The purpose of this article is to clarify the development process of the Taiwanese thin-film transistor liquid crystal display (TFT-LCD) industry. This examination takes the form of a comparative analysis with the Taiwanese semiconductor industry because both feature high-value-added electrical devices, and many similar characteristics can be found in the production processes of the two industries.

With respect to the Taiwanese semiconductor industry, many previous studies have concluded that the Taiwanese government played a major role in the initial stages of development. The initial investment in a process industry such as semiconductors is usually accompanied by great risks. Hence, it is difficult for a private company to enter and invest individually. It is, therefore, reasonable to assume as an a priori hypothesis that the Taiwanese government played a pioneering role in the development process of the country’s TFT-LCD industry.

However, through this analysis, it has become apparent that the development process of the Taiwanese TFT-LCD industry has been quite different from that of the semiconductor industry.

First, initial production basically depended on technology transfers from Japanese companies. Furthermore, the process of upgrading production facilities and subsequently reinforcing the support industries was also promoted by Japanese companies. For instance, production technology transferred to Taiwan has become more advanced and sophisticated, and upstream processes such as the manufacture of color filters, polarizers, and driver integrated circuits were also transferred from Japanese companies. In other words, the commitment of Japanese companies has been responsible for the consolidation of the production base of the Taiwanese TFT-LCD industry.

An analysis of the background to the activities of these Japanese companies shows that on each occasion they had business objectives, and their involvement with Taiwan provided a way to achieve these objectives.

For example, in the late 1990s, a sharp reduction in TFT-LCD prices compelled Japanese companies with high cost structures to reduce their production costs. At the same time, some of these companies were trying to develop new technologies (low-temperature polysilicon [LTPS] TFT-LCD) and had to raise funds. Consequently, TFT-LCD production technology was transferred from Japanese companies to Taiwan at this time.

In 2000, most of the Japanese companies had to restructure because the collapse of the IT bubble had damaged their income. In the face of such a recession, it was impossible for them to plow capital investment into TFT-LCDs, though this was necessary to maintain their competitive advantage over Korean companies such as Samsung. Instead, they adopted the alternative business strategy of upgrading technology transfers to Taiwan and delegated capital investment to Taiwanese companies.

Meanwhile, the role of the Taiwanese government has been secondary in the development process. There was no regulation or policy aimed exclusively at the TFT-LCD industry. Furthermore, research and development at the Industrial Technology Research Institute (ITRI) did
not lead to commercial production of TFT-LCDs in Taiwan.

There are three reasons why the TFT-LCD sector was considered less seriously by the government. First, the ripple effects of the TFT-LCD industry in the economy are smaller than those of the semiconductor industry. Second, the technical characteristics of TFT-LCDs involve a greater investment risk. Third, the bond between the Taiwanese government and overseas Chinese in Silicon Valley is comparatively useless because R&D in TFT-LCDs was not so popular in the United States.

Hence it can be seen that the Taiwanese TFT-LCD industry increased its strength and developed due to the commitment of Japanese companies. This genealogy of development is quite different from the Taiwanese semiconductor industry, in whose initial stages the Taiwanese government played a pioneering role.

**SUMMARY**

An Economic Analysis of Employment Selection by Rural Married Females in Coastal China
— The Case of Daishan County, Zhejiang Province —

LE Junjie

Rural married females are seriously disadvantaged with regard to employment by a number of factors, including their age, household structure, social environment, etc. When considering how to increase the income of rural households, rural married females, who constitute a large potential workforce, could play a significant role. Thus, it is important to examine the factors affecting the employment of rural females. To do this, we used data collected from a field survey taken at Daishan County, Zhejiang Province, China at the end of 2002. The main aims of this paper are: (1) to elucidate the employment situations and aims of rural married females in a Chinese coastal region; and (2) to examine the factors that determine the employment choices these women make, i.e. not-employed, employed, and self-employed. We obtained three empirical results.

(1) Only half of rural married females in the coastal region studied are working; this is a relatively low proportion. Furthermore, the proportion of employed rural females working in secondary industries is relatively large, compared with the male population.

