

New Approaches to Building Markets in Asia



A research project of the Centre on Asia and Globalisation, Lee Kuan Yew School of Public Policy, National University of Singapore

NEW APPROACHES TO BUILDING MARKETS IN ASIA - PROJECT DOSSIER

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NEW APPROACHES TO BUILDING MARKETS IN ASIA – PROJECT BACKGROUND

In March 2010, a new research project began at the Centre on Asia and Globalisation at the Lee Kuan Yew School of Public Policy (LKYSPP), National University of Singapore (NUS), under the title 'New Approaches to Building Markets in Asia'. The project takes seriously the notion that ongoing efforts by state, private and non-governmental entities are shaping the world like never before, often in coordinated, trans-boundary and multi-scalar ways in the interests of constituting idealised forms of 'market society'. Market society demands the adoption of particular codified standards (ISO, the Equator Principles, Extractive Industry Transparency Initiative etc.), regulatory consistency (the 'enabling state' advocated by the World Bank, for example), and the extension of market discipline (through public private partnerships and new financialisation measures), all ostensibly with the purpose of ensuring global competitiveness and market integrity under late capitalism. Each of these efforts is part of an attempt to create markets in a particular image – to institutionalise market activity within a form of governance that is institutionalised via state and non-state actors at various levels (local, nation-state, supra-state etc.). This, in short, is the contemporary process of 'market building'. While market building efforts are not reducible to a monolithic super-structure (such as a transnational/supranational state), a discernible structure is perceptible and its myriad parts worthy of analysis, especially in a region such as Asia – home to sixty percent of the world's population and central as it is within global production and consumption chains.

The New Approaches to Building Markets in Asia research project has three core components, each focusing upon a particular set of institutions/stakeholders involved in and/or impacted by market building measures: public organisations; private organisations and citizens. While the project is heavily influenced by extant political economy approaches, it is interdisciplinary in nature and seeks to include perspectives of a theoretical and empirical nature from a diverse set of researchers.

Phase one of the project looks at the role of public organisations in the market building exercise and will involve an initial workshop in April 2011. The workshop will include participants from all over the world (a complete list of participants and abstracts is included in this dossier). Phase two is well under way, with a call for papers (CFP) presently circulating for a workshop to be held in October 2011. A CFP for phase three will be announced later this year for a workshop to be held in early 2012.

Phase 1 – Public Organisations and New Approaches to Building Markets in Asia (first workshop)

Public organisations, such as the International Finance Corporation (IFC), the Multilateral Investment Guarantee Agency (MIGA), the Asian Development Bank and the European Bank for Reconstruction and Development (EBRD), are playing important roles in building markets in Asia through both their sovereign and private funding for development. In the literature on 'building markets', a process is described whereby the influence of market forces is extended to certain sectors and locales in combination with the promotion of specific institutional orders perceived to be crucial in order to derive the benefits accorded to markets. Such a process includes opening up new geographical spaces to commercial activity while simultaneously establishing particular regulatory and other institutions, such as those designed to govern newly hybridised public-private utilities or facilitate the development of social and human capital. Running concomitantly with these

new institutional structures are new political processes of participation and consultation which are intimately tied to establishing and managing the sought after institutional arrays of *market societies*.

While scholars have done much to elucidate this market building project at a theoretical level (e.g. Jayasuriya 2000; Gill 2000; Hout 2003, Cammack 2004; Porter and Craig 2006; Carroll 2010), there is a considerable dearth of research that looks at the market building project on the ground – especially in Asia. This gap is unfortunate for both the refinement of theoretical approaches that can better detail both what the market building project *actually is* (as opposed to what organisations describe in documents and on their websites) and, further, what this project means for domestic populations. The gap also means that more can be done to understand the impact of domestic populations *upon* the market building project. Given that the organisations involved in the project are public organisations mandated to promote development and reduce poverty, expending considerable tax payer resources on the basis of improving the lot of the globally marginalised, few issues of public policy in action could matter more.

Crucially, the market building project that public organisations promote is substantively related to mitigating *risk* – often through establishing particular institutional arrangements (contractual, legislative, non-legal codified etc.) and/or by enrolling other social actors (such as civil society) and engaging in corporate social responsibility-type activities. Subsequently financing from said organisations often comes with important prerequisites to be met in this regard. These can range from adjustments to foreign investment laws to the endorsement by states and the private sector of particular environmental and social safeguards that specify important monitoring roles for non-governmental organisations. They might also demand that private consortiums receiving funds initiate community development programmes. Such prerequisites and the activity that they facilitate can have significant implications for both state and society, forming an important push to re-craft and further hybridise public-private/state-society relations.

The logic underpinning this project is one that is first and foremost tasked towards mitigating risk for mobilising capital in the interests of facilitating private sector expansion. Yet early investigations of the market-building project suggest that risk is not evenly distributed by many of the activities that are now staples within development. In this regard, the negative outcomes associated with institution building/project implementation are regularly attributed by policy makers to an inability to build the ‘right institutions’ and the role of ‘vested interests’ and regulatory capture in such situations. For example, while the IFC and the IMF can insist that the receipt of funds for development of an oil field requires that a country establish an oil fund to ensure prudent use of revenues, in practice the desired function of such a fund may never eventuate due to particular political forces. This said, that the conditions are met up front (i.e. the fund is formally established and put into motion) means that a mega-project can proceed with public financing. And even if, as the IFC often insists with its projects, monitoring NGOs are contracted in the interests of keeping a state and private sector operators accountable, too often the results are less than impressive – with pernicious elites able to capture benefits to the exclusion of populations and private entities shirking responsibilities. This suggests that markets aren’t actually ‘built’ – in the lingo commonly deployed by the World Bank in relation to institutions – they are contested. This implies significant work for academics and policy makers alike.

Given that the market building project is *the* approach used by the world’s premier public organisations to promote development and reduce poverty globally, and given also that at least some of the assumptions underpinning the project appear problematic, the *Public Organisations and New Approaches to Building Markets in Asia* research workshop, to be held in Singapore in April 2011 asks

three core research questions of its participants: 1) What are the roles of international public organisations in constituting markets in Asia? 2) What impact do such roles have on different actors? 3) How do particular actors impact upon the efforts of international organisations? The workshop includes contributions from established researchers and PhD candidates that apply these research questions to a variety of actors/sectors within Asia, including extractive industries, water and energy. At a minimum, *all the papers will analyse the operation and impact of public policy (as applied by international public organisations)*. Further, in addition to satisfying this initial condition, there is the potential for contributors to take a normative/prescriptive/advocacy bent in their papers – though this is not essential.

This workshop for phase 1 is designed to lead to several significant publications. The first core output is envisaged to be an edited volume (discussions are already well under way with Palgrave-MacMillan for a three volume *New Approaches* mini-series) and/or a special issue of a tier one journal. This said, the project's contributions are likely to be well-received (for publication and citation) in a broad array of highly regarded journals that have been the basis for establishing networks of scholars with enviable reputations in relation to understanding the function and operation of public policy in Asia. Such journals include *Third World Quarterly*, *Development and Change*, *Review of International Political Economy*, *Antipode*, *Political Geography*, *Governance*, *Global Governance*, *Journal of Contemporary Asia* and *Pacific Affairs*.

Phase 2 – Regulation, Private Sector Authority and Market Building in Asia (second workshop)

Constructing markets has been a central concern of Asia's governments, seen variously as a means to economic growth, development, and social well being. The modality of market construction, however, has been a rapidly evolving one. While historically Asian markets were anchored in overtly national contexts and represented specific political accommodations between domestic capital, economic elites, political actors and state interests – most commonly expressed in the 'developmental state' – increasingly such configurations no longer stand. Market building is now more overtly diffuse and situated among multilevel national and international actors, transnational mechanisms, and various new governance modalities that involve a complex interplay between the diffusion of transactional norms, property rights, and systems of proceduralisation and regulation.

Central to these emergent processes has been the agential authority of private sector organisations. Private and quasi-private organisations like export credit agencies, banks and financial institutions, domestic private sector firms, ratings agencies, capital markets, standards and certification regimes (ISOs, for example), and multinational enterprise, along with organisations like the World Bank and OECD, play an increasingly important role as agential mechanisms of policy diffusion but also as agents constructing modalities of governance that regulate, define, and discipline market behaviour. These modalities increasingly appear in the form of public-private partnerships, emergent transparency and accountability regimes, investment guarantees, reciprocity and non-discrimination in cross border investments, customs and trade practices, regulatory shifts in modes of corporate governance, risk management and mitigation, and regimes of financialisation in relation to performance, reporting and accounting standards.

The manner by which these governance modalities articulate in national and sectoral contexts, however, is far from uniform. Domestic sites of resistance, sectional interests, institutional and political legacies combined with differing national and institutional capacities make for wide

variation in market composition, institutional forms, market governance, and thus the nature and efficiency of market operation.

This variation comprises the principal focus of Phase II of the project. Specifically, we ask workshop participants to reflect on a series of questions as a means of understanding the role of private sector organisations in building markets in Asia:

- How should we characterise the role of private organisations in constructing markets in Asia?
- What are the implications of private-led market building in terms of democratic participation and public accountability? Is there a democratic deficit?
- What are the implications of private-led market building for enhancing social capital, sustainable and inclusive growth?
- Are the large privately-owned corporations of Asia and systems of patrimonial politics challenged or countenanced by these new approaches to building markets?
- Do all private organisations/sectors relate equally to the new opportunities and risks raised by the market building project?
- How does the market building project relate to different political economies/different sectors found in Asia?
- What are the repercussions of the market building project for different conceptions of development and/or for different actors in the region?
- What implementation issues arise in the context of market building dominated by private organisations?
- What are the implications for the evolution and practice of public policy in Asia?
- How do non-governmental organisations relate to, engage with, and impact private sector organisations and financialised development agendas?

Phase 3 – Citizens and New Approaches to Building Markets in Asia (third workshop)

Traditionally, the term ‘citizen’ is closely associated with ‘civil society’, with the latter typically referring to the patterns of collective action of citizens distinct from the state and the market. From a Kantian perspective, variously organised citizens within civil society are potential forces of check and balance on ruling powers – the latter regularly associated with state and capital. However, in significant contrast, much of orthodox academia and public policy now views civil society and notions of citizenship as intimately related to the establishment of *market society*, with members of civil society conceived as market implementers and maintainers and individual citizens ‘free’ to be producers and consumers. While traditional notions of civil society assert its importance in defending people’s interests *against* the state and the private sector, the project to establish market society charts a functionalist role for civil society as a crucial element to compliment ‘enabling states’ and ‘ideal markets’. In this project, for example, non-governmental organisations involved in development issues are regularly categorised as ‘advocacy’ groups or ‘service delivery’ entities, with their respective inclusion in market society determined by their willingness or otherwise to participate in the market society project and accord with its norms. In short, the project to constitute market society requires the participation of citizens and civil society within certain boundaries, boundaries that demarcate a form of *market citizenship*.

Given that citizens and the organisations that they form are now key actors in the project of building liberal markets in Asia, it is necessary to look at the multifaceted roles of citizens and civil society in the process to constitute market society. Such an assessment is pertinent to understand the various aspects, aims, and activities of civil society groups and the evolving relationships between state and society more broadly. Notably, the functionalist characterisation of civil society attending *market citizenship* contrasts markedly in reality with the diverging ideological and material interests that characterise societies. Indeed, civil society exhibits myriad tensions and conflicts raising questions regarding the actual utility of a functionalist reading of civil society. Indeed, seen in this light, civil society has more in common with Gramsci's conception of it – a contested zone crucial in determining politico-social hegemony. This begs questions regarding the (functional) purpose of incorporating civil society into the market building project in the first place (in the promotion of particular forms of public policy), not to mention the utility and impact of such incorporation. For example, does such a vision of civil society unrealistically mask the need in some cases for groups to pursue their interests via grasping power from other groups? What does it mean for the representation of citizen interests that some civil society organisations may have a close relationship to the private sector or to multilateral organisations while others are marginalised? Further, and interestingly, does the negation of politics inherent in the selective integration of civil society into the market society project mean that, ultimately, the project is doomed to failure? This volume accepts that while an active civil society may well be a precondition to establishing a participatory governance 'that works', it is important to question how civil society is presently conceived and by whom. Further, it is vital to understand what kind of activities said groups are involved in an era of market citizenship, how they emerge and evolve and what such activities mean for representation and the allocation of resources. In essence, these questions ask what 'participatory governance' actually means in terms of addressing the (un)equal opportunities of citizens to channel their aspirations, especially in relation to private actors and the state.

Given all of the above, *Citizens and New Approaches to Building Markets in Asia* will address three core research questions. Firstly, what are the roles that citizens play in the expansion of new markets in Asia? Secondly, how is citizenship and civil society reconstituted by the market society project? Third, what are the implications of the new ordering of interaction among the public sector, the private sector, and civil society upon citizens and notions of empowerment and representation? These questions open up myriad possibilities for important Asia-focused contributions. Building upon the existing discourses on the role of citizens in market society, the research phase exhibits the potential to make a key contribution towards understanding the diverse and political nature of civil society in Asia, its various encounters with market forces, the way it responds and acts, and also how it resists, gives way, and/or provides support to constituting market society.

NEW APPROACHES TO BUILDING MARKETS IN ASIA – PROJECT ARCHITECTURE

Three sets of actors, one set of foci



PHASE 1: PUBLIC ORGANISATIONS



PHASE 2: PRIVATE ORGANISATIONS



PHASE 3: CITIZENS



THE APPROACHES UNDER SCRUTINY



CALL FOR PAPERS, FIRST WORKSHOP (PHASE 1)



Tuesday, 22 June 2010

CALL FOR PAPERS – PUBLIC ORGANISATIONS AND NEW APPROACHES TO BUILDING MARKETS IN ASIA (Phase 1)

A research stream within the New Approaches to Building Markets in Asia project of the Centre on Asia and Globalisation's Poverty and Development Programme

The Centre on Asia and Globalisation recently launched a new research project entitled 'New Approaches to Building Markets in Asia'. The project is located within the Centre's Poverty and Development research programme and is headed by Toby Carroll, with the support of Rita Padawangi and Darryl Jarvis at the National University of Singapore. 'New Approaches to Building Markets in Asia' incorporates an empirically and theoretically-oriented research agenda, a signature seminar series and various outreach initiatives – including a working paper series and website for hosting project output. Crucially, the project seeks to establish an international network of scholars working on mutually complementary research from within multiple social science disciplines.

This call for papers is for phase 1 of the project, 'Public Organisations and New Approaches to Building Markets in Asia'. This phase is centred upon the production of an edited volume and/or special issue of a journal produced from papers presented at a workshop to be held in Singapore from April 17-18, 2011. The phase also incorporates submissions to be presented within a new seminar series (to begin November 2010). Funding has been secured to support the attendance (airfare, accommodation, per diem) of authors of successful paper/seminar paper submissions.

Phase 1 Research Focus – Public Organisations and New Approaches to Building Markets in Asia

Public organisations, such as the International Finance Corporation (IFC), the Multilateral Investment Guarantee Agency (MIGA), the Asian Development Bank (ADB), and development and export credit agencies from developed countries, are playing increasingly important roles in constituting markets in the name of poverty reduction and development. While these organisations are popularly-known as sources of finance, they also perform crucial legitimising and risk mitigating roles, and bring with them an array of conditions and safeguards beyond those of regular financing streams. This research agenda seeks to elucidate the pivotal, yet often little-understood roles that international organisations play in constituting markets across different sectors in Asia and the various impacts of and upon such activities. Notably, such organisations are increasingly central players in constituting markets in high-risk/high-return areas (such as extractive industries, water and energy) – where political, social, economic and environmental factors present cause for concern but where significant opportunities for profit exist. In such settings, the involvement of international organisations with sovereign relationships and financial backing provides the private sector (especially private sector finance) with confidence that a particular project will encounter fewer problems (renationalisation etc) than would otherwise be the case. But more than this, the

international finance organisations also require that certain regulatory structures are established and safeguards applied, ostensibly to reduce risk to various actors and with significant implications for both state and society. Even in relatively 'benign' sectors such as health and education international institutions are deploying new strategies to re-craft social and political spaces. In essence, organisations such as the IFC, bridging the public/private 'divide', are playing central roles in the constitution of new market regimes that seek to expand market activity while also controlling the nature of that activity through new regulatory/risk-mitigating arrangements.

This said, the involvement of these organisations in constituting market societies is often far from straightforward. One issue relates to the ability of the safeguards deployed by agencies to be effective in protecting local populations from the impacts associated with implementing projects (issues over land compensation for a pipeline project, for example). Concerns also relate to the negative ongoing consequences of market constitution projects (the empowering of corrupt elites resulting from the flow of oil revenues and the exacerbation of inequality, for example). Further, the wider policies and conditions that international organisations such as the IFC tie to providing assistance can also be controversial, particularly on delivering on the promises of development and poverty reduction – promises that such organisations are mandated to deliver on.

Given all of this, the 'Public Organisations and New Approaches to Building Markets in Asia' research agenda asks several core research questions. Firstly, what novel roles are international public organisations playing in constituting markets in Asia and how do these roles relate to risk? Second, what impact do such roles have on different actors? Third, how do particular actors impact upon the efforts of international organisations? Finally, what are the implications for civil society actors, policy makers and different political groups of the answers to the aforementioned questions? The agenda seeks to extend the work of existing political economists, political geographers, legal theorists and sociologists to understand the impact of public organisations on different social, political and geographical spaces.

Original/exclusive contributions from a variety of social science disciplines/frameworks are sought for both inclusion in an edited collection (to be published with a publisher such as Routledge or Palgrave Macmillan) and the project's seminar series. The contributions for the edited collection will be presented at a workshop to be held at the National University of Singapore from **April 17-18, 2011**. The contributions for the seminar series will be presented on a monthly basis from November 2010 onwards. Contributions to the seminar series will be published online in the New Approaches to Building Markets working paper series and may also be included in the edited volume/special journal issue.

