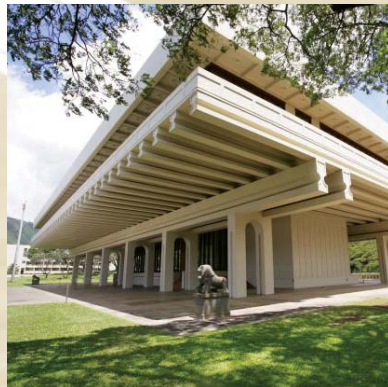


# EAST-WEST CENTER

ANNUAL REPORT 2004



EAST-WEST CENTER

# RESEARCH

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**“Throughout its history the Center has sought to promote equitable and sustainable economic and social development in the Asia Pacific region through the sharing of data, analysis and best practices. Research is fundamental to this process as it draws together the realms of academic inquiry and policy formation.”**



*n Nancy Davis Lewis is director of the EWC Research Program.*

East-West Center research activities are multinational and collaborative in nature, involving experts and institutions from the United States and throughout the Asia Pacific region. The Center recognizes that the most urgent regional problems are also global challenges and seeks to address U.S.-Asia Pacific partnerships in a global context. The Research Program is organized into four broad study areas: politics, governance and security; economics; environmental change, vulnerability, and governance; and population and health. Themes explored by resident and visiting fellows change depending on research and policy needs.

## **AGING AND INTERGENERATIONAL TRANSFER**

The elderly population is the most rapidly growing demographic group in the Asia Pacific region. In contrast, the number of children in the region has peaked and is beginning to decline. These demographic shifts will have a pervasive effect on economic growth, generational equity, family finances and government budgets in Asia, the Pacific and the rest of the world.

The East-West Center's Population and Health Studies Program and the Center for the Economics and Demography of Aging at the University of California at Berkeley have initiated a project in response to these demographic challenges. The project team is developing a new

system of national accounting that measures how families, governments and financial institutions shift economic resources across generations from workers to children and the elderly. The framework is being used to study the macroeconomic consequences of population aging, and to evaluate the implications of public policy relative to retirement funding, health care, education reform and related issues.

The project is an international effort that includes teams from Japan, Indonesia, Taiwan, the U.S., France, Chile and Brazil. The Hewlett Foundation has provided seed funding to support the work. A satellite program that will extend the project to include China, India, the Philippines and Thailand is being established in cooperation with the Nihon University Population Research Institute in Tokyo. Andrew Mason (EWC) and Ronald Lee (UC-Berkeley) are co-principal investigators.

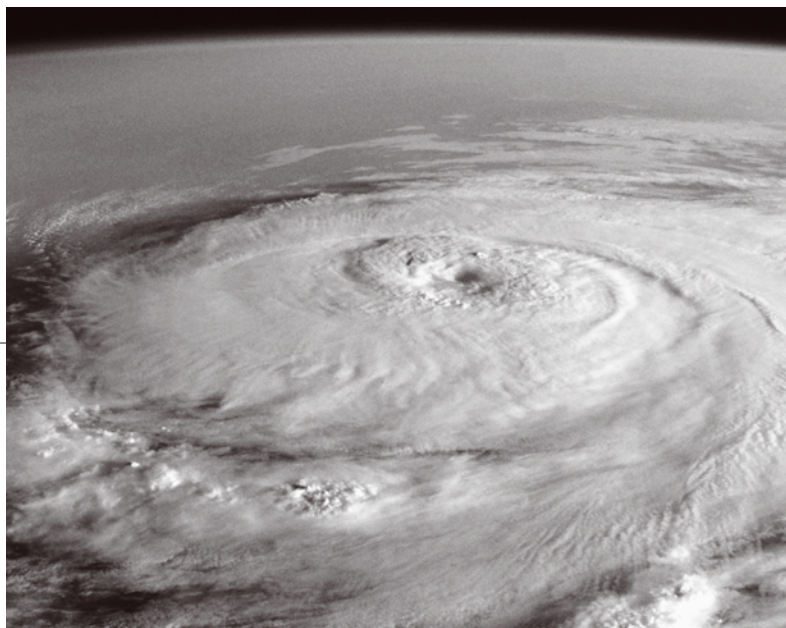




## LAND-USE CHANGES IN SOUTHEAST ASIA

Jefferson Fox, a senior fellow at the East-West Center and specialist on the environment, received a \$550,000 grant from the National Science Foundation. The funding supports a 42-month project exploring the impact of new roads and markets on traditional land-use practices and livelihoods in mountainous regions of mainland Southeast Asia. The region under study is the road corridor running from Chiang Mai, Thailand, to Kunming, Yunnan, China. The corridor runs through Northern Thailand, Northern Laos and Southern Yunnan. The region is rich in biological diversity and harbors a wealth of natural resources including significant stocks of forest.

The project explores the dynamics and agents of land-use change in Southeast Asia, tracing the impact of these changes on people's lives and their environment. It also provides the foundation for a long-term longitudinal study of land-cover and land-use change in a region undergoing dramatic social, economic, political and environmental change. A multidisciplinary team of economists, foresters, geographers, hydrologists and sociologists are collecting economic, demographic, institutional and cultural data that explain how land-use practices are affected by events such as changes in national taxation policies and the development of roads and markets.



