

# CIRJE Newsletter

Center for International Research on the Japanese Economy

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Center for  
International Research  
on the Japanese Economy  
Faculty of Economics  
University of Tokyo  
(CIRJE)

## Message from the Director

Shin-ichi Fukuda (Faculty of Economics, University of Tokyo)



Established in April 1998, the Center for International Research on the Japanese Economy (CIRJE) is a research center dedicated to promoting international joint research on the Japanese economy and to collect, analyze, and disseminate economic data in Japan. CIRJE is located in the Graduate School of Economics at the University of Tokyo, and many faculty members do joint research with members of CIRJE. CIRJE undertakes and encourages unbiased economic research among the academic community, public policymakers, and business professionals.

CIRJE's research agenda has encompassed a wide variety of issues that confront our society. We have had many research projects, including comparative studies on Japanese economy, empirical studies of exchange rates, law and economics, economics of the public supply system, issues on insurance and finance, and many other areas.

CIRJE's research projects receive funding from a variety of sources and much of the funding is obtained directly by project members. But we especially acknowledge financial support from the Japan Federation of Housing Organizations (Judanren) which supports our collaborative research on housing problems and related issues in Japan. We also thank Mr. Ryojiro Kojima (the chairman of Kojima Press Industry) who

supports our research initiative on the long-term development of inter-firm relationships and corporate governance in Japan.

As part of our activities at CIRJE, we regularly circulate two series' of Discussion Papers, in Japanese (J-series) and in foreign languages (F-series). We also support a large number of workshops each week. They cover areas including micro, macro, economic history, urban economics, contemporary firms, applied statistics and political economy. Detailed information on Discussion Papers and Workshops is disseminated via announcements and our web page.

In order to carry out the research, it is often necessary for the researchers concerned to meet with other members of the project in order to discuss and compare their research results. Over the years, CIRJE has facilitated a lot of interaction with visitors from abroad and fostered international exchanges by hosting international conferences. CIRJE also has start to assist many of UT International Program in Economics, which is supported by the Ministry of Education and Science and is led by Professor Takatoshi Ito. The results of CIRJE's research have received prompt and thorough professional scrutiny.

March 2009  
Shin-ichi Fukuda  
Director, CIRJE



CIRJE

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# Conferences

<http://www.e.u-tokyo.ac.jp/cirje/research/03research04conf.html>

Over the years, CIRJE has facilitated a lot of interaction with visitors from abroad and fostered international exchanges by hosting international conferences. Because of globalization of the world economy, it is now indispensable to promote collaborations with international scholars to understand our economy from a global perspective. In particular, collaboration with the other East Asian universities or research institutes is our natural choice because of growing economic integration among East Asian countries. Despite its remarkable economic recovery in the early 2000s, East Asia still has many issues to be solved with regard to how to promote the reform of the economic system. It is urgent to step further to promote intensive research collaboration with Asian economists.

In 2008, CIRJE hosted three international conferences with East Asian economists. The first was the meeting of the Asian Shadow Financial Regulatory Committee (ASFRC) which was held at University of Tokyo on July 4 and 5, 2008. The theme was "Accumulation of Foreign Exchange Rate Reserves and the Role of Sovereign Wealth Fund". We discussed the role of Sovereign Wealth Fund (SWF) under excess capital accumulation and explored a solution that may lead to efficient resource allocation in global economy.

The second was a Joint Conference with Association of the Korean Economic Studies (AKES), which was held at Korea University in Seoul on October 21, 2008. The theme was "Fiscal and Monetary Policy



joint conference with AKES

Issues in Korea and Japan". The unprecedented global financial crises have had serious impacts on East Asian economies. Korean Won depreciated dramatically and Japanese stock prices dropped sharply under the worldwide economic crisis. In the meeting, we had intensive discussions on what are desirable fiscal and monetary policies under the financial turmoil in Korea and Japan.

The third was the Joint Conference with Seoul National University (SNU) which was held at SNU in Seoul on November 14, 2008. CIRJE has had annual conference series with Institute of Economic Research in SNU and this was the fifth conference. The theme was "Applications of Economic Theories and Empirics to Global Issues". The East Asian region experienced a serious currency crisis in the late 1990s. The establishment of the architecture of a new financial system seems to be one of the urgent tasks in order to never experience such a currency crisis again. In light of these perspectives, we discussed how to design a desirable economic system and consider the architecture of a new economic system in East Asia.

