



Journalists from India, Indonesia, Nepal, and the Philippines Take Top DAJA Prizes

AWARDS



ADBI Dean Masahiro Kawai with DAJA finalists and judges.

Journalists from India, Indonesia, Nepal, and the Philippines scooped the top prizes in the Asian Development Bank Institute’s (ADBI) fourth **Developing Asia Journalism Awards** (DAJA) held in Tokyo in November. Winners were selected from among almost 240 entries from across the Asian Development Bank’s (ADB) developing member countries. Twenty-two finalists from 13 developing countries in Asia attended a four-day workshop which focused on the latest trends and best practices in public governance, regional integration, infrastructure development, and environmentally sustainable development. It also included an introduction to key macroeconomic and sectoral indicators that can help journalists track the economic performance and progress of development in their respective sectors. The event culminated with an awards ceremony on 14 November at the Foreign Correspondents’ Club of Japan.

DAJA recognizes excellence in journalistic reporting by those covering Asia regional development trends and issues. Prizes were awarded for reporting in four strategic areas of development: environment, governance, infrastructure, and regional

integration. In addition, there were two special prizes for Development Journalist of the Year and Young Development Journalist of the Year, for journalists 30 and under.

The winners were chosen by a distinguished panel of four independent judges: presiding judge

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Anthony Rowley, Tokyo correspondent for The Business Times of Singapore and field editor for Oxford Analytica; Yoshio Murakami, adviser on international affairs to The Asahi Shimbun; Suvendrini Kakuchi, a Sri Lankan journalist reporting for Inter Press Service; and Monzurul Huq, a Bangladeshi journalist and Tokyo correspondent for *The Daily Star* and *Prothom Alo*.

“The work of a journalist can be challenging in developing countries, where it can be even tougher, given political issues, a lack of resources, and the dangerous environments in which the press are sometimes forced to endure as part of their daily work,” ADBI Dean Masahiro Kawai said in his welcome remarks at the awards ceremony. He added that “the contributions journalists make to development by drawing the public’s eye to the many faces of poverty and to potential and long-term solutions are deeply appreciated.”

Meghana Dhoke, of India was awarded Development Journalist of the Year with her story, “Jo hai, Vo hai,” a look at social economic and political issues on the border between the People’s Republic of China (PRC) and India. Mallika Aryal of Nepal won the Young Development Journalist of the Year for her story on “Revisiting a multi purpose Melamchi,” an article on a 30-year water project in the Kathmandu

Valley. See box for the full list of winners.

“Judging this award does not get any easier as both the quantity and the quality of entries rises from year to year. For many of us, the stories ‘open the door’ to life in developing countries. I thank ADBI for once again organizing this program after a break in 2007,” said Mr. Rowley at the ceremony. ■

2008 WINNERS LIST

Development Journalist of the Year

Meghana Dhoke, India

Young Development Journalist of the Year

Mallika Aryal, Nepal

CATEGORIES

Environment

Winner: Yamani Zaky, Indonesia

Runner-up: Rina Saeed Khan, Pakistan

Governance

Winner: Alexander Pabico, Philippines

Runner-up: Main Uddin Khazawa, Bangladesh

Regional Integration

Winner: Deepa Anappara, India

Runner-up: Zhu Yan, People’s Republic of China

Infrastructure

Winner: Sahana Singh, India

Runner-up: Roel Landingin, Philippines

Advisory Council Meeting at ADB Headquarters

MEETING



ADB President Haruhiko Kuroda and ADBI Dean Masahiro Kawai pictured with AC 2008-2010 members K.M. Chandrasekhar; Victor H. Frank, Jr; Eric Girardin; and Jong-Wha Lee. Members not pictured: Masahiko Aoki, Gang Fan, and Andrew MacIntyre.

departments’ proposed work programs. One of the main points of discussion was the form and the extent to which issues relating to the current global financial crisis should be incorporated into ADBI’s programs. The members suggested that ADBI undertake a major research project and create CBT activities related to this matter.

ADBI was commended for the high quality of its website, underlining its crucial importance in disseminating the activities of ADBI. The AC members welcomed ADBI’s impressive output, including eNewsline, which they called excellent and suggested should be promoted by ADBI. ■

In October, a meeting of the **Advisory Council** (AC) took place in Manila at ADB, where they discussed ADBI’s Three-Year Rolling Work Program. The AC members supported ADBI Dean Kawai’s vision and strategic direction, agreeing that poverty reduction should be ADBI’s over-arching research objective. The AC endorsed ADBI’s three new strategic priority themes: inclusive and sustainable growth, regional cooperation and integration, and governance for policies and institutions. They also saw the importance of private sector issues which cut across these three strategic themes.

