband living outside her natal village. Since a village that allows a widow to inherit her late husband's land can provide her with old age security, single females living outside the village are more likely to marry into the village. Using a natural experimental setting, provided by the longitudinal household panel data drawn from rural Tanzania for the period from 1991 to 2004, during which several villages that initially banned a widow's land inheritance removed this discrimination, this study provides evidence in support of this view, whereby altering a customary land inheritance rule in a village in favor of widows increased the probability of males marrying in that village. This finding suggests that providing rural women with old age protection (e.g., insurance, livelihood protection) has remarkable spatial and temporal welfare effects by influencing their decision to marry.

Organizer: KUDO Yuya

(29) Empirical Analysis of Competition and Price Determination in the Indian Pharmaceutical Market

In this project, we evaluate the welfare implications of various policies and corporate strategies in the Indian pharmaceutical market. The policies we examine are compulsory licensing of patented products and price controls. The corporate strategies of interest include differential pricing and voluntary licensing. We focus on the oral anti-diabetic (OAD) drug segment, which includes a new class of molecules called DPP-4 inhibitors. All products belonging to this class are under patent protection in India. Their Indian prices are higher than those of other drugs in the same segment, but only one-fifth the price in the U.S. and other developed countries (i.e., the patent holders practice differential pricing). The patent holders also license the products out voluntarily to local manufacturers who have wider geographical reach in the Indian market. Our methodology involves the estimation of a discrete choice demand model using market data from IMS India. The model allows us to calculate consumer welfare, under the status quo as well as under counterfactual policy scenarios such as compulsory licensing whereby the government forcibly assigns the right to sell the patented product to local manufacturers. It also allows for the simulation of market outcomes under different pricing and licensing strategies by the patent holders. Our results indicate that differential pricing and local licensing together have a large positive impact on consumer welfare in the OAD market. We find that the assignment of compulsory licenses for DPP-4 inhibitors to local manufacturers generates an increase in consumer welfare, but the magnitude is small. We also simulate the welfare impact of freeing one of the molecules in the OAD segment from price control, and find it to be negative and large. These findings have significant implications for the policy choices faced by the Indian government.

Organizer: KUBO Kensuke

Co-researchers: Chirantan Chatterjee (Assistant Professor, Indian Institute of Management, Bangalore), Viswanath Pingali (Assistant Professor, Indian Institute of Management, Ahmedabad)

(30) Historical Meanings of Doha Development Round

The Doha Development Agenda (DDA) of the WTO was originally aimed at supporting developing countries by the process of trade liberalization negotiations. However, as the possibility of a comprehensive agreement is fading away, industrialized and emerging countries are now trying to maximize their own economic profits through bilateral agreements such as free trade agreements (FTA). As a result, the least developed countries (LDCs) are left outside the negotiations and the peripheral status of LDCs seems to deepen in the international trade arena.

For LDCs, since their economic scales are small and their industrialization is still in an early stage, economic development cannot be accomplished automatically by joining the free trade mechanism. Therefore, LDCs need a scenario utilizing preferential conditions (S&D) or specialized assistance (Aid for Trade) in return for joining the WTO.

There have been few results on development issues during DDA negotiations. The YANAI report points out the reduction of the raw cotton subsidy in the US and "No tax, No quota" market access for LDCs fall into this category. The revision of the TRIPs agreement about pharmaceutical products access for infectious disease including HIV/AIDS is also of great value for developing countries.

On the other hand, industrialized, emerging countries and global companies adapt themselves to globalization of the economy and deepen regional integration; as a result, a trade network that assumed optimization of the global supply-chain has been formed. ONO's report suggests that the WTO cannot cope with such a fundamental change of global trade.

ITO's report points out that LDCs at the moment don't obtain a big profit from Japanese "no-tax, no quota" measures from statistics data. This suggests that an insufficient infrastructure and non-tariff barrier are the bottleneck to trade expansion for LDCs. However, the ONO report indicates that "Aid For Trade" such as infrastructure construction and capacity development doesn't result in trade increases in the developing country.

Turning back to the original spirit of DDA, which admitted global trade systems that don't exclude even

the LDCs, would be the sound base for a sustainable and free trade system, and the WTO should search for some way to assure the benefits for LDCs besides the single initial principal of the WTO.

Organizer: SATO Hiroshi

Co-researchers: YANAI Akiko, ITO Tadashi

(31) Latecomer's Catch-up Revisited

We recognize the concept of “catch-up” as constituted of three layers: surficial phenomenon, patterns and mechanisms. The surficial phenomenon indicates per capita income of a developing country is approaching that of a developed country. The pattern includes deepening of industrial structures and reduction of technological gaps between preceding and pursuing economies. The mechanisms mean exploiting advantages of backwardness. Our research objective is to show how the patterns and mechanisms of catch-up bring about the decrease of income gaps, in other words, to analyze the second and third layers as backgrounds behind the first layer. For this purpose, we carried out industry- and firm-level research and achieved the following results:

First, regarding the latecomers' graduation from the catch-up processes, we discovered two important phenomena. One is that the industrial systems of the latecomers who completed catch-up are not necessarily identical with those of the developed countries. Another is that some latecomers face serious difficulties when graduation is close at hand. We also examined what causes those difficulties and how they can overcome the problems. Second, we found diversification of catch-up industrialization; moreover, sometimes, we even observed temporary deviation from it. Third, we looked into industrialization based on primary goods and concluded that the mechanism of this type of industrialization is different from that of catch-up industrialization, but equally promising under the present circumstances.