## UNIVERSITY OF TOKYO LONDON SCHOOL OF ECONOMICS CONFERENCE ON ECONOMIC GEOGRAPHY IN HISTORICAL PERSPECTIVES

JANUARY 7, 2009

Tetsuji Okazaki, Faculty of Economics, University of Tokyo



We held a conference on "Economic Geography in Historical Perspectives" at Faculty of Economics, The University of Tokyo on January 7th, 2009. This is the third meeting of the series of economic history conferences between the University of Tokyo and London School of Economics (LSE), which started in December 2006. This time, we invited three economic history researchers from LSE, financially supported by the Advanced Program in Economics. Besides the people from LSE and the University of Tokyo, we had participants from Tokyo University of Science, Tohoku University and IDE-JETRO. The papers presented and the discussants are as follows.

- \* Peter Howlett, "Barro and Sala-i-Martin Revisited: Post-war Regional Convergence through a Distribution Dynamics Lens" (Discussant: Takashi Kano)
- \* Julen Esteban-Pretel, "On the Role of Policy Interventions in Structural Change and Economic Development: The Case of Post-war Japan" (Discussant: Masaki Nakabayashi)
- \* Kaori Ito, "An Information Theoretic Approach to Identify Spatial

Patterns of Industrial Agglomerations (Discussant: Tomohiro Machikita)

- \* Max Schulze, "Backward and Remote?: GDP and Market Potential in the Regions of East-Central Europe, 1870-1910" (Discussant: Kentaro Nakajima)
- \* Kentaro Nakajima, "Agglomeration or Selection?: The Case of the Japanese Silk Reeling Industry, 1896-1916" (Discussant: Janet Hunter)

Spatial economics is one of the fields of economics which have developed most remarkably since the 1990s, and it has been giving an impact on the economic history research. The papers presented are recent studies on historical economic geography and related studies on economic growth. At the conference, we discussed those papers and exchanged ideas about such issues as the methodology for identifying industrial agglomerations, the new estimate on regional GDP and market potential in the nineteenth century Europe, and identification of the mechanisms of agglomeration economy.





I am currently spending my sabbatical leave visiting the Centre de Recerca en Economia Internacional (CREI) at the Universitat Pompeu Fabra in Barcelona Spain. For me the transition to working and living in Barcelona has gone remarkably smoothly. I owe a big thanks to the staff at CIRJE and CREI for their help in handling the logistics of my visit and facilitating my transition.

CREI and CIRJE are both exceptionally well-run organizations with similar objectives. A principal goal of both institutes is to foster international exchange among researchers in economics. The two institutes do this in similar ways – they host visits from a substantial number of short-term and long-term international researchers and host multiple international conferences each year. Ensuring that these core activities go smoothly requires highly skilled multilingual staff. Both institutions have found ways to secure and retain first class staff.

2009 is a particularly important year for both institutes. This summer the University of Tokyo will host the Far East and South Asia Econometric Society Meetings and this summer Universitat Pompeu Fabra will co-host the European Economic Association Meeting and the Econometric Society European Meetings. CIRJE and CREI will play important roles in hosting these conferences. There are also some distinctions between CIRJE and CREI. CIRJE hosts visitors in all of the major fields of economics. CREI focuses more on research in international economics, macroeconomics and

related areas. Although the scope of research activities supported by CIRJE is broader, it is also a much smaller institute. CREI has a larger budget. It funds ten full-time regular researchers. CIRJE has no regular full-time researchers. CREI also has more staff and about three times as much floor space as CIRJE. The nature of funding is also somewhat different across the two institutes. CIRJE receives funding from the Faculty of Economics and also relies heavily on external grants. CREI receives substantial funding from the Autonomous Community of Catalonia and supplements this with grants.

The biggest distinction between CIRJE and CREI for me though is a personal one. After having hosted many international visitors over the years at CIRJE, it is a welcome change to switch roles and be a CREI visitor!



Toni with Jordi Galí,  
director of CREI



Bank of Canada - CREI  
Conference

## UT International Program in Economics

In 2010 our department will launch the UT International Program in Economics. This program will be an integral part of the graduate program in the Graduate School of Economics at the University of Tokyo. Our excellent education program which was once open only to Japanese-speaking students will now also be available to English speaking students. CIRJE is happy to assist in launching this program.

