

# Newsletter

Contents

February 2006, No.8

CIRJE

Center for  
International Research on  
the Japanese Economy

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## Introduction

The Center for International Research on the Japanese Economy (CIRJE) was established in April 1998 to pursue international joint research on the Japanese economy and to collect, analyze, and disseminate economic data as well as historical and management data in Japan. CIRJE is located in the Graduate School of Economics at the University of Tokyo, and many faculty members do joint research with members of CIRJE.

Within CIRJE, we have many research projects on various aspects of the Japanese economy, including comparative studies of the 'lost decade', empirical studies of exchange rates, law and economics, economics of the public supply system and the construction industry, aspects of insurance and finance, and many other areas.

CIRJE's research projects receive funding from a variety of sources and much of the funding is obtained directly by project members. We also gratefully acknowledge financial support from Mr. Ryojiro Kojima (the chairman of Kojima Press Industry). The Ryojiro Kojima Chair established in June 2002 supports empirical research on the Japanese economy and industry. The Kojima Chair is also providing funding for a new research initiative on the long-term development of Japanese inter-firm relationships and corporate governance since the Meiji-era. Professor Kazuo Wada of the University of Tokyo has been leading this project, along with two visiting professors: Yoichi Kobayakawa and Tsuneo Suzuki.

As part of our activities at CIRJE we regularly circulate two series' of Discussion Papers, in Japanese (J-series) and in foreign languages (F-series). We also support a large number of workshops each week. These cover areas including micro, macro, economic history, urban economics,

contemporary firms, applied statistics and political economy. Detailed information on Discussion Papers and Workshops is disseminated via announcements and our web page.

Fumio Hayashi, a CIRJE member, has received a sizable grant from the Ministry of Education and Science for a research project entitled "Empirical Analysis and Design of Economic Systems." Professor Hayashi has led the coordinating committee, which oversees research in seven project areas, while the leaders of four research groups have been chosen from amongst our colleagues. This grant has supported research activities at CIRJE by facilitating the assembly and organization of data needed for empirical research on the Japanese economy, and by providing partial funding for international conferences sponsored by CIRJE.

CIRJE has also assisted many of the research activities of the 21st Century COE (Center of Excellence) program, which is supported by the Ministry of Education and Science and is led by Professor Hiroshi Yoshikawa.

One of the major tasks of CIRJE has been to facilitate interaction with visitors

from abroad. This year we welcomed many distinguished visitors with a broad range of research interests including: Janet Elizabeth Hunter, Hak Kil Pyo, Hans Gustav Westlund, Takeshi Amemiya, Charles Plott, Masanao Aoki, Richard Rogerson, Steven J. Davis, Yuichi Kitamura, Jeong-Joon Lee, Lu Jingfeng, Hideo Owan, Rafael Rob, Partick Fridenson, Ricardo Lagos, Yiting Li, Jenny Lanjouw, Edward Prescott, John Riew, Kristian Behrens, Hirokazu Takada, Tatyana Koreshkova, Shin-Kun Peng and Alan E. Gelfand.

CIRJE has also fostered international exchanges by hosting international conferences. This year CIRJE hosted five international conferences;

- (1) The University of Tokyo and Seoul National University Joint Conference "Contemporary Economic Policy Issues in East Asia II"
- (2) The Second General Equilibrium Theory Workshop in Asia (GETA2005)
- (3) APEA 2005
- (4) NBER/CIRJE/EIJS/CEPR Japan Project Meeting
- (5) TRIO2005



APEA 2005, July 30-31, 2005: Marcury Hall, Hitotsubashi University

Reception party at Forest Hongo, Conference on Contemporary Economic Policy Issues in Asia II, April 7, 2005



Center for International Research on the Japanese Economy  
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 Website <http://www.e.u-tokyo.ac.jp/cirje/index.html>



# Conferences

## Seoul National University- University of Tokyo Conference on Contemporary Economic Policy Issues in Asia II

Center for International Research on the Japanese Economy, Faculty of Economics,  
The University of Tokyo and Institute of Economic Research, Seoul National University

Faculty Meeting Room, Faculty of Economics, University of Tokyo, April 7, 2005, Sponsored by Kojima Chair

The second Joint Conference of the University of Tokyo and Seoul National University was held on April 7, 2005, under the heading of "Contemporary Economic Policy Issues in Asia II." Papers presented at the conference dealt with Korean Chaebols, financial intermediation, and financial crises in both Korea and Japan. For more details, please visit our website.

