

IDE's Goal, Research Mission, and Policy

I. Our Goal: Intellectual Contributions to the World

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

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

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

1. Research contributing to sustained growth and development

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

2. Research contributing to poverty reduction

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

3. Research contributing to peace and security

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

III. The current conditions surrounding developing countries

In light of its three-fold mission of its research activities, the Institute of Developing Economies (IDE) has the following interpretations on the current conditions surrounding developing areas.

Sustainable Growth and Development

At present, the developing economies are growing at a rapid pace of roughly 7% per year. High growth achieved through increasing trade and the attraction of direct investment will continue, and the presence of the developing countries in the world economy will expand accordingly. The aspiration for an economic integration that will facilitate trade and investment has become widespread among developing countries, and a finer integration network involving developing countries is expected to

exert a strong potential for sustaining high growth. In Asia, China and India have demonstrated enormous growth, and initiatives for the economic integration of ASEAN and six of its neighbors is taking concrete form. However, in addition to the quantitative growth, the potential for sustainability needs to be investigated. The recent upsurge in primary commodity prices, including crude oil, can be seen to be a result of the sharp increase in demand for natural resources by developing countries. With their increasing energy consumption, concern over environmental destruction is rising. Also, attention needs to be paid to how overheating investment in parts of the developing countries, notably China, is causing adverse effects on the world economy.

Poverty Reduction

Though it is clear that the developing countries are growing rapidly, large domestic disparities in incomes have become a common issue for the world as a whole. The challenge is how to protect the lives of those who fail to benefit from the economic growth or from globalization. Among the developing regions, economic growth in Africa has been notable, but it is unrealistic to anticipate that it will be sustainable, because some of the countries' economic booms have been brought about by the rise in resource prices. For this reason, reducing poverty in developing economies, including Africa, is a serious world challenge. Analysis and assessment of institutional frameworks for promoting poverty reduction, such as the microfinance initiative exemplified by the activities of Nobel Peace Prize recipient Muhammad Yunus and the Grameen Bank, are needed.

Peace and Security

The political order in the developing areas is becoming increasingly fluid. The problem of nuclear weapons in North Korea has heightened international tensions in East Asia, while simultaneously strengthening China's political presence. In the Middle East, in addition to the ongoing impasse in the peace process between Palestine and Israel, the entire region has experienced destabilization, as seen by the conflict between Israel and Hezbollah (Lebanon), the deterioration of the political situation in Iraq and Afghanistan, and the issue of Iran's nuclear program. In Latin America, anti-American sentiment and structural disparities have led to political changes and the rise of left-wing governments. Frequent armed conflicts in Africa have clearly signaled the necessity for international commitment. While ties within the international community deepen, the instability in developing areas has had various global impacts, and countermeasures are needed, based not just on national security but on human security.

IV. Research Policy for FY2007

Based on its goal, research mission and the above-mentioned interpretations of the current conditions, IDE's research policy for the fiscal year 2007 is as follows.

Priority Research Projects will deal with four issues: (1) Comprehensive Study of China, (2) Comprehensive Study of India, (3) Regional Integration in East Asia, and (4) Poverty Reduction and Development Strategy. Regular Research Projects will focus on the following three prioritized themes: (1) Corporate Reform and Industrial Development, (2) Institutional and Organizational Changes in Rural Areas, and (3) Institution-building for Political Stability. Long-Term Research Projects will be conducted as usual based on a long-term perspective.

1. Priority Research Projects

Priority Research Projects will be taken up as focused research activities during the mid-term planning period from fiscal year 2007 to 2010. In consideration of the current conditions surrounding developing areas, the following four issues will be studied through the Priority Research Projects

(1) Comprehensive Study of China

While China's presence grows in the Asian and world economy, various domestic issues have arisen due to its rapid economic development. IDE will analyze issues that China faces now and attempt to assess mid- and long-term perspectives on economic development and political change, and intrinsic risks.

[Related research projects]

- Chinese Enterprises: The Quest for Industrial Upgrading amid Transition
- Challenge to Political Stability in China: Risk Factors and Political System
- Structural Reform of the Rural Economy and Change of the Agricultural System through Agro-industrialization Policy in Rural China
- Sustainable Growth of the Chinese Economy: Overcoming Resource and Environmental Constraints

(2) Comprehensive Study of India

While India has attained stable economic growth, disparities between different regions have widened and in the least developed areas, poverty has become a serious issue. The widened disparities and the rapid changes brought about by globalization have led to political and social problems. In this fiscal year, IDE will focus its researches on the conditions of economic growth and the democratic system, and analyze them comprehensively and systematically.

[Related research projects]

- Indian Economy: Conditions for Growth
- Prospects for Indian Democracy: Stability and Limits of the Democratic Regime in the Era of the Multi-party System and Economic Growth

(3) Regional Integration in East Asia

In East Asia, many countries have concluded Free Trade Agreements (FTAs) and Economic Partnership Agreements (EPAs), and economic integration is progressing rapidly on both *de facto* and *de jure* bases. Trade and investment liberalization accompanying the process of integration will accelerate economic growth of the Asian region as a whole, but there is concern that it might further widen disparities among countries and among domestic regions as well as between international and domestic enterprises. Focusing on such issues as changes in industrial and trade structures within the region, development of supply chains, and the formation of industrial clusters, the IDE will analyze various issues accompanying regional integration from a variety of perspectives.