Organizer: SATO Yukihiro

Co-researchers: SATO Hajime, ITO Shingo (Unit Chief, China Unit, Mizuho Research Institute, Ltd.), MARUKAWA Tomoo (Professor, The University of Tokyo), OIKAWA Hiroshi (Professor, Kansai University), YOSHIOKA Hidemi (Associate

Professor, Kumamoto University)

(32) Marine Transport and Harbor in Asia Region

The global volume of marine transport has greatly expanded since the 1990s, due to the division of the international labor system in manufacturing industries that has accompanied the progress of globalization. For example, some multinational enterprises have carried out foreign direct investment, and the recipient countries of this foreign direct investment have subsequently implemented various deregulations for these multinational enterprises. As a result, there is now a division of the international labor system in multinational enterprises, and the international physical distribution to support this division has also undergone great change. Such a movement has been particularly noticeable in Asia and the region's representative harbors, which have seen an increase in marine freight volume.

In view of such situation, in this project, we discussed and attempted to understand the present marine transportation position, and the development and the situation of a typical port of Asia. The volume of our project papers can be divided into the issues of marine transportation and Asia's marine policies and marine ports policy.

Organizer: IKEGAMI Hiroshi

Co-researchers: ONISHI Yasuo, OKADA Yuka (Tokai University), KUROKAWA Hisayuki (Tokyo University of Marine Science and Technology), JIANG Tian-Yong (Osaka City University), KOJIMA Suetoshi (Kokushikan University), HARUYAMA Toshihiro (Tokai University), LEE Jung-Hua (Kanagawa University)

(33) International Reuse and Developing Countries

Used cars, secondhand home appliances, secondhand construction machinery and used clothes have been exported from developed countries to developing countries. While most of the secondhand goods have been traded as a business, a part of these items are sent to developing countries as donations. In addition, some of these goods have been re-manufactured, by dismantling them, washing the parts, and then

reassembling them.

The expansion of the international trade of secondhand goods can contribute positively to the environment, as increased reuse helps to reduce the environmental impact and conserve resources on a global level. The influx of used goods into developing countries also leads to the accumulation of capital and improves the living standards of consumers. However, it may also affect the development of each country's manufacturing industry, as well as possibly cause environmental issues such as the increase of waste. In this study, we investigate the flow of used goods such as used textiles, used automobiles and their parts, and used electronics, and its impact on the environmental and economic development of developing countries, mainly in Africa and Southeast Asia.

Organizer: KOJIMA Michikazu

Co-researchers: FUKUNISHI Takahiro, ASAZUMA Yutaka (Professor, Hokkai-Gakuen University), SASAKI So (Associate Professor, Chuo University), FUKUDA Tomoko (Assistant Professor, Chiba University), OGAWA Sayaka (Assistant Professor, National Museum of Ethnology)

(34) Social Response and Governance for Sustained Ecological Crisis

In this fiscal year, each member has conducted his/her own research on each theme by each discipline, and intensive discussion on research plans and research results by all members has been conducted several times, sometimes inviting other scholars and researchers in IDE. Through discussion in research meetings, we come to understand "ecological crisis" and "sustainability" are two sides of the same coin. In writing an interim report at the end of this fiscal year, we have focused on minor areas and issues that previous studies have not focused on much in the context of development and the environment in Asia. The contents of the interim report in this fiscal year are as below. Chapter 1, "A frame for long-sustained ecological crisis: revisit of environmental governance in China". Chapter 2, "A modern history of the rescue of the Aral Sea: lessons of 'the worst environmental disaster' in the 20th century". Chapter 3, "Regeneration of rural communities and issues of declining

communities in Japan: a case of Kochi Prefecture". Chapter 4, "Sustainable agricultural development and water resource management in China: focusing on water shortages". Chapter 5, "Socialist nomadism in Mongolia: from viewpoints of haymaking". Chapter 6: "A technique for taming reindeer in Daxinanling Forest, China: the Evenki's livelihood and its background".

Organizer: OTSUKA Kenji

Co-researchers: YAMADA Nanae, CHIDA Tetsuro (Slavic Research Center, Hokkaido University), FUJITA Kaori (Kinki University), NAKAMURA Tomoko (Ibaraki Christian University), UDA Shuhei (Network for Education and Research on Asia, the University of Tokyo)

(35) Comparative Study of Formation Process of Resource and Environmental Management Policy Institutions

This research project aimed at analyzing the formation process of the natural resource and environmental management policy system and institutions in the process of economic development, and clarifying the features and background of each country through international comparisons. Furthermore, this research project aimed at the creation of the analytical framework for understanding the formation mechanism of policy systems and institutions of each country, to build the basis of international cooperation in the field of natural resource and environmental management.

By using Paul Pierson's "Politics in Time" (2004), we argued on the implication of its arguments to natural resource and environment policy formation. Pierson (2004) claimed the importance of the historical viewpoint in social science, discussing interdisciplinarily with the background of knowledge across boundaries. It showed clearly that the theoretical foundation for introducing "time" is required for social science. Based on the micro-economic theory of the "increasing return to scale," it claimed that "path dependency" appeared more notably in the political process and policy formation process, which have no self-regulating process like the market economy, and emphasized the importance of a sequential order of the

events. Such a viewpoint may overlap with the position of the development studies that emphasize an importance of "backwardness" in the economic development process.

The framework should be effective as a viewpoint for analyzing the difficulty of forming a natural resource and environmental policy, as a "late-comer public policy," in developing countries with economic "backwardness." Based on the above theoretical examination, the example of the developing and developed countries was taken up, and the problem of the formation process of a natural resource and environmental management policy and institutional system in each country was analyzed.

