
II . Review of Research Projects

< Policy Proposal Research >

1. The Experience of WTO Doha Development Agenda and its Impact on LDCs: For the Future of Development-Friendly Trade Rules

Since the inception of the Doha Development Agenda (DDA) negotiations in 2001, the WTO and its member countries have tried to include LDCs in the world trading system through various means, including Duty-free Quota-free (DFQF) market access and Aid for Trade (AfT). Although these means have some positive impacts on the economic development of LDCs, most of the LDCs will never feel comfortable with the current world trading system. To surmount the prolonged stalemate in the DDA, we should understand how ordinary people in LDCs feel and think about the current world trading system. So as to understand the situation of the people in LDCs, IDE-JETRO carried out several research projects using macro, mezzo and micro approaches.

On the macroeconomic level, the impacts of DFQF and AfT on LDCs, and the effectiveness of the S&D system in the WTO were examined. On the mezzo level, the impacts of trade fluctuations on garment workers were analyzed. For the micro level, we collected and analyzed statements from ordinary people concerning their opinions about the world trading system through ‘voices of the people’ surveys conducted in Madagascar and Cambodia during 2013. The interviewees are ordinary people such as street vendors, farmers and factory workers.

Based on this research, and especially the findings from the ‘voices of the people’ surveys, we proposed a ‘DDA-MDGs hybrid’ strategy to conclude DDA negotiations and develop a more inclusive and slightly more ethical world trading system.

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2. Toward Contributions for International Peace-keeping Systems in the Middle East and South Asia

(1) Toward Contributions for International Peace-keeping Systems in the Middle East and South Asia

In 2013, the Arab Spring continued to cause instability and unrest in much of the Middle East and North Africa. Egypt is a typical case, where the Muslim Brotherhood-affiliated Muhammad Morsi was elected president after the fall of the Mubarak regime, only to be ousted by the military in July under pressure from anti-Morsi mass protests. On January 19, 2014, the constitution was redrafted under the military rule and passed in a referendum.

Tunisia has continued its relatively smooth transition despite the assassination of prominent opposition leaders in February and July 2013. On the other hand, Libya and Yemen are facing a critical period of transition.

What is common not only in these Arab states but also in Afghanistan and Central Asia is that the “limitation of Islamism” has been revealed. In the first place, those who played a central role in the pro-democracy movement, called the “Arab Spring,” were not the traditional strata of society upon which Islamism was based, but new political actors and the urban youth whose activism has been shaped through new globalization trends.

The current political process in Iran brought to power Rouhani in June 2013. The presidential election in 2009 was an important turning point for Iran’s

domestic politics and the pro-democracy movement that paved the way for political compromises with the authorities and produced efforts toward national reconciliation.

This has to be examined carefully as a matter affecting the “modernization” and “democratization” of the countries in the Middle East, apart from Iran’s regional hegemony and rivalry between Arab Gulf states. And it should be highlighted as a new trend that goes beyond “Islamism”.

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(2) Analysis of Current Affairs in Egypt

In Egypt, according to the Presidential Elections Commission, the presidential election will be held in late May. Ex-Field Marshal Al-Sisi will likely be elected as president by a sizable margin, as he has won overwhelming support from the people since July 2013.

The Al-Sisi administration will emphasize the notion of “Stability and Growth,” which most people hope for today. In order to realize the notion, the close relationship with the Gulf countries will be the key from both economic assistance and investment aspects.

On the other hand, in domestic economic activity, the state-owned enterprises and the military will play an important role. In particular, the military and military-related companies are expected to intensify activities in the civilian economic sector. In order to cope with the situation, intergovernmental cooperation will be helpful for foreign economic entities. The

importance of government-to-government relations is not only related to economic cooperation but also has an influence on private business activities.

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3. How to Escape Middle Income Trap: Strategies toward High Income Economies

Costa Rica is a typical middle income country and, like other middle income countries, she is worrying about her future growth prospects because she feels she is losing export competitiveness, attractiveness to foreign direct investment, and has not developed sufficient innovation capabilities. For Costa Rica, FTA is an important policy tool to improve her export competitiveness and to increase her attractiveness as an investment destination. However, at this moment, larger firms seem to benefit more from FTAs compared to SMEs. In terms of clustering of industrial activities, Costa Rica is still at an early stage. While a nucleus of industrial agglomeration can be seen in certain industrial subsectors, it is still premature to call them clusters. Similarly, innovation capabilities have not been built up in Costa Rica yet and its efforts regarding innovation are still at an embryonic stage. In the short term, Costa Rica needs to further explore various FTAs and improve her investment climate so as to attract more FDI. This effort will be rewarded with more solid industrialization that could lead to the formation of clusters. In the long run, innovation capabilities need to be improved and for this, improving the quality of human capital is indispensable.

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4. Trade in Value-added Analysis: An Extension to Developing Economies

The development of “tri-polar trade through China” has significantly enhanced China’s presence in the region. The study on the cross-national transfers of value-added reveals that, in the period between 1985 and 2005, China’s presence has dramatically increased while the influence of the USA and Japan showed a sharp decline. It is notable that China’s influence on the regional value chains became larger not only in the export side but also in the import side, suggesting the increasing importance of the Chinese market as a regional growth engine.

Other countries in the region are less significant players in terms of shaping the structure of value-added distribution. However, it is shown that most of them have increased their engagement in the regional production networks over time. It is considered that these emerging economies as a group now have a significant influence on the distribution of regional value-added.

Organizer: INOMATA Satoshi (Chief Senior Researcher, Development Studies Center)

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5. Aid Policy Study: Real Politics of Development Assistance

The theory of development assistance tends to focus mainly on how to effectively assist developing countries; therefore, its methodology is likely to be development economics and the main targets of policy

recommendation are not donors, but governments and people in developing countries. However, it is important to clarify how development assistance contributes to the donor, and for this purpose, international politics would be the best method, because development assistance is certainly one of the tools of diplomatic activities.

As ODA is a new policy principle, there is still a lack of complete universality. The UK has an independent authority to conduct development assistance for the purpose of international interests. However, ODA consists of just 0.2% of global GDP. Is it really enough for such a small amount of money to assist more than 1 billion people suffering from absolute poverty? In addition, the current definition of ODA was made more than 40 years ago. It is time to review the definition of ODA, as well as the Japan ODA Charter, and make them more suitable for the current climate.

Organizer: HIRANO Katsumi (Chief Senior Researcher, Area Studies Center)

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6. Upgrade of Guangdong Economy and Agendas for China-Japan Economic Partnership (IV)

Economic activity by manufacturing sector in Guangdong Province has matured owing to many Japanese multinational firms in the electronics and automobile industries being located in Guangdong Province. The circumstances regarding business management in Guangdong Province, however, is changing due to the increase in wage rates and also restrictions on contract productions intended for upgrading the Guangdong economy. With this situation, the People’s Government of Guangdong Province aimed at: continuously receiving foreign capital inflow; promoting foreign investments of local firms; realizing a recycling-oriented society; and upgrading industries

such as logistics. Following the request from the People's Government of Guangdong Province, we focused on how to promote the internationalization of local Guangdong firms, how to improve the investment environment of Guangdong Province, and how to enhance the economy, society and culture of Guangdong Province in FY2013. Since 2009, IDE-JETRO has carried out a collaboration research project for the industrial upgrading 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. The product of this fiscal year from our research project has been submitted to the People's Government of Guangdong Province, after the workshop with the Development Research Center of Guangdong Province.

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

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7. ERIA/IDE-JETRO/UNIDO Joint Research "Green Growth in Asia"

(1) Impact of Production-Related Environmental Regulations on International Trade and Technological Spillover through Supply Chain in Asia

Environmental- and health-related regulations for products, or product-related environmental regulations that are imposed by importing countries, have raised concerns among exporting countries. The research team undertook a corporate survey in Vietnam and Malaysia in 2011 and 2012 to examine the impact of such regulations. Our research sheds light on the important role played by global supply chains on adapting to product-related environmental regulations imposed by the importing countries with a focus on chemical management. We found that firms belonging to a supply chain are in a much better position to comply with these regulations because the information and requirements are transmitted through global supply chains. In contrast, those firms that are neither an exporter nor a part of global supply chains lack the knowledge and information channels regarding the need for better chemical management of a product. We also found that some firms have changed types of materials depending on destination markets. This leads us to suspect differences in the stringency of regulations between the unregulated market and regulated markets have resulted in creating pollution havens where untested products are exported. It is urgent for developing countries without an appropriate level of regulations to implement some measures.

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(2) How to “Green” the Demand for Electrical Appliances in Developing Economies? Empirical Industrial Organization Analysis of the Diffusion of Energy Saving Technologies

Energy efficiency standards and labeling programs are designed to enhance the efficiency of electrical appliances by guiding manufactures’ innovation and product listing strategies as well as consumers’ purchase decisions. In order for such programs to work as intended, the minimum energy performance standards (MEPS) and the threshold values for the labeling schemes, as well as the methods for revising them over time, must be set in accordance with manufacturers’ innovative capabilities and consumers’ preferences for energy efficiency. After observing the experiences of China, Thailand and India, we reached the following conclusions. First, the technological capabilities of domestic manufacturers in these countries are being complemented by foreign technology as well as by supporting industries that specialize in efficiency-enhancing components such as inverter control modules. Public assistance in this aspect does not appear to be necessary. Second, appropriate rules for revising MEPS and labeling threshold values are necessary for maintaining the pressure on manufacturers to innovate. Third, the idiosyncrasies of country air conditioner markets – such as low consumer incomes and intermittent power supply – may greatly affect the choices that consumers make. Therefore, appropriate incentive mechanisms that fit such market conditions must be devised.

Organizer: WATANABE Mariko (Professor, Gakushuin University)

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(3) Development of Green Industries in Asian Region: The Needed Factors and What Policies Can Do

The current conditions prevailing in ASEAN –

incomplete energy infrastructure, existence of many unserved remote areas, and numerous small islands – are conducive to the diffusion of renewable energies. The development of the wind turbine industry in China could provide a useful lesson. The success of the wind turbine industry in China was based on 1) large internal market; 2) Renewable Portfolio Standards with a competitive bidding system; 3) active industrial policy; and 4) technology transfers. While individual ASEAN countries are small, collectively they represent a large market. Therefore, further efforts in integrating energy markets, coordination in technology development, and energy policies (especially regarding energy subsidies) are needed. At the current stage, the development of local industrial capabilities in solar, wind, and geothermal is difficult. However, attracting FDI in these fields is possible. In order to do so, governments need to clearly show their commitment to renewable energies through creating roadmaps, and need to reform or eliminate the subsidies on fossil fuels. ASEAN countries in general have a comparative advantage in biomass energy. In addition, Indonesia and the Philippines could turn the disadvantage of being archipelagoes to an advantage in developing ocean energy technologies. There would be many opportunities for Japanese firms to collaborate with these efforts in the diffusion of renewable energies in ASEAN.

Organizer: HORII Nobuhiro (Associate Professor, Kyushu University)

Co-researchers: NABESHIMA Kaoru (Chief Senior Researcher, Inter-disciplinary Studies Center), MARUKAWA Tomoo (Professor, University of Tokyo)

8. Study on Possible Pathways to FTAAP (Free Trade Area of Asia-Pacific)

In the predominant view so far, TPP and RCEP are a path to FTAAP. However, recent developments surrounding the regional FTAs suggest that potential member countries are not like-minded about the course. For a starter, differences of opinion exist between the US and others concerning the very basic ideas of what TPP should be, which hampers agreements on the partnership’s contents and qualities. Due to this philosophical chasm among the (potential) members,

China and Korea may have a larger influence on how free trade agreements unfold in the Asia-Pacific region. In addition, TPP and RCEP are extremely different in their philosophy, quality, and potential member countries. Therefore, the likelihood of their convergence is extremely low. They will coexist in the foreseeable future, and developing economies are likely to join RCEP first and then proceed to obtain membership in TPP if they are successful in the former.

In spite of this possibility, it is still a far-fetched expectation that TPP will become a stepping stone for APEC economies to realize FTAAP. First, TPP can include non-APEC economies in contrast to today's situation where TPP members are subset of APEC member economies. Second, if TPP is not a step for FTAAP, APEC economies have to develop their own proposals for FTAAP, but not all APEC economies share a unified positive view about FTAAP. Finally, the US has recently led TPP negotiations, which integrates the partnership with the US strategy for free trade agreements. As a result, TPP today has lost its cause as being the foundation for APEC economies to realize FTAAP.

Organizer: NABESHIMA Kaoru (Chief Senior Researcher, Inter-disciplinary Studies Center)

Chair: HIRATSUKA Daisuke (Executive Vice President, JETRO)

Co-researcher: ISHIDO Hikari (Professor, Chiba University)

Coordinator: SHIMAZOE Junko (Director in charge of Research Management, Research Planning Department)

9. Business and Human Rights in Emerging Markets: For Designing Japan's CSR Strategies

In 2011, countries in the United Nations Human Rights Council, including Japan, unanimously endorsed a set of Guiding Principles on Business and Human Rights, developed by the former Special Representative of the UN Secretary-General, Professor John Ruggie of Harvard University. The Guiding Principles make clear that businesses of every size, sector and country of operation have their own responsibility to respect human rights, meaning avoiding infringing on others' human rights and to address negative impacts with

which they may be involved. This includes impacts on workers, local communities around a company's operations, customers and end-users of its products or services, and others.

This study is to figure out how Japanese companies are facing these growing expectations, and how they discharge their duties. Also, at the state level, we aim to draw Japan's national action plans and discuss how to implement the Guiding Principles.

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

(1) Myanmar's Integration with Asian Economies: Challenges and Prospects

This project aims to ascertain the current status of and challenges for Myanmar to enhance trade and foreign investment for integration with the global economy.

Experiences of high performing economies in East Asia such as Vietnam suggest it is imperative for Myanmar's medium-term growth that the country integrates itself into the production network in East Asia. On the other hand, since the bulk of economic sanctions by Western countries were lifted by the end of 2012, Myanmar is expected to increase exports of apparel products in the short-term.

There are several concerns for Myanmar to raise foreign investment inflows. First, there are large local conglomerates operating in regulated industries such as transport and financial business as well as construction where the government is their major client. As these local conglomerates benefit from regulations and preferential treatment by the government, they may oppose policy reforms opening up the economy to

foreign capital.

Second, the underdeveloped banking sector could be another constraint for foreign investment inflows. Despite the foreign exchange policy reforms in April 2012, informal foreign exchange transactions remain pervasive, which could amplify exchange rate volatility. A well-functioning banking sector and a formal channel of foreign exchange transactions are indispensable for Myanmar to receive more foreign investment.

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(2) Comprehensive Analysis on Consequence of Trade and Investment Liberalization in East Asia

This project consists of two subprojects; FTA and Inequality. The details of each subproject are shown as follows.

(FTA)

This subproject tries to deepen our understanding on the free trade agreement (FTA) by examining several FTA issues. Our findings are summarized as follows: first, the certificates of origin that are flexible in terms of expiration date will enable exporters to successfully utilize FTA schemes. Also, the finer disaggregation of products at the tariff-line level results in exporters' misclassification of their products. Second, the harmonization of rules of origins (RoOs) across FTAs to "change-in-tariff classification (CTC) or regional value content (RVC)" will play a relatively positive role in terms of not seriously discouraging firms' use of multiple FTA schemes. On the other hand, the harmonization to "CTC" or "CTC and RVC" hinders firms from using those schemes. Third, at the firm level, the gains from ASEAN-China FTA (ACFTA) for exporters are the increase in export quantities rather

than the rise in export prices. Fourth, we propose new measures for the liberalization level of FTAs, which take into account the preferential margin and the restrictiveness of RoOs. Using those measures, we can find that the liberalization level in ACFTA is higher than that in ASEAN-Korea FTA and ASEAN-Japan FTA. This is because most of the products liberalized in ACFTA have much lower RoOs compliance costs. Fifth, FTAs under GATT Article XXIV and Enabling Clause contribute to reducing tariff rates by 2.1 percentage points and 1.5 percentage points, respectively. In the case of non-tariff barriers (NTBs), their respective impacts are 6.6 percentage points and 5.7 percentage points. The membership of the WTO does not contribute greatly to reducing tariff rates but does play a significant role in reducing NTBs.

(Inequality)

Economic integration and participation in the global value chains (GVCs) is enabling the economies of least developed countries (LDCs) to catch up with developed countries, and is narrowing the development gap between countries. To join the GVCs, LDCs firstly attract value-chain activities that were previously situated in developed countries by taking advantage of their lower labor costs. They then seek to upgrade industry, for example by starting higher value-added production, diversifying types of industries, and forming industrial clusters. To achieve these stages, in particular the GVCs-participation stage, it is important to reduce trade costs, production facilities' setup costs, and operating costs.

Cambodia, one of the LDCs in ASEAN, opened up its economy at the end of the 1980s, joined ASEAN in 1999, and became a member of the WTO in 2004. The recent development of the Southern Economic Corridor as well as the establishment of Special Economic Zones (SEZs) helped it lower trade costs, setup costs, and operating costs, especially in areas near borders with neighboring countries. Since 2010, labor-intensive industries such as electronic parts factories began relocating to Cambodia, adding to the garment factories that have driven the country's economy since the mid-1990s. This has enabled Cambodia to participate in the GVCs. There is, however, no supporting industry yet in the country. SMEs should be encouraged to participate in the GVCs as suppliers of inputs, ancillary

services, and equipment, with proper policy assistance.

