

CIRJE Newsletter

Center for International Research on the Japanese Economy

No.15

April 2014

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

Feature Topic : Introduction of Research Activities Funded by Grants and Donations – Nomura Foundation

CIRJE's research activities are supported by the grants and donation from various quarters—here we gratefully acknowledge the grant from Nomura Foundation, which supports the invitation of researchers, one of the main activities of CIRJE.

With its support, in fiscal 2013, we invited three seminar speakers (two for Microeconomics Workshop and one for Research Meeting on Economic History) and seven short-term visitors.

Under the short-term visitors program, in particular, scholars from foreign countries conduct the joint research with professors of Graduate School of Economics, and also present their papers at workshops and international conferences held in CIRJE. This international academic exchange greatly contributed to the revitalization of research activities not only in CIRJE but also in the Graduate School of Economics as a whole. In this issue, three members among last fiscal year's short-term visitors report their activities during their stay.

Gee Hee Hong
Canadian Economic Analysis Department
Bank of Canada
(2013.11.14 - 11.22)



During the stay at CIRJE, I worked with Professor Seung-Gyu (Andrew) Sim on a project "Trade Liberalization, Migration and Brain Drain." In this research project, we address these important questions by looking closely at the effects of Canada United States Free Trade Agreement (hereafter, CUFTA) in 1989 and the subsequent North American Free Trade Agreement (hereafter, NAFTA) in 1994 on labor market of Canada, with the focus on the high-skilled worker migration from Canada to the U.S. Benefiting from a detailed data from 1976 to 2012 on labor statistics from Statistics Canada, which include sector, education group and gender-specific wages and unemployment rate, we capture the transition dynamics of labor market during the adjustment period.

Krislert Samphantharak
School of International Relations and Pacific Studies
University of California, San Diego
(2013.11.11 - 12.20)



I visited the University of Tokyo and had very productive time there. I presented my paper on risk and return on farm and non-farm business enterprises in village economies. The empirical findings from Thai households with extensive family networks quantify that although idiosyncratic risk is the dominant factor in total risk, aggregate risk captures a much larger share of total risk premium. Exposure to aggregate and idiosyncratic risk is also heterogeneous across households as are the corresponding risk-adjusted returns, with important implications for vulnerability and productivity. During the visit, I started a new research on risk preference of farmers in the flooded areas of Thailand. The research is a part of a larger research project on household behaviors and disaster management led by University of Tokyo's Professor Yasuyuki Sawada. I also participated in various research events in Tokyo area, including the Hayami Conference and the annual Asian Development Bank Institute (ADBI) Conference.

CIRJE Newsletter Contents

Feature Topic :
Introduction of Research
Activities Funded by Grants
and Donations –
Nomura Foundation

Report of the Japan
Federation of Housing
Organizations (Judanren)
Research Activities

CIRJE Visitors

CIRJE
Discussion Paper
Series

Visitors

Staff

Inman Yeo
Department of International Commerce and Area Studies
Gangneung-Wonju National University
(2014.1.19 - 1.26)



I was so fortunate to have an opportunity to stay and research at CIRJE. Though it was only a week, the stay was so productive thanks to the full-scale support by all people involved in CIRJE. I have had lots of support from CIRJE while I was a graduate student and working as an assistant, and I could focus on my research in the nice and quiet research environment in this stay for the first time after about 10 years. During the stay I participated in the Research Meeting on Economic History organized by Professor Masayuki Tanimoto to learn the latest trends of the research on the Japanese economic history, and could develop the ongoing joint research through active discussions in the research meeting led by Professor Haruhito Takeda. I am now engaged in the research project "industrial policy and enterprise's management during trade and capital liberalization period of Japan". I wish I had a chance to present my paper during this stay. I believe, however, that collection of data and materials in the Library of Economics may help my research develop greatly. I wish to complete this research and apply the results obtained to the research on the Korean Economic History.

I would like to conclude this by extending my great thanks to Professor Haruhito Takeda, all staff in the Library of Economics, and Ms. Tanaka of CIRJE for providing me with the research environment enabling such wonderful stay.

Report of the Japan Federation of Housing Organizations (Judanren) Research Activities

The CIRJE has promoted and continued the Judanren projects with their support since fiscal 2006. Among the projects, the research meetings and international conferences during fiscal 2013 are introduced by the professors here.

Mini-Symposium

"Research Meeting on Housing Policy"



Toshihiro Ihori

In association with the Judanren projects, monthly research meetings and the symposium with many participants have been held. As an attempt of holding events of in-between scale, a mini-symposium "Research Meeting on Housing Policy", with several tens of participants, was held on September 17th.

