

ASIA-PACIFIC RESEARCH CENTER

CENTER OVERVIEW 2004

# Perspective

on the new Asia

STANFORD INSTITUTE FOR  
INTERNATIONAL STUDIES

ASIA-PACIFIC RESEARCH CENTER

CENTER OVERVIEW 2004

# Perspective

on the new Asia



STANFORD INSTITUTE FOR  
INTERNATIONAL STUDIES

## Perspective on the New Asia

2	DIRECTOR'S MESSAGE
5	RESEARCH
17	PROGRAMS
29	OUTREACH
35	PEOPLE
38	SUPPORTING APARC
39	FRIENDS AND AFFILIATES
40	FINANCIAL INFORMATION

The Asia-Pacific Research Center (APARC) is a unique Stanford University institution focused on the interdisciplinary study of contemporary Asia. APARC's mission is to:

- Produce and publish outstanding Asia-Pacific-focused research;
- Educate students, scholars, and corporate and governmental affiliates;
- Promote constructive interaction to influence U.S. policy toward the Asia-Pacific, and guide Asian nations on key foreign relations, government, political economy, technology, and social issues.

*Cover Photo: The Shanghai World Financial Center, currently under construction by Japan's Mori Building Company, will be the world's tallest building when complete. Housing high-quality offices, a five-star hotel, executive membership club, shops, and restaurants, this immense, elegant structure will serve as a powerful symbol of development and economic prosperity in the new Asia.*

*“We will need to do our part to ensure that APARC—and Stanford—continues to be a vital place to study the changes sweeping contemporary Asia.”*

I returned to campus at the end of September after seven weeks in China. This was my longest stay in that country since I joined the Stanford faculty in 1997, following two years' residence in Hong Kong. I have visited China almost annually since my first trip there in 1980. One always returns with a profound sense of how rapidly the country is changing. So I expected change when I left for China in midsummer.

I still was not fully prepared for what I encountered. Change has accelerated. The increased affluence, even of the major cities of Beijing and Shanghai, was striking. Investment in public infrastructure is evident—neighborhoods and streets that were shabby and poorly lit only five years ago are bright and even stylish today. Shanghai's Nanjing Road and Beijing's Wangfujing Street now rival Hong Kong's Central District, and the entire length of Beijing's Chang'an Avenue exudes the feeling of a leading world city.

Perhaps the most impressive change of all was on college campuses, where I lived for almost the entire stay. The physical infrastructure of campuses has improved remarkably. New office buildings and libraries have been constructed, dormitories have been upgraded, meal services improved, excellent bookstores are everywhere. On Beijing University's campus, my friends in the School of International Politics were moving into a beautiful new complex during the first week of classes. My colleagues in Qinghua University's sociology department had just moved into their new three-story building when I gave a public lecture there—an apt symbol of the recent rebirth of the social sciences at China's MIT. Faculty colleagues who long suffered in cramped, dim, and poorly heated apartments virtually all reported that they had been moved into new quarters in recent years. Some of them drove me around in recently purchased cars.

But the students impressed me most of all. They were curious, bright, and serious, as Chinese university students have been for many years. For the first time I felt that the students at China's leading universities were not really all that different from our students at Stanford. They asked serious questions—questions that betrayed a level of sophistication and knowledge about the outside world that I have not detected in earlier trips. And their English-language ability was truly astounding—even students majoring in scientific subjects. I am afraid that they have already caught up with my Hong Kong students of some years ago—and perhaps have surpassed them. All of this adds up to the realization that people in China's leading cities are already firmly a part of our own world.

We are also becoming part of theirs. My main mission in China this summer was to teach a three-week seminar for Stanford students at Beijing University. This was a remarkable experience for faculty and students alike. While in Beijing I also encountered two separate Stanford student groups who had organized programs on their own at Beijing University and Qinghua University—one focusing on U.S.-China relations, and the other an engineering project to bring computer



technology to public schools in poor interior regions. As if this were not enough, I also hosted a banquet for ten Stanford students who were working as summer interns in Chinese offices and firms in a program run by Stanford's Center for East Asian Studies. The three-week seminar that I taught was just the opening wedge of Stanford's new permanent presence in China—our overseas campus at Beijing University opened its doors for the fall quarter shortly after our departure and welcomed its first class of thirty-five students.

Just as China is entering a new era, so is our engagement with it as educators and scholars. At APARC, this requires a renewed commitment to the kind of deep and direct involvement in Asia that we have always emphasized. Keeping this commitment strong is a continuing challenge. We are reminded of this by the departure last year of a longtime valuable member of the APARC faculty. Professor Lawrence Lau, Kwoh-Ting Li Professor in the department of economics, left Stanford in July to take up his new post as vice chancellor (or president) of the Chinese University of Hong Kong. While Larry's exciting new position enhances our strong academic ties with China, it leaves a major gap in our ability to analyze the world's most dynamic economic region.

Larry's departure is just one instance of the continuing challenge of keeping APARC strong. We are linked to Stanford through our faculty, and our strength is directly tied to the university as a whole. And our faculty on East Asia in particular is, to put it politely, in transition. Departures, retirements, and mortality have sapped the strength of a once outstanding faculty to a worrying degree, and, in my judgment, the university has been slow to recognize the dangers. It is clear to all of us that APARC must ensure that Stanford does not let this opportunity to rebuild slip away.

And we are working on it. Thomas Rohlen, emeritus professor and longtime member of APARC, last year arranged to endow a professorship on contemporary Japanese politics. Gi-Wook Shin has raised funds for a new chair on contemporary Korean studies. These are examples of the key role that APARC and our parent, the Stanford Institute for International Studies, need to play in the university as a whole. As Stanford gears up for an ambitious campaign in support of international studies, we will need to do our part ensure that APARC—and Stanford—continues to be a vital place to study the changes sweeping contemporary Asia.

Andrew G. Walder, *Director*





## Research

In a recent APARC address, former secretary of state George Shultz observed that “Somehow when we in the United States say the word ‘Asia,’ there is almost an unspoken assumption that the similarities among the countries are great. Nothing could be further from the truth.” APARC’s interdisciplinary research brings this region—in all its variety and vitality—into focus.

### RECONSIDERING THE CHINESE CULTURAL REVOLUTION

In recent years, a large volume of documentary materials from the 1960s has become available to scholars of the Chinese Cultural Revolution. Andrew Walder has examined these materials in order to explore previously unknown aspects of this tumultuous era, and to reconsider reigning scholarly interpretations of what occurred and why.

One product of this research is a database built from information in roughly 2,000 rural county annals published in China since the late 1980s. These sources provide new information about the magnitude and timing of political events nationwide from 1966 to 1971. Preliminary analyses yield an estimate of roughly one million dead and 25 million persecuted in rural China alone. Most of these casualties did not occur during the period of armed factional con-

flikt and local civil war. Instead, they occurred after political order was reestablished by the local military-civilian regimes that also orchestrated massive purge campaigns.

A second focus of this research is an examination of student Red Guard newspapers and wall posters from the city of Beijing during 1966 and 1967. These sources permit reexamination of the social interpretations of Red Guard politics that have dominated scholarship on the subject. One recent product is a paper that reconsiders the role of a famous “conservative” Red Guard leader from a high official family, long thought to be an opponent of more radical students from less privileged backgrounds. In fact, this student leader harbored strong grievances against his party superiors, and supported a thorough purge. Moreover, his factional opponents were led by students from family backgrounds identical to his own. The case study undermines the distinction between “con-



servative” and “radical” factions central to past interpretations of the Cultural Revolution. It also subverts the claim that “conservative” factions were not only loyal to the party apparatus, but also from privileged families that opposed radicals from less privileged backgrounds.

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

#### A NEW LOOK AT SOCIAL STRATIFICATION AND ELITE OPPORTUNITY IN CHINA

Andrew Walder continues to analyze data from a large, nationally representative survey of 6,400 Chinese households, conducted jointly in 1997 with sociologists at the University of California, Los Angeles, and Chinese People’s University. The first of its kind in China, the survey col-

lected detailed information on occupations, income, and housing conditions for families, as well as complete career and educational histories for respondents and less detailed histories for spouses, parents, and grandparents.

Thus far, the project has yielded two papers. The first looked at the impact of kinship ties to local party leaders in generating household income in rural China over the past two decades. These ties had a significant net impact on income only in the poorest rural regions that offered limited opportunities outside of agriculture. In rural regions, where wage labor and private household enterprise were widespread, the close relatives of local cadres had no income advantages at all. The net income advantages of village cadres, however, were large in all regions except for the poorest, and they grew as the local economy developed. One unexpected finding was that cadre advantages are largest in the most privatized and commercialized rural regions. This is because cadre households participate in private business at the highest rates in these regions. The link between increased cadre incomes and the privatization process leads to a situation the reverse of what many have expected—cadres’ newfound prosperity in the

market economy has not led to defection from the party or from rural office-holding.

A second paper directly addressed the idea—widespread in scholarly work and in recent transition reports published by the World Bank—that the economic advantages of elite insiders in transitional economies decline as market reform and privatization increase. In fact, the fate of former communist elites depends on two separate processes: the speed with which communist political hierarchies are dismantled, and the constraints on asset appropriation in the course of reform. China has maintained its political hierarchies even as it has erected strong barriers to asset appropriation. Accordingly, China’s elites have fared differently than those in other regions. In central Europe and the Baltics, rapid democratization and the collapse of communist parties, combined with legal restrictions on asset appropriation, have created considerable turnover of political elites and prevented the emergence of a new business class with roots in the old system. In Russia, by contrast, rapid political change and unregulated privatization generated a new business oligarchy with roots in the former system. In regimes created when regional communist parties withdrew from

multinational federations and rapidly privatized their economies (Uzbekistan, Kazakhstan, Kyrgyzstan), old regime elites extract large incomes from their offices or appropriate state assets for private business.