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(FTA)

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(Inequality)

HATSUKANO Naomi (Bangkok Research Center), KUROIWA Ikuo (Director-General, Development Studies Center), TANAKA Kiyoyasu (Technological Innovation and Economic Growth Studies Group, Inter-disciplinary Studies Center), YAP Josef T. (Professorial Lecturer, University of the Philippines, Philippines)

< Analytical Research

Contributing to Policy Proposals >

[1]. Policy Issue Research

1. The Politics of Redistribution in New Democracies

Democracy secures political freedom and political equality. Theoretically, this freedom and equality have been expected to lead to socioeconomic equality. However, socioeconomic equality is not necessarily

brought about in developing countries that experienced democratization. This research project seeks to reveal the political conditions that affect the level of socioeconomic equality in new democracies. Particularly, we focus on redistributive politics, and try to find the political factors that cause the gap between the preference of the median voter (mostly in the lower income class) and government policies. For this year, we carried out three projects. First, we reviewed existing literature. Second, we constructed a dataset for quantitative examinations. And finally, we classified countries to prepare for case selection. As for the review of literature, we focused on two factors, namely (1) preference and (2) information. These factors are the keys of understanding four hypothetical independent variables, which are (1) state capacity, (2) multidimensionality, (3) the size and composition of a winning coalition, and (4) political market imperfections. For dataset construction, we checked existing political data and aggregated them. And for case selection, we checked the distribution of countries based on the classifications of independent variables, and also checked time series changes of selected countries.

Organizer: KAWANAKA Takeshi (Director, Southeast Asian Studies Group I, Area Studies Center)

Co-researchers: HAZAMA Yasushi (Director, Middle Eastern Studies Group, Area Studies Center), NAKAMURA Masashi (Deputy Director, Southeast Asian Studies Group I, Area Studies Center)

2. Venezuela under Chavez's Administration

Venezuela's former President Hugo Chavez, with his strong charisma and leadership, promoted a profound transformation in political, economic, and social life in Venezuela, which he named "Socialism in the 21st century", until his death in March 2013. This research project aims to analyze the era of Chavism as an epoch of a turning point in the country's history, focusing on its political, social, economic, and foreign policies.

The outcome of the first year was published on the IDE web-page as an interim report with five topics: (1) newly emerging political and social actors, (2) Participative democracy and Community Council, (3) Social development projects, "Missions", (4) Economic

policies, and (5) Foreign policies in the pursuit of a new regional order. We also constructed a database for the topics (1), (2), (3) and (5), which is planned to be made public on IDE's webpage as the final outcome of the research project is to be published.

The research team invited three prominent Venezuelan researchers on the topic in order to enrich the discussion and analysis. During the stay of the Venezuelan research members in Japan, we had a workshop at Kyoto University, with academics in the Kansai area, on Latin American politics as well as a public lecture co-organized with Sophia University as an opportunity to present information about Venezuelan politics to the Japanese public in general.

Organizer: SAKAGUCHI Aki (Director, Latin American Studies Group, Area Studies Center)

Co-researchers: Jorge DÍAZ POLANCO (Professor, Center for Development Studies (CENDES-UCV), Venezuela), Thaís MAINGÓN (Professor/Director of Research Division, Center for Development Studies (CENDES-UCV), Venezuela), Héctor BRICEÑO (Professor, Center for Development Studies (CENDES-UCV), Venezuela), URABE Hiroyuki (Professor, Dokkyo University)

3. Land and State in Africa

This two-year research project (FY2013-2014) attempts historical analyses of land policies in Africa, for the purpose of shedding light on the transformation of the state-society relationship. Land policies highlight rulers' views and intentions on governing society. Their historical overview – what land policies have been adopted and what were the consequences – will illuminate the nature of relations between the state and society. In this project, ten African countries (Tanzania, Kenya, Zambia, Sierra Leone, Somalia, Côte d'Ivoire, Democratic Republic of the Congo, Rwanda, Burundi, and Ethiopia) are selected and analyzed from a long-term perspective (mainly, since colonial times). During this first fiscal year, project members carried out basic research for the preparation of the final products. Particular attention has been paid to clarify official laws and policies with regard to land in the colonial period. In many African countries, land policies that were implemented under the colonial

authorities have had a strong influence over subsequent policies to date. On the basis of this year's results, the main targets for the next fiscal year will be located in illustrating long-term policy changes over land as well as comparing transformation of the state-society relationship among case study countries.

Organizer: TAKEUCHI Shinichi (Director, African Studies Group, Area Studies Center)

Co-researchers: KODAMA Yuka (African Studies Group, Area Studies Center), TSUDA Miwa (Deputy Director, African Studies Group, Area Studies Center), SATO Akira (Deputy Director, African Studies Group, Area Studies Center), ENDO Mitsugi (Professor, Graduate School of Arts and Sciences, University of Tokyo), OCHIAI Takehiko (Professor, Faculty of Law, Ryukoku University), IKENO Jun (Professor, Graduate School of Asian and African Area Studies, Kyoto University), OYAMA Shuichi (Associate Professor, Graduate School of Asian and African Area Studies, Kyoto University)

4. An Evidence-Based Study of Innovative Anti-Poverty Practices and Market Institutions

This research project conducts empirical microeconomic research to explore the roles of markets, institutions, and technological innovations in poverty reduction. More specifically, we examine factors underlying spatial rice market dis-integration in Madagascar and the demand for and impacts of innovative anti-poverty products and practices, including index-based livestock insurance in east Africa, and ultra-poor microcredit and solar lanterns in rural Bangladesh.

In this year, we drafted six research notes and manuscripts regarding the above-mentioned four topics, namely, rice market integration, micro-insurance, ultra-poor microcredit, and solar lanterns, and edited an interim report.

Organizer: TAKAHASHI Kazushi (Microeconomic Analysis Studies Group, Development Studies Center)

Co-researchers: ITO Seiro (London, Senior Research Fellow Sent Abroad), KUDO Yuya (Microeconomic Analysis Studies Group, Development Studies Center), SHONCHOY Abu (Microeconomic Analysis Studies Group, Development Studies Center), ARIMOTO

Yutaka (Microeconomic Analysis Studies Group, Development Studies Center), KUROSAKI Takashi (Professor, Institute of Economic Research, Hitotsubashi University), SAKURAI Takeshi (Professor, Institute of Economic Research, Hitotsubashi University), KONO Hisaki (Associate Professor, Kyoto University), Ikegami Munenobu (Economist, International Livestock Research Institute)

5. Transformation of Myanmar in the Post-Military Period

The purpose of this study is to examine the transformation of politics, economy, society and international relations of Myanmar after the establishment of the new “civilian” government in March 2011. This study provides 1) analysis of the ongoing reforms and their prospects, and 2) the impact of Myanmar’s transformation on the region. The interim finding of the evaluation of the reforms is that the present administration has succeeded in reconstructing its international relationship with the US and European countries, which facilitates Myanmar’s participation in global economies and enables the country to develop an environment for economic growth. This reconstruction is thanks to the engagement between the military regime and Aung San Suu Kyi. Ongoing reforms include legal systems for foreign investment, business and financial systems and foreign exchange control. However, the country still needs to strive hard to make these systems operate in order to generate sustainable economic growth, such as institution building and capacity development.

Organizer: KUDO Toshihiro (Senior Researcher, Research Planning Department)

Co-researchers: YAMADA Miwa (Director, Law and Institution Studies Group, Inter-disciplinary Studies Center), OKAMOTO Ikuko (Southeast Asian Studies Group II, Area Studies Center), KUBO Koji (Bangkok Research Center), UMEZAKI So (Director, Economic Integration Studies Group, Inter-disciplinary Studies Center), MATSUDA Masahiko (Professor, College of International Relations, Ritsumeikan University), NAKANISHI Yoshihiro (Associate Professor, Center for Southeast Asian Studies, Kyoto University)

6. 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 centres following BRICs. Against this backdrop, our project was conducted to garner basic information regarding the leading manufacturing and related sub-sectors. The sectors we have covered include textile and readymade garments, jute, leather, pharmaceuticals, light engineering, agro-food processing, IT and IT-enabled services, ship building and ship breaking, and the retail sector. In addition, we have studied some leading business groups as well as Japanese firms that have rapidly increased in recent years. A survey of the top 20 firms in each sector was conducted with support from the Metropolitan Chamber of Commerce and Industry, Dhaka.

The findings are summarized as the following: first, industrialisation in Bangladesh has now shifted to the second stage, graduating from first-stage industrialisation of garments monoculture; secondly, second-stage industrialisation has been taking place in the linkages with East Asia, Southeast Asia and India through the adaptation of necessary inputs such as parts and software from those region and countries; thirdly, second-stage industrialisation has been geared by both export-oriented sectors following the path of the readymade garment industry and sectors oriented towards a growing domestic market; fourthly, the policy stance towards foreign direct investment (FDI) has not always been favourable as seen in the case of the pharmaceutical industry and readymade garment industry, which in part contributed to the growth of local firms, and lastly, in order to attain the next stage of industrialisation in which further expansion of exports as well as domestic sales needs to be secured, it is critical to comply with issues of quality including food security, environmental protection and core labor standards. For that purpose, mutually beneficial cooperation with FDI including Japan could be useful and necessary.

Organizer: MURAYAMA Mayumi (Deputy Director-General, Inter-disciplinary Studies Center)

Co-researchers: YAMAGATA Tatsufumi (Director-General, International Exchange and Training Department), TSUBOTA Kenmei (Economic

Integration Studies Group, Inter-disciplinary Studies Center), SHONCHOY Abu (Microeconomic Analysis Studies Group, Development Studies Center), SUZUKI Yurika (Southeast Asian Studies Group I, Area Studies Center), SUZUKI Takashi (Director, Asian Cooperation Division, Trade and Economic Cooperation Department, JETRO), ANDO Yuji (JETRO Hamamatsu), KAWANO Kei (Representative, JETRO Dhaka), SAKO Nahoko (Deputy Representative, JETRO Dhaka)

7. Interdisciplinary Analysis of “Human Trafficking” in Asia

The movement of people is gaining further significance as a third wave in the development of the global economy, following the cross-border movement of goods and capital. Human trafficking, the worst form of people movement, has become a global agenda, and its subsequent prevention and eradication have been sought for the reasons of national and human security, as well as for sound economic and social development in states and regions. Research on human trafficking has tended to be too narrowly focused or too technical to understand the issue, which is indeed intertwined with social, economic and political factors. This study aims to analyze the issue of “human trafficking” from different academic disciplines such as law, economics, politics, history and sociology, and to construct an interdisciplinary framework in order to comprehensively understand the phenomena of “human trafficking.” First, we reviewed how the definition of human trafficking in the Palermo Protocol was developed by different players and how it was interpreted in different countries. Second, we reviewed macro and micro economic analysis on human trafficking. From an historical approach, the history of human trafficking in Asia was reviewed. As a specific case study, we studied regional cooperation in anti-human trafficking in ASEAN in the context of international politics, and re-integration of the victim in Thai society from a sociological approach.

Organizer: YAMADA Miwa (Director, Law and Institution Studies Group, Inter-disciplinary Studies Center)

Co-researchers: AOKI-OKABE Maki (Southeast Asian Studies Group I, Area Studies Center), HISASUE Ryoichi (Business and Industry Studies

Group, Inter-disciplinary Studies Center), TSUBOTA Kenmei (Economic Integration Studies Group, Inter-disciplinary Studies Center), SAITO Yuriko (Associate Professor, Faculty of International Studies, Meiji Gakuin University)

[2]. Regular Analytical Research Projects

1. Analysis of Current Affairs in Asia

Our project analyzed political, economic and social developments in 2013 in the countries and regions of East Asia, Southeast Asia and South Asia. The final results of this research project will be published in the *Yearbook of Asian Affairs 2014* (in Japanese), which contains reports of current analyses on Asian countries and regions.

Organizer: NAKAGAWA Masahiko (Director, Current Affairs Studies Group, Area Studies Center)

Co-researchers: ARAI Etsuyo (Deputy Director, Current Affairs Studies Group, Area Studies Center), SATO Yuri (Director-General, Area Studies Center), WATANABE Yuichi (East Asian Studies Group, Area Studies Center), MATSUMOTO Haruka (East Asian Studies Group, Area Studies Center), KIMURA Koichiro (Business and Industry Studies Group, Inter-disciplinary Studies Center), IKEGAMI Hiroshi (Deputy Director, Business and Industry Studies Group, Inter-disciplinary Studies Center), ISHIZUKA Futaba (Law and Institution Studies Group, Inter-disciplinary Studies Center), SAKATA Shozo (Director, Southeast Asian Studies Group II, Area Studies Center), HATSUKANO Naomi (Bangkok Research Center), YAMADA Norihiko (Southeast Asian Studies Group II, Area Studies Center), AIZAWA Nobuhiro (Law and Institution Studies Group, Inter-disciplinary Studies Center), SUZUKI Yurika (Southeast Asian Studies Group I, Area Studies Center), HISASUE Ryoichi (Business and Industry Studies Group, Inter-disciplinary Studies Center), KAWAMURA Koichi (Southeast Asian Studies Group I, Area Studies Center), HIGASHIKATA Takayuki (Southeast Asian Studies Group I, Area Studies Center), MURAYAMA Mayumi (Deputy Director-General, Inter-disciplinary Studies Center), KONDO Norio (Director, South Asian Studies Group, Area Studies Center), OTA Hitoshi

(South Asian Studies Group, Area Studies Center), MAKINO Momoe (South Asian Studies Group, Area Studies Center), SUZUKI Hitoshi (Chief Senior Researcher, Area Studies Center), HIRAIZUMI Hideki (East Asian Studies Group, Area Studies Center), CHIBANA Izumi (Law and Institution Studies Group, Inter-disciplinary Studies Center), OSADA Noriyuki (Research Associate, Current Affairs Studies Group, Area Studies Center), LYU Haksu (Research Associate, Current Affairs Studies Group, Area Studies Center), OKUDA Satoru (Professor, Asia University), MINATO Kunio (Assistant Professor, Ritsumeikan University), MIFUNE Emi (Professor, Komazawa University), YUKAWA Taku (Associate Professor, Osaka University), IGA Tsukasa (Research Fellow, Kyoto University), YAMAZAKI Isao (Associate Professor, Saga University), MIZUNO Masami (Professor, Nihon University), MATSUMOTO Asuka (Research Fellow, Japan Institute of International Affairs), SASAKI Norihiro (Associate Professor, National Defense Academy)

2. Political Economy in Contemporary Africa

The purpose of this project is to publish a web-magazine, “*Africa Report*”, analyzing current African affairs on the basis of social sciences. Although “*Africa Report*”, which was a bi-annual magazine, had been suspended in 2010, it restarted, from June 2013, under this project as a web-magazine, providing timely articles and reports on the IDE website. During FY2013, five articles, eight short reports, and 14 book reviews were issued in the framework. The topics of the articles include “Responsibility to Protect” in Côte d’Ivoire, labor problems in South Africa, trade and development in Madagascar, and political analysis on post-revolution Tunisia. Short reports were twice delivered as special issues: namely, on the occasion of TICAD V (Tokyo International Conference on African Development), and in memory of the late Nelson Mandela. The web-magazine “*Africa Report*” has a unique role in Japan, as there is no comparable media, which provides current information on Africa on the basis of academic analyses. At the restarting of the magazine, we had a number of positive and encouraging responses from readers.

Organizer: TAKEUCHI Shinichi (Director, African Studies Group, Area Studies Center)

Co-researchers: TSUDA Miwa (Deputy Director, African Studies Group, Area Studies Center), SATO Akira (Deputy Director, African Studies Group, Area Studies Center), KODAMA Yuka (African Studies Group, Area Studies Center), FUKUNISHI Takahiro (African Studies Group, Area Studies Center), MAKINO Kumiko (African Studies Group, Area Studies Center)

3. Political, Economic, and Social Issues in Latin America

This project aims to analyze the current situations and important topics for economic, political and social development of the countries in Latin America. The output of the project is published as the semestral journal *Latin America Report* (in Japanese), which celebrated volume 30 in 2013. Vol. 30 No. 1 (June 20) featured “Andean countries” (Venezuela, Ecuador, Bolivia and Colombia), and Vol. 30. No. 2 (December 20) carried the special issue “Latin America’s Radical Leftist Governments in Post-Chavez Era” with the aim of analyzing the impact of the death of the influential radical leftist president, Hugo Chavez of Venezuela (Venezuela, Nicaragua, Bolivia and Argentina). Many of the articles covered the political situations of the countries in the region, but the two volumes also covered diverse topics, such as the Catholic church working against drug problems, community policing, fair trade, investor-state dispute settlement, and education reform.