The symposium was kicked off, under the chairmanship of the author, with the presentation by Professor Hiroshi Yoshikawa, Faculty of Economics, The University of Tokyo, on "Housing Investment and Japanese Economy", in which he discussed the housing problems in the super aging society with an emphasis on the role of innovation in Japan". This was followed by Professor Fukuju Yamazaki, Faculty of Economics, Nihon University, on the topic entitled "Inheritance Taxes and the Land, Housing and Elderly Care Markets – Implications for the Macroeconomic Policies", in which he reported the influence of inheritance taxes on the supply of rented housing and existing houses, the savings rate of the elderly people, the cohabitating with children, the bequest motive and the nursing care. Finally, Professor Masayuki Nakagawa, Faculty of Economics, Nihon University, presented the report on the vision of future housing market, as viewed from the perspective of "what will be brought about by the vitalized existing house market". The presentation of individual reports was followed by active questions and answers sessions and discussions between three presenters and attendees regarding the vision of housing environment and the policies to revitalize the existing housing market in Japan in which the aging of the population is progressing rapidly with extremely low birth rates.

Economic Measurement Group Workshop 2013: Data Gaps and Economic Measurement



Tsutomu Watanabe

The Economic Measurement Group (EMG) Workshop Asia was held on 15 th–16th of October 2013 at the University of Tokyo and discussed three themes, "The SNA (National Accounts)", "RPPIs and CPPIs (Residential and Commercial Property Price Indexes)" and "PPI (Producer Price Index) & CPI (Consumer Price Index)". The session "National Accounts" on Day 1, consisting of the keynote speech by Dr. Paul Schreyer (OECD), "Pressing Measurement Issues in the National Accounts" and the presentation of research reports by Dr. Marshall Reinsdorf (U.S. Bureau of Economic Analysis), Dr. Taehyoung Cho (Bank of Korea) discussed the measurement of net import, capital and financial services. In the RPPIs and CPPIs session, the keynote speech by Professor Kiyohiko Nishimura (University of Tokyo) on "Data Gaps and Economic Measurement" was followed by the presentation of reports by the researchers who have taken the critical role in improving statistics after the collapse of Lehman Brothers, including Professor Chihiro Shimizu (Reitaku University), Professor Yongheng Deng (National University of Singapore) and Professor Erwin Diewert (University of British Columbia). In the PPI & CPI session on Day 2 which started with the keynote speech "The Consumer Price Index: Recent Developments" by Professor Erwin Diewert, there were report presentations by Professor Kozo Ueda (Waseda University), Dr. Satoshi Imai (Statistics Bureau of Japan), Dr. Takashi Unayama (Ministry of Finance), Professor Naohito Abe (Hitotsubashi University), Professor Kwong Wong Chau (University of Hong Kong) and Watanabe, followed by active discussions about new researches based on the use of scanner data. The decision to hold the next EMG Asia in National University of Singapore was unanimously approved.

CIRJE Visitors

In 2013, we welcomed many distinguished visitors from other research institutions and universities abroad. Some of them wrote about their research activities they conducted while here at CIRJE.

Short Term Visitor

Robert F. Owen
Department of Economics
University of Nantes
(2013.11.19 - 11.26)



During my visit to the University of Tokyo I completed in large part the rewriting of a paper, entitled "Human Capital Formation, International Labor Mobility and the Optimal Design of Educational Grants". This paper, co-authored with Bernard Franck of the University of Caen in France, proposes a two-country, two-period model of international migration with heterogeneous agents, which highlights microeconomic foundations for examining the interrelation between brain drain, brain gain and whether human capital formation is undertaken at home or abroad. Individuals ex ante choices regarding where to study are argued to depend on their abilities, relative qualities of university systems, sunk educational investments, government grants, and endogenously determined, individual foreign employment probabilities. The analysis underscores the importance of self-selection, which critically defines an inherently wide-range of conceivably positive or negative net welfare effects. The paper also explores the optimal design of alternative educational grant schemes, aimed at enhancing the source country's welfare, also depends on the heterogeneity of abilities and associated informational assumptions.

Short Term Visitor

Jean-François Tremblay
Department of Economics
University of Ottawa
(2013.10.3 - 10.9)



In October 2013, I had the wonderful opportunity to visit CIRJE for the second time. My second stay was just as enjoyable and enriching as my first one. In addition to continuing joint work with Professor Masayoshi Hayashi, I also had the opportunity to present some of my recent work on optimal taxation. The paper that I presented characterizes how income taxation should optimally be designed once we take into account the fact that taxation can affect not only labour supply but also the job choices of individuals. The workshop participants provided me with highly insightful and valuable comments that will prove useful in the next steps of my research in this area.

Overall, it was a very nice a productive week, and I certainly hope to visit CIRJE again in the future!

Visiting Professor

Tirthankar Roy
London School of Economics and Political Science
(2013.11.1 - 2014.1.31)



I joined the University on November 1, 2013. The three-month appointment was meant for writing my part of a book on "empire and law" for a North American publisher, and to teach a course in Global Economic History with Professor Kaoru Sugihara. On joining the appointment, I was housed in an office in the CIRJE. The office is by far the best I have ever had. It is spacious and has a great view. It may seem too quiet. But after the second day, when I was offered home-made cheesecake and tea by Ms. Atsuya, the Secretary, it never seemed lonely.