Organizer: TERAOKA Tadayoshi

Co-researchers: FUNATSU Tsuruyo, OTSUKA Kenji, KITAGAWA Susumu (Lecturer, Yamanashi University), OIKAWA Hiroki (Associate Professor, Yokohama National University), SATO Jin (Associate Professor, University of Tokyo)

(36) Multinational Firms and the Globalization of Developing Countries

This research project seeks to examine the globalization issues in developing countries by investigating the role of multinational firms. When governments in developing economies improve their investment environment through investment liberalization, falling investment barriers produce new investment opportunities for firms in a foreign country. To examine which foreign firms respond to the investment opportunities, we employed a simulation approach and found the characteristics of the firms that are likely to respond to such investment opportunities. In addition, we found that investment liberalization yields welfare gains for developing economies. Second, we focus on Cambodia as a case study to investigate the impact of globalization. Cambodia has received a large amount of ODA in road infrastructure. We analyzed the impact of such ODA disbursements on the location of foreign and domestic firms. We found some positive impacts of the ODA on their location, but the economic magnitude of the impact is relatively smaller than other infrastructures such as electricity. Finally, a rapid inflow of foreign investment has contributed to a spatial concentration of industrial activity in Cambodia. We

developed a Bayesian econometric framework to assess the impact of industrial agglomeration on productivity levels in Cambodia.

Organizer: TANAKA Kiyoyasu

Co-researchers: TSUBOTA Kenmei, HASHIGUCHI Yoshihiro, Shawn ARITA (University of Hawaii at Manoa)

(37) Education of Persons with Disabilities in Developing Countries

This research project focuses on the education of persons with disabilities in developing countries. This project will analyze the education law system and the situation of school attendance referring to the principles of the U.N. Convention for the Rights of Persons with Disabilities (CRPD) to find hindering problems regarding education of persons with disabilities. CRPD stipulates that persons with disabilities should not be excluded from the general education system, should have access to an inclusive, quality and free education, and should be provided reasonable accommodation recognising their individual needs. As the first year of the two-year project, it surveyed the laws, regulations and institutions related to special education and the actual situation of school attendance to find critical issues to be discussed next year. Although the project focuses on laws, the findings of this year reaffirmed the importance of the "principle" underlying the legislation and the "institution" that guarantee the realization of the principle. Issues such as the nominal implementation of inclusive education, so called "dumping", suspension and exemption of enrollment, and the position of Deaf Schools in the inclusive education policy were brought up in discussion. These will be further examined next year.

Organizer: KOBAYASHI Masayuki

Co-researchers: MORI Soya, ASANO Noriyuki (Professor, Osaka Ohtani University), KAWASHIMA Satoshi (Visiting Research Fellow, the University of Tokyo), KURODA Manabu (Associate Professor, Ritsumeikan University), SAI Takanori (DPI-Japan), NISHIZAWA Kikuo (Associate Professor, Kansai University)

(38) Theoretical and Methodological Exploration into the Problem of Youth Unemployment

Youth unemployment has now become a serious concern across the world. Although almost all countries face the challenge of youth employment, there are substantial differences in the nature of the problems, between developed and developing countries, among regions, countries, and even within a country. It is due to differences in terms of economic structure, education systems, demographic composition, degree of human capital development, cultural value systems and other factors that construct the structure and functions of the labor market. In order to understand the multi-dimensional issue of youth unemployment, in this project, we examined relevant literature including that discussing the cases of Japan and other developed countries and tried to draw theoretical as well as methodological implications that could be explored further in the research projects of specific developing countries.

Mayumi Murayama in her paper 'A note on the facts related to youth employment in the world, developed countries, Japan and India' looked at the theoretical and methodological frameworks elaborated in some of the literature addressing youth employment issues in the world, OECD countries and Japan, and examined their applicability in the study of the Indian case.

The gist of Mari Nakamura's paper, 'Study on the relationship of youth employment and child labor' is as follows: While the issue of youth employment (15-24 years) has become a concern, child labor elimination with early cry among labor issues slowed down the pace of decline in the amount of child labor, such as an increase in the incidence of hazardous work of the worst forms of child labor among 15-17 year olds. Since the issues of child labour and youth employment are closely linked, it is important to address the two issues hand in hand. Various international initiatives and platforms, such as "Youth Employment Network" and "YouthSTATS" of UCW, are progressing to solve the issues more effectively and to explore the relationship between the two issues.

Organizer: MURAYAMA Mayumi

Co-researcher: NAKAMURA Mari

4.Funded Research

(1) Asia Resource Circulation Policy Research (Ministry of the Environment)

"Asia Resource Circulation Policy Research" is a project of the Ministry of the Environment, Japan, which aims to promote international collaborative research on 3R policy and to support the Regional 3R Forum in Asia through the dissemination of research results. The Institute of Global Environmental Strategies (IGES) with the Institute of Developing Economies made the proposal on the research project, which was adopted by the Ministry of the Environment, Japan. As the commissioned research work from IGES, the Institute of Developing Economies conduct a study on policy for development of recycling industries and infrastructure contributing to environmentally sound resource circulation. We reviewed the international argument on environmentally sound management in recycling industries, and conducted a field survey in the Mekong sub-region. IDE also contributed by making 3R Policy Indicators factsheets. In addition, we participated in the Asia 3R Regional Forum held in Hanoi, Vietnam in March 2013, and shared our studies with officials from Asian and Pacific Island countries.

