

CIRJE Newsletter

Center for International Research on the Japanese Economy

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

Conferences

The CIRJE has promoted and continued to support conferences and workshops over the years. Among them, four international conferences during fiscal 2015 are introduced by the organizers.

February 16, 2016

Future of Housing Market Post-Abenomics

National Graduate Institute for Policy Studies

Toshihiro Ihori



At this workshop, three scholars delivered presentations about housing issues post-Abenomics. First, Professor Shin-ichi Fukuda pointed out the need to use housing finance to stimulate housing investment among the social classes, for whom purchasing a home has always been difficult, as well as the importance of improving liquidity in the housing market by stimulating the sale of existing homes and the market for mortgages to purchase homes. Next, Professor Hiroshi Yoshikawa said that even though an aging society poses serious challenges to social welfare, government finances, and local economies, it can also be an impetus for innovation, so Japan's socioeconomic situation is providing Japanese companies with an opportunity to innovate in the key area of housing. Finally, Professor Masayoshi Hayashi discussed the tax and fiscal issues facing Japan, as well as their impact on the housing market. He described a future socioeconomic environment characterized by the depopulation of non-urban areas, extinction of local entities, and major "sinkholes", such as the continuing low birthrate, aging society, and population decline, leading to a halving of the labor force over the next 50 years. These three presentations were followed by an animated discussion regarding what should be done about the taxation of housing in an aging society and steps and policies for stimulating the housing market.

The Housing Policy Workshop held its final meeting on February 16, after ten years of promoting comprehensive research on the housing market, the optimal tax system vis-à-vis housing, and other issues concerning housing. On behalf of all the scholars in Faculty of Economics who have received financial assistance for their research, I would like to express our warm appreciation to the Japan Federation of Housing Organizations (Judanren) for all the assistance they have provided over the past ten years.



Presentation by Professor Masayoshi Hayashi



Panel Discussion

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Future of Housing Market
Post-Abenomics



2015 Summer School of
Econometric Society

25th NBER-TCER-CEPR
Conference on
International Finance
in the Global Markets

2015-16
9th Asian Conference on
Applied Micro-Economics/
Econometrics

CIRJE Visitors



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August 3-7, 2015

2015 Summer School of Econometric Society

Akihiko Matsui



2015 Summer School of Econometric Society was held at the Kojima Hall in Hongo campus, the University of Tokyo in the period of August 3-7, 2015. The participation in this school was by invitation only and 6 lecturers and 40 graduate students attended from sixteen countries. Professor Ariel Rubinstein, an ex-President of the Econometric Society acted as chair of this school. 6 renowned researchers, In-Koo Cho, Matthew O. Jackson, Nobuhiro Kiyotaki, Vijay Krishna, Debraj Ray and Ariel Rubinstein, gave lectures on the most prominent researches and 18 graduate students gave presentations about forefront research in economics.

December 16, 17, 2015

25th NBER-TCER-CEPR Conference on International Finance in the Global Markets

Shin-ichi Fukuda



The 25th TRIO conference of this academic year took place on 16th and 17th of December 2015 at Department of Economics 6th Floor Conference Room, University of Tokyo. This is a joint conference series sponsored by Center for Economic Policy Research (CEPR), National Bureau of Economic Research (NBER), and Tokyo Center for Economic Research (TCER). Center for International Research on the Japanese Economy (CIRJE) as well as Center for Advanced Research in Finance (CARF) supported the conference this year. The theme of the conference was "International Finance in the Global Markets." The topic is one of today's most important issues in Europe, the US, and Japan. While each region faces a different economic environment, it commonly faces potential risk of secular stagnation under highly expansionary unconventional monetary policy. To analyze the causes and the consequences of these unprecedented environments is an urgent policy issue in each region. From the University of Tokyo, Shin-ichi Fukuda and Masahiro Kawai presented papers, and Kosuke Aoki and Kenichi Ueda served as discussants. From abroad, Gianluca Benigno (The London School of Economics and Political Science), Andrew Rose (University of California at Berkeley), Charles Engel (University of Wisconsin), Vahagn Galstyan (Trinity College Dublin), Fabio Ghironi (University of Washington), Kiminori Matsuyama (Northwestern University), Takeo Hoshi (Stanford University), Takatoshi Ito (Columbia University) participated in the conference. We had intensive and fruitful discussions on the important policy issues.

