

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

Message from the Director

We are pleased to announce that Professor Katsumi Shimotsu has been appointed again to the CIRJE Director from April 2019.



Katsumi Shimotsu

The Center for International Research on the Japanese Economy (CIRJE) was established in 1998 as a venue for international joint research into the Japanese economy and related fields. CIRJE belongs to the Graduate School of Economics, Faculty of Economics, The University of Tokyo. Many faculty members participate in our research activities in addition to the CIRJE members.

As an international joint research center, CIRJE holds various workshops periodically such as Microeconomics and Macroeconomics workshops, where the latest research is presented and discussed. Last year 112 speakers visited and presented their papers. In addition, CIRJE supported 38 visits by foreign/Japanese researchers who conducted joint research with our faculty members. Their research findings are released as discussion papers on our website.

CIRJE holds international academic conferences, as well as many academic exchanges with overseas universities and research institutions. In 2018, CIRJE held seven international conferences including the following two conferences.

First, we held the Joint Conference with Seoul National University (SNU) in December. This was the fourteenth annual conference between CIRJE and Institute of Economic Research in SNU. The theme of the conference was "Current Topics of Macroeconomics." At the conference, we had wonderful speakers and fruitful discussions on important policy issues in macroeconomics. Under growing uncertainty in the world economy, the establishment of a new policy framework is now one of the urgent tasks.

The second international conference was the Tokyo Workshop on International and Development Economics on Evidence-based Policy Making. In collaboration with the Japan International Cooperation Agency (JICA) and the Policy Alternative Research Institute (PARI), we held this workshop on empirical analyses on education and health issues in developing countries, inviting Professor Pascaline Dupas of the Stanford University. We had three presentations from Japanese researchers and a keynote lecture by Professor Dupas on the impact of free secondary school education on children using a randomized controlled trial. This study was a great example in which the research contributed in the process of formalizing the free secondary school education in Ghana by providing rigorous academic evidence.

CIRJE keeps on conducting international comparative studies more and more actively, providing a venue for joint research by intra and extramural researchers. I look forward to your continuous support.

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CIRJE Visitors

CIRJE accepts many visitors with a wide range of research interests to facilitate interaction with our faculty members. Here are four reports from the researchers who visited CIRJE last academic year.

Visiting Associate Professor

From July 2018 through March 2019, I had the privilege of being a visiting associate professor at CIRJE. The time that I spent at the CIRJE was extremely meaningful, thanks to all the faculty members, including Professor Tomoyuki Nakajima of the admissions faculty, and the staff. I am truly grateful to all of them.

Institute of Economic Research
Kyoto University, Japan
Shuhei Takahashi



During my time at CIRJE, I worked on two projects. The first was a joint research project with Professor Nakajima to analyze the impact of the consumption tax and income transfers on the macro economy. Using a dynamic general equilibrium model, we conducted a quantitative assessment of how policies to increase the consumption tax rate and to increase income transfers affect capital accumulation and inequality. The article has recently received an invitation to revise and resubmit from a journal. My time at CIRJE gave me the opportunity to focus on revising this article. The second research project was on the stickiness of nominal wages wherein I analyzed whether multiple equilibria exist for differing frequencies of wage revisions. Although I began the project relatively recently, I was given the opportunity to present it at CIRJE's Macroeconomics Workshop, where I received many valuable comments from the participants. In addition to working on these projects, I learned a lot from interacting with the brilliant researchers at the University of Tokyo. I intend to utilize what I learned from these valuable experiences in my future research.

Short Term Visitors

My opportunity to do research at CIRJE came in July 2018. At CIRJE, I was involved in two major research studies. The first one was entitled "The Effects of Lender of Last Resort on Financial Intermediation during the Great Depression in Japan" (co-authored with Professor Tetsuji Okazaki of The University of Tokyo and Professor Michiru Sawada of Nihon University). Past studies of U.S. financial history concluded that central bank policy has played a key role in preventing financial crises. Related to these prior studies, we use the bank-level data from the time of the Showa financial crisis to conduct an empirical study of the causality between cash loans by the Bank of Japan and financial intermediation by banks. The second study entitled "Government Financial Institutions and Capital Allocation Efficiency in Japan" use the industry-level investment data to investigate the impact of interventions by governmental financial institutions on the efficiency of capital allocation and on total factor productivity. At CIRJE, I had the opportunity to consult with The University of Tokyo professors and other researchers, and I was able to spend productive time on both studies as well as think about future research topics. I offer my sincere thanks to Professor Okazaki and other professors, in addition to everyone in the staff.