The AC members endorsed the Research and Capacity Building and Training (CBT)

Dean Kawai Speaks on Global Financial Crisis at the Asia-Europe Business Forum

CONFERENCE



Dean Kawai discussed the global reach of the US financial crisis at the Asia-Europe Business Forum (AEBF) in Beijing in October.

We are currently experiencing the worst global financial crisis since the Great Depression. Over the last two months, we have witnessed failures and collapses of major financial institutions in the United States (US) and several European countries, as well as massive coordinated actions by their authorities to inject liquidity into money markets, to reduce policy interest rates, and to restore confidence in their financial systems. While the effectiveness of these measures still remains to be judged, the policies of

industrialized countries affected by acute financial crises are now heading in the right direction.

Most recently, strong calls are being made for significant reform of the global financial system. The Group of Eight (G-8), joined by major emerging economies such as the PRC, India, and Brazil will hold a series of global summits beginning in November to forge a new system aimed at preventing future financial crises and maintaining global financial stability.

With the spread of the US subprime mortgage crisis to the rest of the US financial system and other industrialized countries' financial markets, a significant slowdown in economic growth has taken place in the US, Europe, and Japan. The crisis has moved from the financial sector to the real economy. ■

Read Dean Kawai's full speech on the ADBI website, accessible via www.adbi.org/files/speech.2008.10.22.luncheon.speech.kawai.asia.europe.business.forum.pdf.

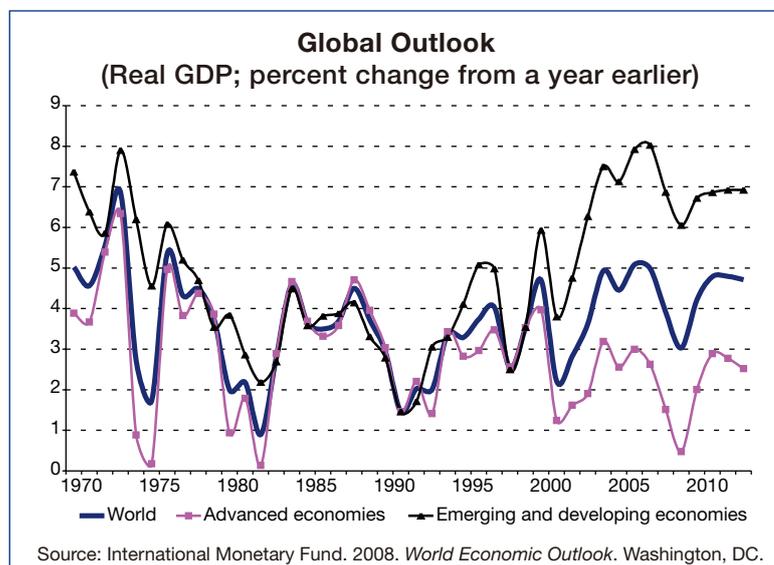
Conference on International Linkages

CONFERENCE

With greater interdependency across countries, shocks are more correlated with each other and international linkages have become stronger. Developed countries have shown synchronized patterns of co-movement of output, inflation, interest rates, and real equity prices in recent years. However, less attention has been given to business cycle synchronization between developed and developing economies, especially in Asia. Participants from around Asia gathered for the **Conference on International Linkages**, 2–3 October, in Tokyo. The conference reviewed evidence and modeling of international transmission of shocks by addressing the influence of financial markets on international linkages and the role of regional integration in business cycle synchronization. A search for a best modeling technique brought about many important policy discussions on the nature of global shocks and its implications for international linkages and macroeconomic policy coordination, as well as the possibility of global policy

coordination to mitigate the negative impact of global shocks. As one of the conference participants pointed out, "...this global shock is too big for emerging Asia to decouple from developed economies." ■

View more on this conference on the ADBI website, accessible via www.adbi.org/event/2690.conference.international.linkages/.