Organizer: SAKAGUCHI Aki (Director, Latin American Studies Group, Area Studies Center)

Co-researchers: KONTA Ryohei (Latin American Studies Group, Area Studies Center), UETANI Naokatsu (Latin American Studies Group, Area Studies Center), USAMI Koichi (Senior Researcher, Area Studies Center), YAMAOKA Kanako (Deputy Director, Latin American Studies Group, Area Studies Center), HOSHINO Taeko (Latin American Studies Group, Area Studies Center), YONEMURA Akio (Latin American Studies Group, Area Studies Center), KITANO Koichi (Senior Researcher, Inter-disciplinary Studies Center), SHIMIZU Tatsuya (Deputy Director, Latin American

Studies Group, Area Studies Center), NINOMIYA Yasushi (Latin American Studies Group, Area Studies Center), MURAI Tomoko (Director, Information Service Division, Library), TAJIMA Yoichi (Associate Professor, Tokyo University of Foreign Studies)

4. Econometric Modeling on Asia for Long-term Evaluation (EMALE) (IV)

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, an advanced version of a trade link model is constructed for a total of 15 East Asian and advanced economies. Thirdly, models for Korea and Taiwan are upgraded in respect of the introduction of demographic variables, 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 (Director, Socio-Economic Analysis Studies Group, Development Studies Center)

Co-researchers: WATANABE Yuichi (East Asian Studies Group, Area Studies Center), OIZUMI Keiichiro (Senior Economist, Economics Department, Japan Research Institute)

5. Compilation and Use of the 2005 Transnational Inter-regional Input-Output Tables for China, Japan and Korea (II)

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. 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.

This fiscal year was devoted to the compilation of import/export data of regional customs. Also, various application possibilities were sought through the study of distribution systems of inland China.

Organizer: INOMATA Satoshi (Chief Senior Researcher, Development Studies Center)

Co-researchers: SHIBATA Tsubasa (International Input-Output Analysis Studies Group, Development Studies Center), MENG Bo (Deputy Director, International Input-Output Analysis Studies Group, Development Studies Center), HASHIGUCHI Yoshihiro (International Input-Output Analysis Studies Group, Development Studies Center), OKUYAMA Yasuhide (Professor, University of Kitakyushu), OKAMOTO Nobuhiro (Associate Professor, Daito Bunka University), SHIBASAKI Ryuichi (Chief Researcher, The Overseas Coastal Area Development Institute of Japan (OCDI)), Yaxiong Zhang (Department of Economic Forecasting, State Information Center, China), Ingue Lee (Input-Output Statistics Team, Economics Statistics Department, The Bank of Korea)

6. Interregional Spillovers of Demographic Changes and Population Aging: Development and Applications of a Multiregional Overlapping Generation Model (I)

Many developing countries are forecast to face the serious problem of an aging population, while these economies are still underdeveloped and not yet adequately prepared to deal with this problem in terms of institutional reforms such as social security. In considering the issue, this research project presents a series of basic analyses on an international cooperative framework that may offset the negative effects of an aging population, 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. The project uses a multi-region, multi-sector endogenous growth model with overlapping generations in the framework of applied general equilibrium analysis. This year, an extension

module for interregional trade linkage in the model, which may greatly affect simulation results, has been developed and tested. The module includes the latest achievements and features in related research fields. Notes on the module and findings through simulation experiments are prepared as the final report.

Organizer: OYAMADA Kazuhiko (Socio-Economic Analysis Studies Group, Development Studies Center)

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

7. Development of a Geographical Simulation Model (IDE-GSM) for Predicting the Long-term Evolution of Population and Industrial Agglomeration in East Asia: Based on the 2010 Geo-economic Dataset (II)

In the research project, we continued to develop the geographical simulation model (IDE-GSM) and applied it to the analyses of various transport and trade facilitation measures (TTFMs). We released the Geo-Economic Dataset for Asia (GEDA) that covers 16 countries in East Asia at the sub-national level and includes population, area, and GDP by industry for 2005, and are now composing the dataset for 2010. The most important extension of the model is the introduction of transport costs in the agricultural sector. It enables us to directly analyze the impacts of TTFMs on the sector. We also calculated tariff rates by industry, country and year, according to the actual schedules of tariff reduction agreed in various FTAs. For the dataset, we refined the economic and route data for the rest of the world. It is also a step forward for us that the estimation procedure of GDP at the sub-national region for countries without official statistics utilizing remote sensing data is now established. We continued the effort to make the simulation model user-friendly, and published an interim report of IDE-GSM in Japanese.

Organizer: KUMAGAI Satoru (Kuala Lumpur, Senior Research Fellow Sent Abroad)

Co-researchers: TSUBOTA Kenmei (Economic Integration Studies Group, Inter-disciplinary Studies Center), KEOLA Souknilanh (Economic Integration Studies Group, Inter-disciplinary Studies Center), GOKAN Toshitaka (Economic Integration Studies

Group, Inter-disciplinary Studies Center), HAYAKAWA Kazunobu (Bangkok Research Center), ISONO Ikumo (Economic Integration Studies Group, Inter-disciplinary Studies Center)

[3]. Spot Research Projects

1. 13th General Election in Malaysia: Issues, Outcomes and Implications

This Project dealt with Malaysia's 13th General Election (GE 13) that was held on May 5, 2013. As was customary, elections were held at the same time for Parliament and the State Legislative Assembly in all states except Sarawak that had last held its state election in 2011. The principal objective of this project is to survey and analyze key issues, outcomes and implications related to GE 13 that, according to expectations, turned out to be the most tensely contested general election in the political history of Malaysia. Clearly it would take an exhaustive study to explore and tackle the many issues and particularities that GE 13 raised. This project and the contributions by the team members have more modestly provided an overview of GE 13 as it was contested in Malaysia as a whole, focusing on the outcomes, providing explanations and raising some related implications.

Organizer: KHOO Boo Teik (Executive Senior Research Fellow, Area Studies Center)

Co-researchers: NAKAMURA Masashi (Deputy Director, Southeast Asian Studies Group I, Area Studies Center), SUZUKI Ayame (Lecturer, Fukuoka Women's University)

[4]. Collaboration Research Projects

1. Connecting Developing Country Firms to Textiles and Apparel Value Chains: The Role of Aid for Trade

Since the Doha Round began in 2001, manufactured exports from developing countries to developed countries have increased only marginally. To stimulate exports, WTO declared that it would undertake the "Aid for Trade (AfT) Initiative" in 2005. AfT is assistance facilitating trade-related institutions, productivity enhancement and infrastructure building in

developing countries. WTO, jointly with OECD, held the 4th Global Review of Aid for Trade in July 2013, and this IDE team was requested to write up a report on how to connect developing country firms to textiles and apparel value chains with the help of AfT. The report was a joint work among WTO, OECD and IDE. OECD provided AfT data gathered from its member countries, while WTO and OECD conducted opinion surveys on AfT to firms, industrial organizations and policymakers, which were incorporated into the report. The following six points were raised as conclusions of the report. (1) The textiles and apparel value chain is full of entry points for developing countries. (2) The apparel industry is a promising entry point, not only along the textiles and apparel value chain, but also for industrial development as a whole. (3) AfT connects the public and private sectors through assistance for international trade. (4) It looks easier and more realistic for private firms in developing countries to move between two production processes with similar factor intensity in different value chains. (5) Strengthening each piece of the chain, in other words, enhancing productive capacity in the production process, makes sense as an industrial promotion strategy. (6) Public private partnership is a key factor of AfT.

Organizer: YAMAGATA Tatsufumi (Director-General, International Exchange and Training Department)

Co-researchers: FUKUNISHI Takahiro (African Studies Group, Area Studies Center), GOTO Kenta (Associate Professor, Kansai University), Michael ROBERTS (Aid-for-Trade Coordinator, Development Division, WTO), Gerardo MELOGNO (Administrative Associate, Development Division, WTO)

2. BRICs Economy and Global Value (Supply) Chains: The Current Situation and Future Challenges

The rapid growing presence of BRIC (Brazil, Russia, India and China) in global value (supply) chains has attracted much attention recently. However, there is still the lack of a comprehensive and multi-faceted analysis on the nature and significance of the BRICs economy and its linkage with global markets. BRIC countries have a number of similarities in terms of their economic development process, and also as large

emerging economies, they are facing some common challenges coming from globalization. On the other hand, due to the difference of their domestic resource endowment and economic structure, a great variation concerning their responses to the global market can also be found. Using the new released IDE-JETRO's BRICs International Input-Output (IO) Table, World Input-Output Database and GTAP database, we conducted a comprehensive analysis that can provide better understanding on the presence, mechanism and potential of the BRICs economy in the global market. Our analytical results cover three parts. One is from a specific country's perspective to introduce BRICs countries macro-economic situation and their evolution in terms of domestic industry and international trade structure change. The second part focuses on analyses of some important challenges that the BRICs economy is facing, such as the labor market, competitiveness of the agriculture sector and environmental problems. Part three uses dynamic CGE models to analyze how tariff reduction and trade facilitation impact on the BRICs economy by the way of global value chains, and how TTIP may influence the BRICs economy in the near future. This research is based on the idea-exchange and discussion with Fudan University and Shanghai WTO Affairs Consultation Center, and the final report is planned to be published within this fiscal year.

Organizer: MENG Bo (Deputy Director, International Input-Output Analysis Studies Group, Development Studies Center)

Co-researchers: HASHIGUCHI Yoshihiro (International Input-Output Analysis Studies Group, Development Studies Center), SATO Hajime (Deputy Director, South Asian Studies Group, Area Studies Center), KUBONIWA Masaaki (Professor by Special Appointment, Hitotsubashi University), XUE Jinjun (Professor, Nagoya University), Gabriele SUDER (Professor, SKEMA Business School, France), ZHANG Yaxiong (Deputy Director-General, Economic Forecasting Department, China State Information Centre), GUO Jiemin (Senior Research Fellow, U.S. Bureau of Economic Analysis (BEA))

< Center for BRICS Studies, Fudan University >

FAN Yongming (Director, Center for BRICS Studies), YUAN Tangjun (Professor, Director of Asian Research Center), WU Libo (Professor, Deputy

Director of Energy Research Center), SUN Lijian (Professor, Director of Financial Research Center), LUN Hanyin (Professor, Deputy Director of the Department of International Economy), QIANG Yongchang (Professor, the Department of Economics), WANG Jian (Researcher, Asian Economic Research Center), YI Shen (Research Fellow, the Department of International Politics, School of International Relations and Public Affairs, and the Center of Communication Revolution and Governance), LIU Mingyu (Associate Professor, the Department of Management), LUO Yonghui (Associate Professor, the Department of Management) HE Ping (Lecturer, BRICS Research Center), YE Ming (Post Doctor, BRICS Research Center)

< Shanghai WTO Affairs Consultation Center >

ZHANG Lei (Director of Research Division), HUANG Peng (Director of Industry Research Division)

3. Global Value Chains and Trade in Value-Added: International Input-Output Analysis

Global value chains (GVCs) and Trade in Value-Added (TiVA) have been a very hot issue not only in academia but also for policymakers. In order to undertake comprehensive research on GVCs and TiVA, we need large-scale and high-quality data (such as time series international input-output tables), a better analysis framework, and good policy implications to help us understand how value is created and distributed across countries, firms and industries by the way of international production networks.

In the last fiscal year, IDE-JETRO launched a new research project on GVCs and TiVA-related issues with the collaboration of the United States International Trade Commission (USITC). We proposed a new framework to help measure the linkages between a country's domestic value chains and global value chains. The framework measures domestic linkages by endogenously embedding a country's domestic interregional Input-Output (IO) table in an international IO model. In order to test the validity and usefulness of this new approach, some preliminary numerical results are presented and discussed based on the Chinese 2007 interregional IO table, China customs statistics at the provincial level, and the World Input-output Database

(WIOD). In addition, related products have been reported at the recent international conference "EU-China Trade Project II" in Beijing and at some internal seminars both in the USITC and IDE-JETRO as well as the U.S. Bureau of Economic Analysis (BEA). The internal report concerning this joint project has been completed. This report includes one academic paper, two kinds of programs (GAMS and R) for compiling the Embedded International Input-Output Table and related databases. The academic paper has been published by the IDE-JETRO's discussion paper (Number 424) through the Agreement between IDE-JETRO and the USITC.

Organizer: MENG Bo (Deputy Director, International Input-Output Analysis Studies Group, Development Studies Center)

Co-researcher: INOMATA Satoshi (Chief Senior Researcher, Development Studies Center), Robert KOOPMAN (Director, Office of Operations, USITC), WANG Zhi (Lead International Economist, USITC)

4. IDE-JETRO/UNIDO Collaborative Research Project "Asian Trade Standards Compliance Report: Analysis of Border Rejection Data in Developed Markets"

IDE-JETRO has conducted joint research with United Nations Industrial Development Organization (UNIDO) on trade standards compliance in developing countries by analyzing data on rejections at the borders of developed countries. The outcome of this collaborative research project is published as a report entitled "*Meeting Standards, Winning Markets, Regional Trade Standards Compliance Report – East Asia 2013*", which is available online from IDE-JETRO and UNIDO websites.

In recent years, food safety standards have become stricter in developed markets. As a result, we have witnessed an increase in rejections of agri-food product exports from developing countries at the borders of developed countries. In order to overcome this issue, we need to identify where the problems lie in the supply-chains.

Key findings from our joint research on compliance with standards set by developed markets are that, firstly, to succeed in the export market, a

tightly controlled supply chain is needed, especially on the management and dissemination of knowledge about the food safety requirements in importing countries to farmers who tend to lack understanding on this issue. Secondly, we found that farmers and food processors are having difficulties keeping up with various regulations and their changes in developed countries. And thirdly, retailers in developed countries require local farmers or processing companies to acquire certifications. In addition, the number of private standards tends to be increasing. Our research found that such complicated and demanding situations for developing countries make it difficult for the farmers to comply with standards without further capacity building efforts provided for them.

Organizer: NABESHIMA Kaoru (Chief Senior Researcher, Inter-disciplinary Studies Center)

Co-researchers: MICHIDA Etsuyo (Environment and Natural Resource Studies Group, Inter-disciplinary Studies Center), YAMADA Nanae (Environment and Natural Resource Studies Group, Inter-disciplinary Studies Center), OTSUKI Tsunehiro (Professor, Osaka School of International Public Policy, Osaka University), SUZUKI Aya (Lecturer, Division of Environmental Studies, Graduate School of Frontier Sciences, University of Tokyo), VU Hoang Nam (Professor, Foreign Trade University, Vietnam), Steffen KAESER (Chief, Quality, Standards and Conformity (QSC) Unit, UNIDO Trade Capacity Building Branch), Thomas BERNHARDT (Industrial Development Officer, UNIDO Trade Capacity Building Branch)

Coordinator: KATAOKA Masaki (Planning and Coordination Division, Research Planning Department)

5. The Opportunities and Cooperative Strategy for Taiwan and Japan Industries in Emerging Economies

Following the project conducted in FY2012, in this year we examined the future of the Japan-Taiwan business alliances focusing on two topics: one is the possibility of alliances in Southeast Asia, the other is the challenges presented by alliances in the tertiary sector. Southeast Asia is now regarded as a favorable production base and a promising market. Can Japan-Taiwan business alliances be successful there? The results of our study on this question are as follows:

first, analysis of various data showed that the focus of East Asian growth is shifting from China to ASEAN and that Japanese and Taiwanese enterprises need to seize the opportunities there. We further argued that Thailand and Vietnam have more opportunities than other ASEAN countries. Second, based on the investigation on existing cases of the alliances in Southeast Asia, Japanese and Taiwanese enterprises can complement each other in places other than China, which most of the alliances have chosen as locations of business and the higher the capabilities of both sides of the alliances are, the higher the levels of collaboration can be achieved. We also indicated Japanese small and medium-sized enterprises (SMEs) can supplement their shortage of resources for internationalization by tying up with Taiwanese firms. Regarding the tertiary sector, we outlined the current situation of the sector in Taiwan and the Japanese non-manufacturing enterprises operating in Taiwan and illustrated the patterns of Japan-Taiwan business alliances in the sector. And through looking at a case study, we presented the problems with which Japanese SMEs are facing in undertaking foreign investment.

Organizer: SATO Yukihiro (Director, Business and Industry Studies Group, Inter-disciplinary Studies Center)

Co-researchers: IKEGAMI Hiroshi (Deputy Director, Business and Industry Studies Group, Inter-disciplinary Studies Center), LIN Xinwu (Director, Research Division III, Taiwan Institute of Economic Research), WANG Muchun (Associate Research Fellow, Research Division III, Taiwan Institute of Economic Research)

6. Economic Development of ASEAN and the Business Opportunities for Hokuriku Industry

This report is the result of a collaborative research project with Hokuriku AJEC (Around Japan sea Economic exchange Conference), aiming to propose possible strategies for Hokuriku companies to expand their businesses to ASEAN. ASEAN has accelerated its efforts to establish the ASEAN Economic Community by 2015, and offers a number of business opportunities based on its growing middle-class markets and the diversity to allow the hosting of various kinds of industries.

Focusing on several major industries in Hokuriku, namely, textile, machinery, pharmaceutical, and services industries, we propose strategies for exporting, entering the ASEAN market, engaging in partnerships with local companies, and setting up production sites in ASEAN. Based on the evidence that the internationalization of Hokuriku industries has not caused a hollowing-out of the regional economy, three prefectural governments are recommended to enhance cooperation among themselves to support the internationalization of Hokuriku companies and to improve the business environment of Hokuriku as a node connecting production, logistics and the movement of human resources. The role of the Japanese government is also critical in enhancing the support to, in particular, SMEs, pharmaceutical and services industries.