Department of Economics
Wesleyan University, USA
Masami Imai



Faculty of Economics
Niigata University, Japan
Takeshi Nakata

CIRJE indeed gave me a wonderful opportunity. During my time there, I was given ample opportunities to network not only with researchers from the University of Tokyo but also with visiting researchers from abroad. I was very excited to have useful discussions about research with up-coming economists who were visiting from well-known U.S. universities. For me, the best part of being at CIRJE was having the opportunity to be a visiting researcher and presenter at a workshop attended by eminent researchers from Japan and abroad and to be able to connect with them. Another valuable experience was being able to deliver a lecture to graduate students at Graduate School of Economics of The University of Tokyo.

I have long been involved in research on currency crises, bank runs, and other financial crises. During the course of my research, I have learned that before a crisis occurs, there is usually some kind of bubble; political or economic uncertainty can spur a crisis, and factors such as preconceptions or the spread of rumors among investors and herd behavior are the key. During my time at CIRJE, I learned a lot about bubbles, uncertainty, and social learning. The discussions I had also enabled me to think of more research topics. I am highly appreciative of having been able to pursue my research and of how much I learned during my stay.

I would also like to thank all the faculty members for their help, everyone on the CIRJE staff for providing such a congenial environment, and the Nomura Foundation, which provided the funding for this research.

Conference

The 14th Joint Conference of Seoul National University and The University of Tokyo

Shin-ichi Fukuda



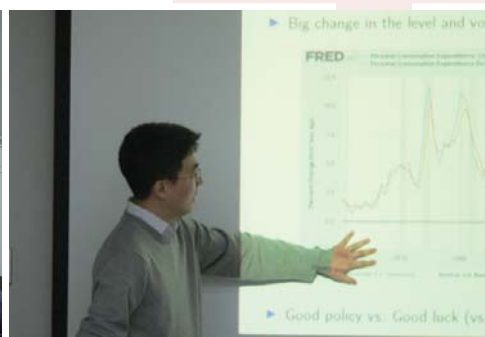
The Joint Conference with Seoul National University (SNU) was held at Kojima Conference Room, Kojima Hall, University of Tokyo on December 7 (Friday), 2018. This was the fourteenth annual conference between CIRJE and Institute of Economic Research in SNU. The theme of the conference was "Current Topics of Macroeconomics". At the conference, we had wonderful speakers and fruitful discussions on important policy issues in macroeconomics. From The University of Tokyo, Makoto Nirei and Kenichi Ueda presented a paper, Kosuke Aoki and Tsutomu Watanabe served as a discussant, and Shin-ichi Fukuda, Ryuzo Miyao, and Sagiri Kitao chaired a session. From SNU, Jay H. Hong and Woong Yong Park presented a paper, while Young Sik Kim and Soyoung Kim served as a discussant. Under growing uncertainty in the world economy, the establishment of a new policy framework is now one of the urgent tasks. We had hot discussions on what structural reforms are desirable and how to design economic system in the world economy from various macroeconomic perspectives. At the end of the conference, we confirmed further collaborations between Institute of Economic Research in SNU and CIRJE.



Presentation (Professor Young Sik Kim)



Discussion



Presentation (Professor Woong Yong Park)

CIRJE Workshop Report

The Center offers 13 workshops run by faculty members of the Graduate School of Economics. This is a report from the leader of the Urban Economics Workshop.

