

ASIA/PACIFIC RESEARCH CENTER

STANFORD
UNIVERSITY



1998-1999

YEAR IN REVIEW



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The Asia/Pacific Research Center (A/PARC)

at Stanford University is ideally positioned to lead the study of Asia into the next millennium. At A/PARC, Stanford faculty and students, visiting scholars, and distinguished business and government leaders from the Asia Pacific region come together to examine contemporary Asia and U.S. involvement in the region. Established in 1978, there are now over sixty Stanford faculty and over ninety non-Stanford individuals associated with A/PARC. The Center has become an important venue for Asian and U.S. leaders to meet and exchange views, and to examine economic, political, technological, strategic, and social issues of lasting significance.

Located within Stanford's Institute for International Studies (IIS), A/PARC conducts research, sponsors seminars and conferences, and publishes research findings and studies, occasional papers, special reports, and books. A/PARC has an active industrial affiliates and training 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, and their interdisciplinary expertise generates significant policy recommendations for both the public and private sectors.



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MESSAGE FROM THE DIRECTOR



For both the Asia/Pacific Research Center and the Asia Pacific region, the past twelve months have been busy, productive, and eventful. In the region, 1998–99 began with a severe economic crisis, the future course of which was largely uncertain. At year's end, almost all of Asia's countries were on the road to recovery, with Indonesia being a conspicuous exception. A troublesome consequence of the crisis and political change in Indonesia is continued violence and unrest, with no clear resolution yet in sight.

For A/PARC faculty and scholars, the challenges facing Asia occupied much of the last year, and the Center hosted a number of conferences and distinguished visitors to chart a course through the region's still-troubled waters. This year's A/PARC *Year in Review* features perspectives on these challenges from some of our core faculty, each of whom considers what the opening decades of the millennium hold in store for Asia, both politically and economically.

In my *Year in Review* message last year, I noted that A/PARC was expanding its expertise in two regions of increasing significance: Southeast Asia and South Asia. Thanks to the generous support of the Henry Luce Foundation, as well as other benefactors, I am pleased to announce that A/PARC has established the Southeast Asia Forum, to be headed by a new Senior Fellow, Professor Donald K. Emmerson. A leading Southeast Asianist most recently at the University of Madison–Wisconsin, Professor Emmerson will serve as coordinator of the Forum, and mobilize Southeast Asia–based research projects not only at A/PARC, but also at Stanford and in the San Francisco Bay Area. The goal of the Southeast Asia Forum is to generate a concerted Stanford effort in furthering Southeast Asian studies, and to increase faculty study of the region across a broad range of disciplines. We are fortunate to have Professor Emmerson joining us, and to have him spearheading this important new initiative.

With respect to South Asia, A/PARC has also been extremely active. As part of a Stanford-wide strategy to develop the University's expertise and visibility in South Asian studies, A/PARC has undertaken the South Asia Initiative, with the full support of Stanford president Gerhard Casper. The initiative's focus is teaching and research on South Asia across the University, and A/PARC consulting professor Dr. Rafiq Dossani has played a key role in its early development. Dr. Dossani's research in India, particularly its financial and economic structures and power supply mechanisms, has given the initiative a running start. For example, A/PARC hosted a conference in June 1999 on "Accessing Venture Capital in India," which was attended by over one hundred scholars, practitioners, regulators, multi-lateral agencies, and policymakers from around the world. This gathering produced many recommendations for Indian financial reform, and laid the groundwork for the South Asia Initiative's

further research into the region's rapidly developing economies.

A/PARC organized several other significant conferences last year. In January, former U.S. secretary of state George Shultz and former U.S. senator Bill Bradley again hosted the Asia Pacific Roundtable at Pebble Beach. The financial crisis, then at its height, came under intense scrutiny, as did Japan's economic and Indonesia's political situation. The Center's annual Asia Briefing, a day long symposium attended by our many corporate affiliates, took place in early March. Predictably, discussion focused on Asia's continuing financial crisis and the prospects for Chinese, Korean, Indonesian, and Japanese recovery, both economic and political. Two months later, A/PARC again addressed this important subject, in a conference entitled "Crisis and Aftermath: The Prospects for Institutional Change in Japan." A distinguished panel of speakers, including Mr. Taizo Nishimuro, CEO of Toshiba, and Mr. Yasuhisa Shiozaki, former vice minister of finance for Japan, addressed the basic reforms now underway in Japan's government, business, and bureaucracy, and the changes that are happening as a result. A/PARC subsequently published the complete proceedings of this very timely and provocative conference.

I am happy to report that A/PARC's Silicon Valley Networks Project, first mentioned in these pages last year, is now

His Excellency Fidel Ramos, former president of the Philippines, and Henry Rowen.



well underway, thanks to a generous grant from Mr. Chong-Moon Lee, an A/PARC Distinguished Associate. This project is motivated by the great interest that people around the world—and notably those in Asia—take in the workings of Silicon Valley, and the linkages that exist between Silicon Valley and international high-technology centers. To explore this topic, a conference, entitled "Silicon Valley: Center of Innovation" and attended by more than 200 business and academic leaders, took place at A/PARC in June 1999. Luminaries including Mr. E. Floyd Kvamme of Kleiner Perkins Caufield & Byers; Mr. Steve Jurvetson of Draper Fisher Jurvetson; and Mr. Sabeer Bhatia, co-founder of Hotmail, spoke about this productive part of the world, and offered their insights into what keeps it in the vanguard of innovation. Further, the Silicon Valley Networks Project's first book, to be edited by Professor William F. Miller of the Stanford Business School, Marguerite Gong Hancock, manager of the project, Chong-Moon Lee, and myself, now has a fitting home at Stanford University Press.

Other highlights during the 1998–99 year were visits from two distinguished and influential politicians: His Excellency Fidel Ramos, former president of the Philippines, and the Honorable Gray Davis, governor of California. Former president Ramos visited A/PARC and its parent organization, IIS, several times during the year, speaking frankly and engagingly on the state of affairs in the Philippines and the region. Stanford graduate Governor

Davis, in his first public appearance at Stanford since being elected governor, gave a thoughtful speech on Asia–California ties. Notably, the address inaugurated the Walter H. Shorenstein Forum for Asia Pacific Studies at A/PARC. We at the Center are grateful to Walter Shorenstein, a long time benefactor, for his continuing support of our work.

The A/PARC Corporate Affiliates Program remains a key component of our training and teaching activities, as well as an important source of revenue for the Center. It is worth noting that, despite Asia's recent financial difficulties, interest in the A/PARC Corporate Affiliates Program has not only been sustained, but has even increased. Corporate affiliation enables companies and public agencies to establish continuing relationships with Stanford, and to gain access to A/PARC's considerable intellectual resources through participation in seminar series, research conferences, and a range of other A/PARC events. The Corporate Affiliates Visiting Fellows Program will host over twenty talented individuals from Asian corporations and public institu-

tions during the coming year.

Last year, I mentioned that A/PARC had moved from its old quarters to Encina Hall's renovated East Wing. Many A/PARC members, myself included, can still be found in this part of the building, which was originally built in 1891 as a dormitory for the new Stanford University campus. This year, however, the restoration of Encina's Central Wing was completed, and a number of our faculty and staff (including the Comparative Health Care Policy Project, previously housed in Encina Commons) moved into spacious new offices there. For the first time since landing in Encina, all of A/PARC's members—faculty, staff, researchers, scholars, and visiting fellows—occupy a single floor of this beautiful new space.

The past year saw great upheaval across Asia, and the coming one—the last of this century—promises even more change,



Left: The Honorable Gray Davis, governor of California



Above: Governor Davis with Henry Rowen (left) and John Freidenrich (right), former chairman of the Board of Trustees of Stanford University.

Left: Governor Davis greets Frederick Hoar, chairman of Miller/Shandwick Technologies, as Janet Howard, vice president for government affairs for Coca-Cola, looks on.

drama, and development. As ever, A/PARC is eager to confront the challenges facing this dynamic region as it, and we, move into the next millennium.

Henry S. Rowen
October 1999

Over the course of its twenty-two year history A/PARC has grown exponentially. Once a fledgling organization with a modest budget and staff, it has become an influential Center boasting faculty, scholars, visitors, and staff, and a budget of more than \$2 million per year. New initiatives, research, and people are A/PARC's lifeblood, each ensuring that the Center maintains its preeminent position in the study of the Asia Pacific region.

THE SHORENSTEIN FORUM



Walter Shorenstein with former U.S. senator Bill Bradley

Forum at A/PARC will help advance U.S.–Asian interactions by addressing a range of critical and ever-emerging issues involving the United States and the Asia Pacific region.

In June 1999, the Walter H. Shorenstein Forum for Asia Pacific Studies hosted a speech on Asia–California ties by the Honorable Gray Davis, governor of California. A/PARC gratefully acknowledges the contributions of Walter Shorenstein, one of the Bay Area's most eminent business leaders and philanthropists, to U.S.–Asian relations. Thanks to Mr. Shorenstein's magnificent \$7.5 million gift and generous provision for matching funds, the Shorenstein

The Shorenstein Forum will blend Stanford's formidable intellectual resources and its world-class reputation with personal, policy, and business networks to bring together peoples and ideas from all across the Asia Pacific. In our technological and borderless age, the Forum will create new alliances between scholars, policymakers, business executives, and political leaders to facilitate understanding and advance U.S.–Asian relations.

—Walter Shorenstein

The Shorenstein Forum will solidify A/PARC's institutional foundations and sponsor interdisciplinary research that expands the base of collective knowledge about U.S.–Asia relations. It will also bring together American and Asian leaders from government, business, and academia to discuss significant issues, and to find practical solutions to important problems. One of the core areas of research within the Forum will be an ongoing examination of the multifaceted ties between California and Asia.

THE SOUTH ASIA INITIATIVE

For a number of years, significant events have been happening in India and across South Asia, that have not been systematically covered by Stanford, A/PARC, or its parent organization, IIS. This year, with the support of grants from the President and the Dean of the Humanities, the South Asia Initiative seeded new course development and research initiatives. Further, it began to build collaborative, Stanford-wide ventures to raise the University's profile in this increasingly important area of the world.

The long-term goal of the South Asia Initiative is to build a significant South Asian Studies program at Stanford, with India as its centerpiece. Eventually, the program could encompass new positions on contemporary Indian society, economics, politics, sociology, or anthropology. New courses on South Asia will be offered, and research into Indian politics and society—by faculty, visiting scholars, and students—will be encouraged. At A/PARC, consulting professor Dr. Rafiq Dossani has been actively involved in launching this initiative. Dr. Dossani's own research interests include information technology, energy, and financial-sector reform. He is currently pursuing projects on the institutional phasing-in of power sector reform in Andhra Pradesh, and venture-capital reform in India. Other topics that may inspire future South Asia Initiative research projects include entrepreneurship in India, education (particularly of women), the development of manufacturing design, technology acquisition, economic reforms, security studies, and rural finance.

THE SOUTHEAST ASIA FORUM

Launched in 1999, the Southeast Asia Forum seeks to strengthen and institutionalize multidisciplinary research,

THE SOUTHEAST ASIA FORUM AIMS TO SUPPORT:

- **Research activities on an array of Southeast Asia-related topics.** Projects will be multidisciplinary, exploring both economic and noneconomic elements of the region.
- **Seminars and Outreach.** Drawing on expertise at Stanford and elsewhere, a monthly seminar series will raise the profile of Southeast Asia at Stanford.
- **Visiting Scholars.** Faculty from Southeast Asian, American, and other universities, as well as senior policymakers and other distinguished guests, will be welcome to spend their sabbaticals at A/PARC.
- **Publications.** Article-length publications on Southeast Asia, written by Stanford faculty and students as well as visiting scholars, will be incorporated on a continuing basis into A/PARC's occasional and working paper series.
- **Resource Materials.** A/PARC will acquire specialty books, journals, and newspapers to facilitate teaching and research on Southeast Asia.
- **Summer Internships.** For students doing course work and research on Southeast Asia, A/PARC will seek to arrange summer internships in Southeast Asia with universities, think tanks, international organizations, and corporations.

teaching, and outreach on Southeast Asia at Stanford University. The addition of a Southeast Asia component to A/PARC is an important next step in the development of Stanford's Asian Studies program. Since the fall of the Thai baht in 1997, the countries of Southeast Asia have been marked by economic and financial crises whose repercussions will implicate their history, politics, culture, ideology, and diplomacy for years to come. These challenges, and the different responses to them, have underscored the need to deepen America's understanding of this dynamic region.

The goal of the Southeast Asia Forum is to generate a concerted Stanford effort in furthering research and teaching in Southeast Asian Studies, and to increase faculty study of the region across a broad range of disciplines. Thanks to the generous support of the Henry Luce Foundation, as well as other benefactors, the Southeast Asia Forum has added a new Senior Fellow position to the distinguished roster of core A/PARC faculty. Professor Donald Emmerson, a leading Southeast Asianist most recently at the University of

Madison–Wisconsin, will serve as coordinator of the Forum and principal investigator of research projects within A/PARC on Southeast Asia. Among Professor Emmerson's key responsibilities will be to mobilize interested faculty members at A/PARC and at Stanford into a network of participation for seminars, research, and outreach on Southeast Asia.

NEW FACILITIES FOR A/PARC

Home at various times to such Stanford legends as Herbert Hoover, Bob Mathias, and John Steinbeck, Encina Hall has accommodated undergraduates, faculty, and administrators since its construction in 1891. In 1972, it suffered serious fire damage, and even more serious earthquake damage in 1989. In May 1997, restoration of this historic building began, to provide a new home for the Institute for International Studies (IIS).

A/PARC moved out of its old space on the second floor of Encina Hall's Central Wing to the newly renovated second and third floors of the East Wing in August 1998. Refurbishments to the central part of the building included a long-overdue seismic upgrade, a new hipped roof with dormer windows, and a complete interior redecoration. Since then, the Encina Restoration Project has continued, and the Central and South Wings were completed in September 1999. The South Wing holds the state-of-the-art Bechtel Conference Center, in what was formerly the old Encina dormitory dining and club room. Reunited on the same floor after more than a year, A/PARC faculty and staff, as well as the A/P Scholars Program and A/PARC's visiting fellows, are all now housed on the third floor of the Central and East Wings. This stately and dynamic new residence, which A/PARC shares with more than ten other IIS centers and programs, establishes an appropriate hallmark of Stanford's globalization as it enters the twenty-first century.

True collaboration between scholars of different disciplines is rarely accomplished in weekly meetings. There is no substitute for the learning environment created by daily exchange.

—Walter Falcon,

A/PARC Faculty Member, co-director of the Center for Environmental Science and Policy (CESP)

RECENT STAFF CHANGES

To keep pace with its growth and increased outreach activities projected for the future, A/PARC has made a number of staff changes and additions.

Greet Jaspaert, who has worked at A/PARC for more than four years, most recently as program officer, has been promoted to manager of corporate relations. Greet will continue to coordinate A/PARC's Visiting Fellows Program, and will also be responsible for all activities relating to the Center's many corporate affiliates. Anne Marie Kodama, an A/PARC veteran since 1996, has been made manager of finance and administration. She was formerly manager of administration and corporate relations; this shift in her role will enable her to focus attention on A/PARC's important budgetary and administrative responsibilities. To ensure that A/PARC's conferences, seminars, and speaker meetings attract the widest possible audiences, a program coordinator position has been created to manage the events process. Yumi Onoyama, who was promoted to fill this role, has worked at A/PARC since 1997 as faculty assistant to Professors Okimoto, Raphael, and Rohlen.

Three new staff members joined A/PARC in 1998-99: Jamie Hwang, as research assistant to A/PARC's Comparative Health Care Policy Research Project; Victoria Tomkinson, as A/PARC's publications manager; and Leigh Wang, as faculty assistant to Professor Lawrence Lau. A Stanford graduate, Jamie worked as an analyst for a health-care consulting firm

The East Wing of Encina Hall, interior and exterior, under construction.



before joining A/PARC in June 1999. She replaces Kimberly Bale, who left the Center in July to pursue a master's degree. Victoria, who replaces Michael Fowler, also came to A/PARC in June 1999. Previously, she worked as promotions manager at Salon.com in San Francisco and as an editor at Broadway Books in New York. Leigh has worked with Professor Lau since April 1999. Prior to joining Stanford, she received her M.B.A. from California State University, Los Angeles,



Recent distinguished visitors to A/PARC with connection to Southeast Asia:

Far left: H.R.H. Princess Siridhorn of Thailand with members of A/PARC faculty and staff.

Center: Tommy Koh, Former Ambassador-at-Large, Singapore

Above right: Mahathir bin Mohamad, Prime Minister of Malaysia

Left: Lee Kuan Yew, Senior Minister of Singapore



The Center conducts multidisciplinary research projects in which Stanford faculty members collaborate with American and Asian colleagues. Most A/PARC research pertains to contemporary Asia and U.S.-Asia relations.

AMERICA'S ALLIANCES WITH JAPAN AND KOREA IN A CHANGING NORTHEAST ASIA

The project on America's Alliances with Japan and Korea in a Changing Northeast Asia completed its third and final year of formal activities in 1998-99. The project was initially set up to bring together leading scholars and policy experts from the United States, Japan, Korea, and China to examine the changing domestic and regional contexts in which the two security alliances operate, and to identify future adjustments likely to be required to keep them viable. The work has been led by Professors Daniel Okimoto and Michel Oksenberg and has included the participation of thirty scholars from Stanford and elsewhere. With support over the past three years from the Japan Foundation Center for Global Partnership and the Smith Richardson Foundation, the project has supported field research, conferences and seminars, a publication series, and outreach activities.

During 1998-99, the project focused on wrapping up outstanding research and preparing two volumes of papers for publication. As in past years, completed papers were also published in the project's discussion paper series. In addition, members of the research team participated in seminars and meetings to be briefed on recent developments and to share perspectives. Several of these programs are particularly worth noting. In the spring of 1999, A/PARC organized a series of presentations on the revolution in military affairs and its long-term implications for America's forward presence in East Asia. The Center also hosted an informal, off-the-record roundtable in September 1999 with former secretary of defense William Perry, former ROK foreign minister Han Sung-Joo, former Japanese ambassador to the United Nations Owada Hisashi, and Robert Scalapino, professor *emeritus*, University of California, Berkeley. The purpose of the meeting was to discuss Secretary Perry's recent mission to Seoul, Tokyo, Beijing, and Pyongyang, and policy options for dealing with North Korea. The Center hopes that this roundtable will become an ongoing forum on security issues in Northeast Asia between representatives of the United States, Japan, and South Korea.

THIRD-YEAR DISCUSSION PAPERS FOR THE AMERICA'S ALLIANCES PROJECT

Assessing Bilateral Security Alliances in the Asia Pacific's "Southern Rim": Why the San Francisco System Endures
William T. Tow

Containment by Stealth: Chinese Views of and Policies toward America's Alliances with Japan and Korea after the Cold War
Yu Bin

When Realism and Liberalism Coincide: Russian Views of U.S. Alliances in Asia
Andrew C. Kuchins and Alexei V. Zagorsky

Adjusting America's Two Alliances in East Asia: A Japanese View
Takashi Inoguchi

Changing Relations between Party, Military, and Government in North Korea and Their Impact on Policy Direction
Jinwook Choi

Nesting the Alliances in the Emerging Context of Asia-Pacific Multilateral Processes: A U.S. Perspective
Douglas Paal

China and the U.S.-Japan and U.S.-Korea Alliances in a Changing Northeast Asia
Chu Shulong

Japan-ROK Security Relations: An American Perspective
Michael J. Green

Seoul Domestic Policy and the Korean-American Alliance
B.C. Koh

Asian Alliances and American Politics
Michael H. Armacost

The Korean-American Alliance and the "Rise of China": A Preliminary Assessment of Perceptual Changes and Strategic Choices
Jae Ho Chung

Show of Force: The PLA and the 1995-1996 Taiwan Strait Crisis
Andrew Scobell

THE NEW POLITICAL ECONOMY OF JAPAN

Japan is moving into the tenth year of the longest economic slump it has ever experienced. The Japanese economy is still struggling to break out of the sluggish 1 percent annual growth rate in which it has been stuck for nearly a decade. The opportunity cost of Japan's slump—the so-called income gap between actual growth, roughly 1 percent from 1991 to 1999, and its achievable growth, 3 percent per annum—has been massive. An annual 2 percent “loss” in GDP means that, in 1997 alone, Japan fell \$79 billion short of the size that its economy could have reached. The cumulative toll has exceeded the GDP of any Asian economy except that of China.

Why has Japan's once robust economy faltered? Not long ago, the Japanese economy was the envy of the world, a rising powerhouse seemingly poised to overtake the American colossus. What gave rise to the speculative bubble from 1985 to 1990? Why has it taken so long for Japan to climb out of what can be described as a classic liquidity trap? What theories best explain the creation of the bubble and the subsequent decade of stagnation? Was this period an aberration? Or is it a clear line of demarcation dividing the earlier era of robust growth from the coming period of slow growth? In what ways has Japan tried to restructure its institutions and policies in an effort to cope with the economic crisis?

Explaining the economic problems of the past fifteen years (1985–2000) is the central objective of a two-year research project recently launched at A/PARC and funded by the United States–Japan Foundation. This undertaking is central to an understanding of the changing nature of Japan's political economy. For the nine scholars involved, the project offers a prime opportunity to formulate, test, and refine competing theories of Japan's political economy, using selected aspects of the economic crisis as case studies.

What factors, for example, gave rise to the speculative bubble? One hypothesis advanced by Ronald McKinnon, an international economist and project participant, is that both the speculative bubble from 1985 to 1990 and the economic stagnation from 1990 to 2000 were caused by shifts in the yen-dollar exchange rate, especially the yen's sudden and steep rise (*endaka*) after the Plaza Accords in 1985. To counteract the deflationary effects of *endaka* and to keep the economy expanding, the Japanese government chose to rely on interest rate cuts over other policy alternatives, such as greater fiscal spending, tax reforms, liberalization, and deregulation. Why did it shy away from liberalization and deregulation, two policy options that might have made the economy more competitive and more efficient?