Services Trade Liberalization and Labor Migration Policies in ASEAN

CONFERENCE

How can the Association of Southeast Asian Nations (ASEAN) community best consolidate and harmonize commitments to services trade liberalization and labor migration policies to meet regional economic integration goals, including the establishment of an ASEAN Economic Community, by 2015? What are the opportunities, challenges, and ways forward?

ADBI, the International Organization for Migration, and Chulalongkorn University sponsored the **Sub-regional Conference on Services Trade Liberalization and Labor Migration Policies: Towards ASEAN Economic Community** in Bangkok from 23-26 September, where more than 30 government officials, ASEAN Secretariat representatives, experts, and academics gathered with the aim to address such questions.

Presentations provided an overview of the interconnection between trade in services and the movement of people in the ASEAN community, highlighting provisions for migration in the World Trade Organization's General Agreements on Trade in Services. Participants discussed ASEAN mechanisms towards free trade in services and related migration issues. Attention was dedicated to ASEAN



In October, not long after his participation in this conference in Bangkok, Toru Tatara retired after two decades with ADB and ADBI. He gave this statement on his experience: "In my 20 years at ADB and ADBI, I dealt with current development issues in Asia such as corporate social responsibility, labor

migration management, appraisal methods of cross-border infrastructure projects, and managing regional public goods. Now, I will continue with these efforts in the Japanese academic community. Thank you to my colleagues and our valued clients—developing member country policymakers—over the years for your valuable support; I hope to see you again somewhere in Asia."

opportunities and challenges related to services trade liberalization and labor migration policies, including, among many other issues, qualifications recognition and the impacts of brain drain and gain on economic development. ■

View more on this conference on the ADBI website, accessible via www.adbi.org/event/2685.services.trade.liberalization.labor.migration.asean/.

Flagship Study Update

RESEARCH

Conclusions from the Third Workshop, held in Beijing, on Infrastructure and Regional Cooperation *Seamless Asia: Infrastructure for Sustainable and Integrated Development.*

- Address the role and significance of regional infrastructure, including the need for and spillover effects caused by regional infrastructure projects;
- Re-estimate investment requirements for infrastructure from 2009 to 2020;
- Identify impact of current global financial crisis on infrastructure investment in Asia and its implications for national and regional projects;
- Identify distribution of costs and benefits by regional infrastructure across different countries as well as different groups of people within a country, and suggest best practices for designing and implementing regional projects;
- Address dynamics of a transnational infrastructure network in connection with cross-border economic corridors;
- Maximize regional infrastructure's long-term positive impacts (e.g., poverty reduction and trade growth) and mitigate its negative impacts;
- Draw a policy roadmap for reducing trade and logistics costs, particularly for landlocked and archipelago countries;
- Examine and suggest regional coordination mechanisms, institutional instruments, and nature of governmental commitments in developing regional infrastructure;
- Recommend the role of multilateral institutions in coordinating inter-governmental actions and policies on infrastructure;
- Examine financing modalities and suggest new schemes for efficient financing of regional projects.

View background information on the third workshop for the Flagship Study on the ADBI website, accessible via www.adbi.org/event/2738.3rd.workshop.book.preparation.infrastructure.flagship.study/.

The Impact of the Current Financial Crisis on Developing Countries

— Distinguished Speaker

Justin Yifu Lin, Chief Economist and Senior Vice President of the World Bank, discussed “The Impact of the Current Financial Crisis on Developing Countries” at a distinguished speaker seminar on 20 October. He discussed the dynamics of global growth in 2002–2007, raised questions on the collapse of dynamism in developed countries and its effects on developing countries, and presented possible policy responses from both types of economies, as well as international financial institutions.

The factors which spurred growth in developing countries prior to the crisis have turned, including a



Governments should consider carefully whether to also utilize monetary policy to control asset price inflation.

reduction in exports, a decrease in inward foreign direct investment and portfolio investment, higher interest rates on capital, a fall in commodity prices, capital scarcity, and a drop in remittances as developed country labor markets slacken. As a matter of priority, it is crucial to prevent contagion to developing countries’ financial sectors so that their costs are minimized. Governments can use monetary easing to promote upgrading in comparative advantage industries. Furthermore, governments should strengthen social safety nets and increase investments in infrastructure and structural development because well-planned infrastructure and social projects can provide payoffs that recover the costs of investments.

