

Contents

<i>Foreword</i>	<i>xvii</i>
<i>Preface</i>	<i>xix</i>
<i>Acknowledgments</i>	<i>xxv</i>
<i>Contributors</i>	<i>xxvii</i>
<i>Abbreviations</i>	<i>xxx</i>

Section I Context and concepts: density, distance, and division 1

1 Regional integration, agglomeration, and income distribution in East Asia 1

Nobuaki Hamaguchi

Production networks in East Asia 4

Regional income inequality 11

Discussion 14

Notes 15

References 16

Annex: Data for analysis of the China-Japan border effect 18

2 Geography of cluster-based industrial development 19

Keijiro Otsuka and Tetsushi Sonobe

A theory of cluster-based industrial development 20

Evidence from case studies 22

Evidence of changing industrial locations 25

Policy implications 30

Notes 30

References 31

3	Rural clustering at incipient stages of economic development: hand-weaving clusters in Lao PDR	33
	<i>Akihiko Ohno</i>	
	Market segregation at an incipient stage of development	34
	Hypotheses on the emergence of traders	35
	Profile of the Lao PDR hand-loom industry	36
	Marketing and contractual arrangements	37
	Weaving clusters and traders	40
	Decline of trust	44
	Retailers as urban-based traders	45
	Conclusions	45
	Notes	46
	References	46
4	Spatial networks, incentives, and the dynamics of village economies: evidence from Indonesia	48
	<i>Futoshi Yamauchi, Megumi Muto, Reno Dewina, and Sony Sumaryanto</i>	
	Data	49
	Descriptive analyses	50
	Empirical framework	58
	Empirical results	59
	Policy discussion	63
	Conclusions	63
	Notes	64
	References	64
5	The Iskandar Development Region and Singapore	66
	<i>Manu Bhaskaran</i>	
	Background	66
	Key factors driving the relationship between the two regions	67
	Potential synergies between Singapore and the IDR	71
	The way forward	75
	Conclusion: can these obstacles be overcome?	78
	Notes	78
	References	78
6	Spatial integration and human transformations in the Greater Mekong subregion	79
	<i>Jonathan Rigg and Chusak Wittayapak</i>	
	The GMS: an idea becomes a subregion	79
	Openness, progress, and inequality in the GMS	81

Scales and sites: the empirics of spatial transformations in the GMS	83
Agents, agency, and impacts of spatial transformation in the GMS	86
Policies and politics of spatial transformation	92
Notes	95
References	96

Section II Southeast Asia: Vietnam, the Philippines, Indonesia, and Thailand 100

7 Rural development and issues in Vietnam: spatial disparities and some recommendations 100

Dang Kim Son

Current spatial disparities and policy issues	100
Disparities between rural and urban areas	101
Regional disparities	103
Causes of disparities	109
Recommendations	112
Notes	113
References	113

8 Economic geography of Indonesia: location, connectivity, and resources 115

Hall Hill, Budy P. Resosudarmo, and Yogi Vidyattama

Economic geography	116
Regional economic growth and change	121
Regional inequality and convergence	125
Conclusions	132
Notes	133
References	134

9 Spatial considerations on decentralization and economies of concentration in Indonesia 135

Francisco Javier Arze del Granado

Decentralization of expenditures, urban-to-rural migration, and urban density in congested regions	136
Agglomeration economies	143
Room for further decentralization and policy implications	146
Conclusions	148
Notes	149
References	151

Annex: Definition of the variables and estimation results 154

10 Spatial agglomeration, firm productivity, and government policies in Indonesia: concentration and deconcentration in the manufacturing sector 156

Ari Kuncoro

Evolution of the manufacturing industry's spatial configuration in Java 156

Choice of firm location 158

Empirical methodology: externalities and firm decentralization 162

Results 164

Conclusions 166

Notes 167

References 168

11 Spatial disparities and development policy in the Philippines 169

Arsenio M. Balisacan, Hal Hill, and Sharon Faye Piza

Regional development patterns 171

Determinants of local growth and poverty reduction 177

Conclusions 179

Notes 180

References 181

Annex: Determinants of growth and poverty reduction in the Philippines: descriptive statistics 183

12 Spatial disparities in Thailand: does government policy aggravate or alleviate the problem? 184

Nitinant Wisaweisuan

Growth and spatial disparities 185

Explaining spatial disparities 186

Attempts to alleviate the problem 190

Conclusions 194

Notes 194

References 194

Section III Northeast Asia: China and the Republic of Korea 196

13 Reshaping economic geography in China 196

Yukon Huang and Xubei Luo

China's historic and geographic legacy 196

Accelerating growth: coordinating structural, incentive, and fiscal policies 198

Spatial factors and government policies: growth and equity implications 199

Looking to the future 213

Notes 216

References 216

14 The political economy of government policies toward regional inequality in China 218

Yang Yao

Regional disparities in China 218

The path to the uneven development model 223

Preferential government policies and economic geography 226

Recent government initiatives to reduce regional disparities 230

Alternative ways to address regional disparities 235

Conclusions 238

Notes 238

References 238

15 Is China sacrificing growth when balancing interregional and urban-rural development? 241

Zhao Chen and Ming Lu

Industrial agglomeration and city development 242

China's urban-rural and interregional development: is there a tradeoff between efficiency and equality? 247

Interregional and urban-rural economic development: policy adjustment and fiscal transfer 250

Conclusions and policy implications 253

Notes 255

References 255

16 Industrial agglomeration and economic performance in transitional China 258

Canfei He

Theoretical understanding of industrial agglomeration in China 258

Industrial agglomeration and industrial specialization in China 261

Industrial agglomeration and labor productivity in China 273

Industrial clusters in China: a county-level analysis 277

Conclusions 279

Note 280

References 280

17 Capital allocation, regional specialization, and spillover effects in China 282

Chong-En Bai and Xu Lin

Returns to capital across provinces	283
Regional specialization	285
Spatial factors behind productivity growth	289
Conclusions	291
Notes	292
References	292

18 Coastal China's urban-rural spatial restructuring under globalization 294

Yue-man Yueng and Jianfa Shen

Guangdong and the Pearl River delta	296
Shanghai and the Yangtze River delta	304
The Bohai Bay region	310
Conclusions	315
Notes	317
References	317

19 A history of the Republic of Korea's industrial structural transformation and spatial development 320

Sam Ock Park

Industrial policies, structural changes of industry, and spatial transformation	321
Spatial development and change	327
Policy implications	334
Note	336
References	336

Section IV Conclusion: lessons from experience

20 Lessons from experience: reshaping economic geography in East Asia 338

Yukon Huang and Alessandro Magnoli Bocchi

Context: the rise of regionalism and the role of production-sharing networks	338
Accompanied by increasing disparities	339
The new economic geography	339
Vietnam and Lao PDR: emerging spatial patterns at low income levels	341

Indonesia, the Philippines, and Thailand: diverse settings and varied outcomes in three middle-income ASEAN countries	342
China: agglomeration, rapid growth, and major spatial consequences	346
Korea: from developing to developed status and eventual equalization in living standards	349
Lessons learned	350
Notes	356
References	357
Index	359