### PROGRAM

Morning Session 9:00-12:00

Chair: Toshihiro Ihori (University of Tokyo)

Session 1: Seung Hoon Lee (Seoul National University), "Korean Chaebols—Formational Background, Performances and Problems"  
Discussant: Makoto Kasuya (University of Tokyo)

Session 2: Jisoon Lee (Seoul National University), "Costs of Financial Intermediation and Growth"  
Discussant: Tokutaro Shibata (University of Tokyo)

Afternoon Session 13:30-17:00

Chair: Toru Iwami (University of Tokyo)

Session 3: Shin-ichi Fukuda (University of Tokyo), "The Impacts of "Shock Therapy" under a Banking Crisis: Experiences from Three Large Bank Failures in Japan" (with Satoshi Koibuchi)

Session 4: Yasuyuki Sawada (University of Tokyo), "A Credit Crunch and Household Welfare: The Case of the Korean Financial Crisis" (with Sung Jin Kang)  
Discussant: Young Sik Kim (Seoul National University)

### Presentations at the conference site (Faculty of Economics building)



Lunch and reception party



Professor Seung Hoon Lee (Seoul National University) speeches



Professor Naoto Kunitomo, director of CIRJE



# APEA 2005

## International Conference, Asia-Pacific Economic Association

Mercury Tower, Hitotsubashi University, July 30-31, 2005, Co-sponsored by CIRJE

The purpose of the APEA conference is to encourage economic research on international economics in the Asia-Pacific region through promoting interaction among economists in the region and in other parts of the world. This conference follows a series of other conferences organized by a group of economists in the United States,

Japan, South Korea, Taiwan, Hong Kong and mainland China, on the Asian economies and the 1997 Asian financial crisis. There was a need felt for more forums at which economists could share their research work with others, interact with other economists, seek out research opportunities and topics and make policy recommendations.



APEA 2005: Reception Party



Science Council of Japan Symposium

## Science Council of Japan Symposium “Downturn of the Japanese Economy and Possible Future Reforms”

March 16, 2005

Venue: Science Council of Japan Roppongi,  
Tokyo

Co-organized by: Science Council of Japan,  
“Empirical Analysis and Design of  
Economic Systems”, Ministry of Education  
Grant-in-Aid for Scientific Research on  
Priority Areas, and CIRJE

On March 16, CIRJE’s scientific research project, Empirical Analysis and Design of Economic Systems, held a joint symposium with the Science Council of Japan, entitled DOWNTURN OF THE JAPANESE ECONOMY AND POSSIBLE FUTURE REFORMS. In his presentation, “A supply side explanation of the lost decade”, Professor Fumio Hayashi of University of Tokyo examined macroeconomic aspects of the Japanese economy after 1990, emphasizing the drop of total factor productivity. By presenting “People, Schools, and Workplaces: Structural Changes in the Labor Market in the 1990’s, and its Future,” Professor Kenn Ariga of Kyoto University analyzed contemporary job market problems faced by



Professor Un-Chan Chung, President of Seoul National University, gives a keynote speech

high school graduates. In his talk “Institutional Reforms of the 21st Century: From ‘Safety, Assurance and Equality’ to ‘Competition, Freedom and Variety’,” Professor Masahiro Okuno-Fujiwara explained how coercion in long-term relationships harms incentives for building and maintaining trust. The presentations were followed by lively discussions with the audience.

## TRIO 2005

December 9-10, 2005

Venue: Meeting Room, Faculty of Economics,  
University of Tokyo

Organizers: Shin-ichi Fukuda, Takeo Hoshi,  
Takatoshi Ito and Andrew Rose

Co-organized by: CIRJE

The TRIO conference of this academic year took place on 9th and 10th of December 2005 on the 6th floor of the Graduate School of Economics Building,



Professor Robert Engle, a Nobel Prize winner, giving a lunch seminar at TRIO 2005: he also participates in the conference as a discussant

### Available on the web

Details of conferences hosted or co-hosted by CIRJE can be found at our website:

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



University of Tokyo. The theme of the conference was "International Finance." The topic is one of today's most significant medium- to long-term issues of economic policy in Europe, the U.S., Asia, and Japan. While each region faces a different economic environment, major changes to existing international monetary systems are inevitable in all cases. For example, European countries initiated a new monetary system with the introduction of the EURO. There is considerable debate among economists and policy-makers as to the most appropriate form which a new international monetary system should take. The reforms are likely to have significant effects in the capital markets; offering opportunities for new products, prompting shifts in asset allocation and raising new questions about regulation. In total, ten papers were presented, from Japan, US and Europe.



Presentation at GETA 2005

## The Second General Equilibrium Theory Workshop in Asia (GETA2005)

June 25, 2005

Venue: Lecture Hall No.2, Faculty of Economics, University of Tokyo  
 Jointly sponsored/organized by: CIRJE, the 21st Century COE Programs of the University of Tokyo and Kyoto University

The Second General Equilibrium Theory Workshop in Asia (GETA2005) was held at the University of Tokyo on June 25, 2004. As the name suggests, the main topic of GETA is the general equilibrium analysis of market economies and its direct application to economic problems, such as finance theory. GETA is also interested in related fields such as the analysis of the nexus between market and non-market institutions, which is the aim of our 21st Century COE program. This year, we had ten presentations by three Japanese economists and seven guests from foreign countries including two prominent economists, Luo Xiao and Aditya Goenka.