(2) Most unemployed rural females are willing to work. Furthermore, rural married females work mainly for economic reasons, i.e. to augment household income. When choosing employment, they place most emphasis on the stability of income and job, though this has diversified.

(3) Two other factors increase the possibility of rural married females working: human capital (i.e. an education level more than high school, with some kind of skill or qualification) and household situation (the possession of cultivated land and a relatively low income from other household members). However, these factors have different effects depending on whether the rural married females are employed or self-employed. Furthermore, the occupation of their husbands has a significant impact on the employment choices of rural married females. If a husband is employed or without any job, rural married females will be more likely to work. If
a husband is self-employed, rural married females will be more likely also to be self-employed. The regression results of employment selection show that those rural married females who have high education levels (i.e. senior high school and above), and job skills and qualifications, are more likely to be employed. Thus, if a local government wants to improve the employment situation of rural females, it should raise the educational level of rural females and promote the acquisition of job skills and occupational training. The human capital investment of rural females holds the key to increasing the income of rural households.

SUMMARY

The Foundation of the Singapore Chinese Chamber of Commerce in 1906
— An Attempt to Offer Security for Investments in the Homeland —

Kaori SINOZAKI

It is widely believed that the Chinese government initiated the foundation of the Singapore Chinese Chamber of Commerce (SCCC) in 1906. According to previous studies, the SCCC’s aim was to promote Chinese nationalism and pro-government feelings among the Chinese population in Singapore, in order to mobilise its capital. In order to implement this policy, Chang Pi Shi, a Chinese official, was sent to Singapore by the government. It has been explained that the Chinese in Singapore, who were emotionally attached to China and who, in the prevailing colonial situation, were being discriminated against, sought ties with the Chinese government, and favoured the new policy.

It is doubtful, however, that Chang was merely a loyal agent appointed by the government to implement its policy. There are no official documents to indicate that he received direct instructions from the government to found the SCCC. This paper argues that the major driving force behind the foundation of the SCCC was Chang himself and the Chinese population of Singapore, who wanted some system that offered security for any dealings with their homeland.

Chang, a wealthy entrepreneur who had made a fortune in Java, Sumatra and Malaya, planned to expand his business into China. In 1904, the Chinese Court promised to give him concessions and protection to develop his business throughout the country if he succeeded in raising funds from the Chinese community in Southeast Asia within three years.

This turned out to be a very difficult task, however. The Chinese in Singapore at that time did not dare to invest money in China. They regarded China as a very dangerous place and believed that Chinese officials were unreliable. Many Chinese who returned home were deceived, extorted, robbed and even killed by their fellow countrymen. Local officials could not, or sometimes would not, settle those problems. These officials on occasion even conspired with criminal elements to extort money from the returnees. Therefore, the Chinese in Singapore thought that investing in anything under Chinese control meant losing money.

Chang had a deep understanding of the general feeling among the Chinese in Singapore, and tried to establish systems to guarantee the security of investments in China. He submitted pro-
posals to the Chinese Court, suggesting how the security system be established and maintained. Chang tried to provide the Chinese in Singapore with a broad network of Chambers of Commerce founded in every major port in China, and a channel to the Chinese Bureau of Commerce, through the SCCC. The Chinese in Singapore found advantages in the foundation of the SCCC in terms of securing their protection in China and pursuing debtors who had fled Singapore.

SUMMARY

A Study on the Divestment of the Singapore Government’s Holding Company
— Public Control by Privatization Policy —

Miyuki NAKAMURA

In recent years, the issue of privatization has been raised in discussions examining public businesses because public corporations are widely perceived to have neither contributed to economic development nor achieved their original social goals. Since the reform of the public sector under the Thatcher administration in the United Kingdom, deregulation and privatization have become global trends, including Asia.