What about the notion that periodic crises provide both the catalyst and the political cover to overhaul old policies and to tackle structural reforms? Why has this not occurred? Why have changes taken place so slowly and incrementally? Here again, a variety of theories can be cited. One is institutional and cultural—that Japanese institutions encompass a mixture of status quo and reformist interests, and given the consensual nature of interest aggregation these organizations

RESEARCH PARTICIPANTS: THE NEW POLITICAL ECONOMY OF JAPAN PROJECT

Jennifer Amyx, Postdoctoral Fellow, The Australian National University

Robert Madsen, Visiting Scholar, A/PARC

Ronald I. McKinnon, William D. Eberle Professor of International Economics, Stanford

Daniel I. Okimoto, Senior Fellow, IIS; Professor of Political Science, Stanford

Adam S. Posen, Senior Fellow, Institute for International Economics

Henry S. Rowen, Director, A/PARC

Harukata Takenaka, Associate Professor of Political Science, National Graduate Institute for Policy Studies

Yves Tiberghien, Ph.D. candidate, Political Science, Stanford

Tetsuro Toya, Ph.D. candidate, Political Science, Stanford

tend to prefer incremental change to structural reform. Another is based on rational choice theory, which asserts that the interests and incentives of central political and economic actors have led them to choose incremental solutions. Network theory offers a third explanation: namely, that the existence of embedded policy networks, linking the private and public sectors, inhibits radical departures from the status quo.

Which of these theories is valid? And how do they deal with deviations from the central tendencies? For example, how is it possible to account for a major reform package, like the so-called big bang program of financial liberalization? Why are certain sectors, like banking, securities, and pensions, changing faster than others, like real estate, construction, and transportation? And within the finance sector, why are some areas, like insurance, changing faster than others, like postal savings?

Answers to these and many other questions will reveal a great deal about the future direction of the Japanese political economy. The past fifteen years represent arguably the most puzzling period in postwar Japan's economic history. Coming to an understanding of what has happened, and why, is essential to anticipating where Japan might be going in the next century.

THE COMPARATIVE HEALTH CARE POLICY RESEARCH PROJECT

The Comparative Health Care Policy Research Project was initiated by A/PARC in 1990. Its goal was twofold: to examine issues related to the structure and delivery of health care in Japan using contemporary social science, and to make the study of Japan an integrated part of international comparative health policy research. The project has since incorporated the

United States and Taiwan into its studies. The project is led by Yumiko Nishimura, the associate director, under the supervision of Daniel Okimoto, the principal investigator. In 1999, the Health Care Policy Project welcomed visiting researcher Donna Wright, formerly of Kaiser Permanente International, who will be researching the impact of privatization on international health.

Since its inception, the Comparative Health Care Policy Research Project has pursued two initiatives. The first has been to provide basic information to both Japanese and U.S. audiences about each other's health-care systems and policies. Through this exchange of information, the project aims to create a common base of understanding, and thereby to advance cross-cultural and comparative studies in both countries. The second focus of the Comparative Health Care Policy Research Project has been to conduct empirical studies. Earlier studies included a comparative study of teaching hospitals, which uncovered significant differences in performance levels between the United States and Japan, and a detailed economic analysis of the Japanese health-care system.

For a number of years, Yumiko Nishimura investigated the attitudes of gynecologists toward hysterectomy in different countries. She and her team conducted a survey in the United States and England in 1990, in Japan in 1996, and in the Republic of China (ROC) in 1997. The research found a noticeable difference in attitude toward hysterectomy between Asian and Western doctors. In March 1998, Nishimura presented the results of this study at the Annual Meeting of the Association of Obstetrics and Gynecology, ROC, in Taipei. Several papers have been published on this research, including *Variation of Clinical Judgement in Cases of Hysterectomy in ROC, Japan, England, and the United States* (Stanford University: Asia/Pacific Research Center, 1998).

Other new research projects were launched in 1998–99. The Comparative Health Care Policy Research Project has been given access to a large data set at Tokyo's Kanto Teishin Hospital. The set is comprehensive, tracing day-to-day care of individual patients since 1957, when the hospital opened. As a



A/PARC's Yumiko Nishimura and Naohiro Mitsutake, visiting scholar from Kyoto University, of the Comparative Health Care Policy Research Project.

retrospective data set, it is extraordinarily complete and detailed, and probably unique in Japan. The Comparative Health Care Policy Research Project will also have the opportunity to perform field research in Kanto Teishin Hospital. Details of this research are currently being planned.

In collaboration with Japanese local governments and NTT Corporation, the Comparative Health Care Policy Research Project has also instituted a health promotion research project to investigate how U.S. wellness programs may be applied to new health promotion projects in Japan, both in the community and at worksites.

RESEARCH ON THE CHINESE AND ASIAN ECONOMIES

Under the leadership of Professor Lawrence Lau, A/PARC continued in 1998–99 to do research that examines the sources of economic growth in the East Asian region and puts forth policy recommendations based on project findings.

At present, several studies of the Asian economies are underway that focus on the sources of growth in both the region's developed and developing countries. Working in collaboration with Professor Michael Boskin of Stanford, Dr. Kim Jong-Il of Dongguk University, and Dr. Jung-Soo Park of the State University of New York, Buffalo, Professor Lau is running a project on productivity slowdown and the effect of labor market conditions on economic performance of developed countries, including Japan and the United States. Another study on Japan and the United States, in progress with Professors Yujiro Hayami of Aoyama Gakuin University and Yoshihisa Godo of Meiji Gakuin University, seeks to identify the transition from economic growth primarily driven by tangible inputs to growth driven by intangible factors like human and R&D capital and goodwill. Similarly, work is underway on the nature of growth in East Asia's developing countries. Professor Lau and his colleagues continue to research the reasons for the absence of measured technical progress or growth in total factor productivity among the region's developing economies. Working with Professor Kai-Sun Kwong of Hong Kong University and Dr. Jung-Soo Park, Lau is extending this exploration to include the manufacturing sectors of Hong Kong and the other newly industrializing economies.

International trade and investment issues are another focus of Professor Lau's study of the Asian regional economy. In April 1999, with Professor K.C. Fung of the University of Hong Kong and University of California, Santa Cruz, he completed a study, *New Estimates of the United States-China Trade Balances*, which concluded that the true 1998 bilateral trade balance between China and the United States was closer to \$37 billion, rather than the \$57 billion commonly used in the press. An earlier study, *Retail Price Differentials between the United States and Japan*, compared prices of specific American, Japanese, and European goods found in department stores in the United States and Japan. The research found that retail prices were systematically high-



Shangquan Gao (left), former vice minister of China's State Commission for Restructuring the Economic System, with A/PARC's Lawrence Lau.

er in Japan by a wide margin, regardless of the product's country of origin, even after controlling for tariffs and transportation costs. A monograph on U.S. foreign direct investment in China, in collaboration with Professor Fung and Professor Joseph Lee of the National Central University, Taiwan, is also in preparation. In collaboration with Professor Chang-Ho Yoon of the Korea University, Seoul, publication of a volume on the proceedings of a conference on the North Korea economy, entitled *The North Korean Economy in Transition: Development Potential and Social Infrastructure*, is expected in 1999–2000.

The reform, transition, and long-term growth of the Chinese economy continue to be significant research interests of Professor Lau and his project members. A recent new direction of this research has been to analyze, with Professor Yingyi Qian of the University of Maryland and Professor Gerard Roland of the Free University of Brussels, the relative desirability of the dual-track approach to market reform adopted by Chinese policymakers, versus the "big bang" approach. Lau also continues to maintain and update an econometric model of the Chinese economy, a project on which he has been working for a number of years, and to develop an up-to-date economic database for China. The latter includes creating seasonally adjusted data which are currently unavailable, developing a set of leading indicators for the economy, and improving the measurement of consumer price indexes. This work is being carried out in collaboration with the State Statistical Bureau of China.

Other research recently undertaken by Professor Lau and his project members includes the causes and effects of the East Asian currency crisis and proposed remedies. A new project, on the potential and implications of a China-Japan free trade area, is also being planned.

INTELLECTUAL PROPERTY RIGHTS IN CHINA

For three years, Professor Michel Oksenberg has been studying the introduction of intellectual property rights (IPR) in China. Sponsored by the National Bureau of Asian Research in Seattle, and in collaboration with Professors Pitman Potter

of the University of British Columbia and Andrew Mertha of the University of Michigan, the work has already resulted in three papers (Oksenberg, Potter, and Abnett, "Advancing Intellectual Property Rights: Information Technologies and the Course of Economic Development in China," A/PARC, March 1998; Oksenberg and Potter, "IPR Enforcement in China: Ongoing Dilemmas," *China Business Review*, 1998; and Oksenberg and Mertha, "Introducing IPR to China," in manuscript). The research has involved extensive interviewing in China, some documentary research, and the convening of two seminars at which leading Chinese and American specialists presented papers.

In many substantive areas, China's integration into the international economy has introduced new concepts and required new practices. Often, the new concepts clash with both traditional and Marxist ideologies, while the new practices must be written into law and incorporated into the ongoing political system. Earlier, Professor Oksenberg studied this process of learning and adaptation with regard to China's entry into international financial institutions (Jacobson and Oksenberg, *China's Participation in the IMF, the World Bank, and GATT: Toward a Global Economic Order*, University of Michigan Press, 1990) and its accession to several environmental protection treaties (Oksenberg and Economy in Jacobson and Weiss, eds., *Engaging Countries: Strengthening Compliance with International Environmental Accords*, MIT Press, 1998). This year, he co-edited a book with Elizabeth Economy, *China Joins the World, Progress and Prospects* (Council on Foreign Relations, 1999), that explores the broader subject of China's continuing relationship with the outside world, particularly with regard to the UN, arms control, human rights, trade, banking and finance, telecommunications, energy, and the environment.

The IPR case has proven interesting in several respects. First, the philosophical assumptions of IPR clash sharply with both Confucian and Marxist notions about knowledge: how it is created, nurtured, and best distributed. Second, one sees both the power and the limitations of the international economic system to impose change in behavior and beliefs.

This change occurs, albeit slowly, with resistance, and the results do not entirely coincide with the desires of the outside world. The reason for conservatism is not the magnetic grip of the old ideas but rather the persistence of formal institutions. That is, a system for protecting IPR depends not upon the passage of legislation that meets international standards (which the leaders have enacted), nor upon the creation of special IPR agencies (trade, copyright, and patent) throughout China, which has also been done. Instead, as the so-called New Institutionalists such as Douglas North and adherents of the rational actor model of human behavior would predict, the new agencies and agents of IPR enforcement must be embedded or implanted in preexisting institutions. Thus, for historical reasons, the Copyright Administration is lodged in the state's cultural and propaganda apparatus. The trademark system is part of the massive State Administration of Industry and Commerce. Personnel administration and budgets are at

the mercy of local Communist Party committees. As other agencies learn that IPR is a priority of the leaders and that money can be made, they seek to expand into the area. The Public Security and Technology Supervision bureaucracies are a case in point. Interestingly, though, these institutions integrate IPR regimes into their previous frameworks. IPR implementation therefore assumes a Chinese form, as enforcement agents—acting rationally within the ongoing institutional framework—seek to maximize their interests.

This integration within preexisting frameworks results in IPR enforcement through administrative rather than judicial means, reliance on periodic campaigns, lack of transparency, assessment of damages based on harm to society more than financial loss to the plaintiff, lack of precedent and national uniformity, and overlapping bureaucratic jurisdictions. Foreign companies are gradually learning to do business within this environment. Progress is occurring, but in a fashion congruent with Chinese norms.

SOCIAL STRATIFICATION IN CHINA DURING AN ERA 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 worked to design and field a nationally representative survey of 6,400 Chinese households. The survey, which took place in 1996, 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 Chinese Revolution and the 1949–79 socialist system on patterns of status inheritance and individual opportunity, and the subsequent impact of post-1980 market reforms on the 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), unprecedented 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 Chinese Revolution and subsequent market reforms in comparative and historical perspective.

THE POLITICS OF THE CHINESE CULTURAL REVOLUTION

In recent years, vast amounts of new documentary sources from the 1966–67 period in China have become available, and many former participants in some of the country's best-known events have become accessible for interviews. These materials have forced scholars to revise and reconstruct their past understanding of key politics and events.

In 1998–99, Professor Andrew Walder has been researching this new documentation and its impact on previ-

ous analyses of this period. Walder has discovered that these new materials cast doubt on reigning sociological interpretations of Red Guard politics, particularly as the expression of efforts by the socially and politically disadvantaged to improve their positions, and by the advantaged to defend their privileges. The evidence also calls into question the utility of much social-science theorizing about the causes of mass political violence. On closer examination, these mass actions appear to be more political than social in their origins. They require an intimate understanding of the actions of party and government officials in a state structure, where the collapse of normal expectations places everyone under heightened threat. Professor Walder's project aims to develop analyses of collective action in which participants are not assumed to have fixed identities and interests, in which the need to avoid loss rather than gain advantage drives participants, and in which actions taken at one point in time foreclose opportunities and alter interests at the next point. These ideas may have broader applicability to fundamentalist movements in certain historical settings, and to the emergence of ethnic warfare in collapsing states.

Fan Shi Dong (second from left) with his interpreter, A/PARC's Michel Oksenberg, and Stanley Lubman (far right), of Stanford's School of Law, at Dong's seminar about his experiences in a Chinese labor camp.



THE STANFORD-KOREA PARTNERSHIP ON INFORMATION TECHNOLOGY

The Stanford-Korea Partnership on Information Technology began officially in early 1999. The project came about as a result of Korean president Kim Dae Jung's visit to Stanford in June 1998 to discuss the future of entrepreneurship in Korea's high-tech sector. Under the leadership of Professor William F. Miller, this A/PARC project includes an analysis of the Korean software industry within a broader multi-country comparative study, and a two-week executive education program for

Korean executives and high-tech entrepreneurs. A gift from the Chong-Moon Lee Foundation, established by the prominent Silicon Valley entrepreneur, supported the creation of this project and all its activities to date.

The new Korean Executive Education Initiative originated in the weeklong Strategic Uses of Information Technology Program offered every spring by the Graduate School of Business (GSB). This course was redesigned and a second week curriculum developed to offer Korean executives an intensive study of cutting-edge business models and practices in the information technology industries. The first program took place at the end of September 1999. It hosted forty-three Korean business people from a variety of organizations, including software start-up companies, larger technology companies, venture capital firms, and university incubator programs. Program topics included "architecting" the business around information technology (IT), Internet-based customer relationship management, fitting IT into the business strategy, and high-tech entrepreneurship. Current plans are to make this initiative an ongoing program at the GSB.

The project also undertook a software industry study, formulated to understand the current Korean software industry within a comparative context which includes the United States, Japan, Israel, India, Korea, and Taiwan. The study focuses especially on entrepreneurial software activities in Korea and other comparison countries. In conjunction with this analysis, the project will offer the Korean Ministry of Information and Communication a set of ideas—covering such issues as business regulation, government research policy, and the education of software professionals—to stimulate the development of this key business sector and to enhance the country's global competitiveness.

In June and July of 1999, project members interviewed several dozen people, both in Korea and the United States, who are knowledgeable about the Korean software industry. These included start-up entrepreneurs, founders of long-established software companies, government officials, systems integrators, consultants, venture capitalists, angel investors, corporate CIOs, industry analysts, university professors, and corporate trainers. Through these discussions, project members identified key issues relevant to the establishment and success of software industries in the project's core countries of study. Among these issues are high-risk financing, start-up habitat development, and human resource development.

This broad project also covers a number of other key subject areas, including an examination of the unique development path of Korea's software industry, an analysis of Korea's domestic demand for software, the country's strengths and weaknesses across the field of high technology, and its participation in global software markets. The project's final report will be issued at the end of 1999.

RESEARCH ON SOUTH ASIA

In 1998–99, A/PARC administered the first South Asia Fund awards. These awards, made possible by a seed grant from Stanford University president Gerhard Casper and Malcolm Beasley, dean of the School of Humanities and Sciences, support course development for an existing Modern India course and its expansion into a general survey course on South Asia, as well as a variety of new courses covering the politics, religions, economics, history, environmental concerns, and ethnography of the region. The awards will also support A/PARC's South Asia Seminar Series and research in South Asian public cultures, the stability and change of popular Indian values, and the impact of film on social culture in India.

Via its program on South Asia, A/PARC is undertaking an agenda of policy research in information technology, financial sector, and energy reform. Its South Asia Information Technology Project began with a conference on June 1, 1999, on venture capital in India. Participants at the conference included regulators from India's Securities and Exchange Board and Department of Electronics, as well as multilateral agencies, legal firms, venture capitalists both in India and offshore, and companies and state representatives from the United States, Israel, and Taiwan. The conference generated a series of policy recommendations. Among these were suggestions for changes in the legal structure to enable limited partnerships to exist in India; for the removal of portfolio restrictions on venture capital firms and the introduction of mark-to-market and in-kind distributions to investors in finance companies; for the promotion of an SBIC-type program in India; and for new approaches to venture capital management. These findings were subsequently disseminated in twenty-two seminars and presentations given in India by Dr. Rafiq Dossani through July and August 1999. The proceedings of the conference have been published by A/PARC in a paper entitled *Accessing Venture Capital in India*.

The Information Technology Project has several goals for 1999–2000. First, it will hold a second conference, in January 2000 in Mumbai, India, to develop the proposals of



A/PARC's Rafiq Dossani and Y.V. Reddy, deputy governor of the Reserve Bank of India, at a special seminar on India's shifting state and market conditions.

the first conference, most notably to propose changes in information technology law and to suggest a new approach for venture capital management. This conference will be jointly sponsored by A/PARC and India's Department of Electronics and Small Industries Development Bank. Second, through a policymakers-in-residence program, the project aims to bring senior Indian IT policymakers to Stanford for a week-long program of seminars and interaction with participants in Silicon Valley. Third, it will explore incubator programs, based in Silicon Valley and in India, to pursue replicable approaches for the transnational movement of capital, skills, and information. Fourth, at the request of the Securities and Exchange Board of India, a group of A/PARC faculty and Silicon Valley-based entrepreneurs, lawyers, and venture capitalists have begun a project to advise India on the reform of venture capital structures. Fifth, the project will assist the Department of Electronics in developing an information technology law for venture capital.

The India Power Reform Project is a three-year undertaking funded by Stanford's Bechtel Initiative. The Indian states, beginning with Orissa in 1995, have begun to reform their power systems. Andhra Pradesh, the second state to embrace such reform (and with a bolder program than Orissa), has "unbundled" its State Electricity Board into three components: a generating company (APGenco), a transmission and distribution company (APTransco), and a regulatory authority (APSERC). APTransco's distribution activities are to be privatized. Given these events, the Power Reform Project will study users in Andhra Pradesh to determine their ability and willingness to pay for power. It will also examine different institutional mechanisms, such as cooperatives, to help users move from subsidized, unreliable power to reliable power supply at market rates. The study will also develop a framework and program of recommended institutional and pricing reform to enable a smooth transition to economically efficient, technically feasible electricity pricing.

In addition to the above projects, A/PARC is discussing the possibilities for academic, policymaker, and corporate collaborations on specific projects with organizations and individuals in South Asia. Discussion of policymaker collaborations in other fields—in addition to information technology—is well underway, and the program will formally commence in December 1999. Senior policymakers in other fields will spend short stays at A/PARC; among those currently slated to participate include officials from the Ministry of Finance, the Securities and Exchange Board of India, the Electricity Regulatory Commission, the Reserve Bank of India, and the Finance Ministry.

THE SILICON VALLEY NETWORKS PROJECT

Once called the Valley of Heart's Delight, Silicon Valley is renowned as the world's premier center for innovation and entrepreneurship. The Valley's preeminence is clear, whether measured in terms of worker productivity, value creation, or

growth of new firms. In the global economy, Silicon Valley is the productivity leader in the computer, electronics, software, Internet, bioscience, and multimedia industries. In 1998, Silicon Valley firms achieved a value-added per employee of \$115,000, compared to the U.S. average of \$78,000. The region's shareholder return averaged a phenomenal 40 percent in annual growth during the past three years. Moreover, a full 40 percent of Silicon Valley companies achieved an annual growth rate greater than 20 percent, versus less than 3 percent across the United States.

Throughout the world, the proliferation of Silicon Mountains, Silicon Forests, and Silicon Glens is a testament to business and government leaders' envy of and curiosity about Silicon Valley. During the past year, hundreds of visitors from Asia and Europe have visited A/PARC as part of their pilgrimage to the Valley, eager to learn how to emulate its success. While both practitioners and scholars have examined sources of entrepreneurship and innovation at the national, corporate, and individual levels, geographic regions merit further examination.

Growing work in areas such as agglomeration economies, new economic geography, and networks of relations support the study of Silicon Valley (and increasingly, of emerging regions such as Hsinchu, Taiwan, and Bangalore, India) as distinct locales. In addition, rising tides of people, products, capital, and ideas, not only within but among these regions, point to the growing impact and importance of networks among regions. The mission, then, of the Silicon Valley Networks Project is to increase understanding of regions of innovation and entrepreneurship through study of the complex, dynamic networks of key actors within and between Silicon Valley and rising regions worldwide, especially in Asia.

Since the project's launch in Fall 1998, with generous support from Silicon Valley entrepreneur Chong-Moon Lee, project members have focused on how and why Silicon Valley works the way it does. In particular, they have worked to build a framework that describes the intricate relationships of key Silicon Valley actors, which in turn form an environment, or "habitat," that fosters the region's phenomenal innovation and entrepreneurship. During the past year, project members assembled an informal team at Stanford, comprising faculty specializing in engineering, business, law, sociology, and economics, many of whom serve as contributing authors to the project's first book. Project members also conducted interviews with key Silicon Valley industry leaders, including venture capitalists, lawyers, researchers, business executives, and consultants.

