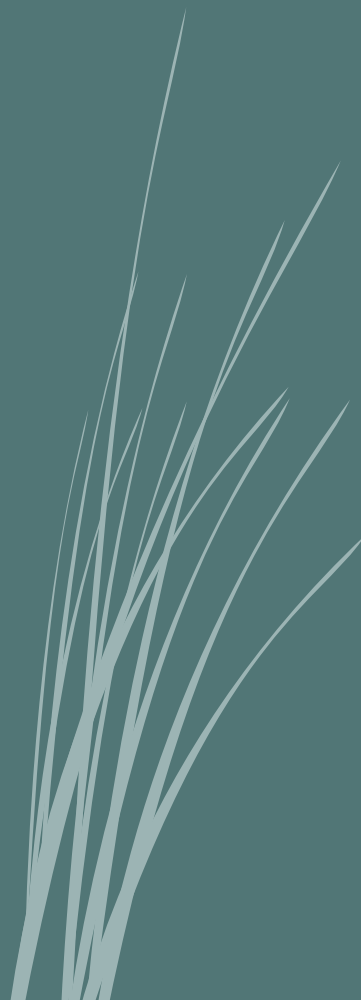


ASIA/PACIFIC RESEARCH CENTER / STANFORD UNIVERSITY

ANNUAL REPORT

2001-2002



## MISSION

THE ASIA/PACIFIC RESEARCH CENTER (A/PARC) IS AN IMPORTANT STANFORD VENUE WHERE FACULTY AND STUDENTS, VISITING SCHOLARS, AND DISTINGUISHED BUSINESS AND GOVERNMENT LEADERS MEET AND EXCHANGE VIEWS ON CONTEMPORARY ASIA AND U.S. INVOLVEMENT IN THE REGION. A/PARC RESEARCH RESULTS IN SEMINARS AND CONFERENCES, OCCASIONAL AND WORKING PAPERS, MONOGRAPHS, AND BOOKS. A/PARC MAINTAINS AN ACTIVE CORPORATE AFFILIATES PROGRAM, INVOLVING MORE THAN TWENTY-FIVE U.S. AND ASIAN COMPANIES AND PUBLIC AGENCIES. MEMBERS OF A/PARC'S FACULTY HAVE HELD HIGH-LEVEL POSTS IN GOVERNMENT AND BUSINESS. THEIR INTERDISCIPLINARY EXPERTISE GENERATES RESEARCH OF LASTING SIGNIFICANCE ON ECONOMIC, POLITICAL, TECHNOLOGICAL, STRATEGIC, AND SOCIAL ISSUES.



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## MESSAGE FROM THE DIRECTOR



PHOTO: ROD SEARCEY

The 2001–2002 academic year was an eventful one. We made rapid strides in rebuilding the core of our research programs, and several new initiatives began to bear fruit.

The most notable public event of the year was the visit of former president and 2002 Nobel Peace Prize winner Jimmy Carter, who gave the first Oksenberg Lecture in May 2002. The Oksenberg Lecture is an annual production of our Shorenstein Forum, and the first installment was a resounding success. More than 1,200 people filled—and overflowed—the auditorium at the Arrillaga Alumni Center to hear President Carter’s speech. His address was at turns insightful and humorous, but it also contained a moving tribute to Mike Oksenberg, whose recent loss we continue to mourn. Stanford president John Hennessy introduced President Carter, and several points in Carter’s speech were covered in the local and national news media. NPR’s Asian newsmagazine program, “Pacific Time”, also rebroadcast the speech to NPR affiliates around the country.

Shortly after the event, IIS director David Holloway provided the funding to permit us to immediately begin

the search for an Oksenberg Senior Fellow to rebuild our program on China’s international relations and elite politics. We are at the midway point in our fundraising for a permanent endowment for this post, but with IIS’s help we are able to begin our efforts to fill it. The search committee began its work last spring and will continue to identify nationally prominent candidates during the coming academic year.

Also with funding from IIS, we were delighted to be able to invite Michael Armacost to return to A/PARC for three years as Shorenstein Distinguished Fellow. Dr. Armacost, who joined us at the end of the summer, was formerly ambassador to the Philippines and Japan, and recently completed a highly successful term as president of the Brookings Institution in Washington, D.C. He will bring greatly valued knowledge and experience to all our efforts, but especially to our work on Japan and Southeast Asia.

After joining us at the beginning of last year, Gi-Wook Shin quickly established an active and vibrant program of lectures and seminars on Korean topics. He was able to tap into a large community of interest, both on and off campus, and his biweekly Korea luncheon

seminar series regularly attracts over fifty participants. Professor Shin is actively raising funds from corporate and overseas sources for research programs, post-doctoral scholars, and Korean visitors, and we anticipate that this high level of energy will continue to show results in the coming year.

We also initiated our Shorenstein Fellowship Program, awarded competitively to two scholars each year based on project proposals. The Shorenstein Fellows will spend a year in residence completing a writing project, usually a book, to be published under A/PARC auspices. During our first year of competition two fellows were selected from more than seventy applicants. Joining us this year are Jing Huang, a 1994 Harvard Ph.D. and associate professor of political science at Utah State University, and Mary Comerford Cooper, a 2002 Ph.D. in political science from Yale. Jing turned down a Fulbright Scholarship to come to A/PARC, where he will be completing a book about China's international relations. Mary will be turning her dissertation on the politics of the Shanghai stock market into a book. We welcome them both to the Center.

After fourteen years of service at A/PARC, first as associate director and later as director of research, Jim Raphael decided to retire to his ranch in eastern Oregon. Jim played an important role at A/PARC from its inception, and his contributions were celebrated at an affectionately raucous surprise party in the early summer. We will miss him.

I will be spending the current academic year on sabbatical leave in order to catch up on long-delayed writing projects. Gi-Wook Shin has graciously agreed to serve as acting director in my absence and continue to build on our strengths.

In sum, during the past year we have begun to fill gaps left by recent departures and we have established new programs that will extend our activities into new areas. As we rebuild and expand our programs, we will continue to depend crucially on our friends and contributors—old and new—for their vital support.



**Andrew G. Walder**  
Director

A stylized, light-colored graphic of a tree trunk and branches, positioned vertically on the left side of the page. The trunk is composed of several vertical lines of varying thickness, with some branching out towards the top.

## NEW INITIATIVES

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A/PARC STRIVES TO BUILD ON ITS REPUTATION AS A LEADING CENTER OF ACADEMIC EXCELLENCE IN THE STUDY OF CONTEMPORARY ASIA. DYNAMIC NEW FIELDS OF STUDY AND SCHOLARLY PROGRAMS ENSURE THAT BOTH A/PARC AND STANFORD REMAIN A LOCUS FOR EDUCATING FUTURE LEADERS IN ACADEMIA, GOVERNMENT, AND BUSINESS.

*Imagine a professor leaving a university that houses the largest and most comprehensive Korean studies program in the United States for an institution that doesn't have one at all. Gi-Wook Shin did just that, leaving UCLA during the summer of 2000 to come to Stanford, where he is in the midst of creating the University's first Korean Studies program.*

—Cynthia Cho, Stanford Daily (October 25, 2002)



Gihong Yi

### **Korean Studies Program Takes Off**

A/PARC's new Korean Studies Program, begun in September 2000 and led by A/PARC acting director Gi-Wook Shin, enjoyed a productive inaugural year. The 2001–2002 calendar featured weekly luncheon seminars on Korea-related issues, from war reporting to health care to democracy. Heavily attended by students and faculty alike, the series was often standing-room-only. Distinguished Korea specialist Bruce Cumings drew a particularly large crowd for his seminar on rapprochement between Washington and Pyongyang in the wake of the September 11 attacks. This popular series will again be held in 2002–2003.

As part of his mission to build awareness of Korean studies at Stanford, Shin taught two courses through the department of sociology: "Asia-Pacific Transformation" and "Korean State and Society." Focusing on society and politics in twentieth-century Korea and the rise of Asia after World War II, both classes introduced students to the forces of colonialism, nationalism, democratization, and globalization that have shaped contemporary Asia in general and modern Korea in particular. Building on this momentum, Shin will next teach a Korean studies workshop in fall 2002.

Shin is also actively fundraising to support the new program; engaging in collaborative projects with Korean institutions; pursuing his own research activities (detailed in the Research and Publications section of this report); and organizing an upcoming landmark conference. "North Korea: New Challenges, New Solutions" will take place at A/PARC in February 2003, and include scholars and policymakers from the United States, Japan, China, and Russia as well as from South Korea. Conference participants will produce a policy proposal, to be presented to the new South Korean government and the governments in Tokyo and Washington, D.C.

In addition to seminars, teaching, research, and conferences, A/PARC's Korean Studies Program will host its first postdoctoral fellow in 2002–2003. Gihong Yi received his Ph.D. and M.A. in sociology from the University of California, Los Angeles, and his B.A., also in sociology, from Seoul National University. His dissertation focused on intercorporate influence and industrial growth in Korea's automobile and semiconductor industries; his other research interests include the unintended consequences of government intervention, corporate initiatives for industrial growth, and intercorporate influence and development. Over the coming year, Yi will revise his thesis for publication as a book. A/PARC is delighted to have him and his family at the Center.



Far left: Professor Bruce Cumings

Left: A/PARC Acting Director Gi-Wook Shin

Co-sponsored by A/PARC's Korean Studies Program and the Center for East Asian Studies

**Korean Studies Colloquia—Spring 2002**

**THE POLITICS AND TRANSFORMATION OF KOREAN FAMILISM**

Dong-No Kim, Professor,  
Yonsei University, South Korea

**IS DEMOCRACY CONSOLIDATING? KOREA IN COMPARATIVE PERSPECTIVE**

Larry Diamond, Senior Fellow,  
Hoover Institution, Stanford

**THE WAR JOURNALISM OF KOREA: IN THE AFTERMATH OF THE AFGHAN WAR**

Eun-Hye Kim, Journalist/Anchorwoman,  
Munhwa Broadcasting Corporation,  
Seoul, South Korea

**BUILDING A DEMOCRATIC POLITICAL COMMUNITY IN SOUTH KOREA**

Yun-Shik Chang, Professor,  
University of British Columbia

**LAW, CULTURE, AND THE POLITICS OF CONFUCIANISM IN KOREA**

Chaihark Hahm, Ph.D.,  
National Endowment for Democracy

**Korea Luncheon Seminars—Winter 2002**

**THE GROWTH OF BROADBAND INTERNET IN KOREA: CONTRIBUTING FACTORS**

Kyoung-Lim Yun, Visiting Fellow,  
A/PARC; Hanaro Telecom

**NEITHER TRADITIONALISM NOR REVISIONISM: NEW TRENDS IN THE STUDY OF MODERN KOREAN HISTORY**

Sang-In Jun, Professor,  
Hallym University, South Korea

**CAN SOUTH KOREA BE A LEADER IN NORTHEAST ASIA? A CASE OF ENVIRONMENTAL COOPERATION**

Suh-Yong Chung, JSD Candidate,  
Stanford Law School

**THE POLITICS OF ECONOMIC REFORM IN KOREA**

Ho-Jin Kim, former Minister of Labor,  
South Korea  
Co-sponsored by the Shorenstein Forum



2002–2003 Shorenstein Fellows

Jing Huang and

Mary Comerford Cooper

#### **A BASIS FOR U.S.–NORTH KOREAN RAPPROCHEMENT**

Bruce Cumings, Professor,  
University of Chicago

#### **Korea Luncheon Seminars—Fall 2001**

##### **THE KOREAN HEALTH CARE SYSTEM: ITS ACHIEVEMENTS AND CHALLENGES**

Ki-Taig Jung, Visiting Professor,  
Stanford Center for Health Policy; MD/MBA Program,  
Kyung Hee University, South Korea

##### **BAD LOANS TO GOOD FRIENDS:**

##### **EXPLAINING MONEY POLITICS IN KOREA**

David Kang, Professor, Department of Government,  
Tuck School of Business, Dartmouth College

##### **KOREAN NATIONALISM AND TRANSNATIONAL SPORTS**

Rachael Joo, Ph.D. Candidate,  
Cultural and Social Anthropology, Stanford

##### **KOREA'S PATH TO MODERNITY**

Gi-Wook Shin, Director,  
Korean Studies Program, A/PARC

#### **First Shorenstein Fellows Arrive at A/PARC**

After an intensive selection process, the first class of Shorenstein Fellows arrived at the Center in September 2002. Mary Comerford Cooper and Jing Huang will spend the next year at A/PARC, each working on books to be published under A/PARC auspices.

Huang received his Ph.D. from Harvard in 1994. An associate professor of political science at Utah State University, he is an expert on China's national leadership and decision-making processes, and on the Chinese military and its role in national policymaking.

Cooper, a 2002 Ph.D. from Yale, writes about the Chinese stock market, using it as a lens through which to view the consistent failure of reform in the country's political economy. She argues that rather than pursue rational economic logic, China's leaders shape institutions in politically motivated ways which actually undermine the reforms they espouse in their rhetoric.

A/PARC warmly welcomes Jing and Mary to the Center and to Stanford.



PHOTO: GI-WOOK SHIN

Gi-Wook Shin and his students stand on the platform for the train that will connect North and South Korea.

### **Jean Oi and Gi-Wook Shin Teach in First Stanford Overseas Seminars**

In late summer 2002, Stanford introduced its Overseas Seminars Program. Offered for three weeks prior to fall quarter, these seminars give undergraduates the opportunity to intensively study a particular issue or subject in a foreign country. Two of A/PARC's most active undergraduate professors, Jean Oi and Gi-Wook Shin, taught in China and Korea, respectively, in this inaugural year.

Oi taught a seminar entitled "Reform and Local Elections in China." She guided fifteen Stanford undergraduates to China, where they spent time learning about and observing village elections. After two weeks in Beijing, at Peking University, Oi and her students traveled to villages near Mudanjiang City, Heilongjiang Province, with the approval and help of the Ministry of the Civil Affairs. There, the group observed both primary and village elections and students had the opportunity to interview villagers as part of their research project.

For his seminar, "Korea in a Globalizing World", Shin led fourteen students to Seoul. After daily class lectures and discussions, the group took field trips to various companies, organizations, and important sites, including Samsung, the National Assembly, and the DMZ. Seminar participants also spent several afternoons with Seoul National University students.

Both seminars relate closely to research that Oi and Shin are conducting at A/PARC, on Chinese election processes and globalization in Korea.





## THE WALTER H. SHORENSTEIN FORUM

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THE SHORENSTEIN FORUM FOCUSES ON THE MULTIFACETED RELATIONSHIPS BETWEEN THE UNITED STATES AND THE COUNTRIES OF ASIA. THE FORUM'S WORK IS ROOTED IN A SINGLE PREMISE: THAT U.S. DEALINGS WITH THIS REGION MUST BE BUILT ON A FOUNDATION OF DEEPENED UNDERSTANDING. THROUGH A VARIED PROGRAM OF OUTREACH, THE SHORENSTEIN FORUM MAINTAINS STRONG TIES TO THE U.S. POLICY ESTABLISHMENT, THE CORPORATE SECTOR, STUDENTS, AND THE PUBLIC.



PHOTO: ROD SANCHEY

Former president Jimmy Carter chats with Lois Oksenberg, widow of A/PARC professor Mike Oksenberg, to whom the Oksenberg lecture series is dedicated.

