

## II. REVIEW OF RESEARCH PROJECTS IN FY2016

### 1. Policy Recommendation Research

#### 1. Dissolution of the Nation-State Model in the Middle East: Possibilities for a New Regional Order (II)--Group 1. State Management after the “Arab Spring”: Changes in Social Welfare Policies and Their Inter-State Relationships

For countries in the Middle East, 2016 was a year where they waited uneasily and with great suspicion regarding the US administration’s new policies toward the Middle East after the presidential election. If Hillary Clinton had been elected, we could have had a relatively stable scenario in which regional political actors such as Saudi Arabia, Turkey, and Iran would adjust their interests under more durable US political-military influences and new moves would have emerged more quickly toward possible solutions for major regional issues related to Syria, Iraq, and Yemen. However, clearly, these expectations were overturned with the inauguration of Donald Trump.

As we observe the most recent developments regarding regional politics in the Middle East, we can notice the emergence of “block politics,” which is somewhat similar to the Cold War era of the mid-20<sup>th</sup> century. In short, the creation of political alliances are being attempted among major political actors while the general situation continues to be unstable and fundamental solutions remain deferred.

In this regard, it is necessary for Japanese policy makers and decision makers for companies operating in Middle Eastern countries to improve daily monitoring and research activities. In the case of Iranian affairs, Japan has developed a special kind of relationship with Iran, so it is up to us to convince the Trump administration that they must recognize Iran’s significant role in the region and to improve US-Iran relations for the sake of international society.

**Organizer:** Hitoshi Suzuki (Interdisciplinary Studies Center, IDE)

**Co-researchers:** Ichiki Tsuchiya (IDE), Sadashi Fukuda (IDE), Hiroshi Sato (IDE), Jun Saito (IDE), Hirotake Ishiguro (IDE), Kohei Imai (IDE), Takashi Tsunemi (JETRO), Manabu Shimizu (Eurasia Consulting Company), Eiji Nagasawa (University of Tokyo), Shuji Hosaka (Institute of Energy Economics, Japan), Satoshi Ikeuchi (University of Tokyo), Masaki Matsuo (Utsunomiya University), Nobuhisa Degawa (NHK)

**Coordinator:** Hiromu Fukai (IDE)

#### 2. Dissolution of the Nation-State Model in the Middle East: Possibilities for a New Regional Order (II)--Group 2. How Kurdish Issues Affect Political Stability in the Middle East

The Kurds are a major ethnic minority in the Middle East. After the First World War, the Kurds could not have their own nation state while the surrounding countries formed “nation states” such as Iraq, Syria, Turkey, and Iran. The Kurds have always been an ethnic minority in each of these states. Now, Iraq and Syria are approaching collapse as nation states, and the role of the Kurds is becoming more and more critical in regional politics. We will compare the political and social situations of the Kurds in each

country and supply basic information on the Kurds to both the Japanese government and ordinary citizens.

We have succeeded in making a proper platform for Kurdish studies in Japan during fiscal year 2015 and have continued to strengthen a proper platform for this area of study. In addition, we emphasized the importance of delivering basic and current information on the Kurds to Japanese policy makers and business persons during fiscal year 2016 and held seven research meetings during that year. Furthermore, we invited two specialists on Kurdish issues from the USA and UK and held an international symposium called “The Future of the Middle East” on January 16, 2017.

**Organizer:** Hiroshi Sato (Interdisciplinary Research Center, IDE)

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

### **3. Dissolution of the Nation-State Model in the Middle East: Possibilities for a New Regional Order (II)--Group 3. Dissolution of the Nation-State Model in the Middle East: Possibilities for a New Regional Order**

When Yemen succeeded in peacefully handing over power from President Ali Abdallah Saleh to Vice President Abdulrabbo Mansur Hadi in November 2011, Saudi Arabia and its allies in the Gulf Cooperation Council (GCC) played an important role in coordinating the transfer of power. Since then, the GCC and the United Nations have tried hard to support the transition process. However, the process faced a dead end when al-Houthi forces took control in January 2015 and Saudi-led allies began bombings in March 2015. Much of the media in Japan failed to follow the political developments in Yemen, and as a result, spread incorrect information to the Japanese public. In this research project, we tried to give objective information that covered a wide range of areas to business people and policy makers in Japan.

For this purpose, we held two special seminars on Yemen in Tokyo in May 2016 and February 2017. In addition, Organizer Hiroshi Sato presented a report on Yemen at two overseas seminars for the Japanese business community in Dubai and London.

**Organizer:** Hiroshi Sato (Interdisciplinary Research Center, IDE)

**Co-researchers:** Namie Tsujigami (University of Tokyo), Koji Horinuki (Institute of Energy Economics, Japan), Junji Kawashima (JICA), Akiko Nonaka (Japan Platform); Hirotake Ishiguro (IDE)

**Coordinator:** Hiromu Fukai (IDE)

### **4. Connecting ASEAN and South Asia**

This study examines the recent trends of regional cooperation for the enhancement of relationships between two major economic regions: ASEAN and South Asia. It considers regional cooperation in the Bay of Bengal sub-region which connects these regions. In addition to other factors, pro-democratic political changes and economic reforms in Myanmar have provided an environment for the acceleration of regional cooperation between these regions. Furthermore, with infrastructure development such as building and improving roads and railroads, there are many ongoing attempts to establish regional institutional arrangements to encourage the flow of people and goods beyond country borders. Traditional

donors, as well as other emerging donors like China, have extended developmental assistance to infrastructure development projects in these regions; however, some countries have faced financial difficulties due to an increase in public debts for the financing of such projects. Maritime transportation is yet another dimension. Among other countries, Sri Lanka has long played a significant role as an inter-regional trade hub due to its strategic location in the vicinity of major international shipping routes between the East and the West, and the strengthening of its role is at the core of its growth strategy. At the same time, there are some port development projects, such as those in India and Myanmar, which may transform the pattern of industrial production networks beyond the borders of these regions.

**Organizer:** Shinya Imaizumi (Interdisciplinary Studies Center, IDE)

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

### **5. The “One Belt, One Road” Initiative and Its Impact on the Chinese Economy**

This research project intends to analyze the multilateral influences of China’s “One Belt, One Road” initiative. Due to the lack of economic data and policy information, we focused on four subjects. First, we organized information regarding international cooperation schemes in trade, energy, and finance. Second, we did a case study on the influence of the initiative and made a simulation study on the economic effects of railway projects between ASEAN countries and China. Third, we conducted an actual condition survey on the construction of traffic infrastructure and foreign direct investments by Chinese enterprises in Central Asian countries and ASEAN countries. In addition, we analyzed the potential of infrastructures for industry accumulation. Finally, we checked the financing situation of the Asian Infrastructure Investment Bank (AIIB). In summary of the current situation, China had already forged cooperative schemes in many fields and had made huge investments in the maritime silk road to strengthen its presence. Based on a simulation by IDE-GSM, the construction of railways between ASEAN countries and China will have positive effects for both sides. Furthermore, direct foreign investments by Chinese enterprises increased in parallel with the construction of infrastructures. Finally, although there are few financing cases involving AIIB, they will increase their presence in supplementing existing financial agencies such as the Asian Development Bank (ADB).

**Organizer:** Yasuo Onishi (Interdisciplinary Studies Center, IDE)

**Co-researchers:** Ke Ding (IDE), Toshitaka Gokan (IDE), Ikumo Isono (IDE), Dai Hakozaiki (JETRO), Kenji Shimizu (JETRO), Tomoo Marukawa (University of Tokyo), Asei Ito (University of Tokyo)

**Coordinator:** Akiko Sasaki (IDE)

### **6. Business and Human Rights in Emerging Markets: A Baseline Study on Japanese Corporations, the Challenges Ahead and Building a Platform to Formulate a National Action Plan**

While there are expanding business opportunities contributing to economic growth in emerging markets and developing countries, there are also increasing challenges that Japanese businesses are facing in terms of human rights issues such as labour, environment and community engagement. Recognizing the significant importance of UNGPs endorsed by the HRC in 2011 and further implementation thereof

by developing NAPs as declared at the Elmau G7 in June 2015, Japan is expected to play an active role in contributing to the respect of human rights by promoting corporate responsibility for human rights by Japanese entities.

This research surveyed policies, measures and practices relating to business and human rights in Asian countries where Japanese businesses are active and looked at how Japanese businesses should integrate human rights into their core operations and how the Japanese government can support them in its policies and measures. At the same time, we have organized seminars and workshops to promote UNGPs and created a platform to discuss issues among multi-stakeholders such as government agencies, companies and civil society groups to pave the way for Japan's National Action Plan and other tools to support Japanese businesses in this area.

Our research project has successfully facilitated business and human rights discussions in Japanese society and has provided data and information necessary for the further implementation of UNGPs by the Japanese government and corporate entities.

**Organizer:** Miwa Yamada (Interdisciplinary Studies Center, IDE)

**Co-researchers:** Hiroshi Sato (IDE), Masayuki Kobayashi (IDE), Akiko Yanai (IDE), Kazunobu Hayakawa (IDE), Naomi Inoue (IDE), Takuji Sakai (JETRO), Ryo Ikebe (JETRO), Hideki Fujie (JETRO), Kohei Shiino (JETRO); Yukako Kinoshita (CSR Committee Chair, Japan Business Council in Europe), Daisuke Takahashi (Partner, Shinwa Sohgo Law Offices; Attorney at Law, Japan), Kaori Kuroda (Executive Director, CSO Network Japan), Masao Seki (Senior Advisor on CSR, Sompo Japan Nipponkoa Insurance Inc.), Kanae Doi (Japan Director, Human Rights Watch), Toshitaka Hayashi (Section of Chief, International Division, Department of International Affairs, JTUC-RENGO), Keisuke Ota (Representative, Global Compact Network Japan), Akiko Ueno (Deputy Representative, Global Compact Network Japan); **Coordinator:** Masaki Kataoka (IDE)

### 7. Prospects for the Chinese Economy and Policy Concerns

There are many different analyses and evaluations on the Chinese economy that range from optimistic to pessimistic, which affect decision-making by business managers and policy leaders. In this project, we intend to investigate the actual conditions of the Chinese economy and to solve the problems mentioned above by inviting a specialist on domestic politics and the policymaking process. In regards to the economy, we found the following. First, there are some suspicions concerning GDP figures. Second, it is difficult to determine if tertiary industries had experienced steady growth. Third, some regions are hit by low-speed growth, which could weaken the Chinese economy. Furthermore, in regards to politics, we found the following. First, there are many uncertainties concerning the succession of Xi Jinping, although he has enhanced his power base. Second, some reform measures were implemented, but it is difficult to say what the next big issue will be because of the many disagreements about how to manage the economy. Third, Xi's administration has no choice but to clean up corruption. Also, in regards to reinforcing centrality, there is a possibility that they will argue regarding the poverty issue. Finally, there are a few factors that will cause confusion in China, therefore, Japan has to create foreign policies under the assumption that Xi's regime will continue for a certain period of time.

**Organizer:** Yasuo Onishi (Interdisciplinary Studies Center, IDE)

**Co-researchers:** Tomoo Marukawa (University of Tokyo); Nanae Yamada (IDE), Hideki Shimada (JETRO)

## 8. Dealing with a Broadening Development Agenda for Africa

The concept of “development” has been considerably broadened, particularly since the 1990s. In the early period, the “development” was understood as a concept almost identical with economic development. While issues like “women in development” were already well known in the 1980s, broadening the concept of “development” became conspicuous during the 1990s when Amartya Sen was awarded the Nobel Prize and the idea of human development became mainstream. In fact, there is a consensus that “development” is closely related not only to issues like education and health, but also to governance, which is an idea intimately linked with politics. The holistic nature of the Sustainable Development Goals (SDGs) adopted in 2015 correspond to such broadened developmental issues. Changes in the concept of “development” as well as complex links between various developmental issues need to be taken into consideration when creating an agenda for the TICAD, which is an important opportunity for Japan to build a strong relationship with African countries.

**Organizer:** Shinichi Takeuchi (Area Studies Center, IDE)

**Co-researchers:** Machiko Tsubura (IDE), Takahiro Fukunishi (IDE), Kumiko Makino (IDE), Chizuko Sato (IDE), Akiko Yanai (IDE), Makoto Matsumura (JETRO), Hiroki Nagamine (JETRO), Hiroyuki Komatsuzaki (JETRO)

## 9. Studies on Logistics Costs in Lao PDR

At a policy-oriented seminar at Vientiane in 2015, we showed that the logistics costs between Vientiane and Bangkok is \$1,700 (USD), while that of the region 20 km between Nong Khai, a border city in Thailand with Lao PDR and Vientiane, is \$1,000. However, logistics businessmen in Lao PDR said that the estimates are too high; therefore, we conducted this project in order to obtain a more accurate estimate.

The logistics costs between Vientiane and Bangkok is estimated to be \$1,408 and is very close to the average cost of \$1,457 based on interviews with six firms. Breaking down \$1,408, transport costs, miscellaneous cross-border costs, and the increase caused by “load on one side” are \$721 (51.2%), \$560 (39.8%), and \$127 (9.0%), respectively.

We also examined the feasibility of the Vientiane Logistics Park (VLP) and showed that it can fill shipping containers by consolidating cargo and can also reduce transport loads by forwarders while increasing transport costs by shipping firms. Therefore, in order to reduce loads sent by shipping firms, we conclude that reducing transport costs by improving railways in Thailand and forming a platform for the alliance of shipping firms is necessary.

**Organizer:** Masami Ishida (Development Studies Center, IDE)

**Co-researchers:** Souknilanh Keola (JETRO Bangkok), Ryo Ikebe (JETRO), Ryohei Gamada (JETRO Bangkok), Tetsuo Shibata (JETRO Vientiane), Kenichiro Yamada (JETRO Vientiane)

## 2. Analytical Research Contributing to Policy Proposals

### 2.1. Prioritized Thematic Research

#### 1. Land Policies in Post-Cold War Africa

Since the 1990s, many African countries have started reforming their land laws. During the same period, Africa has seen drastic rural changes in which huge swaths of lands have been transferred to private actors. This research project explored the connection between these two phenomena. By comparing case studies on ten African countries, this project revealed the following findings. While these land law reforms have been carried out with strong support from donors who expected that they would strengthen the land rights of tillers, they have instead reinforced the power of the state and/or traditional authorities over the land. In addition, these case studies identified different patterns of rural change in Africa. On one hand, for densely populated areas including the Ethiopian highlands and Rwanda, where subsistence farming has faced grave difficulties due to general shortages and a fragmentation of the land, the states have built multi-layered intervention mechanisms for the purpose of rational land use. On the other hand, in relatively scarcely populated areas like Zambia, the reforms have strengthened the power of traditional authorities to become de-facto gatekeepers of the customary lands, which used to be reserved for communal uses such as pasturing. The land law reforms have not changed the authority-based property regime (Boone 2014), but rather reinforced it. In this context, ever-increasing demands for African rural lands stimulated by factors such as the global food crisis, policies promoting agricultural investment, and the increase of the population of Africa, have brought about a rapid and drastic move to the enclosure of rural areas.

**Organizer:** Shinichi Takeuchi (Area Studies Centre, IDE)

**Co-researchers:** Jun Ikeno (Kyoto University), Takehiko Ochiai (Ryukoku University), Shuichi Oyama (Kyoto University); Yuka Kodama (IDE), Miwa Tsuda (IDE), Chizuko Sato (IDE), Akiyo Aminaka (IDE)

#### 2. Skills Development for Youth in Africa

This research project aimed at understanding the mechanisms and constraints of existing skill development institutions in public and private sectors. Five papers examine vocational education in Ethiopia and Ghana, where institutional development has been proceeding ahead of other countries, and investigate the performance of its graduates in the labor market, specifically regarding skills and employability. In sum, these studies showed that while graduates of vocational education perform as well as those of secondary education, the institutional reform has neither been completely implemented at the school-level nor improved employment outcomes. In addition, expansion of vocational education has even generated adverse effects to workers with non-TVET education in the short-run. The other paper explores the effectiveness of vocational training in post-conflict regions in Kenya, where economic and social capital was destroyed and training programs are expected to assist the reconstruction of communities by creating employment opportunities. The training program resulted in the establishment of several micro firms by participants, but firms composed of people with various ethnic origin are not successful. Potential and constraints uncovered by these studies are suggestive for the formulation of TVET policies in low-income countries.