Organizer: KOJIMA Michikazu

Co-researchers: SAKATA Shozo, HATSUKANO Naomi

5.Projects Funded by Grants-in-Aid for Scientific Research

(1) Learning through Foreign Direct Investment in Sub-Saharan Africa: The Case of the Garment Industry in Madagascar

Given the role of the manufacturing sector in leading economic growth and poverty alleviation, expectations for its growth have increased recently in Sub-Saharan Africa. Among the poor African countries, the most significant growth has been seen in the garment industry. Madagascar experienced the growth of garment exports for two decades until political turmoil emerged in 2009. In FY2012, we explored the impact

of the political turmoil and resulting suspension of duty-free access to the US market (AGOA) using original firm-level data and publicly accessible trade data. Identification of the effect of the political crisis is based on a comparison of exports from Madagascar and other exporters, while the effect of suspension of the AGOA is estimated through comparison of Madagascar's exports/exporters to the US with those to the EU market, which maintained duty-free access.

Difference-in-difference estimates indicated that the political turmoil had a weak adverse effect, while suspension of AGOA significantly reduced exports to the US by 80-85%. Furthermore, AGOA suspension increased the probability of factory closure by 58% for firms exporting to the US market, and accordingly, it also reduced employment of unskilled workers. Since closed factories employed women more intensively, about 90% of female employment loss was caused by firms exporting to the US. These results were presented to policy makers, industrial associations, and international organizations in Madagascar, and to the general public through the media.

Organizer: FUKUNISHI Takahiro

(2) The Location Choice of Multinational Firms and the Impacts of FDI on Performance at Home according to FDI Types

The purpose of this project is to investigate the mechanics of outward foreign direct investment (FDI) according to FDI types. The existing studies have focused only on two traditional FDI types, i.e., horizontal FDI and vertical FDI. In contrast, this project includes the recently-proposed FDI types such as export-platform FDI and conducts more comprehensive studies on the mechanics of outward FDI. The research of this project in FY2009 revealed that there are various kinds of difficulties in comprehensive analysis that includes many FDI types. In particular, it is difficult to examine multiple FDI types and multiple countries simultaneously. Based on this finding, in FY2010, I examined the comprehensive analysis on the two traditional FDI types as a first step. Also, I conducted additional comprehensive analysis on the location choice by adding one more option, platform-type FDI. In FY 2011, I improved these two studies, for example, by tackling the multicollinearity issue and completed

the first draft of those studies. In addition, I conducted the detailed location choice analysis for FDI in developing countries. In this study, rather than examining whether or not some specific types of FDIs follow expected mechanisms, I investigated which types of FDIs the empirical results are close to. In FY 2012, I revised and completed these three studies.

Organizer: HAYAKAWA Kazunobu

(3) Poverty and Child Schooling: A Study of Slum Households in Delhi, India

The Indian economy has enjoyed high economic growth in recent years. At the same time, India has the largest population of poor people. It is widely acknowledged in empirical studies that economic inequality in terms of individuals and caste/religion groups has been growing, particularly since the 1990s in India. This research project aims to examine changes in multidimensional poverty and child schooling by revisiting the slum households surveyed in 2007-08.

The follow-up slum household survey in 2012 traced approximately two-thirds of the households surveyed in 2007-08. The preliminary analysis shows that economic conditions have largely improved among slum households in 2012. Access to schooling has also improved, mainly due to the introduction of a compulsory education law and a non-repetition policy. More detailed analysis will be made in due course.

Organizer: TSUJITA Yuko

(4) A Study on Production Costs in the Malaysian Manufacturing Sector

One of the most important economic issues that Malaysia now faces is the problem of how to sustain economic growth. In particular, high labor wages are considered to be a major negative factor for the sustainability of economic growth. The Malaysian economy grew quickly by taking advantage of low-wage labor. Given the current state of high wages in comparison with less developed countries in Asia, the sustainability of growth is a major concern; FDI companies have moved out of Malaysia to avoid high production costs. From the viewpoint of productivity

and production costs, I analyze whether Malaysia is competitive in comparison with less developed countries in Asia.

In the case in which labor and capital are the inputs needed for the production of output and in which the production goods and the production function are both identical in two countries, a country with higher wages may have higher production costs. Certainly, in Malaysia, unskilled labor wages are higher than in less developed neighboring Asian countries. Now, if we analyze the production function with three inputs, which are unskilled labor, skilled labor and capital, we can draw another conclusion. For example, if there is a sector where unskilled labor is not important but skilled labor is considerably more important in production, then the unskilled labor wage will not greatly influence production costs. In this research project, I examine whether production costs are high in Malaysia by estimating the production function.

Organizer: KODAMA Masahiro

(5) The Bank of Taiwan and Japanese Southward Strategy in Transitional Asia

This research project elucidates how Japan approached the established regional economic order and its involvement in an economic dispute with other great powers from the 1910s to the 1930s. As an example, this project focuses on the case of the southward strategy of the Bank of Taiwan, which represented Japanese economic expansionism into Asia.

In 2011, this project initiated field research in Tokyo, Taiwan and Singapore to locate historical materials such as original documents and records from officials, banks, newspaper and magazine articles and so forth in the following locations:

Tokyo: Diplomatic Archives of the Ministry of Foreign Affairs of Japan, National Archives of Japan and Institute for Monetary and Economic Studies of the Bank of Japan.

Taipei: Economic Research Institute of the Bank of Taiwan, Academia Sinica and National Taiwan University.

Singapore: National Archives of Singapore, Centre of Southeast Asian Studies and National University of Singapore.