### Events and Outreach

Now in his third year as director, Russell Hancock has solidified a program that combines annual signature Forum events with smaller-scale gatherings. Signature event highlights of the 2001–2002 academic year included a visit from Jimmy Carter—39th president of the United States and winner of the 2002 Nobel Peace Prize—and Pulitzer Prize–winning journalist and historian Stanley Karnow. Carter delivered the inaugural Oksenberg Lecture and Karnow received the first Shorenstein Award. These high-profile addresses are described in the Events section of this report.

Notable among the Forum's more intimate events were visits from former Korean labor minister Ho-Jin Kim, who discussed Korean economic reforms, and the University of Michigan's John Creighton Campbell, who gave a seminar about Japan's new mandatory long-term care insurance program. Taiwan's ongoing democratization, and its triangular relations with the United States and China, also attracted attention at the Forum. After he served as an official observer of Taiwan's 2001 parliamentary elections, Hancock

organized a panel of several eminent scholars to report the results and his observations behind the scenes.

The Forum co-hosted a number of popular roundtables over the past year, including, in the wake of the 9/11 terrorist attacks, a discussion of the future of Islam in Southeast Asia. *New York Times* journalist Barbara Crossette moderated the program, which was co-sponsored by the Asia Society and A/PARC's Southeast Asia Forum. The Shorenstein Forum also organized a second installment of a working group on U.S.–Japan relations, carried out jointly with the Brookings Institution in Washington, D.C. The group included Brookings president Michael Armacost, now in residence at A/PARC as Shorenstein Distinguished Fellow; Brookings senior scholar Edward Lincoln; and a team of Stanford's Japan experts.



PHOTO: ROD SEARCEY

Stanley Karnow accepts the 2002 Shorenstein Journalism Award, as (l to r) David Greenway of the *Boston Globe*, Russell Hancock, Walter Shorenstein, and Alex Jones, director of Harvard's Shorenstein Center on the Press, Politics, and Public Policy, look on.

## Research

The Shorenstein Forum also supports the Shorenstein Fellowship Program at A/PARC. In 2002, the inaugural class of Shorenstein Fellows entered the Center. These fellowships were advertised internationally, and after a rigorous review process two outstanding fellows were selected. Jing Huang is a specialist on civil-military relations in China, and Mary Comerford Cooper, a newly minted Ph.D. from Yale, studies the impact of politics on the Chinese stock market. Both fellows will be in residence for a year, writing book-length projects to be published under A/PARC auspices.

The activities of the Shorenstein Forum are made possible by the generosity of Walter H. Shorenstein and others, who share a vision of Stanford serving as a bridge to Asia, enriching dialogue across the Pacific.

## 2001-2002 SHORENSTEIN FORUM EVENTS

### Spring 2002

#### THE INAUGURAL OKSENBERG LECTURE: THE UNITED STATES AND CHINA: A PRESIDENTIAL PERSPECTIVE

The Honorable Jimmy Carter, 39th President of the United States

#### JAPAN'S NEW PUBLIC, MANDATORY, LONG-TERM CARE INSURANCE PROGRAM: DOES IT MAKE SENSE AS SOCIAL POLICY? AS ECONOMIC POLICY?

John Creighton Campbell, Professor of Political Science, University of Michigan

### Winter 2002

#### THE POLITICS OF ECONOMIC REFORM IN KOREA

Ho-Jin Kim, Professor, Korea University  
Co-sponsored by the Korean Studies Program

#### THE INAUGURAL SHORENSTEIN JOURNALISM AWARD:

Stanley Karnow



(l to r) Thomas Gold, Phillip Saunders, Larry Diamond, and Shorenstein Forum director Russell Hancock discuss Taiwan's December 2001 parliamentary elections.

**PANEL DISCUSSION: QUESTION-AND-ANSWER SESSION WITH STANLEY KARNOW**

- David Greenway, *Boston Globe*
- Alex Jones, Director, Joan Shorenstein Center on the Press, Politics, and Public Policy, Harvard University
- Donald Emmerson, A/PARC

**Fall 2002**

**PARLIAMENTARY ELECTIONS IN TAIWAN: IMPLICATIONS FOR U.S.–CHINA–TAIWAN RELATIONS**

- Larry Diamond, Senior Fellow, Hoover Institution, Stanford
- Phillip C. Saunders, Director, East Asia Nonproliferation Program, Monterey Institute of International Studies
- Thomas Gold, Professor of Sociology, University of California, Berkeley
- Russell Hancock, Director, The Shorenstein Forum, A/PARC

**BEYOND BIN LADEN—ISLAM IN ASIA SINCE SEPTEMBER 11**

- Moderator: Barbara Crossette, Correspondent, *New York Times*
- Donald Emmerson, A/PARC
- Barbara Metcalf, Professor of History, University of California, Davis
- Karim Raslan, Attorney and Syndicated Columnist, Malaysia
- Jacqueline Armijo-Hussein, Mellon Fellow, Department of Religious Studies, Stanford

Co-sponsored by the Southeast Asia Forum and the Asia Society

**U.S.–JAPAN WORKSHOP**

Co-sponsored by the Brookings Institution

## THE SOUTHEAST ASIA FORUM

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A/PARC'S SOUTHEAST ASIA FORUM (SEAF) IS A KEY COMPONENT OF STANFORD'S BURGEONING ASIAN STUDIES PROGRAM. MANY OF THE NATIONS OF SOUTHEAST ASIA HAVE EXPERIENCED ECONOMIC AND POLITICAL CRISES IN RECENT YEARS. EVEN WITHOUT SUCH TURBULENCE TO COMMAND ATTENTION, IT IS VITAL TO UNDERSTAND THE HISTORIES, CULTURES, POLITICAL ECONOMIES, AND INTERNATIONAL RELATIONS OF THE REGION—ITS TEN COUNTRIES AND HALF-BILLION PEOPLE.



SEAF director Donald Emmerson



SEAF spent much of its third year exploring the repercussions and implications of September 11, 2001.

Indonesia has more Muslims than any other country. In the wake of the September attacks, two views of Indonesia competed for influence in the United States. Policy analysts worried that the archipelago could become a refuge for Al Qaeda agents. In this view, Washington needed to step up pressure on Jakarta to follow the example of neighboring states—Singapore, Malaysia, the Philippines—in policing local jihadists. Academic specialists, by contrast, tended to stress the moderation of Indonesian Islam. Doubting the media-fostered image of Al Qaeda as a global octopus with regional tentacles, they pictured jihadism in Southeast Asia as a familiar, manageable challenge best explained in local terms.

At a SEAF lecture in October 2001, Bambang Harymurti, the editor of Indonesia's leading newsweekly, *Tempo*, endorsed the academics' view. He questioned the belief that Southeast Asia is becoming a "second front" in Al Qaeda's war against the West. In subsequent months ten more SEAF speakers—American, Indonesian,

Malaysian, Singaporean—examined religion, politics, and violence in Southeast Asia from different perspectives. In October 2002 the car-bomb killing of some two hundred, mainly foreign, tourists in Bali brutally undercut the more hopeful perspective.

Other highlights in SEAF's seminar series included talks by the former foreign minister of Australia, Gareth Evans, on political tensions in Burma, and East Timor's foreign minister, Nobel Peace Prize winner Jose Ramos-Horta, on the future of his newly independent country.

At Stanford, the September attacks triggered student demand for courses on terrorism, Islam, and the Muslim world. In winter 2002, SEAF director Donald Emmerson taught "Beyond Jihad: Indonesia in Global Perspective" in International Relations and International Policy Studies. The class read widely, heard guest lecturers, and traveled to Santa Cruz for a conference panel on Islamism in Southeast Asia. SEAF also collaborated with SPICE on a U.S.–Japan Foundation-funded project to expand and improve the study of Indonesia in American high schools.

In December 2001, Emmerson addressed the U.S. House of Representatives' Committee on International Relations on "Southeast Asia and the United States since 11 September." He also discussed this and other topics before gatherings in the United States and Asia at the Association for Asian Studies, the Centre for Strategic and International Studies (Jakarta), Ohio University, the Social Science Research Council, the United Nations, the University of California, Los Angeles, and U.S. embassies in Canberra, Jakarta, and Tokyo.

Noteworthy too in relation to the impact of September 11 on Southeast Asia was SEAF's cooperation with the Seattle-based National Bureau of Asian Research (NBR). Jointly with NBR and the U.S.-Indonesia Society, SEAF inaugurated the National Committee on U.S.-Indonesia Relations to review American policy options toward Indonesia. Members of the Committee met twice in September 2002 and plan to take fact-gathering trips and present a written report to the executive branch and Congress in 2003.

Also with NBR in 2002, SEAF submitted a successful request to the United States Institute of Peace for funding to support a research project on Islamism in Indonesia.

On Southeast Asian topics, Emmerson advised the Fund for Peace, the National Endowment for Democracy, the United Nations, and the U.S. Agency for International Development. He was interviewed widely in the media, and also chaired a panel on democracy in Southeast Asia at the American Political Science Association's 2002 convention.

In cooperation with NBR and the U.S.–Indonesia Society, SEAF inaugurated this committee to review American policy options toward Indonesia. The committee will present its findings to the executive branch and Congress in 2003.

**LEE HAMILTON, CO-CHAIR**

Director, Woodrow Wilson International  
Center for Scholars  
Former chair, House Committee on  
International Relations

**GEORGE F. RUSSELL, JR., CO-CHAIR**

Chairman, NBR  
Former chair, the Frank Russell Company

**GEORGE P. SHULTZ, CO-CHAIR**

Distinguished Fellow, Hoover Institution, Stanford  
Former U.S. Secretary of State

**EDWARD MASTERS, VICE CHAIR**

Co-chairman, U.S.–Indonesia Society  
Former U.S. ambassador to Indonesia

**DENNIS C. BLAIR**

Institute for Defense Analyses

**PAUL M. CLEVELAND**

U.S.–Indonesia Society

**RICHARD J. ELLINGS**

NBR

**DONALD K. EMMERSON**

A/PARC, Stanford

**ELLEN L. FROST**

Institute for International Economics

**SIDNEY JONES**

International Crisis Group (Jakarta)

**R. WILLIAM LIDDLE**

Ohio State University



Gareth Evans (l) and Donald Emmerson

### Spring 2002

#### **EAST TIMOR: THE BREAKAWAY NATION**

Maya Vidon, Photojournalist, Agence France-Presse  
Co-hosted with the Contemporary Asia Seminar Series

#### **WHAT IS INDONESIA?**

Goenawan Mohamad, Journalist, Poet,  
and Former Editor of *Tempo*, Indonesia

### Winter 2002

#### **EAST TIMOR'S FUTURE: PROBLEMS AND PROSPECTS**

Jose Ramos-Horta, Nobel Peace Prize Laureate,  
Minister of Foreign Affairs and Cooperation  
for East Timor  
Co-sponsored by the Asia Society

#### **WHY GOVERNANCE MATTERS: PREVENTING DEADLY CONFLICT IN INDONESIA AND BURMA**

Gareth Evans, President,  
International Crisis Group

#### **FAITH, POLITICS, AND VIOLENCE IN INDONESIA**

- Ulil Abshar Abdalla, Executive Director,  
Indonesia Conference on Religion and Peace

- Moeslim Abdurrahman, Vice President,  
Muhammadiyah
- Lies Marcoes Natsir, Researcher,  
Association for the Development of Peasantry  
and Society
- Douglas Ramage, Representative,  
Asia Foundation (Jakarta)

### Fall 2001

#### **MEGAWATI'S CHALLENGES: THE ROAD AHEAD**

- Goenawan Mohamad, Journalist, Poet,  
and Former Editor of *Tempo*, Indonesia
- Donald Emmerson, A/PARC

Co-sponsored by the World Affairs Council  
and the Asia Society

#### **EAST ASIA AFTER SEPTEMBER 11TH: ISSUES, PRESSURES, CHOICES**

Simon Tay, Chairman,  
Singapore Institute of International Affairs



Bambang Harymurti

**IS SOUTHEAST ASIA THE NEXT FRONT IN THE  
WAR ON TERROR?**

- Bambang Harymurti, Editor, *Tempo*, Indonesia
- Donald Emmerson, A/PARC

**KUALA LUMPUR IS NOT KABUL: MILITANTS AND TOLERANCE  
IN THE ASIAN CORE OF THE MUSLIM WORLD**

Karim Raslan, Attorney and  
Syndicated Columnist, Malaysia

**BEYOND BIN LADEN—ISLAM IN ASIA SINCE SEPTEMBER 11**

- Moderator: Barbara Crossette,  
Correspondent, *New York Times*
- Donald Emmerson, A/PARC
- Barbara Metcalf, Professor of History,  
University of California, Davis
- Karim Raslan, Attorney and  
Syndicated Columnist, Malaysia
- Jacqueline Armijo-Hussein, Mellon Fellow,  
Department of Religious Studies, Stanford

Co-sponsored by the Shorenstein Forum  
and the Asia Society



## The Economics of East Asian Growth

### GENERALIZED SOLOW-NEUTRAL TECHNICAL PROGRESS AND POSTWAR ECONOMIC GROWTH

Professors Lawrence J. Lau and Michael J. Boskin—using revised, updated, and consistent annual post–World War II data from the G-7 countries—econometrically estimated and tested alternative explanations for the structure of economic growth in a model with three inputs. These inputs—tangible capital, labor, and human capital—permitted them to identify the magnitudes of and biases in both returns to scale and technical progress:

- Technical progress is simultaneously purely tangible capital and human capital augmenting, or “generalized Solow-neutral.” This finding provides an alternative explanation for the slow pace of convergence in real GDP per capita. That is, the benefits from technical progress depend directly on levels of tangible and human capital: countries with higher levels of capital realize higher rates of technical progress.



- Technical progress has been capital-, not labor-, saving and thus is not a cause of systemic structural unemployment.
- Technical progress accounts for more than 50 percent of the economic growth of the G-7 countries, except Canada. Tangible capital input is next most important. Together, these account for more than three-quarters of the growth of real output in the G-7 countries, except Canada.
- The most important source of the growth slowdown since the mid-1970s is a decline in the rate of capital augmenting technical progress.

### THE SOURCES OF EAST ASIAN ECONOMIC GROWTH REVISITED

Professors Lawrence J. Lau and Jong-Il Kim found in 1992 that postwar East Asian economic growth was mostly input-driven, and technical progress (or equivalently growth in total factor productivity) played a very small role. This finding was the basis of Paul Krugman’s celebrated article in *Foreign Affairs* on the myth of the East Asian miracle. In 2002, Lau and Professor Jung-Soo Park revisited the question on the basis of a more extended sample period. They

*This book is dedicated to India's poor, long in want of good governance, and to its bureaucrats—who want good ideas.*

—Dedication, *Telecommunications Reform in India*

found that technical progress has become an important source of growth in the East Asian newly industrialized economies in recent years, principally as a result of investment in intangible capital such as R&D capital.

#### **THE PREDICTABILITY OF CURRENCY CRISES**

Professors Lawrence J. Lau and Isabel K. M. Yan, applying a nested logic model to historical data, analyzed the factors, both domestic and international, affecting the probability of a given currency being “attacked” and the probability of a successful defense of the currency. Their model predicted the occurrence of currency crises very well, especially for those that occurred in East Asia. They also performed out-of-sample predictions and correctly predicted, with varying lead times, the currency crises in Argentina and Brazil.