In Singapore, immediately after its independence, a large number of public businesses were established as substitutes for the private sector in order to propel the economy forwards. These corporations contributed much to the economic growth of Singapore as entities that pursued and achieved clear business purposes. Hence, an economic structure that was excessively dependent on the public sector was formed, and resulted in a lopsided business structure in which the public sector prevailed over a fragile private sector in almost every industry. However, a trend toward privatization in Singapore also appeared. Triggered by a severe economic crunch in 1985, policy was changed in an attempt to foster the private sector. This policy change involved privatization through the release of shares in incorporated public businesses implemented by the ‘Divestment Committee’.

Privatization in Singapore is characterized mainly by a release of shares in the affiliated companies of Temasek, the government’s holding company. Temasek is a governmental organization that is affiliated with many representative Singaporean firms through its excellent monitoring capability and its management strategy, which reflects the intentions of the government. In the mid-1980s, Singapore implemented its privatization policy, but some of its aspects of this remain unclear. For instance, it is not clear what were the intentions of the Singaporean government in releasing the shares of Temasek, a core promoter of economic development. so, the changes of the holding structure and control that resulted from the release of these shares cannot be clearly explained by the existing research on privatization.

Therefore, the focal point of this paper is to verify one aspect of the privatization policy through surveys of divestment, focusing on the transformation of Temasek’s control, an issue that has not always been clear. To understand the corporate structure of Singapore, in the first section, I describe the historical background and the current situation of how public businesses
were and are formed and how their public control increased. This will include an examination of the management of a key player, Temasek. In the second section, I trace the path that the government took to implement its policy and look into the policy that promoted the sell-off of the shares in the market, and its results. In the third section, I conduct a verification of the modality of the sell-off of the shares, and consider the hypothesis of the maintenance of control over the public sector even after the sell-off; that is to say, Temasek’s interventions involving privatized companies.

SUMMARY

The Customary Economy in Uzbekistan
— A Study of the Community Function of Mahallas —

Masato HIWATARI

This paper investigates the function of mahalla-based communities in the republic of Uzbekistan. The mahalla is a neighborhood community with a millennium-long history in Uzbekistan. During the Soviet era, the mahalla was permitted only limited functions. Now, however, the mahalla is again playing an important role as a basic administrative unit, and not only villagers or residents on traditional streets, but also inhabitants of industrial districts and multi-storied buildings are associated into mahallas. Since independence, the government has tried to regulate and utilize mahallas to perform state functions formally, and this policy is gradually transforming the function and the appearance of recent mahallas. On the other hand, in spite of these external pressures, informal and traditional activities are preserved inside mahallas. The mahalla has long been a primary source of social support for its residents. Thus, in this paper, I consider the function of the mahalla from two aspects: (1) formal functions allotted by the government after independence; and (2) informal functions based on customs and traditions in mahallas.

This study is based on two main sources of information. One is the result of participatory observation and interviews by the author, from field research conducted in several mahallas in Uzbekistan in the summers of 2002 and 2003. The other source is the data set of the household budget survey of Uzbekistan. The author offered the draft of his questionnaire and the survey institution collected budget information from 1,000 households throughout the republic in February 2003.

This paper is organized as follows: Part 1 presents an overview of existing literature and Part 2 describes the basic organizational structure of the present mahallas. It is pointed out that the mahalla committee, the administrative body of each mahalla, has a great influence on the social life of the residents. Part 3 deals with formal function of mahallas and in particular examines the social security policy in which the mahalla committee takes responsibility for targeting social assistance on low-income households and families with small children. Part 4 examines the various types of informal activities inside mahallas and implies that they function as social safety nets for residents. Part 5 presents the results of the household budget survey conducted in Uzbekistan in 2003. It reveals that private economic activities still have great impact inside mahallas or among relatives, compared to the formal activities.
This paper concludes that most residents are closely involved in the formal and informal system of mahallas, and that this system can be a beneficial resource for residents, especially given the recent economic hardship. At the same time, I caution about the possibility that the government might utilize this elaborate system arbitrarily to maintain an absolutist state. The policy toward mahallas will be a crucial factor for the development of Uzbekistan.