**Organizer:** Takahiro Fukunishi (Area Studies Center, IDE)

**Co-researchers:** Tomohiro Machikita (IDE), Shoko Yamada (Nagoya University), Motoki Takahashi (Kyoto University), Christian Samén Otchia (Nagoya University), Kazue Demachi (Tokyo University of Foreign Studies), Kyoko Taniguchi (Nagoya University)

### 3. Female International Migration: A Case of Nurse Migration from Kerala, India

This research aims to understand female international migration with a focus on nurse migration from India. India is one of the major ‘exporters’ of nurses in the world, and the growing global demand for nurses has led to the establishment of a large number of nursing institutions in Kerala, India. However, there is an uneven quality of nursing education across institutions. One paper examines the impacts of the globalized nursing market on nursing students, while the other paper investigates the factors influencing international migration. The results of the analysis imply that international migration by nurses can be explained in part by the gap between the private sector and the public sector in terms of salaries and work environments. Since the impact of social status on the migration decisions of nurses has lessened, economic factors are the crucial determinant of the international migration of nurses.

**Organizer:** Yuko Tsujita (JETRO Bangkok)

**Co-researchers:** Hisaya Oda (Ritsumeikan University), Irudaya Rajan S. (Centre for Development Studies)

### 4. Industrial Organisation in China: Theory Building and Analysis of New Dimensions

This research aims to develop an improved understanding of the patterns of industrial organisation that lay behind the remarkable growth of Chinese manufacturing industries up to the early 2000s and to analyse whether and how that organisation is being transformed in response to the changing economic landscape within China since that time. In FY 2016, the first year of the two-year project, we compiled an interim report with the following content. “Industrial organisation in China: Review of issues and conceptual framework” (Humphrey) reviews the key literature, covering hold-up models, a knowledge-based theory of the firm, modularity theory and value chain theory, and discusses theoretical challenges arising from Chinese industrial organisation. “A study of technology platform-driven global value chains” (Ding and Hioki) examines how information is shared between platform vendors and users in the Chinese mobile phone industry and how this sharing of information promoted innovations in this industry. “Industrial clusters and global value chains as complementary channels of knowledge and information: A case study on China’s mobile phone-set industry” (Hioki and Ding), used a unique firm-level dataset on the Chinese mobile phone industry and showed that personal connections embedded inside industrial clusters and global value chains play complementary roles for local mobile phone firms in acquiring important information. “Overseas expansion and technological capabilities: The case of Chinese electronics firms” (Kimura) examined the formation of technological capabilities in China’s home appliance and electronics industry, and focused on the technological gaps between Chinese and foreign firms. “The internationalisation of Chinese firms: Implications for local firms in developing countries” was based on an analysis of the two-wheeler industry in Vietnam and showed how the impact of China’s exports and FDI on the host country is influenced by distinctive characteristics of industrial organisation at home and its transformation in order to meet the specific environment of the host country.

**Organizer:** Mai Fujita (Area Studies Center, IDE)

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

### **5. Poverty Alleviation of Women and Children with Disabilities in Developing Countries**

“Women with disabilities and children with disabilities” (WDCD) is the target for this research project. We analyzed the correlations between their disabilities and poverty by using quantitative data. Through our research, we tried to find out why these correlations are true and to give quantitative evidence to these qualitative analyses. We placed our research as part of an empirical study on the social model of disability. The first chapter introduced international discourses on the poverty of WDCD. Next, the issue of necessity of statistical evidence for these topics was discussed as the main goal of this research project. The second chapter covered international standards of disability statistics and the efforts of the Washington Group. In the third chapter, we analyzed the poverty of WDCD by using the 2010 Census and 2009 Socio-Economic survey data from Indonesia. The fourth chapter discusses poverty among women with disabilities in India by using census data. The fifth chapter analyzes poverty among children with disabilities in India with consideration given to the “Education for All” movement. The last chapter discusses the poverty of WDCD in the southern Philippines by using the newly corrected survey data. The researchers analyzed data from Luzon and the southern Philippines comparatively. They also analyzed the data from a viewpoint of econometrics to find whether the main factors for poverty are gender or disability.

**Organizer:** Soya Mori (Development Studies Center, IDE)

**Co-researchers:** Tatsufumi Yamagata (IDE), Masayuki Kobayashi (IDE), Takayuki Higashikata (IDE), Yuko Tsujita (JETRO Bangkok), Hitoshi Ota (IDE)

### **6. Female Empowerment and Social Institution**

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



**Organizer:** Yuya Kudo (Development Studies Center, IDE)

**Co-researcher:** Momoe Makino (IDE)

## 7. Global Value Chains and Labor

This research project examines the effects of the formation of international production networks on indigenous firms and workers in developing countries. In particular, the following topics are emphasized: (i) the internationalization of indigenous firms and their management practices; (ii) the effect on work values; and (iii) labor protection (labor standards and labor environment). This year, in the first year of the project, we intensively reviewed related literature, clarified issues and analytical frameworks, and performed preliminary quantitative analyses.

Sato (Chapter 1) intensively reviewed several branches of literature to cover the productivity of firms, wage dispersion, job security, and labor protection from the perspective of economic internationalization. To focus on the microstructure of the determination of the productivity of firms, Sato and Tran (Chapter 2) reviewed firm management practices and discussed the relationship between the internalization of firms and their management practices. In addition, as a short case study, they reviewed issues that Vietnamese local firms would face when attempting to participate in global production networks. Kamata, Sato, and Tanaka (Chapter 3) reviewed the results of a preliminary survey that our team performed on firms in Hanoi and its neighboring areas, and highlighted the role of manager qualifications and work experience. Asuyama (Chapter 4) intensively examined the method for studying the effects of international trade on the work ethic of laborers and preliminarily performed several regressions to confirm the feasibility and potential contributions of the research. Kamata (Chapter 5) examined the effect of labor clauses in trade agreements on labor market consequences including statutory minimum wages.

**Organizer:** Hitoshi Sato (Development Studies Center, IDE)

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

## 8. Human Trafficking as the Greatest Risk in Migration

We consider human trafficking to be the greatest risk in migration. Human trafficking has multiple dimensions as it is indeed intertwined with social, economic, and political factors. In order to understand and solve the problem, it is necessary to take complex as well as comprehensive approaches. This research will take the three-fold approach of: 1) grasping the situation of human trafficking through qualitative and quantitative analyses; 2) analyzing the laws and regulations against human trafficking, judicial practices, and policy making processes through an institutional study; and 3) analyzing the social factors in integrating trafficked persons into society through qualitative and action research. In other words, in order to solve the pathological problem of human trafficking, we will 1) diagnose and analyze the pathology, 2) propose measures to cure and treat the condition, and 3) offer treatments and post-care aimed at finding effective solutions on the ground. We have found how important it is to analyze human trafficking as the greatest risk in migration where people fall into victims over the spectrum of migration, as well as the relationship of forced labor and risk factors for inferior working conditions and the relationship of intermediaries and working conditions. While analyzing labor conditions on site, our project also focuses on the demand side of labor exploitation and possible policy measures to address demands

in the context of producing goods and services, and a policy framework of state and civil society cooperation. Finally, our project proposes to offer treatments and post-care aimed at finding effective solutions on the ground.

**Organizer:** Miwa Yamada (Interdisciplinary Studies Center, IDE)

**Co-researchers:** Hiroshi Arimoto (Hitotsubashi University), Yuriko Saito (Meiji Gakuin University); Maki Aoki (IDE), Kenmei Tsubota (IDE), Tomohiro Machikita (IDE)

### 9. Empirical Studies on Industrial Clusters in the Mekong Countries

Traditional industrial policy, which aims to protect domestic industries, has lost its legitimacy due to the influences of globalization and regional economic integration. Against such a background, industrial clusters have attracted increasing attention from policy makers. However, only a few empirical studies have been conducted in the Mekong countries, such as Vietnam. To narrow the knowledge gap, this study will first identify the location of clusters in Vietnam. Then econometric analysis will be conducted to investigate the relationship between industrial clusters and the productivity of firms. Furthermore, this study investigates the co-location of clusters and their impact on the productivity of firms. The study also considers the migration-urbanization issue with a particular focus on two megacities in Vietnam.

**Organizer:** Ikuo Kuroiwa (JETRO Bangkok)

**Co-researchers:** Kentaro Nakajima (Tohoku University); Toshitaka Gokan (IDE), Shozo Sakata (IDE)

### 10. Formation of Knowledge Networks in East Asia

Innovation capability, an ability to create value from new ideas, is necessary for economic growth, and knowledge transfer is one of the methods for constructing innovation capability. The current project focused on the formation process of knowledge networks in East Asia and empirically tested if the formation of knowledge networks correlates to economic performance. In detail, we used trade data, FDI data, and patent data, and analyzed patterns and routes of knowledge flow. The findings from the current projects are:

(1) Knowledge networks in East Asia have become dense as time goes on and correlate to economic performance (Publications: IDE Discussion Paper No. 558 and *Technology in Society* 46, pp. 66 – 100).

(2) Channels of knowledge networks in East Asia are trade, FDI, and the mobility of knowledge holders. Among the three, the mobility of knowledge holders contributes the most to knowledge flow (Publications: IDE Discussion Paper No. 538, and *Economics Letters* 139, pp. 69 – 71).

(3) Knowledge flows not only when two countries have trade between them but also when they have a similar industry portfolio and compete with exports to a third country.

Policy implications from our findings are: (1) Developing countries must put in effort in order to plug into established knowledge networks with trade liberalization; (2) Developing countries must attract highly skilled workers so that they can construct innovation capability through technology transfer (knowledge flow).

**Organizer:** Kaoru Nabeshima (Waseda University)

**Co-researchers:** Byeongwoo Kang (Hitotsubashi University), Mila Kashcheeva (N/A)

## 11. International Policy Diffusion and Fragmentation of Environmental Regulations

In the field of environmental regulation, regulations and rules used to deal with problems are formed in individual countries, while seeking compatibility and linkage with each other; that is, a kind of "policy diffusion," which has been observed in Asia. There are three examples that address this policy diffusion. First, in recent years, the fact that there are similar policies of the Restriction of Hazardous Substances (RoHS) Directive and REACH Directive for the regulation of chemical substances used in each country. Second, policies of hazardous waste management (HWM) increased in emerging Asian countries. Third is the regional and domestic emission trading schemes (ETS) for reducing greenhouse gases emissions with an expansion to carbon markets. In addition, the enhancement of environmental provisions in regional trade agreements (RTAs) is regarded as a mechanism for diffusing environmental policies. In this research project, they analyzed the dynamics, as well as the causes, of the consequences of policy diffusion, which may also create "fragmentation" between environmental regulations through RoHS/REACH, HWM, and ETS cases. The project conducted empirical studies across different fields and compared the impact on these issue areas. It also analyzed how environmental provisions in trade agreements contributed to the spread and division of environmental regulations.

**Organizer:** Michikazu Kojima (Interdisciplinary Studies Center, IDE)

**Co-researchers:** Fangting Cheng (IDE), Etsuyo Michida (IDE), Akiko Yanai (IDE), David Vogel (Haas School of Business, University of California, Berkeley)

## 2.2. Regular Analytical Research

### 1. An Analysis of Current Affairs in Asia

Our project analyzed political, economic and social developments in 2016 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 2017 (in Japanese), which contains reports with current analyses on Asian countries and regions.

**Organizer:** Etsuyo Arai (Area Studies Center, IDE)

**Co-researchers:** Satoru Okuda (Asia University), Kunio Minato (Kochi University), Toru Kurata (Rikkyo University), Masami Mizuno (Nihon University), Takeo Hidai (Wako University), Hiroko Inoue (Daito Bunka University), Naonori Kusakabe (Tokyo University of Foreign Studies), Masato Toriya (Sophia University), Taku Yukawa (Osaka University), Haruno Shintani (University of Tokyo), Michio Ogawa (Kanazawa University), Aeka Inoue (Syujitsu University), Amiko Nobori (National Graduate Institute for Policy Studies); IDE: Masahiko Nakagawa, Yurika Suzuki, Shinichi Takeuchi, Takeshi Kawanaka, Yuichi Watanabe, Haruka Matsumoto, DING Ke, Takayuki Takeuchi, Futaba Ishizuka, Shozo Sakata, Naomi Hatsukano, Tsuruyo Funatsu, Kazuya Tsukada, Nao Kaneko, Ryoichi Hisasue, Koichi Kawamura, Miki Hamada, Naoyuki Osada, Norio Kondo, Momoe Makino

### 2. Political and Economic Analyses of the MENA Region

Our research group (editing board) has prepared and published five articles in Japanese and English, and six short reports on political and economic topics in the MENA region in Volume 4 of the *Middle*

*East Review* published this fiscal year. In chronological order, Sadashi Fukuda's "Financial and Economic Reforms in Saudi Arabia: 'Vision 2030' and 'NTP 2020'" was published in August, followed by Prof. Yakov Rabkin's "The Iran Deal: Irrationality in Foreign Policy Discourse" in November. In the same month Ichiki Tsuchiya's report on the Egyptian economy was published, and Housam Darwisheh's "Violent Extremism in the Middle East and North Africa: Revisiting Conditions and Rethinking Solutions" appeared in January 2017.

Afterwards, a series of reports were published until March, including Akifumi Ikeda's report on Israeli politics, Kohei Imai's report on Turkish politics, Satoshi Ikeuchi's report on the Red Sea and Horn of Africa, and Hitoshi Suzuki's report on Iranian society. In addition, Hitoshi Suzuki's "Inauguration of the Trump Administration and Future US-Iran Relations", and Manabu Shimizu's "The Israeli Economy: Globalization and High-Tech Industry" were both published, but as the latter was considerably lengthy, only the first part was published in this volume as "Part I. Globalization," and the latter part will be published the next fiscal year.

Finally, Hitoshi Suzuki's "Middle East in 2016: A Political Overview" was prepared as a concluding commentary on the year. His report mentions that we are observing an emergence of "block politics," which is somewhat similar to the Cold War era of the mid-20<sup>th</sup> century. Political alliances are being attempted among major political actors while the general situation remains unstable and fundamental solutions are still deferred. We will definitely continue to pursue and analyze developments in the MENA region for the next fiscal year.

**Organizer:** Hitoshi Suzuki (Interdisciplinary Studies Center, IDE)

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

### 3. The Political Economy in Africa

This research project has been publishing the online journal *Africa Report* since 2013. *Africa Report* is the only refereed journal in Japan which specializes in the current socio-economic issues in Africa based on an academic approach. In FY2016, seven articles, six short papers, and 19 book reviews were published. The papers covered the latest issues in Africa including TICAD IV held in Nairobi, the elections in South Africa, and African immigrants in the United States, and several academic papers analyzed more fundamental issues in modern African society, specifically armed Islamist groups and reconciliation in a post-conflict society. From January to December 2016, the number of paper download recorded 179 thousand times, which was an increase of 46% compared to 2015. As a response to the increasing demand, we will continue to publish articles and reports on current African issues based on knowledge accumulated in Japanese academics on African studies.

**Organizer:** Takahiro Fukunishi (Area Studies Center, IDE)

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

#### 4. Latin American Politics, Economy, and Society

This project aims to analyze the current situations and important topics regarding the economic, political, and social development of countries in Latin America. The output of the project is published in the semestral journal *Latin America Report* (in Japanese). In the fiscal year 2016, seven long analytical articles, four reports on current situations in the region and academic conferences, 16 book reviews, and two short essays were published in Vol. 33, No.1 (July 20, 2016) and No.2 (January 20, 2017).