#### **SELECT RELATED PUBLICATIONS**

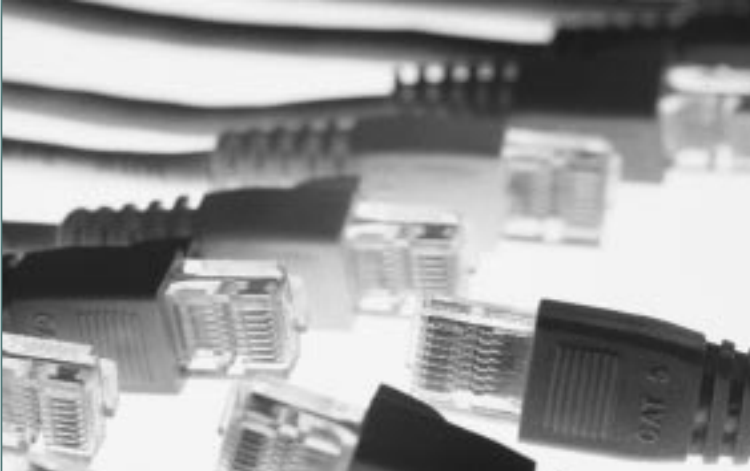
Lawrence J. Lau, K.C. Fung, and Joseph S. Lee, *U.S. Direct Investment in China*, Washington, D.C.: American Enterprise Institute, forthcoming 2002.

Lawrence J. Lau, “China’s Economy and Implications for U.S. Policy”; in Dick Clark, ed., *U.S.–China Relations: Fourth Conference*, in *Congressional Program 17:3*, Washington, D.C.: The Aspen Institute, 2002.

### **The South Asia Initiative**

#### **TELECOMMUNICATIONS REFORM IN INDIA**

The book *Telecommunications Reform in India*, edited by South Asia Initiative director Rafiq Dossani, was the culmination of an A/PARC conference held in November 2002. The book recommends changes in India’s telecommunications licensing and regulatory structure to allow for more competition and increased rural coverage. Some of the subsequent changes in the institutional framework—such as permitting franchising and allowing innovative approaches to reducing initial installation costs have resulted from the conference and the book. Other recommendations,



such as permitting resale, eliminating licensing and regulation of service providers until they have significant market power, and allowing the well-established country-wide cable TV network to provide telecommunications services, are under consideration.

Dossani's ongoing research on the reform of India's telecommunications sector recently led to an exciting practical outcome in the village of Parvathagiri (population 7,000), Andhra Pradesh. On September 13, 2002, India's minister of state for telecommunications inaugurated a "party line" exchange in the village. On the new exchange, eight households share a line, thus dramatically reducing the line cost per household from about Rs.25,000 to Rs.4,000 (Rs.50=US\$1). Because of the A/PARC research initiative that proposed party lines—a recyclable idea that none in India had previously envisioned—Dossani was invited to dial in to Parvathagiri for the inauguration. After connecting on the first try, he chatted with the minister, who was delighted with the project's success. The minister added that the woman from whose house he spoke said that the line would save her at least two hours a day of walking to the village phone and waiting in line to use it. Over

the coming year, Dossani plans to propagate the party-line idea through additional research, conferences, and outreach, and through his newly published book.

#### **POWER PRICING REFORM IN INDIA**

One of the major issues of electricity reform in developing countries, including India, is that inefficient power-pricing structures have become entrenched, leading to waste and financially insolvent electricity distribution entities. In addition, the transition to efficient pricing structures raises difficult economic, cultural, political, legal, and technological issues.

In their continued efforts to effect power pricing reform, researchers at A/PARC and the Indian Institute of Management in Bangalore collaborated on a project to survey five hundred subsidized users in three rural districts of the state of Andhra Pradesh. The survey was designed to determine users' responses to different distribution and pricing methods. Particular attention was paid to the value of cooperatives and to flat-fee versus use-based pricing.

The survey showed that farmers, who currently pay only 10 percent of cost, can indeed pay more—up to 40 percent—without reducing usage, if power supply is efficiently and consistently delivered. However, the survey also revealed a potentially serious political issue: the average farmer's gross income is currently below the underlying (actual) cost of power. This imbalance will prevent full pricing reform despite good policymaker intentions.

One possible way to resolve this difficult issue is to search for externalities that justify continued subsidies, such as the argument that low power prices reduce rural migration to urban areas. Since the current power pricing system is regressive—that is, rich farmers get higher subsidies—there is potential to reduce subsidies through Ramsey pricing.

#### **THE INDIAN SOFTWARE INDUSTRY**

This project examines India's success in offering customized information technology (IT) services, now a \$10 billion export industry. India's IT industry has grown from several policy initiatives introduced by the Indian government. These include the development of a strong technical and English-proficient educational sector; opening up to foreign investment in the 1980s; and certain unique features that allowed the sector to bypass India's unwieldy bureaucracy and poor infrastructure. Subsequently, changes in venture capital and telecommunications policy have allowed the sector to graduate to higher level services, but the focus remains applications program writing rather than IT strategy, engineering services, or other high-end work. Has India's growth occurred through labor arbitrage? Or, has it occurred because of a more sustainable comparative advantage—one driven by the presence of clusters of innovation and enterprise, in which success depends on interaction among economic agents? The answer influences not only the kind of work that is done, but also the relations between firms in the sector. Bangalore is an obvious possible location for further study in this ongoing project.

### INDIAN AND CHINESE ENGINEERS IN SILICON VALLEY

In recent years, Asian immigrants have played an important role in Silicon Valley's growth, as suppliers of both engineering and entrepreneurial talent. These groups have also formed extensive ethnic professional networks. In 2001, a survey of 2,200 engineers belonging to Indian and Chinese professional networks was undertaken by Rafiq Dossani with the objective of studying who belongs to such networks and what value is derived from membership. This led to inferences on whether members actually receive the value they seek and what this means for the networks' long-term sustainability.

The immigrants are similar in that they are all highly educated, entrepreneurial, and derive important benefits from their formal and informal networks. They also differ in several important ways. The mainland Chinese and Taiwanese have a greater proportion of U.S. degrees, a higher level of technical education, and a lower level of managerial education. The Indians have a higher presence in professional services and executive jobs. The Indians' forte is software; for the mainland Chinese and Taiwanese, it is hardware.

Networks are most powerful for securing investment and for exchanging information on jobs within Silicon Valley.

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Rafiq Dossani, "**Chinese and Indian Engineers and Their Networks in Silicon Valley**"; A/PARC Working Paper, March 2002.

Rafiq Dossani and Robert Thomas Crow, "**Restructuring the Electric Power Sector in India: Alternative Institutional Structures and Mechanisms**"; A/PARC Working Paper, July 2001.

### Southeast Asia As a Field of Study

After a preliminary review of American scholarly knowledge about Southeast Asia, Professor Donald Emmerson identified three distinctive contexts that help shape academic work on the region. Southeast Asia is a locale—an empirical *realm*—that exists regardless of the presumptions and agendas of its observers. Southeast Asianists form a more or less organized community of specialists with shared interests—a professional *guild*. These specialists reside and work in particular locations, institutions, and disciplines—a surrounding *home*. The proposition driving this research is that the study of Southeast Asia, both in the United States and elsewhere, is uniquely affected by the character, history, and interaction of these three settings. The more powerful these effects, the more plausible the case for realm, guild, and home as conceptual starting points of a more nuanced understanding of area studies, beyond the less specified and situated notion that such studies form, somehow, a *field*.

In Emmerson's research, these concepts are linked in a tentative historical argument. Initially for American students of Southeast Asia, the relative incoherence of their realm fostered the relative weakness of their guild. Subsequently, inside the realm, the birth and success of the Association of Southeast Asian Nations (ASEAN) and its expansion to encompass the region projected an image of Southeast Asia as distinctively viable. For specialists in political science and international relations in their globally engaged American home, these trends strengthened Southeast Asian studies as a professional guild. Since then, however, events in the realm have tended to slow, if not reverse, this trend in the guild. Academic confidence in Southeast Asia as a coherent region—worth studying in its own right and on its own terms—has been undermined by ASEAN's record of failure. Since 1997, ASEAN has failed, first, to manage, let alone prevent, devastating environmental and financial crises. Second, it has not scaled down, let alone resolved, Chinese claims to the South China Sea. Third, it has not prevented



or overcome rising tensions among ASEAN members. Fourth, it has not made anticipated progress toward a free-trade regime. Fifth, it has not forged an effective consensus on the American-instigated war on terror.

#### SELECT RELATED PUBLICATIONS

Donald K. Emmerson, **“Situating Southeast Asian Studies: Realm, Guild, and Home”**, in Anthony Reid, ed., *Southeast Asian Studies for the 21st Century*, Tempe, AZ: Arizona State University Southeast Asia Program, forthcoming 2003.

### **The Stanford Project on Regions of Innovation and Entrepreneurship (SPRIE)**

Led by co-directors William F. Miller and Henry S. Rowen, with associate director Marguerite Gong Hancock, SPRIE expanded its research and activities in 2001–2002. Over seventy faculty and researchers—from Stanford, Japan, Korea, China, Taiwan, Singapore, and India—now affiliate with the project, which is international and comparative in scope and interdisciplinary and collaborative in method.

### **REGIONS**

SPRIE’s mission is to foster in-depth analysis and understanding of regions of innovation and entrepreneurship throughout the Asia Pacific. Innovation occurs significantly through start-ups in high tech industries. Entrepreneurship in innovative industries—not just entrepreneurship in general—likewise contributes to rapid economic growth. Silicon Valley has sustained its position as a leading region because it successfully fosters both innovation and entrepreneurship.

What of other regions? To answer this question, SPRIE is studying Hsinchu (Taiwan), Zhongguancun (China), Teheran Valley and Daedok Valley (Korea), Bangalore and Mumbai (India), Singapore, and nine regions in Japan, from Sapporo to Kyushu.

These regions are significant participants in global IT and aspire to higher levels of value-added productivity. They also contribute to their countries’ economies and, increasingly, to the global economy. Yet the differences among them are substantial. SPRIE’s affiliated researchers are examining the resources, processes, institutions, and outcomes that drive these regions’ current high

technology cluster development and long-term prospects. For example, the SPRIE Korea team (under the direction of Professors Ji Soo Kim and Zong Tae-Bae from the Korea Advanced Institute of Technology) surveyed more than 1,300 start-up companies in Seoul and Daedok Valley.

With better knowledge about individual regions, it is possible to examine connections among them. SPRIE's "Golden Triangle" project analyzes the flows of capital, people, and technology—especially for semiconductor design and manufacturing—among Silicon Valley, Hsinchu, and Shanghai. Dr. Chintay Shih, president of the Industrial Technology Research Institute, leads this project.

#### **NATIONAL ENVIRONMENT**

SPRIE analyzes national environments and the degree to which they support or inhibit regional innovation and entrepreneurship. The project studies a broad spectrum of laws, regulations, and conventions which impact technology advancement and new-firm formation—including finance, securities, taxes, labor, accounting, corporate governance, research and development,

university-industry links, and intellectual property protection. These rules are important, and sometimes determinative, but there is little systematic analysis across countries, especially for the recent period of rapid change. One SPRIE Japan team, led by Professors Ken-ichi Imai, Masahiko Aoki, and Toshihiko Hayashi, is examining the impact of recent far-reaching national reforms to remove barriers to innovation and entrepreneurship.

#### **INCUBATION**

Using case studies in Singapore, Korea, China, Taiwan, Japan, Norway, and the United States, SPRIE's Incubation Project analyzes the process of forming and nurturing new companies by organizations that provide facilities and, especially, value-added services. This project is generously funded by Daniel Chen, Chong-Moon Lee, and others. Although incubators as organizations have not played a significant role in Silicon Valley, other countries have established science parks and incubators explicitly to promote new-company formation. SPRIE's project identifies various models of incubation and evaluates their relative merits. SPRIE affiliate Poh Kam Wong, director of the Center for

Entrepreneurship at the National University of Singapore, is conducting case studies to assess the models and practices of institutions that assume incubation roles in Singapore. These include public-sector organizations, large corporations, private firms, and venture professional firms.

#### INTERNATIONAL INDICATORS

SPRIE's work to date has shown that inadequate data exist for certain essential components of the project's research on innovation and entrepreneurship. To fill these gaps, SPRIE is developing a set of quantitative indicators to describe, evaluate, and compare high technology regions. Through partnership with the Development Bank of Japan, SPRIE will produce benchmark reports for nine regions in Japan. In conjunction with a consortium of researchers from Tsinghua University, China's Ministry of Science and Technology, and others, SPRIE affiliates will gather comparable data for Zhongguancun, Beijing's high technology region.

#### SELECT RELATED PUBLICATIONS

Henry S. Rowen and A. Maria Toyoda, **"From Keiretsu to Startups: Japan's Push for High Tech Entrepreneurship"**, A/PARC Working Paper, October 2002.

Kyounglim Yun, Heejin Lee, and So-Hye Kim, **"The Growth of Broadband Internet Connections in South Korea: Contributing Factors"**, A/PARC Working Paper, September 2002.

#### The Urban Dynamics of East Asia

This collaborative research project involves Thomas Rohlen, James Raphael, and Douglas Webster, as well as researchers outside of A/PARC. The project focuses on a set of pivotal East Asian urban regions that possess enormous, and increasing, influence—greater than indicated even by their large populations. The researchers are examining these regions as centers of economic production, innovation and adaptation, sub-nationally based political power, and social change.

The project team's primary activity in 2001–2002 was writing a book, *At the Vortex: East Asia's Urban Dynamics*, to be finished in 2003. The book tracks



and interprets the development trajectories of East Asia's leading cities from the post-World War II period to the present. The authors highlight large cities both as drivers of East Asia's economic success and as environments of opportunity. The book also considers the strains on urban governance brought about by the speed of East Asia's rural-urban transition.

Liberalized trade, capital, and information systems, the economic rise of China, and changes in international economic demand have recently increased competition among leading East Asian cities. Adaptation is key. The major Chinese urban regions, for example, face enormous challenges in developing globally competitive service sectors under WTO frameworks. Major Southeast Asian urban regions are scrambling to identify new areas of competitive advantage—such as call centers (Manila) or creative business services (Bangkok)—as their share of East Asia's foreign direct investment (FDI) in manufacturing declines. Established East Asian cities, such as Tokyo and Hong Kong, face serious deflationary pressures as they attempt to compete with lower-cost rivals.

The Urban Dynamics group's second activity is a project, funded in part by the Ford Foundation, on peri-urbanization, the process of city-building on the strategic, and geographically shifting, urban edges of large East Asian cities. Most population growth, investment in manufacturing, and rural-urban land conversion occurs in peri-urban areas. The project's work over the last year focused on the physical form, economic structure, and governance of the Hangzhou and Chengdu extended urban regions in China.

In Chengdu, the research group (together with Karen Seto of IIS) is using remote sensing technologies to identify and assess land-use change since the 1970s. The findings have implications both for land conversion and urban farm policies. High-capacity farmland must be protected, while space must also be created for the urban activities that account for over 80 percent of China's economic growth. As China absorbs 430 million more urban residents over the next thirty years, mainly in peri-urban areas, major decisions will need to be made concerning the future shape of urban regions.

At the micro level, the research project is conducting interviews with firm managers and workers in selected economic clusters, plus key government agencies. This research reveals highly specialized peri-urban systems. Conversion of rural land to urban use, for instance, results in widely varied impacts on the displaced—from those who become wealthy through windfalls from higher land values to those who face unemployment and landlessness. The geographic dynamism of the workers interviewed has likewise been noteworthy. It is common for, say, a Sichuan rural villager to work in several locations along coastal China, and return to a factory job in peri-urban Chengdu, but indicate no desire to return to his or her village. The research has also revealed extreme complexity in the history of firms operating in the peri-urban areas. Typically, such firms undergo numerous changes in ownership and management styles.