A preference exists for original case study-oriented material that is analysed using a clear theoretical framework and which refers to existing literatures in political economy, political geography, legal theory and sociology/social anthropology. Crucially, it is essential that each contribution look at the relationship between foreign (to the countries in which said organisation operates)/international public organisations and the constitution of particular market regimes in Asia, with specific reference to a notion of risk. The convenors of this project understand the new approach to constituting markets as one that is premised upon international public organisations deploying particular risk mitigation strategies to limit risk – first and foremost, to themselves and capital. This reduction in risk can occur simultaneously with an increase in risk to citizens (heightened vulnerability for populations, exposure to the repercussions of certain patterns of development etc.). This said, contributors are open to interpret risk in a variety of ways and decide upon their own specific theoretical framework. ***However, each contribution must make some assessment of how***

risk operates in relation to the new market constitution project operating in Asia. With this caveat in mind, contributions can deal with any aspect of the public institutions noted above and their role in constituting markets in Asia. For example, the work of the World Bank Group in encouraging mining codes that stipulate certain safeguards (as forms of risk mitigation) would be a valuable contribution. The role of a participatory process (sold as avoiding risk to communities and/or project progress) in a bilaterally-funded river improvement project or the dynamics operating between environmental and social impact consultants and the Asian Development Bank would all be relevant cases for the project. Likewise, the efforts of MIGA/IFC in mobilising capital (reducing risk for capital via sovereign/political relationships) for a particular mega project or the work of export credit agencies (providing sovereign backing) in opening up particular sectors would also be important contributions. Finally, the tensions or otherwise between the ILO's approach to constituting labour markets and that of the World Bank, both of which promise to have various potential impacts upon risk to workers and capital, would also dovetail neatly with the project's goals.

Contributions should range from 8,000-11,000 words (inclusive of notes and references) for all written submissions. Successful applicants for both the workshop and seminar series will be supported with airfares (return economy class to Singapore), accommodation and per diem. Contributors to all components are expected to solely contribute their presented output to one of the project's components (edited collection/working paper series etc.).

Phase 1 components requiring contributions

Abstract for paper for April 2011 workshop/edited volume: 150-300 words

Submission deadline: August 15, 2010

Abstract for seminar series (January 2011-on): 100-150 words

Submission deadline: Ongoing

Any questions regarding the project should be directed to Toby Carroll at the Centre on Asia and Globalisation, National University of Singapore: tcarroll@nus.edu.sg

TABLE OF PARTICIPANTS AND PAPER TITLES – PHASE 1, FIRST WORKSHOP

#	Delegate	Paper
1	Dr Alberto Asquer Assistant Professor Faculty of Economics University of Cagliari, Italy	Political and Financial Institutions and the Market for Corporate Control: An Empirical Analysis
2, 3, 4	Dr Garry Gray Research Fellow Harvard University, USA & Professor Susan S. Silbey Leon and Anne Goldberg Professor of Humanities Massachusetts Institute of Technology, USA & Ms Carmen Mailloux, Centre for Financial and Management Studies, University of London	Public Organisations, Loan Agreements and Worker Rights: Mechanisms for Improving Labour Standards and Regulations in Emerging Asian Markets.
5	Dr Pascale Hatcher Research Fellow Graduate School of International Relations Ritsumeikan University, Japan	Taming Investment Risk in the Philippines: Multilateral Mining Regimes, National Coping Strategies & Local Tension
6	Dr Shahar Hameiri Asia Research Centre Murdoch University, Australia	State-Building, Risk Management and Primitive Accumulation in Solomon Islands
7	Dr Marc Laperrouza, Senior Research Associate, Ecole Polytechnique Federale De Lausanne Switzerland	Multi-Dimensional Performance Approach to Reforming Network Industries: An Application to Reforming the Chinese Railway Sector
8	Dr Rita Padawangi Research Fellow Institute of Water Policy, National University of Singapore, Singapore	Building Markets through Quenching Thirst: Clean Water Supply for the Urban Poor in Jakarta and Manila
9	Dr Susan Park Senior Lecturer, Department of Government and International Relations University of Sydney, Australia	Does Risk Mitigation Work Through Accountability? Examining the Accountability Mechanisms of the Asian Development Bank

10, 11	Dr Andrew Rosser Associate Professor of Development Studies University of Adelaide, Australia & Dr Thomas Wanner Lecturer University of Adelaide, Australia	Building Markets, Managing Relationships, and Promoting Poverty Reduction and Sustainable Development in Asia: Tensions in AUSAID'S Approach to Risk Management
12	Dr Adam Simpson Lecturer, School of Communication, International Studies and Languages, University of South Australia, Australia	Critical Approaches to Risk under Authoritarian Regimes: the Asian Development Bank and the Greater Mekong Subregion
13	Ms Nigar Baimova Director Programmes British Council, Azerbaijan	The Economy-Wide Effects of the 1 st and 2 nd Generation Reforms in Azerbaijan: The Role of International Public Organisations
14	Dr Pramod Kumar Yadav Assistant Professor, Finance and Public Policy Adani Institute of Infrastructure and Management, India	Linking International Development and Market Formation: Case Study of Energy Efficiency Investments in India
15	Dr Tess del Rosario, Visiting Associate Professor, Lee Kuan Yew School of Public Policy	Opening Laos: Economic Boom or Social Bust?
16	Dr Toby Carroll, Senior Research Fellow, Lee Kuan Yew School of Public Policy	Doing 'Development' Direct to Sector: the International Finance Corporation and the Financialisation of 'Development' in Asia
17	Dr Mika Purra Research Fellow, Lee Kuan Yew School of Public Policy, Singapore	The Business of (In)direct Regulatory Governance: Construction of Market Structures for the Asian Electricity Market
18	Dr Darryl Jarvis Associate Professor, Lee Kuan Yew School of Public Policy, Singapore	Regulatory States in the South: Can they Exist and Do we Want Them? The Case of the Indonesian Power Sector
19	Dr Wu Xun Associate Professor, Lee Kuan Yew School of Public Policy, Singapore	Local Governments and Industrial Clusters: Fostering Industrial Development in Zhejiang Province, China
20	Professor Shaun Breslin Visiting Senior Research Fellow RSIS and University of Warwick	Panel Chair
21	Dr Paul Cammack Professor, Department of Asian &	Risk and the World Market

	International Studies, City University of Hong Kong	
22	Dr Heloise Weber, Senior Lecturer, University of Queensland	Participant
23	Ms Fan Mingxuan, Research Assistant, Lee Kuan Yew School of Public Policy National University of Singapore	Participant
24	Mr Lukas Andreas Linsi, Student, Lee Kuan Yew School of Public Policy, National University of Singapore	Participant
25	Professor Ann Florini, Director, Centre on Asia and Globalisation, Lee Kuan Yew School of Public Policy, NUS	Chair
26	Mr Michael Dowdle, Visiting Associate Professor, NUS Law School	Chair

LIST OF ABSTRACTS FOR FIRST WORKSHOP (PHASE 1)

Current as of Tuesday, 15 March 2011

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Political and Financial Institutions and the Market for Corporate Control in Asia: An Empirical Analysis

Over the past decades, the International Monetary Fund (IMF) played an important role in promoting the liberalisation of financial markets across Asia (Fisher 1997, 2001). The opening of domestic financial markets to competition, and especially the removal of entry barriers to foreign investors, is generally understood to bring about significant benefits in terms of greater stability and economic growth. Yet, the liberalisation of financial markets may be hampered both by interest groups, which oppose competition (Rajan and Zingales 2003), and by unsound public policies which are inadequate in their provision of risk protection against unwelcome market outcomes (Landy et al. 2007).

This paper builds on the assumption that policy advice on the construction of financial markets in Asia can benefit from an assessment of the extent to which the liberalisation of financial markets has progressed so far. This issue is addressed by honing in on a particular segment of financial markets, namely the market for corporate control (MCC). The question tackled is whether there is any relationship between countries' political and financial institutions on the one hand, and the intensity of mergers and acquisitions (M&A) activity on the other. The hypotheses tested concern the presumed causal role played by the 'quality' of political and financial institutions on the intensity of M&A activity, especially cross-border one.

The econometric analysis is conducted on two data sets of Asian and non-Asian countries. Data includes M&A activity in the period January 2007-June 2010 (Thomson ONE Banker), selected features of political institutions (Keefer 2009) and of financial institutions (Beck et al 2009). In addition to confirming some well documented results on the positive role of political and financial institutions that mitigate risk of expropriation, this paper brings some empirical evidence on the importance of political accountability and shareholder protection on the activity of Asian capital markets.

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Public Organisations, Loan Agreements and Worker Rights: Mechanisms for Improving Labour Standards and Regulations in Emerging Asian Markets

In a recent paper (2010), we proposed a typology that considers variations in the ways that organisational actors interpret the rule and performance of regulators as well as the impact this has on compliance. In emerging markets however, regulatory implementation and enforcement is often weak or even absent. Nevertheless, the typology of the regulator as an *ally*, *threat*, or *obstacle*, has important applications in these regions. Interestingly, in emerging markets this typology can be extended from regulators to also include international financial organisations such as the World Bank, the International Financial Corporation (IFC) and development financial institutions. This is because multilateral lenders can design loan agreements that work to fill some of the gaps left by domestic regulations and laws. Integrating international standards into borrower-lender arrangements is done to mitigate financial, environmental, and social risks faced by both parties and requires that they interact according to the *regulator as ally* typology. In this paper, we critically discuss the regulation and enforcement of labour standards in Asia, and specifically consider the extent to which the IFC and the Asian Development Bank integrate labour standards into their loan agreements to mitigate some of the social risks of business ventures in emerging markets. We also consider how these loan agreements might influence operational norms and the formation/evolution of domestic laws and regulations. In discussing these concepts, we show that the *regulator as ally* typology has an important application to lender-borrower relationships which in turn, can work to beneficially shape emerging markets and domestic institutions.

Dr Pascale Hatcher

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Taming Investment Risk in the Philippines: Multilateral Mining Regimes, National Coping Strategies & Local Tension

The World Bank, which has played a historical role in engineering mining laws, policies and institutions throughout the Global South, is today adamant that a liberal mining framework focused on attracting foreign investors judiciously balanced with strong socio-environmental safeguards is

foretelling of pro-poor economic growth. This *Social-Development Narrative* however, carries with it a particular politics of mining governance, one that transforms the functions, responsibilities and legitimacy of the stakeholders involved in mining activities. This paper builds on the case of the Philippines, which in an attempt to tap into its astounding mining potential – it is after all the fifth resource-rich country in the world – has adopted a mining regime, which resolutely echoes the recommendations of the World Bank. Crippled in its infant stage by legal challenges and a taxing socio-environmental legacy, the country's mining regime was only deployed by late 2004, amidst great efforts by the cash-strapped Arroyo Presidency to unleash a race for the country's natural resources – now worth an estimated US\$1 trillion. Correlated to the socio-environmental legacy of mining activities in the country, a legacy that has provoked the uproar of one of the most numerous and organised civil societies in the world, the Social-Development Narrative is here argued to induce the state to embrace particular strategies to both contain and manage opposition to mining activities, therefore reducing investment-risks in the sector. Crucially however, the analysis of the blatant disparities between the Filipino mining regime and its implementation on the ground demonstrates that in addition to constricting the political arenas of civil society stakeholders, the new mining regime appears to be riddled with unbridgeable contradictory objectives and therefore runs the risk of exacerbating local tensions.

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State-Building, Risk Management and Primitive Accumulation in Solomon Islands

In recent years, various forms of international/transnational state-building have become increasingly common as a way of managing the perceived risk posed by dysfunctional governance in so-called fragile states to Western security. In the Asia-Pacific, the Australian government has been particularly proactive in leading or participating in complex interventions, most notably in Solomon Islands and Timor-Leste, designed to build the capacity of these countries' governments and administrations to provide more effective governance. Dominant approaches to state-building link state failure with a failure of development and typically involve considerable efforts to promote economic development through the establishing of robust institutional structures seen to be supportive of liberal markets. In particular, interveners have attempted to cut 'red-tape' for business, eliminate corruption and secure investor rights as a way of facilitating faster and more sustained growth. Though economic activity has often improved in the intervened states, not least due to the arrival of many well-paid expatriates, much of this activity has occurred in highly unsustainable extractive industries, such as logging and fishing. Ironically, then, to the extent that state-building programs have supported the expansion of liberal markets, this has mainly involved strengthening interests hitherto reliant on primitive accumulation for their power. As a result, the expansion of liberal markets is likely in fact to lead to future social and political instability in the intervened states, either as a result of resource-depletion or due to bottom-up forms of social conflict around the destruction of local habitats.

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Multi-dimensional Performance Approach to Reforming Network Industries: An Application to Reforming the Chinese Railway Sector

The creation of markets in network industries has more often than not been driven solely by an economic performance rationale. While increasingly included, other variables such as social values (e.g., public service) or environmental values usually rank as lower priorities. This runs the risk of achieving short-term economic goals at the expense of longer-term social acceptance.

Building on the 'technology-institution coherence framework', this paper seeks to determine the role played by international government organisations (IGOs) in ensuring a broad definition of performance in network industries. Specifically it proposes to discuss the involvement of two major IGOs (namely the World Bank and the Asian Development Bank) in reforming the Chinese railway market.

The first section presents the technology-institution coherence framework and discusses the risks one runs by failing to use a multi-performance approach when reforming network industries. The second section provides a brief overview of the major reforms undertaken in the Chinese railway sector during the past decades. It also identifies the performance objectives that underpinned the creation of the Chinese railway market. The third section analyses the IGOs' support in reforming the Chinese railway network and shows how their involvement changed over time. Particular importance will be given to identifying whether and how various performance objectives (e.g. economic, technical, social or environmental) evolved. The fourth section suggests a number of governance mechanisms to ensure that the reform/creation of markets incorporates multi-performance objectives.

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Does Risk Mitigation Work through Accountability? Examining the Accountability Mechanisms of the Asian Development Bank

Rapid growth in Asia has fuelled large-scale development projects, particularly in energy generation and infrastructure. In a densely populated region this has parlayed into tensions between state-promoted economic growth and traditional inhabitants' livelihoods in areas targeted for development. Public financiers like the Asian Development Bank have tried to mitigate the risk to local communities through the creation of accountability mechanisms for people adversely or potentially adversely affected by ADB funded development projects. This paper uses a constructivist analysis to examine how and why the ADB created such a mechanism before examining the structure, function and effectiveness of the ADB's accountability mechanisms. Currently under review, the accountability process has already been restructured because of developing member state opposition. Arguably the process of accountability neither satisfies developing member

countries or local communities and their advocates raising the issue as to whether risk can be mitigated through public financier accountability mechanisms.

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Building Markets through Quenching Thirst: Clean Water Supply for the Urban Poor in Jakarta and Manila

Water is a key necessity for life. However, in developing megacities where income and social inequalities are prevalent, access to clean water often becomes the luxury of advantaged social groups. In Jakarta and Manila, for many years public financing institutions pushed for privatisation of water provision and distribution – now a reality. Often accused by advocacy groups of not serving the interests of the poor, private water companies in both cities have expanded services to urban poor communities through various programmes, with the support of public financing institutions such as the World Bank and the Asian Development Bank. However, much needs to be understood about the precise impact that market extension has in such settings.

This paper looks at the various programmes for water supply for the urban poor in Jakarta and Manila, including those supported by the Global Partnership for Output-Based Aid (GPOBA) programme, and analyses the extent to which these programmes have played a role in expanding the water service market. In-depth interviews of representatives of the water service companies, representatives of the urban poor communities, and empirical information about the programs allow this chapter to critically examine these programs in understanding the relationships between public institutions and the incorporation of the urban poor as water consumers. These programs are often not as straightforward as they seem, especially with necessary manoeuvring in-between entangled social settings as well as re-crafting established social relationships that were incompatible with the market system put in place.

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Building Markets, Managing Relationships, and Promoting Poverty Reduction and Sustainable Development in Asia: Tensions in AusAID's Approach to Risk Management

Risk management has become an integral part of the way in which the Australian government's overseas aid agency (the Australian Agency for International Development, or AusAID) does business. This paper analyses AusAID's approach to risk management and the way in which it has shaped its activities in neighbouring countries in the Asian region. It suggests that AusAID's understanding of what risk is and the particular risks that it needs to manage reflects the

contradictory triple objectives that Australian aid has historically served and continues to serve. That is; (i) to promote the Australian government's foreign policy agenda, including its security agenda; (ii) to promote the commercial interests of Australian business abroad, in recent years, mainly by encouraging developing countries to adopt market-oriented economic policies; and (iii) to promote poverty reduction and sustainable development in developing countries. At the same time, we suggest that the contradiction between these objectives means that AusAID has not been able to manage all risks equally well—indeed managing some has meant not managing others. In this respect, we suggest that AusAID has prioritised the risks associated with the first and second objectives above those associated with the third. We illustrate this point through an analysis of AusAID's recent interventions in relation to economic governance, particularly in Indonesia and the Philippines. The focus of analysis is on how AusAID's approach to economic governance constitutes markets in these countries and what risks are created and shifted in this context.