In an effort to advance ideas and facilitate discussion among Silicon Valley's academics and industry leaders, the project offered a biweekly seminar series during winter and spring quarters. On June 3, 1999, it sponsored a major conference for leaders from academia, business, and government, entitled "Silicon Valley: Center of Innovation." Over 175 participants from the United States, Asia, and Europe attended.

Work is well underway for completion of the project's first book, edited by Chong-Moon Lee, William F. Miller, Henry Rowen, and Marguerite Gong Hancock. Scheduled for

1998–99 SILICON VALLEY NETWORKS PROJECT SEMINARS

January 12

“Silicon Valley: Past, Present, Future of the Innovation Region”
Doug Henton, President, Collaborative Economics

January 27

“The Silicon Valley Phenomenon: Characterization, Classification, and Emulation”
Robert E. Patterson, Partner, Graham & James, LLP

February 10

“Regional Comparisons of Centers of Innovation”
William F. Miller, Professor *Emeritus*, Graduate School of Business; Director, Stanford Computer Industry Project, Stanford University; Chairman of the Board, Sentius

February 24

“Myth vs. Reality in Silicon Valley Venture Capital”
Bob Zider, President, The Beta Group

March 10

“Growing the Knowledge Environment: Federally Funded Innovation in the Rise of Silicon Valley”
Timothy Lenoir, Professor, Department of History; Chair, Program in History and Philosophy of Science, Stanford University

March 24

“The Relationship between Stanford and Silicon Valley”
James F. Gibbons, Special Assistant to the President for Industry Relations, Stanford University

April 7

“Silicon Valley at Tree-Top Level: A Start-Up from the Inside”
Chris Rowen, President, Tensilica

April 21

“Path Dependence and Industrial Clustering: Comparing Silicon Valley and Route 128”
Martin Kenney, Professor, Department of Applied Behavioral Sciences, University of California, Davis

May 5

“International Venture Finance”
Richard Thompson, Founding Partner, Thompson, Clive & Partners, Ltd.

May 19

“Japanese Entrepreneurship: Can the Silicon Valley Model Be Applied to Japan?”
Katsuhiro Nakagawa, Visiting Scholar, A/PARC; Former Vice Minister, MITI

publication in 2000, the book will discuss the evolution of Silicon Valley, including the distinct and complementary roles of the Valley’s key actors that make up its unique habitat—knowledge workers, financiers in venture capital and banking, lawyers, accountants, consultants, and university researchers. It offers an explanation of how the region’s array of players interact to create a complex, productive network—technical, institutional, and social—that fosters innovation and entrepreneurship.

During the 1999–2000 academic, the Silicon Valley Networks Project team will continue its activities by conducting research, offering seminars, and hosting another major conference. Building on the first year’s foundation, the project will also begin to pursue its international agenda: to examine the various strategies and performance of emerging regions of entrepreneurship and innovation outside the United States, with a special emphasis on Asia.

THE URBAN DYNAMICS OF EAST ASIA

Urbanization is transforming the landscape of East Asia. While the industrialized nations of the region have been among the world’s most highly urbanized countries for some time, it is the rapid urbanization of China and the developing countries in Southeast Asia that is remaking the region as a whole. In many respects, what we think of as “modern” East Asia is essentially a network of urban centers, not entire countries, that harbor the manufacturing, services, and consumer markets linked to the global economy. Demographic change, family organization, economic production and con-

sumption patterns, political processes, and cultural outlooks are among the many facets of society altered by the dynamics of urbanization unfolding throughout the region.

To date, however, East Asia’s urbanization has largely been a silent revolution, frequently overlooked or under-studied by scholars. The project seeks to address this omission by making the urban sector an integral part of the Center’s research program. In particular, it seeks to understand how the emergence of increasingly urban populations and the large metropolitan centers in which many of them live and work is reconfiguring the economic, social, and political dynamics of East Asia—both within and between countries. The project is also interested in the comparative performance of Asian cities in addressing the opportunities and challenges they face.

Begun in 1997, the project received a three-year grant from the Bechtel Initiative of IIS in the fall of 1998 to advance research work within A/PARC and to build a broad base of collaboration within and outside the Stanford community. As a consequence, project activities during the past year moved along several tracks.

Project researchers Thomas Rohlen and James Raphael are working on a book on East Asia’s urban system. To date, this has mainly involved gathering source materials and data. Rohlen and Raphael have taken field trips to cities covered in the first phase of research. These include Tokyo, Osaka, Seoul, Shanghai, Beijing, Taipei, Manila, Hong Kong–Guangzhou, Singapore, Bangkok, and Kuala Lumpur. The purpose of this fieldwork has been to locate relevant data sets, to interview metropolitan officials for case studies, and to meet local scholars working on topics of interest to



Hong Kong SAR Chief Executive C. H. Tung (second from left) with Thomas Rohlen, Michel Oksenberg, and James Raphael during their December 1998 visit for A/PARC’s Urbanization Project

A/PARC’s research. In 1998–99 the project also supported two graduate research assistants, Amy Fox and Kay Shimizu. Their principal responsibilities were to assist in collecting and standardizing data for the metropolitan centers being studied.

The second set of project activities in 1998–99 focused on building institutional ties and collaborative relations elsewhere at Stanford and outside the university.

Dr. Douglas Webster, senior urban planner for the Royal Thai Government, joined the project in the 1998 winter quarter as a visiting professor; he will continue on the project this coming year. While at Stanford, Professor Webster worked on a monograph on economic change and the development strategy of the Bangkok metropolitan region. He also helped facilitate a series of interactions between A/PARC and the East Asia Sector of the World Bank’s Urban Unit.

Also during 1998–99, the project sponsored a seminar series for interested members of the campus community. In addition, during the 1999 winter quarter, Rohlen, Raphael, and Webster offered a new undergraduate course, entitled “Cities and Urban Systems in East Asia,” as an elective in the Urban Studies Program. To continue building interest among students, the project plans to sponsor two new courses in 1999–2000: one on urban environmental management and one on urban administration and governance in East Asia.

The project has developed a network of contacts with individual scholars and research institutes working on Asian urban issues in the United States and in East Asia. Of particular note, in July 1999 A/PARC and the Urban Unit of the World Bank co-sponsored a workshop at Stanford that examined trends and research issues in the East Asian urban sector. The workshop brought together twenty World Bank representatives, Stanford faculty members, and outside experts. By way of follow-up, A/PARC and the Bank are exploring possible areas of future research collaboration.

Looking forward to 1999–2000, Professor Richard Doner, Department of Political Science at Emory University and a leading scholar on industrial networks and foreign direct investment in East Asia, will be in residence at A/PARC during the fall quarter under the auspices of the project. Professor Mike Douglass, chair of the Urban Planning Department at the University of Hawaii and an East Asian specialist, will be at A/PARC in the winter and spring quarters of 2000. Dr. Douglas Webster will also be in residence again during the winter quarter.

1998–99 SEMINARS FOR THE URBAN DYNAMICS OF EAST ASIA PROJECT

October 29

“Summer of Our Discontent: Japanese Voters and the Obuchi Administration”
Eric Johnston, Journalist, *Japan Times*, Osaka Bureau

December 3

“Urbanization Trends in India—Implications for the Future”
Deepak Satwalekar, Managing Director, Housing Development Finance Corporation, Ltd., India

February 24

“The World Bank’s Urban Program in the East Asia Region: New Challenges & Approaches”
Keshav Varma, Manager, Urban Unit, East Asia and the Pacific Region, The World Bank
Thomas Zearley, Principal Operations Officer, Urban Unit, East Asia and the Pacific Region, The World Bank

March 3

“Mega-City Problems of Seoul and the Urbanization Experience of Korea”
Won-Yong Kwon, Professor of Urban Planning, University of Seoul; Visiting Professor, Institute of Asian Research, University of British Columbia

March 4

“Recent Shocks: The Repositioning of Southeast Asian Urban Regions: Winners and Losers”
Douglas Webster, Former Senior Urban Advisor to the National Planning Board, Prime Minister’s Office, Thailand; Visiting Scholar, A/PARC

April 15

“The Effects of the Financial Crisis on Urban Poverty and Urban-Rural Dynamics in Southeast Asia”
Terry McGee, Director, Center for Asian Research, University of British Columbia

April 28

“Provincial Strategies of Economic Reform and Development of Contemporary China”
Peter Cheung, Department of Politics and Public Administration, University of Hong Kong

A/PARC LOOKS AT ASIA'S CHALLENGES AT THE BEGINNING OF THE TWENTY-FIRST CENTURY



As the end of the twentieth century approaches, it is appropriate to consider the directions that Asia could, or should, take at the beginning of the twenty-first. Donald Emmerson, Walter Falcon, Michel Oksenberg, James Raphael, Thomas Rohlen, Henry Rowen, and Douglas Webster offer their thoughts on Asia at the dawn of the new millennium.

MALAYSIA AND INDONESIA IN 1999: CRACKDOWN AND UPROAR

The challenges that are likely to confront Southeast Asia at the beginning of the twenty-first century may not differ all that much from the challenges that the region already faces at the end of the twentieth. Development, democracy, stability, and security are among the issue-areas in which such challenges have been, are being, and will be posed.

In historical perspective, however, the dynamics of political economy certainly have changed, as events in 1999 made clear. In the 1960s, poverty, autocracy, instability, and insecurity had run hand in hand across countries such as Vietnam, Laos, Cambodia (abbreviated at the time by State Department wags as “V.L.C.” for “Very Lost Causes”), and Indonesia. Underdevelopment bred communism, which fostered or triggered repression. In 1999, on the other hand, political conditions in the least developed and least democratic Southeast Asian states were generally less volatile than in Malaysia, a higher-income and formally democratic country, or Indonesia, with its long record of rapid development before 1997 and a shorter one of democratic experimentation thereafter.

Malaysian prime minister Mahathir bin Mohamad’s brutal punishing of his former protégé Anwar Ibrahim cannot be understood without recourse to the highly contingent politics of rivalry and personality. But Mahathir’s vindictiveness and the backlash that it stimulated would have been less intense had certain broader conditions not prevailed. These wider contexts included economic development, which broadened and emboldened the Malay middle class; the sudden recession of 1997–98, psychologically amplified by the prior belief that growth would go on; the resulting anger, not only Mahathir’s but also that of the middle class, and their need to apportion blame for the downturn; and the British-bequeathed legitimacy of electoral democracy and the separation of powers, which encouraged the coming together of a diverse coalition that hoped to defeat the prime minister at the next national election, due before mid-2000.

As for Indonesia, its troubles in 1999 were legion. For three decades, until he resigned under duress in May 1998, General Suharto had squelched with one hand, in the polity, the pressures for change thrown up by his other hand’s incitement of rapid growth in the economy. It was a virtuoso, if sometimes violent, performance. But it could not last. Again, by incubating a broader and ethnically more “indige-

nous” (non-Chinese) middle class, opening the horizons of a younger generation through education, and raising rural welfare and awareness, the general unwittingly sponsored the agents of his own demise.

Not least among the beneficiaries of the waning of docility through Indonesia’s socioeconomic transformation was Megawati Sukarnoputri, Suharto’s predecessor’s daughter. Her repression by Suharto in 1996 was less punitive than what Mahathir would later do to Anwar. But she was for a time ostracized from her party at Suharto’s behest, and that made her all the more popular. Such a benefit by backlash is not uncommon among persecuted politicians in socioeconomically mobilized societies, Malaysia in 1999 clearly included.

B. J. Habibie, a longtime acolyte-cum-confidante of Suharto, had once dubbed his mentor “S.G.S.”: “Super Genius Suharto.” Such loyalty leveraged Habibie’s rise to the vice presidency, positioning him to succeed Suharto when the latter resigned from the top job on May 21, 1998. Few expected Habibie’s presidency to last. Yet he remained in office for seventeen months, until October 20, 1999, when Abdurrahman Wahid replaced him as president, and Megawati Sukarnoputri became vice president.

To his credit, Habibie laid out a timetable for democratization, including national elections, held on June 7, 1999. Also to his credit, in January 1999, he broke with Suharto’s refusal to alter the repressive status quo in East Timor. To the shock and consternation of Indonesia’s military establishment, which was not consulted in advance, Habibie proposed giving the East Timorese a chance to express themselves on their territory’s future. They did so with a participatory vengeance that further surprised the generals in Jakarta.

Of an East Timorese population of some 850,000, roughly half registered to vote. Of those registered, an amazing 98.6 percent braved Indonesian intimidation to cast ballots on voting day, August 30. The plebiscite was organized carefully and fairly by the United Nations Mission in East Timor. Fully 78.5 percent of these votes rejected continued integration with Indonesia—and favored, by implication, independence.

The reaction from local militias—thugs funded and armed by the Indonesian military—and from complicit Indonesian forces was devastating. In September, much of the already scant urban infrastructure of the territory was looted, burned, or both. Hundreds of thousands of Timorese fled the territory and an unknown number died. Under mounting pressure from the West, and especially from the United States, Habibie felt obliged to accept an international peace force. Its mainly Australian members disembarked in East Timor in September.

On the eve of 1999’s third quarter, the future of Indonesia was spectacularly unclear. On the streets of Jakarta, hypernationalists denounced the impending loss of East Timor as a humiliation and demanded Habibie’s resignation. Radical students protesting a newly adopted national security law fought pitched battles with the police and demanded Habibie’s resignation. Megawati, whose party had won a 34 percent plurality of the votes cast in June in Indonesia’s

national legislative election, maneuvered against her rivals for the presidency, including Habibie.

Some of the militias regrouped in western Timor and threatened to mount cross-border raids that could destabilize an independent East Timor. A few feared East Timor’s partition and the absorption of its western districts into Indonesia. Relations between Jakarta and Canberra worsened dramatically, while on the ground in East Timor Australian and other soldiers in the international force tried to disarm the militias while avoiding potentially calamitous confrontations with Indonesian troops.

Also in 1999, demands for the independence of Aceh burgeoned in that long-rebellious province at the far western tip of Indonesia. Thousands of kilometers to the east, in and around Ambon, not far from also restive Irian Jaya, Muslims and Christians continued to kill one another. And all this in a country that had suffered a double-digit plunge in GDP in 1998, thanks to the East Asian financial crisis.

Given such tumult, small wonder that a growing number of observers should, by September 1999, have taken to portraying Indonesia as an equatorial replay of Yugoslavia: a no longer viable patchwork state whose undoing, if unremedied, could destabilize Southeast Asia.

But just as the optimists were blindsided by events in 1997–99, it was also possible that the pendulum of received opinion had, by September, swung too far in the other direction. The greatest dangers lay immediately ahead: in the critical hiatus before a new and more accountable People’s Consultative Assembly could choose a new president and vice president. But if only, somehow, the officers, the politicians, and the students in Indonesia, not to mention the soldiers and militias in East Timor, could restrain themselves long enough to allow newly pluralized political processes to generate fresh, and more legitimate, governments and leaders in both places, perhaps the unraveling and the violence could be, if not halted, at least slowed to a less dangerous pace. In this context, the Assembly’s election of Wahid as president and Megawati as vice president in October promised at least some temporary relief.

As for governments elsewhere in the region, they would have to ponder the abject failure of the vaunted Association of Southeast Asian Nations, despite more than three decades of cooperation, either to anticipate or to alleviate the agony of Indonesia—not to mention the forest fires that in 1999 were reignited on Kalimantan to the detriment of air quality in Brunei, Malaysia, and Singapore.

The multiple calamities wracking Indonesia thus challenged not only its leaders, but also its neighbors. Together they would have to fashion more effective joint strategies to prevent, handle, and resolve regional crises. Failing that, cooperation among Southeast Asian states as a tool to manage their transition into a new century seemed unlikely to recover from the damage done to it by events in 1999.



Donald Emmerson

—Donald Emmerson



Walter Falcon

INDONESIA AT THE MILLENNIUM

An assessment of Indonesia in the year 2000 necessarily begins with a flashback to mid-1997. The economy was then growing annually at 6 percent, Indonesia's Central Bank was actually intervening to prevent appreciation of the rupiah, and all but about 10 percent of the population

were, at last, above the poverty line. Real wages were rising, urban construction was booming, and agricultural involution (the Indonesian system of shared poverty) seemed no longer a relevant concept for rural Java. Difficult political transitions were anticipated in the future, but overall the mood was unusually buoyant.

Then everything changed. The economy contracted by 14 percent in 1998. The rupiah depreciated from Rp 2,500/\$ in July 1997 to Rp 15,000/\$ in July 1998. Rice production was below trend by 12 percent that year, and most of the leading industrial and service establishments were near bankruptcy. In its effort to help the economy, the IMF almost surely made matters worse. On the political front, B. J. Habibie advanced to the presidency, but his legitimacy was questioned, both domestically and internationally. And by 1999, parts of the nation were at war with one another as the world watched on CNN. "Unity through diversity," the motto that had rallied the nation since independence, had seemingly given way to provincial separatism.

No one had predicted the abruptness or the severity of these changes. Indonesia had long been lauded for its sensible macroeconomic policy and for its capacity for working through difficult economic problems. Moreover, few observers really understood the extent of the corruption throughout government, and the degree to which the political institutions of the country had decayed. Nevertheless, the process of breakdown might still have had a very different flavor had several different problems not simultaneously erupted. The 1997 financial crisis in Thailand caused global financial managers to look more closely at all of the economies of Southeast Asia. A six-month drought and fires on millions of hectares of land—mostly deliberately set for land clearing purposes—led to an air-pollution disaster throughout Southeast Asia. President Suharto's health had also become a serious issue by late

1997, as had the increasingly rapacious business behavior of his family. Suddenly, the limited news from and about Indonesia switched from being very positive to very negative. Political and economic problems quickly fed upon one another, resulting in capital flight, urban violence, ethnic clashes, and a presidential resignation. Too often, the new and old presidents and the armed forces failed to act with swiftness, fairness, and wisdom. For many Indonesians, they were seen as sources of problems, rather than of solutions.

With this past as prologue, two questions now dominate Indonesia's development at the new millennium. First, how long will the country remain adrift? Second, what institutions and which groups will actually lead in the discovery of a new and more appropriate path to progress? The answers are by no means clear. What is clear, however, is that Indonesia now starts its new development quest with an exceedingly difficult set of initial conditions.

To regain its potential at the turn of the century, Indonesia must quickly solve three fundamental problems. First, it must recognize that East Timor is now an independent entity, and that further attempts to punish this former province will move Indonesia increasingly toward the status of a pariah state. Most Indonesians see President Habibie's call for a referendum in East Timor, particularly without the prior support of the armed forces, as one of his worst decisions as president. Once that decision was announced, however, the scorched-earth policy of the armed forces—presumably as a warning to other provinces not to attempt secession—had equally disastrous international consequences. Agreeing to invite UN peacekeeping forces into East Timor, reluctantly recognized by almost everyone in Indonesia as being necessary, was nevertheless a very considerable loss of face for a proud nation. More generally, "moving on" from East Timor, while simultaneously sorting out the role of the armed forces in a new political order, remains Indonesia's greatest challenge. An inescapable lesson of the 1990s is that middle income countries, such as Indonesia, will require political development on a par with their economic progress.

A second problem centers on the election of Indonesia's fourth president in October 1999. The parliamentary elections of June 1999 moved the country from (de facto) single party rule to an unfettered democracy, in which forty-eight parties contested the election. No single party won an outright majority. Megawati Sukarnoputri's Democratic Party won a plurality of about 31 percent of the vote, whereas GOLKAR, the party of President Habibie, ranked second with about 24 percent. For better or worse, however, the new 500-person parliament did not elect the new president; rather, this group, supplemented by 200 appointed members, formed the electoral college. With an electorate of only 700, the charges of vote-buying were rampant. Indeed, the Bank Bali scandal in mid-1999 was symbolic in this respect, for it had at its heart the diversion of funds for alleged vote-buying. Election of the new pres-

ident thus threatened the honesty of the process itself. The stakes in this election were very high, for if the citizenry perceived the election process as having been bought, the resulting violence might have accelerated the downward spiral of the country. Fortunately, the election of Abdurrahman Wahid and Megawati Sukarnoputri has allayed some of these fears.

Third, even if the Bank Bali and East Timor issues are resolved, fundamental reforms of many economic and political processes are still required. For example, restructuring and regulating the banking sector are desperately needed; so, too, is a solution to the more general problem of restoring honesty in many government agencies. These processes will have to be put in place by a political coalition without a dominant leader, but within a democratic system that is in its infancy. Consistency in policy formation will be extremely difficult, and even under the best of circumstances a great deal of patience about new reforms will be required by Indonesian citizens and by the international community.

The success or failure with which Indonesia deals with the foregoing issues has important consequences for the world. This country of 210 million people, 17,000 islands, 400 language groups, and 26 provinces will require very strong leadership if it is not to become another Yugoslavia. Although Indonesia has more Muslims than any other country in the world, religious and ethnic diversity add other layers of tension. As the world's fourth largest country, as the centerpiece of ASEAN, and as the "owner" of many key shipping lanes in Southeast Asia, Indonesia is very important to Asia's growth and stability—considerably more important, in fact, than the United States and other Group of Seven nations have previously understood.

The geographic peculiarities of Indonesia make it ripe for disintegration. That is why the issues of separatism, the right of self-determination, and territorial integrity are so complicated for the country. Somehow, Indonesia must control centrifugal tendencies within a democratic framework. This process will inevitably require responsible use of the army—but an army that is both accountable for its actions and sophisticated in its understanding of territorial issues. Striking the correct balance between keeping the country together and assuring human rights for all groups will require a subtlety of analysis, action, and leadership not seen domestically in Indonesia—or internationally—in recent months.