#### SELECT RELATED PUBLICATIONS

Nicole Pohl, **“Foreign Penetration of Japan’s Investment-Banking Market: Will Japan Experience the ‘Wimbledon Effect’?”**, A/PARC Urban Dynamics of East Asia Discussion Paper, July 2002.

Douglas Webster, **“On the Edge: Shaping the Future of Peri-urban East Asia”**, A/PARC Urban Dynamics of East Asia Discussion Paper, May 2002.

Douglas Webster and Larissa Muller, **“Challenges of Peri-urbanization in the Lower Yangtze Region: The Case of the Hangzhou-Ningbo Corridor”**, A/PARC Urban Dynamics of East Asia Discussion Paper, May 2002.

Thomas P. Rohlen, **“Cosmopolitan Cities and Nation-States: Open Economics, Urban Dynamics, and Government in East Asia”**, A/PARC Urban Dynamics of East Asia Discussion Paper, February 2002.

**CHINA****Corporate Restructuring and Governance in China**

This collaborative research project, now in its second year, is led by Professor Jean Oi and examines restructuring and governance reform in China's state-owned enterprises (SOEs). In collaboration with Professor Thomas Heller of the Stanford Law School and scholars from China, Oi is collecting survey and qualitative data to explicate the process of corporate restructuring and governance reform over the last decade. The project will assess the economic and political consequences of that reform, identify the stakeholders, delineate the new corporate forms that have emerged, analyze how they function, and observe the problems that they encounter and create. Implicit in the research design is the desire to capture the regional and sectoral variation inherent in the reform process. This ongoing project also attempts to capture the different phases and strategies of reform over time, and will ultimately result in a book.

Preliminary findings point in two directions. First, it appears that China is making headway in reforming the state socialist system. More and more state-owned factories have been privatized, some sold to domestic investors and others to foreigners. Following the Western model—sometimes with the help of foreign brokerage houses—increasing numbers of companies are being listed on domestic or foreign stock exchanges. Formerly state-run firms have established boards of directors and supervisors as part of their corporate governance. Increasingly focused on the bottom line, firms are streamlining and cutting costs. SOEs are handing off nonproductive social service sectors to local governmental authorities. Most telling, the “iron rice bowl” is being broken. More workers are being laid off, bankruptcy law has finally been allowed to take effect, and factories are closing.

The second direction clearly shows that market-conforming institutions have been tempered by concerns about rising unemployment, decreasing government revenues, and mounting enterprise and bank debt. China's post-state-socialist leadership is instituting an ambitious program of corporate restructuring, but politics has skewed the privatization process. Most notable is

the state's concern about state workers displaced in the course of privatization. These concerns affect not only the speed and the nature of reform, but also decisions about which enterprises may be declared bankrupt or privatized. Based on interviews with local officials and factory directors, Oi has begun to construct a framework—centering on bureaucratic politics and institutional constraints—for understanding China's privatization process. A preliminary paper on this subject, "After State Socialism: Welfare Constraints on Privatization in China", was presented at the annual meeting of the American Political Science Association in August 2001. The paper was part of a panel entitled *Putting the Politics Back into Privatization: Cross-National Studies of Transitions in Socialist, Postsocialist, and Developing Countries*. Oi later presented this work to the Asian Development Bank Institute in Tokyo in spring 2002.

Follow-up research during summer and fall 2002 suggests that while concerns about workers and political stability remain important, new methods and institutions are cutting the cord between the state and its workers and

reducing or eliminating the state's share in many SOEs. Some localities have already completed this second phase of corporate restructuring.

#### SELECT RELATED PUBLICATIONS

Jean Oi, "Realms of Freedom in Post-Mao China", in William Kirby, ed., *The Making of Modern Freedom in China*, Stanford: Stanford University Press, forthcoming 2003.

#### Economic Development and Political Decision-making in China's Villages

Based on fieldwork and surveys carried out in China's villages, Professor Jean Oi has been examining the effect of different levels and types of economic development on the distribution of power and decision-making in villages. In spring 2001, Oi co-authored a paper with Kaoru Shimizu entitled "Peasant Burdens in China, 1984–1995: An Empirical Assessment." It was presented at a June 2001 workshop on "Opportunities and Constraints in China's Rural Transition: A Critical Appraisal of Two Decades of Reform and Development", held at the Division of Social Science, Hong Kong University of Science

and Technology. Using this same dataset, Oi and Shimizu also examined the extent and variation in peasant burdens in China's villages. The resulting paper, "Political Institutions and Peasant Burdens in China, 1984 to 1995," was presented at the "Grassroots Governance in Contemporary China" conference, held at Shizuoka University, Japan, in fall 2002. It will be published as part of a conference volume. The paper provides one of the first estimations of the actual burdens that China's peasant had to bear from the late 1980s to the mid-1990s in different types of villages.

#### SELECT RELATED PUBLICATIONS

Jean Oi, "**Political Institutions and Peasant Burdens in China, 1984 to 1995**", in conference volume *Grassroots Governance in Contemporary China*, (forthcoming 2003).

Jean Oi, "**Bending without Breaking: The Adaptability of Chinese Political Institutions**", in Nicholas Hope, ed., *How Far across the River?: Chinese Policy Reform at the Millennium*, Stanford: Stanford University Press, forthcoming 2003.

#### THE POLITICS OF THE CHINESE CULTURAL REVOLUTION

Professor Andrew Walder has been examining collections of newly available documentary materials from the 1960s and has discovered that they cast doubt on reigning sociological interpretations of Red Guard politics, particularly those that see political factions as expressions of social differences.

Red Guard motives now appear more political than social in their origins. They require an intimate understanding of the actions of party and government officials, in a situation where the collapse of normal expectations placed everyone under heightened threat. Walder has also been collecting accounts of the Cultural Revolution in rural regions that have been published in new county annals since the late 1980s. Photocopying relevant sections of these annals in a large collection at the Chinese University of Hong Kong, Walder has been able to compile accounts from more than 2,000 counties (out of a total of 2,500 nationwide). Walder and his graduate students have coded basic materials from each account into a database that records information about the timing and magnitude of rural political events from 1966 to 1971



(numbers dead, injured, imprisoned). These official materials have revealed that the period had a much greater human impact on rural China than previously believed, leading to the death of well over a million and the persecution of at least 25 million.

Professor Walder's project aims to develop analyses of collective action in which participants are not assumed to have fixed identities and interests, and in which the need to avoid loss—rather than gain advantage—drives their actions. These ideas run counter to the mainstream of sociological thinking about such topics over the past three decades. They may have broader applicability to fundamentalist movements in certain historical settings and to the emergence of ethnic warfare and other forms of civil strife in collapsing states.

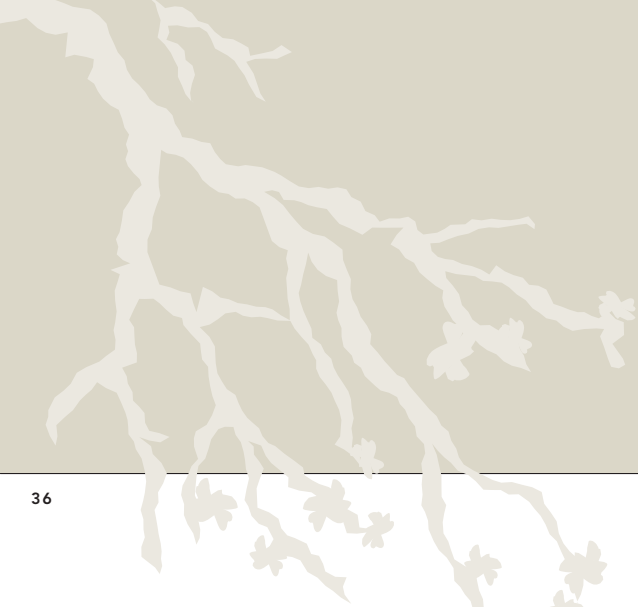
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Andrew G. Walder and Yang Su, "**The Cultural Revolution in the Countryside: Scope, Timing, and Human Impact**", *The China Quarterly*, forthcoming.

Andrew G. Walder, "**Beijing Red Guard Factionalism: Social Interpretations Reconsidered**", *Journal of Asian Studies* 61:2 (May 2002).

### **Social Stratification in China during an Age of Transition**

In collaboration with sociologists at the University of California, Los Angeles, and the People's University of China in Beijing, Professor Andrew Walder designed and fielded a nationally representative survey of 6,400 Chinese households. The 1996 survey was the first of its kind in China. It collected detailed information on occupations, income, and housing conditions for families, in addition to complete career and educational histories for respondents and less detailed histories for spouses, parents, and grandparents. This information makes it possible to address two broad topics: the impact of the Cultural Revolution and the 1949–1979



socialist system on patterns of status inheritance and individual opportunity, and the subsequent impact of post-1980 market reforms on patterns established in the Mao era. Because the survey was designed in parallel with a survey of Russia and five other east European nations (completed in 1993), direct comparisons with other nations are now possible. Walder, his collaborators, and their students are now analyzing these data in a long-term effort to understand the social impact of the Cultural Revolution and subsequent market reforms from a comparative and historical perspective.

The team's findings thus far include five notable points. First, while higher education has always been a near requirement for an elite professional position in post-1949 China, it did not improve the odds of becoming a leading decision-maker in government or industry until after 1988. Second, while Party membership has been a virtual prerequisite for promotion into a decision-making position, it has never improved the odds of promotion into an elite professional position, not even in the Mao era. Third, rural political officials

continue to enjoy large net income advantages over other rural households, well into the second decade of market reform. Their advantages appear to come from both the perquisites of office and the conduct of family business, depending on the opportunities available locally. Fourth, private family enterprise has expanded enormously over two decades, far more than official statistics indicate, and by 1996 over 21 percent of rural households enjoyed heightened incomes from the private production of goods or services. Fifth, the advantages of rural cadres do not shrink with local economic development, but the returns to household entrepreneurship do—suggesting that wage and salary employment, rather than private family business, is the wave of the future. In fact, cadre households have almost no income advantages in the least developed agrarian regions, but they surge to the top of the income ladder in highly developed regions, whether large-scale publicly owned enterprises or small-scale private and foreign owned firms dominate the local economy.

**SELECT RELATED PUBLICATIONS**

Andrew G. Walder, "**Privatization and Elite Mobility: Rural China, 1979–1996**", A/PARC Working Paper, July 2002.

Andrew G. Walder, "**Income Determination and Market Opportunity in Rural China, 1978–1996**", *Journal of Comparative Economics* 30:2 (June 2002).

Andrew G. Walder, "**Markets and Inequality in Rural China: Political Advantage in an Expanding Economy**", *American Sociological Review* 67:2 (April 2002).

**Reform of the Tax-for-Fee System in China's Countryside**

Building on earlier work on peasant burdens and fiscal reform in fall 2002 Professor Jean Oi began research on China's tax-for-fee system, which is aimed at reducing peasant burdens. While this policy is aimed at making life better for peasants, it will also have a major negative impact on the revenues of township and village coffers. In some localities, the amounts collected through the old fee system will be cut as much as one-half. How will local officials deal with the new revenue shortfalls? Will they find new channels to squeeze peasants? Working with a scholar from China, Oi did fieldwork in a county in Shandong to see how this system is being implemented, the problems that have developed, and the strategies that are being used to deal with these problems. The first set of interviews was done in relatively well-off townships and villages in Shandong, where new sources of revenue are being generated. Later research will focus on less developed areas. These poorer regions have fewer new sources of revenue to compensate for the losses that both townships and villages will suffer with the new tax-for-fee system.



## JAPAN

### **The Comparative Healthcare Policy Research Project**

Initiated by A/PARC in 1990, the Comparative Healthcare Policy Research Project examines issues related to the structure and delivery of health care in the United States and Japan by utilizing contemporary social science. The project was designed to make the study of Japan an integral part of international comparative health policy research. Since Daniel Okimoto stepped down as principal investigator in early 2002, associate director Yumiko Nishimura has led the project together with co-principal investigators Alan Garber and Andrew Walder, the director of the Center for Health Policy (CHP) and the director of A/PARC, respectively. Since the organizational shift, the project has also collaborated with CHP on select projects.

During 2001–2002, Nishimura and her team continued their work on health promotion studies in the United States and Japan. Specifically, they analyzed data obtained from a Japanese corporation to investigate medical-care utilization patterns within a population

of Japanese employees. The obtained dataset is comprehensive and includes all medical claims data during fiscal year 2000, annual health examinations data, and health risk appraisal data over a period of three years from 1999 through 2001. The total number of employees in the dataset was 6,534, and the total health expenditures were ¥246,928,360, approximately US\$2 million, in 2000.

Preliminary analysis of the data reveals that of the 6,534 employees, 591 are currently undergoing medical treatment for “lifestyle-related diseases,” namely diabetes, high blood pressure, and high cholesterol. This group makes up only 9 percent of the total employee population ( $n=6,534$ ), but represents more than 30 percent of the corporation’s total medical expenditures. In addition, there exists a large group of high-risk individuals in the company. The ratio of people with lifestyle-related diseases and the ratio of people with health risks associated with those diseases is much greater in older generations. With a rapidly aging society, effective health promotion initiatives are vital to Japan’s development.

Results from the study will be published in a special issue of the *American Journal of Health Promotion* in spring 2003, along with related health promotion articles. The issue will focus on the relationship between health risk and medical care utilization, provide a practical perspective for evaluating and strengthening health promotion in Japan, and help to foster global interest in health promotion.

The project is also planning two conferences for spring 2003. The first, to be hosted at Stanford, will examine health promotion as a health care solution, on an international scale, in the twenty-first century. The second conference will convene in Tokyo, and discuss health data management for payers and employers.

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### Japan's Lost Decade

More than ten years have passed since Japan's bubble burst and its high-flying economy sputtered and stalled. Why has it taken so long for Japan to lift itself out of the decade-long slump? Participants in A/PARC's project on Japan's political economy, led by Professor Daniel Okimoto, offer several plausible explanations in chapters for a forthcoming book on the subject.

Robert Madsen calls attention to the macroeconomic imbalance between savings and consumption. Japanese households, he asserts, save too much and consume too little. Formerly, high capital investments by private industry compensated for the low rate of consumption. In the long run, however, this created unsustainable excess plant capacity and inventory. The government was also unable to prime the pump, given the large overhang of cumulative national debt.

Japan cannot recover, Ron McKinnon argues, unless it can climb out of its liquidity trap. To escape from zero interest rates, McKinnon believes, expectations about an ever stronger yen must be broken. To achieve this goal, monetary authorities in the United States

and Japan must agree to maintain an exchange rate close to purchasing power parity. Such an agreement may not be forthcoming in the foreseeable future.

Macroeconomic mismanagement by the Ministry of Finance (MOF) is sometimes cited as both a cause of Japan's economic malaise and a reason for its slow recovery. Harukata Takenaka examines the MOF's ineffective macroeconomic policies and points out the sometimes overlapping and conflicting incentives of key Japanese policymakers. The MOF relied on interest-rate cuts to stimulate the economy in the mid-to-late eighties, over alternative policy tools such as fiscal spending and tax cuts. Eventually, these cuts led Japan into a liquidity trap.