Recently, Latin American countries have experienced several challenges. Economically, the fall in commodity prices has affected the economic performance of the region, especially in Brazil. Politically, leftist governments left office in some countries, such as Argentina, Peru, and Brazil, while the leftist governing party experienced a remarkable defeat in the congressional election in Venezuela, all of which indicate a change in the “leftist wave” which has been prevalent in Latin America since the turn of the century. Focusing on these issues, the two volumes of the journal *Latin America Report* for the fiscal year 2016 featured several articles and reports on Latin American and Brazilian economies in the post-resource boom era, as well as presidential and congressional elections in Argentina, Peru, and Venezuela.

**Organizer:** Aki Sakaguchi (Area Studies Center, IDE)

**Co-researchers:** Ryohei Konta (IDE), Taeko Hoshino (IDE), Hirokazu Kikuchi (IDE), Koichi Kitano (IDE), Tatsuya Shimizu (IDE), Akio Yonemura (IDE), Tomoko Murai (IDE Library), Rihito Noritake (IDE Library)

#### 5. Trade Standards Compliance in Asia

This research project examines the development of global food supply chains in an era where public food safety regulations, as well as private standards, are becoming stricter around the world. This research project focuses on two major industries in East Asia, tea and shrimp, over three different research papers. The first paper paints the general trends of the tea industry, especially in regards to exporting activities. In addition, the paper offers an overview of key literature concerning the regulatory and standard compliances and exports from developing countries. The second paper focuses on China and Sri Lanka, which are two major exporters of tea. The paper utilizes data on port rejections combined with case studies on tea supply chains in the two countries. The findings from this research indicate that quality management along the supply chain is critical to ensure regulatory and standard compliance. The third paper assesses what factors are associated with the adoption of better management practices (which also include better quality control management) using data from the shrimp industry in Vietnam. The results shows that external information and training are key to improving the adoption rate of better management practices by farmers in Vietnam.

**Organizer:** Kaoru Nabeshima (Waseda University)

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

#### 6. Development of a Geographical Simulation Model (IDE-GSM) and Geo-economic Dataset: Population and Industrial Agglomeration in East Asia

Since 2007, the Institute of Developing Economies (IDE) has been developing the Geographical Simulation Model (IDE-GSM), which is a unique numerical general equilibrium simulation model based on

spatial economics. IDE-GSM has two objectives, namely, (1) to simulate the dynamics of locations of populations and industries in East Asia in the long term, and (2) to analyze the impact of trade and transport facilitation measures (TTFMs) on regional economies at the subnational level. This year, we have expanded the model from two dimensions. One is a sectorial expansion, i.e., the mining sector, which is explicitly included in the model. Now our model comprises eight sectors, including agriculture, mining, services, and five manufacturing sectors. The other dimension is a geographical expansion that includes Russia, Mongolia, and eight Central and Western Asian countries. This model covers more than 2,000 regions in 29 countries/economies in East Asia. This year, we carried out analyses on various infrastructure development projects, economic corridors, and FTA/RTAs. Recently, China's "One Belt, One Road" (OBOR) initiative has been attracting attention, and interest in ASEAN-India connectivity is on the rise. IDE-GSM is sufficient for analyzing the economic impacts of these large-scale infrastructure developments which involve many countries.

**Organizer:** Satoru Kumagai (Interdisciplinary Studies Center, IDE)

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

### 2.3. Ad Hoc Timely Research

#### 1. The 10th Congress of the Lao People's Revolutionary Party and Vision 2030

At the 10th National Congress of the Lao People's Revolutionary Party (hereafter, the 10th Party Congress) held on January 18-20, 2016, a new state goal was presented, called "Vision 2030." Their ambitious goal is for Laos to quadruple its national income by 2030 and enter into the category of upper middle income countries. Behind the presentation of such a target, we can see the party's confidence regarding steady economic growth. However, the five years since the previous congress has seen a worsening in the fiscal deficit, the debt problem in general, and corruption, in addition to a decline in the public's confidence in the party. There were also major changes in politics and society, such as the deaths of several young party executives, an appeal for a multiple party system by executives, and the politicization of social networking services (SNS). By presenting the ambitious goal of Vision 2030, the party seems to be aiming at restoring the public's trust. In fact, in order to maintain the legitimacy of party control, "Kayson-Phomvihane Thought," which bears the name of the country's founding father, was presented as a new political theory and ideology alongside Marxism-Leninism. This clearly shows that Marxism-Leninism alone no longer maintains the legitimacy of party control. How, then, can the party realize its 2030 goal? Is the party's dominance stable? Also, what meaning can be found in the personnel affairs of the party's new leadership? In order to answer these questions, this project looks at the 10th Party Congress, as well as the National Assembly elections and the Prefectural People's Assembly election held in March, in addition to the new cabinet, which was established in April.

**Organizer:** Norihiko Yamada (IDE, in Phnom Penh)

**Co-researchers:** Souknilanh Keola (JETRO Bangkok), Junko Yano (Aichi Prefectural University)

#### 2. The Inauguration of Myanmar's New Government: The Process and Results of the General Elections in 2015

The opposition party, the National League for Democracy (NLD), won the second general elections under Myanmar's current constitution (adopted in 2008), which were held on November 8, 2015. Describing the process and results of the general elections, this research project analyzes the competitive relationships between the NLD and the ruling Union Solidarity Development Party (USDP) in seven regions where the ethnic majority Burmese mainly lived. In contrast, the NLD was competitive with ethnic minority parties in seven states where minority groups were concentrated. By examining the appointments of ministers in the new government, which was inaugurated at the end of March 2016, the project points out that the NLD avoided monopolizing posts in the central union government and seemed to choose persons with educational backgrounds and work experience regardless of party affiliation. However, in some of the appointments for chief ministers in regional and state governments, the NLD chose veterans of the party. The results of this analysis were published as a book titled *Myanmar's 2015 General Elections: How Aung San Suu Kyi Came to Power* (Current Affairs Report Series, No.27) on October 3, 2016.

**Organizer:** Noriyuki Osada (Area Studies Center, IDE)

**Co-researchers:** Toshihiro Kudo (National Graduate Institute for Policy Studies), Yoshihiro Nakanishi (Center for Southeast Asian Studies, Kyoto University)

### **3. The "Second Doi Moi" of Vietnam: Outcomes of the 12th Party Congress and Some Prospects**

Since its adoption of *doi moi* (renovation) policy in 1986, Vietnam has achieved relatively rapid economic growth and poverty reduction, and has become a middle-income country. The party state has strongly promoted international economic integration, and the country's socio-political stability and young and diligent workforce have attracted a large number of foreign investors. However, Vietnam also has had to face a number of challenges; SOE sector restructuring has been staggering, the economy's efficiency and competitiveness remain low, and the sustainability of economic development is in doubt. Prevalent social problems, such as environmental pollution and corruption, have eroded people's confidence in the ruling Communist Party.

The 12<sup>th</sup> Party Congress was convened against just such a backdrop. This project attempts to shed some light on the current challenges and opportunities for Vietnam, as well as policy orientations of the Party to deal with them through referring to and analyzing the outcomes of the Party Congress. This report consists of five chapters. The first two focus on reports that were discussed and adopted at the Congress and major personnel changes in the party-state system. The remaining three chapters focus on three critical issues regarding international economic integration, equity and social inclusion, and Vietnam-China relations.

**Organizer:** Futaba Ishizuka (Interdisciplinary Studies Center, IDE)

**Co-researchers:** Shozo Sakata (IDE), Mai Fujita (IDE), Emi Kojin (IDE)

### **4. The Socialist System in the DPRK and International Economic Sanctions**

The Democratic People's Republic of Korea (DPRK) has conducted five nuclear tests and continued missile development. In response to these actions, the UN Security Council has decided to impose economic sanctions on the DPRK, while the United States, Japan, and the Republic of Korea have taken their own punitive measures. The objective of this study is to answer the question of how the DPRK

develops nuclear weapons and missiles despite these international sanctions. This study analyzes the flaws of these international sanctions, the links between political ideas and nuclear missile development by the Worker's Party of Korea, macroeconomic trends and economic reforms on industrial and agricultural sectors in the DPRK, foreign economic policies of the WP, and China-DPRK and Russia-DPRK relations. The final results will be published in the Current Affairs Report Series (in Japanese).

**Organizer:** Masahiko Nakagawa (Area Studies Center, IDE)

**Co-researchers:** Satoru Miyamoto (Seigakuin University), MOON Ho-II, PAK Jaehoon, Yukihiro Hotta (Kazankai Foundation), Takeo Hidai (Saitama Gakuen University)

### 2.4. Collaborative Research

#### 1. The Impact of Technological Innovation in Global Value Chains

The research goal of this report was to identify the structural patterns of technological diffusion across industries/countries. This was carried out using input-output techniques mainly conducted by the IDE-JETRO team. International input-output tables were used in combination with various data on R&D expenditures and/or patents where available. Technological diffusion across countries, therefore, is defined herewith as the cross-border transfer of knowledge-based capitals embedded in traded products (in analogy to the concept of "trade in value-added").

A parallel approach was applied to this question by employing a general equilibrium framework, again using input-output accounts. Technological diffusion was considered for transforming the input substitution structure as prompted by changes in the relative prices of products. This "structural propagation" was quantified by using a system of various cost functions whose parameters were estimated via two timely distant input-output accounts and deflators.

**Organizer:** Satoshi Inomata (Development Studies Center, IDE)

**Co-researchers:** Jiyoung Kim (IDE), Bo Meng (IDE), Satoshi Nakano (Japan Institute for Labour Policy and Training), Kazuhiko Nishimura (Nihon Fukushi University), Jiemin Guo (Bureau of Economic Analysis, US Department of Commerce)

#### 2. Regional Vitalization, Internationalization, and Innovation: Theory and Empirical Analysis for Invigorating the Economies of the Hokuriku Region

This research project aims to quantitatively analyze the economies of the Hokuriku region, including the extent to which these firms are internationalized, the characteristics of industrial clusters, and production and sales networks. The impact of internationalization is also a target of the analysis. In addition, this research project will use statistically analyzed data to make policy recommendations. This research is jointly conducted with Fukui Prefectural University, Hokuriku AJEC, and RIETI. In this study, we reveal that the industrial agglomeration in the Hokuriku region has a positive externality, even though it is decreasing as the agglomeration size increases. We found that an innovation system of trilateral cooperation between industry, government, and academia is working in the region. The firms in this region are not internationalized and their productivity is relatively high compared with other regions. One possible reason for this is an insufficient export infrastructure, such as with international shipping ports. However, Hokuriku firms tend to export their intermediate products through internationalized



firms in other regions. A simulation analysis based on spatial economics reveals that improving the Busan route from three Hokuriku ports will make the largest economic impact on the Hokuriku region, while improving the Vladivostok route will have the largest economic impact across all of Japan.

**Organizer:** Satoru Kumagai (Interdisciplinary Studies Center, IDE)

**Co-researchers:** Toshitaka Gokan (IDE), Kazunobu Hayakawa (IDE), Toyojiro Maruya (Fukui Prefectural University), Hisao Kasuga (Professor, Research Institute for Regional Economics, Fukui Prefectural University), Yasuyuki Sugiyama (Fukui Prefectural University), Shinya Kawamoto (Fukui Prefectural University), Xu Zhang (Fukui Prefectural University), Makoto Kobayashi (Hokuriku AJEC), Shuji Shiramata (Hokuriku AJEC), Yasuhiro Maeda (Hokuriku AJEC), Nobuaki Hamaguchi (RIETI), Yoshihiro Kameyama (Saga University)

### 3. The Role of Public Research Institutes in National Innovation Systems

Existing literature on national innovation systems largely focuses on the interactions among enterprises, universities, and public research institutes (PRIs) for the process of innovation and technology upgrading. Compared with the roles of the former two actors, the role of PRIs has been less explored and not as well understood. In this joint research project, we explored and compared the roles of representative PRIs in Japan and Taiwan—Japan’s AIST (National Institute of Advanced Industrial Science and Technology) and Taiwan’s ITRI (Industrial Technology Research Institute)—with a special reference given to Germany’s Fraunhofer-Gesellschaft. We also explored the roles of high-tech immigrants who mediate between different innovation systems across borders to shed light on the transnational aspects of national innovation systems.

**Organizer:** Momoko Kawakami (Interdisciplinary Studies Center, IDE)

**Co-researchers:** Yukihito Sato (IDE), Byeongwoo Kang (Hitotsubashi University), Jia Jing Lin (Taiwan Institute for Economic Research), Xin-Wu Lin (Taiwan Institute for Economic Research), Hui-wen Tai (Taiwan Institute for Economic Research), Muchun Wang (Taiwan Institute for Economic Research)

### 4. Tracing China’s Greenhouse Gas Emissions and Pollution Sources in Global Value Chains (GVCs): Regions, Firms, and Household Heterogeneity

China has been deeply involved in global value chains (GVCs) via various routes, including international trade and investment. Consequently, there has been a rapid increase in greenhouse gas (GHG) emissions and pollution associated with China’s participation in GVCs. To better understand how China’s participation in GVCs affects the environment, and how environmental regulations and policies influence China’s economic performance, as well as the activities of firms, we first traced China’s CO<sub>2</sub> emissions in GVCs using newly developed input-output data in which the heterogeneity information on firms regarding ownership and size are reported. Based on this new data, we also developed a dynamic CGE model to simulate the impacts of environmental regulations and green finance on the performance of China’s economy as well as its CO<sub>2</sub> emissions. In order to clarify how the over consumption of natural resources and related pollution damages China’s green growth at the domestic-provincial level, we also applied the so-called “Genuine Productivity Analysis” to our research. Furthermore, two value chain-based case studies on pollution sources with focuses on food products using international trade data and firm-level survey data were also conducted. The relevant research papers, as well as their policy implications, have been made available from IDE Discussion Papers and Policy Briefs.

**Organizer:** Bo Meng (Development Studies Center, IDE)

**Co-researcher:** Lei Lei (IDE); **Coordinators:** Keitaro Araki (IDE), Akiko Sasaki (IDE)

### **5. Impact Evaluation of Registration Programs for Female Sex Workers in the Region of Dakar**

Prostitution is one of the most dangerous occupations in the world. The risks go beyond the sex workers themselves and spill over to the rest of society. With its negative externality, it is rational to implement harm reduction and not just issue an outright ban of the occupation. The Senegalese government implemented a decriminalization policy that requires sex workers to register, which also allows them to receive government support. We used survey data collected in the Dakar region to assess the impacts of registration and built a simple theoretical model to analyze the mechanisms behind these registration decisions.

**Organizer:** Seiro Ito (Development Studies Center, IDE)

**Co-researchers:** Aurélie Lépine (London School of Hygiene and Tropical Medicine), Carole Treibich (Aix-Marseille School of Economics); **Coordinator:** Akiko Sasaki (IDE)

## **3. Basic and Comprehensive Research**

### **1. Evolution of Agricultural Management in Developing Countries**

Following the rise of commodity prices during the 2000s, there have been significant changes in input and output markets of agriculture as well as technology in production, processing, and distribution in developing countries. Due to these changes, we can observe an emergence of new types of agricultural producers and organizers, as well as new combinations of productive resources. The objective of this research project is to analyze these producers and organizers and explore how they are innovating to combine productive resources.

In the first year of this two-year research project, we tried to identify changes in the market and production. We found that family farms are still dominant in agricultural production in developing countries, but are more active in mobilizing resources from outside of their production unit. Furthermore, these producers are more connected with other actors in agricultural value chains in order to obtain resources and market their products. In addition, the public sector is facilitating these changes with new policies in order to increase agricultural production and support producers.

**Organizer:** Tatsuya Shimizu (Area Studies Center, IDE)

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

### **2. Political Economy of Cross-Strait Relationships under the Ma Ying-jeou Administration**

With the return of the KMT government to power in 2008, the China-Taiwan relationship, which was severely strained during the DPP regime in 2000-2008, started to improve rapidly. Economic integration and social interaction across the Taiwan Strait accelerated within a few years after the formation of the Ma administration. The aim of this research project is to elucidate the impacts of the drastic détente

across the Taiwan Strait on Taiwan's political and economic structure under the Ma administration. Furthermore, in FY 2016, we explored the political dynamics among governments and political actors across the strait. We also investigated the impacts of cross-strait economic integration on Taiwan's local economy and reactions from Taiwanese society to the enhancing influences of China's economic power on Taiwan. In 2017, we will take a close look at the network of economic and political actors across the Strait and the interactions among these actors under the Ma administration.