Urban Economics Workshop

Takatoshi Tabuchi



This workshop comprises the University of Tokyo faculty members and graduate students as well as researchers from Japan and abroad who have an interest in urban economics, as well as in spatial economics, international trade, and transportation economics. The University of Tokyo faculty members participating on a regular basis include members of Graduate School of Economics, Center for Spatial Information Science, and Institute of Social Science, The University of Tokyo.

The workshop is held once a month. Usually, two external researchers each give a 90-minute research presentation, followed by a wide-ranging discussion. Approximately 20 people attend each session, and around 90% of them go for a social get-together afterward to continue their lively discussions.

A major workshop topic is the impact of spatial externalities on the urban housing market and transportation market. This implies a focus on, for example, mixed housing for households of various classes, urban traffic congestion, and knowledge spillover and transactions between firms through industrial agglomeration. Another major topic is the impact of technological progress on urban and area economies in reducing interregional information and communication costs, output costs of goods and services, and urban commuting costs.

It consists of not only econometric analysis to uncover facts but also involves wide-ranging analysis of economic theory. By uncovering the various market economy mechanisms of a city, the analysis informs which types of economic policies are socially desirable. For instance, lively discussions incorporate various viewpoints on topics such as the trade-off between regional disparities and economic growth, and the appropriateness of agglomeration of economic activities in large cities.

CIRJE Discussion Paper Series

http://www.cirje.e.u-tokyo.ac.jp/research/03research02dp_j.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 2018 to March 2019, 3 papers in J-series and 29 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

- Dov Eliahu Samet (2018.10.9 - 12.11)
Faculty of Management, Tel Aviv University, Israel

Visiting Associate Professor

- Ryo Jinnai (2018.4.1 - 6.30)
Institute of Economic Research, Hitotsubashi University, Japan
- Shuhei Takahashi (2018.7.1 - 2019.3.31)
Institute of Economic Research, Kyoto University, Japan

Short Term Visitors

- Patrick Fridenson (2018.5.2 - 5.29)
Ecole des Hautes Etudes en Sciences Sociales, France
- Jeng-Guo S. Chen (2018.6.1 - 6.6)
Academia Sinica, Taiwan
- Levent Alitinoglu (2018.6.4 - 6.8)
Short-term visitor supported by Nomura Foundation
Federal Reserve Board, USA

- Mira Frick (2018.7.2 - 7.24, 2018.12.10 - 2019.1.10)
Department of Economics, Yale University, USA
- Ryota Iijima (2018.7.2 - 7.24, 2018.12.10 - 2019.1.10)
Department of Economics, Yale University, USA
- Sanjay Chaudhuri (2018.9.24 - 9.29)
Department of Statistics and Applied Probability, National University of Singapore, Singapore
- Inger Leemans (2018.10.10 - 10.23)
Short-term visitor supported by Nomura Foundation
Department of Art and Culture, VU University Amsterdam, Netherlands
- Giacomo Rondina (2019.1.28 - 2.2)
Short-term visitor supported by Nomura Foundation
Department of Economics, University of California, San Diego, USA
- Sugata Marjit (2019.3.4 - 3.8)
Short-term visitor supported by Nomura Foundation
Centre for Studies in Social Sciences, Calcutta, India
- Ken Onishi (2019.3.19 - 3.24)
Short-term visitor supported by Nomura Foundation
Federal Reserve Board, USA

Staff

Professors

Katsumi Shimotsu
(Director)



Advisors

Junko Kato (Professor, Graduate Schools for Law and Politics, The University of Tokyo)

Nobuhiro Kiyotaki (Professor, Department of Economics, Princeton University)

Kazuo Nishimura (Specially Appointed Professor, Research Institute for Economics and Business Administration, Kobe University)

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

Hajime Takata (Managing Executive Officer/Chief Economist, Mizuho Research Institute Ltd.)



Kosuke
Aoki



Shin-ichi
Fukuda



Yasuhiro
Sato



Yoshito
Takasaki



Takatoshi
Tabuchi

The Steering Committee

Chair

Katsumi Shimotsu (Director)

Members

Kosuke Aoki • Shin-ichi Fukuda • Yasuyuki Sawada
Nobuo Takahashi • Masayuki Tanimoto

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