

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

Asia Pacific Trade Seminars 2019

The CIRJE has promoted and continued to support conferences and workshops. Among them, an international conference during fiscal 2019 is introduced by the organizer.

Taiji Furusawa



The Asia Pacific Trade Seminars (APTS) is the forum for researchers in international trade and investment, holding annual meetings in universities in Asia Pacific region. This time, The University of Tokyo hosted the 15th meeting of the APTS on June 29-30. Fifty-one papers, selected from the submission, were presented.



Asia Pacific Trade Seminars 2019

In addition, the two keynote talks were given at the plenary sessions: "In search of trade friction" by Samuel Kortum (Yale University) and "Issue linkage in international environmental agreements formation" by Alan Woodland (University of New South Wales). The meeting boasted high-quality presentations, vital discussions, and wide variety of subjects (e.g., regional trade integration, offshoring, foreign direct investment, and international taxation) covered. The meeting attracted about 80 participants from all over the world, which means it attained another important diversity that benefited all the participants. The participants enjoyed presenting their works and learning from other participants the frontier methodologies and up-to-date outcomes of theoretical and empirical research on international.



The parallel sessions are limited to at most three, so that the participants do not have to miss a lot of talks that they wish to listen to. The participants also exchanged research ideas during the coffee breaks and reception. Thanks to the financial and professional support by the CIRJE, the meeting ended with a huge success.



The APTS has been holding annual conferences to facilitate research in the field of international trade, owing a lot to local organizers in the Asia-Pacific region. The APTS will continue to play this important role. Please visit the APTS main page (<http://www.furusawa.e.u-tokyo.ac.jp/APTS/>) for more information.

CIRJE
Newsletter
Contents

Conferences

Asia Pacific
Trade Seminars 2019

CIRJE Visitors

CIRJE Workshop Report

Tokyo Workshop on
International and
Development Economics
(TWID)

CIRJE
Discussion Paper
Series

Visitors

Staff

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 Professors

Department of Economics, University of Southern California, USA

Robert Dekle
(2019.5.13 - 6.12)



During my visit to CIRJE, I largely completed my study on the effect of robots on Japanese labor demand. Studies in the U.S. have usually taken a dim view of the introduction of robots, saying that robots negatively affect the demand for labor. In using Japanese data from 1979 to today, I showed that the introduction of robots have increased labor demand by sharply increasing the productivity of industries. While robots may displace labor in specific tasks, robots increase the productivity of industries, thereby allowing industries to reallocate the workers from say the assembly line—where they are displaced—to the cafeteria or the parking lot. This research would not have been possible without the kind introduction of Professor Shin-ichi Fukuda. The interaction with economists at the Faculty of Economics of Todai were invaluable. The staff at CIRJE, Ms. Tanaka and Ms. Ogawa—put up with my difficult personality with great cheer. I am deeply appreciative of the opportunity to visit CIRJE.

School of Humanities (History), University of Bristol, UK

Christine MacLeod
(2019.10.1 - 11.30)



During October and November 2019 I had the pleasure of visiting CIRJE, at the invitation of Professor Koji Yamamoto, to help prepare the ground for a large-scale, international research project on comparative histories of capitalism which he will lead. The novelty of this project is threefold. First, instead of taking Europe (normally Great Britain) as the standard, we started our investigations with Edo Japan and moved gradually westwards. Second, we prioritized the role of the state and its relations with a wider range of actors, drawing on researches that highlight previously neglected primary sources and localized case studies. These shifts in perspective have the potential to complement and critique comparative studies that focus on other political and economic institutions and their performance. Third, we explored these avenues for research through jointly teaching a graduate module, which challenged students to reassess their understanding of global economic history. As we approached the much debated causes of the British Industrial Revolution, I gave a seminar paper which brought its historiography up-to-date. I also participated in a wide range of research seminars and workshops hosted by the Historians' Workshop, an impressive initiative to encourage early-career researchers to present and publish their work in English. By providing a supportive programme in which to develop their skills of English presentation, it actively promotes their confidence to engage in international forums. My sincere thanks to CIRJE and the Graduate School of Economics for this unique opportunity and to all the members of faculty, staff, and students who made my visit so interesting and enjoyable.

Motu Economic and Public Policy Research, New Zealand

Dean Robert Hyslop
(2019.11.11 - 2020.2.11)



My visit to CIRJE from November 2019 until February 2020 provided a wonderful opportunity to focus on research, present and attend seminars, and interact with faculty and students. I'm grateful for the support of CIRJE staff throughout my visit. During my visit, I began research on a project with Professor Daiji Kawaguchi of The University of Tokyo, analysing the wage setting behaviour of a temporary help agency (THA) for IT workers. In contrast to many studies of firm wage setting, the data available provides a direct measure of the wedge between what a client firm pays for the THA and the worker's wage from the THA, which we will use to analyse variation in monopsony power across workers. In addition, I completed revisions of two papers. The first, "Population change, migration and housing markets" (co-authored with Drs. David Maré and Trinh Le of Motu, and Professor Steven Stillman of Free University of Bozen-Bolzano), analyses the relationship of local area housing with population size and migrant-status composition in New Zealand over the period 1986–2013. We estimate the elasticity of house prices with respect to population is 0.65, but no effect on rents; although international migration flows are an important part of population fluctuations, we find no evidence that house price changes are positively related to the share of new

immigrants to an area. The second, "Female earnings inequality: the changing role of family characteristics on the extensive and intensive margins" (co-authored with Professor David Card of University of California, Berkley), analyses female annual earnings inequality in the US between the late 1960s and late 1990s, during which inequality fell sharply, in contrast to steadily rising male earnings inequality. We estimate joint models of both the extensive (employment) and intensive (hours and wages) margins of earnings, and the estimates suggest that over 80% of the decline in female earnings inequality over the period can be attributed to weakening links between family-based factors (e.g. children and the presence and income of spouse's) and female labour supply decisions.