**Organizer:** Momoko Kawakami (Interdisciplinary Studies Center, IDE)

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

### **3. Changes in Economic Liberalization Policies in Iran and Their Impact: Industry, Market and Business Environments**

Iran is one of the biggest oil producing countries in the world and its government's distribution policy on oil income is often linked directly with the country's economic performance. This is because, in recent years especially, a reduction in subsidies and deregulations based on a strategy of "liberalization" have exerted massive influence on the livelihoods of the people and on the activities of businesses. Our project aims to clarify how the Iranian government's economic policies after 2000 influenced the country's industries and economic performance.

We started with a literature survey conducted this year concerning Iran's economic policies under the Ahmadinejad government (2005-2013) and its consequences. We also gathered data during a research trip in Iran, along with interviews with local private enterprises about recent developments in business.

Research results from this year are as follows: co-researcher Sachi Sakanashi explored the reason why cutting subsidies could be implemented after many years of contradictions in parliament. Paying close attention to the political positioning of the parliament in Iran, Sakanashi clarified the role played by the parliament in subsidy reforms. Organizer Yoko Iwasaki pointed out that the exhaustion of Iran's domestic economy due to tightened economic sanctions during the presidential term of Ahmadinejad played an important role for the "nuclear agreement." Through this recent literature survey, Iwasaki sorted out the structural economic problems in Iran, focusing on an economic system over-controlled by the revolutionary government which led to poor cost performance for the whole economy.

**Organizer:** Yoko Iwasaki (Area Studies Center, IDE)

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

### **4. Understanding Informal Payments in Kazakhstan: Causes and Implications**

This project examined informal payments in the education and healthcare sectors—the spheres that have a significant impact on the lives of ordinary people—in post-independence Kazakhstan. The following is a summary of an interim report which presents the results of our research activities conducted in FY2016. "Informal Exchanges in the Education Sector in Post-Soviet Kazakhstan" (Dina Sharipova) explores the link between welfare state retrenchment and informal institutions in the education sector. This paper argues that underinvestment by the state in education has significantly increased the scope of informal exchanges in the post-independence period. This paper points out that people use informal networks and payments to gain access to quality education; while informal payments by parents prevail

in secondary education, bribery is more widespread in institutions of higher education. "Informal Payments in the Healthcare Sector in Post-Soviet Kazakhstan" (Natsuko Oka) demonstrates why and how ordinary people make informal payments in exchange for healthcare service. As in many post-socialist states, prompt medical care of better quality and various health-related certificates are commonly traded for cash in Kazakhstan. This paper argues that the prevalence of informal payments by patients is a reflection of the commodification of the society at large in which the market ethos places monetary value on all kinds of transactions and human relationships.

**Organizer:** Natsuko Oka (Area Studies Center, IDE)

**Co-researcher:** Dina Sharipova (KIMEP University)

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

From the 1980s to the 1990s, Mexico enacted extensive institutional reforms in order to end an over-protected economy and an authoritarian regime. Although the reforms were expected to bring about prosperity and democracy, the results were underwhelming. This project aims to find the reasons for the poor results of the reforms by studying the economic, political, and social conditions in Mexico since the 2000s and the reasons behind them. The preliminary results of the project were as follows. The economic reform helped integrate Mexico with the global economy, but it was not a rapid growth. The reasons for this poor performance were the dual economic structure represented by a huge informal sector and the legacy of an authoritarian regime. Although further institutional reforms are indispensable, current political and social conditions may hinder them. Furthermore, the democratization process in Mexico has stagnated, and problems such as the decline of their oil industry, an important fiscal resource, and the influence of criminal narcotics organizations in politics, have now emerged. While a political space for social movement in Mexican society was amplified due to political reforms, it did not necessarily promote democratization, and the existence of vast informal sectors may serve as a support base for political factions which intend to preserve the old institutions. Due to conflicting ideas about the economy, politics, and society, Mexico's national integrity appears to be loosening.

**Organizer:** Taeko Hoshino (Area Studies Center, IDE)

**Co-researchers:** Aki Sakaguchi (IDE), Kaori Baba (Hokkaido University), Yuriko Takahashi (Waseda University), Takeshi Wada (University of Tokyo), Hiroyuki Ukeda (University of Tokyo)

### 6. The Dynamics and Transformation of the Vietnamese Family in the Doi Moi Period

In fiscal year 2016/2017, we made an interim report (*chosa kenkyu*) written in English called "The Vietnamese Family during the Period of Industrialization, Modernization and International Integration." This interim report comprises the following five parts: "Introduction" (by Minoru Teramoto); "The Impact of Modernization on the Basic Functions of Traditional Vietnamese Family" (a commissioned manuscript written by Nguyen Duc Chien); "Changing Residence Patterns and Ancestor Worship in a Northern Vietnamese Village" (Misaki Iwai); "Roles and Functions of Vietnamese Families in Caring for a Family Members with Disabilities: Case Studies from the Red River Delta Region" (Minoru Teramoto); and "The Intentions of Vietnamese Families for the Future: Findings from a Survey in the Southern Key Economic Zones of Vietnam" (Bui The Cuong).

**Organizer:** Minoru Teramoto (Area Studies Center, IDE)

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

### **7. Comparative Studies on Trends in Regional Structures**

Contrary to popular belief, South Asia may have been more regionally integrated during the colonial period. After the partition and independence of the countries in South Asia, each region has followed different paths. For a better understanding of the changing regional structures under regional (dis)integration, we conducted three historical studies on the economic geography of each region. The first study examines “Port Cities and Their Hinterlands in British India” by exploiting inland trade data and other colonial statistics. The second study is a “Compilation of District-wise Agricultural Production Data in Bengal from 1901/02 to 2001/02 and the Impact of the Partition of India,” which includes an analysis of impact evaluation on the partition of India in 1947 and agricultural productivity in Bengal. The third study is on the “Partition, Independence, and Maritime Networks in South Asia,” and examines the impact of the changing sovereignty of the maritime networks in the region. As the first year of a two-year project, we’ve worked intensively on data collection and discussing estimation strategies. Next year, we will conduct analyses with our new data.

**Organizer:** Kenmei Tsubota (Interdisciplinary Studies Center, IDE)

**Co-researchers:** Noriyuki Osada (IDE), Abu Shonchoy (IDE), César Ducruet (French National Center for Scientific Research), Takashi Kurosaki (Institute of Economic Research, Hitotsubashi University), Michihiro Ogawa (Associate Professor, Kanazawa University)

### **8. The Crisis of Democracy in Developing Countries**

The third wave of democratization, which has covered the world since the 1980s, is now facing a new phase after thirty years. Initially, democratization is expected to bring about political and socioeconomic equality, as well as development. However, people in democratized countries are more or less disappointed with the reality of deepening socioeconomic inequality, the spread of corruption, and indecisive politics. Under these circumstances, some countries have started experiencing a breakdown or erosion of democracy. These phenomena are generally called “democratic recessions.” This research project aims to identify causal mechanisms for democratic malfunctioning through case studies on newly democratized countries, especially politically and economically influential ones in which democratic recessions are taking place.

We classify democratic recessions into four types; (1) democratic breakdown, (2) democratic erosion, (3) strengthening authoritarian regimes, and (4) the coexistence of democracy and authoritarianism. As cases representing each of these types, we chose Thailand (democratic breakdown), Bangladesh (democratic instability), Turkey (democratic erosion), South Africa (conflict between one-party rule and democracy), Russia (weak to strong authoritarianism), and Mexico (coexistence of two regimes). Based on these cases, we try to find the causal mechanisms for a democratic recession.

**Organizer:** Takeshi Kawanaka (Area Studies Center, IDE)

**Co-researchers:** Kazuki Minato (IDE), Yasushi Hazama (IDE), Kumiko Makino (IDE), Hirokazu Kikuchi (IDE), Shinichi Shigetomi (Meiji Gakuin University), Atsushi Ogushi (Keio University), Kaori Baba (Hokkaido University)

### 9. China's "New-type Urbanization" Policy and Economic System Reform

This research project is to study China's on-going "new-type urbanization" policy and its related economic reform. The purpose of this project is to examine the policy as an economic development strategy, as well as the process of urbanization in certain cities. Through these projects, members assessed the progress of China's economic system reform. Because the urbanization of China is not the result of a natural process of modernization or industrialization under the market economy, it needs an enormous reform to its planned economy system which still remains in the rural-urban division. This project has also brought up aspects of "spatial urbanization" and "institutional urbanization." Project members studied these aspects as they applied to specific fields of regional development, urbanization in the Zhujiang Delta Region, urbanization in the Guizhou Province, industrial safety issues in the Tianjin Binhai District, rural-urban unified strategies and labor, capital, and government relations. As a whole, the project worked towards clarifying the policy's effects and problems in terms of economic system reform. The Chinese government is trying to promote this new-type urbanization strategy in order to boost sustainable economic growth, so it would be inevitable that urbanization issues would need to be governed carefully in order to maintain a balance between "retreat" and "intervention."

**Organizer:** Nobuhiro Okamoto (Daito Bunka University)

**Co-researchers:** Yaoqian Mu (ERINA), Haitao Jia (Jinan University, China), Kenji Otsuka (IDE), Nanae Yamada (IDE), Mami Yamaguchi (IDE)

### 10. Analysis of Urbanization in Indonesia Using Village Census Data from 1999 to 2014

The main purpose of this project is to construct an original Indonesian urban area dataset and investigate the impact of urbanization on welfare levels among Indonesian people and the productivity of companies. First, we construct an Indonesian urban area dataset based on population census data from 2000 and 2010, as well as village level map data. Then, we have two papers. The first is a paper titled "Human Capital Externalities in Indonesia," which investigates the urbanization effects of human capital agglomeration on plant level productivity. Our preliminary findings suggest that the degree of human capital externalities depends on urban population size, and the externalities do not occur in cities which are too large or too small. The second paper is titled "The Causal Effect of Urbanization on Rural Poverty Reduction: Quasi-Experimental Evidence Using Indonesian Urban Area Data," which analyzes the effects of population urbanization on poverty reduction. We found that effective market size growth as an index of population urbanization leads to an increase in per capita expenditure of households in rural villages, and especially those of the poorer villagers. In addition, our analysis shows that the increase in welfare for rural village households is mainly brought about by a rise in farm business profits, although we also indicate that the increase of per capita income for poor families came mainly from non-farm businesses.

**Organizer:** Takayuki Higashikata (Area Studies Center, IDE)

**Co-researcher:** Yoshihiro Hashiguchi (IDE, in Paris)

### 11. Political and Economic Changes in Malaysia during the Post-Mahathir Era

The purpose of this research project is to describe political and economic changes that have occurred since the former Prime Minister of Malaysia, Dr. Mahathir Mohamad, stepped down in October 2003, as well as to articulate the causes of these changes. During FY 2016, project members shared information

and perceptions through intensive discussions about important social changes observed during the post-Mahathir era. As a conclusion for the last year of this two-year project, we have compiled a final report (in Japanese). English titles of the chapters of this report are as follows: (1) “Overview of Politics during the Post-Mahathir Era” (Masashi Nakamura); (2) “The Fragile Two-Coalition System: Altering the Party System and Unaltered UMNO Hegemony” (Masashi Nakamura); (3) “A Drastic Recession of the Dominant Party and Policy Changes: The Paradoxical Effect of Constituency Manipulation and the Conflict between Old and New Issues” (Hidekuni Washida); (4) “Reforms of Political Institutions during the Post-Mahathir Era” (Ayame Suzuki); (5) “Bersih and Chronic Street Protests: The Activation of Social Movements and the Transformation of Civil Societies during the Post-Mahathir Era” (Tsukasa Iga); (6) “Overview of the Economy During the Post-Mahathir Era” (Satoru Kumagai); (7) “Reform of Government-linked Companies (GLCs) and Bumiputera Policy” (Satoru Kumagai); (8) “Regional Development Policies: A Never-ending Struggle for Balanced Development” (So Umezaki); (9) “Globalizing Companies in Malaysia” (Takashi Kawabata); (10) “Poverty, Income, and Asset Inequality in Malaysia” (Muhammed Abdul Khalid); (11) “Conclusion” (Masashi Nakamura).

**Organizer:** Masashi Nakamura (Area Studies Center, IDE)

**Co-researchers:** Satoru Kumagai (IDE), So Umezaki (IDE), Ayame Suzuki (Doshisha University), Hidekuni Washida (Waseda University), Tsukasa Iga (Research Fellow PD, Japan Society for the Promotion of Science)

### 12. Rising New Social Strata in Vietnam after the Year 2000

Social inequality in Vietnam seems to be larger than statistics published in the 2000s indicated. The objective of this project is to understand the picture of social inequality in Vietnam after the 2000s and to discuss social mobility. With the fixed structure of social strata after *Doi Moi*, this research project focuses on the changes and diversities within each occupational strata. As a result of these analyses of each occupational strata from historical, institutional, and economical perspectives, we found that modern Vietnamese society is generally composed of closed and fixed upper strata and a fluid and diverse middle/lower strata.

**Organizer:** Emi Kojin (Area Studies Center, IDE)

**Co-researchers:** Futaba Ishizuka (IDE), Mai Fujita (IDE), Shozo Sakata (IDE), Tetsuro Fujikura (Aichi Prefectural University)

### 13. Household Expenditure Patterns in Egypt during the 2000s

In this research project, we examined the reality of Egypt’s income poverty in the context of recent economic developments using newly released data. We paid close attention to the processes of economic development and policy implementation in order to understand the exact economic conditions people were facing. On the basis of an extensive analysis of recent economic developments and policies, we investigated the poverty situation in Egypt since the late 2000s in terms of three different aspects. The first aspect we focused on was regional differences in poverty. Since the distribution of the poor is quite uneven among regions, we looked into poverty trends at the regional level. The second aspect was the dynamics of poverty. By using panel data, we investigated poverty mobility during 2009–2013. The panel data makes it possible to follow the trajectories of households near the poverty line and can also reveal the key drivers behind the descent into poverty or the capacity to escape from it. The third aspect

was the impact of economic conditions and policies on poverty. We explored how households dealt with the economic slowdown following the January 25th Revolution and whether government social policies were effective for poverty reduction. Throughout this research project, we sought to foster a better understanding of the state of income poverty in Egypt and the impact of policies on poverty by examining the latest available household data.

**Organizer:** Ichiki Tsuchiya (Interdisciplinary Studies Center, IDE)

**Co-researchers:** Heba El-Laithy (Cairo University), Dina Armanious (Cairo University), Erina Iwasaki (Sophia University), Yuko Ido (Ph.D. student, University of Tokyo)

### **14. Reproductive Medicine and the Family in the Middle East**

The stigma attached to infertility and the limited practice of adoption under the influence of Islam has given rise to strong demand for the use of reproductive medicine in the Middle East. While use of reproductive technologies is supposed to affect family relations, it is at the same time limited by the idea of family, political interests, and individual desires in relevant societies. This project aims to first outline the institutionalization and practices of reproductive medicine, then to comprehend the cultural, political, and religious issues that are involved in the use of reproductive medicine and family based on ethnological fieldworks in Egypt, Iran, and Turkey.

**Organizer:** Kaoru Murakami (Area Studies Center, IDE)

**Co-researchers:** Emi Goto (University of Tokyo), Masaki Okado (National Institutes for the Humanities), Junko Toriyama (J.F. Oberlin University), Sachiko Hosoya (Tokyo University of Foreign Studies)

### **15. Comparison of Haiti and the Dominican Republic: Twin Countries Leading to Different Paths in Governance**

We present two questions: (1) “Why are Haiti and the Dominican Republic divided in the small Caribbean island of Hispaniola?” and (2) Why has their economic development been so drastically different?” Haiti is the poorest nation in the Western Hemisphere, while the Dominican Republic is now a middle-income country. We have performed the first comparative studies on the two countries in Japan, and made efforts to present the results to help general readers understand these questions.