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Critical Approaches to Risk under Authoritarian Regimes: The Asian Development Bank and the Greater Mekong Sub region

Multilateral development banks, and the Asian Development Bank (ADB) in particular, have not provided direct assistance to Myanmar (Burma) since the mid-1980s, largely as a concession to global disapprobation of its ruling military regime. Through its Greater Mekong Subregion (GMS) project, however, the ADB still provides indirect assistance to Myanmar and direct assistance to the authoritarian single party states of Laos and Vietnam. The aim of the GMS East-West Economic Corridor (EWEC) is to facilitate trade and investment across the GMS but the Myanmar leg of the road corridor, from Mawlamyine (Moulmein) to the Thai border at Myawaddy, traverses Karen State, which has been fraught with civil conflict since 1948. The ruling military regime along with its allies, the Democratic Karen Buddhist Army (DKBA), nominally controls this route but in mid-2010 there were serious defections from the DKBA to the opposition Karen National Liberation Army (KNLA) over the military regime's Border Guard Force (BGF) leading to increased tension in the area. The regime then closed the border at Myawaddy, ostensibly over a dispute with Thailand but more likely due to domestic political concerns, resulting in a large build-up of goods on both sides of the border. The risks of greater civil conflict in this region are exacerbated by the revenue raising opportunities that various competing groups can derive from increased border trade while the risks of forced labour are ubiquitous for major development projects in Myanmar. The ADB acknowledges that the early stages of the EWEC will be funded by public sources but it clearly sees its role as guarantor of long-term stability for the project to minimise the risks faced by private investment. The very nature of the project itself, however, which ignores domestic political issues, is likely to result in heightened risks of insecurity for the oppressed ethnic minorities who inhabit the region.

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The Economy-Wide Effects of 1st and 2nd Generation of Reforms in Azerbaijan: The Role of International Public Organisations

During the past five years, Azerbaijan has experienced some of the world's highest GDP growth rates, a reality which has signified an increase in economic opportunities. This said, the country now faces the challenge of maintaining its development momentum and transforming itself into an upper middle-income economy by stabilising oil revenues and developing new engines of growth. This has only become more important with the onset of the Global Financial Crisis (GFC), which adversely impacted the economy (partially reflecting the very low non-oil growth in the economy). In short, while the development of the oil and gas sector, since independence in 1991, provided Azerbaijan with the opportunity to combat poverty and develop into a sustainable economy, the challenge remains as to how to continue reducing poverty, close the development gap between Azerbaijan's regions, and improve social conditions and governance at all levels.

Public organisations, such as World Bank, IFC, ADB and others have been playing an increasingly important role in the process as a source of finance and 'technical assistance'. The relationships between these institutions and the government have been complicated, often due to the conditions imposed by these organisations. The group's value propositions have included assisting in articulating and putting into practice a comprehensive development strategy; transfer of customised knowledge, capacity building and discipline in project implementation (including competitive procurement and providing diversified financing for the country's development needs).

This paper looks at 1st and 2nd generation of reforms promoted by the aforementioned organisations in Azerbaijan (including small/large scale privatisation, price liberalisation, internal migration, foreign exchange systems and banking reform). In particular, it details the difficulties attending reform in an environment which exhibits a waning consensus for implementing key elements of the reform programme, and the potential for state capture and corruption, the re-emergence of regional security issues and other risks.

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Linking International Development Institutions and Market Formation: Case Study of Energy Efficiency Investments in India

India is facing conflicting challenges of maintaining long-term energy security and mitigating climate change induced risks. An energy efficient economic pathway is considered to be the least costly approach to mitigate these risks. However energy efficiency markets in India are still nascent mainly due to "split incentive" barriers, capital market imperfections, bounded rationality, irreversible nature of energy efficient technologies, asymmetric information, and associated transaction costs. These issues have increased energy efficiency investment risks by widening the gap between small and medium enterprises (SMEs) adopting energy efficient technologies/measures and financial

institutions financing the energy efficiency investments. This research argues that successful promotion of energy efficiency market in India would require not only an array of policies and innovative national institutional and regulatory frameworks but also international development institutions.

This paper begins by providing a brief account of various policy incentives to develop energy efficiency market in India and then proceeds to investigate how the work of the World Bank in India helps create energy efficiency market by addressing policy and regulatory issues, institutional weakness, information asymmetry that distorts financial institutions' risk-return signals in SME energy efficiency financing, and risk mitigation instruments such as guarantees. The research proposes an integrated "multiple actors-multiple risk" based framework that maps techno-economic issues, capacity building, environmental risks, investment appraisal and valuation, financial risk mitigation instruments, and project management on synergy development between energy efficiency financing requirement of SMEs and financial institutions. The research concludes that such initiatives by the World Bank help reduce substantial entry barriers and information asymmetry in energy efficiency markets and hence align financiers' risk-return expectations with true risk-reward of energy efficiency projects.

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Opening Laos: Economic Boom or Social Bust?

The Nam Theun 2 Hydropower Project in Laos is easily the biggest and most ambitious hydropower project in Southeast Asia. It is funded by a consortium of international funders that include nine international commercial banks, seven Thai commercial banks, and equity participation from the World Bank, the Asian Development Bank, and the European Investment Bank (EIB). The role of the multilateral banks was crucial with respect to providing multilateral guarantees against political risks as a pre-requisite for the dollar lenders to support the project. The World Bank financed a total of US\$150 million – comprising an International Development Agency (IDA) grant for the Social and Environmental Project and a partial IDA risk guarantee of US\$42 million for a syndicated loan to the commercial operator, and MIGA guarantees of US\$91 million for a syndicated commercial loan covering political risks in Laos and Thailand. The Asian Development Bank co-financed the project through a US\$50 million direct loan, a US\$42 million Political Risk Guarantee, and a US\$20 million public sector loan to the Government of Laos. The total debt guarantees from the multilateral bank amounted to US\$186 million which, though relatively small compared to the amounts provided by the private sector, played an important role for the project to go forward. The total project cost is US\$1.29 billion and operates on a 25-year BOT (build-operate-transfer) arrangement. Expected revenues are US\$2 billion in revenues through taxes, royalties, and dividends over the 25-year operating period. 95% of electricity produced will be sold to Thailand. This case study is a detailed account of the governance mechanisms put in place by the WB and the ADB to ensure compliance to the "strategic priorities" of the World Commission on Dams. Focus is in two areas: 1) mitigation measures to address negative environmental and social consequences, particularly for the relocated communities; and 2) extensive consultations with stakeholders for the period 1996-2003. The project, needless to say, is without its detractors. International NGOs, academics, and media have been at the forefront of a global campaign to bring public attention to the deleterious effects of this

project, and to critique an overall development strategy premised on what they regard as environmentally-exploitative and socially-undesirable.

This particular case study provides an illustrative example of the role of public organisations in constituting markets in transition economies. In so doing, these organisations go beyond their traditional roles of providing project financing; rather, they perform risk mitigation roles that in turn provide the needed confidence to host governments and their private sector partners to undertake massive projects.

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The International Finance Corporation and the Financialisation of 'Development': Cases from the Asia-Pacific

This paper describes an important new push taking place in development practice, whereby international public organisations are broadening and deepening private sector activity in the underdeveloped world in ways well beyond Washington consensus structural adjustment or even post-Washington consensus (PWC) forms of institutionally-oriented 'participatory neoliberalism'. Described here as the 'financialisation of development' (FoD), this process – which dovetails with the late PWC agenda – is attracting increasing resources that are formally allocated directly to private actors *around* states, yet which also demand and promote shifts in state form and function that relate to cultivating an 'enabling environment' for capital. The International Finance Corporation (IFC) – the World Bank's private sector arm – is at the vanguard of this process, bridging the 'public-private divide' in myriad ways. This paper first conceptualises the project that the likes of the IFC are involved in, drawing upon a framework based upon various lineages of critical political economy. From this perspective, FoD is seen as a rapidly expanding new push within neoliberalism, emerging out of the frustrations of earlier phases of orthodox 'development' practice. This approach entails rolling out the *market state* and establishing *market society*, two tasks that FoD's instruments are highly tuned towards achieving. Focusing on the work of the IFC in the Asia-Pacific, the second section of the paper then presents three snapshots of FoD in action. These serve to illustrate the strategies and logic underpinning the push, while also pointing to the risks accompanying it.

Dr Wu Xun (on behalf of co-authors Dr M. Ramesh and Dr Jianxing Yu)

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Local Governments and Industrial Clusters: Fostering Industrial Development in Zhejiang Province, China

The development of Industrial clusters has made a sizable contribution to China's phenomenal economic growth in the past three decades. While the role of local governments in promoting the development of industrial clusters has been recognised in general, there is no systematic analysis of the patterns of local government interventions as well as their impacts on the development of industrial clusters. Based on case studies of three industrial clusters in Zhejiang province, China, this

paper examines the dynamics of local government interventions in fostering economic growth through the development of industrial clusters. Our findings suggest that local government interventions play a more critical role in the expansion and upgrading of the industrial clusters than their formation, and that local government innovations in market building are key to the success of industrial clusters in China.

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The Business of (In)direct Regulatory Governance: Construction of Market Structures for the Asian Electricity Market

China's membership in the World Trade Organisation (WTO) and the fall of Indonesia's long-time dictator Suharto, are two notable events that fundamentally altered Asia's market dynamics. While the economic expansion of both countries have been blatant influencing various segments of macro economic activity, some of the most critical sectors – socially and economically – continue to suffer from grave deficiencies. Indeed, despite decades-long support from such international public organisations as the WB/IFC and the ADB, the electricity sectors of both China and Indonesia are plagued with grave inefficiencies that embed economic growth. Most significantly, the electricity sector lacks sorely needed investment that would supply and facilitate the construction of efficient and self-sustaining electricity markets. The root causes of investment failure in emerging market economies are often found in poor regulatory and governance outcomes deriving from weak and contested institutional governance mechanisms. The diffusion of the 'regulatory state' model from north to south can be partly to blame. This paper builds on the suggestion that the modalities of regulatory governance as suggested by the 'regulatory state' model may not be the optimal choice for emerging economies (Jarvis 2010). Mindful of the politico-economic differences between two large Asian economies, the paper examines the transformation of IFC and ADB activities in (1) facilitating electricity sector reforms, (2) promoting more efficient regulatory governance structures, and (3) erecting successful public-private partnerships. The assessment between the two economies showcases the transformational roles that international public organisations play in reducing investment risk and in improving the business climate through their more direct 'participatory function' in the market place.

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Regulatory States in the South: Can they Exist and Do We Want Them? The Case of the Indonesian Power Sector

In the rush for development, the regulatory state has assumed the mantle of the new panacea: the instruments and mechanisms necessary for better government, better governance, and better lives. In this paper I pose two basic questions in response to the rise of the regulatory state and its increasing diffusion into the Global South. First, can regulatory states exist in the south or, more accurately, can effective regulatory states emerge and hope to function in a manner similar to their counterparts in the Global North and deliver the types of benefits and outcomes they promise? And second, would we in fact want regulatory states in the Global South,

by which I mean do they offer the most effective modalities for delivering developmental outcomes and enhanced social well being? By unpacking the concept of the regulatory state and addressing its underlying assumptions and implicit normative values, I suggest that the modalities of governance entailed in the regulatory state model may not in fact be well suited to developing countries, hurting rather than enhancing governance outcomes. These issues are explored in relation to the Indonesian energy sector, specifically the upstream electricity generation, transmission and distribution sectors, and the machinations involved in governing the sector.

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Risk and the World Market

This paper sees 'new' market-building in Asia as part of a larger project of the construction of a global market economy, which can be traced back to Adam Smith, and more recently to the founding of a set of global liberal institutions in the post-World War Two period. In the last two decades the global liberal impulse behind the creation of these institutions has gained momentum, in step with the emergence of a 'world market' of genuinely global scale. The issue of risk is central to the project of building a world market. Following an introduction to the global liberal project, the first section addresses the question of risk through a critical analysis of the difference between negative risks (both external and internal) that pose a threat to the global liberal project, and the positive risks that the project seeks to embed and incentivise. The second section outlines the treatment of risk in the literature on the 'political economy of reform' developed by a number of organic intellectuals who shuttled between leading US universities and the international organisations from the mid 1980s on, and the third provides a detailed analysis of Social Risk Management at the World Bank over the past decade. The conclusion briefly surveys the field of risk management across the wider range of global institutions, and reflects on the implications for 'building markets in Asia'.

New Approaches to Building Markets in

Asia



Public Organisations and New Approaches to Building Markets in Asia Research Workshop

Lee Kuan Yew School of Public Policy, National University of Singapore

April 17-19, 2011

Programme

Sunday, April 17

7:00pm

Welcome drinks and dinner

Venue: Café Biz, Traders Hotel

Monday, April 18 (Day 1)

8:45am

Shuttle from Traders Hotel to LKYSPP

9:00am-9:15am

Coffee

9:15am-10:00am

Presenter

Introduction to the workshop and project

Toby Carroll, Senior Research Fellow, Centre on Asia and Globalisation, LKYSPP

10:00am-10:15am

Break (coffee)

10:15am-12:00pm

Session 1: Risk and the Regulatory State in Asia

Chair

Dr Michael Dowdle, Visiting Associate Professor, NUS Law School

Presenter

Dr Darryl Jarvis, Associate Professor, LKYSSP

Paper

Regulatory States in the South: Can they Exist and do We Want Them. The Case of the Indonesian Power Sector

Presenter

Dr Garry Gray, Research Fellow, Department of Health Policy and Management, Harvard University and Professor Susan Silbey, Leon and Anne Goldberg Professor of Sociology and Anthropology, Head of Anthropology, Massachusetts Institute of Technology

Paper

Public Organisations, Loan Agreements and Worker Rights: Mechanisms for Improving Labour Standards and Regulations in Emerging Asian Markets

Presenter

Professor Paul Cammack, Professor, City University of Hong Kong

Paper

Risk and the World Market

12:00pm-1:15pm	Lunch Venue: Chinese Box
1:15pm-3:00pm	Session 2: The Financialisation of Development in Asia
Chair	Dr Darryl Jarvis, Associate Professor, LKYSPP
Presenter	Dr Alberto Asquer, Assistant Professor, Faculty of Economics, University of Cagliari
Paper	<i>Political and Financial Institutions and the Market for Corporate Control: An Empirical Analysis</i>
Presenter	Dr Toby Carroll, Senior Research Fellow, Centre on Asia and Globalisation, LKYSPP
Paper	<i>Doing 'Development' Direct to Sector: The International Finance Corporation and the Financialisation of 'Development' in Asia</i>
Presenter	Dr Miika Purra, Research Fellow, LKYSSP
Paper	<i>The Business of (In)direct Regulatory Governance: Construction of Market Structures for the Asian Electricity Market</i>
3:00pm-3:30pm	Coffee and tea break
3:30pm-5:10pm	Session 3: Industry and Market Building in China
Chair	Professor Shaun Breslin, Visiting Senior Research Fellow, RSIS and Warwick University
Presenter	Dr Wu Xun, Associate Professor, LKYSSP
Paper	<i>Local Governments and Industrial Clusters: Fostering Industrial Development in Zhejiang Province, China</i>
Presenter	Dr Marc Laperrouza, Senior Research Associate, Ecole Polytechnique Federal de Lausanne (EPFL)
Paper	<i>Multi-Dimensional Performance Approach to Reforming Network Industries: An Application to Reforming the Chinese Railway Sector</i>
5:10pm-7:00pm	Free time (shuttle to Traders Hotel)
7:00pm	Workshop dinner (hotel shuttle bus to venue) Venue: PS Café, Dempsey Road

Tuesday, April 19 (day 2)

8:45am	Shuttle from Traders Hotel to LKYSPP
9:00am-9:15am	Coffee and day 2 proceedings Venue: LKYSPP, Manasseh Meyer Building Seminar Room 2-1
9:15am-9:30am	Day 2 introduction – Dr Darryl Jarvis
9:30am-11:10am	Session 4: Risk and Development in Asia (1)
Chair	Dr Tess Cruz del Rosario, Visiting Associate Professor, LKYSPP

Presenter	Dr Andrew Rosser, Associate Professor of Development Studies University of Adelaide and Dr Thomas Warner, Lecturer, University of Adelaide
Paper	<i>Building Markets, Managing Relationships, and Promoting Poverty Reduction and Sustainable Development in Asia: Tension in AUSAIDS Approach to Development</i>
Presenter	Dr Pascale Hatcher, Research Fellow, Graduate School of International Relations, Ritsumeikan University
Paper	<i>Taming Investment Risk in the Philippines: Multilateral Mining Regimes, National Coping Strategies and Local Tension</i>
11:10am-11:40am	Workshop photo Venue: Outside of Seminar Rm 2-1
11:40am-1:00pm	Lunch Venue: Student Lounge
1:00pm-2:40pm	Session 5: Building Markets in Asia: Cases of Energy and Water
Chair	Professor Ann Florini, Professor and Director, Centre for Asia and Globalisation, LKYSP
Presenter	Dr Pramod Kumar, Assistant Professor, Finance and Public Policy, Adani Institute of Infrastructure and Management
Paper	<i>Linking International Development Institutions and Market Formation: Case Study of Energy Investments in India</i>
Presenter	Dr Rita Padawangi, Research Fellow, Institute of Water Policy, LKYSSP
Paper	<i>Building Markets through Quenching Thirst: Clean Water Supply for the Urban Poor in Jakarta and Manila</i>
Presenter	Dr Tess Cruz del Rosario, Visiting Associate Professor, LKYSSP
Paper	<i>Opening Laos. Economic Boom or Social Bust</i>
2:40pm-2:55pm	Coffee break
2:55pm-4:35pm	Session 6: Risk and Development in Asia (2)
Chair	Dr. Mika Purra, Research Fellow, LKYSP
Presenter	Dr Shahar Hameiri, Research Fellow, Asia Research Centre, Murdoch University
	<i>Building the Market---State and the Market for State--Building in the Asia---Pacific</i>
Presenter	Dr Adam Simpson, Lecturer, School of Communication, International Studies and Languages, University of South Australia
Paper	<i>Critical Approaches to Risk under Authoritarian Regimes: the Asian Development Bank and the Greater Mekong Subregion</i>
Presenter	Ms Nigar Baimova, Director Programmes, British Council, Azerbaijan
Paper	<i>The Economy---Wide Effects of 1st and 2nd Generation of Reforms in Azerbaijan: The Role of International Public Organisations</i>

4:45pm
End of Programme

Shuttle to Traders Hotel

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Public Organisations and New Approaches to Building Markets in Asia first workshop participants

Front row, left to right: Rita Padawangi, Nigar Baimova, Heloise Weber, Carmen Mailloux, Pascale Hatcher, Tess del Rosario. **Second row from front, left to right:** Alberto Asquer, Adam Simpson, Garry Gray, Darryl Jarvis, Wu Xun, Mika Purra. **Third row from front, left to right:** Lukas Linsi, Andrew Rosser, Thomas Wanner, Michael Dowdle, Pramod Kumar Yadav, Paul Cammack. **Rear row, left to right:** Toby Carroll, Shahar Hameiri, Marc Lapperouza. **Workshop participants absent from the photo:** Susan Silbey, Ann Florini and Shaun Breslin.