In China and Vietnam, where communist parties remain in power while sharply restricting the pace of privatization, the old elites remain in power and can draw larger incomes from office, but their ability to appropriate assets for private business undertakings is curtailed. So far, China and Vietnam have not generated a new private business oligarchy out of the old political elite. But this also means that these market-oriented Asian regimes have yet to undergo the political and economic transformations already completed in many postcommunist states. How these future transitions are handled will affect the fate of China’s elites and will likely influence the country’s future economic growth.

#### OVERCOMING FISCAL PROBLEMS IN CHINA’S TOWNSHIPS

Many township governments across China are in debt. They are unable to pay their bills and cannot secure loans because of poor credit.



Wages are owed to local leaders and regular office staff alike. Jean Oi, in collaboration with scholars from China, is examining the causes and consequences of these fiscal problems in China's townships. The fiscal crisis has spawned a situation where poor and even not-so-poor townships have to look out for their own survival. They are no longer capable, regardless of whether they are willing, of providing public goods and services. The quality of township governance—what it can provide to its citizens—is constrained by sources of economic revenues. There is variation in the resources and wealth of townships and villages across China's countryside—variation which is mirrored both in the services provided in these different localities and in the quality of governance. Some townships and villages are serving their peasants well. However, a large number currently offer nothing in terms of public goods or, even worse, are trying to squeeze more funds from the peasants however they can.

Township government is now at a crossroads. There has been discussion of abolishing townships as a level of government, but this is unlikely to occur immediately. In the meantime, and certainly if the township is preserved as a level



of government, the institutional disjunctures that are the legacy of China's piecemeal reforms must be resolved. Township governance must be based on a stable economic base. Governmental and economic reforms must be in sync to bring about effective township governance. The role and resources of townships must be redefined to fit China's new political economy. For now, as some township officials readily admit, "they manage everything, but manage nothing well."

#### BREAKING CHINA'S "IRON RICE BOWL"

Jean Oi leads this ongoing project, which examines restructuring and governance reform in China's state-owned enterprises (SOEs). In collaboration with Thomas Heller of the Stanford Law School and scholars from China, Oi has collected survey and qualitative data on corporate restructuring and governance reform over the last decade. The project assesses the economic and political consequences of that reform, identifies the stakeholders, delineates the new corporate forms that have emerged, analyzes how they function, and observes the problems that they encounter and create. Implicit in the

research design is the desire to capture the regional and sectoral variation inherent in the reform process. The project also attempts to identify the different phases and strategies of reform over time.

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

The second direction shows that market-conforming institutions have been tempered by concerns about rising unemployment, decreasing government revenues, and mounting enterprise and bank debt. China's post-state-socialist leadership is instituting an ambitious program of corporate restructuring, but politics has skewed the privatization process. Most intriguing is the state's concern about state workers displaced in the course of privatization. These issues affect not only the speed and the nature of reform, but also decisions about which enterprises may be declared bankrupt or privatized. Follow-up research suggests that while concerns about workers and political stability remain important, new methods and institutions are cutting the cord between the state and its workers, and

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

#### FOR INDONESIA, 2004 WAS A "YEAR OF VOTING PEACEFULLY"

In May 1996, the future of Indonesia's long-stable model of economically successful authoritarian rule seemed secure. Who would have guessed that only a month later the regime's efforts to repress opposition would trigger riots in Jakarta? Who could have known in May 1997 that two months later the Thai baht would fall—heralding a financial crisis that would shrink the Indonesian economy by 13 percent in 1998—or that in May 1998 retired General Suharto, who had managed for thirty years to combine political autocracy with economic growth, would be forced to resign?

In the ensuing transition, a constitution once thought sacred was revamped, the military's political role was curtailed, state power was decentralized, and four presidential successions have taken place. A country recently feared to be on the verge of breaking up, succumbing to Islamism, or reverting to strongman rule has been lauded by *Time* as the most democratic in Asia. "Indonesia has proved the pessimists wrong," wrote the *Washington Post* in September 2004.

Not quite. Observers who expected violence in Indonesia after Suharto were proven right. In the wake of the general's fall, several thousand Indonesians died in multiple incidents around the country. For some analysts, these outbreaks were Suharto's ugly legacy. His authoritarian system had stifled the peaceful airing of differences that democracy would have allowed. Behind the violence lay the machinations of backers of the old regime, who wanted to turn the clock back in their favor. This top-down explanation preserved the innocence of ordinary Indonesians while faulting rapacious elites in Jakarta.





Other observers disagreed. Far from incubating violence, the ancien régime had successfully repressed it. Under Suharto, rapid and uneven economic growth combined with extreme ethnic and religious diversity to generate tensions that would have erupted in bloodshed without a firm hand at the center to keep them in check. Sudden democratization was like lifting the lid off a boiling pot. This bottom-up account featured the explosive potential of the resentments and grievances dividing ordinary Indonesians.

In 2004, Southeast Asia Forum director Donald Emmerson chose to compare these large arguments in a very small space at a possibly dangerous time. He knew that adjacent villages of Sosol and Tahane on the remote island of Halmahera had come to blows in 1999, triggering tit-for-tat reprisals that had brought the area close to anarchy. What he wanted to know was whether, in July 2004, Indonesia's first-ever direct presidential election would trigger renewed violence between these communities, whose ethnic and religious differences had only become more pronounced following the earlier clashes. And if violence did flare, would it be for top-down reasons of authoritarian manipulation

and incitement from Jakarta, or bottom-up combustion sparked by open political competition on the ground?

What Emmerson encountered belied both images. Nefarious elites in Jakarta did not pit the two villages against each other. Nor had they done so in 1999. Jakarta's responsibility for that earlier violence had reflected insensitivity, not instigation. Nor was anyone in 2004 trying to reinstate autocratic rule. But neither did animosities boil up and overflow. In Halmahera, as elsewhere in Indonesia, the elections of 2004 were remarkably peaceful. Sosol voted for one candidate. Tahane went for another. But no one escalated this difference into mayhem. What might have been another "Year of Living Dangerously" turned out to be a "Year of Voting Peacefully."

Political violence will not soon disappear. But it has abated. It is time for observers to revise outdated depictions of democracy in Indonesia as either flimsy on the one hand or downright incendiary on the other.

#### CHANGE AMID STAGNATION: JAPAN'S POLITICAL ECONOMY

Daniel Okimoto continues his research into the underlying causes of Japan's economic stagnation. Since 1991, when a bloated speculative bubble finally burst, Japan has been mired in a deep economic slump. The economy has experienced fifteen years of steep asset deflation, a massive overhang of nonperforming loans, historic rates of corporate bankruptcies, spiraling fiscal deficits, and low levels of growth in economic output. Today, on the surface, it appears that nothing has changed. Old institutions and practices appear to be deeply entrenched and resistant to reform.

Beneath the surface, however, fundamental changes have taken place in important areas. Intercorporate shareholding, for example, has shrunk from over 40 percent to roughly 30

percent of total stock holdings. Foreign portfolio investors in Japan have expanded from 10 percent to nearly 20 percent, and currently represent the most active segment in daily transactions on the Tokyo Stock Exchange. The presence of such foreign investors means that Japanese corporations must be more responsive than in the past to quarterly earnings and bottom-line profitability.

Lifetime employment and seniority pay and promotion—two of Japan's "crown jewels" of industrial organization—are no longer standard practices. Labor has become more mobile, and employees leave corporations more freely than in the past. Faced with slack demand and severe cost pressures, Japanese corporations have moved lower-end manufacturing offshore and have cut fixed costs at home, including excess employees.

Nissan, hovering on the brink of collapse, has become the symbol of Japanese corporate reform. Carlos Ghosn, the "gaijin" (foreign) president of Nissan, has orchestrated a revolutionary transformation. He has divested Nissan of various subsidiaries, sold its equity holdings in subcontractors and dealers, streamlined the network of parts suppliers, and overhauled Nissan's organizational structure.

In contrast to the export-oriented sectors, the pace of change in Japan's domestic markets has been slower and less sweeping. Yet even the protected sectors of the domestic economy, such as financial services and retail distribution, have had to change in order to survive.

Even in the political sector, the last bastion of inertia, there have been noteworthy improvements. Owing to a series of scandals and ineffectual public policies, the power of the Ministry of Finance has waned. The electoral system has been transformed, and the Liberal Democratic Party, which used to dominate the Parliament, has been forced to enter into coalition governments. Slowly, Japan's administrative and political systems have moved toward greater



transparency and accountability, though the country still has a long way to go.

Japan faces the daunting challenge of having to finance the massive fiscal burdens that its rapidly aging population will place on its health care, pension, and social security programs. Whether the country can meet the challenge is unclear. Whatever happens, there is no doubt that Japan has changed, in many significant ways. It would be misleading to call the period since 1991 a "lost decade and a half."

#### RETHINKING HISTORICAL INJUSTICE IN NORTHEAST ASIA

APARC's newest research on Korea, led by Gi-Wook Shin, focuses on the Korean experience of reconciliation and cooperation in Northeast Asia. If the twentieth century is remembered as a century of war, Asia is central to that story. In Northeast Asia, where issues of historical injustice have generated a vicious circle of accusation and defense, overcoming historical animosities is one of the most important issues facing the region. Phenomenal economic growth and democratization point to a greater integration of Northeast Asian nations, yet wounds from





past wrongs committed in times of colonialism, war, and dictatorship are not fully healed.