Firstly, the introduction chapter introduces Japanese readers to more commonly known topics, such as baseball players from the two countries, and presents the above questions. Chapter 1 discusses the daily life and safety of the people by explaining their living standards, infrastructures, healthcare, and social security from the viewpoint of the welfare mix. Chapter 2 analyzes historical institutions in both countries through long-term development channels and critical junctures.

Chapter 3 deals with the history and politics of Haiti and the Dominican Republic. The author regards Haiti as a nation which is in the middle of the construction of a nation state and is establishing a democracy. She shows that the Dominican Republic has completed its construction of a nation state and democracy, and is now on a quest to build a welfare state.

Chapter 4 presents recent economic trends of both countries based on macroeconomic data and shows how the economies of both function. The Haitian economy is maintained by foreign aid and family remittances, whereas the Dominican economy is run by a service sector which is financed by foreign investments. Chapter 5 deals with relations between superpowers of the time, and also relations between Haiti and the Dominican Republic. Finally, the author deals with current topics such as migrants and international aid.



**Organizer:** Kanako Yamaoka (Area Studies Center, IDE)

**Co-researchers:** Hisayuki Mitsuo (IDE), Kiwa Ojiri (Tokyo Women's Christian University), Koichi Usami (Doshisha University), Tomomi Kozaki (Senshu University), Yoshiaki Hisamatsu (University of Toyo)

## **16. Public Security Problems in Developing Countries and Areas**

Daily public security is a very serious social problem in some developing countries and surrounding areas. In many cases, it is related to local contexts such as poverty, traditional and social institutions, drug and criminal organizations, lack of police forces and policies, rapid urbanization, and population migration. For these reasons, the situations and factors involved in public security differ in each country and area. This theme has not been studied before as a primary subject at IDE, although similar topics such as conflict and peace-building, and urban poverty have already been studied. This project aims to conduct basic research, including a survey on previous studies on public security problems in developing countries and areas, in order to deepen our understanding and so that we can create a more specialized project in the future. For this project we chose four emerging countries as case studies: Brazil (Chapter 1), Venezuela (Chapter 2), South Africa (Chapter 3), and India (Chapter 4). These countries are similar in terms of their economic scale, inequality, and poor daily public security situations.

**Organizer:** Ryohei Konta (Area Studies Center, IDE)

**Co-researchers:** Aki Sakaguchi (IDE), Chizuko Sato (IDE), Hitoshi Ota (IDE)

## **17. International Labor Migration of Women from Developing Countries**

This research project is a review of literature on international labor movements for women in developing countries. Specifically, by reviewing literature focusing on labor migration in East Asia, we explored the challenges facing Asian countries and built a research framework to advance women's international labor migration research in other developing countries. We also gained an understanding of the current situation by analyzing the latest statistical data from the Philippines, which is an advanced country for women's international labor migration. Through these tasks we studied the "feminization" of international labor movements and the policies of countries receiving migrant labor and those sending it, as well as their changing responses to it. On the other hand, while there is considerable accumulation in the Philippines on micro-level research, such as women's agencies and their relationships with their families, further investigation will be required for other countries. This research project plays an important role as a foundation for broadening the scope of coverage on international labor migration research on women in other developing countries beyond East Asia.

**Organizer:** Yuka Kodama (Area Studies Center, IDE)

**Co-researcher:** Yurika Suzuki (IDE)

## **18. Rural Development Administration and People in Northern India**

In India, the government's rural development work is carried out with the cooperation of the Panchayati Raj Institution (PRI), which is the local self-governing body of village people and a development bureaucracy, namely, the Block Development Office of the state government. The combination of the two institutions is, in a sense, an arena of politics of rural development. The purpose of this research project is to depict the politics of rural development administration, especially the politics of the poor

and *dalit* (oppressed) people. Three villages in eastern Uttar Pradesh were surveyed in 2005 and 2012 in preparation for this research.

The analysis of the three villages shows that (1) the participating level of the *Dalits* and other oppressed sections of people in PRI has risen notably from 2005 to 2012, (2) the reason for the rising participation of *Dalits* is the ruling Bahujan Samaj Party, which was a party of the *Dalits*, from 2007 to 2012, and the proliferation of poverty alleviation and welfare programs which were very important for Dalit interests, and (3) in spite of rising levels of participation by *Dalits* and other oppressed sections of people, a lot of problems, like the traditional disorganization of PRI and the inertia of governmental bureaucracy, still remain. In conclusion, the quality of the rural development administration still remains a big problem.

**Researcher:** Norio Kondo (Area Studies Center, IDE)

### **19. The Transformation of Judicial Activism in India: A Focus on Environmental Issues**

This project looks at Public Interest Litigation (PIL) in India in terms of the Public Law Model, which rose mainly from public law cases in the United States, and studies the hypothesis that while an increase in judicial cases that involve public interests are a universal phenomenon occurring during a society's development, the crucial uniqueness of PIL in India lies in the fact that it is deployed via the constitutional writ jurisdiction of the superior courts. Through this hypothesis, the project attempts to trace how effective this writ jurisdiction has been in India and how it has been strengthened since the country gained its independence. The project finds that writ jurisdiction has steadily expanded through case law even before the appearance of PIL in the late 1970s by eliminating various restraints involved in writs as transplanted from the legal system in the United Kingdom. Furthermore, there are other important factors, such as the existence of the Directive Principle of State Policy and the Fundamental Rights in the Constitution, in the establishment of the perception of the role of the judiciary as being a guarantor for the constitutionality of actions of other branches of the government in addition to safeguarding the fundamental rights of the people.

**Researcher:** Hajime Sato (Area Studies Center, IDE)

### **20. The Role of the Board of Directors in Companies in Gulf Arab Countries**

Recently, corporate governance initiatives have been established in GCC countries. In the case of GCC-listed companies, a major feature of corporate governance is that ruling families and family conglomerates control corporate management through their board of directors. The purpose of this study is to analyze how these boards are structured and the influence these boards have on the performance of companies listed in the Gulf Cooperation Council (GCC) in 2015.

First, we find that companies with decentralized ownership or those with a major government owner tend to have a large board of directors. We also find that the role of outside director becomes important for those companies with highly concentrated ownerships. In addition, governments operated by a ruling family send family members to their affiliated companies. Next, in our GCC company sample, we see that corporate performance may be affected by management factors, but not by the characteristics of the board.

**Researcher:** Jun Saito (Area Studies Center, IDE)

### **21. Governors as National Veto Players: The Case of the Argentine Senate**

Under what conditions can subnational governments be national veto players? Many studies of federal countries have regarded governors as national veto players even though they do not have such a constitutional status. However, statistical tests of comparative legislative studies and those of comparative federalism have not succeeded in showing gubernatorial effects in a national political arena. Therefore, in this research project, I study the conditions under which governors can be national veto players by focusing on the treatment of presidential bills between 1983 and 2007 in the Argentine Senate, which serves as an arena for subnational governments to influence national politics. By developing a theory about the subnational electoral connection, according to which national legislators represent political actors at the subnational level in order to advance their careers, I claim that senators strategically choose their actions according to their institutional positions. Using qualitative and quantitative evidence from committee decisions and floor voting at the Senate, I argue that only governors with tenure stability can be national veto players by making their senators shelve unwelcome presidential initiatives in committees.

**Researcher:** Hirokazu Kikuchi (Area Studies Center, IDE)

### **22. Development and Applications of a Novel Global Economic Model**

Due to globalization, there has been a trend of borderless and spatial impacts on other economic agents. As the economic interdependence of nations has been strengthened through trade, it is quite difficult for one country to combat various policy issues by itself. This effect indicates that international policy coordination is becoming more important.

By focusing particular attention on fiscal/monetary policies under the international economic system, this research project aims at developing an empirical model which interlinks a multi-country and multi-sectoral sub-model with fiscal/monetary sub-models and applying the model to international fiscal/monetary policy coordination issues.

In this fiscal year, we mainly constructed international input-output tables evaluated in constant prices and denominated in local currencies. We also developed a local-currency-based multi-country and multi-sectoral model by using those tables. Our theoretical structure is based on the optimization problems of individuals by micro foundations. In addition, this model is a mechanism for simultaneously determining sectoral prices and output. The summary of this project output is published as “A Local-Currency-Based Multi-Sectoral Model for Global Economic Analysis” in the “Interim Report for the Development and Application of a Novel Global Economic Model.”

**Organizer:** Takashi Yano (Hiroshima Shudo University)

**Co-researcher:** Tsubasa Shibata (IDE)

### **23. The Reinvigoration of the Philippine Economy**

In this research project, we conduct surveys regarding the industries, financial sectors, social structures, and persistent regional disparities in the Philippines. The results and outputs in Japanese will offer comprehensive and up-to-date information to the general public about the country’s economic and political situation and its future prospects. Our interim report contains surveys on (1) an analysis of the income/consumption trends and regional disparities among Philippine households where we find the disparities between high- and middle-income households and lower- and poverty-level households are

still persistent, (2) an analysis of the lending behavior of universal/commercial banks since the 2000s, where we find that local universal/commercial banks rapidly increased lending volumes after the mid-2000s, but put a larger share to short-term loans, while foreign universal/commercial banks showed different pattern in their lending behavior, and (3) an overview of the IT-BPO industry in the Philippines, which recently faced challenges to improve its sophistication and diversification of services it offers to keep the industry competitive in the global market.

**Organizer:** Chie Kashiwabara (Development Studies Center, IDE)

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

### **24. The Impact of Political Protests: A Case Study on Bangladesh**

This project was organized to conduct quantitative analyses on the impact of political strikes, called *hartal*, in Bangladesh. So far, the project members have conducted two studies on this issue and constructed a daily database of *hartals*, which are quite common in former Indian subcontinent countries. In this fiscal year, we collected data from the Dhaka stock exchange from 2004 to 2015. At the preliminary stage of our results, we have found that stock prices decreased and their variances also decreased due to *hartals*. For the latter results, the channels of the impact are still not clear.

In the following year, we are going to analyze the impact by using sub-samples, such as industries, the size of the firms, the size of trade volumes, and the value of capitalization. We will also continue working on further analyses by distinguishing the characteristics of *hartals* such as multiple (or consecutive) *hartals*.

**Organizer:** Abu Shonchoy (IDE, in New York)

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

### **25. Econometric Modeling on Asian Economies**

This research project attempts to evaluate the long-term growth potential of East Asian economies through macro-econometric models. Special attention is paid to the prospects of domestic demand and demographic transformation. The final report contains (1) an overview of the standpoint of the macro-econometric model among various economic models, (2) an introduction on how to construct and use macro models, (3) policy applications of models in Korea and Taiwan, and (4) models in Cambodia, Lao PDR, and Vietnam. The report also includes applied operations of macro models to see the relationship between consumption and demographic structures, and to construct a "trade link model" consisting of every single country model linked by their trade arrangement.

**Organizer:** Jinichi Uemura (Development Studies Center, IDE)

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

### **26. A Compilation of Asian International Input-Output Tables: Issues and Extensions**

This study conducts theoretical and empirical investigations into issues concerning the compilation methodologies used for international input-output tables compiled by IDE-JETRO on the Asia-Pacific region. Specifically, the study examines three major components in the compilation process of the Asian

international input-output table (Asian table), which includes (1) how to determine sector classifications, (2) updating methodologies of input-output tables, and (3) estimating trade matrices through special surveys. In addition, we attempt to compile an updated 2010 Asian table as an application of compilation methodologies discussed in this study.

The study will contribute toward achieving more accurate analyses by using international input-output tables for the Asian-Pacific region by identifying the assumptions made on the tables as well as describing the detailed compilation process.

**Organizer:** Hiroshi Kuwamori (Development Studies Center, IDE)

**Co-researchers:** Chiharu Tamamura (IDE), Takao Sano

### **27. Production Patterns of Multinational Firms in a Four-Country Framework: Theory and Empirics**

One of the key factors behind the growth in global trade in recent decades has been the increase in intermediate input as a result of the development of vertical production networks. It is widely recognized that the formation of production networks has resulted from the expansion of activities by multinational enterprises (MNEs). Developing economies have benefitted from the development of vertical production networks since these networks enable them to incorporate an appropriate portion of the production process. This research project explored the factors and policies that may help bring the production process to developing countries utilizing an extended version of the Knowledge-Capital model, and empirically tested the activities of Japanese firms based on the model. There were two outcomes obtained from this project in FY2016. The first outcome was the development of a newly extended version of the analytical model, which now includes two types of the export-platform MNE in addition to the complexly integrated MNE, and an analysis with a special focus on the effects of free trade agreements and economic partnership agreements. Simulations with the model revealed conditions for which type of firms would be active in a given economic environment. The second outcome was an empirical validation of the model based on the data set related to Japanese MNEs that supports the predictions of the analytical model.

**Organizer:** Kazuhiko Oyamada (Development Studies Center, IDE)

**Co-researcher:** Yoko Uchida (IDE)

### **28. Economic Analysis of Political Shocks**

The aim of this research is to examine the influence of political shocks on socioeconomic outcomes. Two empirical studies were conducted based on micro-level data. The first study investigated whether the Liberian Civil War increased infant mortality by exposing pregnant mothers and their children to a high risk of malaria infection. Results suggest that one-percent increase in infection risk caused by the war led to a 0.44 percent increase in one-year mortality. Rates of mortality gradually increased following childbirth as maternal passive immunity waned. The consequences were more pronounced for infants, irrespective of gender, who were conceived during the rainy season by young mothers residing in rural, battle-intensive areas. Using a unique setting wherein a political dispute between the Ukraine and the Russian Federation led to a cut in gas exports to the Ukraine and increased gas prices, the second study investigates a rally-around-the-flag effect of economic sanctions. The findings show that Ukrainian people more directly affected by the sharp increase in gas prices were substantially more likely to change

their political views in a "pro-Western" direction and were supportive of a more open democratic system. Suggestive but less conclusive evidence also suggests that Ukrainians who were more directly affected by the dispute were more likely to support joining the European Union.

**Researcher:** Yuya Kudo (Development Studies Center, IDE)

### **29. Young Female Workers in South India's Textile Industry: Labor Practices and Problems**

India's developing textile industry has become a major source of exports for the country. This research focuses on spinning mills in India, specifically the southern state of Tamil Nadu, which, with some 1,600 spinning mills and around 400,000 workers, is the world's largest yarn exporter. Sixty percent of these workers are female and come from rural districts in search of employment. These spinning mill factories bring in young women from rural areas under employment contracts in a widely used practice called the Sumangali system. The working conditions and wage system of Sumangali has had a lot of problems. In addition, child labor prohibition laws cannot cover the high number of teenaged female workers. This project explores the realities of these female workers and searches for ways to improve their working conditions.

**Researcher:** Mari Nakamura (Development Studies Center, IDE)

### **30. Controls, Reforms, and the Informal Economy of the Foreign Exchange Market in Myanmar**

Multiple layers of exchange restrictions on current international payments and transfers have created a complex exchange rate system in Myanmar. Weak enforcement of such restrictions has spurred informal transactions. The informal market institution for currency exchange has evolved under exchange restrictions and has enabled efficient currency exchange for private firms, which has resulted in persistent informal currency dealings despite the historic reforms that started in 2011. Nonetheless, extended sophistication of the spot-transaction-based informal foreign exchange market has not transformed Myanmar's foreign exchange market into a global best-practice model wherein financial derivatives allow firms and banks to mitigate exchange rate risks. Foreign firms and foreign bank branches in Myanmar may play a crucial role as outside forces lead to the creative destruction of informal market practices and towards modernization for the foreign exchange market.

**Researcher:** Koji Kubo (Development Studies Center, IDE)

### **31. Formation Processes of Administrative Organizations in Charge of Resource and Environmental Policies**

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

**Organizer:** Tadayoshi Terao (Interdisciplinary Studies Center, IDE)

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

### **32. Accessibility Law for Persons with Disabilities in Asia**

This study will use the UN Convention on the Rights of Persons with Disabilities (CRPD) as criteria and as an outline of the actual situation of barriers that persons with disabilities in Asia face regarding access to facilities, transportation, information, and services. It will also describe legal developments taken to dissolve these barriers and indicate remaining problems. The target countries in this study are members of the UNESCAP which took leadership as a region in establishing the CRPD (namely, Korea, China, Vietnam, Thailand, the Philippines, India, and Cambodia). The study will focus on each country, and a comparative study will also be done to find common issues. As part of the first year of the study, a survey was carried out regarding accessibility laws in each country.