CALL FOR PAPERS

REGULATION, PRIVATE SECTOR AUTHORITY AND MARKET BUILDING IN ASIA (Phase 2)

A research project of the Centre on Asia and Globalisation's New Approaches to Building Markets in Asia Programme and the Programme on Risk on Regulation at the Lee Kuan Yew School of Public Policy

The Centre on Asia and Globalisation recently launched a new research project entitled 'New Approaches to Building Markets in Asia'. The project is located within the Centre's Poverty and Development research programme and is headed by Toby Carroll, with the support of Rita Padawangi, Darryl Jarvis, and Mika Purra at the National University of Singapore. 'New Approaches to Building Markets in Asia' incorporates an empirically and theoretically-oriented research agenda, a signature seminar series and various outreach initiatives – including a working paper series and website for hosting project output. Crucially, the project seeks to establish an international network of scholars working on mutually complementary research from within multiple social science disciplines.

We are now soliciting paper proposals for phase 2 of the project, 'Regulation, Private Sector Authority and Market Building in Asia.' This phase is centred upon the production of a special issue of a Journal and an edited volume, both to be produced from papers presented at a workshop scheduled for October 26-28, 2011, at the Lee Kuan Yew School of Public Policy, National University of Singapore. Funding has been secured to support the attendance of workshop participants (*airfare, accommodation, per diem*) upon successful paper submission.

Phase 2 Research Focus: Regulation, Private Sector Authority and Market Building in Asia

Constructing markets has been a central concern of Asia's governments, seen variously as a means to economic growth, development, and social well being. The modality of market construction, however, has been a rapidly evolving one. While historically Asian markets were anchored in overtly national contexts and represented specific political accommodations between domestic capital, economic elites, political actors and state interests – most commonly expressed in the 'developmental state' – increasingly such configurations no longer stand. Market building is now more overtly diffuse and situated among multilevel national and international actors, transnational mechanisms, and various new governance modalities that involve a complex interplay between the diffusion of transactional norms, property rights, and systems of proceduralisation and regulation.

Central to these emergent processes has been the agential authority of private sector authority. Private and quasi-private organisations like export credit agencies, banks and financial institutions, domestic private sector firms, ratings agencies, capital markets, standards and certification regimes (ISOs, for example), and multinational enterprise, along with organisations like the World Bank and OECD, play an increasingly important role as agential mechanisms of policy diffusion but also as agents constructing modalities of governance that regulate, define, and discipline market behaviour. These modalities increasingly appear in the form of public-private partnerships, emergent transparency and accountability regimes, investment guarantees, reciprocity and non-discrimination in cross border investments, customs and trade practices, regulatory shifts in modes of corporate governance, risk management and mitigation, and regimes of

financialisation in relation to performance, reporting and accounting standards.

The manner by which these governance modalities articulate in national and sectoral contexts, however, is far from uniform. Domestic sites of resistance, sectional interests, institutional and political legacies combined with differing national and institutional capacities make for wide variation in market composition, institutional forms, market governance, and thus the nature and efficiency of market operation.

This variation comprises the principal focus of Phase II of the project. Specifically, we ask workshop participants to reflect on a series of questions as a means of understanding the role of regulation and private sector authority in building markets in Asia:

- How should we characterise the role of private authority in constructing markets in Asia?
- What are the implications of private-led market building in terms of democratic participation and public accountability? Is there a democratic deficit?
- What are the implications of private-led market building for enhancing social capital, sustainable and inclusive growth?
- Are the large privately-owned corporations of Asia and systems of patrimonial politics challenged or countenanced by these new approaches to building markets?
- Do all private organisations/sectors relate equally to the new opportunities and risks raised by the market building project?
- How does the market building project relate to different political economies/different sectors found in Asia?
- What are the repercussions of the market building project for different conceptions of development and/or for different actors in the region?
- What implementation issues arise in the context of market building dominated by private authority?
- What are the implications for the evolution and practice of public policy in Asia?
- How do non-governmental organisations relate to, engage with, and impact private sector authority and financialised development agendas?

Original contributions from a variety of social science disciplines/frameworks are sought for inclusion in a special issue of a journal and edited collection (to be published with Routledge or Palgrave Macmillan). The contributions will be presented at a workshop to be held at the National University of Singapore on **26-28 October 2011**. Workshop participants will have airfares (return economy class to Singapore), accommodation and per diem expenses covered.

Submission Process

- Paper title and abstract: 250-500 words
- Short biography with indicative list of publications
- Submission deadline: March 15, 2011
- Submit materials to Mika.Purra@nus.edu.sg or Darryl.Jarvis@nus.edu.sg
- Enquires: Toby Carroll spptjc@nus.edu.sg

Paper Submissions

- Paper submissions due not later than **October 15, 2011**
- Paper length: 7-9000 words
- Citation style: in-text Harvard system

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	Delegate	Paper
1	Dr Amit Kapoor Honourary Chairman, Mr Anshul Pachouri Senior Researcher, Institute of Competitiveness & Mr. Sandeep Goyal, Management Development Institute, India	Rural Market Development in India and New Business Models: Fostering Social Inclusion and Sustainable Growth
2	Ms Francesca Cerletti Ph.D Candidate, Business, Environment & Society Faculty, Coventry University UK	Corporate Engagement in Complex Environments: The Role of TNC in Emerging Markets
3	Ms Robyn Klingler-Vidra Candidate, Mphil / Ph.D London School of Economics, UK	Building a VC Market in Vietnam: VC Policy Lessons from Europe and Asia
4	Dr Eric Strahorn Associate Professor of History Florida Gulf Coast University USA	The Tentative First Steps in the Creation of a Himalayan Hydroelectricity Market Between Bangladesh, Bhutan, India, and Nepal
5	Dr Karolina Zurek Senior Researcher in Law, Swedish Institute for European Policy Studies	Disembedding Food Markets in Asia – Private Organisations as Transmitters of Western Concept of Risk Through Promotion of International Food Standards
6	Dr Qian Forrest Zhang School of Social Science Singapore Management University Singapore & Dr Zi Pan Assistant Professor, School of Public Economics and Administration, Shanghai University of Finance and Economics, China	Restructuring of the Vegetable Retail Market in Urban China: The Case of Shanghai
7	Dr Judith Clifton Senior Lecturer in Applied Economics, University of Cantabria, Spain	Constructing Markets in Basic Public Services: European Multinationals in Asia

	<p>Dr Daniel Díaz-Fuentes, University of Cantabria, Spain</p> <p>Dr Julio Revuelta, Assistant Lecturer and Doctoral candidate in Applied Economics at the University of Cantabria &</p> <p>Dr Marcos Fernández-Gutiérrez, Spanish Ministry of Education Research Fellow Department of Economics at the University of Cantabria</p>	
8	<p>Mr Pornchai Wisuttisak Lecturer in Faculty of Law Chiangmai University, Thailand & Current PhD Candidate, University of New South Wales, Australia</p>	<p>The Rise of PPPs and Big Government in ASEAN Utility Infrastructure Market: The Consideration on the ASEAN Market Governance under Competition Law and Policy</p>
9	<p>Dr Alexandra Guaqueta Lecturer, School of International Studies Flinders University, Australia</p>	
10	<p>Dr Luke Hsiao Associate Professor Department of Public Policy and Management, I-Shou University, Taiwan & Dr Jesse Yu-Chen LAN Assistant Professor Department of Public Policy and Management, I-Shou University, Taiwan</p>	<p>Coping with Changing Market Across the Strait Taiwanese Entrepreneurship After ECFA</p>
11	<p>Dr Janelle Knox-Hayes Assistant Professor, School of Public Policy Georgia Institute of Technology, USA & Shan Zhou, Graduate student, School of Public Policy, Georgia Institute of Technology, USA.</p>	<p>The Financial Construction of Environmental Markets in Asia: Exploring the Shifting Authority of Public and Private Agencies</p>
12	<p>Dr Richard Leaver Reader in International Relations, Flinders University, Australia</p>	<p>Long-distance Trade in Iron Ore: Institutionalization, De-institutionalisation and Market Stability</p>
13	<p>Dr Pramod Kumar Yadav</p>	<p>Virtuous Capital: Venture Capital,</p>

	Assistant Professor - Finance and Public Policy Adani Institute of Infrastructure and Management Gujarat India	Private Equity, and Entrepreneurial Finance in India
14	Judge Mia Mahmudur Rahim Ph.D Candidate Macquarie Law School, Macquarie University, Australia	Meta-regulation Approach of Corporate Regulation: A Strategy to include 'Social Responsibility' at the Core of Corporate Self-Regulation in Weak Economies
15	Dr Alberto Asquer, Lecturer Faculty of Economics University of Cagliari, Italy	Reconstructing the Silk Road: The Role of Chambers of Commerce Abroad in the Development of Asian Markets
16	Professor Paul Cammack Department of Asian and International Studies City University, Hong Kong	Varieties of Private Sector Governance in Asia
17	Ms Nadira Lamrad, Department of Asian & International Studies City University, Hong Kong	Manufacturing Governance
18	Dr Tess Cruz-del Rosario Visiting Associate Professor Lee Kuan Yew School of Public Policy Singapore	The Protectors of Capital and Constitutionality: Legal Firms and Megaprojects in New Markets in Asia
19	Dr Luke Nottage Associate Professor University of Sydney Law School, Australia	The Rise and Possible Fall of Investor-State Arbitration in Asia
20	Dr M Ramesh, Chair Professor of Governance and Public Policy Hong Kong Institute of Education, Hong Kong Dr Wu Xun, Associate Professor Lee Kuan Yew School of Public Policy Singapore & Mr Azad Singh Bali, PhD Student, Lee Kuan Yew School of Public Policy, Singapore	Creating Healthcare Markets in China and Vietnam: Lessons
21	Professor Colin Scott Dean of Law and Professor of EU Regulation & Governance, University College Dublin, Ireland	Beyond Taxonomies of Private Sector Authority in Transnational Regulation
22	Mr Mike Dowdle Visiting Associate Professor, Law National University of Singapore Singapore	The Delusions of Agency: How Markets build Regulation rather than the Other Way Around

23	Dr Heloise Weber Senior Lecturer in International Relations and Development Studies, School of Political Science and International Relations, The University of Queensland Australia	Microfinancing Poverty in Asia: On the Limits of 'Market Society'
24	Dr Toby James Carroll Senior Research Fellow, Centre on Asia and Globalisation, Lee Kuan Yew School of Public Policy, Singapore	Financial Intermediaries and Development's Big New Push: 'Building' Micro and Small and Medium Enterprise Sectors in the Underdeveloped World
25	Dr Darryl Jarvis Associate Professor Lee Kuan Yew School of Public Policy Singapore	Market Building through Regulation: Assessing the Outcomes of Private Sector Participation in Electricity Markets in Asia
26	Dr Lena Rethel Assistant Professor of International Political Economy, University of Warwick, UK & Dr Timothy J. Sinclair, University of Warwick, UK	Innovation and the Entrepreneurial State in Asia: Mechanisms of Bond Market Development
27	Professor Michael Howlett Burnaby Mountain Chair, Department of Political Science, Simon Fraser University Canada	The Role of Regulation in Building Markets: The Early Stages of the Regulatory Life Cycle
28	Dr Huong Ha Lecturer, University of Newcastle Singapore	The Role of the Private Sector in the "Three-sector Governance Model" for Economic Growth – Singapore Case
29	Dr Prodyut Dutt Principal Transport Specialist Asian Development Bank, India Resident Mission India	Public Policy and Market Building: Container Operations at Colombo Port in Sri Lanka
30	Dr Jörn-Carsten Gottwald, Chair, East Asian Politics at Ruhr-University Bochum, Germany & Dr Neil Collins, Dean of the Faculty of Commerce, University College Cork National University of Ireland	Market Creation by Leninist Means: the Party-State, Private Authority, and the Regulation of Financial Services in the People's Republic China
31	Ms Sabrina Zajak Research Fellow Humboldt University	Transnational Private Regulation and the Participation of Civil Society in China: From Worker

	Berlin, Germany	Support to Business Service Provision
32	Dr Rebeka Tennent, Ph.D Candidate The Australian National University Australia & Professor Stewart Lockie, Head School of Sociology, The Australian National University, Australia	Private Food Standards, Governance and Poverty Reduction in Vietnam
33	Dr Katsuhiko SASUGA Associate Professor, Department of International Studies, Tokai University, Japan	The Rise of the Chinese and Indian Automobile Industries: The Strategic Relationships Between Local Governments and the Private Sector
34	Dr Victor Ramraj Associate Professor, Faculty of Law National University of Singapore Singapore	Chair & Participant
35	Dr Eduarado Araral Assistant Dean, Academic Affairs Lee Kuan Yew School of Public Policy Singapore	Participant

LIST OF ABSTRACTS FOR SECOND WORKSHOP

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Rural Market Development in India and New Business Models: Fostering Social Inclusion and Sustainable Growth

India has experienced a very impressive average growth rate of 8.4% in the past five years but at the same time it have more than 220 million poor people residing in the rural areas accounting for 18.3% of the total population of the country. This clearly reflects that the growth of India is not socially inclusive and has widened the gap between the rich and poor. About 70% of the total population of India resides in the rural areas and traditionally it was not considered an attractive market for the companies due to lesser percentage of people who lies in higher income quintile. But with the saturation of urban markets in India, companies have started looking at the rural markets not only as the centers of huge consumption but also as the drivers of innovation and future growth of the markets to be catered.

This decade has witnessed the market development in rural sector of India by various private enterprises which has created niche segments and innovative business models which not help them to grow their revenues and market presence but also smooth the progress in social development, poverty reduction and sustainable growth at the same time. Hindustan Uniliver Project Shakti has created more than 45000 women micro-entrepreneurs across 15 states of India by inviting them to become direct consumer sales agent and providing them free training on selling products, health and hygiene. The project makes a huge impact across more than 1,00,000 villages covering 3 million households in the country by enabling these women entrepreneurs to earn profits of (US \$ 15-22) monthly which doubles their household income. The project is also replicated in Bangladesh and Sri Lanka after its huge success in India giving early instances that Asian economies have started learning from each other. Big private enterprises like Tata and Thomson Reuters are facilitating social inclusion via setting up rural Business process outsourcing centers and providing vital agricultural information directly to farmers which boosts the rural employment and agricultural productivity fostering sustainable development in India.

This paper focuses on explaining the present and potential role of building rural markets and innovative business models in facilitating rural development and sustainable growth in India. The paper brings out how rural market development strategy of the private firms have created a win-win

situation in the rural markets via increasing profits of the companies and reducing poverty by generating employment in rural areas to have socially inclusive growth. The paper presents new green business models which can be implemented at the micro level in rural areas (Villages) to generate local employment while fulfilling the basic amenities to foster the sustainable development in Asian economies which faces the common problems. The paper uses the “Amit Kapoor and Sandeep Goyal Model on Sustainable Business” (See Appendix) to develop these green business models and evaluate them on different parameters. This paper also looks at the strategic policy framework for industrial clusters to support these green business models to enhance their competitiveness.

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Corporate Engagement in Complex Environments: The Role of TNC in Emerging Market

What is the role and impact of TNCs (transnational corporations) in contributing to market building in complex environments such as Myanmar? Stakeholder action since the 1980s has shifted the paradigm of reference for corporate behaviour. The responsibilities that come with corporate citizenship are being increasingly assumed in the way a company operates. However the degree with which these are consistent and their reach to macro dimensions varies considerably depending on context, organisational culture and personalities.

Drawing on the experience of Total in Myanmar, this paper proposes to explore the efforts made by TNCs as well as the resistance in their ability to influence markets. While, for example, Total's presence in Myanmar is contributing to social capital and community development in the immediate area of its operations (the pipeline corridor), its ability (and willingness) to be an influencing factor at the national level is limited. This limitation is intrinsically linked to the complex political situation, to perceptions of risks to operations and of what constitutes political interference, as well as to individuals.

Civil society groups have challenged Total's presence in Myanmar. On the one hand, the company has been accused by some of sustaining, through the revenue it creates, a dictatorship which has flattened the economy and civil society, perpetuated (and continues to perpetuate) human rights abuses and is now shaping a “skewed” market through a questionable privatisation process. On the other hand, the French company has been called upon to exert its influence as a business leader to start a constructive dialogue among businesses and government which would lead to effective business practices and accountability.

The questions that emerge from analysing the implications of a corporate role in promoting accountability and transparency in markets reveal a more problematic outlook. What are the openings for constructive engagement available to a corporation as Total in a context such as Myanmar? Total is a member of EITI. As an active contributor to the Global Compact the company will pilot its guidelines for responsible business in Myanmar. Locally it has enforced specific operating standards to its contractors. Is this enough? How much is enough? What can it achieve on its “own”?

The last question points to an important limitation to private sector shaping market-building. Business is not monolithic. Fragmentation occurs along multiple lines: industry sector, geographical operation, business cycle, and organisational culture are examples. In the same situation, companies engage differently. How does, therefore, this fragmentation, impact on the possibility for a coherent contribution to market building from the private sector? Given the rise of Asian investment in Myanmar for example, are Total's efforts too little, too late?

