

CIRJE Newsletter

Center for International Research on the Japanese Economy

No.11

April 2010

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

Message from the Director



Shin-ichi Fukuda
Director
CIRJE, Faculty of Economics
University of Tokyo

As a research center attached to the Faculty of Economics at the University of Tokyo, the Center for International Research on the Japanese Economy (CIRJE) has dedicated to promoting international joint research on the Japanese economy and to collecting, analyzing, and disseminating economic data in Japan over a decade. Since its establishment, the CIRJE was located on the 7th floor in Economics Research Building. But we are delighted to inform you that our office moved to the 6th floor in Economics Research Annex called "Kojima Hall" last September. Kojima Hall is a new cornerstone of economic research in the University of Tokyo. In addition to several seminar rooms and a library annex, Kojima Hall has three research centers: our center, the Center for Advanced Research in Finance (CARF), and Management Education and Research Center (MERC). The building was named after Mr. Ryojiro Kojima (the chairman of Kojima Press Industry) who supported our research initiative on the long-term development of inter-firm relationships and corporate governance in Japan. As one of the core research centers in the University of Tokyo, the CIRJE is expected to play a major role in economics research both in Japan and in the world.

The 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. Our members have been very active in publishing articles and books, organizing academic

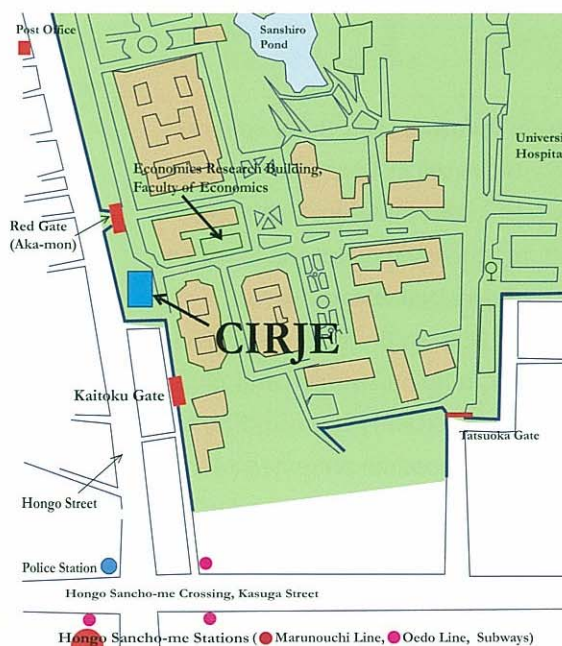
conferences, managing academic associations, editing professional journals, and advising governments and other organizations.

The CIRJE's research projects receive funding from a variety of sources and much of the funding is obtained directly by project members. In 2009, Daiwa Securities Group Inc. supported us to hold a conference "Perspectives on Asian Economy after the Global Financial Crisis" at Yasuda Auditorium. We also acknowledge a financial support from the Japan Federation of Housing Organizations (Judanren) which supports our collaborative research on housing problems and related issues in Japan. Under ever-increasing complexity of economic structures and ever-expanding globalization of business activities, our center is under constant pressure to intensify its research projects. Without the external supports, the CIRJE has never been so successful in running the research projects.

April 2010

New Office

We are now located in a new office on the 6th floor of the Economics Research Annex (Kojima Hall).



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

The Center periodically organizes international conferences in which many academicians and practical persons participate.

Perspectives on Asian Economy after the Global Financial Crisis

October 26, 2009

The Center for International Research on the Japanese Economy hosted a joint symposium "Perspectives on Asian Economy after the Global Financial Crisis". The symposium was sponsored by Daiwa Securities Group Inc. and also supported by Japan Center for Economic Research.

Two keynote speeches were delivered in the first half of the symposium, "Economic Growth, the Financial Crisis and the Transformation of China's Economy" by Professor Scott Rozelle (Stanford University) and "Asian Economy and Japan after the Financial Crisis" by Professor Motoshige Ito (University of Tokyo). Professor Rozelle, referring to the impact of financial crisis on rural labor employment and income in China, empirically showed that China has been rapidly recovering from the influence of this crisis since the middle of 2009. Professor Ito commented on this drastic transformation of the world economy from the wide-ranging perspective.