Organizer: UMEZAKI So (Director, Economic Integration Studies Group, Inter-disciplinary Studies Center)

Co-researchers: HIRATSUKA Daisuke (Executive Vice President, JETRO), ISHIDA Masami (Bangkok Research Center), KUMAGAI Satoru (Kuala Lumpur, Senior Research Fellow Sent Abroad), KUBO Kensuke (Deputy Director, Microeconomic Analysis Studies Group, Development Studies Center), KIMURA Koichiro (Business and Industry Studies Group, Inter-disciplinary Studies Center), ASUYAMA Yoko (Poverty Alleviation and Social Development Studies Group, Development Studies Center), KITAGAWA Hironobu (Director, Creative Industries Planning Division, Creative Industries Promotion Department, JETRO), HASSALI, Mohamed Azmi Ahmad (Associate Professor / Deputy Dean, School of Pharmaceutical Sciences, Universiti Sains Malaysia)

<Hokuriku AJEC>

MARUYA Toyojiro (Professor, Research Institute for Regional Economics, Fukui Prefectural University), IKEBE Ryo (Associate professor, Research Institute for Regional Economics, Fukui Prefectural University), TAKEMI Yoshinari (Professor, Faculty of Business Administration and Information Science, Kanazawa Gakuin University), OYAIZU Hidetomo (Professor, Faculty of Economics, University of Toyama), TERAOKA Juji (Hokuriku AJEC), SUGIYAMA Masaki (Hokuriku AJEC), SHIRAMATA Shuji (Hokuriku AJEC)

7. Globalization and the Growth of Firms in Developing Countries: Comparisons between East Asia and Latin America

In this joint research with Pontificia Universidad Católica de Chile, the influences of differences in technologies and institutions on the relationship between globalization and the growth of firms in developing countries were studied. Kimura analyzed the boundaries of indigenous firms in developing countries competing with foreign firms from developed countries, based on some typical differences between firms in developing and developed countries, such as contrasting advantages, differences in development of vertical specializations, and wage differences. Through a model analysis, it was shown that indigenous firms can have eight options of boundary choices depending on business environments and competitors' boundary choices. Kitano studied the production systems of the agribusiness in Latin America from the viewpoint of the allocation of land ownership. Using the incomplete contract theory, this paper established the inverse-U shape relation of land institution and land concentration. Ueki investigated the impacts of trade barriers on internationalization of enterprises in ASEAN and Latin America, using the World Bank's enterprise surveys. The internationalization of enterprises is associated with subjective trade obstacles, while the impact of the subjective trade obstacles is insignificant on enterprises already internationalized. The investigation also suggested unfavorable conditions enterprises in Latin America face compared to enterprises in ASEAN.

Organizer: KIMURA Koichiro (Business and Industry Studies Group, Inter-disciplinary Studies Center)

Co-researchers: KITANO Koichi (Senior Researcher, Inter-disciplinary Studies Center), UEKI Yasushi (Economist, ERIA), Marcos José Jaramillo (Professor, Centro de Estudios Asiáticos, Pontificia Universidad Católica de Chile), Roberto Durán (Professor, Centro de Estudios Asiáticos, Pontificia Universidad Católica de Chile), José Gregorio Díaz (Professor, Centro de Estudios Asiáticos, Pontificia Universidad Católica de Chile), Johannes Rehner (Professor, Centro de Estudios Asiáticos, Pontificia Universidad Católica de Chile)

8. Tracing China's CO₂ Emissions in Global Supply Chains

This project provides an interdisciplinary research framework in which both the existing environment-related approaches and most recently developed global supply chains-related analytical tools are involved. We take full advantage of the international Input-Output-based decomposition method to provide a unified conceptual framework for tracing CO₂ emissions in global supply chains. In this fiscal year, using China's regional Input-Output tables, regional energy balance tables, economic census data, the national statistic and regional statistic year book for agriculture and services sectors, we compiled China's 2007 regional energy use and CO₂ emissions-related database (preliminary version). In order to make a time-series study, we also collected relevant information for updating the current 2007 data to 2012. In the next fiscal year, we will apply and test our analytical framework to China by introducing China's regional and firm heterogeneity information into our environmental Input-Output models. This project is in close collaboration with the Center for Industrial Development and Environmental Governance (Tsinghua Univ.), USITC, and the Institute of Global Low-Carbon Economy (Nagoya Univ.).

Organizer: MENG Bo (Deputy Director, International Input-Output Analysis Studies Group, Development Studies Center)

Co-researchers: SHIBATA Tsubasa (International Input-Output Analysis Studies Group, Development Studies Center), WANG Zhi (Lead Economist, USITC), YUKIHARA Tatsuto (Co-director/Professor, Institute of Low-Carbon Economy, Nagoya University), GAO Yuning (Associate Professor, CIDE, Tsinghua University), FOX Alan (Senior Economist, USITC), PETERS Glen (Senior Researcher, Center for International Climate and Environmental Research, Oslo), PEI Jiansuo (Associate Professor, University of International Business and Economics), ZUO Lele (Associate Research Fellow, Institute of Policy and Management, Chinese Academy of Sciences), GUO Lin (Researcher, Nagoya University)

Coordinator: SASAKI Akiko (Planning and Coordination Division, Research Planning Department)

< Basic and Comprehensive Research >

1. Urbanization in China: Expansion, Instability and Social Management

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

First, there are changes of the social space by urbanization. For a long period, *danwei* was a basic unit constituting urban society in China. After the 1990s, *danwei* diversified and fragmented after the collapse of the *danwei* system and progress of urbanization. To manage a fragmented urban society, the *shequ* (community) appears as an autonomous institution. With strong support from the 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 the equilibrium of those people who suffered 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 a policy by collective action.

Third, only few social organizations can affect the policy process owing to 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 reorganizing government agencies.

Organizer: AMAKO Satoshi (Professor, Waseda University)

Co-researchers: REN Zhe (East Asian Studies Group, Area Studies Center), LIM Jaehwan (Associate Professor, Aoyama Gakuin University), WU Maosong (Lecturer, Keio University), HUANG Mei (Research Fellow, University of Tsukuba), ZHONG Kaibin (Associate Professor, China National School of Administration), YAO Yuan (Lecturer, Nanjing

University), ZHANG Bingxuan (Lecturer, Zhejiang Gongshang University)

2. Post-War Economy: Issues and Challenges in Sri Lanka

This project aims to examine Sri Lanka's economy; the study of which was sidelined under the shadow of the longstanding ethnic conflict. We will explore the relation between conflict and socio-economic development and several issues that are considered to be important to understand Sri Lanka's current economy. We are interested in how the Sri Lankan economy will be able to realize sustainable development after the conflict.

In order to understand Sri Lanka's economy, firstly, we used World Bank data. Economic and social indicators showed that although Sri Lanka has benefited a lot from welfare programs after independence, she failed to control her economy, and economic development was slow.

It is necessary to have an understanding as to why Tamils started demanding separation. It was found that India played an important role during and at the end of the war.

It is useful to learn how the economic actors played their role during the war and difficult times. Statistical data showed several aspects of the employee and employer. Workers who stay abroad are also the subject of our study. The fishing industry and fishermen faced severe problems during the war and after the 2004 tsunami. Education, which is very important to build the capacity of workers, was found to have its strengths and weaknesses.

Organizer: ARAI Etsuyo (Deputy Director, Current Affairs Studies Group, Area Studies Center)

Co-researchers: KONDO Norio (Director, South Asian Studies Group, Area Studies Center), OTA Hitoshi (South Asian Studies Group, Area Studies Center), TAKAKUWA Fumiko (Division of Social Studies, Faculty of Urban Liberal Arts, Tokyo Metropolitan University), KAGE Rie (Saga University), Kamala Liyanage (Professor of Political Science, University of Peradeniya, Sri Lanka), SUZUKI Kazunari (Economic and Social Research Institute, Cabinet Office)

3. Economic Development and Property Rights in Developing Countries

What influence does the legal system that stipulates property rights have over the state of economic activities of people? The aim of this project is to investigate this question from theoretical and practical aspects. In the theoretical study, we will investigate how social sciences including economics have dealt with the function, role and basis of property rights from the viewpoints of social justice, economic development and appropriate resource allocation. We will examine the respective scope of the analysis and its suitability. At the same time, we will focus on the way laws concerning property rights reflect economic and transactional customs that are formed within the historical and cultural path dependency. As a case study we will look at real rights in Iranian civil code, which is deeply affected by traditional Islamic law, and will argue the inherent regional nature of them that is driven from path dependency.

This year, we started a discussion concerning the contemporary significance and role of "private property", with an examination of Demsetz's argument, and gained a foothold toward answering the question whether a private property is the most developed form of possession. We also clarified the legal and practical characteristics of a contract form of real estate leasing called *rahn*, which is practiced widely in Iran's real estate market. By investigating this contract form, we have gained some hints about development of a financial system among the people as a result of avoiding religious taboos.

Organizer: IWASAKI Yoko (Deputy Director, Middle Eastern Studies Group, Area Studies Center)

Co-researcher: SATO Hajime (Deputy Director, South Asian Studies Group, Area Studies Center)

4. Understanding the Impact of the Employment Guarantee Programme on the Labour Market in India

As a background study for rural areas, we analyze rural electrification based on primary data. Rural electrification is one of the top items on the development agenda for the government of India. Although rural electrification continues under the Rajiv

Gandhi Rural Electrification Programme that began in 2005, and the government celebrates its accomplishment of electrifying one *lakh* (100,000) villages, there are serious challenges ahead. This paper, based on our survey in rural Bihar, reveals that the progress of rural electrification may not be as advanced as government statistics indicate. Many villages became de-electrified in the past when inadequate government-provided transformers failed due to insufficient capacity. Some villages were fortunate and have been re-electrified, but many have been left un-electrified; simply waiting for the government to help has proved to be an ineffective solution. This paper also reports on the issue of illegal connections. Power theft has become rampant in rural areas. As rural electrification progresses, access to electricity is easier than before. Governance is weak in rural areas, so there is virtually no checking and monitoring system for electricity use. These factors motivate some villagers to illegally access electricity. The government's program to provide electricity to all the villages and all the households in rural areas should not be slowed, but side effects such as illegal connections should be taken more seriously. If not, it will make rural electrification unsustainable as it will become another serious burden to India's power sector, which has been running at a loss for decades.

Organizer: TSUJITA Yuko (South Asian Studies Group, Area Studies Center)

Co-researcher: ODA Hisaya (Professor, Ritsumeikan University)

5. Changes in Multidimensional Urban Poverty under Economic Growth: Evidence from Slum Households in India

This study, based on two primary surveys of the same households in two different years (2007/08 and 2012), assesses the extent of inter-temporal change in income of individual workers and makes an attempt to identify the factors that explain upward mobility in an alternate econometric framework, envisaging an endogeneity problem. It also encompasses a host of wellbeing indicators and constructs a transition matrix to capture the extent of change over time at the household level. The findings are indicative of a rise in the income of

workers across a sizeable percentage of households, though many of them remained below the poverty line notwithstanding this increase. In fact, there is a widespread deterioration in the wellbeing index constructed at the household level. Among several factors of income rise, two important policy prescriptions can be elicited: inadequate education reduces the probability of upward mobility, while education above a threshold level raises it. Savings are crucial for upward mobility impinging on the importance of asset creation. Views that entail neighborhood spillover effects also received validation. In addition, investment in housing and basic amenities turns out to be crucial for improvement in wellbeing levels.

Organizer: TSUJITA Yuko (South Asian Studies Group, Area Studies Center)

Co-researcher: Arup Mitra (Professor, Institute of Economic Growth, India)

6. International Relations over Indochina Development Cooperation: The Study of International Political Process among Thailand, China and CLMV

In the early 1990s, Mekong countries embarked on regional development projects in the area of energy and transportation infrastructures. The high economic potential of those projects drew global attention and a number of cooperation frameworks with duplicated members and activities were hitherto established. Some studies have concluded that those "scattered" frameworks are the result of uncoordinated profit-seeking by each Mekong state. There are several studies that examined the regional cooperation strategies of each state concerned, but there seems to be little argument as to against what kind of context those state's strategies have been played. The paper aimed at examining the holistic context of international relations over Mekong development by employing the concept of strategic "hedging." It is a strategic combination of "balancing" and "bandwagoning" and is often used in recent international relations studies to describe the small states' strategies toward rising powers. The paper assumed that the Mekong cooperation frameworks are the product of the hedging strategies of the concerned

states, and depicted the structure of the international relations over Mekong development as a multi-layered system that is comprised of three levels of relationships namely, the relationships among great powers, among great powers and small states and among small states. The paper concluded that the multiple development frameworks in the Mekong are not just a trajectory of individual profit-seeking of the states but safety arrangements for the countries with huge disparities and unstable relationships.

Organizer: AOKI-OKABE Maki (Southeast Asian Studies Group I, Area Studies Center)

7. Conditions for Land Accumulation by Private Farms in Vietnam

The objective of this research is to explore the process of land consolidation by rice farmers in the Mekong Delta, Vietnam. Around the late 1980s, entities cultivating relatively large-scale land began to emerge, especially in the Mekong Delta, which is the rice bowl of Vietnam. Large-scale rice farmers have not only enlarged their production scale but also increased their income in the Mekong Delta. Based on the case study of 15 farmers in An Giang Province whose land is over 10 hectares, this research looks at when large-scale rice farmers got their land, in what way did they get it and under what economic and institutional conditions. This research reveals three periods in the process of land consolidation of large-scale rice farmers: (1) before 1993: the period of inheritance, (2) from 1993 to mid-2000: the period of buying land, (3) after 2005: the period of increasing land leasing. The large-scale rice farmers have consolidated their land considering the socio-economic conditions and the conditions of their own resources in each period, and have changed their way of consolidating land.

Organizer: KOJIN Emi (Southeast Asian Studies Group II, Area Studies Center)

8. Political Economy of Cash Transfer in Developing Countries

The aim of this study is to clarify the characteristics of and to analyze the trajectories of formation of cash transfer policies that came to be the center of poverty

alleviation policies. In emerging countries such as Argentina, Brazil, and South Africa, we found the next three findings. Human capital investment became important, the coverage of cash transfer policies is expanding, and ideas matter in terms of cash transfer policy formation. Transferring and sharing ideas, communicative discourse of ideas, and interaction of specialists with different ideas facilitate formation and expansion of cash transfer policies. In the case of least developed countries like Ethiopia, the coercion of policy ideas is most commonly seen in policy transfer. International transfer of idea made cash transfer policy more universal in Korea. In the case of Poland, internal political factors are more important concerning the formation and reform of cash transfer policy. However, there is a possibility that ideas will facilitate the introduction of new social policies in these countries.

Organizer: USAMI Koichi (Senior Researcher, Area Studies Center)

Co-researchers: MAKINO Kumiko (African Studies Group, Area Studies Center), KODAMA Yuka (African Studies Group, Area Studies Center), KONTA Ryohei (Latin American Studies Group, Area Studies Center), SENGOKU Manabu (Professor, Comparative Politics, Department of Law, Seinan Gakuin University), KIM Jo-Seol (Professor, Faculty of Economics, Shinshu University)

9. Political Participation in Latin American in the Era of "Post-Neoliberalism"

The purpose of this study group was to elucidate the reality of citizens in political participation that has been deployed in the Latin American 'post-neoliberal period'. Neoliberal reforms in the 1980s and 1990s have changed state-society relations, 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 citizen participation in the budgeting and policy-making of local government, the establishment of a new forum for policy discussion in local sites and non-institutional political protests against government and its policies. So in this year,

each member tried to analyze each case following their own theme. We have strongly recognized that, to understand the political or social “fact”, or to investigate the causes of it, we should be conscious of the methodologies and theories of the “social science” (as the subcategory of the “science”) and we must draw inferences based on empirical documents and data, with the standardized techniques in social science (political science, sociology, and economics). So we made full use of such various methods as the Inferential or Descriptive Statistical Analysis, Qualitative Comparative Analysis (QCA), Network Analysis, and Process Tracing, to accomplish our purpose in this study group.

Organizer: UETANI Naokatsu (Latin American Studies Group, Area Studies Center)

Co-researchers: IZUOKA Naoya (Professor, Keio University), OKADA Isamu (Postdoctoral Research Fellow, University of Tsukuba), FUNAKI Ritsuko (Associate Professor, Chuo University), MIYACHI Takahiro (Assistant Professor, Doshisha University)

10. Exploring Informal Networks in Kazakhstan: A Multidimensional Approach

This project has focused on informal networks, defined as a web of connections based on kinship ties, friends, colleagues and neighbors through which goods, services, favors, and information are exchanged. The project has examined the roles and functions such networks serve for “getting things done” in Kazakhstan, a post-Soviet Central Asian republic with a rapidly developing economy and modern economic and social institutions. A number of studies on social capital and network analysis have shown much lower levels of trust placed by citizens of the post-Soviet states in formal institutions than what we find in most Western societies. Individuals in former Communist states tend to rely on their personal networks and connections for a variety of tasks and services that normally require one to go through formal channels and public institutions. This project has explored informal networks in three different spheres in Kazakhstan: the everyday lives of ordinary people, political and economic transactions within various state bodies and also between the state and its citizens, and the network of migrant workers

from neighboring CIS states that transcends national boundaries. The findings inherent in the three articles together point to a common conclusion: any measures to mitigate the level of corruption or to improve the quality of state governance have to start with recognition of widespread informal practices and the strength of informal networks that permeate Kazakhstan society.