Organizer: HISASUE Ryoichi

(6) Technology Diffusion of the System of Rice Intensification and Its Economic Impacts on Household Welfare: The Case of Rural Indonesia

The system of rice intensification (SRI) is a set of improved rice management practices, which enables farmers to obtain higher yield than the conventional method. This research aims to identify the determinants of SRI adoption and its economic impacts, not only on paddy yield and rice income but also on total household income, which is largely ignored in the existing literature. The empirical part is based on data originally collected in rural Indonesia.

Based on the regression analysis, I found that SRI generates yield gains of about 60% on average. However, due largely to the increased use of family labor on farms, I found some evidence that SRI lowers household off-farm income, and as such, there is no difference in total income between SRI adopters and non-adopters. Despite the increased labor demand for farming, I found no evidence of a child labor effect of SRI.

I also found that risk aversion, unfavorable access to irrigation, and insufficient family labor force are among the most important determinants of low take-up rates of SRI. Farmers' ambiguity preferences play no significant role in decisions to adopt most SRI practices, except alternate wetting and drying, which requires proper coordination among neighboring farmers and thus amplifies the uncertainty of effective implementation.

Organizer: TAKAHASHI Kazushi

(7) Study on Community-based Forest Resource Management and Village Organizational Capability

This research aims to explore the acceptance and response towards the introduction of community-based forest resource management (community forestry) by the contemporary Myanmar village. In the research, as well as the practice of community-based resource management, it is often the case that the 'community' is treated as given and not thoroughly examined, despite

its critical position as the main actor. Actual ‘community’ is diverse depending on the country and region, and the community participation should take different forms according to their specific social structure. Therefore, this study explores the actual development of community forestry in the field, analyzing it in light of the organizational capability of the community, i.e., the village. Organizational capability here refers to the manner of resource mobilization as well as the decision-making process of the community. This analysis is ultimately expected to reveal the characteristics of the social structure of Myanmar society.

As in the second year of this four-year research project, field surveys in the remaining area of the three targeted areas (delta area) were conducted. As was the case in the mountainous area and dry zone area, the village performs as the main unit to the community forestry program in the delta area. However, unlike the other two areas, whole village participation was not observed. The reason may lie in the difference in the history of the village, which does not allow accumulating sufficient experience of village-wise collective action, as well as the higher mobility of the population in the area.

Organizer: OKAMOTO Ikuko

(8) Transformation of Agro-processing Industries in Myanmar: From the viewpoint of spatial economics

This study examines the characteristics and transformation of agro-processing industries in Myanmar during its transition toward a market economy. The agro-processing industry includes the processing of major crops such as rice, sugar, cotton, palm oil and other oilseeds. This study examines the changes in the distribution of agro-processing industries from the viewpoint of spatial economics.

The second year of this study focused on the rice industry, which, in the milling sector in particular, has drastically changed since the end of the socialist era and during the last two decades. The two waves of liberalization of the rice markets and the milling sector spurred the rice industry in Myanmar to integrate its nationwide domestic markets and global export markets. The rice industry, including the milling sector, is an industry that has been affected by economic

integration domestically and externally. Accordingly, the spatial distribution of various types of rice mills has been transformed. A possible result of trade liberalization is that the production of exportable white rice using modern equipment will concentrate in Yangon. Furthermore, the connectivity must be improved in Myanmar for filling the gap between the rice surplus area and the rice deficit area.

Organizer: KUDO Toshihiro

Co-researcher: GOKAN Toshitaka

(9) The Shariah Court System and Judges in Southeast Asia

Many Southeast Asian countries have established ‘formal’ Islamic court systems (Shariah courts) for the interests of their Muslim population, whether they are Islamic countries or not. The relationship between the Shariah court system and the ordinary judicial system differs among countries. In some countries, Shariah courts are incorporated as a part of the judicial system, and in others, the Shariah court system is fully separated from the ordinary court system. This study will analyze the diversity of institutional configurations as well as the dispute resolution process in the Shariah court systems, especially in the context of family-related disputes among Muslims. This study focuses the role of ‘judges’ and other lawyers in Shariah courts. Generally, judges in Shariah courts are appointed from among the Muslims who have studied Islamic law (Shariah) within the country or abroad. Some countries have also established a system for public prosecutors or lawyers specialized for Shariah courts. This study covers Brunei, Indonesia, Malaysia, the Philippines, Singapore and Thailand.

Organizer: IMAIZUMI Shinya

(10) Innovations by Latecomer Firms: the Analysis of the Taiwanese IT industry

The research project attempts to elucidate the process of the rise of Taiwanese electronics firms that launch innovative products/components and create new value added for customers/users in the industry. More specifically, I focus on the rise of Taiwanese system-on-chip (SoC) vendors that provide IC core

chips that serve as foundations upon which other companies—primarily from China—can innovate their products and services. In FY 2011, I investigated the following two topics as a part of this research. First, I explored the main characteristics of business models of Taiwanese SoC vendors and the source of their competitiveness and innovativeness. Second, I examined the case of the digital TV industry and investigated collaboration among Taiwanese SoC vendors, TV subcontracting manufacturers, and brand firms in the course of the development of a new product. In so doing, I observed the growing role of Taiwanese SoC vendors as agents of innovation in the industry. I also carried out a case study of the netbook industry and explored the process in which a Taiwanese brand firm implemented new-market-creating innovation and triggered the disruption of the existing order of the traditional notebook PC market. A part of this research project was published as a paper (“Market-Creating Innovation by Latecomer Firms: The Case of the Netbook Industry, *Ajia Keizai*, 54(1), 2013), and was also incorporated into my book *Compressed Industrial Development: The Growth Mechanism of Taiwanese Notebook PC Manufacturers*, University of Nagoya Press, 2012.