—Walter Falcon

REFORMING THE COMMUNIST PARTY: CHINA'S CHALLENGE IN THE TWENTY-FIRST CENTURY

The People's Republic of China celebrated its fiftieth anniversary in 1999. Since the 1931–45 Japanese occupation and the Communist-Kuomintang civil war, the mainland has undergone a remarkable transformation, though at an unnecessarily and tragically high cost. Across most of East Asia, the once overwhelmingly peasant, rural, and agrarian nation is in rapid transit to an industrial, urban, and occupationally diverse country. An economic infrastructure is being created that will yield China wealth and power. After two centuries of decline, invasion, and civil war, the Chinese people are within reach of a great twenty-first century.

But the mainland's continued ascent is by no means guaranteed. It still confronts massive problems: environmental degradation;

an ineffective state revenue system; inefficient state-owned enterprises; a banking system plagued by non-performing loans; alienation among its strategically located ethnic minorities; the inevitable dislocations brought on by rapid economic and social change; and an educational system still suffering from thirty years of neglect and oppression during the Mao era.

The biggest challenge the mainland faces, however, is not economic, social, or cultural. It is political: can the ruling Chinese Communist Party (CCP) reform itself and retain its relevance to the country's rapidly changing condition? Can the party, through self-reform, lead the nation through the major transitions that loom ahead? Or will the party prove unable to meet the challenge, resulting in serious disruptions and setbacks in the modernization process?

The CCP remains the most important organization in China. Through its control of key personnel appointments, its coercive capabilities, its eroding propaganda apparatus, its manipulation of patriotic and nationalistic appeals, and its command of the government and the People's Liberation Army (both of which are subordinate to the Politburo), the CCP still provides the glue that holds the country together. The mainland's unity would be imperiled today without the continued existence of the party. By design, it has no substitute.

Since 1989, the leaders have made no serious attempt to redefine the party's purpose within a market economy and an increasingly diverse society. Ideologically and organizationally, the CCP was designed to carry out revolution, wage class warfare, and run a Stalinist economic system. In theory, it remains a vanguard and mobilizational party, enforcing the "dictatorship of the proletariat" (that is, the wishes of the leaders), while in reality it is an increasingly corrupt instrument of authoritarian rule and a dispenser of patronage. It persists in using old methods to solve new problems. This is a sure prescription for obsolescence.

Many political reforms have been initiated in the mainland during the past twenty years: introduction of village elections; efforts to establish the rule of law; strengthening of parliamentary bodies; introduction of a civil service-system; administrative decentralization; loosening of censorship; and steps to create a professional military under civilian control.

But none of these changes is truly meaningful without reforming the party's role. How can the rule of law be established when the party and its leaders can intervene at will, overturning judicial decisions and altering laws that begin to displease them? How can village elections be meaningful when party branches in the villages control the process? How can parliamentary bodies be strengthened when the delegates are, in reality, selected by the party? How can administrative decentralization be effective when its main result is to strengthen the authority of local party committees over the local agents of central government bureaucracies? How can the party improve its internal procedures without public scrutiny?

The party asserts its right to rule on three claims: its policies yield high growth rates and improve standards of living; it protects



Michel Oksenberg

China's unity, sovereignty, and territorial integrity; and it maintains stability and prevents chaos. But these claims are under pressure and boldly challenged.

Already, the growth rate is slowing and unemployment rising. Taiwan's drift from the mainland challenges the CCP's claim about unity. The need to accommodate international financial markets and to increase the access of foreigners to mainland markets makes the defense of sovereignty seem hollow. The rise in crime, corruption, and social unrest raises questions about the party's long-term ability to prevent chaos. And millions of recent urban migrants and private entrepreneurs are not effectively incorporated into the state structures.

The party is not in imminent danger of collapse, nor is China likely soon to break apart. But the party is in trouble. It is approaching the point where its decay will be irreversible. The 1980s and 1990s have witnessed a severe erosion in the efficacy of the party's ideological appeals, a weakening of its authority over other institutions, and an atrophy of its core apparatus. In many localities, the party is defunct.

This does not halt economic growth in such places, but the result is "raw" capitalism: unregulated markets, erosion in social services, and growth in crime. To be sure, its plight can be exaggerated. On matters of utmost importance to the leaders—birth control, construction of large projects such as the Three Gorges Dam, or the Pudong economic zone in Shanghai—the party can deliver. It retains considerable power.

Thus far, China's leaders have been reluctant to embark upon a genuine reform of the CCP, as Chiang Ching-kuo and Lee Teng-hui did with the KMT in Taiwan and which, in retrospect, President Suharto should have done with his ruling party in Indonesia.

Five main reasons explain their reluctance: deep and potentially polarizing differences among the leaders on the ultimate objectives and urgency of political reform; fear that the results would be the same as Mikhail Gorbachev's effort to transform the Communist Party of the Soviet Union; concern that foreign powers and Taiwan would seek to overthrow the party; a desire to focus on what they know best (economic development); and little overt indication that the population demands political reform.

While these considerations have merit, they mask the real issue: what path do the leaders envision for the party in the next fifty years? In essence, they have five unpleasant alternatives: stay on the present path, risking accelerating decay, irrelevance, and ultimately disruptive change; return to totalitarian rule, risking economic stagnation and international isolation; transformation into a highly national-

istic and externally assertive party dependent upon support of the military, risking a coalition against China and exposure of Chinese weakness; transformation into an instrument to guide political reform, with the risks mentioned above; and postponement of choice, risking purposelessness and drift. None of these choices is attractive.

But increasingly, many thoughtful younger party members find the fourth alternative preferable: within one to three years, explicitly proclaiming that the party's purpose during the coming decade or two is to lay the foundation for a Chinese democracy.

A swift transition to democracy is not possible. The ancillary institutions to sustain effective democracy are not in place. This transformation entails embarking on a process of gradual democratization under party guidance and preparing the party for the day when its right to rule can be derived from the consent of the governed through fair and competitive elections.

The benefits of such a course would be enormous. The party would acquire a galvanizing mission and renew its legitimacy among the population. It would assuage international critics. Understanding Beijing's long-term objective, foreign countries would be more sympathetic with its short-term difficulties. And it would be warmly welcomed in Hong Kong and greatly enhance China's attractiveness to Taiwan.

Over time, the reforms should include a number of measures. Some of these even now are beginning to be implemented, although without an overall design.

- Announcing that gradually, on a controlled, step-by-step basis, elections would be held for township, county, and then provincial party and government officials;
- Separating the party from the government, as began to be done in 1988–89, so that over time the CCP would play only a supervisory role in formulation and execution of policy;
- Removing the judiciary from party control as an essential step toward the rule of law;
- More clearly delineating the responsibilities and authority of the national and local governments;
- Strengthening the Ministry of Defense and transferring the military from party to government command;
- Relaxing the current tight restraints on the formation of interest groups and voluntary organizations;
- Modifying policies that produce the greatest opposition and alienation to party rule (such as those toward ethnic minorities, religion, and on birth control) or that retard China's scientific and technological transformation (such as restrictions on academic freedom in universities);
- Subjecting the party to greater external scrutiny by a vigorous press and more assertive parliaments.

The initial steps in this process need not include allowing the organization of opposition parties, nor do all steps need to be implemented simultaneously. These reforms would not undermine the supremacy of the party during the transition but would renew its purpose. And if it leads the transition well, it would probably emerge as the dominant party in an electoral system.

China's leaders are unlikely to embark on this course. President Jiang and his associates give little sign of being bold political reformers. They seem to prefer remaining on the present political path and postponing choice.

Due to their caution, instead of being remembered for the economic achievements they have engineered in the past twenty years, China's present talented leaders could easily go down in history—like President Suharto—as having wasted an opportunity to fashion a stable, durable political system. And ultimately, that failure could harm China's economic progress and political evolution as well.

Instead of a steady, though difficult march towards a bright future, the nation's path could tortuously twist, as in the past, between periods of progress and periods of enormous tragedy and despair.

—Michel Oksenberg

EAST ASIA'S URBAN REVOLUTION

Some time in the next decade, for the first time in history, there will be more East Asians residing in cities than in the countryside. One-third of the additional two billion people expected to join the world's urban population by 2025 will be in East Asia. China alone will account for over 400 million of these new urban dwellers. By 2025, East Asia's urban population will be 1.3 billion or more. Such figures reflect the growing centrality of cities to nearly all aspects of East Asian life.

The wealthiest countries in the region—Japan, South Korea, Taiwan, and the city-state of Singapore—are already highly urbanized. Many of their urban challenges are similar to those of America and Europe. It is in China and the developing countries of Southeast Asia where urban growth rates are near historic highs and the urban revolution is having its most dramatic impact. Urbanization in developing East Asia is principally being driven by industrialization and its intersection with the forces of globalization and technology change. The economic vitality of cities emerging out of this mix presents a very different dynamic than the top-down political economies that characterized so much of East Asia in the past. It is no exaggeration to say that the changes underway in developing East

Asia as a consequence of urbanization will equal, in long-term importance, the socialist and nationalist revolutions that occurred in earlier times throughout the region.

How this historic transformation is managed will significantly shape the kinds of societies that emerge in the region in the twenty-first century. Cities are at the heart of

such key issues facing East Asian countries as global economic competitiveness, family and lifestyle changes, environmental stress, the evolution of political systems, and the rise of civil society.

East Asia's urban sector is also at the cutting edge of important global trends. Mega-city formation is one such phenomenon. Metropolitan regions of a size previously unknown in history now dot the Asia Pacific Rim. Eight of the world's twenty most populous urban agglomerations are in East Asia. The Tokyo metropolitan area, the largest of these, contains some 28 million people. The magnitude of the challenges these mega-cities face—efficiently transporting huge volumes of people and goods each day, creating pleasant and affordable living space in the face of relentless pressures on real estate, managing the environmental systems of sprawling and congested mixed-use space, and planning disaster-relief contingencies, to mention several—are unprecedented.

Moreover, East Asia is experiencing new forms of urbanization on a large scale. Peri-urban growth is one such example. Throughout Southeast Asia and in China, clusters of factories and worker housing are appearing in rural areas beyond core cities and their established suburbs. Much of this development is unregulated and unplanned, ad hoc, and funded privately in the provision of basic services. Over the next twenty-five years, the majority of new settlement, investment, and construction in East Asia will likely occur in these low-density, peri-urban areas. Whether such areas mature and become an integrated part of the urban system, or are bypassed and left to rust by the subsequent generations of industrial investment and urban expansion, will depend on how peri-urban growth hereafter is shaped by public policy and market forces.

Three of the most fundamental issues facing East Asian cities as they look to the new millennium are:

- **Creating competitive economies.** Cities can successfully sustain their growth only if they can provide jobs—and increasingly better-paying ones—for their citizens. The alternative is stagnation or worse—the return of an earlier East Asia characterized by overwhelming urban poverty and widespread physical degradation. At the same time, economic opening and the diminishing efficacy of state economic planning are putting increasing pressure on East Asian cities to operate as engines of growth on their own. Globalization has created burgeoning international capital and technology flows that provide new opportunities for cities to develop local competition strategies to attract foreign direct investment and to secure new, higher-value-added niches in the regional and global economies. Such strategies, however, will depend significantly over the long term on the continuous upgrading of market-enhancing institutions and human resources; in both regards, cities still find their futures bound to the nation-state. It thus remains uncertain how the various cities of East Asia will emerge from ever-changing and unrelenting global competition. Further, the forms of state-city accommodation that will prove most adaptable and resilient in the era of globalization are far from clear.



Douglas Webster



James Raphael



Thomas Rohlen

• **Coping with rapid growth.**

For cities in the region's developing countries, the biggest challenge at present is to keep from being overwhelmed by ever-growing numbers of rural migrants looking for a better life. Even in Asia's developed countries, the largest and most cosmopolitan cities remain subject to strong growth pressures well after the rural-to-urban transition is essentially completed. The infrastructure investments needed throughout the region for transportation, housing, water and sewage, schools and hospitals, etc., to keep up with urban growth—let alone improve current conditions—are staggering. The Asian Development Bank, for example, estimates that approximately \$175 billion is needed in East Asia for urban infrastructure over the next twenty years. Despite improvements in recent years in urban financing, including advances in the privatization and marketization of infrastructure projects and services, great uncertainties remain about the adequacy of future public and private funding for urban needs. The failure of investment to keep up with demand will add to the problems of congestion, inefficiency, pollution, and health risk already widespread in many cities of the region. This, in turn, would limit economic prospects and test political stability.

• **Developing local governance capacity.** East Asia's urban revolution has multifaceted political implications. In many countries, it is already shaping the evolution of civil society, along with citizens' perceptions of their place in the state, local community, and outside world. It is also redefining the roles and responsibilities of national and local governments. In particular, East Asia is witnessing a gradual but unmistakable devolution of certain powers and responsibilities from the state to the city and other units of local government. These include many of the issues mentioned above, from infrastructure provision to economic development and the delivery of social welfare services. The current thinking in most policy circles is that decentralization is an important and correct step toward the creation of more responsible and effective political systems. At present, however, many local and municipal governments in East Asia lack the administrative expertise and experience to deal competently with the wide range of issues before them. Local capacity building—including mechanisms for local public agencies and private stakeholders to work together—thus looms as a major urban challenge for the region.

In sum, the challenges and opportunities presented by East Asia's urban revolution are central to how the region will look in the

twenty-first century. For scholars and practitioners interested in the future development of the region, the immediate task is to begin looking more carefully at the urban dynamics of East Asia, as they constitute the "ground level" of social, political, and economic change.

—James Raphael with Thomas Rohlen and Douglas Webster

CHALLENGES FOR ASIA IN THE NEXT CENTURY

The rise of Asia will be one of the most consequential world developments of the twenty-first century. The region's total output today in international prices is about equal to that of North America or of Western Europe, but is growing much faster than the others. The economic output of China alone, assuming that it stays on its liberalizing course, will probably equal that of the United States by about 2025.

Although the overall pattern will be one of strong growth, those countries that have already attained a high level of development—such as Japan, South Korea, Hong Kong, Taiwan, and Singapore—will grow slowly. Those still at low levels—China, India, Vietnam, and Indonesia among them—have the potential to grow rapidly for many years.

Contributing to these countries' very different economic prospects are varied demographic ones. The widespread decline in births in recent decades greatly reduced the ratio of dependents to workers, a swing that contributed about one-third to the impressively high growth rates of several nations. East Asians will continue to have few young dependents, but the number of older ones will increase greatly and their support will be a growing burden, especially for Japan, the four newly industrializing countries, Thailand, and Malaysia.

Japan aside, the impressive growth of the region has been based largely on accumulating production factors (capital, both physical and human) while adopting technologies from the rest of the world. An important—and open—question is the future contribution of Asia to science and technology, which is now created almost entirely in today's industrial countries. If Asia develops strongly, this pattern should change, with China and India, especially, making substantial contributions. Doing so, however, will require them to develop stronger knowledge-producing institutions—not only industrial laboratories but also research universities. This, in turn, will require an environment of intellectual freedom, an attribute that needs strengthening in the region.

Here are brief comments on three pivotal countries: Japan, China, and India.

Japan, sobered by its poor economic performance in the 1990s, is undergoing a quiet set of changes—in politics, bureaucracy, and business—that might cumulatively become radical ones over the next decade. Politicians are becoming more assertive, the power of the Liberal Democratic Party is weakening, the bureaucracy is becoming less interventionist, and business is becoming more profit-oriented. With its impressive talents and discipline, Japan will recover from the stagnation of the 1990s and do well in the coming

decades even though its high-growth era is behind it.

China's performance, by contrast, has been spectacular, averaging 6 percent per capita annually for twenty years, an unparalleled rate for so long and so large a developing country. Its policies of restoring property rights to farmers, economic openness, and fiscal and monetary prudence have served it well. Other positives include a high savings rate and increased levels of education, as well as the invention or adoption of growth-enhancing institutions. Under this last heading are town-and-village enterprises, a modern central bank, and a federal type of tax system. But there are also large challenges: a weak legal system, vast infrastructure needs, reducing subsidies to state-owned industries and privatizing them, modernizing the social welfare system, creating a modern commercial banking system, elevating the level of the interior provinces, and reducing corruption. Its still low level of development, along with the high quality of its economic management, suggests that it will continue to prosper into the twenty-first century. Increasingly, though, the burden will rest on improving its institutions.

While the East Asians forged ahead during the 1990s, India made a decisive move away from the statism that had kept it poor for so long. India has progressively opened up its economy and begun to privatize state-owned enterprises. There remain many more things to be done, especially changing restrictive labor laws, but India is on a path that should produce at least a moderate growth rate (3–4 percent per capita) over the long term and conceivably an even higher one, more in line with that of its East Asian neighbors.

Political development in Asia has also been remarkable. In fast-developing countries, the pattern has been for initially authoritarian governments gradually to allow alternative political parties, semi-open elections, and some rule of law. In several countries, a wide array of political and civil rights have already been attained, and this pattern should continue. By 2025, many Asian nations will be at income levels at which all countries in the world have become politically pluralistic.

This is not to predict, however, that all will go smoothly. For one, there might be interruptions on the path to prosperity. (The financial panic of 1997–98 has turned out to be a minor bump on the road to greater prosperity, except for Indonesia.) Some countries might experience prolonged internal strife or be plunged into international crises. Several unresolved issues are festering: those between the two Koreas, China and Taiwan, and India and Pakistan among them. But, if these—or new ones that might arise—descend into wars, there is ample evidence from the twentieth century that countries can soon get back on track, even after large wars, provided their basic institutions are sound.



Henry Rowen

The largest question for the twenty-first century concerns China. Its great prospective economic weight, together with its central location, imply that it will profoundly affect all of Asia and beyond. There are strong grounds for being optimistic about its role. China is on a path to become the world's largest democracy (displacing India with that honor) within the next twenty or so years, a projection that follows from the connection between development and democracy, from the favorable East Asian pattern of political evolution, and from internal evidence. On this last point, despite repressive actions by the country's regime, the Chinese people have experienced a marked growth in personal freedoms, and there are good reasons to believe that the liberalizing process will continue, not least because it will be a requirement for becoming fully developed economically.

Many commentators in the West see the rise of Asia as somehow to Asia's own detriment. Although there are some downside possibilities from its rise, we do not live in a zero-sum world and the prospect of a prosperous and increasingly democratic Asia is an encouraging one.

—Henry Rowen

To promote the interaction of scholars, business people, and public-sector decision makers, A/PARC regularly sponsors conferences, seminars, briefings, and lectures. Among these outreach activities, the annual Asia Briefing, Corporate Roundtable, and the Asia Pacific Roundtable foster candid discussion of Asia's political, economic, business, and government concerns.

AMERICA'S ALLIANCES WITH JAPAN AND KOREA IN A CHANGING NORTHEAST ASIA

AUGUST 1998

The project on America's Alliances with Japan and Korea in a Changing Northeast Asia completed its third and final year in 1998-99 with a conference on August 20-22, 1998, at Stanford University. The purpose of the conference, which was attended by all the project participants and key outside resource people, was to review final papers for the second volume of the Alliances book. The first volume is forthcoming from Stanford University Press.

KKD SYMPOSIUM: OPTIMAL COOPERATION IN THE ASIA PACIFIC'S FUTURE

DECEMBER 1998

The Kansai Keizei Doyukai (Kansai Association of Corporate Executives) is a federation of business leaders in the Osaka-Kyoto area of Japan that serves as a public forum for the discussion of policy issues related to economic and social concerns, especially as they relate to the Kansai region.

On December 2-4, 1998, A/PARC and the Kansai Keizei Doyukai (KKD) organized a three-day event to strengthen faculty ties and facilitate interactions between the association and some of Silicon Valley's leading firms and executives. Two days of visits to Silicon Valley companies, including Oracle and



Takeo Ohbayashi (left) and Daniel Okimoto at the KKD Symposium

1998-99 AMERICA'S ALLIANCES PROJECT SEMINARS

December 8

"Changing Relations among Party, Military, and Government in North Korea: Its Impact on Policy Direction"
Jinwook Choi, Research Fellow, Korea Institute for National Unification

February 2

"Strategic Implications of the Asian Financial Crisis"
Martin Petersen, Director, Office of Asian Pacific and Latin America Analysis, CIA

March 8

"The Revolution in Military Affairs and the Future of U.S. Bases in Asia"
Andrew Marshall, Director of Net Assessment, Department of Defense

April 12

"Theater Missile Defense (TMD) in East Asia"
Dean Wilkening, Director, Science Program, CISAC
Iain Johnston, Visiting Fellow, CISAC
Paul Giarra, Senior Analyst, Office of Regional Net Assessment, Strategic Assessment Center

April 27

"The Coming Transformation of the U.S. Forward Presence and Power Projection Forces"
Andrew Krepinevich, Executive Director, Center for Strategic and Budgetary Assessments

May 5

"Chinese Views of the U.S.-Japan and U.S.-Korea Security Alliances"
Yan Xuetong, Director, Center for Foreign Policy Studies, China Institute of Contemporary International Relations



Professor Iwao Nakatani

Healthcon, preceded a conference at Stanford on December 4, which took the form of a roundtable discussion. Stability and development in the Asia Pacific region, and industry and corporate management of its future were the topics of sessions in which Stanford faculty exchanged thoughts with KKD panelists. The Stanford panel was chaired by Daniel Okimoto, with faculty and staff members Robert Byers, Julian Chang, Walter Falcon, C.H. Kwan, Lawrence Lau, William Miller, Ronald McKinnon, Michel Oksenberg, Leonard Ortolano, James

Raphael, Henry Rowen, and James Singleton in attendance. The KKD panel was headed by Mr. Kanji Kobayashi (co-chairman, KKD; vice chairman, Nippon Life Insurance Company), along with Mr. Shojiro Nan-ya (co-chairman, KKD; president, West Japan Railway Company) and Mr. Yoshihisa Akiyama (former co-chairman, KKD; president and director, Kansai Electric Power Co., Inc.). Among the twenty-three delegates who attended were Mr. Kazuo Asada (president, Kansai Headquarters, Nippon Telegraph and Telephone Company), Mr. Takeo Ohbayashi (vice chairman, Ohbayashi Corporation), and Mr. Kazuaki Tsuda (executive vice president, Suntory Limited). Mr. Iwao Nakatani, professor at Hitosubashi University, served as advisor to the KKD delegates.