Organizer: OKA Natsuko (Middle Eastern Studies Group, Area Studies Center)

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

11. Power Structure of China’s State Development Reform Commission

Economic policy affects the distribution of interests among various economic stakeholders. As China transitions to a market economy, the quest for fairness and transparency in the economic policy-making process has increasingly come to the fore. This research project combined political and economic analyses, which have traditionally tended to be conducted separately.

The study investigated the role of China’s State Development Reform Commission (SDRC) on economic decision making. This research begins with analyses that are macro in scope; that is, historical changes of the institutional function. Moreover, we examine various SDRC functions through case studies on economic decision making, including investment projects, distribution policy, industry policy, and price policy. The results of this study are due to be published as a book (in Japanese).

Organizer: SASAKI Norihiro (Associate Professor, National Defense Academy)

Co-researchers: ONISHI Yasuo (Chief Senior Researcher, Inter-disciplinary Studies Center), HOSHINO Masahiro (Associate Professor, Nanzan University), WATANABE Naoto (Lecturer, Kinki University)

12. Legislature under One Party Regime: Case of China, Vietnam, Laos, and Cambodia

China, Vietnam, Laos, and Cambodia maintain their rule and political legitimacy through legislatures, by applying the knowledge of previous works on authoritarianism. In the interim report, as a preparatory work for the second year, we traced how the legislature in each country changed since the establishment of its regime in terms of status, role, power, etc. Also, we tried to clarify an analytical framework of our studies. We use “legitimacy” to analyze the relationship between maintaining the regimes and legislatures. Over the past ten years, the study of authoritarian regimes has shown considerable interest in how nominally democratic institutions, such as the legislature, political parties and elections, play important roles in the survival of these regimes. To date, however, there are few detailed studies on the mechanism of the legislature; that is, how it works on the survival of the regime. We hypothesize that any kind of political regime has to have political legitimacy to rule and the institution such as the legislature is one of the tools to obtain this. There are three main functions of the legislature: legislative body, observing administrative body/accountability, and enhancing effectiveness of rule (reflecting the will of the people/soaking up public opinion). We think that the ruling parties of the four countries are trying to strengthen either one of the three functions or all of them to obtain legitimacy. Based on this hypothesis, we will analyze the relationship between the survival of the regimes and the legislature in the second year.

Organizer: YAMADA Norihiko (Southeast Asian Studies Group II, Area Studies Center)

Co-researchers: GOTO Fumio (Professor, Department of International Relations, University of Shizuoka), SUWA Kazuyuki (Professor, Department of International Relations, University of Shizuoka), YAMADA Hiroshi (Institute for Advanced Global Studies, University of Tokyo)

13. 2014 Elections in Indonesia: 10-year Yudhoyono Presidency in Retrospect, New President in Prospect

This tentative research report is a collection of articles

written by researchers from the IDE research project, “2014 Elections in Indonesia: 10-year Yudhoyono Presidency in Retrospect, New President in Prospect”. Our team undertook preliminary research on the achievements of the 10-year Yudhoyono government and 2014 general elections. This report consists of articles on the significance of the 2014 elections, election institutions, political dynamics around the coming presidential elections, transformations of Islamic politics under the Yudhoyono presidency, macro-economic analysis, economic institutional developments, corruption and the judiciary in local politics, and the diplomatic policies of the Yudhoyono government.

Organizer: KAWAMURA Koichi (Southeast Asian Studies Group I, Area Studies Center)

Co-researchers: HIGASHIKATA Takayuki (Southeast Asian Studies Group I, Area Studies Center), AIZAWA Nobuhiro (Law and Institution Studies Group, Inter-disciplinary Studies Center), HAMADA Miki (Director, Poverty Alleviation and Social Development Studies Group, Development Studies Center), HONNA Jun (Professor, Ritsumeikan University), OKAMOTO Masaaki (Associate Professor, University of Kyoto), MIICHI Ken (Associate Professor, Iwate Prefectural University)

14. Revolutionary Cuba’s Quest for Survival: Comparison with Vietnam

This research project is aimed at analyzing the economic and social transformation of Cuba, which restarted economic reforms in 2008, with Vietnam, whose economic reforms preceded those of Cuba. Both are one of the few remaining socialist states after the disintegration of the USSR, and their political, economic, and social transformation has been affected by historical, geo-political factors, as well as institutional factors. Pavel Vidal compares the economic performance of both countries six years after each of them launched economic reforms. He found that Cuba’s growth rate in its entire economy, as well as in the agricultural and industrial sectors, was always lower than Vietnam’s. He evaluated that Vietnam has accomplished diversification of industries and overcome its external vulnerability. Vietnam increased

foreign direct investment, improved productivity, and succeeded in participating in the international value chain by fortifying its relationships with non-socialist countries.

Mauricio de Miranda stated that Cuba's reforms have been gradual and maintain the characteristics of both centrally planned- and market-economies, which have affected its institutions. In comparison with Vietnam, Cuba has problems with the limited capability of effective demand, shortage of capital accumulation, inefficient financing, and lower institutional credibility to appeal to the international business sector. Both countries have concerns about the social impact of economic reforms, and both started reforms in agriculture, yet the speed of the reforms has been slower in Cuba, and this is a principal disadvantage in attracting foreign capital.

Kanako Yamaoka compared the social policies of Cuba and Vietnam, and showed that Cuba has gained more advanced social development than Vietnam. Therefore, the "social contract" model introduced in Soviet studies could be applied better in the Cuban case. This year, she attempted to show that Cuba's social contract has been transformed into a more Vietnamese-style one, with less social spending and economic openness under Raúl Castro. For this purpose, she compared the discourses of Fidel Castro in 1991-2006 and Raúl Castro in 2008-2013.

Organizer: YAMAOKA Kanako (Deputy Director, Latin American Studies Group, Area Studies Center)

Co-researchers: Mauricio de Miranda Parrondo (Professor, Department of Economics, Faculty of Economics and Business Administration, Pontificia Universidad Javeriana, Cali (Colombia)), Pavel Vidal Alejandro (Associate Professor, Department of Economics, Faculty of Economics and Business Administration, Pontificia Universidad Javeriana, Cali (Colombia))

15. The Society of the Muslim Brothers and International Linkage of Islamic Movements

The project members held seven meetings during 2013–2014 to conduct: (1) individual studies of each member; and (2) two seminars inviting specialists who are not project members. In addition, (3) the members

made field trips and submitted the chapters for the interim report.

1. The members focused on, respectively, Tunisia, Egypt, Kuwait, and Palestine as case studies of the Muslim Brothers (MB)' activities with special reference to the following topics: organizational structure, scope of the MB as an international political actor, and their diplomatic relations with other social movements.
2. Professors Kikkawa Takuro (Ritsumeikan Asia Pacific University) and Suechika Kota (Ritsumeikan University) were invited to discuss the Jordanian and Syrian MB cases. The study on the two regions is essential to our interest in the political importance of the MB in each country.
3. The "Interim Report for The Society of the Muslim Brothers and International Linkage of Islamic Movements", composed of four chapters has been submitted and is to be published online.

The exclusion of the MB from power and from the official political arena, which took place in Egypt following the military intervention in July 2013, led some members to change their research plans. We will also pay more attention on how to evaluate the performance of the MB, especially in the field of international politics now that the future of the Islamists in domestic politics is uncertain.

Organizer: WATANABE Shoko (Middle Eastern Studies Group, Area Studies Center)

Co-researchers: ISHIGURO Hirotake (Middle Eastern Studies Group, Area Studies Center), YOKOTA Takayuki (Associate Professor, College of International Relations, Nihon University), NISHIKIDA Aiko (Assistant Professor, Research Institute for Languages and Cultures of Asia and Africa, Tokyo University of Foreign Studies)

16. State-Formation and Conflict in Côte d'Ivoire

This study aims to elucidate the historical background of political instability that has continued in Côte d'Ivoire since the 1990s. The instability was caused by antagonism among political parties and escalated by the involvement of the army and rebel groups. At the same time, national identity has been at stake in this political

strife. In this sense, the recent political conflict is inextricably linked with the state-formation process of this country. That's why this study examines the problem from an historical perspective, which covers a century from colonization to the present day. This project will contribute to a deeper understanding of the nature of the state and present the challenges to stability and peace-building in this country.

Organizer: SATO Akira (Deputy Director, African Studies Group, Area Studies Center)

17. Present Opposition, Future Leadership? Emerging Figures in Malaysian Politics

Malaysian politics lies in a state of flux. Without a powerful vision after Mahathir Mohamad's *Vision 2020*, the regime seems unable to revitalize itself. Rising in strength, an inventive opposition faces many structural obstacles in moving towards a 'two-coalition system'. Civil society is resourceful in many areas, popular sentiment is unsettled over many issues, and various parties and civil society organizations show signs of a generational shift in their leadership. In such conditions major political change may occur, making it necessary to pay close attention to today's opposition that strives to be tomorrow's leadership. It is instructive, therefore, to develop profiles of emerging oppositionists and activists whose views and ideological positions may shape the future of Malaysian politics. Here, the logical candidates to be understood are younger leaders of the opposition Pakatan Rakyat (People's Alliance), civil society activists involved in popular campaigns for electoral, institutional and social reform, free social media, environmental protection, defense of vulnerable communities, and so on. A better understanding of such figures whose records and ideas are representative of major socio-political trends would provide a guide to the complexities of transformation that may be accompanied by different kinds of conflicts.

Organizer: KHOO Boo Teik (Executive Senior Research Fellow, Area Studies Center)

18. Re-examination of the Taiwan Strait Crises and Sino-American Relations

There have been few studies that utilize Taiwanese

sources to highlight how Chiang Kai-shek (Jiang Jieshi) recognized the issue of the Republic of China (ROC) government's returning to Mainland China. Most studies on this issue have focused on Taiwan's diplomatic history in the 1950s in the context of U.S.-China or U.S.-Taiwan relations based on diplomatic and archival documents available in the United States, such as the *Foreign Relations of the United States (FRUS)*. One of the reasons why this issue has been analyzed only from the context of bilateral relations has been that the availability of diplomatic documents from Taiwan had been very limited for a long time. It had been very difficult, as a result, to understand Taiwan's diplomatic history from Taiwanese perspectives. However, thanks to democratization in Taiwan, Taiwan's archives such as Academia Historica, Academia Sinica's Institute of Modern History Archive, and the Kuomintang Archive have started opening various kinds of ROC government documents. Because of these developments, it has become possible for researchers to analyze Taiwan's diplomatic history during the Cold War, not only from the U.S. but also from Taiwanese perspectives.

Organizer: MATSUMOTO Haruka (East Asian Studies Group, Area Studies Center)

19. Preliminary Study on the Expansion of Cooperative Thoughts and Practice in Developing Countries

We have reviewed literature on rural cooperatives in developing countries and summarized their discussions as follows. First, rural cooperatives in developing countries were mostly formed and administered by the initiative of national governments. Second, we found salient features in the performance of rural cooperatives in each continent. The agent of social policy is the typical type for Asia, while the collecting arm of agricultural commodities is unique for Africa. The multi-functional service provider and the agent of land reform are frequently seen in Latin American countries. Third, past literature evaluated the performance of cooperatives in developing countries from the viewpoint of the ideal image of cooperatives in Western Europe. However, the cooperatives in underdeveloped countries were formed through different motivations

from those in developed countries. Their performance should be reassessed through the actual intentions of cooperative founders. Fourth, compared with the studies evaluating the performances of cooperatives, few studies have been done to specify the conditions of successful cooperatives in developing countries. Especially after the 1980s, when governmental intervention for promoting cooperatives has been largely withdrawn, it is crucial to study which conditions in the market economy environment allow cooperatives to compete with profit-oriented enterprises.

Organizer: SHIGETOMI Shinichi (Deputy Director-General, Area Studies Center)

Co-researchers: OKAMOTO Ikuko (Southeast Asian Studies Group II, Area Studies Center), SHIMIZU Tatsuya (Deputy Director, Latin American Studies Group, Area Studies Center), KODAMA Yuka (African Studies Group, Area Studies Center)

20. Marshaling Arguments on the Indian Socio-Economy

Marketization and commodification have been proceeding and intensifying in Indian society, especially since the historic change of its development strategy that took place in 1991. The aim of this research project is to reconsider how the challenges and problems of the Indian socio-economy have been changing (or not) in the country's two decades of liberalization. Chapter 1 studies the effects of the Right of Children to Free and Compulsory Education Act, 2009 on primary education, based on a household survey conducted by the author in slums in Delhi. Chapter 2 looks at the balance of payment problems that occurred in 2013, through analyzing the development pattern in the 2000s. Chapter 3 focuses on the Government-Sponsored Health Insurance Scheme and discusses difficulties and challenges in achieving universal health coverage. Chapter 4 sheds light on Penn Thozhilalargal Sangam, which is a women's trade union in the informal sector in Tamil Nadu, and considers the role and background of its organizers.

Organizer: SATO Hajime (Deputy Director, South Asian Studies Group, Area Studies Center)

Co-researchers: OTA Hitoshi (South Asian Studies

Group, Area Studies Center), KUBO Kensuke (Deputy Director, Microeconomic Analysis Studies Group, Development Studies Center), TSUJITA Yuko (South Asian Studies Group, Area Studies Center)

21. Perspective of Development Economics

The aim of this project was to publish the third edition of the textbook of development economics, which was written by IDE's researchers and first published in 1997. The textbook was written in Japanese and widely read among university students and professors. Features of the new edition are: (1) the mechanism of development of some fast-growing developing countries; (2) challenges yet to be addressed in many low income countries, such as poverty, inequality, disparity, violation of human rights, disability and environmental degradation; (3) empirical studies undertaken using household data, including those produced from randomized controlled experiments.

Organizer: YAMAGATA Tatsufumi (Director-General, International Exchange and Training Department)

Co-researchers: TAKAHASHI Kazushi (Microeconomic Analysis Studies Group, Development Studies Center), KUROIWA Ikuo (Director-General, Development Studies Center), HOKEN Hisatoshi (Toronto, Senior Research Fellow Sent Abroad), ITO Seiro (London, Senior Research Fellow Sent Abroad), TANAKA Kiyoyasu (Technological Innovation and Economic Growth Studies Group, Inter-disciplinary Studies Center), NABESHIMA Kaoru (Chief Senior Researcher, Inter-disciplinary Studies Center), MINATO Kazuki (South Asian Studies Group, Area Studies Center), INOMATA Satoshi (Chief Senior Researcher, Development Studies Center), MENG Bo (Deputy Director, International Input-Output Analysis Studies Group, Development Studies Center), TSUKADA Kazunari (Bangkok, Research Fellow Sent Abroad), KOJIMA Michikazu (Director, Environment and Natural Resource Studies Group, Inter-disciplinary Studies Center), MORI Soya (Senior Researcher, Development Studies Center), ISHIDO Hikari (Professor, Faculty of Law and Economics, Chiba University), KUNIMUNE Kozo (Professor, Faculty of Economics, Kinki University)

22. Consumption Behaviors in East and Southeast Asian Countries

In East and Southeast Asian countries, it became possible to obtain inexpensive and abundant capital supported by the spontaneous rise of the saving ratio and increase of savings. Investment was accelerated and high economic growth was realized. With the beginning of high economic growth, people were thought to activate savings behavior, intending to purchase durable goods. Then, it seems that the time preference rate changed from present priority to future priority. A two-period model has been presented to explain this phenomenon, using the shift of utility function. Then, an empirical study was conducted and the relationship between the time preference rate and economic activities has been found.

Organizer: YOSHINO Hisao (Socio-Economic Analysis Studies Group, Development Studies Center)

Co-researcher: GEMMA Masahiko (Professor, Faculty of Social Sciences, Waseda University)

23. Institutional Roles of Marriage in the Developing World: Empirical Studies from the Perspectives of Gender Empowerment

By focusing on female marital practices, this project has attempted to improve our understanding of the role of the social institution and its relationship with welfare outcomes. To meet the research objective, two empirical studies using micro-level data were conducted. The first study asked the question of whether religious teachings affect women's marital practices (age at marriage, polygamy) in Malawi. With a full set of controls, this study found that compared to those practicing other religions (Islam and others) or no religion, Christian females are more likely to postpone their marriage by 1-3 years with less likelihood of engaging in a polygynous relationship by approximately 30 percentage points. The second study investigated the effects of dowry on married women's status in rural Pakistan. Results show that a large amount of dowry payments enhances women's decision-making power and decreases the likelihood of their exposure to fatal domestic violence within a marital household.

Organizer: KUDO Yuya (Microeconomic Analysis Studies Group, Development Studies Center)

Co-researcher: MAKINO Momoe (South Asian Studies Group, Area Studies Center)

24. Production Patterns of Multinational Firms: Horizontal and Vertical Multinationals with Traded Intermediates

It is widely recognized that developing economies benefit from the development of vertical production networks since the networks enable them to install an appropriate portion of the production stages through the activities of multinational enterprises (MNE). This study aims to clarify the requirements of attracting MNEs for developing economies by using the extension model of Zhang and Markusen [1999] under a numerical general equilibrium framework and to empirically test the validity of those requirements.