All the target countries that were examined had some kind of legislation regarding access to facilities, transportation, and information. However, it was difficult to find enough information on access to services. Although all countries provide legislation covering accessibility of facilities, transportation, and information, it should be noted that their range, concreteness, and binding forces differ. Especially since, in the past, accessibility has only focused on physical environments, and the provisions for access to information are either abstract or still on the way. Also, since the CRPD admits gradual progress is needed to make facilities and transportation barrier-free, some countries have taken advantage of this and simply provide gradual progress on accessibility in their legislation. On the other hand, there are also countries that provide time limitations for compliance and countries that establish development plans with concrete targets.

**Organizer:** Masayuki Kobayashi (Interdisciplinary Studies Center, IDE)

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

### **33. Problems and Prospects of the Second Xi Jinping Government**

In this research project, we analyzed the achievements of the first term of the Xi Jinping government and made predictions on its second stage. We analyzed many individual fields, such as politics, economics, diplomacy, external economic policy, social affairs, and the management of enterprises. Common factors in our investigations were the Third Plenary session of the 18<sup>th</sup> Central Committee of the Communist Party of China, the 13<sup>th</sup> Five-Year Plan (2016-20), and the “One Belt, One Road” initiative. The main dilemmas are between the transformation of their development strategy and economic stimulus, and between hardline diplomacy, which upholds a “core advantage,” and conciliatory line to neighboring countries for economic development. Furthermore, the main challenges are an establishment of legal order by the Communist Party in order to win over social strata, and to speed up economic structural reforms by driving new external economic policies such as the “One Belt, One Road” initiative. In addition, they must encourage the innovation of enterprises in order to fundamentally transform development strategies and precisely correlate poverty issues to achieve social fairness. Next year, we will deepen our investigations and explore China's impact on Japan and the rest of the world.

**Organizer:** Yasuo Onishi (Interdisciplinary Studies Center, IDE)

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

### **34. Law and Society in the Philippines during the Three-Decade Long Re-democratization Period**

The purpose of this research was to create an overview of the transition of politics, economy, and society in the Philippines over the past 30 years on the basis of changes in the legal system and the renewed Constitution. Since the re-democratization of the Philippines in 1986 following the collapse of President Marcos's regime, the Philippine government has been making efforts to reform their national system and society under a new constitutional paradigm. While conducting this research, it has been difficult to illustrate how effective these judicial norms have been, especially in the field of operation and implementation. Furthermore, a number of research findings have been distributed in Japan in recent years in regards to the current situation of Philippine law. This research has focused mainly on the Constitution, family laws, and labor laws. However, from a certain point of view, an understanding of the Philippine legal system overall still remains fragmented, and a whole picture of society still seems to be difficult to fully understand. Therefore, we chose to focus our research on several sectors including politics, economy, and society in order to draw a more detailed picture of the Philippine legal system.

**Organizer:** Izumi Chibana (Interdisciplinary Studies Center, IDE)

**Co-researcher:** Shinya Imaizumi (IDE)

### **35. Japanese Style Convenience Stores and Their Impact on Alleviating Poverty**

Convenience stores originated in the United States in the 1920s, but this business model was not introduced in Japan until the 1970s. Since the 1990s, convenience stores in Japan, called *conbini*, have evolved and become more unique. This evolution of Japanese *conbini* includes customer-friendly service, efficient and precise logistic systems, and never-ending R&D for new services. Major *conbini* chains (7-Eleven, Family Mart, Lawson, and Ministop) started to expand their networks to East and Southeast Asian countries starting in the 1990s. We suggest that the expansion of Japanese *conbini* may have had a huge impact, not only economically, but also socially, and on the behavior patterns of the accepting societies. For a future study on the impact of convenience stores on poverty alleviation in developing countries, we conducted some basic surveys and analyses on consumer attitudes towards convenience stores in Indonesia and Thailand.

**Organizer:** Hiroshi Sato (Interdisciplinary Studies Center, IDE)

**Co-researchers:** Yukihito Sato (IDE), Hisao Sekine (Tsukuba University), Hidemi Yoshida (Hosei University), Atsushi Hamamoto (Nagoya City University), Atushi Ohno (Ritsumeikan University), Yukimi Shimoda (JICA Research Institute), Rieko Kubota (National Institute for Environmental Studies, Japan)

### **36. Interactive Approach to Water Governance: Case Studies in Asia**

For our case studies on water governance in Asia, we introduce interactive perspectives which have been discussed mainly in the context of Western European countries. We examine how these perspectives reveal complex and dynamic interactions in water governance in Asia and the similarities and differences between Asian and European cases in terms of the interactive processes between policies



and practices, as well as the interactive processes between formal institutes and emerging informal institutes. First, in each country where we conducted our case studies, water resources and environmental management are still occupied by governmental sectors. However, they cannot solve these problems effectively by themselves and under hierarchical and fragmented administrative systems. Second, even under these situations, some interactive forms of governance have emerged and are not initiated by citizens, but are resisted by or involve the people. Third, it should be noted that hybrid forms of interactive governance, including governmental and non-governmental actors, have been emerging, as well as the roles played by the government and non-governmental actors for finding more cooperative ways to solve these problems. Fourth, we find the importance of street-level bureaucrats who can conduct hands-on interventions to interactive governance, while involving themselves in the interactive process. Fifth, it should be mentioned that contextual factors are significant when we compare cases not only among countries, but also within the countries themselves. Lastly, complexities of social and ecological systems (SESs) in river and lake basins could make us rethink the way governing issues appeared in boundaries between natural and human systems.

**Organizer:** Kenji Otsuka (Interdisciplinary Studies Center, IDE)

**Co-researchers:** Tadayoshi Masuda (Kindai University), Tomohiko Ohno (Kanazawa University), Kazuko Oguni (Nihon Fukushi University), Mansee Bal Bhargava (Env. Design Con.), Jurian Edelenbos (Erasmus University), Guohan Liu (Zhejiang Sci-Tech University), Siriporn Wajjwalku (Thammasat University)

### **37. Socioeconomic Analysis of South Korea in the Low Growth Era**

The aim of this study is to comprehensively analyze recent social and economic problems in South Korea. Recently the growth rate of the South Korean economy has been slowing down, and one of the reasons is the rapidly declining birth rate and growing percentage of elderly people. This reduces the economically active population and depresses private consumption. Another reason for the slowing growth is the decline in international competitiveness among Korean industries, which results in sluggish exports. Many Korean companies have succeeded in catching up with companies in advanced countries in the export market, but few have succeeded in becoming world leaders on the technological level due to a lack of sufficient accumulation of R&D experience for conceptual design in manufacturing. Now they are facing the rapid rise of Chinese companies in the world market. At the same time, South Korean society is suffering from a widening disparity between rich and poor, and growing levels of poverty among the elderly. To cope with these problems, it will be necessary for the South Korean government to lend further support to the poor, however, the social welfare system has not worked well so far because it has just recently been implemented. Because the development of South Korea was achieved in a short period of time, the speed of its maturation process has also been very fast. As a result, South Korea is struggling to find ways to keep up.

**Organizer:** Makoto Abe (Area Studies Center, IDE)

**Co-researchers:** Yuichi Watanabe (IDE), Satoru Okuda (Asia University), Yuichi Takayasu (Daito Bunka University), Hidemi Yoshioka (Kumamoto University), Myoung Jung Kim (NLI Research Institute)

### **38. The Critical Roles of the United States and China and Their Influence on the Establishment of a New Climate Change Regime**

Verifying the critical roles of major countries in negotiations on a specific topic could be an important reference when studying issues of global governance; that is, how major countries get involved in writing the rulebook for an international framework with stagnation, and how countries can take a step forward with each other beyond their conflicting interests in the scheme of international cooperation. By studying the US-China case on climate change negotiations, these questions could be answered as policy suggestions on other issues.

Under its regime complex, climate change has dealt with diversified approaches by many overlapping regimes. This paper argues that major countries should be able to strike a balance between national interests and multilateral rule-making by exercising their critical roles and diversifying, as well as by sharing common corresponding measures.

The study analyses and verifies the critical roles which the US and China have played since before the 15th Conference of Parties (COP) of the UNFCCC (United Nations Framework of Climate Change Conference) held in Copenhagen in 2009. Although the two countries have criticized each other's position on addressing climate change, the study found that outside UN negotiations, various bilateral and multilateral talks that the US and China had initiated and participated in, political context has positively and significantly influenced the building of an international framework.

**Researcher:** Fangting Cheng (Interdisciplinary Studies Center, IDE)

### **39. Efficiency and Occupational Safety on the Trucking Industry in Thailand: A View from Personnel and Organizational Economics**

What effect do traffic accidents have on trucking firms in developing economies? This paper addresses this question by investigating the influence of incentives on accidents and production efficiencies in the trucking industry in Thailand in the context of a multitask principal-agent model. By running in-depth interviews and conducting a unique firm-level survey, this paper finds that an increase in accidents, damage, and loss of cargo are associated with the principals' provisions on incentives for speeding. This paper is our first contribution to examining the costs of these incentives for drivers to complete one task when they face multitask principal-agent problems in the context of the trucking profession. Furthermore, increases in production efficiency are also associated with incentives for speeding. There is no statistical relationship between an increase in profitability and provisions on incentives. Moreover, in order to seek the sources of the principals' choices for incentive schemes, this paper analyzes the effect of demanding that trucking firms ship and handle commodities.

**Organizer:** Tomohiro Machikita (Interdisciplinary Studies Center, IDE)

**Co-researchers:** Chawalit Jeenanunta (Thammasat University), Masatsugu Tsuji (Kobe International University), Yasushi Ueki (ERIA)

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

### **4.1. Grant-in-Aid for Scientific Research (B)**

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

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

This research aims to cohesively capture the structure of both market and industry by conducting a structural estimation of the behavior of consumers and producers as well as interactions among the players. We consider the case of the motorcycle industries in Vietnam and Indonesia, which have experienced remarkable growth driven by competition between foreign and local producers. The research specifically aims to make quantitative assessments of (1) features of the markets, (2) value added generated by producer strategies (e.g., quality improvement and branding) and the allocation of value added among producers participating in the production chains (i.e., motorcycle assemblers and component suppliers), and (3) changes in consumer welfare resulting from market competition.

In 2016, we conducted the following two activities. First, we analyzed the data on consumer behavior collected via a survey on motorcycle sales in Indonesia and Vietnam in 2015, and wrote a paper on the positioning of main motorcycle manufacturers in the two countries and submitted it to an academic conference. Second, with the cooperation of research institutes in Indonesia and Vietnam, we conducted a survey of motorcycle component suppliers with the aim of grasping the structure of motorcycle production in the two countries. Through this survey, we collected detailed data on transactional relationships and capability building by local suppliers.

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

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

This research project aims to explain the mechanism which causes progress, stagnation, or regression of democratization in the Middle East and Islamic countries by the level of judicial independence and preference of constitutional review for hegemonic preservation or horizontal accountability. For this purpose, we focus on common phenomena of “judicialization of politics” in five Middle Eastern and Islamic countries (Turkey, Egypt, Kuwait, Pakistan, and Azerbaijan), although there are large differences in the level of democratization among them. We also reveal the actual state of “judicialization of politics” by making a comparative analysis of mutual relationships between judicial authority and other institutional actors such as executives, legislatures, armed forces, and royalty over constitutional reviews. In addition, we examine the association with the Islamization of politics, which seems to be unique to the Middle East and to Islamic countries, in order to find characteristics of the role of judiciary in the regions and to set up the comparability of our study with other regions. In FY2016, we processed coding of the constitutional court’s ruling on constitutional reviews for quantitative text analysis, comparative analysis on institutional design of the constitutional court, and management of personnel affairs, including judge appointments and the effect of factionalism on judge preferences and their neutrality.

### **3. Development Sociology of Post-War Japan: Comparative Study of Social Conditions Prerequisite for High Economic Growth**

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

What kind of social conditions have contributed to the Japan's rapid economic growth after the World War II? While rapid economic growth brings about affluence, it is fraught with challenges. When present developing countries aspires to attain rapid economic growth, what kind of social conditions should be prepared to address the negative aspects of the rapid economic growth? Taking into account these issues, this project reexamines the post-war Japanese high economic growth period from the standpoint of development sociology and try to formulate a "development sociology of post-war Japan." This study could be regarded as a preliminary work for future joint studies with Asian "development sociologists."

#### **4. Background of Structural Changes in African Conflicts: In Search of an Explanation for the Eruption of Violence**

**Principal investigator:** Shinichi Takeuchi (Area Studies Center, IDE)

This research project analyzes major social divisions which led to recent armed conflicts in Africa for the purpose of elucidating the mechanisms for triggering and escalating the violence. Although serious armed conflicts often took place in the 1990s, their frequency and number of victims have been reduced since the 2000s. At the same time, researchers have identified new characteristics of these conflicts, including a frequent eruption of post-election violence, an intensification of conflicts caused by resource constraints (particularly land and water), and an expansion of terrorism. These new characteristics are supposed to reflect new social divisions in African societies caused by recent events including rapid population growth, a surge of Islamism, and the implementation of neo-liberal economic policies. This research project particularly focuses on four factors which are deemed to be highly influential on the nature of these conflicts: political parties, natural resources, religions, and labor. Analyses of these factors will elucidate the nature of these new social divisions, their historical evolution, and their impact on the eruption of violence. In the FY 2016, the relationship between religion and conflict was examined through a seminar with specialists of the Sahel region in Africa. As a result, cardinal importance has been placed on achieving a social and historical understanding.

#### **4.2. Grant-in-Aid for Scientific Research (C)**

##### **1. The Middle-Income Trap from the Viewpoint of International Trade: The Situation in Malaysia**

**Principal investigator:** Satoru Kumagai (Interdisciplinary Studies Center, IDE)

The "middle-income trap" has been a buzzword in international development society for the last few years. By combining macroeconomic and trade data analysis with industry and firm-level observations, this research project tries to critically analyze the threats that the middle-income trap poses to East Asian countries at the present and in the near future, and to identify the mechanisms behind the trap, if they really exists.

I conduct an empirical analysis on the relationship between income level and net export ratios (NXRs) for different types of goods for trapped and non-trapped samples. My findings indicate that non-trapped countries successfully upgrade their export goods while trapped countries continue to depend on the export of primary commodities. The negative correlation between the NXRs of consumption and

capital goods and that of primary commodities suggests the existence of a “resource curse.” In short, the NXR of primary industrial supplies and those of manufacturing goods have a stronger negative relationship than the NXRs of primary foods for industries and crude oil.

## **2. The Effects of Public Interest Litigation on the Indian Socio-Economy**

**Principal investigator:** Hajime Sato (Area Studies Center, IDE)

This research project aims 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 securely taken root in Indian society. While PIL has been widely studied in terms of factors that have enabled and prompted judicial activism in the field of legal studies, it is often referred to nowadays as a distinct example of a judicialization of politics in the sphere of political science. In this context, this project attempts to study PIL by considering its relationship with India’s economic development. Specifically, the project focuses on important environmental cases that have had major economic impacts. In so doing, this project will also contribute to an interdisciplinary attempt to understand both the uniqueness and universality that characterize PIL.

## **3. The Impact of Out-Migration on Economic Disparities in Rural India**

**Principal investigator:** Yuko Tsujita (JETRO Bangkok)

This research project aims to examine the impact of increasing out-migration on economic disparities in rural India in the short and medium term by collecting primary data. Specifically, this research focuses on Bihar, one of the most underdeveloped states in India. By revisiting the same households in rural Bihar where a project member previously conducted surveys, this project examines economic changes to households and villages by considering migration. Moreover, we analyze the impact of migration on changes in agriculture and non-agriculture wages together with female participation in the rural labor market among other economic and social changes. Ultimately, we will attempt to illustrate the mechanisms of widening or redressing economic disparities. During the fourth year of the project, a paper on the relationship between out-migration and public employment guarantee schemes was written and presented at an academic conference.