ANNUAL ASIA PACIFIC ROUNDTABLE JANUARY 1999

The sixth meeting of the Asia Pacific Roundtable took place at Pebble Beach, January 21-24, 1999. As in past years, former secretary of state George Shultz and former senator Bill Bradley co-hosted the event.

A/PARC established the Asia Pacific Roundtable in 1994 as an off-the-record opportunity to open new channels of communication among leading individuals from the Asia Pacific region. The goals of the Roundtable are to establish a forum for timely discussion among some of the best and brightest minds in Asia; to help anticipate emerging problems and concerns in the region; to establish a level of mutual trust over time that will allow a level of frankness and informational value well beyond typical international conferences and policymaker meetings; to sensitize the participants to domestic developments and political processes in other nations that may ultimately affect bilateral, multilateral, and regional relations; and to build an informal network of ties among a set of individuals for possible follow-up between conferences.

The Roundtable commenced with a year-in-review discussion during which each participant summarized the major issues facing his region during the previous year. The program included formal presentations with invited speakers, many of whom are Stanford faculty, and topics were selected



The 1999 Asia Pacific Roundtable (left to right): Walter H. Shorenstein, Bill Bradley, Barry Eichengreen, Chung Mong-Joon, Yasuhisa Shiozaki, Gareth Evans, William Perry, George Shultz, Nobutaka Machimura, Jose de Venecia, Wu Xinbo, George Yeo, Palaniappan Chidambaram, Michel Oksenberg, Hafiz Pasha, and Lawrence Lau.

1999 ASIA PACIFIC ROUNDTABLE PARTICIPANTS

Bill Bradley
Former United States Senator

Palaniappan Chidambaram
Former Minister of Finance, India

Chung Mong-Joon
Member National Assembly, Korea

Jose de Venecia
Former Speaker of the House, Philippines

Gareth Evans
Member of Parliament and Former Foreign Minister, Australia

Nobutaka Machimura
Member, House of Representatives; State Secretary, Ministry of Foreign Affairs, Japan

Hafiz Pasha
Former Financial Advisor to the Prime Minister, Pakistan

William Perry
Former Secretary of Defense, United States; Michael and Barbara Berberian Professor of Engineering-Economic Systems and Operations Research and Senior Fellow, IIS, Stanford

Yasuhisa Shiozaki
Member, House of Councilors, Japan

George Shultz
Former Secretary of State, United States; Distinguished Fellow, Hoover Institution, Stanford

George Yeo
Minister of Information and the Arts and Second Minister for Trade and Industry, Singapore

in response to participants' wishes, generally covering broad areas of interest among the regions represented. In 1999, topics for discussion included "New Trends Affecting Security in Asia," "Asia after the Crisis," "The Euro and the World Economy," and "Japan's Economy and Banking Reform." Members participate in their individual capacities and as such no formal titles are used.

The Sixth Annual Asia Pacific Roundtable was funded by generous support from Walter H. Shorenstein.



1999 Asia Briefing participants (left to right) Dongsoo Kim, Yong-Chan Park, Makoto Ogasawara, Jae-Bok Song, Toyomi Takimoto, and Tetsuro Toya with A/PARC staff members Yumi Onoyama (far left) and Anne Marie Kodama (far right)

THE CORPORATE AFFILIATES ANNUAL ASIA BRIEFING MARCH 1999

Every year A/PARC holds a daylong symposium for its corporate affiliates. At this meeting, Center faculty members provide updates on the current state of affairs in Japan, China, Taiwan, and Southeast Asia, along with more in-depth thematic analysis. The Asia Briefing has been helpful to those corporate affiliates with vital business interests in the Asia Pacific region. For busy executives, the briefing is a convenient way to find out what is happening in Asia—and why. It also provides an opportunity to reflect on broad issues and their potential implications for business.

On March 11–12, 1999, A/PARC hosted the Asia Briefing at the Stanford Faculty Club, and subsequently in the Bechtel Conference Center in Encina Hall. The briefing began with a welcome dinner, during which Dr. Adam Posen, Senior Fellow of the Institute for International Economics, delivered the evening keynote address, “Implementing Japanese Recovery.”

The following morning, after a welcome from Henry Rowen, director of A/PARC and chair of the briefing, presentations commenced. The theme of the day was the financial crisis in Asia and the prospects for improving the economic and political outlook, with particular emphasis on China, Korea, Indonesia, and Japan. Lawrence Lau, of A/PARC and the Department of Economics at Stanford, and Young-Chool Ha, professor at Seoul National University and visiting professor at the University of California, Berkeley, delivered an address entitled “Economic and Political Implications of the Asian Currency Crisis: China and Korea.” Continuing the discussion of the crisis’ political implications, Walter Falcon, senior fellow of IIS, and Dr. William Fuller, president of the Asia Foundation, San Francisco, took up the question of “Southeast Asia in the Financial Crisis: Indonesia’s Predicament.”

After a lunch break, Mr. Toyoo Gyohten, of Japan’s Institute for International Monetary Affairs, gave the keynote address, asking the question, “Resolving the Bad Debt Problem: How Is Japan Doing and What Reforms Are Needed?” The briefing concluded with an afternoon panel discussion on Japan and the Asian financial crisis, conducted by Professor Daniel Okimoto of A/PARC, Professor Hugh Patrick of the Graduate School of Business, Columbia University, and Dr. Adam Posen.

CRISIS AND AFTERMATH: PROSPECTS FOR INSTITUTIONAL CHANGE IN JAPAN

MAY 1999

On May 3, 1999, more than one hundred international speakers, commentators, and participants came together for a one-day conference, sponsored by A/PARC and IIS, to discuss the changes underway in three distinct sectors of Japanese society: the political system, the bureaucracy, and corporations. Professor Masahiko Aoki of Stanford chaired the conference.

Mr. Yasuhisa Shiozaki, a member of Japan’s House of Councilors and the country’s former vice minister of finance, started the morning with a discussion of Japan’s political system. He stressed that changes are occurring, albeit slowly, in the so-called “Iron Triad” of politicians, bureaucrats, and business leaders. Though still nascent, checks and balances among competing government ministries; transparency in the decision-making process and policy formulation; and increased international knowledge among politicians are all increasing the efficiency of Japan’s political system. Professor Daniel Okimoto of A/PARC commented on Mr. Shiozaki’s remarks.

Mr. Ryoza Hayashi, deputy director of MITI’s Bureau of Information and Machinery Industry, addressed changes in Japan’s bureaucracy, particularly in the areas of deregulation, management restructuring, ministry reorganization, and the development of information infrastructures. Ministries are working in harmony as never before, he remarked, a change that will enable the country to compete more effectively on

Professor Masahiko Aoki with visiting fellow Toyomi Takimoto



Panelists (left to right) Tadao Kagono, Dan Sneider, Henry Rowen, Katsuhiko Nakagawa, and Hugh Patrick field questions at the “Crisis and Aftermath” conference.

the international stage. Professor Hugh Patrick, of the Graduate School of Business at Columbia University, offered commentary, paying special attention to MITI’s role in Japan’s ongoing institutional change.

During the afternoon session, Mr. Taizo Nishimuro, CEO and president of Toshiba, spoke of the need to restructure and reassess Japanese business practices. Using Toshiba as an object lesson, his presentation described reforms that must occur in Japanese businesses if they are to regain their competitive advantage in world markets. Globalization and a renewed focus on core businesses, he noted, would both play key roles in increasing and maintaining growth. Mr. Nishimuro also observed that corporate restructuring, and tackling the thorny issue of lifetime employment, would prove similarly vital to Japanese businesses’ agility and future success.

Following Mr. Nishimuro’s remarks, a panel discussion considered various topics raised in the course of the conference. Moderated by A/PARC director Henry Rowen, the participants were Professors Hugh Patrick and Tadao Kagono, dean of the Graduate School of Business at Kobe University; Mr. Katsuhiko Nakagawa, executive advisor to the Tokyo Marine and Fire Insurance Company and former vice minister of MITI; and Dan Sneider, national/foreign editor of the *San Jose Mercury News*.

ACCESSING VENTURE CAPITAL IN INDIA

JUNE 1999

India’s recent progression in the export of information technology (IT) software and services has made it a model for many other countries. At the same time, its concentration of low value-added services, the near absence of technology development, and the total absence of hardware development

suggest that IT exports are not fulfilling their potential. On June 1, 1999, A/PARC sponsored a one-day conference to consider India’s current IT growth trajectory. Over 110 scholars, practitioners, regulators, multilateral agency representatives, and policymakers from India and abroad (including Israel, Taiwan, and countries in Europe and Latin America) attended.

The program’s primary objective was to educate India’s IT policymakers and practitioners about its enabling environment with respect to regulation, governance, access to capital, and technological capabilities. Dr. Eric Schmidt, chairman and CEO of Novell, delivered the keynote address, which described a global approach to technology development. A number of speakers, including Mr. L. K. Singhvi, senior executive director of India’s Securities and Exchange Board, and Mr. Nishith Desai, of Nishith Desai and Associates law firm, then analyzed India as a center of innovation, outlining the regulatory and infrastructural issues that have both hindered and helped its development. Mr. Kanwal Rekhi, chairman of the Indus Entrepreneurs Group of Silicon Valley, provided commentary.



Nishith Desai of Nishith Desai and Associates law firm



A/PARC consulting professor Rafiq Dossani

Dr. Tzu-Hwa Hsu, of the Walden International Investment Group in Taiwan, Mr. Yishai Laks, Israel’s Economic Consul General, and Mr. Robert Stillman, former administrator of the SBIC program of the U.S. Small Business Administration, provided international perspectives on IT innovation, each describing the entrepreneurial climate and business networks of their respective countries. A discussion of India as a destination for venture capital followed these presentations, featuring remarks from, among others, Professor K. Ramachandran, of Ahmedabad’s Indian Institute of Management, and Dr. Shridhar Mitta of Wipro Corporation, with Dr. Suhas Patil, chairman *emeritus* of Cirrus Logic, serving as commentator.

In the final afternoon session, speakers considered global approaches to innovation and mapped out next steps for India’s governmental and private-sector policy toward IT and venture-capital financing. Professors Anna Lee Saxenian, of the University of California, Berkeley, and Martin Kenney, of the University of California, Davis, as well as Mr. David Blumberg of Blumberg Capital stressed the importance of transnational ties between businesses. The growth of the Internet, they asserted, has provided a transnational community that leads in turn to the interchange of skills, capital, and

ideas. The proceedings closed with lively commentary from Mr. Sabeer Bhatia, co-founder of Hotmail Corporation, and CEO of Arzoo.com.

SILICON VALLEY: CENTER OF INNOVATION

JUNE 1999

On June 3, 1999, A/PARC's Silicon Valley Networks Project organized a major one-day conference for leaders from academia, business, and government to consider the reasons for Silicon Valley's phenomenal success, to assess its future growth potential, and to determine how its business models can be replicated in other countries. Funded by the Chong-Moon Lee Foundation, the conference drew over 175 participants from the United States, Asia, and Europe.

After an introduction by A/PARC director Henry Rowen and William F. Miller, professor *emeritus* at Stanford's Graduate School of Business, the conference examined what Professor Miller called Silicon Valley's "favorable habitat for technical innovation and entrepreneurship." Several issues of key importance to the Valley took center stage: business models, finance, law, services, and human networks. Mr. T. Michael Nevens, director of McKinsey & Company in Palo Alto, and Ms. Lu M. Cordova, CEO of TixToGo.com and former director of @Home Online Services, tackled innovations and changes in business models. The most significant of these, they asserted, is that talented workers are becoming harder to find and to keep. In Silicon Valley, it is generally acknowledged that labor has trumped capital.

On the subjects of finance and law, venture capitalists, bankers, and lawyers told a different story. Mr. E. Floyd Kvamme, a partner at Kleiner Perkins Caufield & Byers, reported that entrepreneurs no longer court venture capitalists as they once did. With so much venture capital now competing to invest in start-ups, entrepreneurs choose backers who can provide them with concrete advice and expertise, as well as money, to grow their businesses. Hungry for talented, experienced employees, start-ups have even begun to recruit their own lawyers, themselves an integral part of the Valley habitat. According to Mr. Joshua Green, director of the Venture Law Group, "every law firm has had defections of major partners in the last six to nine months."

Mr. Steve Jurvetson, managing director of the venture capital firm Draper Fisher Jurvetson, offered lunchtime remarks on the past, present, and future of the Internet, covering a wide range of topics from internationalization of the online population to the increasing power of the consumer. The conference's afternoon session then turned to discussion of services and networking in the Valley. Mr. Regis McKenna, chairman of the McKenna Group consulting firm, spoke of the longstanding tradition of "free advice" that contributes to the richness of the Valley's business culture. Workforce mobility, too, is a key component of companies' success—Ronald Gilson, professor at Stanford Law School, likened it to "bumblebees pollinating flowers." Most participants also

agreed that companies cannot prevent employees from taking tacit knowledge learned at one company to another. Because transferable knowledge holds such sway in the Valley economy, networking becomes even more crucial. Mr. Sabeer Bhatia, one of the final speakers and co-founder of Hotmail Corporation and CEO of Arzoo.com, described this vital Silicon Valley skill in his presentation on "Networking 101: The Art of Never Giving Up."

Steve Jurvetson of Draper Fisher Jurvetson



E. Floyd Kvamme of Kleiner Perkins Caufield & Byers



Silicon Valley conference participants outside Stanford's Schwab Center.

1998-99 SEMINARS ON CONTEMPORARY ASIA

A/PARC's Brown Bag Lunch series on Contemporary Asia was started in 1995 to give faculty, staff, and students the opportunity to hear about research and programs at the Center and current related issues.

October 1
"A Japanese Perspective on Asia's Currency Crisis"
C.H. Kwan, Senior Economist, Nomura Research Institute; Visiting Professor, A/PARC

October 8
"A Yen Bloc in Asia?"
C.H. Kwan, Senior Economist, Nomura Research Institute; Visiting Professor, A/PARC

October 15
"Labor and Economic Reform in India and Indonesia"
Chris Candland, Research Fellow, Department of Political Science; Research Associate, Center for South Asia Studies at the University of California, Berkeley
**co-sponsored with CEAS and the U.S.-Japan Technology Management Center*

October 22
"The Strength of a Weak State: Structural Intermediation in Japanese Policy Networks"
Jeffrey Broadbent, Associate Professor, Department of Sociology, University of Minnesota; Visiting Scholar, A/PARC and Department of Sociology, Stanford

November 5
"Politics, Economics, and Ethnicity: Is Malaysia Repeating the Mistakes of 1987?"
Geoffrey Stafford, Ph.D., Department of Political Science, University of Wisconsin

November 12
"Fifty Years of Indian Federalism"
Nirvikar Singh, Professor, Department of Economics, University of California, Santa Cruz

November 19
"Is There Still a Rational North Korean Option for War?"
Victor Cha, Assistant Professor, Department of Government and School of Foreign Service, Georgetown University; National Fellow, Hoover Institution

January 14
"Japan after the 'Developmental State' Regime: Self-Regulation through Industry Associations"
Ulrike Schaede, Assistant Professor, Graduate School of International Relations and Pacific Studies, University of California, San Diego; Visiting Scholar, A/PARC

January 21
"A Preliminary Look at Occupational Choice and Financial Constraints in Rural Thailand"
Anna Paulson, Assistant Professor of Finance, Kellogg Graduate School of Management, Northwestern University; National Fellow, Hoover Institution

January 28
"Security and Economic Concerns in South Asia"
Hafiz Pasha, Former Financial Advisor to the Prime Minister, Pakistan; Managing Director of the Social Policy and Development Centre, Pakistan

February 4
"Conflict and Cooperation in the U.S.-Japan-Korea Security Triangle"
Victor Cha, Assistant Professor, Department of Government and School of Foreign Service, Georgetown University; National Fellow, Hoover Institution

February 11
"Mongolia: From Khans to Commissars to Capitalists?"
Morris Rossabi, Professor, Department of History, Queens College, Columbia University; Visiting Scholar, A/PARC

February 18
"Demands for Education in India"
Anjini Kochar, Assistant Professor, Department of Economics, Stanford

February 25
"Energy and Climate Change in India"
Jayant Sathaye, Senior Scientist, Lawrence Berkeley National Laboratory

April 1
"Regional Decentralization and Fiscal Incentives: Federalism, Chinese Style"
Yingyi Qian, Assistant Professor, Department of Economics, University of Maryland

April 8
"The State, Industrialization and Social Consequences: The Emergence of Neo-Familism in South Korea"
Yong-Chool Ha, Visiting Scholar, Department of Political Science, University of California, Berkeley

April 22
"Civil-Military Relations in Japan"
Eiichi Katahara, Professor, Kobe Gakuin University; Visiting Scholar, A/PARC

April 29
"Whither the Japanese Business System?"
Michael Gerlach, Professor, Haas School of Business, University of California, Berkeley

May 6
"Why the State is the Enemy of People Who Move Around: Hill-Valley Relations in Southeast Asia"
James Scott, Visiting Scholar, Center for Advanced Behavioral Sciences, Stanford

May 13
"Is the Korean Economy Recovering from the 1997 Currency Crisis?"
Kyung Shik Lee, Former Governor, Bank of Korea, and Minister of Economic Affairs, Korea

May 20
"Assessing U.S. Bilateral Security Alliances in the Asia-Pacific's 'Southern Rim': Why the San Francisco System Endures"
Bill Tow, Associate Professor in International Relations and Director, International Relations and Asian Politics Research Unit, Department of Government, University of Queensland; Visiting Professor, A/PARC

1998-99 CONTEMPORARY CHINA BROWN BAG LUNCH SERIES

Co-sponsored by A/PARC, CEAS, and the Hoover Institution

October 6
"China in the Summer of 1998"
Michel Oksenberg, Stanford

October 13
"How Well Is Democracy Doing in Taiwan?"
Larry Diamond, Stanford

October 20
"Peasant Financial Burdens, Rural Instability, and Village Democracy"
Thomas Bernstein, Columbia University

October 27
"Coping with Recession in Rural China"
Scott Rozelle, University of California, Davis

November 3
"Regulatory Agencies and Emerging Market Structures in China"
Lu Xiaobo, Stanford

November 10
"From Late Imperial to Modern China: Buddhism in the Chinese Constitution"
Timothy Brook, Stanford

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CHINA BROWN BAG LUNCH SERIES (continued from pg. 29)

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| <p>November 17
"The East Asian Currency Crisis: Implications for the Chinese Economy"
Lawrence Lau, Stanford</p> <p>December 1
"Patriarchs and Patriots: Petty Urbanite Nationalism in Shanghai in the 1930s"
Yeh Wenshin, University of California, Berkeley</p> <p>January 12
"Fiscal Aspects of China's Unfinished Economic Revolution"
Susan Whiting, University of Washington</p> <p>January 19
"Kennedy, Johnson, and China: Reflections on Newly Declassified Materials"
Steven Goldstein, Smith College; Visiting Scholar, A/PARC</p> <p>January 26
"On the Trail of China's State Security Prisoners: The Work of the Prisoner Information Project"
John Kamm, Asia Pacific Associates, Inc.</p> <p>February 2
"China on the Eve of the Millennium: An Intelligence Officer's Perspectives"
Martin Petersen, Office of Pacific and Latin American Analysis, CIA</p> | <p>February 9
"Why the United States Should Not 'Engage' China"
Iain Johnston, Harvard University</p> <p>February 16
"Rich Rebels in Rural China: The Yu Zuomin Phenomenon"
Bruce Gilley, <i>Far Eastern Economic Review</i>, University of California, Berkeley</p> <p>February 23
"So-Called Democracy and Market Reforms in Mongolia"
Morris Rossabi, Columbia University; Visiting Scholar, A/PARC</p> <p>March 2
"Hong Kong's First Year under Chinese Rule: Challenge and Compromise across the 1997 Divide"
Suzanne Pepper, Universities Service Center, Hong Kong</p> <p>April 13
"Suspicious Allies: U.S.-Taiwan Relations, 1949-78"
Steven Goldstein, Smith College; Visiting Scholar, A/PARC</p> | <p>April 20
"May Fourth Feminism: Untold Stories"
Wang Zheng, Institute for Research on Women and Gender, Stanford</p> <p>April 27
"Chinese Legality and Its Implications for Chinese Membership in the WTO"
Stanley Lubman, Stanford</p> <p>May 4
"Unruly Heroines: Why You Might Not Want a Chastity-Martyr in Your Town: Two Cases from 16th Century Jiangnan"
Katherine T. Carlitz, University of Pittsburgh</p> <p>May 11
"Qi Gong and Popular Healing in China and Beyond"
Nancy Chen, University of California, Santa Cruz</p> <p>May 18
"China and the World Bank"
Nicholas Hope, Stanford</p> <p>May 25
"Identities and Interests in the Beijing Red Guard Movement"
Andrew Walder, Stanford</p> |
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1998-99 SPECIAL SEMINARS

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| <p>August 31
"India's Economic Reforms"
Palaniappan Chidambaram, Former Minister of Finance, India</p> <p>September 23
"Information Technology in India"
N. Chandrababu Naidu, Chief Minister, Andhra Pradesh, India</p> <p>October 7
"My Personal Experiences in a Chinese Labor Camp"
Fan Shi Dong, Chinese dissident and former political prisoner</p> <p>November 20
Smart House Technology Presentation: "Improving the Standard of Living for the Aging and the Disabled through Innovative Computer Networking"
Neil Scott, Senior Research Engineer, Center for the Study of Linguistics and Information, Stanford</p> <p>November 23
"State and Market in India: Altering the Boundaries"
Y.V. Reddy, Deputy Governor, Reserve Bank of India</p> <p>December 1
"Is Japan on the Verge of an Economic Meltdown?"
Glen S. Fukushima, President and Representative Director, Arthur D. Little (Japan); President, American Chamber of Commerce in Japan</p> | <p>January 11
"Political Foundations of Japan's Financial Crisis"
Jennifer Amyx, Post-Doctoral Fellow, Department of Political Change, The Australian National University</p> <p>February 12
"Security and Economic Issues in India"
Naresh Chandra, Ambassador, Indian Embassy, Washington, D.C.</p> <p>February 19
"The New Korea: Crisis Springs Opportunity"
Hilton Root, Senior Research Fellow, Hoover Institution</p> <p>February 22
"Japanese Economic Reforms and the Effect of the Asian Crisis"
Presentation hosted by the Japan Center for Economic Research</p> <p>April 12
"Design and Implementation of China's Environmental Policy and Law"
Gu Geping, Chairman, Environmental Protection and Resources Conservation Committee, National People's Congress</p> | <p>April 20
"Education Policy: Choice and Competition in India"
Parth Shah, Visiting Scholar, Department of Social Sciences, University of Michigan</p> <p>April 23
"Chinese Views on Arms Control"
Gu Guoliang, Deputy Director, Institute of American Studies, Chinese Academy of Social Sciences</p> <p>May 5
"Domestic Politics of China's WTO Policy"
Yong Wang, Visiting Fellow, Pacific Council on International Policy, University of Southern California</p> <p>May 19
Forum on Recent Trends in the Pacific Rim Markets
Fellows of the Stanford Program in International Legal Studies (SPILS)</p> <p>May 20
"Political and Social Impact of the Asian Financial Crisis"
The Brookings Institution Center for Northeast Asian Policy Studies</p> <p>May 21
"The Role of Congress in U.S. Foreign Policy"
Jason Brudzinski, Consultant, Arthur Andersen & Co.</p> |
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A /PARC develops programs to bring together business leaders, scholars, and policymakers. Through its Corporate Affiliates Program, sponsored lectures, and general seminars, A/PARC facilitates communication about current regional issues to a wider audience.