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Building a VC Market in Vietnam: VC Policy Lessons from Europe and Asia

In the 1980s, a belief was promulgated that governments should deploy public policy to create national venture capital ("VC") markets if they were not naturally occurring. This is due to the VC industry's role in driving innovation, employment and economic growth by financing and providing operational expertise to start-ups. The widespread acceptance of this norm, coupled with the spectacular returns produced by American VCs through the 1980s, drove the creation of public VC policies in over twenty countries, particularly those states competing in the global technology market. The resultant public VC policies are a form of industrial policy that is specifically focused on creating a VC industry, and consists of tax treatment, legal structures, and government funding.

Despite the shared motivation for VC policy, heterodoxy has persisted as policymakers have varying views of domestic VC industries: in some cases the local VC industry is seen as a capital market and desired industry in its own right; in some it is an extension of the financial services industry, whilst in others VC markets are considered solely as financial support to technology-focused entrepreneurship. VC policies have differed according to the involvement of the private sector in matching funding, openness to international investors, taxation and legal structures. VC policies designed to explicitly create a local VC market versus those that strive to simply increase the pool of capital available to high-risk endeavours impact the stage, size and success of the resultant domestic VC markets. This paper argues that countries that have viewed VC policy as a distinct professional industry, and work to link it with international markets through financing and regulatory efforts have produced the most successful outcomes.

By analysing these various schools of thought on VC markets, this article seeks to answer the following question: how should Asian markets approach the building of new VC markets? Vietnam has been chosen as the case study due to its competitive positioning in the IT service outsourcing and technology industries; which has established the demand for early-stage investment capabilities (specifically VC). As highlighted by various Mekong Project Development Facility reports, in Vietnam there is insufficient capital available to private sector initiatives. Through 2000, the VC industry in Vietnam lagged behind its neighbours, including Indonesia, Malaysia and Thailand. In light of this contradiction, public VC policy is highly relevant to policymakers keen to continue fast-paced economic growth and further competitiveness in this 89 million person country. Thus, the paper investigates the policymakers' view of the VC industry in Vietnam, looking at the role of the private sector as well as government institutions, how they have affected public VC policy, and how a different stance may help to build a local VC market in Vietnam.

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The Tentative First Steps in the Creation of a Himalayan Hydroelectricity Market Between Bangladesh, Bhutan, India, and Nepal

For the past few decades, Bhutan and Nepal have constructed hydroelectric dams and sold the electricity to India, but this has been based on government to government agreements and the private sector has not been involved. Recently, India has signed agreements to sell electricity to Bangladesh and there have been efforts by Bangladesh to purchase electricity from Nepal even though they do not share a common border. Throughout the region there have been several attempts to move past the old developmental state model and build a private market for hydroelectricity. Governments have established private-public partnerships, created independent public sector power corporations and allowed the involvement of private corporations.

This process, however, has been hampered due to domestic and even international resistance across the Himalayas. Projects in Nepal and Bhutan have faced vigorous objections from a variety of actors over environmental concerns and the displacement of local populations from areas involved in dam construction. The recently ended civil war in Nepal along with the varying pace of economic reform in Bangladesh, Bhutan, and India have posed several complications to the market creation process.

This paper will examine the steps taken thus far to establish a private hydroelectricity market between individual countries and evaluate the prospects for the construction of full-fledged electricity grid connecting all four countries that would allow this market to operate throughout the region. Utilising different theories of governmentality it will analyse the sites of both reform and resistance and identify the different concepts of development involved in order to understand the consequences at stake for the various actors of the region.

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Disembedding Food Markets in Asia – Private Organisations as Transmitters of Western Concept of Risk Through Promotion of International Food Standards.

Technical assistance / consultancy activities of international organisations in Asia promote and support trade and market development based on rules and standards created primarily by developed countries of the West. Thus, they pursue a vision of market development based on assumptions and considerations relevant for those states. In sensitive areas, such as food, which are perceived and construed locally, and are highly socio-economically relevant, this approach can have far reaching adverse consequences. Regulation based on the conceptualisation of risk and safety by developed Western states, which responds to their concerns and preferences, may not be able to respond to risk and safety concerns of emerging markets and will, thus, not be able to encompass local regulatory problems. Application of international food standards, forced by the international organisations and their conditionality approach, may in fact have far socio-economic implications for growing Asian economies and societies. By imposing emphasis on problems tackled by international

standards, international intervention often disturbs the natural local context and balance as it forces economies to re-target investments towards new areas and away from the problems of factual relevance and impact for local communities. As a consequence, it may lead to gradual disembedding, in the Polanyian sense of the term, of Asian food markets, and cause problems of compliance, distributional justice, and social legitimacy.

That is why the article argues that new approach to regulatory interventions in this sphere shall be considered, in order to avert those negative consequences for the development of Asian markets and societies as well as for the overall development of the global trade regime. Perhaps, one of the approaches would be to relax the strict conditionality approach commonly applied by international organisation, and apply a more flexible and selective approach to imposition of international standards, allowing inclusion of local socio-economic considerations in the application process.

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Restructuring of the Vegetable Retail Market in Urban China: The Case of Shanghai

In the past decade, the retail market in urban China has gone through a restructuring characterised by two interconnected processes: on one hand, the retreat of the socialist state from controlling urban retail space and organising commodity supply, and, on the other, the rise of private actors—including domestic operators of retail-markets, multinational retail chains, and certifying agencies. In this study, I select one sector (vegetable retail) in one city (Shanghai) to investigate how these two processes are transforming China's urban retail market. Data for this research come from both first-hand interviews with retail and wholesale vegetable vendors in Shanghai and government officials, as well as an extensive survey of Chinese-language publications. In Shanghai, as in many other Chinese cities, the retreat of the municipal government from actively building urban retail space and regulating vegetable supply has caused the decline of the service-oriented market system and the paternalistic governance modality inherited from the socialist era. Currently, the newly emerged private actors in the urban vegetable market operate in a highly deregulated environment, where the transactional norms between small retail vendors and operators of market places and between supermarket chains and wholesale suppliers are predominantly shaped by the side that controls more capital and, more importantly, the increasingly scarce urban retail space—namely, market-place operators and supermarket chains. The local government, in its effort to strengthen social control and beautify urban landscape, increased the control of urban public spaces, further restricting the supply of retail space and strengthening the market-making power of market-place operators and supermarket chains. Only recently, after the imbalanced retail-market structure caused rapid rise of vegetable retail prices and became a public issue, did the state realise the social and political implications of its deregulation.

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The Making (and Un-Making) of Markets from Public Services: The Case of Telecommunications Multinationals

As a consequence of major regulatory reform of the telecommunications sector from the 1980s - particularly privatisation, deregulation and liberalisation - dozens of former telecom incumbents transformed themselves into some of the world's most important multinational corporations. But this process was quite uneven, with some incumbents internationalising earlier and deeper, others went abroad then partially de-internationalised later, whilst others proved reluctant to go abroad. This paper seeks to understand the logic underpinning this uneven internationalisation by testing hypotheses on firm internationalisation in the political economy literature. We first quantify the uneven approaches to internationalisation by OECD telecoms incumbents. Then, centring on European incumbents, that dominated the process in the OECD, we show how regulatory change in the short-term did not determine their internationalisation; rather, this can best be explained using an institutional approach.

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The Rise of PPPs and Big Government in ASEAN Utility Infrastructure Market: The Consideration on the ASEAN Market Governance Under Competition Law and Policy

The paper attempts to research two points. The first research point is on how the increasing role of PPPs can reduce the monopoly role of the state enterprises in utility infrastructure markets of the ASEAN region. The second research point is regarding a concern for regulatory market governance under ASEAN competition law and policy when the increasing PPPs have monopoly power instead of state enterprises.

The increasing role of PPPs in ASEAN region can help transform the utility infrastructure markets, creating efficient and competitive markets by reducing the monopoly power of big government in the utility sector and by lowering regional investment barriers. This means PPPs help deal with the

monopoly power of state owned enterprises (SOEs) and help assist the restructuring of market power in the utility markets by reducing the monopoly role of the SOEs. The PPP then becomes the important factor for reconstructing and disciplining market behaviour of government enterprises. For this reason, the rise of PPPs is seen as an important enabler for regulatory governance under ASEAN competition law and policy which has to deal with the market power of SOEs. However, on the other hand, the rise of PPPs in ASEAN may contribute to the difficulty for market governance under the competition law and policy. This is due to the fact that, when the ASEAN state governments adopt the PPPs by corporatizing their SOEs, or by creating PPPs entities for operating project relating to public services, the monopoly power in utility market will be derived to the PPPs. This then will be the challenging concern for competition law and policy in ASEAN, considering that they have to deal with PPPs' monopoly market power under a support from both government and private investments.

The research paper will be divided into five parts. The first part of the paper will provide the overview of increasing important roles of PPPs in ASEAN region. The second part of the paper will research on the impact of the increasing PPPs on the market power of SOEs in utilities market in ASEAN countries. In the third part, the paper will explore how the increase of PPPs assist or obstruct the market competition governance under the ASEAN competition law and policy. In the fourth part, the paper will provide some suggestion on development plans for managing the PPPs, SOEs market power, and ASEAN competition law and policy in order to create competitive efficiency and firmer regional economic integration of infrastructure utilities markets of ASEAN. The last part will be the final conclusion of the paper.

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Harnessing Corporations: Lessons from the Voluntary Principles on Security and Human Rights in Colombia and Indonesia

ABSTRACT to be submitted

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Coping with Changing Market Across the Strait Taiwanese Entrepreneurship after ECFA

The Economic Cooperation Framework Agreement (abbreviated ECFA) is a preferential trade agreement between the governments of Taiwan and China that aims to reduce tariffs and commercial barriers between the two sides. The pact, signed on June 29, 2010, in Chongqing, was not only seen as the most significant institutional breakthrough since the two sides split in 1949; it is

also considered as a framework that will boost bilateral trade between both sides in the coming decades and will further enhance market liberalisation within the region.

Following Susan Strange's conceptualisation of "triangular diplomacy" (1994), the building of a market successfully depends greatly upon the cooperation among states, between states and firms, and among firms. Instead of focusing on the state alone, this article reiterates the importance of the entrepreneurship of Taiwanese firm coping with the institutional challenge posed by the ECFA.

This article uses the E-United Group based in Kaohsiung as case study of Taiwanese entrepreneurship, analysing its transformation strategies under the impact of the recent changing institution and market across the Strait. Results of the preliminary findings are as follows: 1. Adopting diversification strategy contributes to transformation and coping with the changing market. 2. The incorporation of central authorities, local governments, and business allies on the both sides by a combination of market and nonmarket strategies to construct the value chain. 3. Taking the comparative advantage of different time spans into consideration. The E-United Group has successfully reconfigured through the establishing the so-called "2.5" and "3.5" sector of industry. This article concludes with a theoretical reflection of the case and from the Resource-View perspective, and offers suggestion to managerial learning and for further research in the field of public management.

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The Financial Construction of Environmental Markets in Asia: Exploring the Shifting Authority of Public and Private Agencies

Attempts to address climate change increasingly focus on market mechanisms, which price greenhouse gases as a means to cap them. In the wake of the financial crisis, the focus of the markets, which were originally developed in the United States and Europe, is shifting to Asian financial centers. The financial crisis served as a severing blow to negotiations at Copenhagen and has stalled legislation in the US Congress. In the absence of strong regulatory responses from the United States and at the international level, Asian financial centers are seizing the initiative and developing carbon markets and other environmental financial services. At the latest negotiation of the United Nations Framework Convention on Climate Change (UNFCCC) the European Union announced an initiative to support carbon trading in eight Chinese cities. China has developed exchanges in Beijing, Shanghai and Tianjin to support this initiative. In addition, environmental finance is taking root in other cities including Hong Kong, Singapore and Tokyo through the initiatives of private actors. The establishment of environmental markets in these cities is significant for several reasons. Once fully realised carbon markets are predicted to be larger than other commodity markets. First movers who are able to claim significant market share and institutionalise paths and mechanisms of finance will enjoy an advantage. Based on the size of its economy and the rate of industrialisation, China is a natural center for these markets. Furthermore, carbon markets are intended as demonstration markets. If negative externalities can be managed through market mechanisms, then so too can positive externalities including ecosystem services, environmental

conservation and biodiversity. Indeed, the framework of carbon markets has already been modified to incorporate the trade of forest and biodiversity credits. Leaving aside environmental as well as ethical concerns, environmental markets represent an area of tremendous growth opportunity. This paper explores the movement of environmental finance into Asian financial centers in the wake of the financial crisis, and comments on the growing role of private authority in developing environmental governance. The growth of environmental finance in Asia represents simultaneously the institutionalisation of Western financial ideals, as well as a potential geopolitical shift of financial power from the West to the East in the wake of the recent financial crisis.

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Long-distance Trade in Iron Ore: Institutionalisation, De-institutionalisation and Market Stability

This paper takes a half-century perspective on the political underpinnings of a market that has been and will remain central to Asian economic growth, the long-distance trade in iron ore. In the immediate post-war era, bulk commodities like iron ore did not figure large in international trade, and least of all in East Asia. However, the early Japanese decision to rebuild their economy around heavy and chemical industries changed all that, bringing forth (amongst other things) a sequence of high grade iron ore mines in Australia and Brazil. Since commodities were outside the GATT trade system, this new kind of trade required a new kind of legal instrument to defray the very substantial risks variously posed by the development of mines and markets – to wit, the long-term contract pricing system.

Largely ritual annualised conflict around price negotiations notwithstanding, this so-called benchmark pricing system appeared to become institutionalised over the next forty years. But in the last decade, under the impetus of China's massive demand for iron ore, this small-i institution has decomposed into shorter and shorter contract terms, with one of the three major suppliers now openly preferring spot pricing as the only method of sale. Speculation in iron ore, previously unknown, has also been on the rise – to say nothing of prices, which treated the global financial crisis as little more than a blip on their radar.

Since the value of sales made through this market is now massive, it is arguable that no one has a direct interest in a strategy of dissociation. What is not so clear, however, is whether this new, China-centred order will prove anywhere near as stable as the old, Japan-centred one – especially since the degree of concentration and corporate control on the supply side has also been rising. Whether this 'de-institutionalised' market needs to be 're-institutionalised' – and, if so, how so – are issues analysed in the concluding sections of this paper.

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Virtuous Capital: Venture Capital, Private Equity, and Entrepreneurial Finance in India

Over the past few years, the world has witnessed a series of serious market crises emanating from economic, social, political, environmental, and natural resource spheres. These market crises eventually resulted into massive declines in stock markets, reduced earnings of companies, downgrading of country ratings and long-term adverse effects on economic-business cycles. While local governments and international institutions developed and stabilised markets, the outcomes were far from being satisfactory as it lacked active participation from the private sector. Government and public institutions have acted as strong enablers for private sector to participate in financial services market; however the early stage start-up financing markets in India would not have evolved as efficiently as we see it today without participation from the Venture Capital and Private Equity (VCPE) industry. Early stage Indian firms that are known to be non-conformists and innovative are creating new markets that are scalable, sustainable, and profitable. These new and young firms find raising finances from capital markets very expensive on account of high transaction and issuance cost, imperfections in capital markets, asymmetric information, and regulatory requirements.

VCPE industry is one of the most discussed market forms that can address the financing constraints experienced by young firms. VCPE market which is an extremely risk sensitive institutional form is likely to trigger innovation, transparency, efficient and enforceable contractual environment, advanced property rights governance engineering, growth, and entrepreneurial success in Indian market. In particular, development leveraging sectors such as education, health care, clean energy, water, and e- governance initiatives that were historically considered to be too risky to attract private capital and hence left to the government, have expanded their market share many-fold with a range of equity infusion from VCPE firms. VCPE firms in India are effectively utilising “relational”, “structural”, “informational”, and “high-powered incentive” contracts with young firms to have superior access to information about current investment opportunities and leverage them in future. This paper explores the drivers of diffusion of VCPE market in India and attempts to understand to what extent VCPE market has improved access to external finance for young firms.

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Meta-regulation Approach of Corporate Regulation: A Strategy to Include ‘Social Responsibility’ at the Core of Corporate Self-regulation in Weak Economies

The force of legal regulation that might influence business enterprises to be socially responsible is a contentious issue. It is hard to determine what role the regulation should play in making businesses accountable for their actions, especially in the post-regulatory world. Under these circumstances, meta-regulation is a comparatively new regulatory approach. It attempts to link social values to economic incentives and disincentives, and it indirectly influences corporate governance to include stakeholders, other than stockholders and public agencies to assist corporate self-regulation. By considering these concepts as vital, this article conceptualises this approach. It argues that this approach is a viable way to create a socially responsible corporate self-regulation from the

perspective of a weak economy. It is an analysis that is essential and thus becomes the aim of this article.

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Reconstructing the Silk Road: The Role of Chambers of Commerce Abroad in the Development of Asian Markets

Within the field of organisational sociology, markets are often conceived as institutions that develop out of social relations (Fligstein, 2002; Granovetter, 1985; White, 1981). Institutional theories, in particular, argue that institutional entrepreneurs contribute creating social arrangements in organisational fields by leveraging the support of organised interests (DiMaggio and Powell, 1991; DiMaggio, 1989). While some actors try to pursue political projects to reshape market institutions, however, others seek to preserve the stability of established market arrangements. The resulting effect may be that patterns of industrial development tend not to converge over time and countries keep exhibiting peculiar institutional market arrangements (Fligstein and Freeland, 1995).