There are two outcomes obtained from this project in FY2013. The first outcome is that we conducted surveys on MNEs both from theoretical and empirical aspects. The second outcome is that we extended the model presented by Zhang and Markusen [1999] to include horizontal and vertical FDI in a model with traded intermediates, using numerical general equilibrium analysis. The simulation results show that horizontal MNEs are more likely to exist when countries are similar in size and in relative factor endowments. Vertical MNEs are more likely to exist when countries differ in relative factor endowments, and trade costs are positive. From the results of the simulation, lower trade costs of final goods and differences in factor intensity are conditions for attracting vertical MNEs.

Organizer: UCHIDA Yoko (International Input-Output Analysis Studies Group, Development Studies Center)

Co-researcher: OYAMADA Kazuhiko (Socio-Economic Analysis Studies Group, Development Studies Center)

25. Compilation and Analyses of Trade Indices in East Asia

This study aims to contribute to identifying the sources and structures of international trade in East Asia, where

an increase in trade volumes through the opening of domestic markets and the relocation of production bases of multinational firms are prominent. As the main analytical framework to achieve the above objectives, the construction, measurement, and analyses of various trade indices will be employed. The study also examines the theoretical and methodological issues of trade indices (features, data issues, etc.).

In FY2013, there were two main outcomes in the project. The first outcome is that various trade indices of 25 countries/regions in Asia-Pacific for the period 1995-2012 were compiled (though missing values exist depending on the availability of data). The second outcome is that analyses on interdependent structures among East Asian countries were conducted using trade indices compiled in the project. Analyses implied that in East Asia, the international division of labor between manufacturing processes (international fragmentation) has progressed and East Asian countries possess a comparative advantage in electrical machinery and electronics products, while they are losing competitiveness in textile industries, etc. Also, some characteristics of trade indices were also examined.

Organizer: KUWAMORI Hiroshi (Director, International Input-Output Analysis Studies Group, Development Studies Center)

Co-researchers: UCHIDA Yoko (International Input-Output Analysis Studies Group, Development Studies Center), TAMAMURA Chiharu (International Input-Output Analysis Studies Group, Development Studies Center), SANO Takao (Former Professor, Faculty of Economics and Information, Gifu Shotoku Gakuen University), FUKUI Yukio (Professor, School of Business Administration, Kwansai Gakuin University), OSADA Hiroshi (Professor, Department of Economics, Teikyo University)

26. Corporate Data of the Philippines from 1995 to 2010: Industrial and Financial Sectors

Analytical studies on the Philippines' industrial and financial sectors have not so far been collated due to data limitation. In this research project, we attempted to compile a firm-level and time-series financial database of the manufacturing and financial sectors based on the corporate information portal managed by the Securities

and Exchange Commission of the Philippines, referring to some locally published corporate rankings. For building up a pilot database, we especially concentrated on two sub-sectors: the electronics and its related businesses, which have greatly contributed to the country's exports; and non-bank financial institutions, which lack a statistical base with adequate coverage.

As we have found, some notational/chronological inconsistencies in the original financial reports of each firm, or sector-wide more adjustments and refinement are necessary to utilize in an empirical study. This project is relayed under a FY2014-2015 research project, and we will further continue compiling it to increase the amount of firm data collected and expand it to other industries such as the retail business, real estate and distribution.

Organizer: KASHIWABARA Chie (Director, Financial and Fiscal Policy Studies Group, Development Studies Center)

Co-researcher: SUZUKI Yurika (Southeast Asian Studies Group I, Area Studies Center)

27. Developing Countries and Structural Transformation

In this report, we attempt to examine economic structural transformation in developing countries from various aspects.

The research subject of economic structural transformation in developing countries is not a novel subject, and it has a more than 50-year research history. So, why do we focus on such a non-novel subject? This is because there exists a research movement to which several outstanding scholars in North America and Europe have recently made new important contributions. This report attempts to introduce and deepen these new contributions in the North American and European academic circle.

We examined the following four distinct research topics in this report. In Chapter 1, we shed light on the research topic of what causes the economic structural transformation. From the empirical viewpoint, which factor mainly drives the transformation? Chapter 2 surveys the relationship between trade and economic structural transformation; how does trade affect the transformation, and how important is the effect?

Chapter 3 introduces the discussion on the economic structural transformation's impact on poverty reduction. Finally, in Chapter 4, we analyze the nexus between the financial system and economic structural transformation.

Organizer: KODAMA Masahiro (Financial and Fiscal Policy Studies Group, Development Studies Center)

Co-researchers: HASHIGUCHI Yoshihiro (International Input-Output Analysis Studies Group, Development Studies Center), KAWABATA Koji (Associate Professor, Kobe University), INOUE Takeshi (Associate Professor, Nanzan University)

28. Economic Analysis on Agriculture in China: Structural Change through Agro-Industrialization

In order to implement structural adjustments for a stagnated agriculture sector, as well as to reduce the economic gap between urban residents and rural ones in China, the Chinese government, since the end of the 1990s, has started to introduce comprehensive rural reforms, which cover all aspects of the rural economy such as fiscal affairs, finance, grain marketing, migration and land rental market. Among them, this research project focused on organizational changes through agro-industrialization and attempted to summarize the characteristics of organizational innovations in rural China.

Our research project revealed that a framework of collective ownership that is peculiar to socialist countries has been playing a crucial role to constitute new organizations in China. Specifically, an agricultural organization that is called 'farmers' professional cooperation' is functioning to mitigate conflicts of contract farming between agribusiness enterprises and farmers as well as to improve the economic welfare of rural people through high-quality agricultural production. On the other hand, a cooperative ownership system, which had been introduced for the ownership reforms of TVEs (Township and Village Enterprises), tends to be adapted for an organization named 'land joint-stock cooperation' that is established to distribute dividends of collective assets to village people.

Organizer: HOKEN Hisatoshi (Toronto, Senior Research Fellow Sent Abroad)

Co-researchers: YAMADA Nanae (Environment and Natural Resource Studies Group, Inter-disciplinary Studies Center), WATANABE Mariko (Professor, Gakushuin University)

29. Re-examining Financial Constraints on the Growth of Small and Medium Enterprises (SMEs): Evidence from Indonesia

Financial constraint is regarded as one of the obstructive factors for firm growth, especially for small and medium-sized firms. According to our preliminary examination by using the survey data of Indonesian manufacturing companies, accessibility to external finance may not be the biggest obstacle to enterprise growth. In fact, not only financial accessibility but also firm size does not show a clear difference in firm growth. A comparison of firm growth rate between medium-sized firms (20-99 employees) and large-sized firms (more than 100 employees) does not indicate a significant difference.

Organizer: HAMADA Miki (Director, Poverty Alleviation and Social Development Studies Group, Development Studies Center)

Co-researcher: FUKUNISHI Takahiro (African Studies Group, Area Studies Center)

30. Education of Persons with Disabilities in Developing Countries

This research project focused on the law regarding the education of persons with disabilities in developing countries. This project analyzed 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 to find problems establishing the right to 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 with reasonable accommodation for their individual needs. The countries surveyed (China, Vietnam, Thailand, India, the Philippines and Malaysia) all adopted "inclusive education" in some ways. However, although some countries comply fully with the CRPD

and legally protect their rights, some countries merely place persons with disabilities in regular schools without shifting its paradigm to the social model upon which CRPD is based. The role of the government is much larger in the field of education than in the field of employment where the private sector is the main actor. Therefore, the right to education of persons with disabilities depends as much on the recognition and commitment of the government in taking this up as a legal or political issue.

Organizer: KOBAYASHI Masayuki (Senior Researcher, Development Studies Center)

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

31. Territorialization of the Sea and Dynamics of Pacific Geopolitics

In recent years, Pacific island countries (PICs) like Papua New Guinea and Fiji have commanded a lot of attention from major donors including Japan. The PICs have long been perceived as politically and economically marginalized as well as isolated from the global market. Now, the region has increased its voice in the international arena in various issues including environmental protection, marine minerals, and national security. At the same time, the PICs remain burdened with state vulnerabilities: budget constraints, lack of human resources in the government, as well as sluggish economic growth due to deep-seated traditional orders and customary land problems.

The Japanese involvement with this region was very limited in the post-war international environment, except for the academic work of anthropologists. Japanese foreign policy in this region was not clearly defined for decades. Since the late 1980s, however, Japanese diplomacy has moved to strengthen and maintain a relationship with the PICs as they achieved independence and increased participation in the international community. The establishment of the

Pacific Summit was a major achievement under Japanese foreign policy. The growing Chinese presence in, and the resurgence of US involvement with, this region may transform the international environment, especially in the field of national security, economic and social development and resource acquisition.

Organizer: KUROSAKI Takehiro (Deputy Director, Pacific Islands Centre)

Co-researchers: IMAIZUMI Shinya (Director, Planning and Coordination Division, Research Planning Department), HIGASHI Yutaka (Professor, Tomakomai Komazawa University), HOSOI Yoshitaka (Visiting Senior Advisor for Natural Resources, JICA), OGAWA Kazumi (Director, Pacific Islands Centre), MIMURA Satoru (Researcher, Fukushima Future Center for Regional Revitalization)

32. Disability and People with Disabilities in African Countries: From the Perspective of 'Disability and Development'

The preliminary report for this research project has two parts. The first part includes two chapters. The first chapter by Mori showed the discussed issues for Disability and Development in Africa and the analytical framework and key terms for the project. The second chapter by Kobayashi discussed the first and the second African Decade of Persons with Disabilities. His historical and institutional analysis pointed out several problems around these decades.

Then in the second part, we discussed each country case. Chapter 3 by Nishi discussed health policy in Ethiopia. He showed how people with HIV/AIDS or with disabilities were excluded from the mainstream society. Chapter 4 by Miyamoto was about Kenya. She discussed the current problems around deaf education and Kenyan sign language there. Chapter 5 by Toda discussed an interesting case. She introduced the trade business by PWDs on the Congo River. By utilizing the preference scheme of fares for PWDs, the PWDs there enabled themselves to have independent livelihoods. Chapter 6 by Kamei discussed Senegal as the Western Africa regional center for the PWDs and the current situation of education and DPOs in Senegal. Chapter 7 by Makino found several characteristics in South Africa in the aspect of disability and

development. South Africa is the best country in Africa for the introduction of the Social Model of Disability and Disability Mainstreaming Policy.

We could find diversity in Africa even in the field of 'Disability and Development' and hope to find points in Africa different from those in the Asian context with further research.

Organizer: MORI Soya (Senior Researcher, Development Studies Center)

Co-researchers: KOBAYASHI Masayuki (Senior Researcher, Development Studies Center), MAKINO Kumiko (African Studies Group, Area Studies Center), KAMEI Nobutaka (Associate Professor, Department of International and Cultural Studies, Aichi Prefectural University), TODA Mikako (JSPS Research Fellow, Graduate School of Asian and African Area Studies, Kyoto University), NISHI Makoto (G-COE Assistant Professor, Division of Socio-Cultural Dynamics, Center for Southeast Asian Studies, Kyoto University), MIYAMOTO Ritsuko (Professor, The Faculty of Education and Human Studies, Akita University)

33. 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 in 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/community, 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 land for indigenous minority groups and ex-coca growers as the emerging issues of agricultural land policy in Latin America.

As a final stage of the two-year research project, we analyzed the different forms of production systems for agricultural products caused by the difference of formal/informal institutions of each region. Each study is based on original field surveys by specialists in area studies.

Organizer: KITANO Koichi (Senior Researcher, Inter-disciplinary Studies Center)

Co-researchers: TANI Hiroyuki (Professor, Sophia University), SANO Sayaka (Associate Professor, Toyo University), MURASE Sachiyo (Associate Researcher, Iberoamerican Institute, Sophia University), SENDAI Yuichi (Associate Researcher, Iberoamerican Institute, Sophia University)

34. 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, part of these items is sent to developing countries as donations.

The expansion of the international trade in 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 improve 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 investigated the flow of used goods and its impact on the environment and economic development of developing countries, mainly in Africa and Southeast Asia. To reduce the negative aspect of international trade in secondhand goods, and to maximize the benefit from them, appropriate policies should be chosen.

Organizer: KOJIMA Michikazu (Director, Environment and Natural Resource Studies Group, Inter-disciplinary Studies Center)

Co-researchers: FUKUNISHI Takahiro (African Studies Group, Area Studies Center), SAKATA Shozo (Director, Southeast Asian Studies Group II, Area Studies Center), ASAZUMA Yutaka (Professor, Hokkai-Gakuen University), SASAKI So (Associate Professor, Chuo University), FUKUDA Tomoko (Assistant Professor, Chiba University), OGAWA Sayaka (Associate Professor, Graduate School of Core Ethics and Frontier Sciences, Ritsumeikan University)

35. Social Response and Governance for Sustained Ecological Crisis

We should rethink the issues of “development and the environment” in Asia as “a long sustained ecological crisis” by focusing not on the “center” of economic development, but on its “periphery”, while conducting field research on various sites to study how grassroots social groups overcome problems of ecological crisis and socio-ecological sustainability. In the final report, we summarize findings in each field to seek a new perspective of governance. Chapters 1 (Mongol) and 2 (Evenki, China) discuss how local ethnic groups adapt their living strategy to a changing environment in the socio-ecological system. Chapters 3 (Zhangye, China) and 4 (Kochi, Japan) discuss how rural villages can develop sustainably in inner/mountainous regions under both natural and social disadvantageous conditions. Chapters 5 (Aral Sea, Kazakhstan) and 6 (Huai River, China) try to figure out the complicated structures of environmental disasters caused by human activities (reform of nature in the former Soviet Union, industrial development in contemporary China). Through our discussions based on field research in the periphery of economic development in Northeast Asia, it becomes clear that the “autonomy” of grassroots social groups and its connectivity to the market and authority could be a key to the governance of their socio-ecological sustainability while surviving against long sustained ecological crisis.

Organizer: OTSUKA Kenji (Deputy Director, Environment and Natural Resource Studies Group, Inter-disciplinary Studies Center)

Co-researchers: YAMADA Nanae (Environment and Natural Resource Studies Group, Inter-disciplinary Studies Center), CHIDA Tetsuro (Research Fellow, Slavic Research Center, Hokkaido University), FUJITA Kaori (Professor, Kinki University), NAKAMURA Tomoko (Lecturer, Ibaraki Christian University), UDA Shuhei (Lecturer, the Institute for Advanced Studies on Asia, University of Tokyo)

36. Comparative Study of the Formation Process of Resource and Environmental Management Policy Institution

We tried to showcase the subject on the formation of

resources and environmental policy and institutions in the process of economic development, and to clarify the background, by the theoretical arrangement of analytical frameworks and the case studies of developed and developing countries. The case study of China analyzed the influence of the water pollution accident that occurred in the Sungari River in 2005 on the policy formation of water pollution at the central government level. The case study of Thailand analyzed the influence of the vertical administrative structure of the “Departments” in the central government on the reorganization of the water-resources management administration after the flooding in 2011. The case study of Cambodia clarified the political and social background of the full openness program for a fishing ground carried out in Tonle Sap in 2012. The case study of Taiwan analyzed the formation process of the water quality conservation policy, by focusing on the background of the water pollution prevention law in 1974. The case study of Germany showed the detailed argument at the public hearing held in the formation process of “Verpackungsverordnung” (container and packaging ordinance) in 1990, and analyzed the influence that the concern of authorized personnel had on policy formation. The U.S. case study regarded the administrative organization in connection with resource preservation in the 1920s as the origin of the environmental administration organization, and analyzed what kind of influence this formation and frustration had on the current environmental administration.

Organizer: TERAO Tadayoshi (Environment and Natural Resource Studies Group, Inter-disciplinary Studies Center)

Co-researchers: FUNATSU Tsuruyo (Environment and Natural Resource Studies Group, Inter-disciplinary Studies Center), OTSUKA Kenji (Deputy Director, Environment and Natural Resource Studies Group, Inter-disciplinary Studies Center), KITAGAWA Susumu (Lecturer, Department of Life and Environmental Sciences, University of Yamanashi), OIKAWA Hiroki (Associate Professor, Graduate School of Environment and Information Science, Yokohama National University), SATO Jin (Associate Professor, Institute for Advanced Studies on Asia, University of Tokyo)

37. Catch-Up Industrialization in the 21st Century

This project aims to deepen the argument on “Catching-up” following the preceding project “Latecomer’s Catch-up Revisited.” The concept of catching-up regards a development process as a single track measured by the level of technology. About industrial development in Asian countries, which we have been examining, some cases by and large correspond to the idea, but others do not. The former are cases in Korea and Taiwan that started catching-up some time ago. Even so, however, we found some new questions regarding them: how technology and non-technology factors such as a business model interact with each other? Which is more significant, individual industry’s catching-up or domestic backward and forward effects from other industries? We also continued to highlight the ceiling problem, which means catching-up becomes more difficult as the process is approaching a goal. Differently from Korea and Taiwan, some of the cases for latecomers are diverging from the catching-up model. The palm oil industries in Malaysia and Indonesia are vigorously developing depending on their advantages with the tropical climate. On the contrary, China’s solar energy industry abruptly emerged, introducing most of the resources from global markets despite little linkage to the local economy. Although these cases show the limitation of the catching-up approach, it is still effective in other cases. The problems about India’s industrialization can be clearly understood from the viewpoint of catching-up.