To account for changes in the financial system, as well as Japan's inability to clear away the problem of nonperforming loans, Jennifer Amyx cites the dysfunctional consequences of dense policymaking networks. In difficult times, Japan's policymaking networks have limited and distorted information, leading to an eight-year lag before the Japanese

government sought seriously to deal with the nonperforming loan problem. By then, nonperforming loans had reached an estimated level of more than \$1 trillion.

It would be a mistake to think that nothing was accomplished during the past decade, however. Japan has carried out reforms, including financial liberalization and corporate restructuring. How were these reforms pushed through? To make sense of the “Big Bang” of financial liberalization, Tetsuro Toya develops a theory of organizational survival for the MOF and the Liberal Democratic Party leadership. In examining the phenomenon of corporate restructuring, Yves Tiberghien draws a causal connection between the globalization of finance—which unleashes powerful forces for change—and the state’s mediation of globalization through reform legislation, which in turn has facilitated corporate restructuring. Although these changes have been significant and necessary, they have failed to kick-start Japan’s moribund economy.

All project participants agree that Japan can only extricate itself from its economic quagmire when the

Japanese people feel an urgent sense of crisis and when Japan’s political leaders summon the will to take bold measures. Such steps might inflict short-term pain, but promise, in the long run, to restore the country’s once robust economy.

#### SELECT RELATED PUBLICATIONS

Daniel I. Okimoto, ed., *Japan’s Lost Decade: In Search of an Explanation* (working title), forthcoming 2003.

## KOREA

### The Kwangju Uprising

Gi-Wook Shin, director of A/PARC’s new Korean Studies Program, has been engaged in two large projects. The first is a collaborative project to reflect on the legacy of the Kwangju uprising that swept southwestern Korea in spring 1980. In 2000, he hosted an international conference in Los Angeles to commemorate the twentieth anniversary of the uprising and has finished editing conference papers (with Kyung Moon Hwang of USC) for a volume. The book combines interpretive essays that reflect the range of



reactions to and perspectives on the uprising, from those of a Kwangju resident to an American missionary. The book also contains scholarly analyses of the uprising's aftermath, such as its impact on Korean democratization, the condition of the injured survivors, and memories and representations of the event. After twenty years, the volume shows that the struggle over how to represent and memorialize the uprising continues to be contested, negotiated, and revisited. The volume is scheduled for publication by Rowman & Littlefield in spring 2003.

### **The Origins and Politics of Ethnic Nationalism in Modern Korea**

Despite its rapid globalization, Koreans still maintain a strong sense of ethnic homogeneity, the subject of Shin's second research project. According to his own survey, conducted in fall 2002, 93 percent of respondents agree that "our nation has a single blood line," and 83 percent feel that Korean descendants living abroad, even as legal citizens of a foreign country, still belong to the *han* race due to shared ancestry. As a result, the majority feels more attached to Korean descendants overseas than to foreigners living in Korea (62 percent for Korean descendants in Japan versus 18 percent for

the Japanese in Korea; and 63 percent for descendants in the United States versus 17 percent for Americans in Korea). What accounts for the rise and persistence of such an ethnic/racial identity?

While the Korean nation's ethnic homogeneity is widely assumed on both sides of the peninsula, Shin's research shows that it is not a fixed entity, nor rooted in ancient time. Instead, it is a product of particular historical processes that endured colonialism and territorial division. Far from being a myth or fantasy, Korean ethnic homogeneity is historically embedded and carries considerable social and political significance. Shin's project closely examines the rise and dominance of nation as a categorical identity over other forms (e.g., class and region), as well as the rise and establishment of a racialized/ethnicized notion of nation. It also considers how politics of ethnic identity have played out in various fields—anticolonialism, civil war, national unification, and globalization—and why and how it still inspires tremendous pride, inspiration, and solidarity among Koreans, as displayed during the 2002 World Cup. Shin has finished most of his analysis and is currently writing up the results for a book.

*In its boldest form, our research can be thought of as dropping a thermometer in the central Pacific Ocean in August, and with that temperature reading, being able to determine the size of the Indonesian cereal crops for the next twelve months.*

—Walter Falcon

#### SELECT RELATED PUBLICATIONS

Gi-Wook Shin with Gary Hytrek, “**Social Conflict and Regime Formation: A Comparative Study of South Korean Authoritarianism and Costa Rican Democracy**”, in *International Sociology* 17:4, 2002.

Gi-Wook Shin, “**Nationalism and War: Korea**”, in Young-Ick Lew, ed., *The Korean War after Fifty Years*, Seoul: Yonsei University Press, 2002.

Gi-Wook Shin, “**Social Movements and Historical Change in Colonial Korea**”, in Sôk Hyônho and Yu Sôkch’un, eds., *Debates on the Character of Modern Korean Society*, Seoul, 2001 (in Korean).

Gi-Wook Shin, “**South Korean Land Reform in Historical Perspective**”, in *A Study of Land Reform*, Seoul: Yonsei University Press, 2001 (in Korean).

## INDONESIA

### Forecasting Indonesian Cereal Production

For the past four years Professor Walter Falcon, IIS senior fellow Rosamond Naylor, and several of their graduate students have been exploring the effects of El Niño–Southern Oscillation (ENSO) events on Indonesian agriculture. Falcon and Naylor draw on forty years of combined research on the Indonesian countryside to develop simple but powerful statistical models relevant for tropical agriculture. In particular, they show that the temperature in the central Pacific Ocean in August is an excellent predictor of October–November rainfall in Indonesia’s main rice-growing areas. These changes in precipitation in turn affect areas planted to rice and corn, and the corresponding cereal harvests three months later. They are thus able to explain two-thirds of the variation in Indonesian cereal production eight months in advance of the harvest. These early forecasts, especially in strong El Niño years, are of substantial importance for advising farmers about likely weather patterns, arranging for imports and food aid, and setting up food distribution channels to the poor.

The climate dimensions of Naylor and Falcon's work were reported previously in *Climatic Change*. In 2002, the food planning aspects of the research have been published as "Using ENSO Climate Data to Improve Food Policy Planning in Indonesia", *Bulletin of Indonesian Economic Studies*. Ongoing work will provide provincial versions of the model to support Indonesia's decision to decentralize agricultural planning. Falcon and Naylor are also engaged in major efforts to transfer their models to the Ministries of Agriculture, Finance, and Planning, as well as to the Central Bureau of Statistics.

#### SELECT RELATED PUBLICATIONS

R. L. Naylor, R. Nelson, W. P. Falcon, R. Goodman et al., "Integrating New Genetic Techniques into the Improvement of Orphan Crops in Least Developed Countries", Paper for the 6th Annual Conference on Agricultural Biotechnologies, Ravello, Italy, July 11–14, 2002.

W. P. Falcon and C. Fowler, "Carving up the Commons—Emergence of a New International Regime for Germplasm Development and Transfer", *Food Policy* 27:3 (June 2002).

R. L. Naylor, W. P. Falcon, N. Wada, and D. Rochberg, "Using El Niño–Southern Oscillation Climate Data to Improve Food Policy Planning in Indonesia", *Bulletin of Indonesian Economic Studies*, 38:1 (April 2002).

W. P. Falcon, "Globalizing Germplasm: Barriers, Benefits, and Boundaries", in G. H. Peters and P. Pingali, *Tomorrow's Agriculture: Incentives, Institutions, Infrastructure, and Innovations*, London: Ashgate Publishing Co., 2001.

### U.S.–Indonesian Relations after September 11

The eleventh of September 2001 was a world-changing event in Jakarta only to the extent that it was so characterized in Washington—by a sole (American) superpower whose preoccupation with Islamist terror Indonesia could not ignore. Indonesian officials and



Muslim politicians tended not to believe that their country could be a haven for Al Qaeda, but then gradually recognized that some local jihadists did indeed have transnational connections. The deadly and plausibly jihadist bombing of a nightclub in Bali in October 2002 only reinforced that admission.

In 2001–2002, Professor Donald Emmerson's efforts to understand the Indonesian drama yielded a skeptical, and controversial argument: The moderation of most Indonesian Muslims, so often pointed to by hopeful foreign scholars, has not prevented conspiratorial violence in a country lacking adequate institutions to enforce the rule of law. American support for theologically reformist Muslims in Indonesia, while desirable, has not significantly slowed the Islamization of political discourse—a discourse increasingly animated by antipathy toward U.S. policies regarding Palestine, Israel, and Iraq. In the long run, notwithstanding conventional dismissals of secularization as a spent force, the prospect of tolerance in Indonesia may depend more on a rejection of Islamism than on its reformation.

#### SELECT RELATED PUBLICATIONS

Donald K. Emmerson, "**Apakah Cereknya telah Mendidih? Demokrasi dan Kekerasan di Indonesia**" [Has the Kettle Boiled Over? Democracy and Violence in Indonesia], in A. Makmur Makka, ed., *Demokratisasi Tak Boleh Henti* [Democratization Must Not Stop], Jakarta: The Habibie Centre, 2002.

Donald K. Emmerson, "**Whose Eleventh? Indonesia and the United States since 11 September**", *The Brown Journal of World Affairs*, 9:1 (Spring 2002).

Donald K. Emmerson, "**U.S.–Indonesia Relations**", in *Islam in Modern Indonesia* [proceedings of a February 2002 conference], Washington, D.C.: U.S.–Indonesia Society and Asia Foundation, 2002.

Donald K. Emmerson, "**Southeast Asia and the United States since 11 September**", *Van Zorge Report on Indonesia* [Jakarta], 4:1 (21 January 2002); in *Hearing on Southeast Asia after 9/11: Regional Trends and U.S. Interests*, Subcommittee on East Asia and the Pacific, Committee on International Relations, U.S. House of Representatives, Washington, D.C.

Donald K. Emmerson, "**U.S. Policy toward Indonesia: An American View**", in *United States–Indonesia Bilateral Policy Dialogue* [proceedings of a September 2001 conference], Washington, D.C.: U.S.–Indonesia Society, 2001.

## EVENTS

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TO PROMOTE THE INTERACTION OF SCHOLARS, BUSINESS PEOPLE, AND PUBLIC SECTOR DECISION-MAKERS, A/PARC REGULARLY SPONSORS ACADEMIC CONFERENCES, SEMINARS, AND RELATED EVENTS. THESE GATHERINGS FOSTER DISCUSSION OF ASIA'S POLITICAL, ECONOMIC, BUSINESS, AND GOVERNMENT CONCERNS.



*Mike Oksenberg, better than anyone I have ever known, was able to combine an impeccable academic knowledge of a subject with a practical application of his knowledge for the well-being of two great nations.*

—Jimmy Carter



## 2001–2002 Featured Events

### THE INAUGURAL OKSENBERG LECTURE

#### MAY 2002

The Oksenberg Lecture honors the memory of Professor Michel Oksenberg, a senior fellow at IIS and a cherished A/PARC colleague. A pioneer in the field of Chinese politics, Mike Oksenberg was an important force in shaping American attitudes toward China, and was consistently outspoken about the need for the United States to be more thoughtful and informed in its engagement of Asia. He was also a beloved mentor to generations of China scholars. As a tribute to his legacy, the Shorenstein Forum has established the Oksenberg Lecture, to be delivered annually by a distinguished practitioner of America's relations with Asia.

It is fitting that Jimmy Carter, former president of the United States and winner of the 2002 Nobel Peace Prize, delivered this inaugural address. Not only does he embody the ideal of thought and substance in approaching Asia, but he and Professor Oksenberg were also close colleagues when Oksenberg served on the National Security Council in President Carter's

administration. Carter's administration was instrumental in the 1978 decision to normalize American relations with China, a historic and profound event that transformed the region. In his lecture President Carter offered candid reflections about the personal circumstances that lead to his decision, as well as his assessment of the current state of Sino-American relations. The published transcript is available from A/PARC's publications office, and online at <http://APARC.stanford.edu>.

### THE INAUGURAL TAKAHASHI LECTURE: "WAGES OF GUILT: MEMORIES OF WAR IN GERMANY AND JAPAN"

#### APRIL 2002

On April 30, A/PARC hosted the first Takahashi Lecture. The lecture series was created through the generous support of Mr. and Mrs. Henri Takahashi and Ms. Martha Suzuki, who have also endowed the Takahashi Chair, currently occupied by Professor Masahiko Aoki in Stanford's Department of Economics.

The inaugural Takahashi Lecture featured author Ian Buruma, who was joined by a panel of Stanford experts to discuss issues raised in his book *Wages of Guilt: Memories of War in Germany and Japan*.



PHOTO: ROD SEARCEY

**Left:** James Sheehan (l) and Ian Buruma **Right:** Participants in A/PARC's 2001 South Asia Security Conference **Far right:** George Shultz handing the Thomson-Rowen paper on Kashmir to President Bush and Secretary of Defense Rumsfeld on January 24, 2002, while Charlotte Shultz looks on.

Panelists included Professors Daniel Okimoto of the Department of Political Science, James Sheehan of the Department of History, and moderator Thomas Rohlen, emeritus of A/PARC and the School of Education.

Ian Buruma has enjoyed a career as translator, actor, photographer, documentary filmmaker, and journalist. From 1982 to 1986, he was cultural editor for the *Far Eastern Economic Review* in Hong Kong and traveled widely in Asia. Subsequently, he worked as foreign editor for the *Spectator* in London, was a fellow at the Wissenschaftskolleg in Berlin, spent a year in Washington, D.C., at the Woodrow Wilson Center for International Scholars, and was the Alistair Horne Fellow at St. Antony's College, Oxford. In addition to having written seven books, Buruma is a regular contributor to the *New York Review of Books*, the *New York Times Magazine*, and the *New Republic*. He also writes a weekly column for the *Guardian* in London.

Rohlen introduced Buruma as a journalist and person of letters—a colleague in scholarly endeavor who exemplifies the best of journalism. According

to Rohlen, Buruma “works along the faultline between culture and politics, and does it with common sense.”

In *Wages of Guilt*, culture and politics are central to Buruma's examination of the ways in which Germany and Japan coped with postwar memories of their actions during World War II. He noted that the relative degree to which these countries recovered from war guilt has commonly been attributed to their underlying cultural differences. Buruma, however, found political factors to be more important. He identified in particular the “pacifist constitution” imposed upon postwar Japan and the political polarization it exacerbates to this day.

#### **SOUTH ASIA SECURITY CONFERENCE JANUARY 2002**

The theme for this landmark conference, attended by policymakers, scholars, and strategists from the United States, India, Pakistan, and China, was strategic balances in South Asia. India and China are the two countries most likely to join the global elite by 2020. China's entry into these ranks is certain. This important conference (organized jointly by A/PARC, CISAC, and



PHOTO: ROD SEARCEY



PHOTO: HENRY ROWEN

the U.S. Army War College) asked three questions about India's chances of stepping onto the international stage.

First, what it would take—from military, political, economic, and demographic perspectives—for India to become a global power by 2020? Second, what impact would this elevation have on strategic balances in South Asia? Third, how would an Indian increase in global power affect other countries, particularly the United States and China? Pakistan's likely responses as a fellow nuclear power were a key component of these discussions.

The conference improved and refined participants' understanding of the history, dynamics, and strategic culture of the countries of South Asia, as well as their respective future courses and the risks associated with those courses. Further, the conference inspired a policy paper that was co-written by two eminent participants, A/PARC director emeritus Henry S. Rowen and Sir John Thomson, former British ambassador to India and former UK permanent representative to the United Nations. Former U.S. secretary of state George Shultz hand-delivered the paper to George Bush in the Oval Office.