Globalization is creating new challenges and opportunities for Asian Universities. The number of aspiring students fluent in English seeking excellent education abroad used to be low, but now their number is growing. Although some U.S. and European universities offer excellent programs, they focus on issues relevant to economies in their part of the world and their curriculum does not target issues relevant to economies in Japan and Asia. By setting up a graduate program for English-speaking students, we are determined to provide leaders-to-be

<http://www.e.u-tokyo.ac.jp/utipe/>  
of the world with a deep understanding of Japanese and Asian economies.

Our department has decided to establish a Ph.D. program that has the highest international standards. This is made possible by our faculties who have obtained their Ph.D.s, and held positions, at internationally acclaimed universities and regularly contribute to the best journals in economics. Our department counts seven Fellows of the Econometric Society among our faculty. This is the highest number of any university in Asia. Our program is designed in such a way that students will be able to obtain their degrees without learning any Japanese, though those who wish to learn Japanese are also encouraged to do so.

# CIRJE Discussion Paper Series

<http://www.e.u-tokyo.ac.jp/cirje/research/03research02dp.html>

As a part of our research activities, we regularly circulate two series' of Discussion Papers, in Japanese (J-series) and foreign languages (F-series), which are available for download at the CIRJE website. CIRJE also circulates the discussion papers to institutions and universities both inside and outside of Japan.

## Visitors

One of the major tasks of CIRJE has been to facilitate interaction with visitors from abroad. We welcomed many distinguished visitors with a broad range of research interests. Below is a part of them.

### Visiting Professors

Kazuo Nishimura  
April 1, 2008 - March 31, 2009  
Institute of Economic Research  
Kyoto University



Christer Ericsson  
May 1 - July 31, 2008  
Department of Social Sciences,  
Malardalens University, Sweden

Robert Dekle  
July 3 - August 4, 2008  
Department of Economics,  
University of Southern California, USA



### Short-Term Visitors

- James M. Nason (April 7 - 18, 2008) : Federal Reserve Bank of Atlanta, USA
- Masanao Aoki (May 7 - July 1, December 11 - 22, 2008, January - February 4, 2009) : Department of Economics, University of California, Los Angeles, USA
- Joel L. Horowitz (May 21 - 26, 2008) : Department of Economics, Northwestern University, USA
- Christopher R. Taber (June 16 - 20, 2008) : Department of Economics, University of Wisconsin, USA
- Masao Ogaki (June 17 - 23, 2008) : Department of Economics, Ohio State University, USA
- Taisuke Otsu (July 4 - August 15, 2008) : Cowles Foundation and Department of Economics, Yale University, USA
- Richard Blundell (July 9 - 14, 2008) : Department of Economics, University College London, UK
- Patrick Fridenson (July 9 - August 28, December 15 - 19, 2008) : The Ecole des Hautes Etudes en Sciences Sociales, France
- Sokbae Simon Lee (August 8 - 10, 2008) : Department of Economics, University College London, UK
- Philippe Martin (September 14 - 21, 2008) : Center d'economie de la Sorbonne, University of Paris I, Pantheon-Sorbonne, France

## Staff

### Research Staff

#### Director

Shin-ichi Fukuda (Professor, Faculty of Economics, University of Tokyo)

#### Professors

Fumio Hayashi (Faculty of Economics, University of Tokyo)

R. Anton Braun (Faculty of Economics, University of Tokyo)

#### Associate Professor

Yasuyuki Sawada (Faculty of Economics, University of Tokyo)

#### The Steering Committee

##### Chair

Kazuya Kamiya (Professor, Faculty of Economics, University of Tokyo)

##### Members

Junjiro Shintaku (Associate Professor, Faculty of Economics, University of Tokyo)

Masayuki Tanimoto (Professor, Faculty of Economics, University of Tokyo)

Takatoshi Tabuchi (Professor, Faculty of Economics, University of Tokyo)



### Advisors

Koichi Hamada (Tuntex Professor, Department of Economics, Yale University)

Hideki Kanda (Professor, Graduate Schools for Law and Politics, University of Tokyo)

Koichi Minaguchi (Lifetime-member of Japan Association of Corporate Executives)

Kunio Okina (Visiting Professor, Chuo Graduate School of Strategic Management, Chuo University)

Toshiaki Tachibanaki (Professor, Faculty of Economics, Doshisha University)



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website: <http://www.e.u-tokyo.ac.jp/cirje/index.html>

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