In South Korea in particular, the successful democratization movement and the growth of civil society have increased efforts to unearth and redress crimes of the past. These include, externally, military atrocities and abuses committed by Japan, including Korean comfort women and forced labor during World War II; and internally, the exploitation of military comfort women by Koreans, the massacre of civilians by their own government before and during the Korean War, and atrocities committed by Korean soldiers during the Vietnam War. South Korea is one of the few nations to confront both internal and external injustices.

The reconciliation project team is currently considering several questions that cut across disciplinary and national boundaries. How does regional integration affect reconciliation, and vice versa? Can Northeast Asia effect regional reconciliation on its own? Does the United States have a role to play? In May 2004, the project convened a conference (detailed elsewhere in this report) to discuss these issues; the papers presented will be published as an edited volume.

#### THE U.S.–SOUTH KOREA ALLIANCE IN THE NEWS

In collaboration with Korea's Hallym University and with sponsorship from the Korean International Trade Association, Gi-Wook Shin continues to engage in a comparative study of the news media's accounts of the U.S.–South Korea alliance.

As many security experts agree, this alliance stands as one of the most successful political-military relationships forged out of the Cold War era. Does the alliance still flourish—or is it faltering? What impact does the news have on the public's attitudes toward issues related to the U.S.–ROK alliance? Does the news about the U.S.–ROK alliance influence investor confidence in South Korea?

To answer these questions, project researchers are examining all major Korea-related articles published in three authoritative U.S. newspapers between 1992 and 2004. Three South Korean newspapers, representing a wide spectrum of ideological leanings, are also being consulted for comparison. To date, the project team's findings provide empirical evidence that the U.S.–ROK alliance may be in turmoil. Preliminary work indicates that news coverage of the two

traditional allies' relationship has turned especially negative since South Korea's engagement policy clashed with the Bush administration's hardline approach to the DPRK problem. Further, South Korea's news media were sharply divided in accordance with their ideological leanings, and South Korean liberal newspapers' critical views of the United States were noted and reported in the U.S. news media. The project will continue into the 2004–05 academic year.

#### THE ROOTS AND LEGACIES OF KOREAN ETHNIC NATIONALISM

In 2003–04, Gi-Wook Shin's project on the origins and politics of ethnic nationalism in modern Korea came to a close. Among its findings, this study demonstrated that common blood and ancestry are defining features of South Koreans' national identity. In addition, the vast majority of South Koreans consider North Koreans to be fellow members of the Korean ethnic nation. These indicators of ethnic homogeneity help explain not only attitudes about unification, but also views of North Koreans as innocent victims of the communist

regime, the belief that national division is only temporary, and the determination that unification must be achieved to restore temporarily lost ethnic unity. Shin's completed book on this research is currently under review at Stanford University Press.

#### INSIGHT INTO CRUCIAL ISSUES FACING SOUTH ASIA

Long considered immutable, whether in their hostility toward each other or in their statist economies, India and Pakistan have come a long way since India began its 1991 reforms. India is now considered one of the world's most exciting growth areas; as it has grown, scholars are interested in how its economy will progress and how its economic and security interests will accommodate globalization. Pakistan faces some similar issues as it modernizes, including the cross-border problem and religious violence. At the same time, it must manage the transition from army-controlled politics to a more stable political structure.

Over the years, APARC scholars, prominently Rafiq Dossani and Henry Rowen, have worked



on some of these reforms, proposing options grounded in research and working closely with policymakers to carry them out. In 2003–04, research focused on electric power, business processes offshoring (BPO), telecommunications, and security policy. Papers on power-sector reforms were published in *Energy Policy* and *Energy Economics*. One provided options for restructuring distribution that took advantage of India's federal structure, particularly the possible role of cooperatives. The other looked at how to phase in price reforms in the rural sector. Papers on BPO were published in *Information Technologies and International Development* and *YaleGlobal*.

A project on rural access to communication and information technologies was launched in collaboration with the National Informatics Center, the research arm of the Indian Ministry of Communications and Information Technology. The project will examine rural use within a services, transportation technology, and financial viability framework. A further project on Pakistan's reforms in telecommunications was begun in collaboration with the country's regulatory body, the Pakistan Telecom Authority.

In the field of South Asian security policy, Rowen and Dossani have edited an upcoming book entitled *The Prospects for Peace in South Asia*, which Stanford University Press will publish in 2005. It examines the difficult, often violent, and potentially catastrophic rivalry between India and Pakistan. The book, which contains chapters on such key topics as Islamic extremism, Hindu nationalism, the role of Jammu and Kashmir in the Indian Union, and coercive diplomacy in a nuclear environment, provides a framework for evaluating the prospects for peace on the Asian subcontinent and discusses alternative roles that the United States can play in resolving the dispute.

In addition to these ongoing research initiatives, Dossani serves as the principal advisor to the India program of the Asia Technology Initiative (ATI), a student initiative that places summer interns at Asian companies. ATI currently operates in Bangalore, Mumbai, Shanghai, and Tokyo.

## UNDERSTANDING INNOVATION AND ENTREPRENEURSHIP IN THE NEW ASIA

The Stanford Project on Regions of Innovation and Entrepreneurship (SPRIE), in collaboration with its more than seventy research affiliates in seven countries, continues to describe and analyze rising high technology regions across Asia. SPRIE-affiliated research teams completed data collection and analysis on Silicon Valley, Hsinchu (Taiwan), Zhongguancun (PRC), Singapore, the Teheran and Taedok Valleys (Korea), Bangalore (India), and Fukuoka (Japan). Their findings will be published in 2005 in a book edited by SPRIE leaders Henry Rowen, William Miller, and Marguerite Gong Hancock. Results document that regions across Asia have significantly increased their capacity and, more importantly, their capability for higher value-added activities.

On the innovation front, for example, as measured by U.S. patents granted, Japan, Taiwan, and South Korea now account for more than one-quarter of all patents awarded each year. Moreover, their growth rates have been rapid. Between 1980 and 2003, South Korea went from 0 to 2 percent of the total, Taiwan from 0 to 3 percent, and Japan from 12 to 21 percent. More than just a large number, citation data show these patents' utility, as both Taiwan and Singapore leapfrogged the United States in the overall number of citations. China is the next wave. With more than 130 foreign R&D centers located in Beijing alone, and approximately 400 companies with research centers across China, business leaders have staked recent investments on the promise of fruitful innovation there.

Indications of burgeoning entrepreneurship are plentiful in Taiwan, Korea, India, and China. In Seoul's Teheran Valley, there were more than two thousand start-ups by the end of 2002, with 69 percent involved in IT industries. Between 1988 and 2003, high tech ventures in

Zhongguancun (in Beijing) grew from 527 to more than 12,000. Beyond the sheer numbers—which are staggering—the quality of many new-generation companies is world-class. In under four years, for example, Semiconductor Manufacturing International Corporation (SMIC), founded in 2000 and headquartered in Shanghai's Zhangjiang High-Tech Park, has emerged as the largest foundry in China. SMIC boasts five manufacturing sites, over four thousand employees, and \$365 million in revenue (2003). The company completed its IPO in March 2004 in Hong Kong and on the NASDAQ, raising more than \$1 billion. SMIC represents a new breed of companies in Asia: located in one region, but positioned from the beginning to be global powerhouses.

This rise in Asia's high tech regions—both as producers and consumers of high technology goods and services—has brought about a paradigm change. Gone are the days when Silicon Valley, or the United States, was the hub of the high technology universe. From R&D to manufacturing to marketing, key activities are migrating to—and within—Asia. Motivations reach beyond the well-known lures of lower costs: the quest is for higher value-added productivity, growing markets, and deep pools of talent. Companies and regions across Asia now participate in complex, globally integrated value chains in which national borders are greatly reduced in significance. High technology activities will become increasingly concentrated in specialized regional clusters, as well as more highly distributed in global networks.

As the dynamics of each region unfold, emerging areas of comparative advantage are difficult to predict. Cooperative—and possibly competitive—relationships will evolve. In 2004–05, SPRIE will continue to study Asia's rising high technology leaders, with a focus on greater China, in a new three-year initiative with research partners in the United States, Taiwan, Singapore, and mainland China.



## Programs

APARC supports diverse programs to bring together scholars, business leaders, policy-makers, students, and the public. Whether the focus is on a particular region, a specific topic, or a given audience, the Center's mission to advance understanding of contemporary Asia informs all program activities.

### KOREAN STUDIES PROGRAM (KSP)

In 2001, the KSP was formally established at APARC with the appointment of Gi-Wook Shin, as associate professor of sociology and SIIS senior fellow. The KSP offers courses on Korea, hosts biweekly Korean luncheon seminars, sponsors workshops and conferences, conducts research projects, and sponsors Korean scholars, bureaucrats, and business people to spend time at APARC as visiting scholars. The KSP also works with the Center for East Asian Studies (CEAS), which offers a master's degree in East Asian studies with a specialty in Korea.

In fall 2003, the KSP hired Chiho Sawada and Hong Kal to serve two-year appointments as postdoctoral research fellows. They collaborate with Shin on Korea-related projects and teaching as part of the KSP. In addition, jointly with CEAS, the KSP has initiated a Korea internship program and overseas seminars held in

Seoul for undergraduates. The KSP continues to engage in various collaborative projects, many of which have policy implications. Further, the KSP is home to the *Journal of Korean Studies*, with Shin as co-editor and Sawada as associate editor. The inaugural issue will be published in January 2005.

Under a new program that features "distinguished practitioners," the KSP has begun to bring high-profile individuals with extensive Korea experience to Stanford. In 2003–04, Chang Seong Woo, a former minister of budget and planning in the South Korean government, participated in this program, and taught a course on the Korean economy during his Stanford stay.