The development of markets in Asia provides an instance of ongoing efforts to reshape market institutions. Among these actors involved in the process, the Chambers of Commerce Abroad (CCAs) stand as entrepreneurial agents for the promotion of business activity both within Asian countries and between Asian and home ones. As trade associations or networks established between businesses (although in some countries they are regulated under public laws), CCAs play an important role in the development of market institutions. Alongside actions intended to support penetration of local markets, CCAs undertake various initiatives to advance the interests of their business members, such as advocating for trade liberalisation, alignment of labour conditions, coordination of taxation, adoption of environmental protection standards, and transparency of local jurisdictional systems. The cumulative effect of these efforts may contribute partially reshaping both formal regulations as well as customs and business practices.

This paper addresses the issue of how Western CCAs affect the development of markets in Asian countries. This issue is tackled through the comparative analysis of the activities carried out by four European CCAs (two regulated under private laws, the British and Swedish ones, and two under public laws, the French and the Italian ones) in various Asian markets (including China, Hong Kong, Thailand, Malaysia, Singapore, Indonesia, and Philippines). Built on interviews and documentary sources, these cases provide evidence for analytic arguments concerning how CCAs contribute constructing market categories and attributes, how they affect local normative and regulatory market regimes, and how their pro-market strategies differ across countries and sectors. More generally, this study provides some insights into the role played by business networks in the development of market institutions.

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Varieties of Private Sector Governance in Asia

The paper will construct and apply a comprehensive framework for the analysis of the governance of the private sector and of governance through and by the private sector in Asia, with the objective of arriving at a preliminary typology of governance of state-business relations in the region. What is proposed is a large-scale ground-clearing exercise, involving a review of both comparative and Asia-centered literature, themes currently identified being the comparative political economy of business-state relations and its reform; private governance; the frameworks proposed and developed by international and regional organisations; the legacy of the 'developmental state', networks and 'crony capitalism, patronage politics and state capture; the diffusion of regulatory capitalism; and as an overarching theme, the varieties of internal and external relationships around which processes of accumulation and legitimation are currently organised and re-organised across Asia. To maintain a degree of consistency between this contribution and the paper submitted to the first workshop, the issues will be framed in terms of types of business-state relations and private governance roles that are 'negative' and 'positive' for market-building, and the politics of getting from the one to the other. Attached references are very preliminary, and additional suggestions are welcome.

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Manufacturing Governance

Transnational corporations (TNCs) in developing countries have been increasingly addressing labour conditions at their supplier factories. In these countries, national legislation and governance mechanisms are often hampered by weak rule of law, low governance capacity, and corruption. This creates a serious gap between the needs of workers, the concerns of shareholders, and the demands of local stakeholders, which TNCs have attempted to fill through corporate responsibility (CR) strategies. Although TNCs may not engage in political and social activities, they can play a role in the creation and the perpetuation of social and regulatory norms and structures. Combining data gathered through participant-observation fieldwork conducted at a transnational corporation in Vietnam, and interviews with CR practitioners on their work in China, this paper investigates the role TNCs play in governing labour rights and labour conditions. It also analyses the influence of institutional environments, norms, and values on CR activities. The paper will examine the dynamics of the relationship between TNCs and other governance actors such as international organisations, the state, civil society (local and transnational), and other private actors. The transmission of norms and values through CR activities is traced along these governance networks. Feedback from different governance actors is mapped to ascertain their influence in directly or indirectly shaping CR activities. The empirical evidence will be used to test existing governance frameworks.

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The Protectors of Capital and Constitutionality: Legal Firms and Megaprojects in New Markets in Asia

Much has been made of the role of multilateral institutions (MIs), the state, and the private sector in building and constituting markets in Asia, specifically in terms of mobilising large amounts of capital in support of megaprojects. Specific instruments such as political risk guarantees and risk mitigation measures are the cornerstone of this market-building exercise, promulgated by a three-way partnership among the above-mentioned actors. Little, if at all, is known about the “legalisation” of this massive effort. Spearheaded by local and transnational legal firms, these relatively new actors occupy an intermediate space between the public and the private sectors, ensuring the protection of capital especially within a legal framework that is still wholly absent in recipient economies that have not been fully marketised. This article seeks to fill this gap, and will demonstrate the operations of legal firms through two case studies: i) a transnational legal firm based in Thailand which specialises in the execution of Concession Agreements (CAs) and Purchasing Power Agreements (PPAs) for hydropower projects in the Mekong subregion; and ii) a domestic legal firm operating in the Philippines which provides a range of advisory services to the Philippine government, specifically the constitutional requirements for various infrastructure projects involving transnational private sector participation. Through the lens of these two case studies, this seminal article hopes to provide an initial conceptualisation of the “soft infrastructure” that supports the building of new markets through massive capitalisation of megaprojects in Asia.

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The Rise and Possible Fall of Investor-State Arbitration in Asia

International commercial arbitration (ICA) has grown rapidly in Asia – especially in arbitration centres in Singapore, Hong Kong and China – to resolve cross-border commercial disputes mainly between private firms. The stage has also been set for increased claims involving investor-state arbitration (ISA). Most Asian countries have acceded to the framework 1965 ICSID Convention, promoted by the World Bank. It provides a supranational enforcement regime for awards from proceedings administered by ICSID resulting from investors claiming illegal interference (such as nationalisation) by host states. Asian countries have also increasingly added the further “consent” needed under the ICSID Convention, to initiate such arbitral proceedings, by concluding treaties with the home countries of foreign investors– initially BITs, but now also Investment Chapters in FTAs – which include ISA provisions. Examples include treaties among ASEAN countries (including the 2009 Comprehensive Investment Agreement) and “ASEAN+” treaties (notably AANZFTA, albeit with a bilateral carve-out of the entire Investment chapter in the case of Australia and New Zealand).

One view is that home states are being mobilised on behalf of their private investors, to secure ISA protections for them all through treaties with existing or potential host states. This incurs short-term costs for governments, including delays in reaching agreement or trade-offs in other respects (e.g. lower liberalisation of tariffs on goods imported into the host state), as well as long-term risks (especially, of a host state having to pay out a large compensation claim following a foreign investor’s ISA claim). But governments also save costs. They can tell their own investors to make direct ISA claims against the home state, rather than feeling obliged to take up grievances on their behalf with the host state (under inter-state “diplomatic protection” processes, derived from customary international law but often restated nowadays in treaties in addition to ISA provisions). Governments also don’t need to support as much the (often state-linked) political risk insurers, which can provide investors with insurance against illegal action by host states. Home states also

insisting on ISA provisions can also save on “legal technical assistance” ODA aimed at improving the host state’s judicial system and investment law framework, which anyway allows investors from third countries to “free ride” on such initiatives. As well as such savings, there is also the possibility that offering ISA protections will significantly increase inbound investment – although, at an aggregated level, there is little clear empirical support for this possibility.

Yet, arguably linked to the colonial legacy in the region, many Asian countries have traditionally been quite skeptical about inbound FDI, and ISA in particular. China did not include ISA in its investment treaties until quite recently – partly, as China itself emerged as a major capital exporter. The assumption was that foreign investors would flock to China anyway, for other economic reasons. The Philippines managed to have ISA omitted in its FTA with Japan, which otherwise has included ISA in almost all its investment treaties. Arguably related to this is a comparatively low level of formal ISA claims involving Asian parties.

This resistance to treaty-based ISA in Asia appeared to be slowly dissipating, but the situation may change again. In April, the Australian government announced a new policy: not to include ISA provisions in treaties if this would give foreign investors better procedural or substantive rights than local investors. First, this means no ICSID Arbitration Rules option at all. (Any ISA provisions would have to provide for non-ICSID arbitration, as under the UNCITRAL Arbitration Rules.) Second, it means no ISA in treaties with any country that has a *higher* level of domestic substantive law protection for (all) investors (e.g. perhaps the USA) than protection under Australian domestic law protection, *if* that country seeks to extend its higher level of protection abroad by entrenching it through ISA in a treaty with Australia. (Under Australia’s new policy, ISA can only be included if the substantive protections in the treaty are instead capped at the lower, Australian domestic law level – but the other country will have little incentive to press for that, especially if ICSID Arbitration is no longer an option anyway, because it can get that level of protection through Australian courts anyway.) Third, it means no ISA in treaties with any country that has a *lower* level of domestic law protections for all investors (e.g. possibly Chile, certainly Vietnam), compared to Australia’s domestic law, *if* the former adopts a similar approach to Australia’s recent policy statement. Other countries may mimic Australia’s policy stance, underpinned by the reality that foreign investors are increasingly desperate for its rich energy and natural resources anyway, if those countries begin to believe that offering ISA will not materially increase inbound investment given their own particular circumstances.

So how will this play out in current negotiations to add an investment chapter and more countries (including Vietnam, Australia and the US) to the Trans-Pacific Partnership Agreement (including already Chile, NZ, Singapore and Brunei)? Will there be multiple bilateral carve-outs, after a complicated exercise comparing levels of protection offered anyway to all investors under domestic legal systems? Will the problem become so intractable that the TPPA ends up omitting an investment chapter or some of these countries altogether? In other words, will the treaty-based ISA system begin to unravel, especially in a regional context? Will foreign investors instead either obtain ICSID Convention “consent” by having host states agree to arbitration through one-off investment contracts, or investment-specific legislation – with all the extra transaction costs that will entail on both sides? Will foreign investors from home states that may not be able now to obtain ISA protections in bilateral agreements with Australia (like Japan or China, both still negotiating FTAs with Australia) instead incur transaction costs to route their investments into Australia through jurisdictions (e.g. Singapore or Hong Kong) that already have treaties containing ISA protections? Or will investors just lobby their home states harder to initiate “diplomatic protection” claims, at the taxpayer’s expense?

This presentation will reassess such implications as well as the economic and other rationales for and against the Australian government's recent policy announcement, which signals a shift towards letting the private sector take more responsibility for managing risks associated with overseas investment. Secondly, the presentation will propose various other ways to balance public and private interests involved in the ISA system. Thirdly, however, it will show how Australia's experience suggests more generally that there may be surprisingly few constituencies strongly in favour of refining or maintaining the present treaty-based ISA system, compared to various public and private interest groups now wishing to see it more drastically curtailed – along the lines now proposed by the Australian government.

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Consultants' Role and the Policy Process : The Unchecked Actor

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Creating Health Care Markets in China and Vietnam

Constructing markets has had a special purpose, and urgency, in transition economies such as China and Vietnam as often the relevant institutions had to be created almost from scratch after they decided to move away from central planning. Overall, both countries have been remarkably successful in making the transition to market economy. But they have also experienced some notable failures, particularly in social policy sectors. This paper is a comparative case study of a sector in which efforts to construct markets went grievously awry.

At the time of the launch of market-oriented reforms –the 1980s in China and the 1990s in Vietnam - the two communist countries had some of the finest health policy records in the developing world: total health care spending was low yet the population enjoyed fine health status. Despite the fine record, the two governments dismantled the existing health care system with particular ferocity, based on the conviction, and active encouragement of international financial institutions, that private markets would generate superior outcomes. After three decades of market-oriented health care reform in China and two decades in Vietnam, they find themselves in a situation where expenditures are ballooning while health status improvements are stagnant.

How the two countries arrived at this undesirable state of affairs is the subject of this paper. It will describe the broad trajectory of reforms, analyse the specific measures taken to create health care markets, and discuss their implications. It will argue that the source of the misguided reforms can be traced to the policy-makers' misunderstanding of the dynamics of health care markets and overzealous embrace of the market in social policy matters. Both governments now recognize at least some of their earlier follies and profess inclination to reverse them, but are encumbered by the powerful self-interests that benefit from the existing perverse system.

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Beyond Taxonomies of Private Sector Authority in Transnational Regulation

The emergence of private actors is key feature of contemporary transnational regulation. This paper draws on a major research project on the effectiveness and legitimacy of transnational private regulation organised by the European University Institute, Tilburg University and University College Dublin, and funded by the Hague Institute for the Internationalization of Law (Hiil). A taxonomical approach to the phenomenon might start with conventional conceptions of governance authority in terms of state actors and legal or hierarchical instruments. Following this logic an analysis of the emergent private authority will classify the phenomena in terms first of the variety of non-state actors assuming authority positions in contemporary governance arrangements and second the nature and extent of modes for exercising authority which deviate from the exercise of regulatory authority through delegation of powers by public law instruments.

The significance of these governance trends for Asia may be evaluated by moving beyond a taxonomical approach to consider the transnational reach of much contemporary private authority, in particular the deployment of market mechanisms (both contractual and non-contractual,) and community-based modes of governing (for example self-regulation). Distinctive feature of the Hiil research include a consideration of the mixed public and private participation in many regimes and a move beyond considering the variety of actors and modes involved in standard setting to consider also the central importance of mechanisms of monitoring and enforcement. When considered as involving not only private standard setting capacity, but also monitoring and enforcement activity, the challenge of transnational private regulation becomes more evident.

Transnational private regulation provides a significant challenge to national governmental authority and requires normative evaluation in respect of the legitimacy attaching to the effects of such private authority in relation to governmental authority. Such an evaluation might include consideration of effects vis-a-vis setting or meeting public interest objectives, effects in terms of advancing private interests, and considerations of the broad legitimacy within regimes comprising private or mixed public/private governing capacity.

Applying the analysis to key issues relating to state capacity in Asia central questions concern the contribution of private regulatory authority to the construction of markets, and the extent to which such developments are seen as technical exercises of authority or creating sites of political contestation and battles over interests.

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The Delusions of Agency: How Markets build Regulation rather than the Other Way Around

An investigation into “new approaches to building markets in Asia” provokes a number of presumptions. “Building markets” is closely associated with the idea of “development”. And “building” implies a process of human agency. This implies, consistent with much of the developmental literature, that development itself is primarily a product of human agency. A subtitled focus on “regulation” suggests that these markets are being constructed in significant part by strategic deployment of particular regulatory structures. So building markets in the context of regulation suggests that we can use particular regulatory institutions to foster development.

This paper seeks to show that in fact, regulation does not work to build markets. Rather, its markets that shape regulation. In particular, this paper argues (1) that a particular polity’s industrial-economic structures, including much of its developmental capacity, is strongly shaped and constrained by transnational, geographically factors that operate beyond the reach of strategic human agency; (2) the kinds of markets these transnational geographic factors generate significantly effects what kinds of regulatory structures can function and survive in that particular market environment; (3) that significant aspect of the building of markets, of their regulatory predicates, and even of “development” per se, therefore lie beyond the reach of human agency, particularly insofar as the lesser-developed parts of the world (what we will call “the periphery”) are concerned; and (4) that particular regulatory structures that seem dysfunctional from the perspective of developed economies can actually be functional from the perspective of the special conditions of peripheral economies.

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Microfinancing Poverty in Asia: On the Limits of ‘Market Society’

Microfinance has become a key strategy for poverty reduction, globally, at least since the 1980s. Advocates of microfinance have represented it as a self-empowering strategy that can help the poor to lift themselves out of poverty and up the development ladder. As part of the post-Washington Consensus microfinance has become a preferred approach for international development institutions (including regional development banks), national development frameworks and is also a key strategy within the operational portfolios of NGOs working in development (which often times requires a change in status to ‘Financial Intermediaries’).

The objective of this paper is to offer a critical political analysis of microfinance in poverty reduction efforts through a closer examination of its social and political contexts as well the impact on the targeted clients. It will highlight the political significance of microfinance for new approaches to building markets in Asia. At the same time, it will elucidate the social and political contexts within which microfinance schemes came to be implemented, highlighting the social struggles constitutive of efforts to implement *market society*. Against this broader analysis, the paper will focus on the role of the CGAP (the Consultative Group to Assist the Poorest, World Bank) in coordinating the global

unification and harmonisation of microfinance in relation to macro-level financial sector liberalisation and commercialisation. It will also draw out the implications (legal and institutional) of this strategy for NGOs within wider re-regulations for development through principles of (neo)liberal political economy. Microfinance schemes are exemplary of (new) efforts to building markets in Asia, as well as globally.

In addition to specifically focusing on microfinance in poverty reduction efforts, I will use this concrete example as an analytical lens to discuss wider trends in global development. In particular, the nexus between efforts to enhance national competition and the dispossession that this generates for the everyday lived experiences of many. Microfinance schemes are a particularly good example to illustrate the changing dynamics of the governance of development (global –local linkages), including the qualitative dimension of these trends, whereby development through capitalist social relations appears to have reached its limits (or perhaps not?). Through the lens of microfinance, I advance an argument for the need to re-think contemporary (and especially orthodox) theoretical frameworks about development.

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Financial Intermediaries and Development's Big New Push: 'Building' Micro and Small and Medium Enterprise Sectors in the Underdeveloped World

This paper takes a critical look at a central aspect of an emerging push by 'development' organisations to 'build' private sectors in the underdeveloped world. This push – what I have described elsewhere as 'the deep marketisation of development' – incorporates various efforts that work on, through and around the state in the aim of establishing and expanding competitive social relations and market activity. One key element of the deep marketisation that works around the state, involves the support of financial intermediaries (FIs). The support of FIs – which include wholesale and retail microfinance organisations and deposit taking banks – is now heavily promoted by organisations such as the World Bank's International Finance Corporation in the creation of micro, small and medium enterprise sectors (MSMEs), ostensibly in the name of development. Taking a look at FI support in Southeast Asia, this paper begins by detailing how FI support fits within a broader agenda that is rapidly reshaping neoliberal development practice. The second section of the paper details some 'working examples' of the IFC's support of FIs in Southeast Asia. The final section points to some of the problems with this approach, which is unlikely to deliver impressive results in substantively and sustainably improving material conditions and may well play a crucial role in distributing the results of crises of accumulation.

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Market Building through Regulation: Assessing the Outcomes of Private Sector Participation in Electricity Markets in Asia

Abstract to be added

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Innovation and the Entrepreneurial State in Asia: Mechanisms of Bond Market Development

Recent years have seen a rapid expansion of bond markets in East Asia. Asian policy makers have played a pivotal role in this development. They have seen bond market development as a way to mitigate the risk of capital mobility and as a means to channel savings toward economic growth in the region. This development presents an interesting challenge to the developmental state literature associated with bank-based financial systems.