So successful was this initial South Asia gathering that a follow-up meeting was planned—and funding was secured—even before the meeting had concluded. The title of the next conference, scheduled for January 2003, is "The Prospects for Peace in South Asia." Speakers will provide an understanding of Kashmir; the role of religion in South Asian politics, local culture, and attitudes; U.S. military perspectives on South Asia; and the political situation in India and Pakistan.

#### **THE INAUGURAL SHORENSTEIN JOURNALISM AWARD JANUARY 2002**

The Shorenstein Award will be presented annually to a member of the print or broadcast media, not only for a distinguished body of work, but also for the way that work has helped American audiences to appreciate the complexities and nuances of Asia. The award, which carries a \$10,000 cash prize, will be given jointly by the Shorenstein Forum at A/PARC and the Joan Shorenstein Center on the Press, Politics, and Public Policy at Harvard—a notable joint undertaking by the two universities.

*The key is to grasp Asia's incredible diversity—and not only in the ways the West stereotypically finds the East inscrutable. I'm talking about how different Northern China is from the South, how Koreans still smart over the Japanese occupation, how the Philippines have eight languages and eighty dialects. When it comes to Asia you can be a specialist, but never an expert.*

—Stanley Karnow

The first Shorenstein Award recipient was Stanley Karnow. He was selected for this honor by a jury of scholars and journalists who lauded his lucid, readable prose; his respect for complexity; aversion to cant; and enthusiasm for context. *Newsweek* has hailed Karnow as “perhaps the best journalist writing on Asian affairs.”

Among his assignments, Karnow traveled with Presidents Eisenhower and Johnson and accompanied President Nixon to China in 1972. He was in Vietnam in 1959 when the first Americans were killed and covered the war to its conclusion. In 1990, he was awarded the Pulitzer Prize for *In Our Image: America's Empire in the Philippines*, a history of America's dealings with the Philippines. His other prizes include six Emmys, three Overseas Press Club awards, and Dupont, Peabody, and Polk awards for his role as chief correspondent to PBS. Karnow's book *Vietnam: A History* has sold 1.5 million copies to date; his television documentaries have reached millions more.

In accepting the Shorenstein Award, Karnow offered wide-ranging reflections about the journalistic life,

the challenges of taking his print work to the medium of television, and his rich experiences in working throughout the Asia Pacific.

#### **2001–2002 A/PARC SEMINARS**

Seminars are among A/PARC's most popular and visible activities. Many of A/PARC's research projects sponsor seminar series, whose speakers and topics are aligned with a project's particular work. A/PARC seminars occur one or more times a week throughout the academic year and are generally open to the public. Scholars of all ages and at all levels of expertise are welcome to attend and to participate in the discussions that follow.

A/PARC is also proud to sponsor, together with the Hoover Institution and the Center for East Asian Studies, a weekly brown bag seminar series on contemporary China. These seminars feature experts on a broad array of China-related subjects. The 2001–2002 program was typically varied, featuring academics, students, and authors on subjects ranging from gender identity issues to contemporary Chinese politics.



Maya Vidon



Yanling Ma

**Spring 2002**

**EAST TIMOR: THE BREAKAWAY NATION**

Maya Vidon, Photojournalist, Agence France-Presse  
Co-hosted with the Southeast Asia Forum

**Fall 2002**

**SIX PLUS TWO: GEOPOLITICS, NATURAL RESOURCES,  
AND THE FUTURE OF AFGHANISTAN**

Amin Tarzi, Senior Research Associate for the  
Middle East, Center for Nonproliferation Studies,  
Monterey Institute of International Studies

**CHINESE WOMEN AT THE CROSSROADS OF  
EAST AND WEST**

Yanling Ma, Visiting Scholar,  
Institute for Research on Women and Gender,  
Stanford; Professor of English, Harbin University of  
Science and Technology, Heilongjiang, China

**CHINA'S POLICY ON ENCRYPTION TECHNOLOGY:  
BALANCING NATIONAL SECURITY, COMMERCIAL, AND  
POLITICAL INTERESTS**

Grace Yuan, Assistant Professor,  
Beijing University Law School; Ph.D. Candidate,  
Stanford Law School

Co-sponsored by A/PARC and the Center for  
East Asian Studies

**Spring 2002**

**RECENT CHANGES IN ELECTORAL POLITICS IN JAPAN**

Masaki Taniguchi, Associate Professor, Graduate  
School of Law and Politics, Tokyo University

**SAN'YA REVISITED: YOSEBA LIFE IN POST-BUBBLE JAPAN**

Edward Fowler, Professor of Japanese,  
University of California, Irvine

**TRADE LIBERALIZATION AND U.S.-JAPAN CONFLICT IN  
APEC: THE EARLY VOLUNTARY SECTOR LIBERALIZATION  
(EVSL) CASE**

Ellis Krauss, Professor,  
Graduate School of International Relations and  
Pacific Studies, University of California, San Diego

**JAPANESE EDUCATION DURING THE LONG RECESSION**

June Gordon, Professor of Comparative  
International Education, University of California,  
Santa Cruz

**CITIZENS FOR A NEW MILLENNIUM: JAPAN FOOTBALL  
AND THE WOMEN'S L-LEAGUE**

Marie Elise Edwards, IIS Postdoctoral Fellow,  
Japanese Studies

**Winter 2002**

**A TRIUMPH FOR DEMOCRACY? LITERARY CENSORSHIP  
IN POST-OCCUPATION JAPAN**

Ann Sherif, Associate Professor,  
Japanese Language and Literature,  
Oberlin College

**JAPAN'S DEMOGRAPHIC CRISIS: THE SILENT (FEMALE)  
REVOLUTION AND THE BABY BUST**

Sonni Efron, 2001–2002 Knight Fellow,  
Stanford; Staff Writer, *Los Angeles Times*

**COME TO US WITH ONE BIG DREAM! MILITARY-  
SOCIETAL RELATIONS IN PRESENT-DAY JAPAN**

Sabine Frühstück, Visiting Scholar,  
Center for East Asian Studies, Stanford

2001–2002 SOUTH ASIA SEMINAR SERIES

**Spring 2002**

**THE COMPELLING ECONOMIES OF OPTICAL ETHERNET**

Vivek Ragavan, CEO and President, Atrica

**AT WAR: CONFLICTING INTERESTS IN INDIAN CITIES**

Kalpana Sharma, Deputy Editor, *The Hindu*

**INFORMATION TECHNOLOGY AND BROAD-BASED  
DEVELOPMENT: LESSONS FROM NORTH INDIA**

Nirvikar Singh, Professor,  
University of California, Santa Cruz

**ENTREPRENEURIAL DEVELOPMENT IN INDIA**

Kavil Ramachandram, Professor,  
Indian School of Business, Hyderabad

**Winter 2002**

**DRUGS AND PUBLIC HEALTH IN DEVELOPING  
COUNTRIES: THE BANGLADESH EXPERIENCE**

Zafrullah Chowdhury,  
The People's Health Center, Bangladesh



PHOTO: ROD SEARCEY

**Far left:** Lawrence Sáez

**Left:** Rakesh Sood (l), Permanent Representative of India to the United Nations Conference on Disarmament, and Kanwal Rekhi, chairman of The Indus Entrepreneurs (TiE)

**THE INDIA–CHINA–U.S. TRIANGLE: A SOFT BALANCE  
IN THE MAKING**

Venu Rajamony, Political Counselor,  
Indian Embassy, Beijing, China

**GLOBALIZATION AND FEDERALISM IN EMERGING MARKETS**

Lawrence Sáez, Visiting Scholar,  
Center for South Asia Studies,  
University of California, Berkeley

**SOUTH ASIAN SUCCESS**

- Kanwal Rekhi, Chairman,  
The Indus Entrepreneurs
- Kailash Joshi,  
Founder-member, The Indus Entrepreneurs

Co-sponsored with Sanskriti

**Fall 2001**

**KNOWLEDGE NETWORKING IN THE EU AND INDIA:  
A SYMBIOTIC VISION**

Karamjit S. Gill, School of Information  
Management, University of Brighton, UK

**ZEALOUS REFORMERS, DEADLY LAWS: REVIEW OF LAWS  
TO PROTECT WOMEN'S RIGHTS IN INDIA**

Madhu Kishwar, Indian Activist,  
Scholar, and Author  
Co-sponsored with MAITRI, San Francisco

**Spring 2002****CREATING A NETWORK: WHY INDIAN AND CHINESE ENGINEERS SUCCEED IN SILICON VALLEY**

Rafiq Dossani, A/PARC

Co-sponsored with the Center for Research on Economic Development and Policy Reform, SIEPR, Stanford

**BETWEEN A ROCK AND A SOFT PLACE: THE POLITICAL ECONOMY OF CHINA'S SOFTWARE SECTOR**

Scott Kennedy, Assistant Professor,  
Department of East Asian Languages and Cultures,  
Indiana University

**Winter 2002****DEVELOPMENT OF THE VENTURE CAPITAL INDUSTRY IN SINGAPORE**

Poh Kam Wong, Professor,  
National University of Singapore

**SOCIALLY RESPONSIBLE ENTREPRENEURSHIP DISCUSSION PANEL**

*Moderator:* David Brady, Professor,  
Graduate School of Business, Stanford

- Jay Coen Gilbert, CEO, AND1
- Ben Klasky, Executive Director, Net Impact
- Jil Zilligen, Vice President, Patagonia
- Lee Zimmerman, Founder, First Light

Co-sponsored with the GSB Center for Entrepreneurial Studies, GSB Public Management Program, and Stanford Entrepreneurship Network

**ENTREPRENEURS' ACCESS TO PRIVATE EQUITY IN CHINA: THE ROLE OF SOCIAL CAPITAL**

Bat Batjargal, Visiting Scholar, Stanford Center for Russian and East European Studies

**Fall 2002****MEASURING THE REGIONAL NEXUS OF INNOVATION AND ENTREPRENEURSHIP**

Poh Kam Wong, Professor,  
National University of Singapore

Ambassador Ryozo Kato (center),  
with A/PARC associate director Shiho  
Harada Barbir and director emeritus  
Daniel Okimoto.



**JAPANESE FINANCIAL GOVERNANCE:  
CHANGED PROCESSES BUT ELUSIVE RESULTS**

Jennifer Amyx, Assistant Professor,  
Political Science, University of Pennsylvania

**IS JAPAN REALLY CHANGING—THE IMPACT OF FOREIGN  
DIRECT INVESTMENT**

- Glen Fukushima, Former President,  
American Chamber of Commerce in Japan
- Sakie Fukushima, Country Managing Director/Japan,  
Korn/Ferry International

**A CONVERSATION ON U.S.—JAPAN RELATIONS**

Ryozo Kato, Japanese Ambassador to  
the United States

**U.S. POLICY IN NORTHEAST ASIA:  
PERSPECTIVES FROM THE REGION**

- Gerard Shih-hsiung Chow (Taiwan),  
Executive Director, Institute for National  
Policy Research (INPR), Taipei
- Lho Kyongsoo (Republic of Korea), Associate Dean,  
Graduate School of Public Administration,  
Seoul National University
- Jia Qingguo (China), Dean and Professor,  
School of International Studies, Peking University
- Munakata Naoko (Japan), Senior Fellow, Research  
Institute of Economy, Trade, and Industry (RIETI)
- Anna V. Shkuropat (Russia), Director,  
Center for Asia Pacific Studies, Vladivostok State  
University of Economics
- Ray Kin Man Yep (Hong Kong), Former Lecturer,  
City University of Hong Kong

Co-sponsored with the Center for East Asian Studies

**FROM SAM TO SATYANAND—THE TRANSFORMATION  
OF AN AMERICAN SCION TO AN INDIAN FREEDOM FIGHTER**

Ahsa Sharma, Author,  
*An American in Khadi: The Definitive Biography  
of Satyanand Stokes*

Co-sponsored with the Bechtel International Center

**FROM THE SPECTER OF MAO TO THE SPIRIT OF THE LAW:  
LABOR INSURGENCY IN CHINA**

Ching Kwan Lee, Assistant Professor of Sociology,  
University of Michigan

Co-sponsored with the Center for East Asian Studies

**PRESENTATIONS BY FELLOWS OF THE STANFORD PROGRAM  
FOR INTERNATIONAL LEGAL STUDIES ON LAND MANAGEMENT  
REFORM IN ASIA: FROM THE NATIONAL TO THE  
SUB-NATIONAL**

Lin Shu-Ya, Varamon Ramangkura, and  
Shimamura Kazuyuki

**TECHNOLOGY, INTELLECTUAL PROPERTY, AND VENTURE  
CAPITAL IN CHINA**

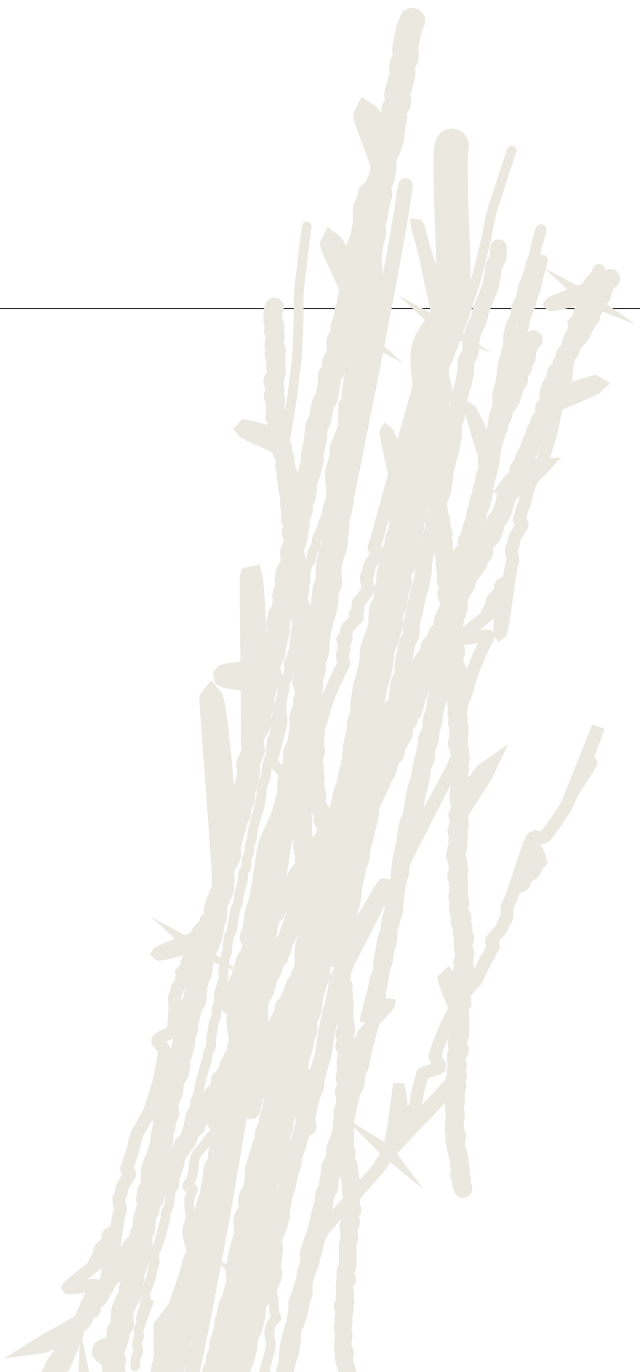
Dequan Wang and Yahong Li

**ENFORCEMENT FOR INTELLECTUAL PROPERTY CASES  
ARISING ON THE INTERNET**

Giriji Varma

**THE IMPACT OF THE INTERNET ON THE JAPANESE  
LEGAL SYSTEM**

Noriko Matsumoto



## PROGRAMS

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A/PARC SUPPORTS PROGRAMS TO BRING TOGETHER SCHOLARS, BUSINESS LEADERS, POLICYMAKERS, STUDENTS, AND THE PUBLIC. THROUGH ITS CORPORATE AFFILIATES PROGRAM, SPONSORED LECTURES AND GENERAL SEMINARS, AND COLLABORATION WITH THE STANFORD PROGRAM ON INTERNATIONAL AND CROSS-CULTURAL EDUCATION (SPICE), A/PARC COMMUNICATES CURRENT REGIONAL ISSUES TO A WIDE AUDIENCE.