January 9, 10, 2016

2015-16 9th Asian Conference on Applied Micro-Economics/Econometrics

Yasuyuki Sawada



Dr. Yasuyuki Sawada of The University of Tokyo organized an international conference: 2015-16 9th Asian Conference on Applied Micro-Economics/Econometrics on January 9 and 10, 2016. The local committee members include Dr. Yasuyuki Sawada of The University of Tokyo and Dr. Daiji Kawaguchi of Hitotsubashi University. The sessions include Labor Economics: Ability, Morbidity, and Mortality; Political Economy; Competition, Discrimination, and Segregation; and Econometric Theory and Applications. For example, Daiji Kawaguchi (Hitotsubashi University) presented a paper on the impact of alcohol consumption on earnings. Gordon B. Dahl (University of California San Diego) presented a paper on how politicians change public attitudes. Yasuyuki Sawada (The University of Tokyo) presented a paper on how school-based management programs increases social capital. Arthur Lewbel (Boston College) presented a paper on unobserved preference heterogeneity in demand using generalized random coefficients. Speakers and participants had lively and engaged discussions on topics of applied economics and econometrics.



Presentation by Professor Eric Weese



Presentation by Carl Sanders



Presentation by Professor Yasuyuki Sawada

CIRJE Visitors

CIRJE accepts many visitors with a wide range of research interests to facilitate interaction with our faculty members. Visitors also have opportunities to communicate with other visiting scholars while they are here, in addition to conducting joint research with our faculty members and holding a seminar. Here are three reports from the researchers who visited CIRJE last academic year, about the research activities during their stay.

Visiting Professor

Department of Political Economy, University of Fribourg

Thierry Madiés
(2015.6.15 - 7.15)



I want to start by warmly thanking Professor Masayoshi Hayashi and all the very competent staff of CIRJE for their welcome and the outstanding work conditions that I enjoyed during my stay at CIRJE. My visit was an occasion to talk and get very valuable inputs on my papers from colleagues of Faculty of Economics, to attend very interesting research seminars, as well as to teach undergraduate and graduate economics students. My stay allowed me to further my own research in three directions. First, I was able to complete a joint experimental paper that studies the impact of communication on behavior in a two-stage coordination game with asymmetric payoffs. Our results show that players learn to solve the conflict by adopting a take-turn strategy to sustain coordination over time and alleviate the inequality induced by the asymmetry of payoffs. This paper is forthcoming in *Economic Inquiry*. Second, I have almost completed a joint experimental paper about the impact of fiscal decentralization and local group identity on the probability of secession of local groups using an original multi public goods game. One of the main results is that greater decentralization decreases the likelihood of a local secession when group identity is more salient. This paper is almost ready to be sent to a top field journal in public economics. The last project that I started during my stay at CIRJE is the preparation of a joint application, with Professor Hayashi, to the Swiss National Foundation in which a part will be dedicated to the functioning of local public finance in Japan for sake of international comparisons.

Visiting Associate Professor

Department of Political Science, Purdue University

Daniel Aldrich
(2015.5.10 - 8.10)



Together with Professor Sawada Yasuyuki, I have been working to better understand survival during and recovery from the 2011 Great East Japan Earthquake, tsunami, and nuclear meltdowns. In a previous project with Prof. Sawada, we looked at the role of market mechanisms, state policy, and local community networks after disaster. In this project we have already published one article in the journal *Social Science and Medicine* looking at the factors which helped people in Tohoku survive the tsunami. Now, we are looking at issues of mental health, specifically about the anxiety, concerns, and depression of those individuals forced to leave their homes around the Fukushima nuclear power plants. We have discovered that social capital - the ties between people and their friends, neighbors, and family - helps reduce anxiety and create better mental health. We are also working on a project looking at the deliberate creation of social capital through community centers such as Ofunato City's Ibasho program. I am very grateful to Sawada-sensei, and the staff of the CIRJE for making my stay in Tokyo possible and helping me to carry out research on the topic of resilience and recovery.