A panel discussion followed after these speeches. The panelists, Kazuo Ueda (University of Tokyo), Toshiro Muto (Daiwa Institute of Research), and Masahiro Kawai (Asian Development Bank Institute) discussed about the impact of this global financial crisis on Asian/Japanese economy.

Since the collapse of Lehman Brothers, the financial crisis has been extraordinary in its persistence and global reach. Given the economic uncertainty surrounding the recovery of global markets, the symposium presented a timely look at Asia's contributions to global economic stability and global welfare.

The sixth joint conference of Seoul National University and University of Tokyo

Issues of Economic Policy: Theory and Evidence

November 13, 2009

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 global perspectives. 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.



Since 2004, CIRJE has had annual joint conference series with Institute of Economic Research in Seoul National University (SNU). The sixth joint conference was held at the Kojima Conference Room in the University of Tokyo on November 13, 2009. The theme of the conference was "Issues of Economic Policy: Theory and Evidence". We had five distinguished guest speakers from SNU. Professors Yoon-Jae Whang and Dong-Hyun Ahn presented their papers "Nonparametric Tests of Conditional Treatment Effects" and "Sign Switching Correlations of Cross-country Interest Rates: Theory and Evidence" respectively. Professors Keunkwan Ryu and Young Sik Kim served as discussants. Professor Youngsub Chun (Dean of Institute of Economic Research in SNU) chaired a session.

From CIRJE, professors Yasushi Iwamoto and Yasuyuki Sawada presented their papers "An Estimation of Decreases in Earnings Due to Health Deteriorations" and "Did the Financial Crisis in Japan Affect Household Welfare Seriously?" respectively. Professor Junichi Fujimoto served as a discussant and professor Shin-ichi Fukuda chaired a session. Ms. Mari Sakudo (senior economist, Development Bank of Japan) also served as a discussant.

Experienced a series of economic crises, the establishment of the architecture of a new economic system in East Asia is now one of the urgent tasks. 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. The papers presented at the conference provided several backgrounds for such collaborative researches. We had fruitful theoretical and empirical discussions to analyze how to design a desirable economic system in East Asia at the conference.

■ Column ■

Greetings from a Cold Winter in Rotterdam

Michael McAleer

Erasmus University Rotterdam and
Tinbergen Institute, The Netherlands



From a cold and wet winter in Rotterdam, one of the coldest for several decades, I am constantly reminded of a most enjoyable and rewarding, as well as warm, four months I spent at CIRJE from 1 August 2009 until 30 November 2009. This delightful period included the last month of summer and most of a magnificent autumn in Tokyo.

This was my second extended visit to CIRJE. The previous occasion was 3 months from 2002 to 2003, where I was located on the seventh floor of the Economics Building. The first two weeks of my 2009 visit was on the seventh floor again, but thereafter CIRJE moved to the sixth floor of the new building. As might be expected, the move from one building to another was accomplished with an absolute minimum of fuss. My delightful office looked out toward Akamon, over the excavations for another planned new building.

The delightful campus changed from the various greens of summer to the brightest gold and yellow imaginable in autumn (fall) from the ginkgo trees. Whoever opined that a beautiful campus can do wonders for the soul and mind knew what they were saying, if one were to contemplate the Todai campus at Hongo. The nearby shitamachi treasures of Ueno and Asakusa are additional attractions to soothe the heart and mind.

I stayed in Sakuragicho, Kanagawa-ken, for the first 11 weeks of my visit, which necessitated the standard, at least for Tokyo, 90 minute trip each way, with a change of trains at Tokyo for Hongo-sanchome. I learnt to review numerous academic papers during my daily train trips. For the remaining 6 weeks, I stayed at the Todai apartments in Shirokanedai, a shorter trip by subway (metro) on the Namboku line to Todaimae.

Apart from the intellectual attractions of undertaking undisturbed research in an excellent research environment, distribute working papers in the superb CIRJE discussion paper series, attend excellent seminars and conferences, and interactions with some outstanding researchers in economics

and finance, I also had the pleasure of teaching a mini-course to some talented Todai PhD students in econometrics.