Organizer: KAWAKAMI Momoko

(11) Central-local relations and strategy of street-level government in a coastal area of China

Central and local relations is a basic approach to understanding modern China. Previous works mainly focus on the relations between central level and provincial level. It is still unclear whether the relations of those governments below provincial level are institutionalized or not. This research tries to analyze relations at central, provincial and local levels through a case study of land expropriation and demolition.

Organizer: REN Zhe

(12) Changes in Household Behavior through Agricultural Integration: An empirical analysis of contract farming

A new agricultural policy called the ‘Agro-

industrialization Policy’ has started to be adopted widely in rural China and has induced agribusiness enterprises to integrate villages and farmers through contract farming. The establishment of agricultural conglomerates is expected to increase the profitability of agricultural products and to improve the economic standards of rural people.

The major purpose of this study project consists of two aims. Firstly, we conduct a household questionnaire survey on participation in contract farming and agricultural cooperatives in two provinces where the levels of agro-industrialization are not the same to identify the key factors that determine participation in contract farming. Secondly, we adopt methods of policy evaluation such as Generalized Method of Moments (GMM) estimations and Propensity Score Matching (PSM) to confirm the effects of contract farming on profitability and income stability. By comparing the results of two provinces, factors that restrict diffusion of contract farming and participation in agricultural cooperatives are considered.

In the first year of this study project, we conducted preliminary field trips in the planned survey areas (Jiangsu and Shanxi provinces) to collect information on agricultural circumstances, such as the characteristics of agricultural production and the development of agro-industrialization. Questionnaire surveys on about 350 agricultural households for each province were conducted and collected detailed data on agricultural production and household attributes.

In the second year, a follow-up field survey in Shanxi Province has been performed to collect information on the economic functions of agricultural cooperatives and village committees to facilitate agro-industrialization in surveyed areas. In addition, I have presented the interim paper on surveyed data at several academic societies and workshops to brush up research questions and econometric methodologies. One of the finished papers was submitted to an academic journal.

Organizer: HOKEN Hisatoshi

(13) Publication Project: Strong Soldiers, Failed Revolution

The aim of this project is to translate, rewrite and publish the book, *Gunsei-Biruma no Kenryoku Kozo*

(The Power Structure of Burma's Military Regime), which was published in 2009 by Kyoto University Press. The contents of the book are as follows:

- Preface / Contents / Notes
- Chapter One: Introduction: A Failed Revolution Made a Strong Military Regime
- Chapter Two: Nation-State Building and the Coercive Apparatus in Modern Burma
- Chapter Three: The Origin of the Burmese Path to Socialism: State Ideology Formation and Military Politics
- Chapter Four: Party-State *Manqué*: Ne Win's Revolution and the Burma Socialist Programme Party
- Chapter Five: Destroy the Bureaucracy!: The Transformation of Civilian Bureaucracy under the Name of Revolution
- Chapter Six: Winner-Take-All: An Analysis of Burma's Political Elite
- Chapter Seven: Garrison-State Formation: The Politics of Dictator-Military Relations
- Chapter Eight: Conclusion: The End of the Revolution
- Epilogue: Post-1988 Politics
- Bibliography

The editorial process was finished in 2012. And the book, titled *Strong Soldiers, Failed Revolution: The State and the Military in Burma, 1962-1988*, was published in February 2013 by the National University of Singapore Press.

Organizer: NAKANISHI Yoshihiro

(14) A Comparative Study of the Family Structure of Iranian Notables and the Modern Concept of 'Family'

In the fiscal year of 2012, this research project attempted to research the inheritance system as well as family structure in Iran in the second half of the 19th century. The researcher mainly analyzed archival sources related to the Donboli Family and the household survey preserved in the National Archives of Iran, in order to answer the following questions:

- (i) How was the family's wealth stably passed down to subsequent generations in spite of the

restrictions of Islamic inheritance law?

- (ii) What role did female relatives play in the intergenerational transmission of wealth?
- (iii) What was the household structure and social background of urban inhabitants in 19th-century Iran?

As for (i), the researcher presented a paper titled "Continuity of Patrimony and Islamic Inheritance System in Iran" in the ninth Biennial Iranian Studies Conference held in Istanbul on August 2, 2012. The researcher discussed "patrimony" in the framework of the Iranian historical context.

As for (ii), the researcher presented a paper titled "Female Relatives and Islamic Inheritance System" in a workshop at the University of Tokyo. The researcher analyzed the cases of inheritance among high-level Iranians from 19th-century Iran and compared women's roles in those cases, and then talked about the juxtaposition of women's right to inheritance and the continuity of a family's property.

As for (iii), the researcher presented a paper titled "The Households and Inhabitants in a 19th-century Iranian City: The Case of Tabriz" at the international workshop "Households and Population in the Ottoman and Iranian Registers" on February 14, 2013. The researcher talked about polygyny, the number of children per family, and the social background of Tabrizi inhabitants. It is needed to sophisticate the method of the investigation.

Organizer: ABE Naofumi (Research Fellow, Japan Society for the Promotion of Science)

(15) Analyzing Markets and Industrial Development in Developing Countries using Structural Estimation Method: The Case of the Motorcycle Industry in Southeast Asia

The purpose of this research is to conduct a structural estimation analysis of the motorcycle industry in Vietnam and Indonesia, which has experienced remarkable growth driven by competition between foreign-invested and local motorcycle manufacturers. Specifically, the research aims to make quantitative assessment of: (1) what the defining features of the motorcycle market in the two countries are, (2) how much value added is generated by strategies adopted by motorcycle manufacturers, such as improvement of

product quality and brand development, and how the value added is distributed between actors involved in motorcycle production, and (3) to what extent competition between motorcycle manufacturers improved consumer welfare.