Professor Susan Shirk addresses the 2002 Asia Briefing.



### **Corporate Affiliation**

A/PARC continually pursues new research directions. With these come new opportunities for A/PARC corporate affiliates and increased need for their commitments.

In becoming corporate affiliates, organizations receive a number of benefits, including invitations to A/PARC's numerous seminar series; advance notice of research results; and enhanced access to Stanford facilities and A/PARC faculty. In addition, corporate affiliates are encouraged to attend A/PARC's Asia Briefing, a symposium held annually in their honor. At the Asia Briefing, Center faculty members join distinguished speakers, from the Stanford community and beyond, to provide updates on current affairs in East, Southeast, and South Asia.

A/PARC's 2002 Asia Briefing addressed the subject of "Asia in an Age of Global Terrorism." A/PARC faculty members Andrew Walder and Donald Emmerson were joined in lively discussion by Scott Sagan, co-director of IIS's Center for International Security and Cooperation, and by Susan Shirk, an eminent contemporary China scholar and professor of political science at the University of California, San Diego.

AllCan Investment Co., Ltd., Taiwan †  
 Asahi Shimbun Co., Japan †  
 Boeing Corporation, U.S.  
 Capital Research and Management Companies, U.S.  
 Daiwa Research Institute, Japan †  
 The Development Bank of Japan †  
 The Industrial Bank of Japan †  
 Japan Patent Office †  
 The Japan Research Institute †  
 Kansai Electric Power Company, Japan †  
 Ministry of Economy, Trade, and Industry (METI), Japan †  
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 Ministry of Foreign Affairs, Taiwan †

Nihon Sozo Kyoiku Kenkyuujo (Nissoken), Japan  
 Nihon Unisys, Japan †  
 People's Bank of China †  
 PetroChina Company, Ltd. †  
 Reliance Industries, Ltd., India  
 Samsung Semiconductor, Inc., Korea †  
 Ministry of Education, Culture, Sports, Science,  
 and Technology (MEXT), Japan †  
 Shiraimatsu Pharmaceutical, Japan †  
 Sumitomo Corporation, Japan †  
 Tokyo Electric Power Company †  
 Toyobo Company, Ltd., Japan †  
 TSYS, U.S.

\* Affiliates between August 31, 2001  
 and September 1, 2002

† Participated in the 2001-2002  
 Visiting Fellows Program



**Far left:** Getting into the holiday spirit at the annual pumpkin-carving contest. **Second and third on left:** The 2001–2002 visiting fellows on field trips to the FBI and Sun Microsystems.

### **The Corporate Affiliates Visiting Fellows Program**

Organizations that have already joined as A/PARC affiliates may wish to deepen their connection by nominating personnel to spend one academic year as an A/PARC Visiting Fellow on the Stanford campus. A/PARC's Visiting Fellows Program is a vital and dynamic component of the Center's corporate affiliates program. Established in 1982, this program now boasts over two hundred alumni occupying distinguished positions in the government and private sectors of Japan, China, Korea, and India. The program introduces fellows to American life and institutions, including the economy, society, culture, politics, and law. Fellows also gain exposure to Bay Area businesses and business people, with an emphasis on Silicon Valley; and to academic life at Stanford. Fellows attend classes and special A/PARC seminars, and prepare a research paper.

#### **SITE VISITS AND OTHER ACTIVITIES**

In addition to auditing classes and conducting research, visiting fellows are encouraged to take part in a series

of activities throughout the year. This year's group participated actively in A/PARC's public outreach and social events, and many followed up on their intensive English summer classes by working with private or volunteer tutors throughout the year. Site visits in 2000–2001 included trips to the office of the mayor of San Francisco, the Tech Museum of Innovation, the Stanford Linear Accelerator Center, the FBI, and Angel Island. The fellows also visited businesses, including Netscape, Sun Microsystems, Exodus Communications, Flextronics Semiconductor, Stanford Hospital, and the Rutherford Winery.

Monthly seminars give fellows a close look at A/PARC faculty research, as well as the research of others working at Stanford and in the Bay Area. This year, seminars in the Fellows Program covered topics ranging from the U.S. education system to the role of investment banking and venture capital in Silicon Valley.

Visiting fellows and their families enjoy many social and leisure pursuits, including seasonal picnics, karaoke outings, bowling nights, holiday parties, and the legendary Halloween Pumpkin-Carving Contest.



Presenting research to A/PARC faculty, scholars, and staff.

#### RESEARCH PROJECT

The cornerstone of each visiting fellow's year at A/PARC is the design and execution of an individual research project. This project allows the visiting fellows to use Stanford's vast resources and their own unique skills to further their personal interests, deepen their company's knowledge of target topics, or both. At the end of the year, their papers are published in a single volume, of which each fellow and his or her organization receives a copy.

#### 2001-2002 VISITING FELLOWS AND THEIR RESEARCH PROJECTS

##### STRATEGIC VIEWPOINTS ON MANAGEMENT, BASED ON AN ANALYSIS OF THE U.S. TELECOMMUNICATIONS INDUSTRY

Takehiko Ashiya (Kansai Electric Power Co.)

##### COLLABORATION BETWEEN THE U.S. AND KOREA IN THE SEMICONDUCTOR INDUSTRY (COLLABORATION IN THE DRAM INDUSTRY)

Eui Yong Ching (Samsung Semiconductor, Inc.)

##### U.S.-PRC-ROC RELATIONS—BEFORE AND AFTER SEPTEMBER 11

Richard Chiu (Ministry of Foreign Affairs, Taiwan)

##### THE ROLE OF INFORMATION TECHNOLOGY IN THE ECONOMIC DEVELOPMENT OF JAPAN

Tetsuo Fujita (Japan Research Institute)

##### ENTREPRENEURSHIP IN JAPAN

Tetsu Fukuoka (Sumitomo Corporation of America)

##### A SURVEY ON FOREIGN DIRECT INVESTMENT IN CAMBODIA

Nobuo Hirohata (Development Bank of Japan)

##### VENTURE CAPITAL AND ENTREPRENEURSHIP IN THE SILICON VALLEY AND THE GREATER CHINA REGION

Joseph Huang (AllCan Investment Co., Ltd.)

**THE APPLICATION OF SMART STRUCTURE TECHNOLOGY  
AT TOYOBO**

Kotaro Inuzuka (Toyobo Company, Ltd.)

**THE STRATEGY OF CONTENT DISTRIBUTION AND A NEW  
BUSINESS MODEL FOR THE BROADBAND GENERATION**

Takashi Ishioka (Asahi Shimbun Company)

**AN ASIA PACIFIC REGIONAL ORGANIZATION FOR THE  
PREVENTION OF NUCLEAR PROLIFERATION**

Tadao Kanda (Science and Technology Agency, Japan)

**U.S. BANKING PERFORMANCE AND THE SUPERVISORY  
PRACTICES OF THE U.S. BANKING AUTHORITIES**

Makoto Kawashima (Ministry of Finance, Japan)

**THE ROLE OF PATENTS IN START-UPS**

Akira Kobayashi (Japan Patent Office)

**STRATEGIES AND MANAGEMENT OF R&D AT TOKYO  
ELECTRIC POWER COMPANY**

Takeshi Myoi (Tokyo Electric Power Company)

**EVALUATION OF ELECTRONIC PAYMENT SYSTEMS**

Seishi Nakatani (Shiraimatsu Pharmaceutical)

**JAPAN AND REGIONAL CHOICES**

Takayuki Niikura (METI)

**HEALTH CARE POLICY AND BUSINESS**

Toshio Ogawa (Daiwa Research Institute)

**TECHNICAL AND CULTURAL INFLUENCE ON  
KNOWLEDGE TRADING**

Katsuyuki Tsukada (Nihon Unisys)

**REFORM OF THE MONETARY POLICY AND INTERACTION  
WITH THE EXCHANGE RATE POLICY OF CHINA IN THE  
OPEN ECONOMY**

Yu Wang (People's Bank of China)

**CHINA'S CONSUMER CREDIT: STATUS QUO AND  
FUTURE SOLUTIONS**

Xueling Wu (People's Bank of China)

**SUPPORT FOR SME FINANCING IN TRANSITIONAL CHINA**

Jieqin Xu (People's Bank of China)

**MONETARY SYSTEMS AND FINANCIAL STRATEGIES IN ASIA**

Shuhei Yamashita (Industrial Bank of Japan)

**THE CHINESE BANKING SAFETY NET ANALYSIS**

Longguang Yan (People's Bank of China)

**CHINESE POLICIES ON INTERNATIONAL CAPITAL  
FLOWS AFTER ACCESSION TO THE WTO**

Xiaopu Zhang (People's Bank of China)

**THE ROLE OF DEPOSIT RECEIPTS IN CHINA'S CAPITAL  
ACCOUNT MANAGEMENT**

Hong Zheng (People's Bank of China)



PHOTO: HOOVER INSTITUTION ARCHIVES



PHOTO: WAKA TAKAHASHI BROWN

As an educational outreach program of IIS, the Stanford Program on International and Cross-Cultural Education (SPICE) focuses its efforts in two areas: curriculum development on international topics for grades 6–12 and community colleges, and teacher staff development. With many of these efforts focusing on the Asia Pacific region, SPICE serves as a bridge between A/PARC and precollegiate educators in the United States and in schools around the world.

#### **A/PARC RESEARCH FOCUS OF NEW CURRICULUM UNITS**

During the past year, SPICE produced several curriculum units on Asia-related topics, including *Religions and Philosophies of China* and *Understanding Indonesia in the 21st Century*. Both of these units were developed in collaboration with A/PARC faculty. *Understanding Indonesia in the 21st Century* is intended to make scholarship from A/PARC's Southeast Asia Forum accessible to a high school audience. Lessons focus on Indonesia's colonial past, as well as the country's military, economy, ethnic diversity, and sovereignty. A/PARC's Donald

Emmerson served as the primary advisor of this curriculum unit, which was written by a team of SPICE's curriculum writers and specialists, including Waka Takahashi Brown, Greg Francis, Selena Lai, and SPICE director Gary Mukai.

Another significant curriculum project, *Religions and Philosophies of China: Confucianism, Daoism, and Buddhism*, was developed by SPICE's Waka Takahashi Brown for U.S. middle and high schools. Takahashi Brown conducted research for this unit during a trip to Beijing in 2001 and has since presented the unit formally at the National Council for the Social Studies annual conference in Phoenix, at the American School in Japan (Tokyo), and to local educators.

SPICE is expanding its offerings to include curricula that utilize interactive technology as a tool for learning. A web-based curriculum project called *Civil Rights and Japanese-American Internment* was developed in collaboration with A/PARC's Daniel Okimoto. Students have the opportunity to hear oral histories of Japanese

**Far left:** Defaced Japanese propaganda poster for Indonesia from World War II. The headline encourages Indonesians to “Work! to achieve a greater East Asia.” The defacement above the headline says “But only under Japanese leadership.”

**Left:** SPICE’s Waka Takahashi Brown with the headmaster and teachers at the Beijing Experimental Middle School.



Americans whose lives were affected by internment. To access this website, go to <http://www.densho.org> and click on “Civil Rights and Internment.”

#### **TRAINING TEACHERS IN AN UNCERTAIN WORLD**

In the area of teacher staff development, SPICE offered two thirty-hour seminars, coordinated by curriculum specialist Stefanie Lamb, for middle and high school teachers from public schools throughout the San Francisco Bay Area. Several IIS faculty members, including A/PARC’s Gi-Wook Shin, spoke with the teachers. In addition, Gary Mukai led educational seminars in Istanbul and Manila, for educators working at independent schools in the Near and Middle East as well as Southeast Asian countries.

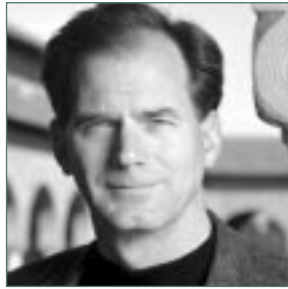
Given the current uncertainty of world events and global problems, SPICE’s mission of making A/PARC scholarship accessible to our youth and future leaders—on topics ranging from international security and political economy to the environment—has never been more critical.

## PEOPLE

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THE CENTER'S PRIMARY STRENGTH LIES IN THE QUALITY OF ITS FACULTY AND STAFF. A/PARC FACULTY REPRESENT A DIVERSE MIX OF DISCIPLINES, GIVING BREADTH AND DEPTH TO THE STUDY OF CONTEMPORARY ASIA. A/PARC STAFF BRING A VARIETY OF EXPERIENCES AND SKILLS TO SUPPORT THE CENTER'S RESEARCH, TEACHING, AND OUTREACH ACTIVITIES.





## DIRECTORS

**ANDREW WALDER**

Director, A/PARC

Senior Fellow, IIS

Professor, and Chair  
Emeritus, Department of  
Sociology

*Research interests:*  
*Political movements*  
*in China during the Cultural*  
*Revolution of 1966–1970*  
*and the impacts of*  
*market reform.*

**GI-WOOK SHIN**

Acting Director, A/PARC

Director, Korean Studies  
Program, A/PARC

Senior Fellow, IIS

Associate Professor,  
Department of Sociology

*Research interests:*  
*Korean democratization,*  
*Korean nationalism, and the*  
*social roots of rapid postwar*  
*industrialization.*

**SHIHO HARADA BARBIR**

Associate Director, A/PARC

Responsible for general and  
financial oversight of A/PARC.

*Shiho Harada Barbir has*  
*a B.A. in law from Keio*  
*University and an M.P.A.*  
*from the Kennedy School*  
*of Government at Harvard*  
*University. She previously*  
*worked at the Development*  
*Bank of Japan.*

**RUSSELL HANCOCK**

Program Director, A/PARC

Director, The Shorenstein  
Forum, A/PARC

*Research interests:*  
*Comparative urban*  
*dynamics, transportation*  
*planning and finance;*  
*triangular relations among*  
*the United States, China,*  
*and Taiwan; California's*  
*role in the Pacific Rim.*

**JAMES H. RAPHAEL**

Director of Research  
(1990–2002), A/PARC.  
Retired August 2002.

*Research interests:*  
*Economic and social*  
*dimensions of Asian*  
*urbanization, Asian*  
*economic history, and*  
*issues related to Asia's*  
*demographic transition.*



**MICHAEL H. ARMACOST**

Shorenstein Distinguished Fellow

*Research interests:*

*Contemporary issues in U.S. relations with Northeast Asia; the impact of domestic developments on foreign policy decision-making.*

**Eminent Diplomat Michael Armacost Named Shorenstein Distinguished Fellow**

Michael Armacost has returned to A/PARC for a three-year term as Shorenstein Distinguished Fellow. He first resided at the Center between 1993 and 1995, as a Distinguished Senior Fellow and visiting professor.

