

PREFACE

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On January 30, 2002 we organized an international symposium on *Development Strategies toward the 21st Century* at Hotel New Ohtani in Makuhari. We were afraid that we would have fewer participants because of the academic tone its title conveyed. On the contrary, we had applications from nearly 400 people, but because of the space restraints we had to close the applications after receiving 350. We also expected the participation by researchers and people in academia but we realized that so many of the applications were from the business world and from the international organizations of various kinds.

We have been organizing this annual series of international symposium for quite some time at our old site in downtown Tokyo and last year was the first time we held it in Makuhari. It is somewhat far from Tokyo and last year we were worried about whether people would travel that distance to come and participate in our symposium. The topic for last year's symposium was China's accession to the WTO and its internal domestic impact. A great deal of interest was shown by the business community since it had to do with China's accession to the WTO, so just like today we had many people in the audience.

But this time, we have selected a very sober topic and I was worried about the audience. Their interest might have been really much more far-reaching than the development strategy but the experiences and perspectives of current developing economies, particularly under globalization, and whether or not these developing economies would be able to ride through this trend of globalization.

On such occasions of large international conferences as the G8 summit, WTO ministerial meeting, and APEC meetings we have been discussing the real significance and meaning of developing economies participating in globalization. There has been some skepticism voiced and developing countries often point out that this globalization has no merit for themselves. So, there are protest movements by NGOs whenever these huge conferences symbolizing this globalization trend are held. Through globalization, there is mobility of people, goods, and money, or capital and, of course, we have really rampant transnational merger and acquisition activity. So, many of the companies in developing economies have been merged and acquired by companies in developed economies. Our neighbors, Korea and ASEAN members are doing well among developing economies well but even they were severely affected by the currency crisis five years ago so that their exchange rate dropped by 50% and their GDPs were really halved. Some pointed out that the terrorist attacks last year had to do with the developing countries being left behind and not enjoying

the fruits of globalization.

Now, how are developing economies responding to this globalization? Will they really be able to ride through the wave of globalization? Perhaps that is what our participants were most interested in. As its title tells our institute is studying developing economies, not only in Asia but also in Latin America, Middle East, and Africa. Some 250 staffs are studying these issues on a daily basis year round.

This time, we are not going to have an academic debate; rather, we will be focusing attention on the interest of audience. We believe that responding to this particular interest is part of our mission, which is the general interest concerning the future road and directions of developing economies in the globalization trend. Development Strategies toward the 21st Century has already been a four-year program undertaken by Development Studies department of our institute. Development Studies department is one of our three pillars together with Regional Studies department and Economic Cooperation department.

This time we organized this symposium combining the first two, letting them study the common issue of developing economies under globalization from different approaches. Speakers and commentators are all from our Institute's two departments as well as domestic and foreign participants in the Development Strategy Project.

The symposium was composed of three sessions. The first session is *The Experiences of Asian Developing Economies under Globalization*. We took up Korea, Thailand, and Indonesia three economies that were most seriously affected by the currency and financial crises of 1997. They asked for a bail-out from the IMF and received it on condition that they implement structural adjustment measures according to the IMF's prescription, and we are now seeing drastic changes occurring in their corporate structure. There are differences in the extent of success, however, according to their political, historical, and societal conditions. Our reporters tell all about these similarities and differences, which is the essence of our regional studies.

The second session is *Development Policies under Globalization*. Here, we focused attention on three actors, the local companies, the government, and society of developing countries and analyzed how they reacted to the globalization, which is the result of our development studies approach.

In the third session, having done both the horizontal and vertical analysis by the two groups, we looked into the question of what sorts of development strategies are desirable for the 21st century. So, they will try to discuss the outlook for future desirable development strategies for this century.

Two personal comments will help you in following our discussion. First the reporters, the commentators, the panelists on the whole talked about not only the merits and advantages but also the costs brought about by globalization in the developing economies. We have the so-called Washington consensus that prescribes how developing economy governments implement their policy measures in responding to globalization. In principle, it is based on market mechanism and government policy intervention should be kept to a minimum. Liberalization and deregulation should make it possible for the market mechanism to function properly, and thereby the developing economies will be able to overcome the challenges of globalization and continue to develop. Korea, Thailand, and Indonesia have received a bail-out from the IMF on condition of this prescription. But this Washington consensus and the prescriptions under the Washington consensus have been very much criticized. It might fit to the developing economies where the market mechanism has got matured but it is questioned whether the same prescription is applicable to these developing economies still in the process of developing market mechanism. There may be slight differences among the individual speakers but, on the whole, they will say that the Washington consensus alone will not be the only development strategy for the developing economies in the 21st century. They have reservations about it and will be talking from the perspective of the developing economies. To think from the perspective of developing economies is commonly shared by the researchers at IDE.

Second, our main focus will be put on the advanced developing economies like Korea, Thailand, and Indonesia. Those countries in Asia and Mexico, Chile, and Brazil will be mentioned in our discussion. They have taken the lead and are making way through this process of development of course in spite of their hardships. Of course, there are another type of developing economies, latecomer developing economies in Africa, the Middle East, and South Asia that the poverty-reduction projects of the World Bank are targeting at. They also have difficulty in responding to the globalization challenge, feeling to be left behind or marginalized from it. But they are given so called specific and differential treatments by WTO and IMF and a different policy prescription. Of course, a big group of researchers of our institute are engaged in those developing economies and there will be another occasion for their presentation in near future.

Co-editors
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