CORPORATE AFFILIATES OF THE ASIA/PACIFIC RESEARCH CENTER

CORPORATE ROUNDTABLE MEMBERS

- ARCO
- Bechtel Group, Inc.
- The Boeing Company
- The Walt Disney Company
- Total System Services, Inc.

A/PARC IS PLEASED TO WELCOME THE FOLLOWING NEW CORPORATE AFFILIATES IN 1998-99

- CITIC Pacific Ltd.
- Hyundai Heavy Industries Company, Ltd.
- Patent Office of Japan
- SBC International
- Yomiuri Shimbun

RETURNING CORPORATE AFFILIATES

- Asahi Shimbun
- Bank of America
- The Capital Group
- Capital Strategy Research Company
- The Development Bank of Japan
- Industry Department, Hong Kong
- Kansai Electric Power Company
- Ministry of Finance of Japan
- Ministry of International Trade and Industry of Japan
- Ministry of Posts and Telecommunications of Japan
- Ministry of Trade, Industry, and Energy of Korea
- Mori Building Company, Ltd.
- Nihon Sozo Kyoiku Kenkyuujo (Nissoken)
- Nippon Telephone and Telegraph Corporation
- Pan Seas Holdings, Ltd.
- People's Bank of China
- The Samsung Group
- Sankei Shimbun
- Science and Technology Agency of Japan
- Sumitomo Corporation
- Sun Microsystems, Inc.
- The Tokyo Electric Power Company
- Toyobo Company
- Toyota Motor Company
- Westbrook Associates

CORPORATE AFFILIATION

A/PARC offers a variety of affiliation opportunities for corporations, government, and nonprofit organizations. Corporate affiliates enter into continuing relationships with A/PARC that support research on topics of mutual interest, both general and designated. In addition, they are eligible to participate in most A/PARC activities, including the seminar series, research conferences, the Shorenstein Distinguished Lectures, and the annual Asia Briefing—a daylong discussion of current Asian affairs led by academic and industry specialists. Corporate affiliates also receive copies of all Center publications.

Beyond the benefits of general membership, corporate affiliates have the option of sending employees to A/PARC as visiting fellows, usually for a full academic year. During that time, the visiting fellows audit courses, participate in special programs, and pursue individually designed research projects.

THE CORPORATE AFFILIATES VISITING FELLOWS PROGRAM 1998-99

Established in 1982, A/PARC's Visiting Fellows Program now has more than 160 alumni occupying positions in the government and private sectors of Japan, China, and Korea. Every corporate affiliate has the option of sending a visiting fellow to A/PARC each year. The program introduces the fellows to American life and institutions, including the economy, society, culture, politics, and law; to a variety of Bay Area businesses and business people, with an emphasis on Silicon Valley; and to the academic life of Stanford University. Fellows attend classes and special A/PARC seminars, and prepare a research paper. The Fellows Program is coordinated by Greet Jaspaert, manager of corporate relations.

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 summer English classes by working with private or volunteer tutors throughout the year. Site visits in 1998-99 included trips to government organizations such as the Palo Alto Police Department, the NASA facilities at Moffett Airfield, the Port of Oakland, and the Angel Island Immigration



Tetsuhiko Shindo, Tokutaro Tamai, and Toyomi Takimoto get into the Halloween spirit at A/PARC's annual pumpkin-carving contest.

facility. The fellows also visited businesses, including Hewlett-Packard, Silicon Graphics, Sandia National Laboratories, Sun Microsystems, and the Ridge Winery.

A series of monthly seminars gives 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 Japanese immigration to the West Coast to building entrepreneurial high-tech communities. Other seminars addressed current challenges facing the Japanese and Korean education systems, and the role of investment banking and venture capital in Silicon Valley.

Visiting fellows and their families also enjoy a wide variety of social and leisure pursuits, including seasonal picnics, visits to local attractions, karaoke outings, bowling nights, holiday parties, the ever-popular Halloween Pumpkin-Carving Contest, and the annual Thanksgiving Cooking Class.

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. A/PARC faculty and the manager of corporate relations, Greet Jaspaert, are available to consult with the fellows on their research. 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. This year, the fellows' research paper presentations took place over two days, May 24 and May 27, in the Okimoto Conference Room of Encina Hall, on the Stanford campus.

VISITING SCHOLARS

Because of its multidisciplinary approach to the study of Asia, distinguished faculty, and location in the heart of Silicon Valley, A/PARC attracts students and scholars from all over the world. These individuals—academics, students, business people, and government and political leaders—come to Stanford to assist in A/PARC projects; to participate in its many training programs and seminar series; and to pursue their own Asian-related research. During 1998–99, A/PARC hosted twenty-five visiting scholars whose contributions enriched the intellectual and social life of the Center.



Above: The 1998–99 Corporate Affiliates Visiting Fellows on a visit to Silicon Graphics in Mountain View.
Right: Dan Okimoto and Katsuhiro Nakagawa, former vice minister of MITI, chat at the annual A/PARC spring picnic.



1998–99 VISITING FELLOWS AND THEIR RESEARCH PROJECTS

Yuichi Goto
Ministry of International Trade and Industry of Japan
New Criteria for Economic Policy—Cost, Rent, and Risk

Takashi Imoto
The Kansai Electric Power Company, Japan
Evaluation of Ventures

Dongsoo Kim
Ministry of Trade, Industry, and Energy of Korea
A New Paradigm for the Korean Economy—Centered on Chaebol Reform

Eichi Kuromoto
Tokyo Electric Power Company, Japan
A New Role for "Energy Efficiency Services" in a Restructured Electricity Market

Kenichi Matsumura
Toyobo Company, Japan
Evaluation of Federated Applications and XML in Applying Manufacturing Systems

Makoto Ogasawara
Asahi Shimbun, Japan
Beyond the Web—Using XML in News Media?

Makoto Osajima
Ministry of Posts and Telecommunications of Japan

Toru Sasaki
Science and Technology Agency of Japan
Big Projects in Science and Technology, and Business: What We Should Consider in Promoting Japanese Space Development

Tetsuhiko Shindo
The Development Bank of Japan
Present and Future of the Japanese Shipping Industry: The Transpacific Liner Route

Raita Sugimoto
Toyota Motor Company, Japan
Industrial Development and the Automobile Industry in Thailand

Toyomi Takimoto
Ministry of Finance of Japan
Regulatory Policy for Financial Institutions in the United States

Tokutaro Tamai
Nissoken, Japan

1998–99 VISITING SCHOLARS

Sarah Bachman
Formerly of the *San Jose Mercury News*
Labor standards in a globalizing economy

Zong Tae Bae
Advanced Institute of Science and Technology, Korea
Comparative study of venture mechanisms and global models of venture development

Jeffrey Broadbent
University of Minnesota
Japanese society

Robert Crow
Bechtel Corporation
Survey of private FDI in infrastructure in developing countries

John Fincher
The Australian National University
Chinese socialism

K.C. Fung
University of California, Santa Cruz
U.S.–China bilateral trade balance

Steven Goldstein
Smith College
U.S.–Sino relations

Gu Ning
Chinese Academy of Social Sciences
U.S.–Sino relations

Ichiro Inami
Keio University, Japan
Comparative Health Care Project: U.S.–Japanese health care markets

John Kamm
Asia Pacific Associates, U.S.
U.S. human rights policy toward China

Eiichi Katahara
Kobe-Gakuin University, Japan
Politics of Japanese security and policy-making, 1975–1997

Captain Heino Klinck
U.S. Army
Acquiring comprehensive understanding of China prior to assignment in Beijing as Foreign Affairs Officer for the U.S. Army

C.H. Kwan
Nomura Research Institute, Japan
Asia's financial crisis

Stephen MacKinnon
Arizona State University
The Sino–Japanese War

Robert Madsen
Formerly of McKinsey & Company
U.S. relations with China and Taiwan, 1969–1983

Naohiro Mitsutake
Kyoto University
Comparative Health Care Project: Medical informatics

Seon Joo Na
Keo-Pyung Group, Korea
Silicon Valley-style networks and industries in the Asian business world

Katsuhiro Nakagawa
Former Vice Minister, MITI
Japanese entrepreneurship

Dae Shik Park
Chungnam National University, Korea
Comparative politics and international political economy

Morris Rossabi
Columbia University
Contemporary politics in the Mongolian republic

Jae-Bock Song
Howon University, Korea
Change-of-state capacity in late-developing countries

Makoto Tamura
University of Tokyo
Cost-containment effect and issues of managed care

Shinichi Tanigawa
Japan Society for the Promotion of Science
Role of the Danwei during the Cultural Revolution in China

William Tow
University of Queensland, Australia
U.S.–Asia Pacific alliances

Douglas Webster
Government of Thailand
Asian urbanization

Donna Wright
Formerly of Kaiser Permanente
Impact of privatization on international health

Through research assistantships and scholarships, A/PARC offers financial support and training to Stanford students. Student researchers are encouraged to participate in A/PARC seminars, interact with visiting fellows and scholars, and produce their own publications. An endowment provided by Barbara Hillman, a long-time friend of A/PARC, contributes to funding Center research assistants.



1998-99 Barbara Hillman Researcher, Mariko Yoshihara

BARBARA HILLMAN RESEARCHER

Mariko Yoshihara received a special fellowship to conduct her dissertation research on how institutional differences among bureaucratic organizations affect Japan's policymaking. Her research compares the Ministry of International Trade and Industry (MITI) and the Ministry of Education, and analyzes

how their organizational differences have affected policies to promote technology transfer from universities to industry. During this past year, Mariko worked as a visiting researcher at the Research Center for Advanced Science and Technology of the University of Tokyo, and was an Asia/Pacific Scholar at Stanford University. She co-authored a paper, "Lack of Incentive and Persisting Constraints: Factors Hindering Technology Transfer at Japanese Universities," with Katsuya Tamai, which will be published in the forthcoming book, *Industrializing Knowledge: University-Industry Linkages in Japan and the United States* (Boston: MIT Press, October 1999). Recently, Mariko gave birth to a daughter, Risako Yang.

WARREN AND SUSAN BRADLEY MEMORIAL FELLOWSHIP

In 1994, the Asia/Pacific Research Center established the Warren and Susan Bradley Memorial Fellowship in honor of Warren Bradley and his wife, Susan. Warren Bradley was a banking executive and business leader in the state of Missouri, and the father of former United States senator Bill Bradley. The fellowship is awarded to a student, undergraduate or graduate, in any department or school who demonstrates academic excellence and a high level of commitment to public service.

The fellowship carries a cash award of \$2,000, to be used at the awardee's discretion in support of his or her studies at Stanford for the next academic year.

A/PARC is pleased to congratulate Catherine Crump,

1999 recipient of the Warren and Susan Bradley Memorial Fellowship. Catherine is currently a senior at Stanford, pursuing a B.S. in political science. She has a strong interest in law, and has worked in the Public Defender's Office in Washington, D.C., and as a research assistant at the East Palo Alto Community Law Project, where she interviewed local landlords and tenants for a project on federal housing subsidies.

AI ISAYAMA SCHOLARSHIP

In 1991, the Asia/Pacific Research Center established the Ai Isayama Scholarship in memory of Ai Isayama, the daughter of longtime friends of A/PARC, who died of leukemia in 1990 at the age of sixteen. The scholarship provides support to qualified Stanford undergraduates so that they may conduct research in Japan as preparation for writing an honors thesis related to Japan or U.S.-Japan relations. The scholarship is normally given for summer support between awardees' third and fourth years of undergraduate work, and it provides air travel and living expenses for up to ten weeks in Japan.

This year, A/PARC awarded two Ai Isayama Scholarships, to Kelly Price and Philip Lipsy. Kelly is a senior at Stanford, majoring in human biology. She is writing a thesis about Japanese families who send their children to international schools while residing in Japan. Philip, a sophomore at Stanford, is pursuing an honors thesis on the Japanese economic crisis and the implications of ongoing structural reform.

1998-99 A/PARC STUDENTS

Ava-Kathryn Capossela, U.S. B.A., French and International Relations	Kelly Price, U.S. B.S., Human Biology
Amy Fox, U.S. M.A., International Policy Studies	Randall Schriver, U.S. Ph.D., Political Science
Taylor Fravel, U.S. Ph.D., Political Science	John Schafer, U.S. M.A., History
Zhongxiao Jiang, PRC Ph.D., Engineering-Economic Systems	Kaoru Shimizu, Japan M.A., International Policy Studies
	Mariko Yoshihara, Japan Ph.D., Political Science

ASIA/PACIFIC SCHOLARS PROGRAM

The Asia/Pacific Scholars Program was launched in September 1997 to strengthen the intellectual bridge between Stanford and Asia. It affirms an intensifying need for cooperation among the Asia Pacific countries, and focuses on helping to train their future leaders in many sectors, including commerce, education, the arts, public administration, and government. Program activities build knowledge of these countries' diverse cultures and underlying dynamics, as well as strengthening the scholars' understanding of the United States and its role in the region. A/P Scholars have an opportunity to build professional skills and personal networks, thereby preparing themselves for regional and global leadership positions in their chosen professions. Like the Rhodes Scholars Program at Oxford University, designation as an A/P Scholar at Stanford is a lifelong association. To this end, a long-term objective of the program is to include regional briefings in Asia that draw upon the expertise and contacts of former A/P Scholars.

A/P Scholars must be enrolled in regular graduate or professional degree programs at Stanford. Program activities in the first year of affiliation include a regular dinner/seminar series on topics related to Asia and the United States; periodic meetings with leading educators, scientists, officials, business people in the Bay Area, and visitors to campus; the presentation of graduate research; a trip to Washington in the spring to meet with top United States government officials and Asian diplomats; and internship opportunities. A/P Scholars in their second year are expected to mentor first-year students and participate in conferences and roundtable discussions on topics of relevance to the program. A/P Scholars are also invited to special events on campus.

The 1998-99 class of A/P Scholars consisted of twenty-two outstanding graduate students enrolled in schools across the university: Business, Engineering, Law, Medicine, and Humanities and Sciences. Eighteen of these students were from Asian countries stretching from Japan to New Zealand and from India to China, and including Taiwan, Malaysia, Korea, and Australia. Four were from the United States.

Professor Michel Oksenberg is the director of the A/P Scholars Program. Dr. A. Maria Toyoda serves as the associate director, and Ms. Romola Breckenridge works as the program coordinator. Dr. Toyoda coordinates the recruitment and program for A/P Scholars, as well as providing research direction and overall leadership.

MAKING A/PARC'S SCHOLARSHIP ACCESSIBLE

The Stanford Program on International and Cross-cultural Education (SPICE), an outreach program of IIS, links

1998-99 A/P Scholars at the Pentagon during their annual visit to Washington, D.C.

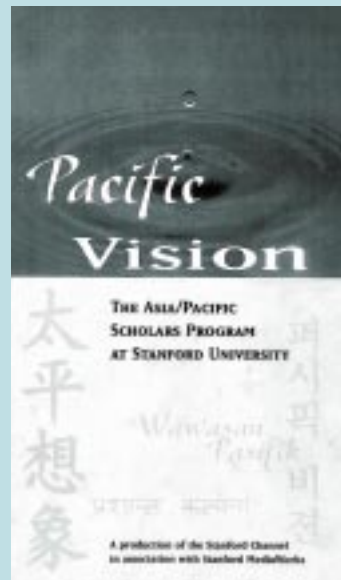


ASIA/PACIFIC SCHOLARS CLASS OF 1998-99

Rosalind Archer, New Zealand Petroleum Engineering	Hyeyoung Moon, Korea Sociology
Steven Chen, U.S. Medicine	Emily Murase, U.S. Communication
Anne Cheung, Hong Kong Law	Jiang Ru, PRC Engineering
Eleanor Click, U.S. Medicine and Biological Sciences	Sweta Sarnot, India Engineering
James Deaker, New Zealand Engineering	Randall Schriver, U.S. Political Science
Suiqiang Deng, PRC Engineering	Ting Shen, PRC Engineering
Mun-Hong Hui, Malaysia Petroleum Engineering	Daricha Techopitayakul, Thailand Engineering
Joo-Youn Jung, Korea Political Science	Mara Warwick, Australia Engineering
Subin Liengpunsakul, Thailand Engineering	Ping-Ping Xiang, PRC Political Science
Chao-Chi Lin, Taiwan Political Science	Mu Yang, PRC Economics
Yulin Long, PRC Graduate School of Business	Mariko Yoshihara, Japan Political Science

"PACIFIC VISION": NEW DOCUMENTARY HIGHLIGHTS A/P SCHOLARS PROGRAM

Broadcast in May 1999 on the Stanford Channel, "Pacific Vision" followed members of the inaugural A/P Scholars class of 1997-98 as they participated in the seminars, social events, and field trips that make up this prestigious program. The story continued with A/P Scholars from the class of 1998-99 as they became oriented to Stanford and the program. Coverage of their activities included trips



to Angel Island to investigate American immigration policies and practices and to Washington, D.C., where they visited national monuments, embassies, Capitol Hill, and media organizations.

The documentary profiled several scholars, including Jean Tang, a Taiwanese-American pursuing an M.D. in medicine and a Ph.D. in biology. Documentary filmmakers spent a day with Jean as she balanced academic demands with her outside activities. She talked

about her deepening Asian identity, spurred by her participation in the program, and shared her hopes for future social and professional contacts with her fellow scholars.

"Pacific Vision" was made possible by a generous grant from Seiko Instruments Incorporated (Network Systems Division). Additional funding was provided by the Asia/Pacific Research Center, and by Mr. Chien Lee.

A/PARC research and teaching programs to elementary and secondary schools and community colleges in the United States and the Pacific Basin. SPICE's Asia/Pacific Project develops up-to-date curriculum materials that introduce students to contemporary Asian issues and their historic, geographic, and cultural context.

Security Issues in Asia

During the past year, in Honolulu, Jakarta, San Francisco, Manila, Bangkok, Tokyo, Seoul, and Beijing, international tribunals were held to focus on a dispute between Russia and Japan, known variously as the "Northern Territories" or "Southern Kuriles" dispute. Through role-plays, high-school students in these cities acted out parts of Russian, Japanese, U.S., Ainu (Japanese indigenous people), and environmental delegations. Japan's "Northern Territories" and Russia's "Southern Kuriles" are in fact the same entity—four small islands just north of Japan. Both countries make historical and legal claims to their ownership, based on a series of treaties dating back to the mid-nineteenth century. Although Russia presently occupies them, neither country has yet given up its "territorial sovereignty," and Japan has consistently demanded their return. So divisive is this controversy that the countries have yet to sign a treaty officially ending World War II. Students participating in the tribunals were therefore presented with an enormous challenge: How could they resolve a seemingly intractable dispute between Russia and Japan, where diplomats, politicians, and business people alike have failed for the last five decades?

This international tribunal is one of six lessons in *Choices in International Conflict: With a Focus on Security Issues in Asia*, developed by SPICE. Another lesson, focusing on the U.S.-Japan security alliance and U.S. military bases in Okinawa, was developed in consultation with A/PARC's director of research, James Raphael. Other lessons in the book examine the 1996 Taiwan Strait crisis, the UN Transitional Authority in Cambodia, and security issues in the Korean peninsula. In the Korean peninsula

lesson, students are divided into six groups, representing the United States, Japan, North Korea, South Korea, Russia, and China. Each group is provided with its country's perspective on security issues and the Korean peninsula. Discussion then ensues about possible scenarios for Korean reunification and the impact such an event would have on U.S. security alliances with Korea and Japan.