The first year of the four-year research project focused primarily on two activities. The first was the development of a theoretical framework. Based on a review of the existing information on the demand and supply structure of the Vietnamese and Indonesian motorcycle industries, we developed a theoretical framework to describe the consumption behavior of consumers, production activities of motorcycle manufacturers and component suppliers, and negotiations between the two groups of firms. The second was the preparation for data collection to start in the second year. We approached several potential partners in the two countries and engaged in discussions regarding the scope of the survey, sampling procedure, and data collection methods.

Organizer: FUJITA Mai

Co-researchers: SATO Yuri, WATANABE Mariko, MACHIKITA Tomohiro

(16) Reaching the unreachable: Ultra poverty reduction 1

This study examines the reasons for microfinance not reaching the ultra-poor through randomized control trials. Specifically, we examine:

Demand-side constraints:

1. Lack of unobservable entrepreneurship.
2. Long waiting time until being able to invest productively, due to convex technology.
3. Lack of savings to comply with early repayment start.

Supply-side constraints:

4. Ultra poor are riskier than the moderately poor.

These points echo the previous studies showing mixed evidence on effectiveness of training and business consultation on profits. The current flagship model assumes that the credit recipients to be endowed with entrepreneurship yet such has not been tested empirically. We jointly work with an NGO that provides microfinance services in northern Bangladesh. We have conducted a baseline household survey, and identified the individuals who expressed

their willingness to participate to the microfinance program. This is the first of a four-year study funded by Grants-in-Aid for Scientific Research. Institutional Review Board approval and registration to American Economic Association RCT Registry are expected to complete in FY2013.

Organizer: ITO Seiro

Co-researchers: ABU Shonchoy, TAKAHASHI Kazushi, KUROSAKI Takashi (Professor, Hitotsubashi University)

(17) Study on the grassroots situation of peasant movements in Thailand during the 1970s

In the mid-1970s, Thailand experienced active uprisings of peasants who were struggling to recover land ownership, reduce land rent, and protect their other rights. Although there are some preceding studies that described the development and fate of this movement, the actual situation at the village level has been rarely documented and studied. This study is to fill the gap in knowledge about what happened at the village level and why the villagers stood up for sometimes dangerous movements in those years. In March 2013, I visited some provinces in the northern region (Chiang Mai, Lamphun, and Lampang) and interviewed several former peasant activists and student activists. This interview revealed that the movements appeared separately according to the economic and social problems in the locality. For example, the villagers in Lampang Province struggled against the pollution from tin mining, while the paddy farmers stood up to fight against the feudalistic power of royal families in Lamphun Province. Farmers in the villages near Chiang Mai city struggled against the capitalists who owned large areas of paddy field.

Organizer: SHIGETOMI Shinichi

(18) Changes and Continuity of Indonesian Business Groups

This research aims to explore the changes and continuity of Indonesian business groups that survived a chaotic decade after the Asian currency crisis and the fall of the Soeharto regime.

In the initial year of the three-year project, I collected data on the top 100 business groups as of 2011, and compared them with those of 1996, the last phase of the Soeharto era. It was found that a great majority were old faces, with only 13 new groups. Despite this continuity, most groups restructured core businesses, shifting from heavy manufacturing to agriculture, mining, and service sectors. While their presence is recovering, the ratio of total sales of the 100 groups to the nominal GDP in 2011 remains far lower than the ratio in 1996.

I also conducted interviews with founders of leading groups. With these key informants, some fundamental issues were discussed, for example, why they form a business group rather than a multi-divisional conglomerate, why they could revive the business, and how they evaluate inseparable ownership and management.

Integrating these inputs, I attempted to explore a mechanism throughout the rise and fall of Indonesian business groups for five decades, and to compare it with Japan's experience for 15 decades since the Meiji Restoration. My tentative understanding is that, while Japanese zaibatsu spent a long time forming internal organizations and accumulating technology, in Indonesian business groups, owner-managers function as key players that use their networks for mobilizing external resources needed phase to phase.

Organizer: SATO Yuri

(19) Development Aid as Modernization Transformer

Modernization theory believes in the "universality" of the modernization process that is only a Western-Europe version of social change. Based on this theory, development aid activities tend to be a "modernization booster" for developing countries to copy and accelerate the Western experiences. In this approach, we observe a lot of friction and embarrassment among the societies of recipient countries of aid. Based on these observations, we propose that development aid should be a modernization "transformer" instead of mere "booster".

In this three-year study project, we first analyze the history of development aid after the Second World War. Then we will define the "modernization

transformer" concept for the sake of more socially acceptable, culturally appropriate, and environmentally sustainable development. Lastly, we will feedback the concept of "modernization transformer" into the development aid industry and sociology academia in Japan.

This study is unique in several points. This study deals with

- (1) Development aid activities which mainstream sociology has seldom touched upon. And present the new concept of "modernization transformer"
- (2) Conceptual gap of the "modernization" image between the developed country (the donor) side and developing country (recipient) side, and analyse how this gap causes friction
- (3) Japanese modernization experiences as "the first non-Western state having succeeded in induced modernization"

We also aim at formulating "development sociology" as one of the core pillars in sociology education in Japan. At the same time we want to contribute to development aid policy and aid practice (including evaluation study) in the field with this "development transformer" concept.