## **4. GMS Economic Corridors: Focusing on Human Connectivity**

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

The findings of these surveys conducted in FY 2015 showed that there was an increase in the number of tourists from northeastern Thailand and Lao students to Central Vietnam. This situation may have developed because the borders between Laos, Thailand, and Vietnam are closed in the areas near northeastern Thailand, Southern and Central Laos, and Central Vietnam.

In the fiscal year of 2016, we collected immigration data in Thailand and Vietnam which showed that the number of Thai tourists in Vietnam has been the sixth largest since 2007. The number of Lao students who study in Vietnam also shows signs of increase. According to a field survey conducted in 2016, there were 1,900 Lao students studying at Ha Tinh University, 642 at Vinh University, 517 at Da Nang University, 310 at Hue University, and 179 at Quang Nam University. We also heard that, as part of this new trend, the number of Vietnamese tourists traveling to Laos and Thailand has increased, which reflects their income level. I introduced these findings in a comment for a dialogue hosted by the Ministry

of Foreign Affairs of Japan and the OECD Development Center in December 2016, and at a seminar hosted jointly by IDE-JETRO and ADB in April 2017.

### **5. Rise of Latecomer Firms as Platform Vendors: Case of Taiwanese SoC Vendors**

**Principal investigator:** Momoko Kawakami (Interdisciplinary Studies Center, IDE)

“Industry platforms” are products, services, or technologies that serve as foundations upon which other firms can build complementary products, services, or technologies (Gawer 2009). Since the early 2000s, Taiwan has witnessed the emergence of local core component vendors that act as industry platform providers. This three-year research project investigates the firm-level learning mechanism that makes the emergence of these late-comer platform vendors possible. In FY 2016, I engaged in the following research activities. First, I conducted intensive interviews in Taiwan and North California to trace the co-evolution of business models of IC chip vendors located in Taiwan and Silicon Valley. I also explored the formation process of “total solution business models” of some Taiwanese IC fabless firms that have emerged as platform vendors. Second, I conducted intensive interviews with founders of mechanical device start-up firms in Taiwan and northern California and explored their attempts to build platform-type devices and solutions. In so doing, I focused on the emergence of a global med-tech ecosystem and interactions between US and Taiwanese start-ups in co-creating new business models for the med-tech industry.

### **6. Environmental and Disaster Risk Reduction Governance Based on Practical and Relational Knowledge by the Community: Comparative Case Studies in Japan and China**

**Principal investigator:** Kenji Otsuka (Interdisciplinary Studies Center, IDE)

As part of our case studies, we conducted interviews about disaster prevention and reduction activities in Kochi City, Japan, where a major earthquake is predicted to occur in the near future, and about cooperation between local governments, including disaster responses, in Shizuoka Prefecture. Furthermore, we conducted field research in Kumamoto Prefecture in October, following the major earthquakes that occurred there in April, in order to understand the experiences and challenges they faced when responding to the sudden disaster. In May, as part of case studies in China, we visited a site with heavy water pollution issues where a local NGO has constructed ecological purifying drinking water facilities accompanied by Emeritus Professor Nobutada Nakamoto, who invented the purifying system activated by microorganisms, as well as facilitated research and practiced exchanges between them on site. In July, we visited the Loess Plateau in Datong City, Shanxi Province, where a Japanese NGO has practiced afforestation as well as poverty reduction activities for over two decades to understand how a series of NGO practices influenced the relevant policies initiated by central and local governments. In September, Otsuka participated in the Hiroshima International Conference on Northeast Asian Peace and Cooperation Initiative (NAPCI) hosted by the Sejong Institute of Korea and Hiroshima Peace Institute of Hiroshima City University to discuss how to govern regional cooperation in Northeast Asia based on research results about Sino-Japan environmental cooperation through this research project. In February, we organized a final workshop to review and share our research results with research collaborators, especially on community-based practices for disaster responses, and emphasized the importance of connectivity with public policies initiated by central and local governments in Japan and China.

## **7. International Solidarity against Apartheid: The Case of Japanese Citizens' Movements**

**Principal investigator:** Kumiko Makino (Area Studies Center, IDE)

This research project aims to trace the historical development of the anti-apartheid movement in Japan, which started in the 1960s and continued until the early 1990s when the apartheid regime fell and was replaced by a democratic government in South Africa.

During FY2016, the principal investigator presented a paper on the research topic at an international workshop titled "Migration and Agency in a Globalising World: Afro-Asian Encounters," which was held at Stellenbosch University in South Africa in May 2016. We also held a research workshop on Africa-Japan relations in January 2017, with Prof. Kweku Ampiah (Leeds University, UK) as the guest speaker. As in previous years, we continued conducting interviews with former members and supporters of the Japan Anti-Apartheid Committee (JAAC).

As a result of our efforts to conserve primary source materials from the anti-apartheid movement in Japan, the JAAC archives were formally transferred from former members of the JAAC to the Rikkyo Research Center for Cooperative Civil Societies, Rikkyo University. To commemorate the transfer of the JAAC archives, a public seminar titled "Remembering the Anti-apartheid Movement" was held at Rikkyo University in December 2016.

## **8. Re-examination of the Taiwan Strait Crises of the Cold War**

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

This study aims to investigate the two Taiwan Strait Crises in the 1950s and analyses trilateral relations among the United States, China (the People's Republic of China), and Taiwan (the Republic of China) during the Cold War. It utilizes not only US sources, but also Chinese and Taiwanese archival documents that were recently declassified. By doing multi-archival research, this study re-examines the development of Sino-US relations and the transformation of regional dynamics in East Asia during the Cold War period. For the past ten years, many archival documents have been declassified, especially in Taiwan. Given the situation, I have concentrated on archival research in Taiwan, in particular at the National Archives Administration at the National Development Council, the Academia Historica, the Archives of the Institute of Modern History at Academia Sinica, and at the KMT's Party Archive. I would like to continue my multi-archive research in other countries as necessary.

## **9. De-dollarization in Myanmar**

**Principal investigator:** Koji Kubo (Development Studies Department, IDE)

This research aims to shed light on the state of dollarization—domestic residents' holdings of foreign-currency-denominated assets as a substitute for domestic-currency-denominated assets—in Myanmar. Using the data obtained from a questionnaire survey of 240 firms, this research investigates why firms hold foreign-currency-denominated assets. The questionnaire survey completed in 2015 revealed that more than half of the sample firms had not used banks for currency exchange, instead continuing informal bilateral currency trading between exporters and importers. In short, pervasive informal currency trading magnifies dollarization.

In 2016, the third year of the research, a preliminary draft was presented at several conferences including the East Asian Economic Association Convention and the annual meeting of the Japan Society

of Monetary Economics. In the draft paper, a probit model analysis on the firms' use of banks for currency exchange indicates that there was no inertia in their choices of trading counterparties for currency exchange and comments at the conferences pointed out that the theoretical framework of the draft would need revisions. In 2017, the final year of the research, the draft is to be revised for submission to a journal.

More progress in the third year of the research was that a by-product of the research (a time-series analysis of Myanmar's foreign exchange market) was published in a refereed journal, the *Global Economic Review*.

### **10. Growth of Agricultural Corporations in Latin America**

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

Recent changes in agricultural markets induced an emergence of new types of farming organizations in Latin America, namely, corporate agriculture. Changes in markets include the expansion of input markets, such as increasing mobilization and securitization of farm land, increasing the supply of knowledge-intensive inputs such as genetically modified seeds, and a wider availability of farming contractors equipped with highly sophisticated machinery. In addition, output markets are changing due to increasing demands from emerging countries. Furthermore, demands by modern retail outlets and food service and food processing companies are becoming more important. Agricultural production itself is also changing rapidly. While it used to depend on farmer know-how based on their personal experience, it now depends more on scientific knowledge and data, with which not only farmers, but also employed supervisors and labor forces can use to produce crops.

As they adapt to these changes in agriculture, corporations are also entering into agricultural production. These corporations procure capital and inputs from markets, hire supervisors and wage laborers, introduce cutting-edge technology such as smart agriculture, and produce food crops, fruits and vegetables, and livestock.

In 2016, as part of the results of this research project, a case study on Peruvian corporations dealing in fresh fruit and vegetable exports was published in *Development of Agriculture and Food Sector in Latin America: Integration of Value Chains* (IDE-JETRO, in Japanese). Furthermore, a study on corporate investments in Brazilian soy production was included in a preliminary report from the research project "Evolution of agricultural management in developing countries" (IDE-JETRO, in Japanese).

### **11. Impact of Product-Related Environmental Regulations in Asia through Supply Chains**

**Principal investigator:** Etsuyo Michida (IDE, in California)

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

By using firm survey data conducted in Vietnam, Malaysia, and Japan, this research attempts to reveal how regulatory introduction affects firm behavior. It focuses particularly on regulations by the European



Union on chemicals and hazardous substances (RoHS and REACH). There is a lot of literature on product quality and trade, and regulation and trade using bilateral trade data, as well as manufacturing plant data. However, the current project attempts to offer new evidence by examining a change in firm decisions on the timing of regulatory introductions that require upgrades in product quality.

### **12. The Rise of Temporary Jobs in Local Labor Markets**

**Principal investigator:** Tomohiro Machikita (Interdisciplinary Studies Center, IDE)

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

### **13. Stunted Manufacturing Growth in Africa: Labor Cost Approach**

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

This project focuses on the role of labor costs on changes in industrial structures, which, so far, few studies in Africa have investigated. To empirically investigate labor migration and the wage gap between urban and rural areas, we obtained access to national worker/household data in Ethiopia (Labor Force Survey 2013) from the Central Statistical Agency. Given the significant growth of export-oriented labor intensive industries, namely, cut flower, textile, and leather industries, the Ethiopian economy is most likely to experience structural changes among sub-Saharan African countries. We expect that comparisons among labor markets with those in other African countries will indicate labor-related factors facilitating or disturbing structural changes in the economy. Together with the supplemental data we will collect on workers, we will also conduct an empirical analysis next year.

### **14. Development and Application of an Applied General Equilibrium Model of Global Trade with a Public System that Partially Subsidizes the Fixed Costs of Private Firms**

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

The purpose of this research project is to develop an applied general equilibrium (AGE) model of global trade that explicitly includes mechanisms through which infrastructure development and public services financed by tax revenues reduce the fixed-cost burden for business operations. The Melitz-type production/sales system, instead of the "Armington assumption," which has been widely assumed in

many AGE models, analyzes the effectiveness and optimal volumes of public support for overseas business development, such as those provided by the Japan External Trade Organization (JETRO). In fiscal year 2016, a series of simulation analyses using a global AGE model with Melitz-type firm heterogeneity was performed to clarify the main characteristics of the model. In particular, the program code for the GAMS (General Algebraic Modeling System) software was extended and transplanted to the GEMPACK (General Equilibrium Modelling PACKage) software following the last fiscal year and utilized for experimental simulations. Although it is relatively easy to code a model and execute iterations using GAMS, solving a large-scale complicated system of simultaneous equations often requires devices and elaboration. Hence, we also utilize GEMPACK, which might be powerful in handling so-called "hard-to-solve models," such as those including production sectors with increasing returns to scale, together with GAMS. The results from the simulated analyses are summarized in a paper currently under peer review.

### **15. Income Inequality and Political Stability: Comparative Study of Five Southeast Asian Countries**

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

In recent years, we have observed political instability and transformation of the relations between political groups in five economically advanced Southeast Asian countries, namely, Indonesia, Malaysia, the Philippines, Singapore, and Thailand. These changes seem to be caused by widening income inequality. This study aims to reveal the causal mechanisms of inequality and political instability in order to understand the current political situation in Southeast Asian countries. We particularly focus on political institutions as the connecting point between inequality and political instability, and examine their roles and functions in coordinating conflicts of interest caused by widening income disparities in each country. This study is expected to identify the institutional conditions to bring about political stability amid socioeconomic changes, not only in Southeast Asia, but also in general. For the fiscal year 2016, this study focused on theoretical aspects of inequality and political regimes as well as gathering information from five Southeast Asian countries.

### **16. Prolonged Competitive Authoritarian Regimes in South America**

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

The Chavez administration in Venezuela (1999-2013), Morales administration in Bolivia (2006-present), and Correa administration in Ecuador (2007) share certain similarities in their political conduct and experiences. For example, they conduct regular elections and have stayed in power for over a decade by winning elections consecutively. On the other hand, they are often criticized for their lack of respect in some fundamental democratic values, such as the checks and balances among the state powers (legislative, administrative, and judicial powers), political and ideological freedom and basic human rights of their citizens, and an independent mass media. By comparing the three administrations and using the concept of competitive authoritarianism, this project will analyze the factors which have made it possible for the three administrations to stay in power for such a long time. In 2016, the first year of the project, we concentrated our activities on reviews and discussions on previous studies on this topic, and are planning on conducting field research in the three countries over the next two years.

### **17. Protection of the Rights of Persons with Disabilities in China: Development through Local Legislation**

**Principal investigator:** Masayuki Kobayashi (Interdisciplinary Studies Center, IDE)

This study focuses on the development of local legislation aimed at protecting the rights of persons with disabilities in China and tries to identify issues hindering the realization of the rights of persons with disabilities. It will analyze local legislation enacted by local governments referring to the core principles of the UN Convention on the Rights of Persons with Disabilities (CRPD) such as anti-discrimination and important provisions in education and employment. It will focus on the relationship between national law and local legislation, as well as the relationship between the Convention and local legislation, and examine (1) in what ways the Law on the Protection of Persons with Disabilities is implemented locally, (2) the unique developments in local legislation, including “adding” to national law, and (3) the influence of the CRPD on local legislation and its consistency. The local areas that were studied in this research were Beijing, Shanghai, and Guangdong, all of which have seen advanced economic development and are said to have an advanced disability policy. In FY 2016, the first year of this study, literature surveys and local legislation regarding persons with disabilities were collected from the website of the China Disabled Persons’ Federation and analyzed.

### **18. Emergence of the Mekong Region: From the Mekong Committee to the GMS**

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

After decades of war, a number of initiatives were launched in Southeast Asia to promote regional development, such as the Greater Mekong Subregion (GMS). These projects have not only developed physical infrastructures, but also the concept of the “Mekong region” and “Mekong basin” as novel regional frameworks for cooperation. By examining the development process for regional cooperation initiatives from the Cold War period through the 1990s and the 2000s, this research looks at how and by whom the concept of the Mekong region, a relatively new social construction, had been forged.

In FY 2016, the first year of this four year project, we conducted a literature survey on the theoretical framework of regionalism in Asia, in addition to research on annual and special reports on the actual projects by the GMS and Mekong River Commission. Through this theoretical survey, we confirmed the necessity of studying the mechanisms of social construction of a region in order to understand international cooperation and its stabilization. After the second year, we plan to conduct field research in Mekong basin countries (China, Laos, and Thailand) to explore how and by whom the development projects are conveyed.

### **19. An Empirical Study on Managerial Innovation by Local ASEAN Firms**

**Principal investigator:** Yasushi Ueki (ERIA)

This study aims at identifying mechanisms of firm-level technological capacity which are built through managerial innovation. As local firms in Southeast Asia lack sufficient internal resources for developing their technological capacities, these firms need to make more efficient use of internal resources and combine them with the external resources of their customers and suppliers in order to acquire and enhance their own technological capacities. Managerial innovation can be recognized as an approach for creating a mechanism for just such a purpose. Therefore, managerial innovations in this

study may be associated with management practices which have been widely adapted by firms in South-east Asia such as quality control, cross-functional teams, system development that involves investments in information technologies, and other capital equipment. This study investigates relationships among various managerial arrangements, the use of external resources, and innovation/business performance. In the FY2016, this study used existing survey data to do a regression and qualitative comparative analysis on firm characteristics (e.g., internal organizations, human resource management, quality management, and top management attributes) that may affect the firms' decisions on attempting innovative activities. The preliminary study conducted in the FY2016 will be elaborated on in the next fiscal year.