The KSP will welcome several new members in 2004–05. Philip Yun and John Feffer are the program's inaugural Pantech Fellows; their appointments are made possible by a generous grant from the Pantech Group. Yun and Feffer



### Selected KSP Events, 2003–2004

#### Private Conference:

##### The United States and South Korea: Reinvigorating the Partnership

Co-sponsored with the Korea Economic Institute and the Korea Institute for International Economic Policy

##### Forms of Non-Elite Identities in Pre-Modern Korea

John Duncan, Professor, East Asian Languages and Culture, University of California, Los Angeles

##### North Korea As Seen from Washington

Karin Lee, Senior Associate, East Asia Policy Education Project

##### Transnational Flows of Korean Pop Culture—The American Case

Jung-Sun Park, Assistant Professor, Asian American and Pacific Studies, California State University, Dominguez Hills

##### Globalization, Sports, Competitions, and National Identity

Jae-On Kim, Professor, Sociology, University of Iowa

##### The Interplay of National and Global Forces in Colonial Korea

Michael Robinson, Professor, East Asian Languages and Culture, Indiana University

##### The Dilemma of Korean Conservatism

Kang Jung-In, Professor, Sogang University, Korea

##### Moral Clarity or Political Calculation? The U.S. Approach to Human Rights in North Korea

John Feffer, Author, *North Korea/South Korea: U.S. Policy at a Time of Crisis*

##### Who's Buying Frugality Now?

##### South Korean Consumer Nationalism before and after 1997

Laura Nelson, Assistant Professor, Anthropology, California State University, Hayward



will conduct research related to both North and South Korea. In addition to practicing law in both Korea and the United States, Yun has held high-level positions at the State Department and worked closely with former secretary of defense William Perry. Feffer is an accomplished writer and editor whose most recent publication is *North Korea/South Korea: U.S. Policy at a Time of Crisis*. In the coming year, Soyoung Kwon, a North Korea expert, will also conduct research at APARC as a Shorenstein Fellow.

The KSP distinguishes itself from other Korean studies programs in the United States by focusing on multidisciplinary, collaborative research on policy-relevant topics. Specifically, the KSP seeks to promote interdisciplinary research by using the tools and insights of both area studies and the social science disciplines. Research projects currently in progress at the KSP include a study of U.S. media coverage of Korea, and South Korean media coverage of the United States from 1992 to 2004; an analysis of globalization in Korea; and investigations into historical injustice, reconciliation, and cooperation. These projects are detailed elsewhere in this report.

### CORPORATE AFFILIATES PROGRAM

Established in 1982, APARC's Visiting Fellows Program is a vital and dynamic part of Center life. Its 200-plus alumni now occupy distinguished positions in the government and private sectors of Japan, China, Korea, and India. The program introduces Asia-based fellows to American life and institutions, including the economy, society, culture, politics, and law.

Visiting fellows audit classes at Stanford, participate in APARC's varied outreach and social events, improve their English skills, and gain exposure to important Bay Area businesses and business people. As part of the 2003–04 curriculum, fellows visited Oracle, Sun Microsystems, Cisco Systems, TiVo, Receptor Biologix, and the Rutherford Winery. Site visits included trips to the office of the mayor of San Francisco, the Palo Alto Police Department, Palo Alto Utilities, the FBI, Gunn High School, and Angel Island.

Monthly seminars—on topics ranging from U.S. patent law to Japanese immigration—give fellows a close look at APARC faculty research, and that of others working at Stanford and in the Bay Area. These seminars lay the groundwork for each visiting fellow's own research

### Visiting Fellows, 2003–2004

**Takehiro Fujiki**  
Tokyo Electric Power Company

**Shinichiro Goko**  
Electric Power Development Company, Ltd.,  
Japan

**Mitsutomo Konno**  
Japan Patent Office

**Teruhisa Kurita**  
Ministry of Finance, Japan

**Xiangyun Liu**  
People's Bank of China

**Shojiro Matsuoka**  
Kommy Corporation, Japan

**Ikuzo Matsushita**  
Shizuoka Prefectural Government, Japan

**Byong Keun Park**  
Samsung Corporation, ROK

**Vinay Ranade**  
Reliance Industries, Ltd., India

**Atsushi Sato**  
Asahi Shimbun, Japan

**Puo-Suz "Paul" Shih**  
Ministry of Foreign Affairs, Taiwan

**Takashi Shimotori**  
Sumitomo Corporation of America

**Taizo Shiozaki**  
Impress Corporation, Japan

**Guofeng Sun**  
People's Bank of China

**Hirohisa Takata**  
Development Bank of Japan

**Kenji Tashiro**  
Kumamoto Prefectural Government, Japan

**Fumiaki Tonoki**  
Ministry of Economy, Trade and Industry  
(METI), Japan

**Yoshinori Ueda**  
Kansai Electric Power Company, Japan

**Ruisheng Yong**  
PetroChina Company, Ltd.

project, the program's academic cornerstone. Designing and executing an individual project—which is written and formally presented to APARC faculty and scholars—allows visiting fellows to use Stanford's resources and their own skills to further their personal interests, deepen their companies' knowledge of target topics, or both.

In 2003–04, APARC decided to showcase the work of visiting fellows by publishing one or more of their papers in the Center's working papers series. In this inaugural year, APARC faculty selected the paper of Vinay Ranade, of Reliance Industries, Ltd., which focuses on early-stage technology valuation in the biotechnology industry.

#### THE SOUTHEAST ASIA FORUM (SEAF)

Alongside its regular activities—research, teaching, outreach, and policy analysis—SEAF made a special effort in 2003–04 not only to study the region but also to explore striking and controversial differences in *how* scholars from different disciplines and countries approach Southeast Asian topics.

This was the theme of a unique international workshop that SEAF convened in June 2004 on “Southeast Asia in Political Science: Theory, Region, and Qualitative Analysis.” Specialists from more than a dozen universities in Australia, Europe, Southeast Asia, and the United States gathered at Stanford to review the “state of the art” of studying Southeast Asian politics. Paper-givers summarized the main findings of Southeast Asianists on the region's states and regimes, parties and elections, ethnicity and religion, mass mobilization, political economy, and civil society, among other subjects. These conclusions were also examined in the light of the charge leveled by some quantitatively inclined political scientists that area studies are anecdotal and atheoretical. While acknowledging that critique, many participants defended the



contextual perspectives and typically qualitative methods of area scholars (including historical knowledge and linguistic skills) as necessary correctives to the sometimes overgeneralized findings of political scientists using abstract models and large-N datasets. The workshop was also innovative in bringing together mainly younger scholars whose future careers will shape “Southeast Asia in political science.” Plans are under way to edit the workshop papers and submit them to a university press for publication.

Another initiative to compare ways of approaching shared subjects grew out of a series of conversations SEAF director Donald Emmerson held in 2002 with French scholars working on the Muslim world, including Muslim Southeast Asia. Emmerson found intriguing differences in French and American scholarly perceptions of Islam with respect to various social, political, and policy issues. In 2003, he proposed to Stanford's newly established France-Stanford Center for Interdisciplinary Studies that French and American experts on Islam gather at Stanford to compare their approaches. The resulting conference, “French and U.S. Approaches to Understanding Islam,” was held in September 2004. Particularly helpful in a SEAF context was



the chance to introduce material on Southeast Asian Muslim thought and practice, and thus help to diversify European and American perceptions based on knowledge of Islam in the Middle East and North Africa.

During the year SEAF hosted a full roster of American, Filipino, Malaysian, Singaporean, and Thai speakers, including talks by two visiting scholars in residence at Stanford, Erik Kuhonta (McGill University) and Patricia Martinez (University of Malaya). SEAF's director spoke and traveled widely, including talks at Cornell, the University of California, Berkeley, and the University of British Columbia, among other venues. He also wrote papers, taught and advised students, and appeared in American, European, and Asian news media, including American, British, and Indonesian radio and television. Notable among his writings were two essays related to SEAF's larger focus in 2003–04: “Situating Southeast Asian Studies: Realm, Guild, and Home” in *Southeast Asian Studies: Pacific Perspectives*, and “What Do the Blind-sided See? Reapproaching Regionalism in Southeast Asia” in the *Pacific Review*.

In March 2004 the recommendations of the National Commission on U.S.-Indonesian

#### Selected SEAF Events, 2003–2004

##### Sovereignty of Suu Kyi?

##### ASEAN's Burma Dilemma

Erik Kuhonta, 2003–04 Shorenstein Fellow

##### Mutiny and Democracy, Risking Civilian Rule in the Philippines

Angelo Reyes, Former Secretary of National Defense, Philippines

##### Four Different Octobers: Democracy, Terrorism, Islamism, and Regionalism in Southeast Asia

Surin Putsuwan, Member of Parliament (Democrat Party), Thailand

##### Getting Closer? Southeast Asia and the Middle East?

Fred von der Mehden, Professor Emeritus, Political Science, Rice University

##### Southeast Asia, Australia, and the Future of America's Military Alliances in the Pacific

Sheldon Simon, Professor, Political Science and Southeast Asian Studies, Arizona State University

##### One Size Doesn't Fit All: Why Western Democracy Won't Work in East Asia

Daniel A. Bell, 2003–04 Fellow, Center for Advanced Study in the Behavioral Sciences, Stanford

##### Power, Rights, and Desire: The “Islamic State” in Muslim Southeast Asia

Patricia Martinez, Fulbright Visiting Scholar

##### Walking the Tightrope: Civil Society and the Singapore State

Suzaina Kadir, Assistant Professor, Political Science, National University of Singapore

##### Malaysia after Mahathir: The Recent (March 21) Election and What It Means

Elizabeth Wong, Secretary General, National Human Rights Society (Hakam), Malaysia

##### Stardust and Reckoning: The End of the Age of American Innocence

Kishore Mahbubani, Representative of Singapore to the United Nations

##### Multiracialism and Meritocracy in Singapore: Conventional Wisdom Reconsidered

Eugene K.B. Tan, Fellow, SPILS, Stanford Law School



### *Selected Shorenstein Forum Events, 2003–2004*

#### NORTH KOREA SERIES

##### **The North Korean Nuclear Crisis: Perspectives from the Three Allies**

- Wonsoo Kim, Visiting Scholar, APARC
- Kenji Hiramatsu, Fellow, Weatherhead Center for International Affairs, Harvard University
- Philip Yun, Vice President and Chairman, H&Q Asia Pacific

##### **Multilateral Collaboration in Korea: A View from Russia**

Evgeny Bazhanov, Vice President, The Diplomatic Academy, Russian Foreign Ministry, Moscow

##### **The North Korean Nuclear Crisis: The China Dimension**

J. Stapleton Roy, former U.S. Ambassador to the PRC

##### **The Michel Oksenberg Lecture**

George P. Shultz, 60th Secretary of State; Thomas W. and Susan B. Ford Distinguished Fellow, Hoover Institution

Relations, which SEAF co-sponsored, were aired at a congressional hearing on American policies toward Asia. In August, the U.S. government announced a five-year \$468 million aid program for Indonesia, including \$157 million earmarked for helping Indonesia to improve its schools—a priority that the Commission had featured in its 2003 report.