[Related research projects]

- The Flowchart Approach to the Formation of Industrial Clusters: Focusing on the Mechanism of Endogenous R&D and Innovation
- Economic Integration and Vertical Specialization in East Asia: Does Vertical Specialization Work to Eliminate Borders?
- Climbing up the Global Value Chain: Possibilities and Limitations for East Asian Manufacturers
- Economics of East Asian Economic Integration

(4) Poverty Reduction and Development Strategy

In order to reduce poverty in developing countries from a long-term perspective, new institutional frameworks such as microfinance need to be closely linked with the policy objective of poverty reduction. On this basis, the IDE will elucidate and analyze the socially vulnerable who have often been left out of the poverty reduction debate and post-conflict peace building.

[Related research projects]

- After Conflicts Break Out: African Experiences
- Role of Small Scale Finance in Rural Development: Rural Finance and Microfinance
- Poverty Reduction for the Disabled: Livelihood of Disabled People in Developing Countries

2. Priority Themes of Regular Research Projects

In conducting Regular Research Projects, IDE will place a priority on the three following themes.

(1) Corporate Reform and Industrial Development

There are many cases in developing countries where industrial promotion through state enterprises has reached an impasse. There are also many instances where corporations in developing countries confront the need to restructure because of rapid changes in the market. Changes in the business environment on the other hand necessitate new corporate strategies such as investing in emerging destinations or creating tie-ups with multinationals. Governments are now seeking for new industrial policies that conform to these changes. Considering this situation, IDE will examine state enterprise reform, private enterprise reform in line with changes in management's roles, and new roles for industrial policy in developing countries.

[Related research projects]

- Competitiveness of Korea's Major Industries: How They Have Adjusted to the Ever-changing Environment in the 21st Century
- Changing Management Strategies of Vietnam's Economic Entities
- Political Economy of the Oil Industry in Developing Countries
- Development and Restructuring of the Iron and Steel Industry in Asian Countries
- Comprehensive Study on Taiwan I: Growth and Transformation of Taiwan's Firms and Industries
- Growth and Changes of SMEs in Myanmar: The Case of the Sugar-Processing Industry

(2) Institutional and Organizational Changes in Rural Areas

Constant changes are taking place in institutions and organizations in rural areas of developing countries. They are affected by the changes that their countries are going through politically, economically, and socially; such as economic growth, the progress of globalization, and changes in political systems. It is very important to understand the current status of rural institutions and organizations not only out of academic interest but also to allow aid to be provided more efficiently. Through detailed surveys of such institutions, the IDE will examine how changes in the rural areas affect productivity, societal relationships, and poverty.

[Related research projects]

- Reconstruction and Development of Rural Cambodia: From Krom Samakki to Globalization
- The Status of the Poor in the Developing Fishery Sector in Myanmar
- Community-Based Organizations and Civil Society in Rural Africa
- Integration System of the Stock-Raising Business in Latin America
- Organizational Restructuring under Market Transition in Post-Reform Rural China: A Study on the Role of Intermediate Organizations

(3) Institution-building for Political Stability

Many developing countries are plural societies consisting of different ethnic groups and religions. Therefore, in order to promote political stability, institutions are needed that can coordinate intricate interests, it is necessary to analyze current political dynamics from multiple perspectives, and to study the actors involved and their constraints. The IDE will analyze the political situations in developing regions and, based on related theories, attempt to elucidate desirable political systems.

[Related research projects]

- Social Movements and Popular Political Participation in Developing Countries
- Power Structures and Their Interrelations in Contemporary Syria and Lebanon
- Latin American Leftist Governments: Their Backgrounds and Policies
- Parties under Political Change in Developing Countries: Cross-Area Study
- Political Systems under Social Transformation in the Gulf and Arabian Oil Producing Countries
- Regional Integration in East Asia and Australia's Foreign Economic Policy towards ASEAN
- Comprehensive Study on Taiwan II: Taiwan's Politics after Democratization
- The Central-Local Relationship in Thailand: Analysis of the Thai Local Administration Organizations

In addition to Priority Research Projects, Long-Term Research Projects will be conducted on an ongoing basis. The IDE will flexibly conduct Spot Research Projects and Collaborative Research Projects when appropriate. In terms of Regular Research Projects, while focusing on the above three priority themes,

the IDE will also extensively examine issues faced by developing regions.

V. List of Research Projects

<Priority Research Projects>

Based on its mid-term plan, the IDE will set four issues as Priority Research Projects: “Comprehensive Study of China,” “Comprehensive Study of India,” “Regional Integration in East Asia,” and “Poverty Reduction and Development Strategy.” The following research projects will be conducted in relation to these four issues.