Choices in International Conflict grew out of A/PARC's research project, America's Alliances with Japan and Korea in a Changing Northeast Asia. SPICE's director, Gary Mukai, and SPICE's curriculum specialist, Greg Francis, reviewed the project's scholarly papers and developed the curriculum unit. Through interactive activities that make complex perspectives accessible to a high-school audience, critical questions addressed in A/PARC's academic papers are also posed to students of *Choices in International Conflict*. A/PARC's deputy director, Julian Chang, served as a scholarly advisor for this unit.

Hong Kong in Transition

SPICE's China Project associate, Selena Lai, recently completed a high-school curriculum module entitled *Hong Kong in Transition: A Look at Economic Interdependence*. In 1997, the world watched with mixed feelings as Hong Kong was returned to Chinese rule. The handover was politically and historically significant, but the economic implications were foremost in many minds. The future of Hong Kong's numerous foreign-owned companies seemed unclear, despite reassurances from the Chinese Communist Party that it would administer "one country, two systems."

In a world where national economies are inextricably bound by the exchange of commodities, natural resources, energy, labor supplies, and

other factors, what threatens the economy of one nation can endanger the economies of many others. Ironically, Hong Kong's economy remained strong after the handover, and only succumbed when the financial crisis later gripped its Asian neighbors. The delicate state of economic interdependence provides the conceptual foundation for *Hong Kong in Transition: A Look at Economic Interdependence*. The principal advisor for the module was Professor Michel Oksenberg.

Educational Seminars and Megacities in the Asia Pacific Region

To introduce educators from international schools to the SPICE curriculum, seminars were held in China, Indonesia, Japan, South Korea, Laos, the Philippines, and Thailand. One featured curriculum unit was *Megacities in the Asia/Pacific Region: Focusing on Their Environmental Impact*, which draws heavily on A/PARC's Urban Dynamics of East Asia Project, directed by James Raphael and Thomas Rohlen. The seminars were sponsored by the East Asia Regional Council of Overseas Schools (EARCOS). EARCOS executive director Dr. Richard Kraczar is enthusiastically promoting the SPICE curriculum in the Asia Pacific region, and future SPICE educational seminars are planned for Kuala Lumpur and Jakarta in January 2000. EARCOS is yet another avenue for making A/PARC scholarship available to a broader, international group of educators and students.

Views of Hong Kong, in the 1840s and today. (Photo courtesy of the Hong Kong Tourist Association.)



SPICE director Gary Mukai (far left) at the Seoul Foreign School with teachers and administrators from independent schools across Korea.



COURSES TAUGHT BY A/PARC FACULTY

Political Science 125:**The Rise of Industrial Asia**

This unique course, taught by A/PARC's core faculty, focuses on the political, economic, social, and cultural aspects of industrial development and change in Asia as a region.

Political Science 140M:**Chinese Foreign Policy**

Taught by Michel Oksenberg, this introductory course covers the origins of Chinese foreign policy, including China's intentions, capabilities, and strategies in world affairs since 1949. Chinese crisis behavior and national security institutions and processes are also examined.

Political Science 214 / Sociology 217B:**Seminar: The Chinese Communist Revolution**

Co-taught by Michel Oksenberg and Andrew Walder, this seminar examines the evolving interpretations of the Chinese Communist Revolution of 1921–55 against the background of the theoretical literature on the revolutionary process. Questions of how and why interpretations of the communist revolution have changed over time, and the contributions the Chinese case can now make to existing theoretical literature, are discussed in detail.

Political Science 216M:**Seminar: Environmental Politics in the Asia Pacific Region**

The focus of this seminar, taught by Michel Oksenberg, is the evolving ecology of the Asia Pacific from 1400 to the present, including topography, climate, flora and fauna, and human populations of Japan, China, Indonesia, Thailand, India, and the small Pacific island nations. Particular emphases include traditional patterns of managing and perceiving environmental issues, environmental consequences of industrialization, and contemporary policies of Asian governments toward their environments.

Political Science 223:**Seminar: Japanese Politics**

Daniel Okimoto's seminar examines the primary institutions in Japanese politics (bureaucracy, legislature, political parties, and interest groups) through the lens of the major theories that have been used to explain their structure and behavior.

Economics 217:**Money and Finance in Economic Development**

This course, taught by Ronald McKinnon, explores banking systems, interest rates, regulatory policies, and the productivity of capital in developing countries. Other topics covered include controlling inflation (fiscal and monetary policies for macroeconomic stability), currency crises, exchange rates, and the liberalization of foreign trade. Particular attention is paid to transitional socialist economies in Asia and Eastern Europe.

Education 437X:**Knowledge in Social Evolution: Understanding the Transformation of Learning in the Information Age**

This course, co-taught by Thomas Rohlen and Robbie Case, explores major social and economic transformations that have taken place in world history, and the shifts in communications patterns, knowledge-building, and education that have accompanied them.

Sociology 117 / 217A:**Social Impact of the Chinese Revolution**

Andrew Walder's course traces the transformation of Chinese society from the 1949 revolution to the eve of China's reforms in 1978. Also examined are the creation of the socialist economy; the reorganization of rural society and urban workplaces; the emergence of new inequalities of power and opportunity; and the new forms of social conflict that emerged during Mao's Cultural Revolution and its aftermath.

Sociology 370:**Sociological Theory**

This course, taught by Andrew Walder, introduces theoretical strategies in sociological analysis selected from among functionalism, historical materialism, human ecology, the theory of action, symbolic interactionism, social phenomenology, decision theory, and behaviorism. The course also considers these strategies in the context of classical literature by Durkheim, Marx, Weber, et al.

Urban Studies 184:**Seminar: Cities and Urban Systems in East Asia**

Taught jointly by James Raphael, Thomas Rohlen, and A/PARC visiting professor Douglas Webster, this seminar focuses on the factors driving growth and economic competitiveness of Asia's large cities; linkages between these cities and the global economy; and social, political, infrastructure, and environmental challenges that the region's urban systems face in the twenty-first century.

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 the support of the Center's research, teaching, and outreach activities.

DIRECTORS

HENRY S. ROWEN



Henry S. Rowen is director of the Asia/Pacific Research Center. He is a senior fellow at the Hoover Institution and a professor of public policy and management *emeritus* at Stanford's Graduate School of Business.

Rowen was assistant secretary of defense for international security affairs in the U.S. Department of Defense from 1989 to 1991. He was also chairman of the National Intelligence

Council from 1981 to 1983. He served as president of the RAND Corporation from 1968 to 1972 and was assistant director, U.S. Bureau of the Budget, from 1965 to 1966.

Rowen is an expert on international security, economic development, and Asian economics and politics, as well as U.S. institutions and economic performance. His current research focuses on economic growth prospects for the developing world, political and economic change in East Asia, and the tenets of federalism. He recently wrote *Catch Up. Why Poor Countries are Becoming Richer, Democratic, Increasingly Peaceable, and Sometimes More Dangerous*, published in August 1999 by the Asia/Pacific Research Center, and co-authored "Cool on Global Warming" with John Weyant for *The National Interest* (Fall 1999). He is the editor of *Behind East Asian Growth: The Political and Social Foundations of Prosperity* (London: Routledge Press, 1998).

Among his numerous publications, his other noteworthy writings include "The Short March: China's Road to Democracy," *The National Interest* (Fall 1996), "Inchon in the Desert: My Rejected Plan," *The National Interest* (Summer 1995); "The Tide Underneath the 'Third Wave,'" *Journal of Democracy* (January 1995), *The Impoverished Superpower: Perestroika and the Soviet Military Burden* (1990), co-edited with Charles Wolf, and *The Future of the Soviet Empire* (1987), also co-edited with Charles Wolf.

JULIAN CHANG



Julian Chang is deputy director of the Asia/Pacific Research Center. He received his Ph.D. in political science from the Department of Government at Harvard University in 1995. His dissertation examined the marketing of the Soviet Union in China in the 1950s as a case study of the evolution of the Chinese propaganda system. At Harvard, he served as Allston Burr Senior Tutor (dean) of

Cabot House, one of twelve undergraduate residences, from 1993 to 1996, and worked in the University Development Office. He received his B.A. from Yale University and was a Yale-China "ELI" at Wuhan University, China, where he taught English and American history.

Dr. Chang came west to Stanford in 1996 to become assistant director of the Center for East Asian Studies. He left CEAS in 1997 to establish the Asia/Pacific Scholars Program, a new, university-wide fellowship program for graduate students from Asia. He joined A/PARC as deputy director in the fall of 1998.

His publications include "The Mechanics of State Propaganda: The People's Republic of China and the Soviet Union in the 1950s" in Timothy Cheek and Tony Saich, eds., *New Perspectives on State Socialism in China* (Armonk, NY: M.E. Sharpe, 1997) and, with Michel Oksenberg, *China Towards 2020: Social Change and Political Uncertainties* (Boulder, CO: Rowman & Littlefield, forthcoming). His research interests include Sino-Soviet/Russian relations, communications, and mass media in China.

JAMES H. RAPHAEL



Director of Research James H. Raphael came to Stanford in 1988. He first served as executive director of the Northeast Asia–United States Forum on International Policy, the predecessor organization to A/PARC, within the Center for International Security and Arms Control. Raphael helped administer the Forum’s subsequent transition to center status within IIS.

In his current capacity, Raphael oversees and supports A/PARC’s research activities and academic publications. Over the years, he has been involved in projects, among others, on U.S.–Japan high technology relations, the nature of capitalism in East Asia, birth control in Japan, Japan’s health-care delivery system, the regional dynamics of East Asia, and America’s Asia policy. He currently is working on A/PARC projects on the urban dynamics of East Asia and America’s alliances with Japan and Korea.

His publications include “How Many Models of Japanese Growth Do We Want or Need?” with Thomas Rohlen, in Henry S. Rowen, ed., *Behind East Asian Growth: The Political and Social Foundations of Prosperity* (London: Routledge Press, 1998); *A United States Policy for the Changing Realities of East Asia*, co-authored with Daniel I. Okimoto, Henry S. Rowen, Michel Oksenberg, et al. (Asia/Pacific Research Center, 1996); and “Why Japan Ought to Legalize the Pill” with Hiromi Maruyama and Carl Djerassi (*Nature*, Volume 379, February 15, 1996).

Prior to joining Stanford University, Raphael served as the first executive director of the Maureen and Mike Mansfield Foundation, a nonprofit organization founded in honor of Ambassador and Mrs. Mansfield. He also has held the positions of president of the Pacific American Institute, an international student exchange organization, and executive director of the Japan Society of Northern California. Raphael did his graduate work in modern Japanese history at the University of Michigan and has been a Fulbright Fellow at Tokyo University.

A/PARC FACULTY

DONALD K. EMMERSON



Donald K. Emmerson is a senior fellow at Stanford University’s Institute for International Studies. He is also sole proprietor of a consulting firm, Development Concepts.

In 1999, Emmerson focused on self-determination in East Timor and democratization in Indonesia. In August, he helped the Carter Center monitor the popular consultation in East Timor. In June, he helped the National Democratic Institute and the Carter Center monitor Indonesia’s national election. In addition to media interviews on these topics, he lectured on them, in English or Indonesian, to audiences in Canada, Indonesia, Japan, Malaysia, and the United States. Also in 1999, as in 1998, he spoke at U.S. House and Senate hearings on East Timor and Indonesia.

Emmerson’s research interests include state-market relations and democratization in Southeast Asia, with particular reference to Indonesia. Writings published or forthcoming in 1999 include an edited book, *Indonesia Beyond Suharto: Polity, Economy, Society, Transition*; chapters in *America and the East Asian Economic Crisis*; *Challenges to Asia Pacific Security*; *Taming Turmoil in the Pacific*; and an article in the *Journal of Democracy*. Appearing in 1998 were, among other pieces, “Americanizing Asia?” in *Foreign Affairs*; “Indonesia’s Coming Succession” in *NBR Analysis*; and “Paradigmatic Aspects of the East Asian Crisis” in *Cambridge Review of International Affairs*.

Publications by Emmerson in 1995–97 include: “A Virtuous Spiral? Southeast Asian Economic Growth and Its Political Implications” in *Asia’s New World Order* (1997); “Building Frameworks for Regional Security in the Asia Pacific” in *Bringing Peace to the Pacific* (1997); “Realism or Evangelism? Security through Democratization As a National Strategy” in *NBR Analysis* (1996); “Indonesia, Malaysia, Singapore: A Regional Security Core?” in *Southeast Asian Security in the New Millennium* (1996); “U.S. Policy Themes in Southeast Asia in the 1990s” in *Southeast Asia in the New World Order* (1996); “Singapore and the ‘Asian Values’ Debate” in *Journal of Democracy* (1995); “Asia, Southeast” in *The Encyclopedia of Democracy* (1995); and “Region and Recalcitrance: Rethinking Democracy through Southeast Asia” in *Pacific Review* (1995).

Emmerson’s advisory work includes service on the East Asia Regional Advisory Panel of the Social Science Research Council, the U.S. Committee of the Council for Security Cooperation in the Asia Pacific, and the U.S.

National Committee for Pacific Economic Cooperation. He has held visiting positions at the Australian National University, the Institute for Advanced Study (Princeton), and Stanford University, among other places. He is also a consultant on a planned public television series, *Pacific Storm*.

Emmerson received his Ph.D. and M.A. in political science from Yale University, and a B.A. in public and international affairs from Princeton University.

WALTER P. FALCON



Walter P. Falcon is co-director of the Center for Environmental Science and Policy, former director of the Institute for International Studies, and Farnsworth Professor of International Agricultural Policy at Stanford University. He received his Ph.D. in economics from Harvard University in 1962 and spent the next ten years on the Harvard faculty. In 1972 he moved to Stanford

University’s Food Research Institute, where he served as professor of economics and director until 1991.

Dr. Falcon’s specialty is agricultural policy in developing countries. He began his research and policy advice in Indonesia in 1968 and since then has spent several months each year in residence there. He has co-authored three volumes on Indonesian agriculture and has given numerous food-policy short courses at the Indonesian Food Ministry. His 1971 essay on the “Green Revolution” was honored by the American Agricultural Economics Association (AAEA), as was his 1983 co-authored volume, *Food Policy Analysis*.

He has consulted with numerous international organizations and has been a trustee of Winrock International and chairman of the board of the International Rice Research Institute. From 1978 to 1980, he was a member of the Presidential Commission on World Hunger. In 1989, he was cited as the outstanding 1958 graduate of Iowa State University. In 1990, he was named a Fellow of the AAEA and became a Fellow of the American Association for the Advancement of Science in 1991. In 1992, he was awarded the prestigious Bintang Jasa Utama medal of merit by the government of Indonesia for twenty-five years of assistance with that country’s development effort. In 1996, he became chairman of the board of the International Corn and Wheat Institute. At Stanford, Dr. Falcon has previously served as senior associate dean for the social sciences, a member of the academic senate, and a member of the University’s Academic Senate.

LAWRENCE J. LAU



Lawrence J. Lau is the Kwoh-Ting Li Professor of Economic Development in the Department of Economics at Stanford University. Educated at Stanford and the University of California, Berkeley, Dr. Lau is an expert in economic theory, economic development, economic growth, applied microeconomics, econometrics, agricultural economics, industrial economics, and the economies of East Asia, includ-

ing China. He has been elected fellow of the Econometric Society, member of Academia Sinica, member of the Conference for Research in Income and Wealth, overseas fellow of Churchill College, Cambridge, England, and honorary member of the Chinese Academy of Social Sciences.

Among his many professional activities, Dr. Lau is a corresponding research fellow of the Institute of Economics, Academia Sinica, Taipei, and a member of its Academic Advisory Committee; a research advisor of the Chung-Hua Institution for Economic Research, Taipei; an honorary research fellow of the Institute of Quantitative and Technical Economics, Chinese Academy of Social Sciences, Beijing; and an honorary research fellow of the Shanghai Academy of Social Sciences, Shanghai. He is an honorary professor of the Institute of Systems Science, Chinese Academy of Sciences, Beijing; the College of Management, Qing Hua University, Beijing; the People’s University, Beijing; and Shantou University, Shantou. Dr. Lau also serves as a member of the Asian Art Commission of the City of San Francisco, and a member of the Board of Directors of the Chiang Ching-Kuo Foundation for International Scholarly Exchange, Taipei.

Dr. Lau has been a consultant for the U.S. Department of Energy, U.S. Department of State, the Federal Reserve Board, the World Bank, the Asian Development Bank, the RAND Corporation, the United Nations Development Programme, Capital International, Inc., Citibank, N.A., the International Commercial Bank of China, and numerous other public and private organizations. Dr. Lau currently serves as the vice chairman of the board of the Bank of Canton of California, and as a director of the Taiwan Fund, Inc. He is the author of more than 150 articles and books.

WILLIAM F. MILLER



William F. Miller is Herbert Hoover Professor of Public and Private Management *Emeritus*, Graduate School of Business, Stanford University. He is also a professor of computer science *emeritus*, School of Engineering; senior fellow *emeritus* in the Institute for International Studies; and director of the Stanford Computer Industry Project. He co-directs two executive education programs: "Strategic Uses of Information Technology" and "Strategy and Entrepreneurship in the IT Industry."

Professor Miller has spent about half of his professional life in business and about half in academia. He is chairman of the boards of Sentius Corporation and Inprise Corporation. From 1979 to 1990, he served as president and CEO of SRI International, as well as chairman of the board, CEO, and a founder of the David Sarnoff Research Center (now the Sarnoff Corporation). Prior to SRI International, Professor Miller was vice president and provost of Stanford University, and before that, vice president for research. During that time, he also served as professor in computer science and in the Graduate School of Business.

Professor Miller has served on many government commissions, as director of several nonprofit organizations, and is a member of several honorary and professorial societies. He is currently actively engaged in development of the new information infrastructures, both in Silicon Valley, and internationally. He speaks and writes on technology development, global changes in business strategy, policies for technology development, and local and regional economic development.

As both a graduate and an undergraduate, Professor Miller studied at Purdue University, where he received the B.S., M.S., Ph.D., and D.Sc., *honoris causa*.

DANIEL I. OKIMOTO



A specialist on the political economy of Japan, Daniel I. Okimoto is senior fellow of the Institute for International Studies, director *emeritus* of the Asia/Pacific Research Center, and professor of political science at Stanford University. During his twenty-five year tenure at Stanford, Professor Okimoto has served as a research fellow at the Hoover Institution and the Northeast Asia–United States Forum on International Policy, the predecessor organiza-

tion to A/PARC, within the Center for International Security and Arms Control. He has also taught at the Aspen Institute for Humanistic Studies, the Stockholm School of Economics, and the Stanford Center in Berlin. In 1976, Professor Okimoto co-founded the Asia/Pacific Research Center. He has also been vice chairman of the Japan Committee of the National Research Council at the National Academy of Sciences, and of the Advisory Council of the Department of Politics at Princeton University.

Professor Okimoto's fields of research include comparative political economy, Japanese politics, U.S.–Japan relations, high technology, economic interdependence in Asia, and international security. He received his B.A. in history from Princeton University, M.A. in East Asian studies from Harvard University, and Ph.D. in political science from the University of Michigan. He is the author of numerous books and articles, including *Between MITI and the Market: Japanese Industrial Policy for High Technology*; co-editor, with Takashi Inoguchi, of *The Political Economy of Japan: International Context*; and co-author, with Thomas P. Rohlen, of *A United States Policy for the Changing Realities of East Asia: Toward a New Consensus*, and *Inside the Japanese System* (new edition forthcoming).

MICHEL OKSENBERG



Michel Oksenberg is a senior fellow at the Institute for International Studies at Stanford University, where he is also a professor of political science. He writes and lectures on contemporary China, Asia Pacific affairs, and on American foreign policy toward the region. His research specialties include Chinese domestic affairs, China's foreign policy, Sino-American relations, and East Asian political development.

His B.A. is from Swarthmore College (1960), and his M.A. (1963) and Ph.D. (1969) in political science are from Columbia University. He was on the faculty of Stanford University (1966–68), Columbia (1968–74), and the University of Michigan (1973–92), where he was also director of the Center for Chinese Studies. From 1977 to 1980, on leave from the University, he served as senior staff member of the National Security Council in Washington, D.C., with special responsibility for China and Indochina. From January 1992 to February 1995, he served as president of the East–West Center, a federally funded research and training institute in Honolulu.

Professor Oksenberg is the author of *China: The Convulsive Society* (1971); co-author of *China and America, Past and Future* (1977); *Policy Making in China: Leaders, Structure, and Process* (1988); and *China's Participation in the IMF, the World Bank, and GATT: Toward a Global Economic Order* (1990); co-editor of *Beijing Spring, 1989, Confrontation and Conflict: The Basic Documents* (1990); co-author of *An*

Emerging China in a World of Interdependence (1994); *A United States Policy for the Changing Realities of East Asia: Toward a New Consensus* (1996); *Living with China* (1997); *Shaping U.S.–China Relations: A Long-Term Strategy* (1997); *The Chinese Future* (1997); and *China Joins the World: Progress and Prospects* (1999). He also has been a contributor to symposium volumes, professional journals such as the *China Quarterly*, *Asian Survey*, *Foreign Affairs*, and news publications in the United States and Asia.

Professor Oksenberg is a member of the Trilateral Commission, the National Committee on U.S.–China Relations Board of Directors, the Council on Foreign Relations, the Grants Committee of the Smith Richardson Foundation, and the Forum for International Policy.