Lin concluded that governments should consider whether to also utilize monetary policy to control asset price inflation. He added that financial supervision should be based on the recognition that innovations can also do damage. Responses to global crises must be systematic, comprehensive, decisive, and coordinated. ■

View a more detailed summary at www.adbi.org/event/2730.lin.distinguished.speaker/.

The People’s Republic of China’s Regional Strategy

— Distinguished Speaker

Yunling Zhang, Professor of International Economics, Chinese Academy of Social Science, presented his ideas on the PRC’s Regional Strategy on 17 September. Zhang argued that the PRC remains committed to globalization as its economic ascent has been largely made possible under a globally integrated economic system. This global strategy is supplemented by its regional strategies of concluding more free trade agreements (FTA).

The PRC believes that the East Asian community’s future relies on three factors: (i) ASEAN, (ii) the PRC and Japan’s regional strategies, and (iii) balance of regional architectures. Zhang concluded by elaborating that a larger regional FTA is the ideal. However, reaching a political consensus within a large FTA is still a long way off owing to the nature of the ASEAN community and current economic difficulties. Given

these constraints, it may be desirable to facilitate agreements on promoting single window, mutual recognition of standards and rules of origin harmonization as well as promoting foreign direct investment (FDI) to less developed areas. ■

The PRC remains committed to globalization.



View a more detailed summary at www.adbi.org/event/2683.zhang.distinguished.speaker/.

A Decade of Developments

FORTHCOMING PUBLICATION



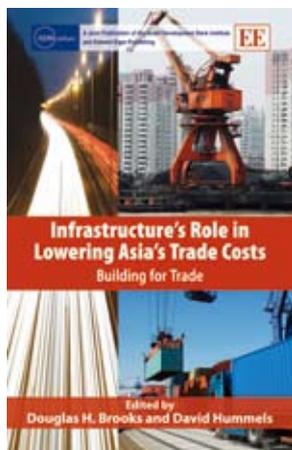
This volume represents the first in a series of publications of ADBI's Annual Conference. Held in December 2007 and entitled "A Decade of Developments," the 2007 conference marked the tenth anniversary of ADBI and, as such, attempted to combine a retrospection of the organization's history along with an anticipatory look at potential issues

for its future. The Asia and Pacific region has seen many developments since the Institute's inception in 1997 and the diversity of chapters contained within the volume reflects this.

When ADBI was founded, several East Asian economies were in the midst of a financial crisis. Over the ten years since that time, Asia has seen not only a remarkable economic renewal, but also substantial growth based on a solid foundation of financial and governance reforms. East Asia has re-emerged as the most dynamic region of the world economy, demonstrating its resilience and robustness. ADBI's own growth has mirrored this dynamism and robustness. ■

Infrastructure's Role in Lowering Asia's Trade Costs: Building Trade

FORTHCOMING PUBLICATION



Infrastructure's Role in Lowering Asia's Trade Costs: Building for Trade analyzes and draws policy implications from infrastructure's central role in lowering Asia's trade costs.

Infrastructure is shown to be a cost-effective means of lowering trade costs, thereby promoting regional growth and integration.

This book combines

thematic and country studies, while breaking new ground in quantifying infrastructure's impact on

Asia's trade costs. The contributors examine empirical estimates of Asia's trade costs and infrastructure's influence on those costs while also contributing to a better understanding of the region's logistics challenges. The book includes interesting case studies of rapid growth and congestion (in PRC), inland transportation challenges (India), port competition in an archipelago (Indonesia), and transportation modal switching as value-added rises (Malaysia) that are policy- and project-relevant in their own right.

The analysis and policy implications in this book will be of interest to trade and infrastructure policymakers and academics at graduate and higher levels involved in economic development or Asian studies as well as the broader development community. ■

Selected Upcoming Events

15–18 December	Public-Private Partnership in Infrastructure (PPPI) Days 2008 and Capacity Building Events (Washington, DC) This program will focus on current issues and trends for the global PPPI market. The workshop is designed to serve as an introduction to key concepts in PPPs, improve understanding of basic elements of an enabling legislative and fiscal framework for PPP, and review best practices. The showcase is an opportunity for participants from the public sector to learn about various sources of knowledge and services pertaining to PPPI.
6–7 January	China, Japan, and the United States Deeper Integration (Honolulu, Hawaii) This technical workshop will discuss the role of integration with Japan and the US in Chinese development, and assess such development's impact on the economies of Japan and the US.
26 January	LAEBA FTA Impacts Studies (Tokyo) The spread of FTAs across Asian and Latin American economies has triggered concerns about harmful noodle bowl effects which may raise trade-related business costs, especially for small- and medium-sized enterprises. This conference will present firm-level evidence on market access issues based on new survey data separately collected by ADB and the Inter-American Development Bank.