I completed the planned writing during the appointment. Further, these three months turned into a period of the most intense academic exchange I have experienced. I joined three workshops organized by the Contemporary India Area Studies (INDAS) programme on India, gave six seminars in Tokyo, Osaka, and Kyoto, interacted with students, and had discussions with leading Japanese experts on history and South Asia. The greatest gain for me and for my counterparts is the plan for further interaction that this appointment made possible.

Visiting Associate Professor

Pui-Tak Lee
School of Business
University of Hong Kong
(2013.8.1 - 10.31)



I conducted a research project entitled "The fluctuation of the Shanghai capital market in the inter-war period: An analysis of the role played by the Bank of China, the HSBC and the Yokohama Specie Bank" during my visit at the CIRJE. I am very pleased to have interacted with my host Prof. Makoto Kasuya and other professors including Akinobu Kuroda, Shizuya Nishimura (regrettably he passed away on January 7 this year), Masayuki Tanimoto, and Kazuhiko Yago. I also benefited from the chats with Professor Leslie Hannah and Tirthankar Roy, whom are affiliated at the CIRJE.

I benefited greatly from the efficient and powerful support given by the staff of the CIRJE's office, The Library of Economics and its the Resources and Historical Collection's Office. Usually I followed a sequence for my daily research work: 3 hours for viewing microfilms + 2 hours of library work for checking references and making photocopies, and the rest of 3-5 hours for writing. It looked everyday is a plus to me.

CIRJE Discussion Paper Series

<http://www.cirje.e.u-tokyo.ac.jp/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 April 2013 to February 2014, 12 papers in J-series and 40 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 Professor

Tirthankar Roy (2013.11.1 - 2014.1.31)
London School of Economics and Political Science, UK



Visiting Associate Professors



Julen Esteban-Pretel (2013.4.1 - 7.31)
National Graduate Institute for Policy Studies, Japan

Pui-Tak Lee (2013.8.1 - 10.31)
School of Business,
University of Hong Kong,
Hong Kong



Masahiro Shoji (2013.8.1 - 11.30)
Faculty of Economics, Seijo University, Japan

Tsutomu Katsumura (2013.12.1 - 2014.3.31)
School of Economics,
Hokusei Gakuen University, Japan



Staff

Professors



Shin-ichi Fukuda



Naoto Kunitomo



Takatoshi Tabuchi

Akihiko Matsui (Director)



Hidehiko Ichimura



Yasuyuki Sawada



Short Term Visitors

- Jean-Etienne de Bettignies (2013.4.15)
Queen's School of Business, Queen's University, Canada
- Debin Ma (2013.5.5 - 5.14)
Short-term visitor supported by Nomura Foundation
Department of Economic History, London School of Economics and Political Science, UK
- Xiaodong Fan (2013.5.29 - 6.7)
Short-term visitor supported by Nomura Foundation
ARC Centre of Excellence in Population Ageing Research, University of New South Wales, Australia
- R. Anton Braun (2013.6.15 - 7.1)
Federal Research Bank of Atlanta, USA
- Sekyu Choi (2013.6.27 - 7.7)
Short-term visitor supported by Nomura Foundation
Unit of Economic Analysis, Universitat Autònoma de Barcelona, Spain
- Taehun Jung (2013.7.1 - 7.11)
Short-term visitor supported by Nomura Foundation
School of Economics and Trade, Kyungpook National University, Korea
- Nobuhiro Kiyotaki (2013.7.2 - 7.5)
Department of Economics, Princeton University, USA
- Fuhito Kojima (2013.7.10 - 7.24)
Department of Economics, Stanford University, USA
- Leslie Hannah (2013.10.15 - 11.14)
Cardiff Business School, Cardiff University, UK
- Nazmul Chaudhury (2013.10.23 - 10.24)
The World Bank, USA

Advisors

Koichi Hamada (Tuntex Professor Emeritus of Economics, Department of Economics, Yale University, Special Advisor to the Cabinet, Cabinet of Japan)

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

Koichi Minaguchi (Lifetime-member of Japan Association of Corporate Executives, Adviser of Nomura Research Institute)

Kazuo Nishimura (Specially Appointed Professor, Interfaculty Initiatives in Social Sciences, Kobe University)

Kunio Okina (Professor, School of Government, Kyoto University)

The Steering Committee

Chair
Akihiko Matsui (Director)

Members
Shin-ichi Fukuda • Motoshige Itoh • Takatoshi Tabuchi
Masayuki Tanimoto • Tsutomu Watanabe

CIRJE Newsletter No. 15

Center for International Research on the Japanese Economy
Graduate School of Economics, Faculty of Economics,
The University of Tokyo
7-3-1 Hongo, Bunkyo-ku, Tokyo 113-0033, JAPAN
Tel: +81-3-5841-5644 Fax: +81-3-5841-8294
<http://www.cirje.e.u-tokyo.ac.jp/index.html>