

途上国における貧困削減と制度・市場・政策 Poverty Reduction, Institutions, Markets, and Policies in Developing Countries: 後展論の試み Toward a Theory of Comparative Economic Development

### PRIMCED Newsletter

No. 2 (Nov 2011)



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## Report on International Workshop

**Editors** 

On September 23-24, 2011, we held our first international workshop of PRIMCED. The workshop was titled "Advancing Knowledge in Developing Economies and Development Economics: Towards the Understanding of Institutions in Development" and its venue was Sano Shoin, Hitotsubashi University. The workshop was co-organized and co-sponsored by (i) The Department of Economics, the School of Oriental and African Studies, the University of London (SOAS), (ii) The Center for Economic Institutions, Hitotsubashi University (CEI), and (iii) Grant-in-Aid for Scientific Research-S, "Poverty Reduction, Institutions, Markets, and Policies in Developing Countries: Toward a Theory of Comparative Economic Development" (PRIMCED).



Opening remark by the project leader



The scene of a session

We originally scheduled this workshop on March 24-25, 2011, but had to postpone due to the Great East Japan Earthquake. Though we were concerned that this postponement might reduce the interest in the workshop, the concern turned out to be unnecessary - we were able to hold the workshop almost as originally planned, thanks to the cooperation of all concerned. Including five from SOAS and others from abroad, approximately 50 researchers attended the workshop.





Heated Discussion

The goal of the PRIMCED project is the synthesis of knowledge on poverty reduction, economic institutions, markets, and policies in the process of economic development. Our main fields are Asian and African countries, and pre-war Japan. The three major pillars of our approach are (i) microeconometric analysis original microdata collected contemporary developing countries, (ii) comparative historical analysis of economic development using both micro and macro data, and (iii) combining the two through quantitative empirical analyses with similar specifications for both contemporary and historical cases as well as through model building. As part of this effort, this workshop was intended for two purposes: (i) sharing information on the research results conducted by fellow researchers, and (ii) discussing the future direction of the project toward unified research goals.



Sano Shoin, Hitotsubashi University

The program of the workshop comprised six sessions with 16 papers. In the two-day workshop, speakers presented their research results of comparative analyses covering various economies or detailed sector-level analyses such as industry, rural sector, finance, and food in a particular economy (See

the attached program for details). We discussed key common issues such as why institutions play important roles in economic development, which approach is effective in understanding contemporary and historical development issues in a comprehensive way, what are the determinants of institutions, how we measure the impact of institutions on resource allocation or distribution, how historical analyses or quantitative empirical analyses can be used in designing optimal institutions or policies, and so on.



From left, Prof. Jonathan Morduch, Prof. Jane Harrigan, and Prof. Matthew McCartney

In conclusion, the purposes of this workshop were successfully met. The discussions were so excited that chairs often had difficulty in closing their sessions. Not only during sessions but also during the reception, coffee, and lunch breaks, the participants actively exchanged their research ideas. We hope we can continue this exchange in future workshops to follow. Some of papers presented at the workshop are forthcoming as part of the PRIMCED discussion paper series.



The scene of the reception



## Program

### First Day (September 23, 2011)

9:50-10:00 Opening Remark [Takashi Kurosaki (CEI/PRIMCED) & Machiko Nissanke (SOAS)]

#### 10:00-12:30 Industrial Development in Asia

(Chair: Yukinobu Kitamura, Hitotsubashi/PRIMCED)

Tomohiro Machikita

(Institute of Developing Economies [IDE-JETRO])
"The Determinants of Size Distribution of
Plants in the Early Stage of Industrial
Development: Japan, 1902-1919"
(co-authored with Asuka Imaizumi, Kaori Ito,
and Tetsuji Okazaki)

Kentaro Nakajima (Tohoku University/PRIMCED)
"Productivity Improvement in the Specialized
Industrial Clusters: The Case of the
Japanese Silk-Reeling Industry"
(co-authored with Yutaka Arimoto and
Tetsuji Okazaki)

Satoshi Miyamura (SOAS)

"Diversity of Labour Market Institutions in Indian Industry: A Comparison of Mumbai and Kolkata"

12:30-13:30 Lunch Break

# 13:30-16:00 Sectoral Development: Industries, Food, and Rural Sectors

(Chair: Takashi Kurosaki)

Takahiro Fukunishi

(Institute of Developing Economies [IDE-JETRO])
"Export Participation of Local Firms in the
Kenyan Garment Industry: Why Did Not
Incumbent Firms Start Exports?"