This paper puts forward the concept of the entrepreneurial state to help us better understand the role of the state in the construction of these markets by focusing on institutional innovations. Economic analysis typically suggests these markets should develop spontaneously as the countries in the region grow richer. However, this significantly underestimates the politics involved in the process of market development. The developmental state literature explores the politics of resource mobilisation. The idea of the entrepreneurial state departs from these conceptions by focusing upon market creation and development, in terms of institutional innovations conducted by states. The entrepreneurial state assumes the role of market participant by constructing quasi-market institutions that do things that elsewhere are done by private institutions.

More specifically, we will explore three mechanisms of state-led market innovation: local credit rating agencies, mortgage corporations, and bond pricing agencies. Local credit rating agencies rate the creditworthiness of debt in local currency. Mortgage corporations create markets in securitised housing loans. Bond pricing agencies put a value on illiquid debt instruments to enable mark-to-market portfolio management. Together these three mechanisms constitute the core elements of what is usually seen as the core determinants of the market (demand for creditworthy products, supply of tradable assets, and the fixing of a price to those assets). In so doing these mechanisms influence the nature of market operations in producing outcomes quite different from the ideal type of the free market. We will also look at cross-country commonalities and variations in this general pattern.

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The Role of Regulation in Building Markets: The Early Stages of the Regulatory Life Cycle

Understanding the nature and origins of developing or immature regulatory regimes is of interest to students of market construction. The paper argues this aspect of regulatory behaviour can be approached by applying the notion of regulatory life cycles developed over 55 years ago by Marver Bernstein to the area of new regulatory regimes. Drawing on the work of Leiss, Otway and Ravetz, and Hood and Rothstein and their colleagues, the paper develops a framework for analysing the activities of 'infant' or 'juvenile' regulatory regimes. The framework, based on clearer specification of the nature of the tasks, issues and techniques faced, and followed, by regulators immediately after the birth of a regulatory agency or program, helps to understand the range of possible variations in regulatory regimes, the factors driving their evolution and development and the process through which they evolve towards maturity.

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Transnational Private Regulation and the Participation of Civil Society in China: From Worker Support to Business Service Provision

This paper addresses the question on how the development of transnational private regulation of labor standards affects domestic civil society building in China. Along with China's integration into the global economic system the tendency to monitor global supply chains started the development of a new market for CSR certification and practices. While there is a rising amount of research on how CSR standards are applied in Chinese firms, we know relatively little about its implications for the emerging civil society, in particular for labor support organisations. In contrast to other Asian countries civil society in China counts as weak. In particular the situation of labor NGOs counts as precarious in a political environment where independent unions next to the All-China Federation of Trade Unions and its local branches are not allowed. Yet many private modes of transnational labor governance (such as the Fair Labor Association or Social Accountability International) require the participation of societal actors in the implementation of workplace standards. The idea is that their inclusion can contribute to increase the participation of workers in defining and enacting workplace standards. This paper takes a qualitative case study approach to analyse how the engagement with CSR transforms labor support organisations in the Guangdong Province.

My empirical results suggest that an increase in worker participation is not necessarily the actual consequence. Instead I found that transnational private regulation supports the development of a multiplicity of organisational forms, which differ in their degree of *business-orientation* and *worker-orientation*. The different types of organisations portray different logics of labor rights enforcement and labor relations: Business-oriented NGOs focus on providing CSR services to transnational companies Chinese, while worker-oriented organisations stress the participation workers in workplace issues. Both types of organisations are embedded in a political institutional context emphasising economic growth and the contribution of CSR in constructing harmonious labor relations. This context has both enabling and constraining effects on societal organisations. On the one hand it increases the room for maneuver of labor support organisations; on the other hand it also sets further incentives for a business-orientation of these organisations. The paper argues, instead of talking about a democratisation of workplace governance through the interference of

transnational private authority we can see the emergence of what I would call “*contained mutipartism*”. That means labor support organisations do increasingly gain importance in labor relations in Chinese supply chains, but their ability to advance workers interests are contained by both transnational business and the political environment.

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Private Food Standards, Governance and Poverty Reduction in Vietnam

Transnational interests increasingly govern international horticulture markets. While governments still play an important role in representing national interests at international forums such as the World Trade Organisation (WTO), private regulation that remains largely outside the jurisdiction of the WTO maintains a de facto presence through developing and enforcing of certification regimes like GlobalGAP. Managed by a consortium of powerful EU retailers, GlobalGAP is viewed as a governance regime that has redefined market operations in the EU and beyond (Campbell, 2005). For example, GlobalGAP is redefining production standards, labour agreements, certification regimes, and the roles and responsibilities of governments, multilaterals and donors.

A primary concern regarding the growing importance of GlobalGAP is the potential for exclusion of producers from high value markets, especially in developing countries. However those able to demonstrate compliance with market requirements in an open and transparent manner may benefit significantly from competitive market positioning (Henson & Jaffee 2006, Maertens & Swinnen 2006, Maertens & Swinnen 2009, World Bank 2005). Evidence to date suggests that a variety of institutions including donors, multilaterals, development banks, trade organisations and the governments of both developed and developing countries, are required to assist in national building capacity, from the farm right through to the marketplace (FAO 2009).

This paper presents the results of a recent study undertaken in Vietnam. A global value chain framework was used to identify relevant participants and to frame key research questions, while a qualitative approach was taken to data collection. The study was based in Binh Thuan Province, where substantial resources have been focused in an effort to establish the province both as a region that is competitively positioned for markets requiring certification to GlobalGAP, and one that will see substantial increases in farm income into the future. To do so, the Vietnamese National and Provincial Governments, Vietnamese and international research organisations, the World Bank, EU retailer Metro, USAID and AusAID, have focused on establishing GlobalGAP certification capacity for dragonfruit producers and supporting organisations in the province.

As a secondary, and perhaps more important outcome for Vietnam, the Vietnamese Ministry of Agriculture and Rural Development (MARD) has established a national GAP system named VietGAP to underwrite the production of safe fruit and vegetables in Vietnam. Producers in Binh Thuan

certifying to both VietGAP and GlobalGAP have received significant support, however the outcomes for producers are highly varied. Those that have received donor support have been highly successful both in increasing revenue and in penetrating the international dragonfruit market. Others, however, have struggled to meet these standards, even where technical and financial assistance has been forthcoming. This study found that the reasons for this difference are largely rooted in political legacies and differing stakeholder capacity. As a result, many producers may fail to share in the development benefits associated with these changing market governance arrangements.

Dr Jörn-Carsten Gottwald

Chair, East Asian Politics at Ruhr-University Bochum, Germany

Dr Neil Collins

Dean of the Faculty of Commerce, University College Cork, National University of Ireland

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Market Creation by Leninist Means: the Party-State, Private Authority, and the Regulation of Financial Services in the People's Republic China

The People's Republic of China (PRC) is a unique challenge for Western social theory. A Leninist one-party state that has been pursuing market economic reforms for more than three decades should – by all accounts – find itself in dire difficulties. While views on the stability and sustainability of China's Socialist Market Economy differ significantly, an average growth rate of nearly 10% p.a. over 30 years under the guidance of the Communist Party of China raises important question regarding the integration of private property and private authority into a state-dominated economic order.

Within the Chinese transition from a centrally-administered to a more market oriented economy, financial services have played a very special role. Reluctance on the side of the central leadership had long delayed major changes to a state-owned financial system. The Asian Financial crisis of 1997 highlighted the risks of both a further deferral of reforms and a too liberal approach to opening up banks, securities trading and insurances. Therefore, the party-state deliberately developed a strategy to incorporate key elements of the well-established Western model of a regulatory state into the Chinese economic policy in order to develop a modern, increasingly open and efficient financial system. The reform of the central bank and the establishment of technically independent regulatory agencies – the China Banking Regulatory Commission, the China Securities Regulatory Commission, and the China Insurance Regulatory Commission – seemed to lead China down the path of OECD economies. Apparently, the Chinese leadership used 'private' actors and 'independent' experts to reform its financial services.

These policies, however, never fully incorporated the notion of private authority. While on the surface the state withdrew from key areas of economic and supervisory activity and while international financial service providers and regulatory communities were invited to play a vital role in the creation of a Chinese market in financial services, the Communist Party of China strengthened its control of top personnel, the judiciary and the media. Thus, what looked like a Western market economy state turned out to be a Leninist regulatory model.

The mechanisms through which the Chinese leadership managed to bring in external and semi-private internal stakeholders into the policy of market creation deserves close attention as China emerges from the current economic and financial crisis as an alternative model of economic governance. While the perceived stability of its banks and financial services providers has found acclaim among many observers, a closer look indicates substantial deficits, which threaten the long-term sustainability of this approach. The absence of real private actors and an independent judiciary as well as the limits to public scrutiny create ongoing challenges to the future development of financial services. Thus, the PRC becomes an example how precisely the lack of democratisation and a reliable rule of law limit the viability of state-controlled market creation. While private authority poses a threat to the CCP monopoly on political power, the attempt to use only semi-private organisations to develop financial markets undermines the long-term stability of the political and economic order.

Dr Katsuhiko Sasuga

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The Rise of the Chinese and Indian Automobile Industries: The Strategic Relationships Between Local Governments and the Private Sector

This paper seeks to analyse the rapid development of the Chinese and Indian automobile industries and the emergence of cross-border networks in order to reveal a multi-scalar phenomenon in the developing market in Asia. One of the striking changes occurring in the global economy is the sharp rise in automobile production and sales, particularly in the newly industrialising countries such as China and India. However, the tendency in analyses to concentrate on formal procedures and state-market dichotomous perspectives does not give us the whole picture of how the globalising automobile industry is evolving. Closer examination of economic relations at the production and sales levels reveal that, in addition to central governments, local governments have been more widely active in local business environments in order to facilitate the market, playing an indispensable role in pushing their own regions to a higher level of industrial modernisation.

The paper examines the role of local governments in creating institutional settings for building markets through analysing the various interactions with the leading multinational automobile corporations from European, the U.S., Japan and South Korea, as well as with the local automobile sectors in China and India. It attempts to understand the nature and characteristics of the dynamics of interacting operational and regulatory networks comprising both of individuals and collectives, as well as the roles of public and private sectors pursuing common strategic goals. This study illustrates the key roles of different levels of government in China and India through intensive case studies.

The rise of the Chinese and Indian automobile industries cannot be understood independently of the global shifts in the automobile industry—involving the production, distribution and marketing of complete vehicles and components—and the strategic institutional settings at the local level can be seen as one of the most significant developments in the building of markets across the regions and countries in Asia.

Workshop Programme

Regulation, Private Sector Authority and Market Building in Asia

Singapore, October 26-28, 2011

Wednesday 26 October

6.00/6.15 Transport for guests staying at Moon Hotel to NUS Bukit Timah Guild House – 6.00 (hotel lobby)

Transport for guests staying at Raffles Town Club to NUS Bukit Timah Guild House – 6.15 (hotel lobby)

For guests making their own way to dinner please note that the NUS Bukit Timah Guild House located at the NUS Bukit Timah Campus (BTC) NOT at Kent Ridge. The address is: 1F Cluny Road (on the Bukit Timah Campus itself)

6.30-9.00 Welcome Dinner for Workshop Participants, NUS Bukit Timah Guild House

(Transport for international participants back to hotels to be provided)

Thursday 27 October

8.30/8.45 Transport for guests staying at Moon Hotel to Lee Kuan Yew School of Public Policy - LKYSPP – 8.30 (hotel lobby)

Transport for guests staying at Raffles Town Club to LKYSPP – 8.45 (hotel lobby)

9.15 – 9.40 Registration, tea and coffee (small snacks provided), Li Ka Shing Building, Seminar Room 1-1.

9.40 – 9.45 Welcome by Executive Vice-Dean Stavros Yiannouka, LKYSPP

9.45 – 10.00 Welcome remarks/opening of the workshop/overview of the workshop programme (Darryl Jarvis and Toby Carroll)

Session 1 – 10.00 – 12.00

Theorising the Regulatory Moment as an Instance of Market Building

Chair & Discussant: Dr Darryl Jarvis, Associate Professor, LKYSPP, NUS

	AUTHOR(S)	PAPER
Paper 1	Professor Colin Scott Dean of Law and Professor of EU Regulation and Governance, University College Dublin	Beyond Taxonomies of Private Sector Authority in Transnational Regulation
Paper 2	Mr Mike Dowdle Visiting Associate Professor, Law, National University of Singapore	The Delusions of Agency: How Markets build Regulation rather than the Other Way Around
Paper 3	Professor Paul Cammack Department of Asian and International Studies City University	Varieties of Private Sector Governance in Asia
Paper 4	Professor Michael Howlett Burnaby Mountain Chair, Department of Political Science, Simon Fraser University	The Role of Regulation in Building Markets: The Early Stages of the Regulatory Life Cycle
Paper 5	Dr Lena Rethel Assistant Professor of International Political Economy, University of Warwick (presenter) Dr Timothy J. Sinclair Associate Professor of International Political Economy, University of Warwick (presenter)	Innovation and the Entrepreneurial State in Asia: Mechanisms of Bond Market Development

12.00 – 1.30: LUNCH

Venue: Bukit Timah Guild House, NUS Bukit Timah Campus.

Session 2 – 1.30 – 3.30

Market Building and Infrastructure

Chair & Discussant: Dr Richard Leaver, Reader in International Relations, Flinders University

	AUTHOR(S)	PAPER
Paper 1	Dr Eric Strahorn Associate Professor of History Florida Gulf Coast University	The Tentative First Steps in the Creation of a Himalayan Hydroelectricity Market Between Bangladesh, Bhutan, India, and Nepal
Paper 2	Dr Prodyut Dutt Principal Transport Specialist Asian Development Bank, India Resident Mission	Public Policy and Market Building: Container Operations at Colombo Port in Sri Lanka
Paper 3	Dr Tess Cruz-del Rosario Visiting Associate Professor, LKYSPP, NUS	The Protectors of Capital and Constitutionality: Legal Firms and Megaprojects in Asia
Paper 4	Mr Pornchai Wisuttisak Lecturer in Faculty of Law, Chiang Mai University and Ph.D Candidate, University of New South Wales	The Rise of PPPs and Big Government in ASEAN: The Consideration of Competition Law and Policy

Tea and coffee break (small snacks provided) – 3.30-4.00

Session 3 – 4.00 – 5.45

Regulation and Standards as Market Building (1)

Chair & Discussant: Professor Michael Howlett, Burnaby Mountain Chair, Department of Political Science, Simon Fraser University

	AUTHOR(S)	PAPER
Paper 1	Dr Karolina Zurek Senior Researcher in Law, Swedish Institute for European Policy Studies (presenter)	Disembedding Food Markets in Asia – Private Organisations as Transmitters of Western Concept of Risk Through Promotion of International Food Standards
Paper 2	Dr Qian Forrest Zhang School of Social Science Singapore Management University (presenter) Dr Zi Pan Assistant Professor, School of Public Economics and Administration, Shanghai University of Finance and Economics	Restructuring of the Vegetable Retail Market in Urban China: The Case of Shanghai
Paper 3	Ms Rebeka Tennent PhD Candidate, The Australian National University (presenter) Professor Stewart Lockie Head, School of Sociology, The Australian National University	Private Food Standards, Governance and Poverty Reduction in Vietnam
Paper 4	Judge Mia Mahmudur Rahim Ph.D Candidate, Macquarie Law School, Macquarie University	Meta-regulation Approach of Corporate Regulation: A Strategy to Include ‘Social Responsibility’ at the Core of Corporate Self-Regulation
Paper 5	Ms Francesca Cerletti Ph.D Candidate, Business, Environment & Society Faculty, Coventry University	Corporate Engagement in Complex Environments: The Role of TNC in Emerging Markets

DINNER 6.30 -

Venue: Blue Ginger Restaurant (transport from LKYSPP to restaurant and return transport to hotel provided)

Friday 28 October

Transport for guests staying at Moon Hotel to LKYSPP – 8.00 (hotel lobby)

Transport for guests staying at Raffles Town Club to LKYSPP – 8.15 (hotel lobby)

Tea and coffee 8.30-8.40

Session 4 – 8.40 – 10.10

Regulation and Standards as Market Building (2)

Chair & Discussant: Dr Heloise Weber, Senior Lecturer, University of Queensland

	AUTHOR(S)	PAPER
Paper 1	Ms Nadira Lamrad Department of Asian and International Studies, City University	Manufacturing Governance
Paper 2	Ms Sabrina Zajak Research Fellow, Humboldt University	Transnational Private Regulation and the participation of Civil Society in China: From Worker Support to Business Service Provision
Paper 3	Dr Huong Ha Lecturer, University of Newcastle	The Role of the Private Sector in “the Three-Sector Governance Model” for Economic Growth: The Case of Singapore
Paper 4	Professor Yu Jianxing School of Public Affairs, Zhejiang University Dr Wu Xun Associate Professor, Lee Kuan Yew School of Public Policy, National University of Singapore (presenter) Mr Shen Yongdong PhD candidate, School of Public Affairs, Zhejiang University	Business Associations and Industrial Upgrading in China