## CLIMATE RISK MANAGEMENT AND VULNERABILITY

The tragic loss of life and property associated with the December 2004 Indian Ocean earthquake and tsunami highlights the complex and close relationship between national development goals and the ability to anticipate, prepare for, respond to and recover from natural disasters. Effectively managing the risks associated with natural disasters is an essential component of an effective, long-term development strategy.

National governments, humanitarian relief agencies, development agencies and the scientific community have begun to explore "climate risk management" as a framework for integrating climate change in disaster management planning. A common element of these discussions is the recognition that adapting to patterns of extreme climate-related events promises to reduce vulnerability in the near-term and provide insights that will prove valuable in enhancing resilience to long-term climate change.

Working with colleagues and partner institutions throughout the region, the East-West Center is engaged in a number of programs, projects and activities to develop and implement a climate risk management program in the Asia Pacific region. EWC contributions in this area last year included activities focused on enhancing regional capabilities to anticipate and prepare for climate-related extreme events:

- n A review of the first 10 years of a Pacific Island program focused on the development and use of El Niño forecasts to reduce vulnerability in the face of climate-related extreme events.
- n A two-week Pacific Island Training Institute on Climate and Extreme Events was conducted in partnership with the University of the South Pacific and the New Zealand National Institute for Water and Atmospheric Research.



*Senior Fellow Peter Xenos and Fellow Sheila Smith in conference with EWC students.*

## SHIFTING TERRAIN

A two-year study of the domestic politics of the U.S. military presence in the Asia Pacific region was initiated in January 2004 with \$180,000 in funding from the Japan Foundation Center for Global Partnership and the Japan-US Friendship Commission. EWC Fellow Sheila A. Smith leads a multinational research team, including Patricio Abinales of the Institute for Southeast Asian Studies at Kyoto University, Masaaki Gabe of the University of the Ryukyus, Naoki Kamimura of Hiroshima City University and Katherine Moon of Wellesley College.

The “Shifting Terrain” project focuses on changing attitudes within Asian societies regarding the U.S. military presence. It highlights aspects of the military presence that have received little sustained analytical attention, offering a comparative cross-national study that focuses on the U.S. presence as an issue of national governance with particular emphasis on citizens’ perspectives. The research team is participating in a series of in-country workshops, exploring the impacts of the U.S. presence on citizens, especially in local communities in Japan, South Korea and the Philippines.



## ECONOMIC ISSUES IN ASIA AND PACIFIC TOURISM

Last year, the Research Program initiated a new project examining the economic importance of international tourism and the future development of the industry in the Asia region. Despite global events that have adversely affected the industry—including September 11, the SARS outbreak and the Indian Ocean tsunami—tourism remains one of the fastest growing sectors of economic activity globally, providing millions of jobs and much-needed foreign exchange to many Asian and Pacific countries. As incomes rise and travel costs decline, the long-term growth prospects for tourism in the region remain strong.

In 2004 the East-West Center began compiling a detailed database for examining long-term trends in tourism and developing indicators of country openness to overseas

tourists. Researchers collaborated with leading institutions involved in regional tourism and advanced proposals for outside financial support. A study on the impact of tourism development on the poor in Vietnam received preliminary funding approval from the United Kingdom Department for International Development (DFID) and the United Nations Economics and Social Commission for Asia and the Pacific. The tourism project had two outputs in 2004: an overview paper on the measurement of tourism’s impact on the poor in developing Asian countries, and a paper estimating the effects of population aging on Japan’s outbound international travel.





## OTHER EAST-WEST CENTER RESEARCH

### Politics, Governance and Security

**China's Capitalist Transition**—social, political and economic changes accompanying China's move to open markets.

**China's West: Implications for China's Development and Regional Integration**—China's ethnic entrepreneurs.

**Natural Resources and Violent Ethnic Conflicts in the Asia Pacific Region**—interdisciplinary study of ethnic conflict and resource competition.

**Party Competition and Poverty Alleviation in Asia Pacific**—analysis of recent elections in India.



*Research Fellows Arun Swamy and Tianshu Chu meet with Senior Fellow Jefferson Fox.*

### Economics

**China's International Trade**—changes in China's exports and trade partners.

**Trade Policy as a Promoter of Domestic Policy**—the case of China's state-owned enterprises and the WTO.

**Asian Pathways to Innovation**—including an examination of China's integration into global production networks.

**Institutional Change in Japan**—the economic crisis and its potential for major institutional change.

**Miracles and Mirages in East-Asian Economic Development**—sources of and limits to East Asian economic growth.

**Asia Pacific Energy Outlook**—changing energy demand and supply structures, energy security and policy.

**Asian and US Liquefied Natural Gas Markets**—Asia's potential as a West Coast supplier.

**China's Telecommunication Market Development**—policy challenges with changes in technology, competition, market structure and regulation.

### Environmental Change, Vulnerability and Governance

**Spatial Information Technology and Society: Ethics, Values, and Practice**—using new spatial information technology for community-based resource management.

**Air Pollution and Poverty**—air quality management policies and their impact on the poor.

**Energy, Climate and Environmental Policy**—examining regional emissions trading schemes in the EU, the U.S. and Canada.

**Climate Change, Climate Variability and Health in Small Island States**—the relevance of climate forecasts for public health.

### Population and Health

**Family Change in Asia**—current focus on rapid changes in roles and behavior of young adults.

**Population Momentum and Aging in Developing Countries**—effects on health care systems.

**Population Dynamics in South Asia**—causes and consequences of high fertility and infant/child mortality.

**Is Globalization Good for Your Health?**—Asia Pacific perspectives.