Visiting Associate Professor

Faculty of Economics, Musashino University, Japan
Mariko Tanaka
(2019.4.1 - 2020.3.31)



I had the honor of spending a year at CIRJE, starting April 1, 2019. During my stay, I worked on joint research projects with Professor Shin-ichi Fukuda. Specifically, we made (1) an empirical study of financial spillover effects from Asian emerging markets on international financial markets and (2) a theoretical study of international currency choices. In study (1), we used principal component analysis to identify the monetary shocks that were common to Asia and then ran a GVAR model to verify the spillover effects from Asian emerging countries on European and the U.S. financial markets. We found that Asia's impact was increasing because, while the spillover effects on equity markets had been mostly caused by shocks in the manufacturing industry, they had become substantially greater since the GFC(Global Financial Crisis), and while the spillover effects on long-term interest rates in the bond market had been smaller than those on the equity market, they became more pronounced during the period when monetary easing was tapering off. Our findings were published in the Asian Development Review. With regard to study (2), we built a monetary search model incorporating economic geography to show how time differences affect international currency choices and found that the U.S. dollar, consequently, acts as the predominant means of exchange in international transactions. My stay at CIRJE occurred since I became a research associate, and the fact that I was able to give undivided attention to research was thanks to the support I received from all the CIRJE staff members. I would also like to express my sincere appreciation to Professor Fukuda, CIRJE Director Katsumi Shimotsu, and all the faculty members for having provided me with this opportunity and for their invaluable guidance.

CIRJE Workshop Report

The Center offers 14 workshops run by faculty members of the Graduate School of Economics. This is a report from the leader of the Tokyo Workshop on International and Development Economics (TWID).

Tokyo Workshop on International and Development Economics (TWID)

Yoshito Takasaki



The primary aim of TWID is to improve the research capacity of participants through discussion, thereby contributing to the frontier of international and development economics. It is organized by five faculty members from the Graduate School of Economics, the Graduate School of Frontier Sciences, and the Graduate School of Public Policy at The University of Tokyo, who study economic and social issues primarily in developing countries as well as international economic issues. TWID is flexibly held once or twice a month in the form of standard seminar or workshop with more than one speaker (90 minutes per presentation). Speakers are from Japan and abroad and participants consist of researchers and graduate students within and outside The University of Tokyo (about 20 participants on average). Participants who do not specialize in international or development economics are also common. Each workshop hosts active discussion and provides an opportunity for networking for research. Speakers present frontier research in international and development economics. Emphasizing evidence-based policy making and causal analysis, TWID covers various approaches such as randomized controlled trial, quasi-experimental design, big data analysis, structural estimation, and behavioral experiment. Numerous topics are covered from field experiment on health behavior through macroeconomic analysis on development aid. Study areas greatly vary from an African village through a global scale. At the same time, speakers and participants commonly and consistently pursue academic and practical contributions to pressing issues for human beings, such as poverty, trade, migration, conflict, and climate change.

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 2019 to March 2020, 1 paper in J-series and 30 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

- Robert Dekle (2019.5.13 - 6.12)
Department of Economics, University of Southern California, USA
- Christine MacLeod (2019.10.1 - 11.30)
School of Humanities (History), University of Bristol, UK
- Dean Robert Hyslop (2019.11.11 - 2020.2.11)
Motu Economic and Public Policy Research, New Zealand
- Nathaniel A. Throckmorton (2019.6.1 - 6.7)
Short-term visitor supported by Nomura Foundation
Department of Economics, William and Mary, USA
- Samuel Kortum (2019.6.25 - 6.30)
Department of Economics, Yale University, USA
- Giacomo Todeschini (2019.16 - 9.22)
Short-term visitor supported by Nomura Foundation
University of Trieste, Italy

Visiting Associate Professor

- Mariko Tanaka (2019.4.1 - 2020.3.31)
Faculty of Economics, Musashino University, Japan

Short Term Visitors

- Mike K. P. So (2019.4.3 - 4.28)
The Hong Kong University of Science & Technology, Hong Kong
- Galina Zudenkova (2019.4.15 - 4.26)
Short-term visitor supported by Nomura Foundation
Department of Economics, University of Mannheim, Germany
- Makoto Watanabe (2019.5.8 - 5.31)
Short-term visitor supported by Nomura Foundation
School of Business and Economics, VU University Amsterdam, Netherland
- Xavier Ragot (2019.12.10 - 12.13)
Department of Economics, Sciencespo, France
- Christopher Glynn (2020.1.8 - 1.18)
Short-term visitor supported by Nomura Foundation
Department of Decision Sciences, University of New Hampshire, USA
- Francesco Zanetti (2020.1.13 - 1.17)
Short-term visitor supported by Nomura Foundation
Department of Economics, University of Oxford, UK

Professors

Katsumi Shimotsu
(Director)



Kosuke Aoki



Shin-ichi Fukuda



Yasuhiro Sato



Yoshito Takasaki

The Steering Committee

Chair

Katsumi Shimotsu (Director)

Members

Kosuke Aoki • Shin-ichi Fukuda • Makoto Kasuya
Yasuyuki Sawada • Masayuki Tanimoto

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, Department of Social Information Studies, Otsuma Women's University)

Hajime Takata (Chairman of The Center, Global Research Center and Executive Economist, Okasan Securities Co., Ltd.)

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