### THE SHORENSTEIN FORUM

In 2003–04, under the leadership of director Michael Armacost, the Shorenstein Forum's signature events were the annual Michel Oksenberg Lecture and the Shorenstein Journalism Award. Former secretary of state George Shultz delivered the former in October 2003, in a lively address that considered Asia's rapidly changing demography, economics, security, and governance. His remarks were subsequently published in *Hoover Digest*. The latter event, held in February 2004 and as usual presented jointly with the Joan Shorenstein Center on the Press, Politics, and Public Policy at Harvard University, honored Donald Oberdorfer, journalist-in-residence at the Paul Nitze School of Advanced International Studies,

Johns Hopkins University. Oberdorfer, former diplomatic correspondent for the *Washington Post*, spoke about “The United States and North Korea: Danger Ahead.” He also participated in a program devoted to “Challenges Facing Contemporary Journalism” along with Donald Emmerson, Orville Schell, dean of the UC Berkeley Graduate School of Journalism, and Daniel Snider, of the *San Jose Mercury News*.

The Forum sponsored two major conferences during the year. One brought well-known academics and practitioners together in January 2004 to consider the future of the U.S.-Japan and U.S.-Korea alliances in the light of the war on terrorism, the changing contours of U.S. relations with the major powers, the nuclear crisis on the Korean peninsula, and changing domestic political dynamics underpinning defense cooperation in the Pacific. Admiral Thomas Fargo, commander-in-chief of the U.S. Forces in the Pacific, served as keynote speaker; his remarks are detailed elsewhere in this report. In June, APARC published the papers presented at the conference in a volume entitled *The Future of America's Alliances in Northeast Asia*.

Another conference, conceived and organized by APARC's Daniel Okimoto and held in

### *Selected Shorenstein Forum Events (continued)*

#### THE SHORENSTEIN JOURNALISM AWARD LECTURE

##### **The United States and North Korea: Danger Ahead**

Donald Oberdorfer, Journalist-in-Residence, Paul H. Nitze School of Advanced International Studies, Johns Hopkins University, Washington, D.C.

##### **Politics of the Japanese Financial Crisis in the 1990s: Blame Avoidance and Passing the Buck**

Harukata Takenaka,  
2003–04 Shorenstein Fellow

##### **Cross-Strait Relations:**

##### **New Challenges or New Opportunities**

Wu Xinbo, Professor, Center for American Studies, Fudan University, China

##### **The Development of Cross-Strait Economic Relations after Taiwan's Presidential Election** Vincent Siew, former Premier of Taiwan

##### **Panel on the Taiwan Elections**

##### **—Policy Perspective**

- Vincent Siew, former Premier of Taiwan
- Ming-min Peng, Senior Advisor to President Shui-bian Chen
- Ramon Myers, Senior Fellow, Hoover Institution
- Michael Armacost, Shorenstein Distinguished Fellow, APARC

##### **The Coming of a New Generation of Politicians: Perspectives on the Recent Korean Election**

- Gi-Wook Shin, Director, Korean Studies Program, APARC
- Daniel Snider, Foreign Affairs Columnist, *San Jose Mercury News*
- Seokki Hong, Visiting Scholar, APARC; Korean International Trade Organization
- Michael Armacost, Shorenstein Distinguished Fellow, APARC

##### **Taiwan's Election and the Agenda Ahead**

Douglas H. Paal, Director, American Institute, Taiwan



*“The Reischauer Program is what learning and school should really be like! I was so excited to get to work with enthusiastic, interested students, professors who really know what they’re talking about, and an environment where we can ask as many questions and take as many scenic detours as we like.”* Wren Patton, Eugene, Oregon

*“As a Reischauer Scholar, I not only interacted with leading scholars and diplomats, but also explored my own personal interests in Japanese art, religion, and history through independent research. This is a rare opportunity for high school students, and I feel greatly enriched by the experience.”* Jason Ferguson, Dallas, Texas

April 2004, concentrated on Japan’s political economy. Speakers included some of Japan’s leading economists; the Honorable Eisuke Sakikibara—former vice minister of finance and widely known in international circles as “Mr. Yen” for his leading role on international financial issues—gave the keynote address.

During 2003–04, the Forum devoted considerable attention to two critical sources of political tension in Asia: the North Korean nuclear crisis and cross-strait issues between Taiwan and the People’s Republic of China. With respect to North Korea, the Forum sought to expose the campus community to the perspectives of all key participants in the Six-Party Talks. Speakers included Wonsoo Kim (South Korean Foreign Ministry), Kenji Hiramatsu (Japanese Foreign Ministry), Evgeny Bazhanov (Diplomatic Academy at Russia’s Foreign Ministry); and former U.S. ambassador to China the Honorable J. Stapleton Roy. Speakers addressing cross-strait issues in the course of the year included Wu Xinbo, professor at Fudan University; the Honorable Vincent Siew, former premier of Taiwan; and Douglas Paal, director of the American Institute in Taiwan, whose provocative talk was standing-room only.

The Shorenstein Forum sponsored a number of other programs during the year. One, co-hosted with the Japan Society and the Japan Foundation for Global Partnership, was devoted to “Redefining the U.S.-Japan Alliance,” and featured former secretary of defense William Perry; Yoichi Funabashi, diplomatic correspondent for *Asahi Shimbun*; and Michael Armacost. Another event featured Harukata Takenaka, a Shorenstein Fellow at APARC, who explored the politics of the Japanese financial crisis in the 1990s. Finally, in April 2004, a distinguished panel of speakers, featuring APARC’s Gi-Wook Shin and Daniel Sneider, examined the implications of the South Korean presidential election.

#### THE REISCHAUER SCHOLARS PROGRAM

The Reischauer Scholars Program (RSP) is a distance-learning program for high school juniors and seniors sponsored by the United States–Japan Foundation (USJF) and the Stanford Program on International and Cross-Cultural Education (SPICE). From February to June 2004, twenty scholars and four alternates participated in an Internet-mediated course, taught by SPICE



program coordinator Waka Takahashi Brown, that provided them with an overview of Japanese history, literature, religion, art, politics/economics, education, and contemporary society. Ambassadors Howard Baker and Ryozo Kato, top scholars including Daniel Okimoto and Michael Armacost from APARC, and young professionals from universities across the United States provided lectures on CD-ROM to students, and engaged them in dialogue via Internet “virtual classrooms.” Students completed reading materials, assignments, and a final research project that has been printed in journal format. SPICE and the USJF awarded certificates of completion as well as three units of Stanford University Continuing Studies credit to all twenty-four students. The Reischauer Scholars represented private, public, and home schools in seventeen states. A number of students traveled to Japan in summer 2004. Stanford, Harvard, the University of Chicago, and Tufts are some of the institutions RSP alumni are currently attending. These students have entered the United States’ top colleges and universities with a rare degree of expertise about Japan that will have an impact on their choice of study and future career.

Three new lectures are being added to the curriculum, now in its second year. APARC’s Gi-Wook Shin and Daniel Okimoto will lecture on the Japanese colonial legacy in Korea and Japanese economics, respectively. Catherine Lewis from Mills College will lecture on Japanese elementary education. President George Packard and program officer David Janes of the USJF hope that the RSP will serve as the flagship program about Japan and U.S.-Japan relations for top high school students to become future leaders in the U.S.-Japan relationship and life-long learners on the subject of Japan.

#### THE STANFORD PROJECT ON INNOVATION AND ENTREPRENEURSHIP (SPRIE)

Over the past year, SPRIE expanded its work on innovation and entrepreneurship in Silicon Valley and Asia’s emerging high technology regions. It also undertook a new initiative focusing on Greater China.

SPRIE leaders have continued research on Silicon Valley, extending work begun with *The Silicon Valley Edge* (Stanford University Press, 2000). Recent activities include reexamining the

### *Selected SPRIE Events, 2003–2004*

#### OFFSHORING AND OUTSOURCING FROM SILICON VALLEY

##### **Lift and Shift: The Globalization of Services Outsourcing**

Rafiq Dossani, Senior Research Scholar, APARC

##### **Right Sourcing on “Right” Shores**

Anita Manwani, Vice President and General Manager, Global Sourcing, Agilent Technologies

##### **Outsourcing: Challenges and Opportunities**

George M. Scalise, President, Semiconductor Industry Association

##### **Outsourcing the Technical Support Function—A Way to Retain and Grow Your Customers**

Somshankar Das, President and CEO, E4E, Inc.