Tea and coffee break (small snacks provided) – 10.10-10.25

Session 5 – 10.25 – 12.30

Investment, Finance and Market Building

Chair & Discussant: Professor Paul Cammack, City University, Hong Kong

	PRESENTER	PAPER
Paper 1	<p>Dr Jörn-Carsten Gottwald Chair, East Asian Politics at Ruhr-University Bochum, Germany</p> <p>Dr Neil Collins Dean of the Faculty of Commerce, University College Cork, National University of Ireland (presenter)</p>	Market Creation by Leninist Means: the Party-State, Private Authority, and the Regulation of Financial Services in the People's Republic China
Paper 2	<p>Dr Pramod Kumar Yadav Assistant Professor, Finance and Public Policy, Adani Institute of Infrastructure and Management</p>	Virtuous Capital: Venture Capital, Private Equity and Entrepreneurial Finance in India
Paper 3	<p>Dr Luke Hsiao Associate Professor Department of Public Policy and Management, I-Shou University (presenter)</p> <p>Dr Jesse Yu-Chen LAN Assistant Professor Department of Public Policy and Management, I-Shou University (presenter)</p>	Coping with Changing Market Across the Strait: Taiwanese Entrepreneurship After ECFA
Paper 4	<p>Ms Robyn Klinger-Vidra Candidate, Ph.D / Mphil Candidate, LSE</p>	Building a VC Market in Vietnam: VC Policy Lessons from Europe and Asia
Paper 5	<p>Dr Luke Nottage Associate Professor, University of Sydney Law School</p>	The Rise and Possible Fall of Investor-State Arbitration in Asia

LUNCH 12.30- 2.00

Venue: Bukit Timah Guild House, NUS Bukit Timah Guild House

Session 6 – 2.00 – 4.00

Market Building, Trade and Industry

Chair & Discussant: Mr Mike Dowdle, Visiting Associate Professor, Law School, NUS

	PRESENTER	PAPER
Paper 1	Dr Richard Leaver Reader in International Relations, Flinders University	Long-Distance Trade in Iron Ore: Institutionalisation, De-institutionalisation and Market Stability
Paper 2	Dr Alexandra Guaqueta Lecturer, School of International Studies, Flinders University	Harnessing Corporations: Lessons from the Voluntary Principles on Security and Human Rights in Colombia and Indonesia
Paper 3	Dr Alberto Asquer Lecturer, Faculty of Economics, University of Cagliari	Reconstructing the Silk Road: The Role of Chambers of Commerce Abroad in the Development of Asian Markets
Paper 4	Dr Judith Clifton Senior Lecturer in Applied Economics, University of Cantabria (presenter) Dr Daniel Díaz-Fuentes University of Cantabria Dr Marcos Fernández, Research Fellow, Department of Economics, University of Cantabria Dr Julio Revuelta, Assistant Lecturer and Doctoral Candidate in Applied Economics, University of Cantabria	Constructing Markets in Basic Public Services: European Multinationals in Asia
Paper 5	Dr Katsuhiro SASUGA Associate Professor of Department of International Studies, Tokai University	The Rise of the Chinese and Indian Automobile Industries: The Strategic Relationships Between Local Governments and the Private Sector

Tea and coffee (small snacks provided) 4.00-4.15

Session 7 – 4.15 – 5.45

Market Building and the Reconceptualisation of Sustainable Development

Chair & Discussant: Dr Toby Carroll, Senior Research Fellow, CAG, LKYSPP, CAG

	PRESENTER	PAPER
Paper 1	Dr Heloise Weber Senior Lecturer in International Relations and Development Studies, School of Political Science and International Relations, University of Queensland	Microfinancing Poverty in Asia: On the Limits of 'Market Society'
Paper 2	Dr Janelle Knox-Hayes Assistant Professor, School of Public Policy, Georgia Institute of Technology (presenter) & Ms Shan Zhou, Graduate Student, School of Public Policy, Georgia Institute of Technology	The Financial Construction of Environmental Markets in Asia: Exploring the Shifting Authority of Public and Private Agencies
Paper 3	Dr M. Ramesh Chair Professor of Governance and Public Policy, Hong Kong Institute of Education (presenter) Dr Wu Xun Associate Professor, LKYSPP, NUS (presenter) Mr Azad Singh Bali, Ph.D Student, Lee Kuan Yew School of Public Policy (presenter)	Creating Healthcare Markets in China and Vietnam: Lessons
Paper 4	Mr Anshul Panchouri Senior Researcher, Institute of Competitiveness (presenter) Dr Amit Kapoor Honourary Chairman, Institute of Competitiveness Mr Sandeep Goyal Ph.D Candidate, Management Development	Rural Market Development in India and New Business Models: Fostering Social Inclusion and Sustainable Growth

	Institute	
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Concluding discussion – Darryl Jarvis and Toby Carroll – 5.45-6.00
Transport to hotel for participants – 6.10

END OF PROGRAMME

Emergency Contact Details

Toby Carroll – (+65) 9112 8807
Darryl Jarvis – (+65) 9181 6499

Regulation, Private Sector Authority and Market Building in Asia workshop participants



Front row (left to right): Mia Mahmudur Rahim, Prodyut Dutt, Robyn Klinger-Vidra, Janelle Knox-Hayes, Judith Clifton, Karolina Zurek, Rebeka Tennent, Alexandra Guaqueta, Francesca Cerletti, Neil Collins

Second row (left to right): Toby Carroll, Darryl Jarvis, Anshul Panchouri, Wu Xun, Katsuhiko Sasuga, Nadira Lamrad, Luke Hsiao, Jesse Yu-Chen Lan, Eduardo Araral

Third row (left to right): Eric Strahorn, Colin Scott, Lena Rethel, Luke Nottage, Heloise Weber, Sabrina Zajak, Paul Cammack, Alberto Asquer, Mike Dowdle

Back row (left to right): Richard Leaver, Timothy Sinclair, Pramod Kumar Yadav, Michael Howlett

CALL FOR PAPERS – NEW APPROACHES TO BUILDING MARKETS IN ASIA (PHASE 3)

CITIZENS, CIVIL SOCIETY AND THE POLITICS OF ‘MARKET BUILDING’ IN ASIA

In early 2010, the Centre on Asia and Globalisation at the Lee Kuan Yew School of Public Policy, National University of Singapore, launched a research project entitled ‘New Approaches to Building Markets in Asia’. The project constitutes a theoretically and empirically-oriented investigation of the different actors and processes related to ‘building’ markets in a particular (neoliberal) image under late capitalism in Asia. The project currently involves more than 70 scholars from a range of disciplines from around the globe. The first publications stemming from the project are currently in production. More information about the project can be found at: <http://www.caglkyschool.com/node/40> . Those interested in knowing more about the project should consult the project dossier located at this link.

The project organisers are now soliciting paper proposals for a workshop to be held in Singapore for phase 3 of the project: ‘Citizens, Civil Society and the Politics of “Market Building” in Asia’. As with earlier phases of the project, this phase is centred upon the production of a special issue of a top-tier journal and an edited volume with a major academic publisher. The workshop will be held from February 23-24, 2012, at the Lee Kuan Yew School of Public Policy, National University of Singapore. Subject to approval of a paper proposal, limited funding has been secured to support workshop participants (*economy class airfare, accommodation, per diem*).

Phase 3 Research Focus: Citizens, Civil Society and the Politics of ‘Market Building’ in Asia

The term ‘citizen’ is often closely associated with ‘civil society’, with the latter now seen by many scholars as a political sphere of activity distinct from the state and market. This sphere is often conceptualised as home to myriad forms of collective action where citizens represent, articulate and mobilise around various interests. To this end, liberal theorists have focused upon civil society as playing an important positive role in terms of representation and accountability within modern systems of governance. However, relatively recently, notions of citizenship and civil society have shifted within popular discourse, with policy makers and some social scientists portraying civil society in a manner that sees it intimately related to the establishment of *market society* – the realisation of an idealised liberal market order ostensibly ‘beyond politics’. Here, civil society is envisaged as a crucial ‘third sector’ to both build and compliment ‘enabling states’ and markets for expanding entrepreneurial activity and economic growth.

However, the reality is more complex than either of these caricatures suggest. Indeed, an increasingly multifarious reality is evident in which non-state actors of many shapes (activist groups, think tanks, advocacy coalitions, philanthropic foundations, public policy networks, private regimes of voluntary codes and associations etc.) operate at different levels – local, national, global – across and within classic political and geographical boundaries.

To put this in context, imagine a large oil pipeline project envisaged as part of a regional development strategy supported by a multilateral development bank. This project is sold on the basis of contributing to growth and national development but, more than this alone, is pitched along with a set of processes and actors that is becoming increasingly normalised.

The project might require changes to national laws regarding land use and property rights. It might also necessitate the establishment of an oil fund as an attempt to avoid corruption and the 'resource curse', with independent NGOs brought in to maintain accountability. A new regulatory (oversight) body might need to be established. The project will inevitably require the application of social and environmental safeguards. In many cases private co-financing partners involved in such a project will also be bound to apply voluntary codes – such as the Equator Principles – that require independent monitoring and evaluation of the project and the existence of grievance mechanism. International and domestic NGOs and consultants will be engaged, directly and indirectly, to work on many of these elements. Even before the project has reached the drawing board, many non state actors – think tanks, industry groups and so on – have already played important roles in operationalising agendas and principles of engagement that now will now apply to this project and others like it. However, at the same time, less amenable NGOs and activist groups might make the case at the national and global levels that the project will be environmentally destructive and/or serve to empower a patrimonial elite, stifling voice and representation. Farmers might complain that their access to land was removed without due consideration and without real recourse, with their interests subordinated to proponents of the project. Strategies ranging from advocacy to active struggle will operate.

Seen in this last light, rather than being some ideal sphere of accountability or simple 'functional' utility to technocratic policy makers, civil society has more in common with Gramsci's conception of it – a contested zone crucial to determining politico-social hegemony. This begs questions regarding the nature and form of the involvement of non-state actors in the market-building project in Asia, not to mention the social and political impact of such incorporation. It also points to questions of resistance to these processes.

Workshop Focus

Given all of the above, contributions to the *Citizens, Public Participation and the Politics of 'Building Markets' in Asia* workshop will address an overarching research question: **What roles are various actors within civil society (citizens, activists, social movements, NGOs, philanthropic foundations, think tanks, public policy networks, private regimes, etc.) playing under late capitalism in Asia in the project to build markets in a particular image?** This question opens up myriad possibilities for important Asia-focused contributions relating to issues of representation, citizenship, public policy and inequality. However, at a minimum, all papers must cover issues of relevance to the overarching question.

Papers appropriate for the workshop should demonstrate recognition of the existing debates on civil society, market/institution building, market society/market citizenship and neoliberalism more broadly. There is a preference for original studies from across the social sciences.

Submission Process

- Paper title and abstract: 250-500 words
- Short biography
- Submission deadline: 31 October 2011
- Submit materials and enquiries to tcarroll@nus.edu.sg

Paper Submissions

- Paper submissions due not later than February 15, 2012
- Paper length: 7-9000 words
- Citation style: in-text Harvard system

NEW APPROACHES TO BUILDING MARKETS IN ASIA SEMINAR SERIES

October 2010-March 2012

For over thirty 30 years now, a project has been underway to construct market societies globally. Taking root in the underdeveloped world in the form of World Bank and International Monetary Fund structural adjustment programmes, the project to build market societies in a particular image was given new impetus with the fall of the Soviet Union and the Asian Crisis.

However, since its inception, the project has been hotly contested and has undergone important changes. Challenges from citizens and problems with implementation and development results have seen the project to constitute market societies evolve significantly. New modes of participation and consultation have been woven into the efforts of multilateral organisations and those that receive their funds. Novel risk mitigation partnerships have been formed between the likes of the International Finance Corporation (IFC), companies and their financiers. Specific regulatory institutions are promoted to govern public-private partnerships in water and energy.

In essence 'the common sense' of contemporary development policy practice now hangs around the market building project. Yet, despite all this, problems of development remain plentiful. Independent regulatory structures prove hard to build and maintain, the dictates of good governance hard to realise, and growth, if present, regularly takes on a particularly pernicious form.

Subsequently, the New Approaches to Building Markets in Asia seminar series asks pointed questions of the market building project. For example, what new roles are multilateral organisations, such as the IFC and the Multilateral Investment Guarantee Agency, playing in Asia? What new relationships are created by the market building project and what do these mean for citizens, private interests and policy makers? What are the ideological and practical implications of the market building project? What challenges exist to the market building project and how can they be resolved?

The seminar series seeks to draw in both established researchers with theoretical and empirical expertise in elements of the market building project and postgraduate students and early career researchers interested in the topic. Seminar presenters are expected to present a paper that can be published in an edited volume or special edition of a leading journal as part of the New Approaches to Building Markets in Asia research project.

Successful submissions will receive return economy airfare to Singapore, three nights' accommodation and a modest per diem.

Interested researchers should send an abstract of no more than 100 words to Dr Toby Carroll, tcarroll@nus.edu.sg.

The series will run from October 2010 through to March 2012.

LIST OF SEMINAR SPEAKERS

JUNE 20, 2011, LEE KUAN YEW SCHOOL OF PUBLIC POLICY

Commodification of Indonesian forests: from timber to palm oil

Dr Paul Gellert

Associate Professor of Sociology, University of Tennessee-Knoxville, Senior Fulbright Scholar and Visiting Professor in the Department of International Relations of Paramadina University, Jakarta

Chair: Dr Toby Carroll, Senior Research Fellow, Centre on Asia and Globalisation, Lee Kuan Yew School of Public Policy, NUS.

SYNOPSIS

The most important forest transformation occurring in Indonesia in recent years is the pressure from commodification. For several decades, logging for plywood and pulp and paper have been the dominant agents of change in the forests. Importantly, regional and global markets for two other commodities – coal and palm oil – have increased pressure towards conversion of Indonesia's forests. In the case of palm oil, the World Bank is once again playing a key role in “facilitating investment” in a sector that is booming and by all accounts, should not need the imprimatur of the World Bank to thrive. Nonetheless, after a two-year hiatus to reconvene a new palm oil strategy, in March 2011 the World Bank launched its “re-engagement” with lending in the palm oil sector within the rubric of a new framework on palm oil investment. The hiatus had been sparked by civil society protests, particularly NGO action complaining against the World Bank for violations of its own policies in supporting one company's investments. In preparing to re-engage, many of the critical voices were incorporated through a multi-country public consultation process that the Bank imposed on itself. (A similar process occurred to prepare a new Bank forestry policy.) In the end, the option of the World Bank *not* re-engaging with the booming palm oil sector was not seriously considered – except, ironically by Malaysian business sector detractors. Contentiously, the Bank offers national-level econometric data to promote palm oil as part of its ‘poverty alleviation’ strategy. The palm oil sector is thereby legitimized within World Bank discourse because it “generates more jobs per hectare than other large scale farming operations”. Serious contradictions on the ground, including who is displaced and who obtains the new jobs as the multi-million hectare palm oil expansion continues in Indonesia, are not adequately addressed by this re-engagement.

MARCH 31, 2011, LEE KUAN YEW SCHOOL OF PUBLIC POLICY

The Political Economy of Venture Capital (“VC”) Policy

Robyn Klingler-Vidra

M.Phil./Ph.D. Candidate at the London School of Economics

Chair: Dr Mika Purra, Lee Kuan Yew School of Public Policy, NUS

SYNOPSIS

The venture capital (“VC”) industry has played an essential role in technological innovation. By providing the capital and operational expertise needed for the growth of high-risk projects, VCs help drive economic competitiveness, growth and employment. As a result of the VC industry's impact, beginning in the 1980s, industrial policies were deployed in over twenty countries with the objective of creating a local VC market. Despite the commonality of the VC policy's goal, heterodoxy persists in VC policies across countries as governments have been direct or indirect financiers of VC and entrepreneurship, discounted tax providers, facilitators of enabling legal environments or

international matchmakers. The variances in these VC policies have impacted the form, size and success of domestic VC industries. The lecture argued that this variance in VC policy is the result of state-industry institutional arrangements established during the growth of domestic technology industries between the 1960s and 1980s. The case studies examined were Israel, Finland and Singapore.

NOVEMBER 3, 2010, LEE KUAN YEW SCHOOL OF PUBLIC POLICY

The Clash of Corporate Responsibility and Asian Oil Security: India's National Oil Company in Sudan

Luke Patey

Danish Institute for International Studies

Chair: Sumi Dhanarajan, Centre on Asia and Globalisation, Lee Kuan Yew School of Public Policy, NUS

SYNOPSIS

The 1990s witnessed a surge in international campaigning for corporations to improve their social and environmental impacts. The operations of extractives companies in resource-rich but impoverished, conflict-affected countries often came under fire. In Sudan, while western oil companies were leaving in face of activist campaigns condemning their activities due to the detrimental influence oil development on a long-standing civil war, Asian national oil companies were expanding their presence. Less under the spotlight and driven by the ever-rising demands for natural resources, such companies appear to be less amenable to civil society pressures. Has Asian oil security become a counter-weight to the corporate responsibility agenda? This seminar tackles this question by exploring the case of India's national oil company's presence in Sudan.

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NEW APPROACHES TO BUILDING MARKETS PUBLICATIONS

EDITED VOLUMES

Public Organisations and the Market Building Push in Asia, (Palgrave-MacMillan, forthcoming 2012), part of the series Studies in the Political Economy of Public Policy (edited by Toby Carroll, M Ramesh and Darryl Jarvis).

SPECIAL ISSUES OF JOURNALS

Public Organisations and Market Building in Asia, special issue of *Journal of Contemporary Asia* (forthcoming, issue 2, 2011).

Toby Carroll	'The Latest Push to Constitute Capitalism on a Truly Global Scale: Cases of "Market Building" in "Frontier" and "Emerging Markets" in Asia'
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SRSS (2010), Toby Carroll	International Organisations and New Approaches to Constituting Markets in Asia – Mapping Themes, Identifying Cases, Building a Research Network	SGD\$15,000
AcRF (2011), Darryl Jarvis, Toby Carroll and	Private Sector Authority and Market Building in Asia	SGD\$40,000
SRSS (2011), Toby Carroll	Public Organisations and New Approaches to Building Markets in Asia: Expanding Research Cases, Expanding the Research Network	SGD\$15,000
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