The academic facilities at CIRJE are truly excellent, as was access to university facilities, such as the Reuters Thomson ISI Web of Knowledge database, which I used extensively.

There are some interesting parallels between CIRJE, Faculty of Economics, and the Econometric Institute, Erasmus School of Economics, Erasmus University Rotterdam. The Econometric Institute is the oldest department of econometrics and econometrics institute in the world, having been established in 1956 by Henri Theil and Jan Tinbergen (the inaugural Nobel Laureate in Economic Sciences in 1969 with Ragnar Frisch).

Both institutes have excellent staff and research facilities, including widely disseminated and read discussion paper series, a vibrant visitor's program, and an enviable research ethos. There is little excuse for not demonstrating research productivity during a visit to either research institute.

As befits a world leading research institution, the research activities at CIRJE are very broad, with theoretical and applied research concentrations in a wide area of economics and statistics, though with a concentration on theoretical and technical topics.

The academics at the Econometric Institute also have a very wide research agenda, with world class reputations in econometrics, economic theory, finance, marketing and management.

One of the true pleasures of an academic life is the sheer pleasure of undertaking research of one's choice and to see it to fruition (see, for example, McAleer and Oxley (2005), "The Ten Commandments for Academics", *Journal of Economic Surveys*, 19, 823-826). Such an enlightened research environment is possible at both CIRJE and the Econometric Institute, where research is its own reward.

The outstanding support staff and research facilities and environment ensure that CIRJE will continue to provide significant contributions to theoretical and applied research, as well as fundamental policy considerations, for many years to come.

I wish to thank the Director of CIRJE, Professor Shin-ichi Fukuda, for kindly inviting me to visit CIRJE, to Professor Naoto Kunitomo for being my promoter and collaborator, and to both Ms Tsukasa Atsuya and Ms Kimiko Tanaka for their wonderful administrative support.

All of this made my visit to CIRJE deeply rewarding, stimulating, enjoyable and memorable.

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. From October 2009 to March 2010, 3 papers in J-series and 56 papers in F-series are published. 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 visitor with a broad range of research interests. Below is a part of them.

Visiting Professors

Shigeru Wakita

April 1, 2009 - March 31, 2010

Tokyo Metropolitan University,
Japan



Michael McAleer

September 1 - November 30, 2009

Erasmus School of Economics,
Erasmus University Rotterdam and
Tinbergen Institute, the Netherland



Jinook Jeong

February 1 - April 30, 2008

School of Economics,
Yonsei University, Korea



- Leslie Hannah (October 29 - 31, 2009) : University of Reading and London School of Economics, UK
- John Riew (October 30 - November 3, 2009) : Department of Economics, Pennsylvania State University, USA
- Douglas Joines (November 2 - 6, 2009) : Department of Finance and Business Economics, Marshall School of Business, University of Southern California, USA
- Chialin Chang (November 14 - 22, 2009) : Department of applied Economics, National Chung Hsing University, Taiwan
- Costas Lapavitsas (November 21 - 24, 2009) : SOAS, University of London, UK
- Gianluca Violante (November 24 - 28, 2009) : Department of Economics, New York University, USA
- Steven N. Stern (December 7 - 10, 2009) : Department of Economics, University of Virginia, USA
- Ricardo Lagos (December 7 - 12, 2009) : Department of Economics, New York University, USA
- Perre van der Eng (January 7 - March 31, 2010) : ANU College of Business and Economics, Australian National University, Australia

Short-Term Visitors

- John Coleman (October 21 - 22, 2009) : Fuqua School of Business, Duke University, USA

Staff

Research Staff

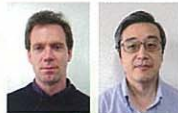
Director

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



Professors

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



Hidehiko Ichimura (Faculty of Economics, University of Tokyo)

Associate Professor

Yasuyuki Sawada (Faculty of Economics, University of Tokyo)



The Steering Committee

Chair

Hidehiko Ichimura (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)

Kazuo Nishimura (Specially Appointed Professor, Institute of Economic Research, Kyoto University)

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

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