##### **Global Shared Services**

Sanjay Singh, Director, Business Operations and Business Process Delivery, Hewlett Packard

##### **Outsourcing and Offshoring: One Practitioner’s Perspective**

Eric Benhamou, Chairman of the Board, 3Com Corporation, Palm Inc., and PalmSource

##### **How the New Wave of 21st Century Globalization Is Transforming How Intel Operates**

Sandra Morris, Vice President and CIO, Intel

##### **How Global Economic Restructuring Is Changing the Future of Silicon Valley Employment**

Doug Henton, President, Collaborative Economics

##### **From Cost to Quality and Innovation—The Process of “Offshoring”**

Dan Scheinman, Senior Vice President, Corporate Development, Cisco Systems



region’s model and sustainability in a period of transition, and analyzing bellwether trends from venture capital financing to the “next wave” of technology. Project researchers have also collected data on other factors affecting the Valley’s role in the global economy, notably offshoring higher-value-added activities to Asia. In July 2004, SPRIE co-hosted an event to release a study on this subject, *The Future of Bay Area Jobs: The Impact of Offshoring and Other Key Trends*. The study was conducted by A.T. Kearney, and its findings are detailed elsewhere in this report.

In 2004, SPRIE launched the three-year Greater China Networks (GCN) research program. Its goal is twofold. First, the GCN seeks to advance understanding of the systems of innovation and entrepreneurship that drive greater China’s ascendance in high technology. Second, it will study the nature and impacts of the region’s integration into the global knowledge economy. The research agenda includes a focus on activities or institutions that underpin systems of innovation and entrepreneurship, especially for the new generation of ascending high tech regions in greater China. These include university-industry linkages, globalization of R&D, venture capital, new-firm formation and



development, and flows of technology and business leaders.

More than one-half of the GCN’s targeted \$1.5 million budget has already been donated or pledged, thanks in large part to the initiative’s core research partner, the Industrial Technology Research Institute (ITRI) in Hsinchu, Taiwan. To advance this work, SPRIE has also built partnerships with premier research and policy-making institutions in greater China, and is guided by a distinguished advisory board of government, university, and business leaders.

SPRIE tackled the first point of its GCN agenda in September 2004, gathering scholars and government leaders from Silicon Valley, Hsinchu, and Beijing for a two-day workshop on university-industry linkages. Among the points for discussion: How do linkages among universities, research institutes, and industry facilitate and accelerate technology innovation and commercialization? Why do some universities generate more start-ups? How do models and best practices vary among leading U.S., Taiwanese, and Chinese institutions? Co-sponsored with ITRI and Beijing’s Tsinghua University, the workshop’s proceedings are available at <http://sprie.stanford.edu>.

### *Selected SPRIE Events (continued)*

#### GREATER CHINA

##### **Challenges for the Taiwan IT Industry in Transition**

Chintay Shih, Special Advisor and former President, Industrial Technology Research Institute, Taiwan

##### **Reorganizing Taiwan’s R&D System to Promote an Innovation-Based Economy**

Jung-Chiou Hwang, Director General, Department of Industrial Technology, Ministry of Economic Affairs, Taiwan

##### *Workshop: U.S-China Trade Relations: Perspectives on the China Semiconductor VAT Case, Chinese Wireless LAN Encryption Standard, and IP Protection*

## Outreach

APARC organizes seminar series, conferences, and workshops to foster discussion of regional challenges. Center faculty and researchers publish extensively in academic journals, through scholarly and trade presses, and frequently are asked to comment in the media on events and issues affecting the region. Collectively, these activities ensure that the Center's unique interdisciplinary work reaches the widest possible audience.

### FEATURED EVENTS

#### *Rethinking Historical Injustice in Northeast Asia: The Korean Experience in Regional Perspective*

This conference, hosted by the Korean Studies Program in May 2004, sought to understand issues of historical injustice and reconciliation in Northeast Asia from Korean perspectives.

Among the distinctive features of the conference was the attention to Korean experience in its regional and transnational dimensions. The conference participants—activists and scholars from diverse disciplines—provided comparative and interdisciplinary perspectives on dealing with past wrongs, struggles for reparations, and politics of memories in the contexts of Japan and China. Participants discussed American POW forced laborers during World War II, violence during the Chinese Cultural Revolution, discourse about North Korea at state and popular levels in Japan, and

the politics of representation in war memorials in Korea and Japan.

Through multidimensional discussions across disciplinary and national boundaries, the conference raised several questions for further examination:

- If reconciliation is an interactive process, how does deepening cultural and economic integration in the region affect historical reconciliation, and vice versa?
- Can we devise Northeast Asian approaches to historical injustice and reconciliation?
- What is the U.S. role in regional reconciliation? Can it proceed without U.S. support?

By linking internal, external, and regional aspects of historical injustice, this conference aimed to move beyond state-oriented approaches and binary categories in order to advance to the next stage: a transnational, cross-cultural process of reconciliation.

The papers presented will be published as an edited volume.





### *Commander of the U.S. Pacific Command Speaks at APARC*

In January 2004, APARC was privileged to welcome Admiral Thomas Fargo, commander of the U.S. Pacific Command, the largest unified command in the United States military. Introduced by Ambassador Michael Armacost and former secretary of defense William Perry, Admiral Fargo addressed a large audience on “The Future of America’s Alliances in Northeast Asia.” The admiral, whose remarks were off the record, spoke warmly about the importance, flexibility, and increasing strength of U.S. alliances in the Asia Pacific. He observed that these alliances, in their various forms, remain the cornerstone of the U.S. military posture in the Asia Pacific, and noted in particular America’s long-standing relationship with Japan. The U.S.-ROK alliance, too, has matured considerably in recent years, and the impressive ROK military has made enormous contributions to regional and global security in recent years.

Conflict on the Korean peninsula, the admiral noted, can be considered the Asia Pacific’s most pressing security challenge. In addressing that challenge, the U.S. Pacific Command seeks to ensure that ongoing diplomatic initiatives,

including the Six-Party Talks, are backed by viable military capabilities. Admiral Fargo stressed that U.S. forces are stationed in the Asia Pacific not to provoke, but to deter conflict. They are positioned where they are most relevant, and may best support a given alliance at a given time, but likewise pose the fewest problems to the host countries.

The admiral also spoke of the complexity and promise of America’s relationship with the PRC. A successful PRC is very much in the U.S. interest, he observed, and a constructive and progressive relationship that further promotes peaceful exchange will benefit both parties and allow the alliance to deepen and adapt to changing times.

### *The Silicon Valley Global Knowledge Network Kicks Off*

This new initiative is rooted in one of the most significant economic trends of the past decade: globalization. Today, 34 percent of the Silicon Valley workforce is foreign-born, and more than half of these immigrant professionals are involved with start-up companies. The Valley’s established companies are changing their business models, drawing on global pools of

technology, talent, and capital. At the same time, important centers of technology and innovation have emerged in other regions (notably Taiwan, China, Korea, Singapore, and Israel), and Silicon Valley companies are spreading their operations across these regions, integrating their functions into larger global supply chains. The implications of this transformation are yet to be understood.

In November 2003, the Global Knowledge Network organized a panel that addressed the Valley’s emerging knowledge networks and the future of IT. William F. Miller, SPRIE co-director, served as keynote speaker. Simon Cao, founder of Arasor and Avanex, and Ajay Shah, founder of SMART Modular Technologies and former CEO of Solectron’s Technology Solutions Business Unit, joined him on the panel. Following this successful event, the Network undertook a variety of follow-up activities, including data collection and research, conferences, symposiums, and events to convene the region’s ethnic and entrepreneurial associations.

### FEATURED PUBLICATIONS

#### *The Future of America’s Alliances in Northeast Asia*

In January 2004, APARC convened a conference that addressed recent changes in the nature of America’s alliances in Northeast Asia. Chaired by Michael Armacost and Daniel Okimoto, the conference proceedings were published as an APARC book in June 2004, with the Brookings Institution as distribution partner. The book’s fifteen chapters consider, from a variety of perspectives, the policy challenge that America now faces with respect to its partnerships with Japan and South Korea: to move from managing them to redefining their terms. The book’s contributors note that a shared U.S.-ROK analysis of the North Korean challenge—and a common strategy for combating it—is an

urgent priority. Without it, the U.S.-ROK alliance will never achieve the relevance that marks America’s relationship with Japan. The book is available from APARC and the Brookings Institution.

#### *The Journal of Korean Studies*

APARC’s Korean Studies Program, in collaboration with Rowman & Littlefield, is proud to announce the continuation of the *Journal of Korean Studies*, beginning with volume 9 in January 2005. Between 1979 and 1992, the *Journal of Korean Studies* became a leading academic forum for the publication of innovative, in-depth research on Korea. Now under the editorial guidance of Gi-Wook Shin and John Duncan of the University of California, Los Angeles, this journal will continue its dedication to quality articles, in all disciplines, on a broad range of topics concerning Korea, both historical and contemporary.

The editorial office is housed within the Korean Studies Program at APARC, and its editorial board includes eminent academics in the United States, Korea, and France.

#### *The Future of Bay Area Jobs: The Impact of Offshoring and Other Key Trends*

In July 2004, together with Joint Venture: Silicon Valley Network and the Bay Area Economic Forum, SPRIE co-hosted an event for business, community, and education leaders to release a study on offshoring and its impact on Bay Area jobs. The study found the Bay Area is losing ground to other U.S. and overseas regions in three areas: mass production, back-office operations, and product and process enhancement. The study also identified the Bay Area’s key strengths, which include entrepreneurship, research in advanced technologies, cross-disciplinary research, and global integrated management. These strengths make the region a leader in job creation in early stages of the business lifecycle, but the weaknesses lead to

job growth outside the region later on. As a result, the study says, the Bay Area will continue to incubate and develop new businesses, which has historically been the core growth engine for the local job market. The study can be downloaded from APARC's website.