V.K. Ramachandran (Indian Statistical Institute)
"Classes and Class Differentiation in India's
Countryside"

Jane Harrigan (SOAS)

"Food Security in the Middle East and North Africa (MENA) and Sub-Saharan Africa: A Comparative Analysis"

16:00-16:20 Tea Break

#### 16:30-18:00 Microfinance as Institutions to Eradicate Poverty and Enhance Growth

(Chair: Katsuo Kogure, Hitotsubashi/CEI)

Fumiharu Mieno (University of Kobe/PRIMCED)
"Do Subsidies Enhance or Erode the
Cost-Efficiency of Microfinance? Evidence
from MFI Worldwide Micro Data"
(co-authored with Hisako Kai)

Jonathan Morduch (New York University)

"Impact Assessment of an Asset Transfer
Program to Ultra Poor" (co-authored with
Shamika Ravi and Jonathan Bauchet)

18:15-20:00 Reception (@Sano Shoin Hall)

### Second Day (September 24, 2011)

# 10:00-12:30 Natural Disasters, Institutions, and Economic Development

(Chair: Yutaka Arimoto, Hitotsubashi/PRIMCED/CEI)

Tetsuji Okazaki (University of Tokyo/PRIMCED)
"Impact of Natural Disasters on Industrial
Agglomeration: The Case of the 1923 Great
Kanto Earthquake" (co-authored with Kaori
Ito and Asuka Imaizumi)

Yasuyuki Sawada

(University of Tokyo/PRIMCED)

"Self-Production, Friction, and Risk Sharing against Disasters: Evidence from a Developing Country" (co-authored with Hiroyuki Nakata and Tomoaki Kotera)

Humayun Khan & Mir Kalan Shah

(Khyber Pakhtunkhwa Agricultural University)

"Natural Disasters, Relief Aid, and Household Vulnerability in Pakistan: Evidence from a Pilot Survey in Khyber Pakhtunkhwa" (co-authored with Takashi Kurosaki and Muhammad Tahir)

12:30-13:30 Lunch Break

# 13:30-16:00 Colonial Legacy in Economic Development

(Chair: Chiaki Moriguchi, Hitotsubashi/PRIMCED)

Konosuke Odaka

(Professor Emeritus, Hitotsubashi Univ./PRIMCED)
"A New Light to Shine? Historical Legacies and Prospects for Myanmar's Economy"

Ichiro Sugimoto (Soka University)

"Government Fiscal Behaviour and Economic Growth of Singapore in the Twentieth Century" (co-authored with Eu Chye Tan)

Matthew McCartney (Oxford University)

"A Tinderbox and a Tiger: A Long-Run Evaluation of Economic Growth in India and Pakistan since Independence"

16:00-16:20 Tea Break





# 16:20-18:00 State, Institutions, and Comparative Economic Development

(Chair: Takashi Kurosaki)

Anne Booth (SOAS)

"Growing Public? Explaining the Changing Economic Role of the State in Asia over the 20th Century"

Machiko Nissanke (SOAS)

"International and Institutional Traps in Sub-Saharan Africa under Globalisation: a Comparative Perspective"

18:00-18:10 Closing Remark [Takashi Kurosaki, Machiko Nissanke]

18:30-21:00 Reception (@Haruka [Japanese Restaurant in Kunitachi])



From left, Prof. Konosuke Odaka, Prof. Machiko Nissanke and Prof. Mir Kalan Shah

## Discussion Paper Series (2011.4 ~ 2011.10)

No. 12 (August 2011) Takashi Kurosaki, Humayun Khan, Mir Kalan Shah, and Muhammad Tahir, "Natural Disasters, Relief Aid, and Household Vulnerability in Pakistan: Evidence from a Pilot Survey in Khyber Pakhtunkhwa."

No. 13 (September 2011) Hidayat Ullah Khan, Takashi Kurosaki, and Ken Miura, "The Effectiveness of Community-Based Development in Poverty Reduction: A Descriptive Analysis of a Women-Managed NGO in Rural Pakistan."

No. 14 (September 2011) Yutaka Arimoto,
"Participatory Rural Development in 1930s

Japan: The Economic Rehabilitation Movement."

## **Project Activities (2011.4 ~ 2011.10)**

#### **Seminars and Meetings**

International Workshop (2011.9.23-24)

"Advancing Knowledge in Developing Economies and

Development Economics: Towards the Understanding of Institutions in Development



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