THOMAS P. ROHLEN



Educated at Princeton and the University of Pennsylvania (Ph.D., anthropology, 1970), Thomas P. Rohlen is professor in the School of Education and senior fellow at the Institute for International Studies at Stanford University. He is also a fellow of the Canadian Institute for Advanced Research. His past work concerned the links between education, organizational management, learning, and economic performance, particularly

in Japan. Currently, he is focusing his research on the impact of open economics on the leading cities of East Asia, and, in turn, the rising importance of these cities to the political and cultural life of the nations of the region. Professor Rohlen has written or edited five books and more than sixty articles that examine corporate organization, schooling, and the cultural foundations of learning systems as they impact national outcomes. His book, *Japan's High Schools*, received the Ohira Prize, the Berkeley Prize, and the Association for Educational Research's Critics Choice Award. Professor Rohlen has served on the editorial board of the *Journal of Japanese Studies*, and is a member of the boards of a number of other academic organizations. He was Reischauer Visiting Professor at Harvard University in 1985, and the recipient of the Edward J. Lehman Award for Public Service from the American Anthropological Association in 1991. Professor Rohlen is a former Foreign Service Officer.

Professor Rohlen's recent publications include *Education and Training in Japan*, edited with Chris Bjork (Routledge, in press); "Japanese Economic Growth: How Many Models Do We Want or Need?" with James H. Raphael (in *Behind East Asian Growth*, Routledge, 1998); *Teaching and Learning in Japan*, with Gerald Le Tendre (Cambridge University Press, 1996); "A Mediterranean Model for Asian Regionalism" (Asia/Pacific Research Center, 1995); and "Differences That Make a Difference: Explaining Japan's Success" (*Educational Policy*, 1995).

ANDREW WALDER



Andrew Walder is professor of sociology and senior fellow at the Institute for International Studies at Stanford University. An expert on the sources of social order, the distribution of power, and the organization of property rights in socialist states, Dr. Walder's current research interests are the impact of China's market reforms of the past twenty years on patterns of inequality, career opportunity, and social mobility, with special reference to the impact of these changes on the party and government; and analyses of political disorders in the recent past, starting with the Cultural Revolution of 1966–69, with a current emphasis on the Beijing Red Guard movement during 1966 and 1967.

Before coming to Stanford in fall 1997, Dr. Walder was professor of sociology at Harvard, and was professor and head of the Division of Social Sciences at Hong Kong University of Science and Technology from 1995 to 1997. Dr. Walder received his Ph.D. in sociology from the University of Michigan.

His recent publications include *Property Rights and Economic Reform in China* (Stanford University Press, 1999, co-edited with Jean Oi); *Zouping in Transition: The Process of Reform in Rural North China* (Harvard University Press, 1998) (editor); and "Collective Protest and the Waning of the Communist State in China," in *Challenging Authority: The Historical Study of Contentious Politics*, edited by Michael Hanagan, Leslie Page Moch, and Wayne Te Brake (University of Minnesota Press, 1998).

AFFILIATED FACULTY

KEN-ICHI IMAI



Ken-ichi Imai is an internationally recognized expert on the economics and management of the firm, industrial organization, and the economics of technological change and innovation. After receiving his Ph.D. from Hitotsubashi University, Professor Imai went on to become an assistant professor, full professor, and, eventually, dean of the Graduate School of Business at Hitotsubashi. In

September 1991, he assumed the role of director of research at the Stanford Japan Center. At that time, he was also named a senior fellow of Stanford's Institute for International Studies and a

professor, by courtesy, in Stanford's Department of Economics. In December 1991, he became chair of the Stanford Japan Center Foundation Board.

Professor Imai has been influential in both Japanese and international policymaking. In Japan, he has been actively involved in the development of national industrial policy at the level of MITI's Industrial Structure Consultative Council. Abroad, as a member of the drafting committee for the Technology, Economy and Policy Project of the Organization for Economic Cooperation and Development (OECD), he participated in discussions on the rules of conduct for multinational enterprises and global industry. In spring 1995, the Crown Prince of Japan awarded Professor Imai the government's Purple Ribbon for his cumulative academic and social contributions.

As director of the Stanford Japan Center-Research, Professor Imai has actively promoted collaborative research between the United States and Japan. For this purpose, he has organized and hosted a number of international forums, including: "A New Techno-Economic Paradigm for the 21st Century-The Age of New Engineering"; "Sensors, Information, and Global Ecosystems"; "The Roles of Government in Economic Development: Analysis of East Asian Experiences" (sponsored by the World Bank); "The Future of the Computer Industry"; and, most recently, "The Use of the Next Generation of Information Infrastructure" (sponsored by BBCC in Japan).

RONALD I. MCKINNON



Ronald I. McKinnon is the William D. Eberle Professor of International Economics at Stanford University. Currently, he is researching trade and financial policy in less-developed countries, the transition from socialism in Asia and Eastern Europe, the foreign exchange market and U.S.-Japan trade disputes, European monetary unification and international monetary reform, and the economics of market-preserving federalism.

Recent books by Professor McKinnon include *The Order of Economic Liberalization: Financial Control on the Transition to a Market Economy*, 2nd edition (1993); *The Rules of the Game: International Money and Exchange Rates* (1996); and *Dollar and Yen: Resolving Economic Conflict between the United States and Japan* (with K. Ohno, 1997). Recent (1997) articles include "Credible Liberalizations and International Capital Flows: The Overborrowing Syndrome" (with H. Pill); "The East Asian Dollar Standard, Life after Death?" (1999); and "The Syndrome of the Ever-Higher Yen: American Mercantile Pressure on Japanese Monetary Policy"

(with K. Ohno and K. Shirono, 1999). Professor McKinnon teaches international trade and finance, economic development, money and banking, and financial control in developing and transitional socialist economies.

DISTINGUISHED ASSOCIATES

CHONG-MOON LEE



Chong-Moon Lee serves as a consulting professor at A/PARC, as well as chairman and CEO of AmBex Venture Group, LLC. In 1982, Mr. Lee founded Diamond Computer Systems, Inc., which by 1994 had evolved into Diamond Multimedia Systems, Inc., achieving the number-one ranking in America for revenue and market share for PC graphics accelerator products (*IDC Computer Industry Report*, 1995). Diamond Multimedia Systems, for which Mr. Lee served as both chairman and CEO, went through an initial public offering in April 1995. Mr. Lee is now chairman *emeritus* of S3, Inc. In November 1996, Mr. Lee accompanied President Clinton to the APEC (Asian Pacific Economic Collaboration) Conference in Manila as a member of the United States business delegation.

A native of Seoul, and a naturalized U.S. citizen, Mr. Lee has a diverse background involving education, cultural exchange, and philanthropy as well as business. Currently, Mr. Lee serves as a commissioner and a trustee of the Asian Art Museum of San Francisco, to which he has also donated \$16 million over the past six years. As vice chairman of the United States National Committee for Pacific Economic Cooperation Council (US-PECC), he took a pioneering role in the inaugural U.S. and Asia/Pacific Information Technology Summit, heading up the Organizing Committee as chairman. In December 1996, the *Los Angeles Times* named Mr. Lee America's twenty-first ranked philanthropist. In addition, he has long been a recognized leader in the U.S. Asian American community. Mr. Lee is a driving force behind A/PARC's projects on Korean entrepreneurship and Silicon Valley Networks.

Among Mr. Lee's many accolades are the Key to the City of San Francisco; the Cyril Business Leadership Award by the San Francisco Chamber of Commerce; and the Excellence 2000 Award (as 1995 Asian American Man of the Year) by the Asian American Chamber of Commerce, Washington D.C. In 1993 and 1994, Mr. Lee was named a finalist by *Inc.* magazine for Entrepreneur of the Year in the Northern California region.

WALTER H. SHORENSTEIN



Walter H. Shorenstein began supporting A/PARC activities and other Asian studies programs at Stanford in 1989. His previous gifts helped institutionalize annual meetings between U.S. and Japanese legislators and initiate an annual roundtable discussion among leaders around the Asia Pacific rim. Grants by Mr. Shorenstein have also established an annual Shorenstein Lecture series on

Asia and have brought to Stanford a number of Distinguished Shorenstein Scholars. His most recent matching endowment gift has allowed A/PARC to initiate the Southeast Asia Forum, to address economic, strategic, political, and technological issues involving the United States and the Asia Pacific region.

Mr. Shorenstein is owner and chairman of the Shorenstein Company, one of the nation's largest and oldest privately owned real-estate firms. He is recognized for his many civic and political contributions, and has been advisor to Presidents Bill Clinton, Jimmy Carter, and Lyndon Johnson. He serves on the Board of Overseers Committee on University Resources at Harvard University, and is chairman of the Senior Advisory Committee of the Joan Shorenstein Center on the Press, Politics, and Public Policy at Harvard's Kennedy School of Government. Mr. Shorenstein also sits on the Board of Visitors of Stanford's Institute for International Studies.

RESEARCH PERSONNEL

KIMBERLY BALE



Kimberly Bale joined A/PARC as a research assistant for the Comparative Health Care Policy Research Project in September 1998. She graduated from Pepperdine University in 1997 with a B.A. in international studies and was a VISTA volunteer at Habitat for Humanity in Salem, Oregon, for one year. She left A/PARC in July 1999 to pursue an M.A. in international public health at Tulane University.

RAFIQ DOSSANI



Rafiq Dossani is a consulting professor at the Asia/Pacific Research Center, responsible for developing and directing the South Asia Initiative. His research interests include financial, technology, and energy-sector reform in India. He is currently undertaking a project on the upgrade of information technology in Indian start-ups, and on the institutional phasing-in of power-sector reform in

Andhra Pradesh. He serves as an advisor to India's Securities and Exchange Board in the area of venture-capital reform. Dr. Dossani earlier worked for the Robert Fleming Investment Banking group, first as CEO of its India operations and later as head of its San Francisco operations. He has also been the chairman and CEO of a stockbroking firm on the OTCETI exchange in India, the deputy editor of the *Business India Weekly*, and a professor of finance at Pennsylvania State University. He holds a B.A. in economics from St. Stephen's College, New Delhi, India; an M.B.A. from the Indian Institute of Management, Calcutta, India; and a Ph.D. in finance from Northwestern University.

MARGUERITE GONG HANCOCK



Marguerite Gong Hancock joined A/PARC in Fall 1998 as manager of the Silicon Valley Networks Project. She also serves as co-editor, in collaboration with A/PARC director Henry S. Rowen, Professor William F. Miller, and Mr. Chong-Moon Lee, of the project's first book, to be published in spring 2000.

A specialist on government-business relations in high-technology development, Ms. Hancock has served as director of network research for the Computer Industry Project at Stanford's Graduate School of Business, research associate at the East Asia Business Program of the University of Michigan, and consultant to a semiconductor equipment company in Boston and Tokyo.

She received a B.A. from Brigham Young University with a double major in humanities and East Asian studies, and an M.A. from Harvard University in East Asian studies. While pursuing Ph.D. work at the Fletcher School of Law and Diplomacy at Tufts University, she focused on computer industry development in China. Her current research centers on leading regions of innovation and entrepreneurship throughout the United States and Asia.

JAMIE HWANG



Jamie Hwang graduated from Stanford University in 1998 with a B.A. in international relations. She joined A/PARC in June of 1999 as a research assistant for the Comparative Health Care Policy Research Project, after working as an analyst for a health-care consulting firm.

YUMIKO NISHIMURA



Yumiko Nishimura has been the associate director of the Comparative Health Care Policy Research Project at A/PARC since May 1997, before which she served as the assistant director. Her specialty is U.S. and Japanese health systems and health policy. She has lectured and written extensively on these topics in both countries.

Ms. Nishimura helped introduce the Japanese health-care system to American readers in the book *Japan's Health System: Efficiency and Effectiveness in Universal Care*, co-edited with Daniel Okimoto and Akihiro Yoshikawa (1993). Also for Japanese readers, she published her book *America Iryo no Nayami (Health Care Reform in the United States)* in 1995. Ms. Nishimura has written a series of articles for several Japanese journals, including *Kosei*, the journal of the Ministry of Health and Welfare.

DOUGLAS WEBSTER



Douglas Webster was visiting professor at A/PARC from January to May 1999. Professor Webster has worked on urban and regional development issues, primarily in Southeast Asia, for twenty-five years, as an advisor to international organizations, East Asian governments, and the private sector. He was professor of planning at the Asian Institute of Technology and the University of Calgary, where he directed the planning

program. He is author of many academic and professional publications on urban development. His current interests are urban systems in East

Asia and the relevance of strategic planning approaches to urban management. Professor Webster is currently senior urban advisor to the Thai Government (NESDB) and the East Asian Urban Unit of the World Bank.

While at A/PARC, Professor Webster worked closely with Thomas Rohlen and James Raphael in the development of the Urban Dynamics of East Asia Project. Together, they taught the course "Cities and Urban Systems in East Asia," which served as a catalyst for exploring developing ideas related to urban development trajectories in East Asian cities—a key focus of the project. Professor Webster has just finished a monograph, written while at A/PARC, entitled "Global-National Urban Based Mediation: The Post-1984 Role of the Extended Bangkok Region." In addition, he undertook research on "The Southeast Asian Urban System: Repositioning under Stress," the subject of a guest lecture. Also at A/PARC, Professor Webster completed work on a background paper for the recently released *World Development Report*, as well as working closely with the World Bank on their East Asian Urban Strategy and the urban component of the Asia 2010 strategic process. A research workshop on East Asian urbanization was held in July, funded by the World Bank, to encourage continued urban research collaboration between A/PARC and the World Bank.

Professor Webster will return to A/PARC in January 2000 to teach a course on "Managing the Urban Environment in East Asia," and to initiate a research project on peri-urbanization in East Asia.

STAFF

MICHAEL FOWLER



Michael Fowler served as A/PARC's publications manager from September 1998 to January 1999. He had previously been senior editor at a high technology public relations firm in Silicon Valley and a teaching associate at San Jose State University. A veteran of the U.S. Army, he holds bachelor and master of arts degrees in English literature from San Jose State University.

DONNA FUNG



Donna Fung joined A/PARC in June 1997 as faculty assistant to Michel Oksenberg. She graduated from California State University, Sacramento, with a B.S. in management information systems. Before coming to A/PARC, Donna worked at the University of California, San Francisco, for six years.

SUE HAYASHI



Sue Hayashi joined A/PARC in December 1997 after moving here from Washington, D.C. She graduated with a B.A. in political science from George Washington University. Before moving to California, Sue worked for an investment firm, and volunteered as a project coordinator for Habitat for Humanity.

GREET JASPAERT



Born in Ghent, Belgium, Greet Jaspert graduated with a B.A. in Japanese studies from the University of Leuven in 1990 and an M.A. in sociology from the University of Tokyo in 1994. As an exchange student and later on a Mombusho scholarship, she spent a total of six years studying and working in Japan before joining A/PARC in 1995. Since March of 1997, Greet has been in charge of lecture series, public outreach, and working with A/PARC's visiting fellows as program officer. In 1999, she became manager of corporate relations.

ANNE MARIE KODAMA



Anne Marie Kodama is a graduate of Mills College with a B.A. in English. She spent a year in Nagoya, Japan, on the Japan Exchange and Teaching (JET) Program, teaching English to high-school students in Aichi Prefecture. She joined A/PARC as a staff assistant in 1996 and was made manager of administration and corporate relations in 1998. In 1999, she became manager of administration and finance.

YUMI ONOYAMA



Yumi Onoyama joined A/PARC in April 1997 after spending a year in Chiba, Japan, teaching English for AEON Corporation and studying Japanese. After graduating from the University of California, Davis with a B.A. in economics, she worked for an international transportation and logistics company in San

Francisco as an accountant. In September of 1999, Yumi became the program coordinator for A/PARC, in charge of the Center's public and private events.

AMY PETHICK



Amy Pethick joined A/PARC in 1998 as staff assistant. A graduate of Mount Holyoke College with a B.A. in Asian studies, Amy has worked in the International Rights & Licensing Department of IDG Books, studied Mandarin Chinese in Harbin and Beijing, interned at IDG's Beijing office, and helped a Taiwanese physician at Stanford's

Medical School write a book and plan a conference.

VICTORIA TOMKINSON



Victoria Tomkinson joined A/PARC as publications manager in June 1999. Previously, she worked as promotions and syndication manager at Salon.com in San Francisco; as an editor at Broadway Books, a division of Random House, in New York; and at Hamish Hamilton, an imprint of Penguin UK, in London. She has a B.A. in English from

Georgetown University and a Ph.D. in English from Oxford University.

LEIGH WANG



Leigh Wang has served as administrative assistant to Lawrence J. Lau since April 1999. She graduated from the University of Hawaii at Manoa with a B.A. in business administration and received her M.B.A. from California State University, Los Angeles. Prior to joining Stanford, Leigh worked as an office manager for a telecommunications company in San Jose.

Research efforts at A/PARC produce studies which are published as occasional papers, working papers, special reports, and books.

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INSTITUTE FOR INTERNATIONAL STUDIES (IIS)

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David Holloway

Director

Donald Kennedy (Biology)

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Senior Research Scholar and Fellow

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Senior Research Scholar and Fellow

Alain Enthoven

Ward Hanson

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A. Michael Spence

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Whang Seung-Jin

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Leonard Ortolano

Electrical Engineering

Robert W. Dutton

James F. Gibbons

James S. Harris

John Hennessy

John Linvill, *Emeritus*

Engineering—Economic Systems and

Operations Research

Michael M. May

Co-Director, Center for International

Security and Cooperation (CISAC)

William J. Perry

Senior Fellow, IIS

John P. Weyant

Industrial Engineering and Engineering

Management

James L. Adams

Naushad Forbes

Mechanical Engineering

Stephen J. Kline, *Emeritus*

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AND SCIENCES

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Harumi Befu, *Emeritus*

Applied Physics

Robert I. Byer

Asian Languages

Thomas W. Hare

Chemistry

Carl Djerassi

Computer Science

Edward A. Feigenbaum

Economics

Masahiko Aoki

Michael Boskin

Victor R. Fuchs

Anne Krueger

Mark McClellan

Nathan Rosenberg

John B. Taylor

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Lyman Van Slyke, *Emeritus*

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Palaniappan Chidambaram

Former Minister of Finance, India

Rust M. Deming

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Gareth Evans

Former Foreign Minister, Australia

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Richard J. Gordon

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Owada Hisashi

Former Ambassador to the United

Nations, Japan

Ozawa Ichiro

Member, House of Representatives, Japan

Nyum Jin

Minister of Labor, Republic of Korea

For everyone at A/PARC, 1998–99 was an exciting year which saw growth across the spectrum of Center activities, from research and teaching to conferences and corporate outreach. As the Center enters the new millennium, it looks forward to the most productive and dynamic year yet of its twenty-two-year history.

NEW DIRECTIONS IN A NEW HOME

The completion of the Encina Hall Restoration Project has given A/PARC a beautiful new home. Now located together on the same floor, faculty and staff can collaborate seamlessly to advance the Center's day-to-day and long-term goals. In 1999–2000, A/PARC will manage the transition to this new space, grow into it, and take advantage of all that it has to offer. From major conferences in the state-of-the-art Bechtel Center, to intimate seminars in the new A/PARC conference rooms, to daily dialogue among faculty, researchers, fellows, and scholars, the Center's new accommodations will facilitate a growing program of research and outreach in the Asia Pacific region.

A/PARC research activity is at an all-time high, and Center faculty are pursuing many different projects and areas of inquiry in their work on contemporary Asia. In 1999–2000, A/PARC will continue its existing research agendas while advancing new ones. In addition to the research directions discussed earlier in this review, the People's Republic of China's fiftieth anniversary in 1999 provides the perfect backdrop for new research programs on Taiwan and greater China, both of which will begin in the coming year. The Urban Dynamics of East Asia Project will also continue its work, expanding its collaborative ventures with groups such as the World Bank.

THE SHORENSTEIN FORUM

Since its inception in early 1998, the Walter H. Shorenstein Forum for Asia Pacific Studies has supported A/PARC's Asian visitors program, public lectures and outreach activities, and policy meetings and roundtables of senior Asian and American leaders, including the prestigious annual Asia Pacific Roundtable at Pebble Beach. In 1999–2000, the Shorenstein Forum will continue its important work, leveraging A/PARC's nascent but growing relationships with the California Governor's Office, California state government, and businesses in the United States and abroad. In addition, the Forum will pursue its overarching agenda of raising awareness of Asian affairs and U.S.–Asia international relations, and facilitating exchange among leaders from government, business, and academia on the significant issues that Asia and the United States face in the twenty-first century.

NEW FACULTY

In addition to the appointment of Donald Emmerson to lead its Southeast Asia Forum, A/PARC looks forward to welcoming a new professor of Korean studies to spearhead research and teaching on this important country. The search is currently underway for qualified candidates, and appointment is anticipated sometime in 1999–2000.

A/PARC will also be searching for a new director. Henry Rowen, who came out of retirement to serve as A/PARC's director for the past two years, has announced that he will step down at the end of the 1999–2000 academic year. The Center is grateful to Professor Rowen for his many contributions to its work, for his thoughtful and steady administration of its affairs, and for his tireless enthusiasm in promoting its activities. In the coming year, A/PARC will work closely with IIS to identify candidates to fill this important position.

The Asia/Pacific Research Center (A/PARC)

at Stanford University is ideally positioned to lead the study of Asia into the next millennium. At A/PARC, Stanford faculty and students, visiting scholars, and distinguished business and government leaders from the Asia Pacific region come together to examine contemporary Asia and U.S. involvement in the region. Established in 1978, there are now over sixty Stanford faculty and over ninety non-Stanford individuals associated with A/PARC. The Center has become an important venue for Asian and U.S. leaders to meet and exchange views, and to examine economic, political, technological, strategic, and social issues of lasting significance.

Located within Stanford's Institute for International Studies (IIS), A/PARC conducts research, sponsors seminars and conferences, and publishes research findings and studies, occasional papers, special reports, and books. A/PARC has an active industrial affiliates and training 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, and their interdisciplinary expertise generates significant policy recommendations for both the public and private sectors.



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