### **4.3. Grant-in-Aid for Young Scientists (A)**

#### **1. Exporter Benefits from Preferential Use**

**Principal investigator:** Kazunobu Hayakawa (IDE, in Singapore)

In this project, I employ two approaches to empirically investigate the effects of free trade agreements (FTAs) on export prices. The first approach is to employ firm-level import data in Thailand and then to examine the effects of import firms utilizing FTAs on their import prices. In the second approach, I employ world-wide trade data at a tariff-line-level and explore how export prices change once FTA rates are available. While in the former approach the analysis is restricted only to the case of Thailand, it can nevertheless be rigorously explored. On the other hand, in the latter approach, although we cannot identify whether or not trade in FTA eligible products is actually conducted under FTA schemes, the analysis is conducted using a world-wide sample. The research in FY2016 is as follows. For the study using the first approach, I made revisions based on requests from an academic journal. For the study using the second approach, I followed recent trends in the literature and broke down price changes into their components based on quality changes and other factors.

### **4.4. Grant-in-Aid for Young Scientists (B)**

#### **1. Empirical Analysis of the Impact of the Old-Age Concerns of Women on Investments in Kinship Networks in Rural Tanzania**

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

Using original household data, this study empirically explores how the old-age concerns of married women (such as the expected cost of old-age security) affect their social relationships with relatives (investment in kinship networks) in rural Tanzania. This research will provide policymakers with predictions about how establishing social protection programs in the developing world mitigates or enhances these impacts by changing social links and resource allocation within extended family networks.

#### **2. Impact Evaluation of Decentralization in Indonesia through Natural Experiments**

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

Indonesia implemented radical decentralization in 2001. The purpose of this project is to evaluate the impact of this decentralization on the welfare of residents as well as their responses to the performance of their local governments through voting. More specifically, in this research project, I will analyze (1) changes in the supply of public goods/services, such as the condition of roads and number of schools/healthcare centers in districts using village-level panel data, (2) changes in the welfare level of residents measured by expenditure, income, and health status, etc., and (3) the voting behaviors of residents observed in elections of local assemblies and the elections of direct district heads (retrospective voting) as well as yardstick competition among local governments. In 2016, I constructed a village-level panel data using population census data (SP) from 2000 and 2010, in addition to collecting information on the results of regional direct elections (Pilkada/Pilgub) conducted in 2015 and 2017.

### **3. Empirical Analysis of Media Control by the State: The Case of Bihar, India**

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

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

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

### **4. Study on the Evaluation of Collective Ownership Reform in Rural China: Economic Analysis of the Land Shareholding Cooperative System**

**Principal investigator:** Nanae Yamada (Interdisciplinary Studies Center, IDE)

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

In FY 2016, the second year of this project, we conducted an empirical evaluation of the governance structure and business performance among farmer cooperatives that enacted LSHCS, as well as the internal hierarchical membership structure and profit distribution system among participants based on an intensive interview survey in the Hebei Province which was implemented in the last fiscal year. Furthermore, in order to compare the data collected in Hebei, this project conducted a rural survey on farmer cooperatives and large-scale farms in other regions in China, including Inner Mongolia, Shanxi Province, and Shandong Province.

### **5. The Costs of Deviating from Social Norms: Toward the Enhancement of Female Labor Force Participation in Pakistan**

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

This study aims to investigate the level of normative and structural barriers that prevent female labor force participation (FLFP) in Pakistan, to explore the factors that could lower them, and eventually to lead to policy implications that enhance FLFP. Pakistan's FLFP rate is the lowest among South Asian countries, which are notorious internationally for low FLFP rates. The practice of *purdah* (i.e., female segregation from non-relative males) is often pointed out as being the main factor preventing FLFP in South Asia because avoiding contact with non-relative males is difficult for women working outside the home. Furthermore, violating *purdah* is considered a shame on the entire family. While women can maintain value as a bride in the marriage market by observing *purdah*, they lose income-generating opportunities. However, the *purdah* practice does not seem to uniformly prevent women from working outside; for example, working as a female teacher is believed to enhance their value as a bride. This study will conduct a unique household survey to collect data to measure, by occupation, (1) the level of *purdah* and (2) the costs of deviating from *purdah* and aims at empirically revealing the determinants of (1) and (2). In addition, we will conduct randomized controlled trials (RCTs) to investigate whether providing information concerning a female-friendly work environment and remuneration enhances FLFP.

In 2016–2017, we conducted a household survey in the districts of Faisalabad, Chiniot, Sheikhpura, and Hafizabad, where female working opportunities in factories are available. Using the district census, we randomly selected villages within commuting distance to Masood Textile Mills and Crescent Bahu-man Limited, which actively hire female workers by promoting a female-friendly work environment. In each sample village, we randomly selected 10 from eligible households defined as having less than 3 acres of agricultural land and at least one unmarried daughter, aged 15–30. Survey respondents, either husbands or wives, are randomly assigned at the village level. Following this baseline household survey, we conducted RCTs to respondents (and thus, the trial subject is 50% male and 50% female). The proportion of treated households are randomly assigned at the village level, and in each village, treated and controlled households are randomly assigned (for example, in a 60% treated village, 6 out of 10 households are randomly assigned as treated while the remaining 4 are controlled).

### **6. Township Leaders and Village Chiefs in Contemporary China**

**Principal investigator:** Zhe REN (Area Studies Center, IDE)

The relationships between township leaders and village chiefs in contemporary China is something of a political puzzle. Researchers have generally argued that China's bureaucratic system presents a very

important political contracting framework. Within this framework, there is a strong relationship between the career of a cadre and performance of a contract that may include not only economic development, but also other aspects of political and social development. Past research argued that political contracting was applied to leadership positions at both the town and village levels, which makes comparable the “contractual” demands on township leaders and village chiefs.

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

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

### **7. Regional Security and Conflict Management of Regional Organizations: A Comparative Analysis of Asia and Africa**

**Principal investigator:** Sanae Suzuki (IDE, in Copenhagen)

This study aims to compare conflict management by regional organizations in Asia and Africa. Since the end of the Cold War, regional organizations have increasingly engaged in conflict management. Those in Africa have acquired the practice of conflict management and have established institutions for conflict resolution, whereas there are few practices and institutions in Asian regional organizations for conflict management. It is argued that structural factors such as severity and frequency of conflicts, domestic stability of states, and the presence of regional powers can explain the differences of conflict engagement in Asia and Africa. However, there have been constantly conflicting interests of member states, both in African regional organizations and Asian ones in terms of how they conduct conflict management, which should be taken into account when analyzing conflict management methods by regional organizations. This study argues that regional organizations in Africa and Asia employ different policy-making mechanisms which can explain their different approaches to conflict management.

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

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

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

In 2016/17, the second year of this four-year project, archival research was conducted at the Myanmar National Archives Department (NAD) in Yangon, which contains administrative documents from the

government of Myanmar from the British colonial period to the present. While most documents since 1948 (the year the country gained independence) were not open to the public, this project investigated documents from 1948 to 1963 that were just recently made available in 2014.

The principal investigator of this project published his Ph.D. dissertation as a book in Japanese titled “The Border in Embryo: Immigration and Urban Governance in Colonial Rangoon” from Yamakawa Publishing House.

### **9. Turkey’s Contributions to Develop Non-Western International Relations Theory**

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

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

This study regards NWIRT as (1) an attempt to clarify the gap between Western international relations theory (WIRT) and non-Western theory; (2) a uniquely developed WIRT in the process of being accepted in non-Western states; and (3) a “homegrown” theory from non-Western regions or states based on local knowledge that emerged from, or was created by, various regions, religions, or ethnic cultures.

In FY 2016, I presented a research paper at two conferences. I presented Shumei Okawa’s “Alternative Western World Order: One of the Cases of Homegrown Non-Western IR Theory” at the International Studies Association Asia-Pacific Conference 2016 held in Hong Kong in June 25-27. I also made a presentation at the IPSA/AISP 24th World Congress of Political Science held in Poznan in July 23-28, entitled “Rethinking the Insulator State: Turkey’s Border Security and Syrian Civil War.” For the latter, I rewrote the paper based on the productive comments given at the conference and those published in *Eurasia Border Review*.

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

**Principal investigator:** Shoko Watanabe (IDE, in Washington, DC)

This project analyzes the socioeconomic and cultural backgrounds of Islamic reform movements in colonial Algeria which involved the popular masses. Appearing at the end of the 19<sup>th</sup> century and spreading throughout the Middle East and North Africa, Islamic reform movements have been considered movements by groups of intellectuals. However, scholars have only focused on the leading *ulama* without examining the movements’ popular influences.

Moreover, theorists regard Islamic reformism as a movement caused by the shift of Muslim societies from pre-modern to modern industrialized societies. However, this hypothesis cannot explain the complexity of cases like the Algerian Islamic reform movement which also involved rural regions. Cultural factors such as literacy and the movement’s relationship with different actors (colonial authorities, Sufi orders, and nationalist movements) should also be considered.



The project deals with the movement by the Association of Algerian Muslim Ulama between the interwar period and the beginning of the Algerian War of Independence (1954). Focusing on the Arab educational movement led by the Association, the project conducts a typological analysis on the different developments of the movement and considers different factors such as levels of urbanization, literacy, and relations with other actors involved with Islamic education.

### **11. A Consequence of Subnational Authoritarianism: Career Paths and Legislative Behavior of Senators in a Comparative Perspective**

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

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

In fiscal year 2016-2017, the first year of this project, I extensively reviewed the existing work on subnational authoritarianism and legislative behavior. Moreover, I conducted a case study on the 2015 elections in Argentina in the process of reviewing the studies on “coattail effects” where national dynamics drives subnational elections or some state-level factors explain the results of national elections. As a result, I found that the defeat of Chief of Cabinet Aníbal Fernández in the gubernatorial elections in the province of Buenos Aires can be a factor that explains the defeat of the governing coalition in the presidential elections, in addition to other factors such as slow GDP growth, inflation, and a decline in “agricultural rent.” The task for the next fiscal year thus would be improving my theoretical framework as well as collecting various data and taking into account gubernatorial coattail effects.

### **12. Development of US-China Cooperative Relations and Construction of an International System: Energy, Environment and Climate Change**

**Principal investigator:** Fang-Ting Cheng (Interdisciplinary Studies Center, IDE)

The purpose of the project is to clarify the influence of “great power relations” on the construction of international institutions by investigating the United States and China’s cooperation in the fields of energy, environment, and climate change. In response to the question of how great power relations affect overall international institutional construction, the project focuses on the formation and current state of a bilateral cooperative framework between these two great powers. As a case study, the project takes up the formation of various systems concerning energy, the environment, and climate change, and clarifies how cooperation between the two countries has contributed so far to the building of institutions such as international agreements and regimes. The project analyzes Sino-US strategic cooperation, so it can be expected that the role of these great powers in the formation of international institutions has become more critical and influential than ever.

In FY 2016, the project tried to establish a theoretical framework based on the study of global governance and international regimes, and concerning the influence of the development of great power relations on the overall building of international institutions. Meanwhile, fieldwork and interview surveys on great power relations on issues concerning energy, the environment, and climate change in the US, China, and at the 23rd Conference of the Parties of the United Nations Framework Convention on Climate Change (UNFCCC) were conducted in order to validate the project's theoretical framework. Through theoretical analyses and verification, the final objective of this project is to clarify the mutual influence between the development of great power relations and the establishment of international institutions in specific issue areas.

### **13. The Impact of Inward Foreign Direct Investments on the Growth of Informal Firms: The Case of Cambodia**

**Principal investigator:** Kiyoyasu Tanaka (IDE, in Phnom Penh)

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

To understand informal firms in Cambodia, we first must understand formal firms, which are business enterprises with official company and tax registrations. On the other hand, informal firms are those without official company and tax registrations. However, some informal firms in this definition may formally obtain business permits from the government. We will conduct an interview survey because the exact definition of informal firms still needs to be revised according to industry characteristics. Next, the dynamics of informal firms will be examined by using firm-level micro data in Cambodia, including formal, informal, and foreign firms. The newly constructed dataset will shed light on the characteristics and changes of the informal firms as well as the transition from informal to formal firms.

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

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

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

in the selected areas (administrative villages) in both deltas, this study empirically verifies the hypothesis.

In FY 2016, the first year of this project, this study focused on literature surveys about land institutions in both deltas, as well as gathered basic information for conducting questionnaire surveys in the Red River Delta.

### **4.5. Grant-in-Aid for Scientific Research on Innovative Areas**

#### **1. Empirical Study on Politician-Teacher and Patron-Client Relationships**

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

Educational reform toward enhancing literacy and school quality is often considered “politically unacceptable” in developing countries. However, it is not clear what “politically unacceptable” really means. The purpose of this research is to investigate the factors behind the little progress made in educational reform in developing countries, which is indispensable for them to move into emerging and developed countries, and leads to policy implications for educational reform.

The focus of this research is Pakistan, which has many illiterate populations and aspires to achieve a high rate of economic growth such as that seen in India. By conducting unique teacher-household surveys in Pakistan, we empirically examine the hypothesis that politicians and teachers are in the patron-client relationship, which affects the voting behavior of ordinary people.

In 2016–2017, we conducted a qualitative survey to finalize teacher and household questionnaires, sampling, and teacher and household surveys using finalized unique questionnaires. In the qualitative survey, we found several interesting features concerning the roles of teachers in elections and people’s voting behavior. For example, government school teachers are likely to know some critical persons (e.g., landlords and local politicians) who have some say on the redeployment of teachers, while private teachers do not. Furthermore, villagers tend to vote for whoever village leaders decide to vote for, despite well-functioning secret ballots. Based on the knowledge we obtained in this qualitative survey, we finalized our teacher and household questionnaires. The teacher questionnaire tries to capture the level of political influence concerning the hiring and redeployment of teachers both for public and private schools, and the household questionnaire tries to capture the level of influence teachers have over people’s voting behavior. Using these unique questionnaires, we conducted teacher and household surveys. We randomly selected one district (Sargodha) from North-Central Punjab, and one district (Vehari) from South Punjab. Using district censuses, we randomly selected 30 villages in each district. In each village, we randomly selected two teacher households and six general households.

### **4.6. Grant-in-Aid for Challenging Exploratory Research**

#### **1. An Empirical Analysis on International Labor Migration of Rural Women from Ethiopia to the Middle East**

**Principal investigator:** Yuka Kodama (Area Studies Center, IDE)

This study focuses on the labor migration of young women from rural Ethiopia to Middle Eastern countries. It aims to grasp their circumstances and to elucidate their survival strategies through field

surveys, statistical data, and government documents. Based on the findings we obtained, the study is going to present problems and possible solutions concerning women's international labor movements, which have been drawing much attention since the 1970s, especially in Asia. Despite the fact that Sub-Saharan African countries, including Ethiopia, had already sent many women to the Middle East in the 1990s, little research has been done. While NGOs reported poor labor conditions, such as abuses and low wages, they have not been as concerned about the motivations of African women and their survival strategies in the Middle East.

In FY2016 I reviewed the relevant literature and policies regarding Ethiopia and other countries, especially in Asia. This cross-cutting knowledge was obtained through reviewing the literature.

## 5. Research Cooperation with Other Organizations

### (1) Participation as Committee Members

IDE research staff members provided cooperation in response to requests from universities, governments, and other organizations (112 cases in FY2016).

Requested by		Type of Role	
Governments	6	Research committee members	86
Universities / academic societies	45	Committee members of academic societies	5
Nonprofit organizations	52	Review committee members	12
Local governments	1	Visiting fellows	7
Private sectors	8	Lecturers	2

### (2) Cooperation with Overseas Research

In response to requests from universities, governments, and other organizations, IDE research staff members participated in research activities, conferences, and the activities of academic societies in foreign countries (72 cases in FY2016).

Requested by		Area		Type of Role	
Domestic universities	22	East Asia	18	Conferences / workshops	44
Foreign universities	13	Southeast Asia	22	Presentations at academic societies	2
Governments	5	South Asia	5	Joint researches	9
Non-profit organizations	3	Central Asia	1	Field studies	17
International organizations	11	Middle East	2		
Foreign research institutes	11	Latin America	2		
Embassies	1	Africa	6		
Private think tanks	6	North America	3		
		Europe	13		