- Chinese Enterprises: The Quest for Industrial Upgrading amid Transition
- Challenge to Political Stability in China: Risk Factors and Political System
- Structural Reform of the Rural Economy and Change of the Agricultural System through Agro-industrialization Policy in Rural China
- Sustainable Growth of the Chinese Economy: Overcoming Resource and Environmental Constraints
- Indian Economy: Conditions for Growth
- Prospects for Indian Democracy: Stability and Limits of the Democratic Regime in the Era of the Multi-party System and Economic Growth
- The Flowchart Approach to the Formation of Industrial Clusters: Focusing on the Mechanism of Endogenous R&D and Innovation
- Economic Integration and Vertical Specialization in East Asia: Does Vertical Specialization Work to Eliminate Borders?
- Climbing up the Global Value Chain: Possibilities and Limitations for East Asian Manufacturers
- Economics of East Asian Economic Integration
- After Conflicts Break Out: African Experiences
- Role of Small Scale Finance in Rural Development: Rural Finance and Microfinance
- Poverty Reduction for the Disabled: Livelihood of Disabled People in Developing Countries

<Long-Term Research Projects>

Long-Term Research Projects, to be carried out on an ongoing basis, will include basic analysis of political and economics trends in Asian countries, macroeconomic projections, and the maintenance of a trade statistics database.

- Analysis of Current Affairs in Asia
- East Asian Regional Model (I)
- Compilation and Application of Trade Indices IV
- Compilation and Use of the 2005 Asian International Input-Output Table
- Compilation of an International Input-Output Table for the BRICs: A Feasibility Study

<Spot Research Projects>

In order to conduct research projects that answer various societal needs arising from time to time, IDE will analyze social issues of high interest in relation to developing countries and emergent issues as they arise. Also, the results will be quickly and accurately released through various means.

- First Decade of Hong Kong Politics after the Handover
- The Korea-US FTA: Recent Developments in Korea's FTA Policy

<Collaborative Research Projects>

In collaboration with outside bodies, such as universities, research institutes, and local governments, the IDE will set a research theme relating to developing countries and conduct joint research utilizing the knowledge of the collaborating parties.

<Regular Research Projects>

The IDE will conduct Regular Research Projects on economic, political, and social issues faced by developing countries and regions. The following three groups of research projects are organized in

three pillars of research mission set by the IDE.

1. Researches for Sustainable Growth and Development

- Competitiveness of Korea's Major Industries: How They Adjust to Ever-changing Environment in the 21st Century
- Institution Building for Local Economic Development
- Shop-lease Contracts and Islamic Law in Iran
- Latin American Leftist Governments: Their Backgrounds and Policies
- The Micro Data and Quantitative Analysis in the Middle East
- Changing Management Strategies of Vietnam's Economic Entities
- Integration System of the Stock-Raising Business in Latin America
- Political Economy of the Oil Industry in Developing Countries
- Development and Restructuring of the Iron and Steel Industry in Asian Countries
- The IMF and Developing Countries
- Liberalization of Capital Movements in Developing Countries
- Developing Countries and Fiscal Administration Issues
- Comprehensive Study on Taiwan I: Growth and Transformation of Taiwan's Firms and Industries
- Organizational Restructuring under Market Transition in Post-Reform Rural China: A Study on the Role of Intermediate Organizations
- Growth and Changes of SMEs in Myanmar: A Case of the Sugar-Processing Industry
- A Study on the Formation of Rural Small Towns (Rusta-shahr's) in the Post-revolutionary Iran
- Economic Reforms in Egypt: Retrospectives and Perspectives
- Resource Management in Developing Countries
- Knowledge and Power in the Pacific Island Countries
- Birth of the Capital Goods Market and Foreign Direct Investment to Russia and Vietnam

2. Researches for Poverty Reduction

- Social Movements and Popular Political Participation in Developing Countries
- The Status of the Poor in the Developing Fishery Sector in Myanmar
- The Community Based Organizations and Civil Society in Rural Africa
- The Labor Inspection System in China: Its Role in the Labor Dispute Settlement Framework
- Japanese Experiences on Poverty Alleviation and Social Development
- A Study on Mekong Region: Border Economic Zones Being Activated
- Health Services and Poverty: Making Health Services More Accessible to the Poor

3. Research for Peace and Security

- Elections and Developing Democracies in Asia
- The Power Structures and Their Interrelations in Contemporary Syria and Lebanon
- Reconstruction and Development of Rural Cambodia: From Krom Samakki to Globalization
- Migration and "Return": Diasporas and Their Homelands
- Parties under Political Change in Developing Countries: Cross-Area Study
- Analysis of the Legal System against Trafficking in Persons from the Perspective of Law and Development: Cases of Thailand and Myanmar
- Political Systems under Social Transformation in the Gulf and Arabian Oil Producing Countries
- Regional Integration in East Asia and Australia's Foreign Economic Policy towards ASEAN
- Comprehensive Study on Taiwan II: Taiwan's Politics after Democratization
- The Central-Local Relationship in Thailand: Analysis of the Thai Local Administration Organizations