### BOOKS AND REPORTS

Rafiq Dossani and Henry S. Rowen, *The Prospects for Peace in South Asia*, Stanford: Stanford University Press, forthcoming 2005.

Marguerite Gong Hancock (Index Advisor), *2004 Index of Silicon Valley*, Joint Venture: Silicon Valley Network (2004).

### ARTICLES AND BOOK CHAPTERS

Michael Armacost, "Japan: Tilting Closer to Washington," in Richard J. Ellings and Aaron L. Friedberg, eds., *Strategic Asia: Fragility and Crisis 2003–2004*, Seattle, WA: National Bureau of Research, 2003.

Rafiq Dossani, "Power Distribution Sector Reform in India," *Energy Policy* 32, 2004.

Rafiq Dossani and Martin Kenney, "Lift and Shift: Moving the Back Office to India," *Information Technologies and International Development* 1(2), 2004.

Rafiq Dossani and Martin Kenney, "Moving Tata Consultancy Services into the Global Top 10," *Journal of Strategic Management Education* 1(2), 2004.

Rafiq Dossani and V. Ranganathan, "Farmers' Willingness to Pay for Power: Conceptual Issues, Survey Results, and Implications for Pricing Reform in India," *Energy Economics* 26, 2004.

Donald K. Emmerson, "What Do the Blindsided See? Impacts of Crises on Approaches to Regionalism in Southeast Asia," *Pacific Review*, forthcoming March 2005.

Donald K. Emmerson, "Indonesia's Approaching Elections: A Year of Voting Dangerously?" *Journal of Democracy*, January 2004.

Donald K. Emmerson, "Situating Southeast Asian Studies: Realm, Guild, and Home," in Anthony Reid, ed., *Southeast Asian Studies: Pacific Perspectives*, Tempe, AZ: Arizona State University Press, 2003.

Marguerite Gong Hancock, Jen-Chang Chou, and Ming Gu, "SMIC: New Star in the Global Semiconductor Industry," APARC, forthcoming 2005.

Jean C. Oi, "Guojia shehuizhuyi zhihou: Zhongguo qiye gaizhide zhengzhi yueshu" (After State Socialism: Political Constraints on Corporate Restructuring in China), *Ershiyi Shiji (Twenty-First Century)*, August 2004.

Jean C. Oi, "Old Problems for New Leaders: Institutional Disjunctions in Rural China," in Yun-han Chu, Chih-cheng Lo, and Ramon Myers, eds., *The New Chinese Leadership: Challenges and Opportunities after the 16th Party Congress*, Cambridge: Cambridge University Press, 2004.

Jean C. Oi, "Realms of Freedom in Post-Mao China," in William Kirby, ed., *Realms of Freedom in Modern China*, Stanford: Stanford University Press, 2004.

Daniel I. Okimoto, "Nikokukan no Rikai o yori Fukameru tame ni," (Toward a Better Mutual Understanding between the Two Countries), in *Gaiko Foorumu*, September 2004.

Daniel I. Okimoto, "Bridging U.S.-Japan Relations," *Forum on Foreign Affairs*, August 2004.

Henry S. Rowen, "Kim Jong-Il Must Go," *Policy Review*, October/November 2003.

Andrew G. Walder, "The Transformation of Contemporary China Studies, 1977–2002," in David L. Szanton, ed., *The Politics of Knowledge: Area Studies and the Disciplines*, Berkeley: University of California Press, 2004.

Andrew G. Walder, "Tan Lifu: A 'Reactionary' Red Guard in Historical Perspective," *China Quarterly*, December 2004.

Andrew G. Walder, "The Party Elite and China's Trajectory of Change," *China: An International Journal* 2, September 2004.

Andrew G. Walder, "Elite Opportunity in Transitional Economies," *American Sociological Review*, December 2003.

### APPOINTMENTS, INVITED PRESENTATIONS, AND TESTIMONY

Michael Armacost, co-chair (with Ambassador J. Stapleton Roy) of "America's Role in Asia" project, sponsored by the Asia Foundation.

Rafiq Dossani, "Services Offshoring to India: India's Position in the Supply Chain," Carnegie Endowment for International Peace, October 2004.

Rafiq Dossani, "Powerhouse Economies 2050," Asian American Manufacturers Association, October 2004.

Rafiq Dossani, "Effects of Offshoring on the Developing World—Case Study of India," Harvard Law School, October 2004.

Rafiq Dossani, keynote speech: "India's IT Future," Confederation of Indian Industry, Bangalore, India, March 2004.

Rafiq Dossani, "Business Process Outsourcing in India," U.S.-India Business Council, Washington DC, July 2003.

Marguerite Gong Hancock, "Silicon Valley and Asia's High Tech Regions," Asia-Pacific Innovation and Entrepreneurship Conference, Epoch Foundation, Taiwan, October 2003.

Jean Oi, "Fiscal Crisis in China's Townships," "Grassroots Political Reform" conference, Fairbank Center for East Asian Research, Harvard University, October 2004.

Jean Oi, "Hollowing Out of Township Government," public lecture at Township Study Workshop, Rural Development Research Center, State Council, Beijing, June 2004.

Jean Oi, "Rural Discontent in China," Capitol Hill Breakfast Briefing, Washington, DC, November 2003.

Jean Oi, "State Responses to Rural Discontent in China," paper presentation for panel "Crisis in the Hinterland: Rural Discontent in China," Woodrow Wilson Center, Washington DC, November 2003.

Daniel I. Okimoto, "JASA & KASA: Twin Pillars of Asia's Security Architecture," delivered as part of a lecture series in Seoul under the auspices of the U.S. Department of State, September 2003.

Daniel I. Okimoto, Nikkei Shimbun Global Management Forum, October 2003.

Henry S. Rowen, appointed by President Bush to the Commission on the Intelligence Capabilities of the United States Regarding Weapons of Mass Destruction, February 2004.

Henry S. Rowen, "University-Industry Linkages: The Stanford Experience," Asia-Pacific Economic Cooperation (APEC) conference, Beijing, February 2004.

Andrew G. Walder, "Political Origins of Red Guard Factions," International Forum on the National History of the PRC, Institute of Contemporary China, Beijing, September 2004.

Andrew G. Walder, "Elite Opportunity in Transitional Economies," public lecture, Qinghua University, Beijing, September 2004.

Andrew G. Walder, "Reflections on Higher Education in China and Hong Kong," 8th Shizuoka Asia-Pacific Forum, Shizuoka, Japan, December 2003.

### APARC Founder Honored for Advancing U.S.-Japan Relations

Daniel Okimoto was awarded the Japanese Foreign Minister's Commendation in 2004, which is given to 158 individuals and organizations in Japan and the United States who have contributed to enhancing the U.S.-Japan relationship. Okimoto received the award based on his research on Japan's political economy, foreign policy, the U.S.-Japan relationship, and increasing the understanding of Japan in the United States. He has hosted a series of exchanges among legislators from the United States and Japan to build understanding between the two countries and was interviewed on the subject of U.S.-Japan relations on the *Charlie Rose Show* in March 2004. Okimoto has also written about the Japanese American experience in his autobiography, *American in Disguise*, available from APARC.



## People

In keeping with the Center's mission, APARC faculty represent a diverse mix of disciplines, giving depth and dimension to the study of contemporary Asia. Visiting scholars and staff bring a variety of experiences and skills to support the Center's research and outreach activities.

### APARC DIRECTORS

Andrew Walder  
Director, APARC; Professor,  
Sociology; Senior Fellow, SIIS

Michael H. Armacost  
Director, The Shorenstein  
Forum (2003–04); Shorenstein  
Distinguished Fellow

Shiho Harada Barbir  
Associate Director, APARC

### FACULTY

Donald K. Emmerson  
Director, Southeast Asia Forum,  
APARC; Senior Fellow, SIIS

Lawrence J. Lau (1988–2004)  
Kwoh-Ting Li Professor of  
Economic Development,  
Economics; Senior Fellow,  
Stanford Institute for Economic  
Policy Research; Senior Fellow,  
by courtesy, SIIS

### Jean Oi

William Haas Professor of  
Chinese Politics; Professor,  
Political Science; Director,  
Center for East Asian Studies

### Daniel I. Okimoto

Director Emeritus, APARC;  
Professor, Political Science;  
Senior Fellow, SIIS

### Henry S. Rowen

Director Emeritus, APARC;  
Edward B. Rust Professor of  
Public Management, Emeritus,  
Graduate School of Business;  
Senior Fellow Emeritus, Hoover  
Institution; Senior Fellow, SIIS

### Gi-Wook Shin

Director, Korean Studies  
Program, APARC; Associate  
Professor, Sociology; Senior  
Fellow, SIIS

### AFFILIATED FACULTY

Masahiko Aoki  
Professor, Economics; Henri  
H. and Tamoye Takahashi  
Professor of Japanese Studies;  
Senior Fellow, by courtesy,  
Stanford Institute for Economic  
Policy Research

William Barnett  
Professor of Strategic  
Management and  
Organizational Behavior,  
Graduate School of Business

Melissa Brown  
Assistant Professor,  
Anthropological Sciences

Larry Diamond  
Senior Fellow, Hoover  
Institution

Peter Dues  
William H. Bonsall Professor  
of History and Senior Fellow,  
by courtesy, Hoover Institution;  
Professor, History



*“What attracted me to the Korean Studies program at APARC is its excellent capacity for providing both academic and professional resources in Korea-related fields. It has been a great experience for me as an art historian to engage with intellectual and political issues of contemporary Korea from interdisciplinary and comparative perspectives.”* Hong Kal, Korean Studies Fellow