Faculty of Economics, Kansai University

Masaru Inaba
(2015.4.1 - 2016.3.31)



I would like to thank all the faculty and staff members at the Center for International Research on the Japanese Economy (CIRJE) for giving me the opportunity to research at the Center since April 2015. My research activities at CIRJE covered two areas. The first was to find the relation between rational bubbles and economic policy. One outcome of this research was the publication of "Asset Bubbles and Bailouts" (co-authored with Tomohiro Hirano and Noriyuki Yanagawa), which appeared in the December 2015 edition of the *Journal of Monetary Economics*. This article discussed the impact of post-bubble bailout policy on ex-ante economic welfare. The second area of research was an analysis of business cycles and economic growth in prefectures and regions using Japanese statistical data on prefectural economies. We focused on the regional misallocation of resources and found its close correlation with distortions in the financial markets and risk sharing among regions. The outcome of this research is my forthcoming work, "Regional Business Cycle and Growth Features of Japan." During my time at CIRJE, I have had the opportunity to deliver some informal lectures to graduate students, and my exchanges with these students were a tremendous help to me in refining my research. I am sincerely grateful for all of the valuable comments and advice I received from faculty, graduate students, and others at seminars and on other occasions during my visit. I cannot thank them enough for their assistance.

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 2015 to March 2016, 4 papers in J-series and 37 papers in F-series are published.

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

- Thierry Madiés (2015.6.15 - 7.15)
Department of Political Economy, University of Fribourg,
Switzerland

Visiting Associate Professors

- Masaru Inaba (2015.4.1 - 2016.3.31)
Faculty of Economics, Kansai University, Japan
- Daniel Aldrich (2015.5.10 - 8.10)
Department of Political Science, Purdue University, USA

Short Term Visitors

- Kar-yiu Wong (2015.4.13 - 4.18)
Short-term visitor supported by Nomura Foundation
Department of Economics, University of Washington, USA
- Hiroyuki Kasahara (2015.5.11 - 7.23)
Short-term visitor supported by Nomura Foundation
Department of Economics, The University of British
Columbia, Canada

- Sarath Sanga (2015.6.1 - 6.30)
Short-term visitor supported by Nomura Foundation
Columbia Law School, Columbia University, USA
- James J McAndrews (2015.6.1)
Federal Reserve Bank of New York, USA
- Philippe Martin (2015.6.12)
Department of Economics, Sciences Po, France
- Joan Llull (2015.7.12 - 7.19)
Short-term visitor supported by Nomura Foundation
Universitat Autònoma de Barcelona, Spain
- Esther Duflo (2015.8.3 - 8.4)
Massachusetts Institute of Technology, USA
- Martin Peitz (2015.10.6 - 10.21)
Short-term visitor supported by Nomura Foundation
Department of Economics, University of Mannheim, Germany
- Ming-Tien Tsai (2015.12.13 - 12.19)
Institute of Statistical Science, Academia Sinica, Taiwan
- Hans Holter (2016.3.18 - 3.28)
Short-term visitor supported by Nomura Foundation
Department of Economics, University of Oslo, Norway

Staff

Professors



Shin-ichi Fukuda



Yasuyuki Sawada

Katsumi Shimotsu (Director)



Hidehiko Ichimura



Takatoshi Tabuchi



Advisors

- Koichi Hamada (Tuntex Professor Emeritus of Economics, Department of Economics, Yale University, Special Advisor to the Cabinet, Cabinet of Japan)
- Junko Kato (Professor, Graduate Schools for Law and Politics, The University of Tokyo)
- Kazuo Nishimura (Specially Appointed Professor, Kobe University Center for Social Systems Innovation)
- Kunio Okina (Professor, School of Government, Kyoto University)
- Hajime Takata (Managing Executive Officer/Chief Economist, Mizuho Research Institute Ltd.)

The Steering Committee

Chair

Katsumi Shimotsu (Director)

Members

Kosuke Aoki • Shin-ichi Fukuda • Akihiko Matsui
Yasuyuki Sawada • Masayuki Tanimoto

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