Organizer: SATO Kan Hiroshi

Co-researchers: TATSUMI Kazuko (Associate Professor, Yamaguchi University), HAMAMOTO Atsushi (Associate Professor, Nagoya City University), SANO Mayuko (Associate Professor, Fukuoka Prefectural University), SATO Yutaka (Lecturer, Hitotsubashi University)

(20) Black Entry into the Commercial Farming Sector in South Africa: Case Studies of the Wine and Sugar Industries

This study explores the extent and forms of black entry into the commercial farming sector in South Africa, through the case studies of the wine and sugar industries. It also discusses the policy developments of the ANC government in order to promote black economic empowerment (BEE) and the changing business environments surrounding these agro-industries. In the first year of this three-year project, I have looked at the current state of black entry into the wine industry in the Western Cape Province. Compared to the mining and fisheries sectors, the

progress of BEE in the agricultural sector is still in its early stages. However, various forms of black entry into the wine industry, not limited to the BEE deals by large corporations, began to emerge, especially since enactment of the Broad-based Black Economic Empowerment Act, Act 53 of 2003. This study identified two types of BEE wineries as unique forms of black entry into the wine industry and investigated in detail their features, backgrounds and challenges by referring to several prominent examples of each type of BEE winery.

Organizer: SATO Chizuko

(21) Politics of Constructing an International Hub Airport: The case of Bangkok Suvarnabhumi Airport

“Connectivity” has become the key term in defining the policy target in infrastructure development in Asia. And one part of the term is upgrading connectivity through aviation. This is a common political target and now, states and cities compete to win a better position in the connected world, and to take the fruits from a more integrated economy in Asia. Here, constructing “An International Hub Airport” is very much a political decision. When it comes to the construction of an International Airport in the capital city, this is never a private project, but a national project. Thus, a political project subjected to constant political contestation among the key actors. So, how would the construction of “An International Hub Airport” be planned, financed and implemented? What will be the obstacles to carry out the plan, what kind of political fights among institutions and powerful figures occur in the process of construction? And ultimately, how can an upgraded international airport, or an International Hub Airport change its power structure? I would analyze the above questions through the research on the political process of the construction project of Suvarnabhumi Airport in Bangkok, Thailand.

Organizer: AIZAWA Nobuhiro

(22) The Impact of Foreign Firms on the Productivity of Domestic Firms: The Case of Cambodia

This research project uses the first economic census in Cambodia for 2011 to investigate the impact of foreign direct investment by foreign investors on the productivity of domestic firms. First, we estimate the productivity of firms in Cambodia and examine whether foreign firms are more productive than domestic firms. Second, we conduct a survey of firms on transaction relationships in input supplies between foreign and domestic firms, and examine whether such relationships affect the productivity of domestic firms. Finally, we investigate whether the transaction relationships with foreign firms increase the productivity of domestic firms. Thus, we formally assess the impact of foreign firms on domestic firms in Cambodia and provide a policy implication for investment promotion.

Organizer: TANAKA Kiyoyasu

(23) Firms, Workers, and Global Supply Chains

In October 2011, the Thailand Flood Crisis happened; massive suppliers including more than 400 Japanese firms had been affected. Thailand has a 60% share of the world’s hard-disc drive production and is also a center for auto production, exports, and consumption. Moreover, many local technical workers with skills that Japanese firms and workers lacked moved from Thailand to plants in Japan to maintain operations. It has been important to get a deeper understanding of how economic globalization and industrial upgrading affects firms, workers, and organizations through production chains. The aim of this research project is the following two aims. First, we would advance our knowledge to understand the empirical facts about (1) the relationship between intra-industry trade and labor, in particular, the rapid introduction of temporary workers; (2) the relationship between industrial upgrading in emerging economies and changes in division of labor across countries. Second, we would improve our understanding of the causes of trade on employment to develop a model of industrial organization that incorporates firm size, product types, upgrading, and outsourcing. This model could be satisfied with to recover the above empirical patterns on trade and labor through global supply chains. The proposed research thus contributes

to the existing literature to identify and estimate the globalization channel of changes in the labor market.

Organizer: MACHIKITA Tomohiro

(24) The empirical analysis of the impact of dowry on women's intra-household bargaining and human capital investment in children

The objective of the research is to empirically explore the impact of dowry on intra-household resource allocation, such as women's decision-making and children's education, and to lead to the related policy implication. Dowry is prevalent in South Asian countries, and is often reported sensationally in media as if it were the root cause of violence towards brides and dowry murders. Some argue that dowry leads to unequal treatment of girls in the household such as through their malnutrition, infanticide, sex-selective abortion, and lower level of education. Dowry is prohibited or restricted, but is illegally practiced in South Asian countries. The empirical study on the impact of dowry is not sufficient, partly due to the lack of data, while the sociological or anthropological studies are numerous. This research is to empirically reveal the impact of dowry and to provide a foundation for discussion regarding effective policies.

In 2011-2012, the pilot survey was conducted in Punjab, Pakistan, in advance of the household survey planned in 2013, in order to finalize the survey area and the questionnaire. The household survey focusing on dowry in Pakistan is very important because, among South Asian countries, the empirical study on dowry is especially missing in Pakistan, and Pakistan lags behind in female labor participation and gender equality. The pilot survey has identified marital practices, which were not certain enough in the literature, and achieved the formulation of a high-quality questionnaire.

Organizer: MAKINO Momoe

(25) Hong Kong: Gateway in the Age of Empires

This project is a publishing work of my new book "Hong Kong: Gateway in the Age of Empires", which is supported by Grants-in-Aid for Scientific Research

of JSPS. The basis of the new book is my Ph.D. dissertation submitted to the University of Tokyo in 2004. In 2010, Nagoya University Press gave me an offer for the publishing project, and it was subsidized by JSPS in April 2012. The book was published in October 2012.

Organizer: HISASUE Ryoichi