Walter Falcon  
Director, Center for Environmental Science and Policy

Helen C. Farnsworth  
Professor of International Agricultural Policy, Emeritus; Senior Fellow, SIIS

Alan Garber  
Director, CHP/PCOR; Henry J. Kaiser Jr. Professor, Stanford; Professor, Medicine; Professor, by courtesy, Economics and Health Research and Policy; Senior Fellow, SIIS

Mark Granovetter  
Joan Butler Ford Professor, School of Humanities and Sciences; Professor, Sociology

Toshihiko Hayashi  
Chairman, Stanford Japan Center; Professor of Economics, University of the Air, Japan

Thomas Heller  
Lewis Talbot and Nadine Hearn Shelton Professor of International Legal Studies, Stanford Law School; Senior Fellow, SIIS

Nicholas Hope  
Deputy Director, Center for Research on Economic Development and Policy Reform, Stanford Institute for Economic Policy Research

Ken-Ichi Imai  
Senior Fellow Emeritus, Stanford Japan Center–Research; Senior Fellow Emeritus, SIIS

Stephen Krasner  
Director, Center on Democracy, Development and the Rule of Law; Graham H. Stuart Professor of International Relations; Senior Fellow, by courtesy, Stanford Institute for Economic Policy Research and Hoover Institution; Senior Fellow, SIIS

John Lewis  
Professor Emeritus, Center for International Security and Cooperation; William Haas Professor of Chinese Politics, Emeritus; Senior Fellow, SIIS

Isabel Mares  
Assistant Professor, Political Science

Michael May  
Senior Fellow, Center for International Security and Cooperation; Professor (Research), Engineering–Economic Systems and Operations Research, Emeritus

Ronald McKinnon  
Eberle Professor of Economics; Senior Fellow, by courtesy, Stanford Institute for Economic Policy Research

John McMillan  
Jonathan B. Lovelace Professor, Graduate School of Business; Senior Fellow, Stanford Institute for Economic Policy Research

H. Lyman Miller  
Research Fellow, Hoover Institution

William F. Miller  
Professor Emeritus, APARC; Herbert Hoover Professor of Public and Private Management, Graduate School of Business; Professor, Computer Science; Senior Fellow Emeritus, SIIS

Ramon Myers  
Senior Fellow and Curator of the East Asian Archives, Hoover Institution

William Perry  
Michael and Barbara Berberian Professor, SIIS and Engineering; Co-director, Preventive Defense Project, Center for International Security and Cooperation; Senior Fellow, SIIS

#### RESEARCH PERSONNEL

Rafiq Dossani  
Senior Research Scholar, APARC

Marguerite Gong Hancock  
Associate Director, SPRIE

*“I’ve loved being at APARC, among supportive faculty members, kind and capable administrators, and talented visiting scholars. And I’ve been allowed to do so much. I’ve worked on a book about educational policy in imperial Japan and colonial Korea, written an article on contemporary pop culture and Korean-Japanese relations, and assisted in a colloquium on globalizing Asian cultures. I couldn’t ask for a more stimulating community.”* Chiho Sawada, Korean Studies Fellow

Hong Kal  
Korean Studies Fellow

Erik Kuhonta  
Shorenstein Fellow (2003–04)

Yumiko Nishimura  
Associate Director, Comparative Health Care Policy Research Project (1991–2004)

Yukio Noguchi  
Visiting Professor

Chiho Sawada  
Korean Studies Fellow

Harukata Takenaka  
Shorenstein Fellow (2003–04)

Minyoung Kim  
Hankuk University of Foreign Studies

Wonsoo Kim  
Ministry of Foreign Affairs and Trade, ROK

Yoon Suk Kim  
Ministry of Planning and Budget, ROK

Wahn-Hee Lee  
Korean Broadcasting System

Patricia Martinez  
Visiting Fulbright Scholar; Asia-Europe Institute, University of Malaysia

#### VISITING SCHOLARS

Seung-Kwon Roh  
Central Investigation Department, Supreme Public Prosecutor’s Office, Seoul, Republic of Korea

Chintay Shih  
SPRIE Distinguished Visiting Scholar; formerly with Industrial Technology Research Institute of Taiwan

Yi-Ling Wei  
Industrial Technology Research Institute of Taiwan

Zhang Wei  
Center for Entrepreneurship, Qinghua University

Jen-Chang Chou  
Formerly with Science Division, Taipei Economic and Cultural Office

Jian Gao  
Center for Entrepreneurship, Qinghua University

Carsten Holz  
Social Science Division, Hong Kong University of Science and Technology

Seokki Hong  
Senior Advisor and Founder, Pol and Poll, Ltd., ROK

Jason Hsu  
Industrial Technology Research Institute

Kwan Koo Yun  
Department of Economics, State University of New York, Albany

#### STAFF

Macy Chan  
Assistant to Donald Emmerson, Jean Oi, and Daniel Okimoto

Ok Kyung Choi  
Faculty Assistant (2001–2003)

Jasmin Ha  
Korean Studies Program Coordinator

Neeley Main  
Program Coordinator

Claire McCrae  
Faculty Assistant (1999–2004)

Yumi Onoyama  
Manager of Corporate Relations

Rowena Rosario  
Assistant to Rafiq Dossani, Marguerite Gong Hancock, and Henry Rowen

Huma Shaikh  
HR and Finance Administrator

Victoria Tomkinson  
Publications Manager and Webmaster

Debbie Warren  
Assistant to the Directors and Michael Armacost

## Supporting APARC

APARC's mission to promote deeper understanding of the Asia-Pacific region has never been more critical. As the region faces new challenges, new research directions and policy emerge, offering new opportunities for APARC affiliates and increased need for their commitments. APARC seeks gifts and grants, as well as corporate sponsorships, to support its research, training, and outreach goals.

APARC offers a variety of opportunities for individuals, corporations, and government and nonprofit organizations. We welcome support from all sources for research efforts, fellowships, or ongoing projects. The Center runs an active Corporate Affiliates Program, which is available for companies interested in expanding their networks of connections with Asian counterparts or in early access to APARC's varied research. All APARC affiliates enter into continuing relationships with the Center which support the research infrastructure and other activities of mutual interest.

Gifts to APARC are tax-deductible under applicable rules. APARC and its parent organization, the Stanford Institute for International Studies, are part of Stanford University's tax-exempt status as a Section 501(c) (3) public charity.

## APARC Friends and Affiliates

APARC's work would not be possible without the financial support of our many generous friends and affiliates. APARC gratefully acknowledges the following donors for their support in 2003–04. Listed below are individuals, corporations, foundations, and institutions whose contributions were received and recorded between September 1, 2003, and August 31, 2004.

### INDIVIDUALS

Asim Abdullah  
Zia Chishti  
Anil and Jyoti Godhwani  
Walter H. Shorenstein  
Martha Suzuki  
Tomoye N. Takahashi

### CORPORATIONS

Asahi Shimbun Company  
The Development Bank of Japan  
Hyundai Motor Company  
Kansai Electric Power  
Nihon Sozo Kyoiku Kenkyuujo  
(Nissoken)  
The Pantech Group  
People's Bank of China  
PetroChina Company Ltd.  
Reliance Industries Ltd.

Samsung Electronics  
Sumitomo Corporation  
Tokyo Electric Power

### FOUNDATIONS

Alfred P. Sloan Foundation  
American India Foundation  
Friends of Stanford University  
Foundation  
The Indus Entrepreneurs (TIE)

### INSTITUTIONS

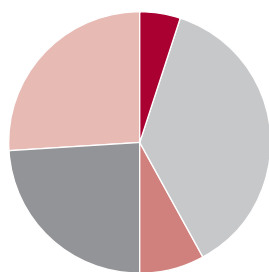
Industrial Technology Research  
Institute (ITRI)  
Japan Patent Office  
Kumamoto Prefectural  
Government, Japan  
Ministry of Economy, Trade, and  
Industry (METI), Japan

Ministry of Finance, Japan  
Shizuoka Prefectural  
Government, Japan  
U.S. Army War College

## Financial Information

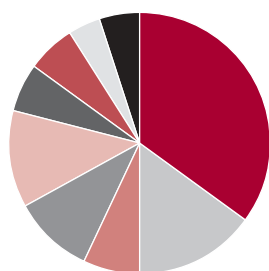
FY 2003-2004

### CENTER REVENUES BY SOURCE



	%		\$ in thousands
■	5%	UNIVERSITY FUND	\$117,935
■	37%	ENDOWMENT PAYOUT	\$955,912
■	8%	GRANT	\$196,195
■	24%	INCOME	\$610,435
■	26%	GIFT	\$664,306
	100%	TOTAL:	\$2,544,783

### EXPENSES



	%		\$ in thousands
■	35%	RESEARCH/ADMINISTRATIVE STAFF SALARIES	\$927,099
■	15%	STAFF BENEFITS	\$370,175
■	7%	STUDENT SUPPORT	\$172,521
■	10%	POSTDOCTORAL AND VISITING SCHOLARS	\$246,994
■	12%	CONFERENCES, WORKSHOPS, TRAVEL	\$309,144
■	6%	RESEARCH MATERIALS ACQUISITION, OTHER RESEARCH EXPENSES	\$149,241
■	6%	OPERATIONS	\$149,538
■	4%	COMPUTER, TELECOMMUNICATIONS	\$100,375
■	5%	INDIRECT COSTS	\$118,519
	100%	TOTAL:	\$2,543,606





APARC

STANFORD  
IIS

ASIA-PACIFIC  
RESEARCH CENTER

Stanford University  
Encina Hall  
Stanford, CA 94305-6055  
Phone: 650-723-9741  
Fax: 650-723-6530  
<http://aparc.stanford.edu>