Most recently (1995–2002), Armacost served as president of Washington, D.C.'s, Brookings Institution, the nation's oldest think tank and a leader in research on politics, government, international affairs, economics, and public policy. Previously, during his twenty-four-year government career, Armacost served, among other positions, as undersecretary of state for political affairs and as ambassador to Japan and the Philippines.

Armacost began his career in academia, as a professor of government at Pomona College. In 1969, he was awarded a White House Fellowship and was assigned to the secretary and deputy secretary of state. Following a stint on the State Department policy planning and coordination staff, he became a special assistant to the U.S. ambassador in Tokyo from 1972 to 1974, his first foreign diplomatic post. Thereafter, he held senior Asian affairs and international security posts in the State Department, Defense Department, and the



National Security Council. From 1982 to 1984, he served as U.S. ambassador to the Philippines, and was a key force in helping the country undergo a nonviolent transition to democracy. In 1989, President George Bush tapped him to become ambassador to Japan, considered one of the most important and sensitive U.S. diplomatic posts abroad.

Armacost is the author of three books, the most recent of which, *Friends or Rivals?*, draws on his tenure as ambassador. He also serves on numerous corporate and nonprofit boards.

A native of Ohio, Armacost graduated from Carleton College and earned his master's and doctorate in public law and government from Columbia University. He has received the President's Distinguished Service Award, the Defense Department's Distinguished Civilian Service Award, and the Secretary of State's Distinguished Service Award.

A/PARC is delighted to welcome Mike and his wife, Bonny, back to Stanford.

**DONALD K. EMMERSON**  
Director, The Southeast  
Asia Forum, A/PARC

Senior Fellow, IIS

*Research interests:*  
*Islamism, regionalism,*  
*democratization, and U.S.*  
*policy, with particular*  
*reference to Indonesia*  
*and Southeast Asia.*

**WALTER P. FALCON**  
Co-Director, Center  
for Environmental Science  
and Policy

Senior Fellow, IIS

Helen C. Farnsworth  
Professor of International  
Agricultural Policy (Emeritus),  
Department of Economics

*Research interests:*  
*Food and agricultural*  
*policy in developing*  
*countries, biotechnology, and*  
*environmental issues related*  
*to poverty.*



## FACULTY

**LAWRENCE J. LAU**

Kwoh-Ting Li Professor of  
Economic Development,  
Department of Economics

Senior Fellow, by courtesy, IIS

Senior Fellow, by courtesy,  
Hoover Institution

Senior Fellow, Stanford  
Institute for Economic  
Policy Research

*Research interests:*  
*Economic development,*  
*economic growth, and the*  
*economies of East Asia,*  
*including China.*

**JEAN OI**

William Haas Professor  
of Chinese Politics

Professor, Department  
of Political Science

Crocker Faculty  
Scholar (1999–2001)

Director, Center for  
East Asian Studies

*Research interests:*  
*Questions of political*  
*economy and the process*  
*of reform in transitional*  
*systems, with particular focus*  
*on corporate restructuring*  
*and fiscal reform, including*  
*the tax-for-fee system in*  
*China's countryside.*

**DANIEL I. OKIMOTO**

Director Emeritus,  
A/PARC

Senior Fellow, IIS

Professor, Department of  
Political Science

*Research interests:*  
*Political economy of Japan*  
*and Asia, U.S.–Japan rela-*  
*tions, high technology, and*  
*security relations in Asia.*



**THOMAS P. ROHLEN**

Senior Fellow Emeritus, IIS

Professor Emeritus,  
School of Education

*Research interests:  
Links between education,  
organizational management,  
learning, and economic  
performance, particularly  
in Japan; and the urban  
dynamics of East Asia as  
they impact development  
and political change.*

**HENRY S. ROWEN**

Director Emeritus, A/PARC

Senior Fellow, IIS

Edward B. Rust Professor  
of Public Management  
Emeritus, Graduate  
School of Business

Senior Fellow Emeritus,  
Hoover Institution

*Research interests:  
Global entrepreneurship and  
economic growth prospects  
for the developing world.*

**KEN-ICHI IMAI**

Director emeritus, Stanford  
Japan Center–Research

Senior Fellow, IIS

Professor, by courtesy,  
Department of Economics

*Research interests:*

*The economics and  
management of the  
firm, industrial organization,  
and the economics of  
technological change  
and innovation.*

**Ken-ichi Imai Honored with Japan's Order of the Rising Sun**

Professor Ken-ichi Imai, an affiliated A/PARC faculty member and professor of economics by courtesy at Stanford, was awarded Japan's Order of the Rising Sun, Third Rank, in recognition of his contributions to academia and public service. Imai's nomination letter noted his efforts at promoting international understanding through his work for Stanford University and the Stanford Japan Center in Kyoto. In a formal ceremony on November 8, 2002, Imai was given the additional honor of delivering a speech to the Emperor and Empress of Japan on behalf of all the recipients of the same award rank. The Order of the Rising Sun was first awarded in 1875 by Emperor Meiji to recognize exceptional civil or military achievement.

**RONALD I. MCKINNON**

Faculty Fellow, IIS,  
2002–2003

William D. Eberle Professor  
of International Economics,  
Department of Economics

*Research interests:*  
*Foreign exchange markets  
and national monetary  
policies; trade and financial  
liberalization to promote  
growth in less developed  
countries; fiscal federalism;  
and Japan's economic slump.*

**WILLIAM F. MILLER**

Director, Stanford Computer  
Industry Project

Senior Fellow Emeritus, IIS

Herbert Hoover Professor of  
Public and Private  
Management Emeritus,  
Graduate School of Business

Professor Emeritus,  
Computer Science,  
School of Engineering

*Research interests:*  
*Development of new  
information infrastructures,  
technology development,  
and global changes in  
business strategy.*

**DOUGLAS WEBSTER**

Consulting Professor, A/PARC

Senior Urban Advisor to  
the Thai Government

Senior Urban Advisor, East  
Asian Unit, World Bank

*Research interests:*  
*Comparative peri-  
urbanization in East Asia;  
dynamics of urban change  
in post-1997 developing  
East Asia; application of  
strategic/foresight  
approaches to urban  
management.*



**RAFIQ DOSSANI**

Senior Research Scholar,  
A/PARC

Director, South Asia Initiative

*Research interests:  
Financial, technology,  
telecommunications, and  
energy-sector reform in India,  
and Asian entrepreneurship  
in Silicon Valley*

**MARGUERITE GONG  
HANCOCK**

Associate Director, SPRIE

*Research interests:  
Government-business  
relations for information  
technology development;  
global innovation and  
entrepreneurship.*

**JAMIE HWANG**

Research Assistant,  
Comparative Health Care  
Policy Research Project

*Research interests:  
Health risk prevalence and  
risk reduction strategies in  
the United States and Japan,  
smoking cessation initiatives,  
organization of long-term  
care in Asia.*

**YUMIKO NISHIMURA**

Associate Director,  
Comparative Health Care  
Policy Research Project

*Research interests:  
American and Japanese  
health care systems and  
policies; information tech-  
nology as it relates to  
health data management.*



(l to r) Victoria Tomkinson, Neeley Main, Yumi Onoyama, Okky Choi, Claire McCrae, Debbie Warren, Sheryl Conner, Rowena Rosario

STAFF

**Ok Kyung Choi** *Assistant to Gi-Wook Shin and Donald K. Emmerson*  
Ok Kyung (Okky) Choi coordinates Korean Studies Program activities at A/PARC. After graduating from Ewha Women's University, she worked as an interpreter/translator in Korea and as an account executive for Edelman Worldwide.

**Sheryl Conner** *Human Resources and Finance Administrator*  
Sheryl Conner graduated from the University of California with a B.A. in anthropology. She joined A/PARC in July 2001.

**Neeley Main** *Program Coordinator*  
Neeley Main has an M.A. in international affairs from the University of Pittsburgh. She has also organized programs at the European Union Center in Pittsburgh and the World Affairs Council.

**Claire McCrae** *Assistant to Michael Armacost, Daniel I. Okimoto, and Jean Oi*  
Claire McCrae joined A/PARC in November 1999, having previously worked in the Medical School and the Controller's Office. She has also volunteered with Hospice of the Valley and Good Samaritan Hospital.

**Yumi Onoyama** *Manager of Corporate Relations*  
Yumi Onoyama graduated from the University of California, Davis, with a B.A. in economics. She joined A/PARC in 1997 after spending a year teaching English in Chiba, Japan.

**Rowena Rosario** *Assistant to Rafiq Dossani, Marguerite Gong Hancock, and Henry S. Rowen*  
Rowena Rosario has a B.S. in chemistry from the University of Santo Tomas and a Human Resources Management certification from the University of California, Santa Cruz. Prior to joining A/PARC, she worked in corporate human resources.

**Victoria Tomkinson** *Publications Manager and Webmaster*  
Victoria Tomkinson has a B.A. in English from Georgetown University and a Ph.D. in English from Oxford University. She previously worked as an editor at Random House and Penguin UK.

**Leigh Z. Wang** *Assistant to Lawrence J. Lau (1999–2002)*  
Leigh Z. Wang received a B.A. from the University of Hawaii and an M.B.A. from California State University, Los Angeles. Leigh relocated to Beijing in mid-2002.

**Debbie Warren** *Assistant to the Directors*  
Debbie Warren joined A/PARC in March 2002 as assistant to Shiho Harada Barbir, Russell Hancock, and Andrew Walder. Before coming to A/PARC, Debbie worked as an administrative assistant in advertising.

Because of its multidisciplinary approach to the study of Asia, distinguished faculty, and location in the heart of Silicon Valley, A/PARC attracts scholars from all over the world. During 2001–2002, A/PARC hosted seventeen visiting scholars, whose contributions enriched the Center's intellectual and social life.

**CONGLAI FAN**

Department of Economics, Nanning University, PRC  
International transmission mechanism of deflation

**HARRISON HOLLAND**

San Francisco State University  
U.S.–Japan relations and Japanese security

**MASAHIKO HOSOKAWA**

Americas Division, METI, Japan  
Current economic relations between the United States and Japan and their implications for Japan's machinery industry

**HYEG BAEG IM**

Korea University, South Korea  
The rise and fall of the Park Chung Hee Yushin regime

**EUN-HYE KIM**

Munhwa Broadcasting, Korea  
Silicon Valley venture capitalism

**INSHIK LEE**

Ministry of Planning and Budget, South Korea  
Political and economic issues facing Asia and Korea



**Far left:** Robert Madsen

**Left:** Poh Kam Wong

**ROBERT MADSEN, RESEARCH FELLOW**

*The Economist*

Japan's political economy

**NICOLE POHL**

Gerhard Mercator University, Germany

Asian urbanization

**SANGMOK SUH**

Hoover Institution

U.S.–Korea security relations

**TOMOKO TAKEUCHI**

Tokyo Metropolitan Government

Influence of urbanization on the environment

**TORU TANIGAWA**

Formerly of the Development Bank of Japan

Silicon Valley business models

**MASAKI TANIGUCHI**

Tokyo University

Japanese political organizations

**KONARI UCHIDA**

University of Kitakyushu

Corporate governance and performance

**POH KAM WONG**

National University of Singapore

Development of high tech industries and entrepreneurship in Singapore

**MARIKO YOSHIHARA**

Stanford University

Comparative study of university research administrations and implications for university-industry relations

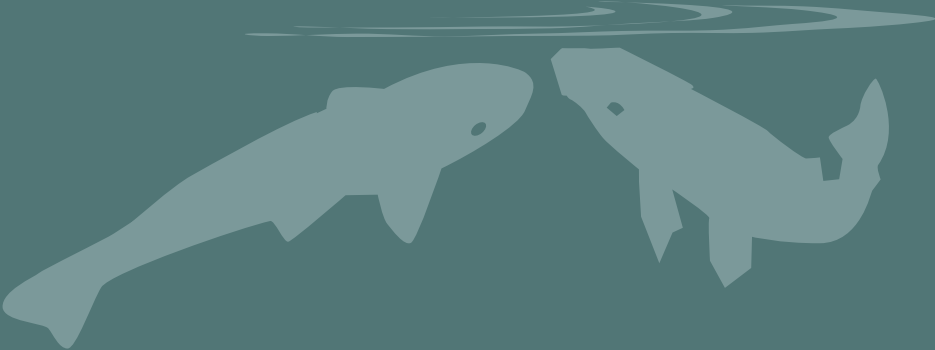
**KYOUNG LIM YUN**

Hanaro Telecom, Korea

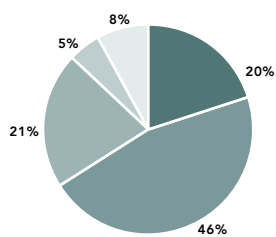
Policies of the Internet and telecom industries in Korea

FINANCIAL REPORT

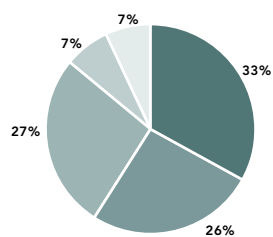
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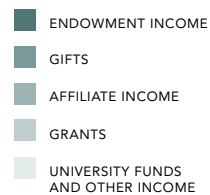
## REVENUES BY SOURCE



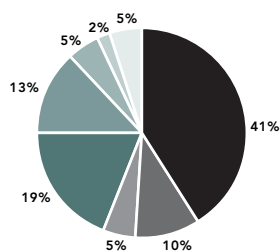
2000-2001: \$3,628,184



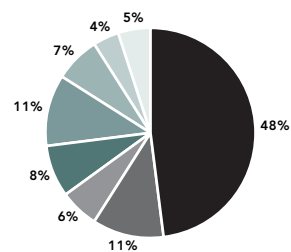
2001-2002: \$2,708,555



## EXPENSES



2000-2001: \$2,920,470



2001-2002: \$2,117,139



MARKET VALUE OF A/PARC'S ENDOWMENT, AS OF AUGUST 31, 2002, WAS \$16 MILLION.



## FRIENDS OF THE ASIA/PACIFIC RESEARCH CENTER

A/PARC GRATEFULLY ACKNOWLEDGES THE FOLLOWING DONORS FOR THEIR SUPPORT IN 2001–2002. LISTED BELOW ARE INDIVIDUALS, FOUNDATIONS, CORPORATIONS, AND INSTITUTIONS WHOSE CONTRIBUTIONS WERE RECEIVED AND RECORDED BETWEEN SEPTEMBER 1, 2001 AND AUGUST 31, 2002.

### INDIVIDUALS

Sabeer Bhatia  
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Anil and Jyoti Godhwani  
Gautam Godhwani  
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David Rubinfien and Shulamith Rubinfien  
Walter H. Shorestein  
Martha Suzuki  
Henri Hiroyuki Takahashi and Tomoye N. Takahashi

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Nihon Unisys, Japan  
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PetroChina Company, Ltd.  
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Sumitomo Corporation, Japan  
Tokyo Electric Power Company  
TSYS, U.S.

### INSTITUTIONS

U.S. Army War College  
The Science and Technology Policy Institute  
of the Republic of Korea  
Japan Light Machinery  
Japan Patent Office  
Ministry of Economy, Trade, and Industry  
(METI), Japan  
Ministry of Finance, Japan

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### CREDITS

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The Asia/Pacific Research Center is part of the Institute for International Studies at Stanford University.