View all upcoming events at www.adbi.org/calendarofevents.

Locally-Produced or Imported: Is There a Better Choice for Food?

TOPIC OF INTEREST

Consumers and environmentalists in developed countries have understood the concept of “food miles” for years, but its popularity has recently increased. This has implications for exporters from developing countries, which have started to create a niche in the organic foods sector where the concept of food miles has long been an issue. In the concept, the focus on distance traveled is an attempt to highlight the hidden costs of energy use. The food miles concept's recent rise in popularity reflects the globalization of the food sector, rising fuel prices, and a greater awareness of the link between transport and carbon emissions.

While the food miles idea has some merit, some argue that the concept is fundamentally flawed and that its advocates are not only misguided, but may be doing more harm than good. There are three reasons for this: (i) the lower transportation pollution benefits of locally produced goods may be offset by increased production phase pollution; (ii) the mode (e.g., road, sea, rail) and scale of transport are important; (iii) the concept of food miles emphasizes one factor (i.e., energy) but ignores others (i.e., pesticides, labor, and capital). ■



The food miles concept is just one part of organic agriculture, a powerful market-based development strategy whose potential is yet to be fully explored. Read more on the topic in the forthcoming *Organic Agriculture, Climate Change, and the Millennium Development Goals*, edited by former ADBI senior research fellow, Sununtar Setboonsang.

In October, at the end of her five-year-secondment from ADB, Sununtar said that she was grateful to ADBI for the opportunity to “represent poor farmers to voice their views in language that policymakers could understand.”

This article is adapted from ADBI Working Paper No. 118, “No Through Road: The Limitations of Food Miles.” View the full paper at www.adbi.org/discussion-paper/2008/10/30/2735.limitations.food.miles/.

Recent Working Papers*

Regional Monetary Units for East Asia: Lessons From Europe

Authors: Eric Girardin,
Alfred Steinherr



This paper examines how the European experience with the European Currency Unit (ECU) basket currency could apply to the creation of an East Asian regional currency unit. The authors discuss the technical aspects of a basket currency and the criteria for determining the shares of participating currencies, and propose a plan for a basket currency for East Asia.

Read Working Paper 116 at www.adbi.org/discussion-paper/2008/09/22/2689.regional.monetary.units.east.asia/.

Sources of FDI Flows to Developing Asia: The Roles of Distance and Time Zones

Authors: Rabin Hattari,
Ramkishen S. Rajan



Can time zones and distance hinder FDI flows? A new paper investigates sources and determinants of FDI flows to developing Asia using bilateral FDI flows for 1990–2005. The authors found that the elasticity of distance is greater for FDI from non-Asia-Pacific Organisation for Economic Co-operation and Development (OECD) economies than for intra-regional Asian flows.

Read Working Paper 117 at www.adbi.org/discussion-paper/2008/10/06/2719.fdi.flows.developing.asia/.

ASEAN Open Skies and the Implications for Airport Development Strategy in Malaysia

Author: Siew Yean Tham



This paper examines the implication of “open skies” in the ASEAN region on the airport development strategy in Malaysia. The findings show that although Malaysia has invested substantially in airport infrastructure development, other member countries within ASEAN, notably Singapore and Thailand, have also followed a similar investment-intensive strategy to develop their international airports into airport hubs.

Read Working Paper 119 at www.adbi.org/discussion-paper/2008/11/04/2736.asean.open.skies.airport.development.strategy.malaysia/.

Global and Regional Shocks: Challenges to Asian Economies

Author: Kwanho Shin



Two major economic problems are shadowing Asian economies. The author addresses how Asian economies are being challenged by the recent slowdown in the US economy and recent fuel and food price increases, and identifies policy issues faced by policymakers in Asia.

Read Working Paper 120 at www.adbi.org/discussion-paper/2008/11/05/2737.global.regional.shocks.asian.economy.challenges/.

* The ADBI Working Paper series is a continuation of the formerly named Discussion Paper series; the numbering of the papers has continued without interruption or change.

● ADBI News

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