Organizer: SATO Yukihito (Director, Business and Industry Studies Group, Inter-disciplinary Studies Center)

Co-researchers: SATO Hajime (Deputy Director, South Asian Studies Group, Area Studies Center), SATO Yuri (Director-General, Area Studies Center), ABE Makoto (Senior Researcher, Inter-disciplinary Studies Center), HOSHINO Taeko (Latin American Studies Group, Area Studies Center), MARUKAWA Tomoo (Professor, Institute of Social Science, University of Tokyo), OIKAWA Hiroshi (Professor, Faculty of Commerce, Kansai University), ITO Shingo (Unit Chief, China Unit, Research Department-Asia, Mizuho Research Institute, Ltd.), YOSHIOKA Hidemi (Associate Professor, Faculty of Law, Kumamoto

University)

38. An Empirical Study of Service Sector Development in Developing Countries: Case of Thailand

Manufacturing industries have led economic development in Southeast Asia. We expect an increasing importance of service industries in the region as a result of rapid industrial development. However, Japanese research institutes for developing countries have not yet accumulated studies on service industries. The research project conducts a case study on the Thai trucking industry with the aim of acquiring know-how for services industry research. In this year, this research project plans to conduct a small-scale questionnaire survey of the Thai trucking firms. A firm-level dataset shows there are large variations in basic firm-level characteristics and performances in trucking services even within trucking services. This is verified by field research. We ask how operation efficiency and quality in service drives firm’s profitability. The dataset implies an increase in profitability is associated with an increase in usage efficiency, an increase in driving distance with a cargo, and a reduction in costs. Furthermore, to look for the sources of variation in profitability, efficiency, and quality in service, this paper constructs scores for management practices to know what managerial technologies firms have. This paper focuses on an incentive payment scheme as a main management practice in the trucking industry. We then estimate the effects of an incentive pay scheme on profitability, operation efficiency, and quality of services. Empirical results show the following findings: (1) adoption of an incentive scheme itself does not lead to higher profitability; (2) adoption of incentive pay can increase profitability and efficiency as long as firms invest in firm-sponsored training for drivers; (3) a joint adoption of teamwork and training does not lead to improvement in efficiency and quality as well as profitability.

Organizer: MACHIKITA Tomohiro (Stanford, Research Fellow Sent Abroad)

Co-researchers: UEKI Yasushi (Economist, ERIA), Chawalit Jeenanunta (Head of the School of Management Technology, Sirindhorn International

Institute of Technology, Thammasat University, Thailand), TSUJI Masatsugu (Professor, Graduate School of Applied Informatics, University of Hyogo)

39. Multinational Firms and the Globalization of Developing Countries

This research project seeks to examine 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 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 the 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 infrastructure such as electricity. Finally, the informal sector has a large presence in Cambodia and it is an important question whether a spatial concentration of informal activity produces positive or negative externalities. We developed a Bayesian econometric framework to assess the impact of industrial agglomeration of the informal sector on productivity levels in Cambodia.

Organizer: TANAKA Kiyoyasu (Technological Innovation and Economic Growth Studies Group, Inter-disciplinary Studies Center)

Co-researchers: TSUBOTA Kenmei (Economic Integration Studies Group, Inter-disciplinary Studies Center), HASHIGUCHI Yoshihiro (International Input-Output Analysis Studies Group, Development Studies Center), ARITA Shawn (Full-time Economist, Department of Natural Resources and Environmental Management, University of Hawaii at Manoa)

40. The Rescaling of Statehood and Social Changes in East Asia

In the state of current studies on globalization, focuses on the qualitative side of the social structural changes are not clarified in previous sociological studies. In the new theory of the rescaling of statehood, changes of the state roles under global neo-liberalism are analyzed and re-defined, especially in the fields of decentralization and urban development and planning. In this study, the study team tries to find out the possibility of applying this new theory to analysis of social changes in East Asian countries, with special focus on Southeast Asia.

Organizer: TAMANO Kazushi (Professor, Tokyo Metropolitan University)

Co-researchers: FUNATSU Tsuruyo (Environment and Natural Resource Studies Group, Inter-disciplinary Studies Center), TERAOKA Tadayoshi (Environment and Natural Resource Studies Group, Inter-disciplinary Studies Center), KONTA Ryohei (Latin American Studies Group, Area Studies Center), OKAMOTO Masaaki (Associate Professor, CSEAS-Kyoto University), SAITO Asato (Professor, Yokohama National University)

41. Comparative Politics of Metropolises in Asia

More than half the people in Asia nowadays live in the urban sphere. As societies in the region are more urbanized, the importance of the governance of and politics within cities has also been growing. This importance becomes especially complicated in a metropolis, primarily due to its multi-layer structure of government agencies and its overlapping authorities in policy implementation.

Our research group on the comparative politics of metropolises in Asia conducted an in-depth study on the emerging political issues that take place in the metropolises of East Asia, Southeast Asia and the Middle East, and also their impact on national-level politics. By focusing our unit of analysis on metropolises instead of states, we also aim to establish a format of comparative politics that enables the placement of growing transnational influences within the policy making process through the cases of subway construction. In this time of subnational agencies going global, this new framework of analysis offers an

appropriate way to examine the politics of metropolises and the impact of urbanization on politics in Asia.

Organizer: AIZAWA Nobuhiro (Law and Institution Studies Group, Inter-disciplinary Studies Center)

Co-researchers: REN Zhe (East Asian Studies Group, Area Studies Center), MURAKAMI Kaoru (Middle Eastern Studies Group, Area Studies Center)

42. Supply-chain Industrialization and Growth: Does Value-added Matter?

The aim of this research project is to unveil production fragmentation and industrialization, especially in Asia, and thereby explore its implication for growth. FY2013 is the first year of this research project.

The project was launched with Ito, as an internal member and the head of this project, with Pierre-Louis Vézina as an external member. Dr. Sato joined the team as an internal member in November 2013. As the Asian International Input-Output Table compiled by the institute became available, we launched the overseas joint-study with the Centre for Economic Policy Research.

Upon the completion of the above-mentioned research platform, we have written the following four papers as interim reports:

1. Factory Asia: Unveiling supply-chain in Asia with intra-industry trade index (Tadashi Ito)
2. VALUE-ADDED FRAGMENTATION IN FACTORY ASIA: 1985-2005 (Pierre-Louis Vézina, Tadashi Ito)
3. Portrait of Factory Asia: Production network in Asia and its implication for growth - the 'smile curve' (Richard Baldwin, Tadashi Ito and Hitoshi Sato)
4. Economic Globalization and Fluctuations: How Does Trade Induce Output Co-movements? (Hitoshi Sato)

1. attempts to unveil production fragmentation in Asia through an intra-industry trade index. 2. computes value-added exports using the Asian International Input-Output Table and attempts to unveil production fragmentation in Asia and studies its impact on growth. 3. studies the shift of value-added in Asian exporters using the value-added computed from the Asian

International Input-Output Table. 4. studies the effect of the supply-chain on business cycle synchronization.

Organizer: ITO Tadashi (Director, Technological Innovation and Economic Growth Studies Group, Inter-disciplinary Studies Center)

Co-researchers: SATO Hitoshi (Director, Microeconomic Analysis Studies Group, Development Studies Center), Pierre-Louis Vézina (Post-doctoral Fellow, University of Oxford)

43. Social Psychology of Vietnamese People Today

The purpose of this project is to improve our understanding of changes and continuities in the value system, the pattern of thinking or the lifestyle of Vietnamese people in the rapidly changing social environment associated with economic development and international integration. The project drew upon previous studies on modernity, the emerging middle class, changes in urban/rural dwellers' psychology and various related subjects in Vietnam, together with relevant studies in China, and examined the current status of social psychology studies in Vietnam and the potential for their future development. The project also attempted a preliminary investigation into the transformation of traditional values in rural Vietnam and its underlying factors based on existing literature and data.

Organizer: ISHIZUKA Futaba (Law and Institution Studies Group, Inter-disciplinary Studies Center)

Co-researcher: KOJIN Emi (Southeast Asian Studies Group II, Area Studies Center)

44. The Fall of "China and Southern Bank": A Setback and Restructuring in the Bank of Taiwan's Southward Strategy

This research project elucidates the expansion and restructuring in the history of "China and Southern Bank" during the 1910s to 1940s. The bank was established as a joint venture with "The Bank of Taiwan" and overseas-Chinese merchants. However, this bank had structural problems and faced difficulties in its business in the early 1920s. During the 1920s to 1930s, it experienced drastic restructuring several times; however, it could not turn-around its business. Finally,

the bank abandoned overseas business operations in the early 1940s, and turned its business model to a “local bank” through the acquisition of some domestic branches from “The Bank of Taiwan.” After the Second World War, the KMT government requisitioned “China and Southern Bank” and its assets, and the bank officially ended its history as a Japanese commercial bank.

Organizer: HISASUE Ryoichi (Business and Industry Studies Group, Inter-disciplinary Studies Center)

45. Political Limits on Trade: Implications for Developing Economies

Consistent with previous macro evidence, we first show that individual firms diversify their oil imports politically, even after controlling for unobserved firm heterogeneity. We conjecture that the political pattern of oil imports from these individual firms is driven by hold-up risks, because oil trade is often associated with backward vertical FDI. To test this hold-up risk hypothesis, we investigate heterogeneity in responses by matching transaction-level import data with firm-level worldwide reserves. Our results show that long-run oil import decisions are indeed more elastic for firms with oil reserves overseas than those without, although the reverse is true in the short run. We interpret this empirical regularity as that while firms trade in the spot market can adjust their imports immediately, vertically-integrated firms with investment overseas tend to commit to term contracts in the short run even though they are more responsive to changes in international politics in the long run. To the extent that developing countries have higher hold-up risks because of their weaker institutions, the political effect on oil trade should be more significant in the developing world. We find that oil import decisions are indeed more elastic when firms import from developing countries, although the reverse is true in the short run. Our results suggest that international politics can affect oil revenue and hence long-term development in the developing world.

Organizer: KASHCHEEVA Mila (Technological Innovation and Economic Growth Studies Group, Inter-disciplinary Studies Center)

Co-researcher: Kevin TSUI (Associate Professor, the

John E. Walker Department of Economics, Clemson University)

< Funded Research >

1. Asian Resource Circulation Policy Research Program (Ministry of the Environment): FY2013

This project commissioned by the Ministry of the Environment, Japan, was carried out jointly with the Institute for Global Environmental Strategies (IGES). The objective of the research is to stimulate policy debate towards improvement of waste management and 3Rs (Reduce, Reuse and recycling) in Asia, especially by providing policy-related information to the Regional 3R Forum in Asia. In addition to cooperation in research on 3R indicators led by IGES, the members of IDE conducted policy research on development of recycling industries and infrastructure contributing environmentally sound resource circulation. The report entitled *Policy for Fostering "Sound" Recycling Industries* was published. In addition, an analysis of regional waste generation and recovery amount by using remote sensing data and a survey on “sound” recycling industries in the Greater Mekong Sub-region were conducted.

The research result was presented in the Regional 3R Forum in Asia held in Surabaya, Indonesia in February 2014, and the 3R International Conference held in Kyoto, Japan in March 2014.

Organizer: KOJIMA Michikazu (Director, Environment and Natural Resource Studies Group, Inter-disciplinary Studies Center)

Co-researchers: SAKATA Shozo (Director, Southeast Asian Studies Group II, Area Studies Center), KEOLA Souknilanh (Economic Integration Studies Group, Inter-disciplinary Studies Center), HATSUKANO Naomi (Bangkok Research Center)

2. Synthesizing the Impact of Thailand's Logistics Infrastructure Management and Supply Chain Redesign within the Context of the ASEAN Economic Community (AEC) through the Use of the IDE-GSM Model (Thammasat University, Thailand)

With the collaboration between IDE-JETRO and

Thammasat University, we calculated the economic impact of the two-trillion-baht transport infrastructure development plan (2TB Plan) on the Thai economy in the mid to long term, using the Geographical Simulation Model (IDE-GSM). The 2TB Plan was unveiled in March 2013, and consists of the upgrading of highways, ports and airports, the development of a high-speed railway and double-track railways. We calculated the economic impact of individual transport development projects as well as the synergy effects of the 2TB Plan and various trade and transport facilitation measures related to the ASEAN Economic Community (AEC). We concluded that the 2TB Plan with AEC has a positive economic impact on most of the region in Thailand, as well as a part of Vietnam, among other Mekong countries. We also conducted a workshop in August 2013, discussing the proper development scenarios to simulate, the interpretation on the tentative simulation results, and meeting with some key persons in Japanese MNCs. We successfully submitted the final simulation results and its interpretation to Thammasat University by the end of September 2013.

Organizer: KUMAGAI Satoru (Kuala Lumpur, Senior Research Fellow Sent Abroad)

Co-researchers: HAYAKAWA Kazunobu (Bangkok Research Center), GOKAN Toshitaka (Economic Integration Studies Group, Inter-disciplinary Studies Center), TSUBOTA Kenmei (Economic Integration Studies Group, Inter-disciplinary Studies Center)

< Projects Funded by

Grants-in-Aid for Scientific Research >

1. 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 cohesively capture the structure of the market and industry, by conducting a structural estimation on behavior of consumers and producers and interactions among the players. We take up the case of the motorcycle industry in Vietnam and Indonesia, which has experienced remarkable growth driven by competition between foreign and local

producers. The research specifically aims to make quantitative assessment of (1) features of the markets, (2) value added generated by producers' strategies (e.g., quality improvement, branding) and allocation of value added among producers participating in the production chains, and (3) a change in consumer welfare resulting from market competition.

In 2013, the second year of the research project, we mainly conducted three activities. The first was to build and improve a theoretical model of structural estimation, which comprehensively described the behavior of consumers and producers in the studied markets and industry. Producers consist of assemblers and component suppliers, and they negotiate with each other over profit allocation. The second was to design our field study framework so as to cover the variables in the model. The third was that we held open discussion on our research design and model, and gained constructive feedback.

Organizer: FUJITA Mai (Southeast Asian Studies Group II, Area Studies Center)

Co-researchers: SATO Yuri (Director-General, Area Studies Center), MACHIKITA Tomohiro (Stanford, Research Fellow Sent Abroad), WATANABE Mariko (Professor, Gakushuin University)

2. Reaching the Unreached: Ultra Poverty Reduction 1

The purpose of this study is to examine the possible reasons behind the lack of outreach of microfinance to the ultra poor. The reasons include: lack of entrepreneurship, convex technology, inability to save, and aversion by lenders. We use a randomized controlled trial (RCT) to empirically test the hypotheses.

We began the study with an NGO that offers microfinance services in Northern Bangladesh. Due to unfortunate events, a flash flood washed away seven of our sampled clusters. We therefore revised our research plan to supplement more clusters and redid the baseline survey. After completing the baseline, we started the interventions that offered traditional small-scale loans, loans with grace periods, and livestock leases.

Organizer: ITO Seiro (London, Senior Research Fellow Sent Abroad)

Co-researchers: SHONCHOY Abu (Microeconomic Studies Group, Development Studies Center), TAKAHASHI Kazushi (Microeconomic Studies Group, Development Studies Center), KUROSAKI Takashi (Professor, Institute of Economic Research, Hitotsubashi University)

3. 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. The actual ‘community’ is diverse depending on the country and region, and 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, that is, 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 third year of this four-year research project, the field survey was conducted to cover a wider area. The Sagaing Region, which has the largest area of community forestry after Southern Shan, Dry Zone and Delta was selected. Since the Sagaing Region belongs to the so-called Upper Myanmar, thus, as in the case of Magwe Region, which is in the dry zone and Upper Myanmar, it was expected that the village plays a central role in mobilizing people and resources for community forestry. However, community forestry in the area was maintained by allotting plots to individuals. It should be noted that the village first attempted to pursue participation by the whole village; however, it did not work out in that way. The reasons/factors for the difference may need to be explored in addition to the resource mobilization capacity of the village.

Organizer: OKAMOTO Ikuko (Southeast Asian Studies Group II, Area Studies Center)

4. 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 this 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 the agro-processing industry from the viewpoint of spatial economics.

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, was focused on in the previous year. 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 (Senior Researcher, Research Planning Department)

Co-researcher: GOKAN Toshitaka (Economic Integration Studies Group, Inter-disciplinary Studies Center)

5. The Shariah Courts 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 on 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 (Director, Planning and Coordination Division, Research Planning Department)

6. Innovations by Latecomer Firms: the Analysis of Taiwanese IT industry

This research project investigates the process behind the rise of Taiwanese electronics firms that launch innovative products/components and create new value-added for customers/users in the industry. In FY2013, I conducted the following case studies as part of this research. First, I investigated the process of the rise of Taiwanese system-on-chip (SoC) vendors and product manufacturers in the optical disc drive (ODD) industry. I studied the process by which Taiwan’s Mediatek Inc. invented and implemented the unique product strategy that helped the company to become the successful innovator of the industry’s value chains. Second, I carried on with the case study by looking at the digital TV industry and investigated the process by which Taiwanese SoC vendors came to dominate the digital TV chip market and lead product innovation in the industry. Third, I conducted extensive interviews with Taiwanese immigrant entrepreneurs in north California and explored the innovation linkages between Silicon Valley and Taiwan. I plan to publish part of the results of these studies in the next few years.

Organizer: KAWAKAMI Momoko (Berkeley, Senior Research Fellow Sent Abroad)

7. 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. I implemented an intensive interview survey in several villages in Lamphun Province. The survey revealed that (1) the village-level leaders were not necessarily tenants who suffered from high rent, but in many cases, were groups of villages that had close social ties through friendship and kinship, and (2) such social ties were indispensable to organize collective actions at the village level to enforce a legally defined rent share to the landlord who had political influence in local society. I interviewed some former student activists who supported farmer movements in the upper central region, where the peasant movements were active, as well as the upper northern region. In this region, the farmers were not organized village-wise but through a personal network with the leaders.

Organizer: SHIGETOMI Shinichi (Deputy Director-General, Area Studies Center)

8. Changes and Continuity of Indonesian Business Groups

This research aims to explore a development mechanism of Indonesian business groups that survived drastic institutional changes after the fall of the long-standing authoritarian Soeharto regime.

In the second year of the three-year project, I collected the latest data on the top 100 business groups as of 2012, and compared them with those of the last phase of the Soeharto era. I also conducted interviews with founders and second-generation CEOs of several groups. Through the analysis on data and information that have been accumulated, I built a “core & network” hypothesis for explaining a development mechanism of business groups, held an open discussion on several

occasions, and gained beneficial feedback.

What is the “core & network” hypothesis? Business groups have been regarded as “parasites” that seek rent for reinforcing their monopolistic market power (rent-seeking hypothesis/monopolistic approach), or as “paragons” that generate efficiency from an internal market to make up for an imperfect external market and institutions (market substitution hypothesis/efficiency approach). In the “core & network” hypothesis (management resource approach), business groups are seen as a form to help owner-managers mobilize a variety of external resources. Business group profit is derived from two sources: simultaneous multiple utilization of a “core” resource, that is, experiences and capabilities of owner-managers, and their “networks” that save costs for mobilizing external resources.

Organizer: SATO Yuri (Director-General, Area Studies Center)

9. 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 experience. 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 a 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 the “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 that 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 analyze how this gap causes friction
3. Japanese modernization experience 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 Hiroshi (Director-General, Research Planning Department)

Co-researchers: TATSUMI Kazuko (Professor, Fukuoka University), HAMAMOTO Atsushi (Associate Professor, Nagoya City University), SANO Mayuko (Associate Professor, Fukuoka Prefectural University), SATO Yutaka (Assistant Professor, Akita International University)

10. The Middle-income Trap from the Viewpoint of International Trade: the Case of Malaysia

The middle-income trap has been a buzzword in international development society for the last few years. By combining the macro-economic and trade data analysis with industry and firm-level observations, this research project tries to critically analyze the issues such that the middle-income trap is a real threat for East Asian countries at present and in the near future, and what is the mechanism behind the trap if it really exists. The focus of the research is Malaysia, a country that is often pointed at as a “trapped” country, although other middle-income countries in Africa and Latin America are also included in the study. In FY2013, with the criteria of “lower economic growth” and “de-industrialization in exports.” we identified the following countries as “trapped”: Algeria, Argentina, Brazil, Colombia, DR Congo, Ecuador, Panama and the Republic of South Africa for the period of 1980-2010. However, these countries have experienced either hyper-inflation or civil war, and it is doubtful we can apply the middle-income trap concept based on the

failure of industrial upgrading. For Malaysia, the nominal per capita GDP in USD has been increasing rapidly in the 2000s and it is not so correct to say it is “trapped.” Is the middle-income trap a “myth?”

Organizer: KUMAGAI Satoru (Kuala Lumpur, Senior Research Fellow Sent Abroad)

11. Estimation of Developing Countries' TFP and Its Accuracy

For the estimation of the so-called “total factor productivity” (henceforth, TFP), several different methods have been proposed. The purpose of this research is to numerically examine which method is the most appropriate for the estimation of developing countries' TFP.

It is well known that technological progress plays an important role in economic growth. And TFP is frequently used for measuring technological progress. For TFP, Krugman (1994) points out that East Asian NIEs (that is, Hong Kong, Korea, Singapore, and Taiwan), which rapidly grew at that time, would not be able to maintain the high growth rate because their TFP growth rate was low. His comment ignited dispute on TFP estimation of Asian NIEs. In the dispute, TFP of Asian NIEs was repeatedly estimated. At this point, if we focus on the TFP growth rates of Asian NIEs, the estimation needs to be appropriate. Then, there is a legitimate question of whether the currently proposed methods are appropriate for the estimation of developing countries' TFP.

We address this research question in this research project.

Organizer: KODAMA Masahiro (Financial and Fiscal Policy Studies Group, Development Studies Center)

12. The Effects of Public Interest Litigation on the Indian Socio-Economy

The aim of this research project is to consider the effects of public interest litigation (PIL) on the Indian socio-economy. PIL, which appeared in the late 1970s, seems to have now come to securely take root in Indian society. While PIL has been widely studied in terms of what has enabled and prompted such judicial activism in the field of legal studies, it is often referred to,

nowadays, as a distinct example of judicialization of politics in the sphere of political science. In this context, this project attempts to study PIL by considering its effects on the economic development of India. Specifically, the project focuses on some important environmental cases that have had major impacts on the economy. In so doing, this project would also contribute to an inter-disciplinary attempt in understanding both the uniqueness and universality that characterize PIL.

Organizer: SATO Hajime (Deputy Director, South Asian Studies Group, Area Studies Center)

13. Empirical Study of Capacity Building of Firms in ASEAN for Innovation

The objectives of the research are to model the association between external knowledge sources and capacity building for innovation, and between innovation capability and the probability of innovation, and to examine empirically the models by applying statistical methods. The research team will utilize a unique firm-level dataset constructed from questionnaire surveys of manufacturing firms in ASEAN and other datasets for the empirical study. The team will conduct field surveys in Thailand or other ASEAN countries to follow up quantitative studies, and get a deeper understanding of the current situation within firms. The research team focused on reviewing the existing dataset in FY2013 to observe the recent situation of production linkages and innovative activities. The research team is surveying methodologies available for the research and will apply them to the dataset.

Organizer: UEKI Yasushi (Economist, ERIA)

Co-researcher: TSUJI Masatsugu (Professor, Graduate School of Applied Informatics, University of Hyogo)

14. The Impact of Out-migration on Economic Disparities in Rural India

This research project aims to exam the medium-term impact of increasing out-migration on economic disparity in rural India by means of primary data collection. Specifically, this research focuses on Bihar,

one of the most underdeveloped states and the largest source of short-term labor migrants in India. By revisiting the same households in rural Bihar where the project member conducted the surveys before, economic changes of households and villages are examined by paying attention to migration. Moreover, the impact of migration on the changes in agriculture and non-agriculture wages, and female participation in the rural labor market among other economic and social changes, are analyzed. Ultimately, an attempt will be made to illustrate the mechanisms of widening or redressing economic disparities. During FY2013-14, the first year of the four-year-project, the project member mainly prepared for rural surveys to be conducted in 2014 and 2015.

Organizer: TSUJITA Yuko (South Asian Studies Group, Area Studies Center)

15. Structural Change of Chinese Labor Market after the Arrival of Lewisian Turning Point: Occupation Selection and Generation Gap among Migrant Labors

Cheap labor in the Chinese economy has been one of the most important factors for the rapid growth in the manufacturing industry, and a large number of workers who are engaged in the industry have migrated from poor rural areas to relatively developed coastal ones. However, the labor market in China has been facing a structural change since the mid-2000s: increasing amount of public investment by central and provincial governments is directed to inland areas, and acceleration in transfer of labor-intensive industries to less developed inland provinces tends to prevent local workers from migrating to the coastal areas. Thus, the balance of labor supply and demand in the manufacturing and service sectors is worsening in coastal provinces. In addition, the appearance of ‘the second generation of migrant workers’ who were born in the 1980s-90s and tend to seek for better working conditions and higher standard of living, is accelerating the employment mismatch in coastal areas, causing a rapid rise in the legal minimum wage as well as high turn-over rates.

The purpose of this study is to investigate the features of occupational selection by the migrant labors

and to evaluate the effects of personnel management provided by manufacturing enterprises on the commitment of the workers, making a comparison between the first and second generations of migrant laborers. Specifically, in the first place, we will estimate the effects of personal attributes such as educational attainments, off-farm work experience and preference for urban life on occupational selection through the use of original factory worker survey data and a large-scale migrant labor survey named CHIP (China Household Income Project). Secondly, we are going to test a hypothesis that factories that adopt more labor-friendly or skill-oriented personnel management policies can create higher employee commitment and job satisfaction, restricting employees’ opportunistic behaviors and turn-over intentions, even among the second generation of migrant workers.

This research project will contribute to future proposals promoting more suitable personnel management to mitigate employment mismatches between employers and employees, and encouraging better motivated skilled workers who will be necessary for industrial upgrading in the manufacturing sector.

Organizer: HOKEN Hisatoshi (Toronto, Senior Research Fellow Sent Abroad)

Co-researchers: YAMAGUCHI Mami (East Asian Studies Group, Area Studies Center), SATO Hiroshi (Professor, Graduate School of Economics, Hitotsubashi University)

16. Central-local Relationship and Strategy of Street-level Government in Coastal Area, China

The central and local relationship is a basic approach to understanding modern China. Previous works mainly focused on the relationship between the central level and provincial level. It is still unclear whether the relationships of those governments below provincial level are institutionalized or not. This research tries to analyze the relationships of the central level, provincial level and local level through case studies of land expropriation and demolition.

Organizer: REN Zhe (East Asian Studies Group, Area Studies Center)

17. 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 case studies of the wine and sugar industries. In the second year of this three-year project, I have examined the background and effects of strike action by farm workers that took place in the Western Cape Province, the heartland of the South African wine industry, from November 2012 to January 2013. Industrial action by workers seeking wage increases is not uncommon in South Africa. However, it is rare for farm workers to resort to striking, as the level of their organisation by trade unions is still as low as 5-6%. Thus, many people including farmers, the government, and academics were surprised by the strike action of farm workers in the Western Cape from November 2012 to January 2013. In order to end the strike, the government promised to revise the minimum wage for farm workers, which was eventually raised to 105 rand per day in March 2013. Although this amount fell short of the demands of farm workers (150 rand per day), it was still a huge increase of more than 50% from the previous minimum wage. This strike action highlighted the plight of farm workers and paved the way for several new policy dialogues between the government, industry organisations and NGOs that seek long-term security and development of the commercial farming sector in South Africa.

Organizer: SATO Chizuko (Cape Town, Research Fellow Sent Abroad)

18. 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 this term is upgrading connectivity through aviation. This is a common political target and now, states and cities compete to gain a better position in the connected world, and to reap the rewards 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 contesting among the key actors. So, how would the construction of “An International Hub Airport” be planned, financed and implemented? What will the obstacles be 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 am analyzing the above questions through research on the political process of the construction project of Suvarnabhumi Airport in Bangkok, Thailand. In FY2013, which is the second year of the three-year-project, the project had focused upon a comparative analysis in order to specify the characteristics of the Suvarnabhumi Airport construction process. Comparative analysis was made first between Suvarnabhumi Airport and Don Muang Airport in order to make a historical comparison, and second, between Suvarnabhumi Airport and Jakarta’s Soekarno-Hatta Airport in order to specify the role of capital city governors during the process of construction.

Organizer: AIZAWA Nobuhiro (Law and Institution Studies Group, Inter-disciplinary Studies Center)

19. 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 firm survey 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 policy implications for investment promotion.

Organizer: TANAKA Kiyoyasu (Technological

Innovation and Economic Growth Studies Group,
Inter-disciplinary Studies Center)

20. Firms, Workers, and Global Supply Chains

In October 2011, the Thailand Flood Crisis occurred; large-size suppliers including more than 400 Japanese firms were 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: 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 the understanding of 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 (Stanford, Research Fellow Sent Abroad)

21. 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 implications. Dowry is prevalent in South Asian countries, and is often broadcast sensationally in the

media as if it were the root cause of violence against brides and dowry murders. Some argue that dowry leads to unequal treatment of girls in the household such as malnutrition of girls, girl's infanticide, sex-selective abortion, and lower level of education for girls. 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 intensively accumulated. This research is to empirically reveal the impact of dowry and to provide a foundation for discussion regarding the effective policies.

In 2012-2013, we conducted a rural household survey covering the entire Punjab in Pakistan. The survey questions consist of marriage practices including dowry, and basic socioeconomic characteristics of households. As for sampling, we first divided the province into five areas based on the difference in climate and agricultural products. Then, we randomly picked one district in each of the five areas. Using the district census, we randomly picked six villages in each of the five districts. Finally, we conducted a stratified random sampling in each of the 30 villages to select 20 households. Thus, the sample size is $5 \times 6 \times 23 = 690$ households. Because the province of Punjab is as large as the main island of Japan, we could observe various marriage practices across villages, including dowry, bride price, cousin marriage, village endogamy and exchange marriage. We could successfully conduct a household survey that represents rural households in Punjab in Pakistan.

Organizer: MAKINO Momoe (South Asian Studies Group, Area Studies Center)

22. Comparative Studies on the Role of Parliament for Governance Improvement in Authoritarian Regimes: The Case of the Gulf Monarchies

This project aims to examine the concept that improving the performance of parliament promotes governance improvement and contributes to the gradual promotion of democratization without regime change in authoritarian regimes that still survive even after the "Arab Spring". In addition, this project attempts to develop a framework for analysis using a common

approach, that is, “governance” to both democratic and authoritarian regimes. The analysis covers the Gulf monarchies, especially Kuwait and Bahrain because both countries hold regular parliamentary elections and have active oppositions, although the Gulf monarchies tend to be considered autocratic monarchies. In particular, (1) as to the activities of parliamentarians related to the performance improvement of parliament, we focus on the ability of legislation and examine the degree of lawmaker-initiated legislation against loyal order and government-sponsored legislation, the use of the right of questions and confidence and its contents, and the use of the right of inspection belongs to the parliamentary committees and its contents. (2) As to the effort of the government for governance improvement as the reaction of the opposition demands, we examine the degree of accountability of government complying with the demands from the opposition, the efforts for transparency through legal changes, and incorporate the opinions of the opposition for institutional changes.

Organizer: ISHIGURO Hirotake (Middle Eastern Studies Group, Area Studies Center)

23. An empirical Analysis of Impacts of Women’s Old Age Concern on Investment in Kinship Networks in Rural Tanzania

Based on original household data, this study empirically explores whether and how married women’s old age concern (expected cost of old age security) affects their social relationship with relatives (investment in kinship networks) in rural Tanzania. This research will provide policymakers with a prediction about how establishing social protection programs in the developing world mitigates or enhances the impacts by changing social links and resource allocation within an extended family network.

Organizer: KUDO Yuya (Microeconomic Analysis Studies Group, Development Studies Center)

24. Impact Evaluation of Decentralization in Indonesia through Natural Experiment

Indonesia implemented radical decentralization in 2001. The purpose of this project is to evaluate the impact of its decentralization on the welfare of residents, as well

as residents’ response to the performance of their local governments through voting. More specifically, in this research project, I will analyze: 1) changes of supply of public goods/services, such as conditions of roads and the number of schools/healthcare centers, in districts using village-level panel data, 2) changes of welfare level of residents measured by expenditure, income, and health status, etc., 3) voting behavior of residents observed in elections of local assemblies and direct district heads’ elections (retrospective voting), as well as yardstick competition among local governments.

In FY2013, I surveyed previous works and collected data, such as the National Socio-economic Survey (SUSENAS), village census data (PODES), and local governments’ finance data. And I selected some regions to be evaluated by employing a natural experiment, as well as constructing village-level panel data.

Organizer: HIGASHIKATA Takayuki (Southeast Asian Studies Group I, Area Studies Center)

25. A Comparative Study of the Family Structure of Iranian Notables and the Modern Concept of ‘Family’

In FY2013, this research project researched the inheritance system and women’s role in the family structure in Iran in the 19th century. The researcher analyzed mainly 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:

1. How did the family preserve the wealth within the family?
2. What role did female relatives play in the intergenerational transmission of wealth?
3. What role did female relatives play in their relationship with the Qajar royal family?
4. How was the relationship between local society and notable families?

As for 1, the researcher submitted an article titled “Preserving a Qājār Estate: Analysis of Fath ‘Alī Khān Donbolī’s “Property Retention Tactics” to *Studia Iranica* and the article was successfully accepted for publication.

As for 2, a paper was read at the Chiiki-kenkyukai and the researcher is writing an article based on the presentation.

As for 3, the researcher submitted an article in Persian titled “Marriage Connection between Local Notables and Royal Family: the Case of Najafqolī Khān Donbolī of Tabrīz in Qājār Period” to *Pazhūhesh-hā-ye ‘Olūm-e Tarīkhī (Journal of Historical Studies)*. This article was accepted after a peer review process and

published at the end of 2013.

As for 4, the researcher submitted an article titled “The Ambiguous Position of the Landlord: A Dispute over Ownership of an Iranian Village in 19th Century” to *Islamic Law and Society* last year. This manuscript is under a peer review process now.

Organizer: ABE Naofumi (JSPS Research Fellow)