## The Seventh Annual Japan Project Meeting (NBER/CIRJE/EIJS)

September 15-16, 2005

Venue: Hotel Okura, Tokyo

Organizers: Magnus Blomström, Fumio Hayashi, and Anil Kashyap

Co-organized by: NBER, CIRJE, and EIJS

Sponsored by: the 21st Century Center of Excellence Program

The Seventh Annual CIRJE Japan Project Meeting, co-organized with NBER (National Bureau of Economic Research, based in the U.S.) and the EIJS (European Institute for Japanese Studies, based in Sweden), was held on September 15th and 16th 2005, at Hotel Okura. More than 80 academics, private-sector economists, journalists and policymakers from within and outside Japan participated. Eight papers were presented. Professor Hiroshi Yoshikawa, a member of the Economic Council Committee (the policy advisory council chaired by Prime Minister Junichiro Koizumi) gave a lunchtime talk on macroeconomic policy-making in Japan. For more details about the program, please visit:

<http://www.nber.org/~confer/2005/jpmf05/program.html>



Reception party with a string quartet at the Swedish Embassy: Ambassador, Mr. Mikael Lindström speeches (above)



### CIRJE Research Report Series

<http://www.e.u-tokyo.ac.jp/cirje/research/03research06report.html>

CIRJE launched a new series of research reports in 2004. This series mainly include the reports of research projects and the proceedings of conferences.

**CIRJE-R-1:** Naoto Kunitomo (University of Tokyo) ed., "X-12-ARIMA(2002) for JAPAN" (in Japanese), July 2004.

**CIRJE-R-2:** Hiroshi Okuda (University of Tokyo) ed., "The 20th Century and

Rural Russia" (in Russian), February 2005.

**CIRJE-R-3:** Takeshi Amemiya (Stanford University), "Lectures on Micro-econometrics" (COE Special Lecture Series, in Japanese), June 2005.

**CIRJE-R-4:** A Joint Conference of Seoul National University and University of Tokyo, "Contemporary Economic Policy Issues in Asia II" (in English), April 2005.



# Research Projects

## Ministry of Education The 21st Century Center of Excellence (COE) Program

The 21st Century COE Program "The Research Center for the Relationship between the Market Economy and Non-market Institutions" (CEMANO; Project Leader, Professor Hiroshi Yoshikawa) is intended as a place of research of a high intellectual standard, which the research community will come to refer to as the "Tokyo School." Through our research and education relating to the interaction between the market economy and non-market institutions we hope to further enhance the global reputation of the Graduate School of Economics at the University of Tokyo. Since its establishment in September 2003 CEMANO has fostered the international exchange of research and education based on a close relationship with the CIRJE. This annual report, the first for CEMANO, outlines the activities of our research center.

### (1) International Exchange of Research and Education:

(a) COE Visiting Fellows from Overseas: In 2004 (October 2004 to March, 2005) the following scholars visited CEMANO: Theodor W. Anderson (Stanford University), Masanao Aoki (UCLA), Giorgio Brunello (University of Padova), In Ho Lee (Seoul National University), Hiroyuki Nakata (University of Essex), John Riew (Pennsylvania State University), Marcelo Veracierto (Federal Reserve Bank of Chicago). In 2005 (April to October) the following scholars visited: Takeshi Amemiya (Stanford University), Masanao Aoki (UCLA), Kong-Ping Chen (Academia Sinica and National Taiwan University), Chongwoo Choe (University of New South Wales), Nicolas Economides (New York University), Lu Jingfeng (National University of Singapore), Ricardo Lagos (New York University), Jenny Lanjouw (UC

Berkeley), Kiminori Matsuyama (Northwestern University), Charles Plott (California Institute of Technology), John Riew (Pennsylvania State University), Rafael Rob (University of Pennsylvania), Richard Rogerson (Arizona State University), Ryuzo Sato (New York University), Kenneth A. Small (UC Irvine).

(b) In cooperation with CIRJE, CEMANO has established the interdisciplinary COE Distinguished Research Seminar Series and the COE Frontier Lecture Series. Guest lecturers have included (figures indicate the number of times a speaker has appeared): John Riew, T. W. Anderson, Giorgio Brunello, Dale Jorgenson (2), Charles Plott, Kris James Mitchener, Rafael Rob, Patrick Fridenson, Kiminori Matsuyama (2), Nicholas Economides, Muhammad Yunus (1), Charles Plott (1), Takeshi Amemiya (5), Rafael Rob (1), Jenny Lanjouw (4). CEMANO also hosted the following events, in conjunction with CIRJE: COE Micro-Workshop (18 meetings in 2004 including 4 foreign visitors; 20 times in 2005 including 16 foreign visitors), COE Macro-Workshop (22 meetings in 2004 with 14 foreign visitors; 21 times in 2005 with a total of 13 foreign visitors), the COE Applied Statistics Workshop (8 meetings in 2004 with 2 foreign visitors; 7 times in 2005 with a total of 2 foreign visitors), COE Urban Economics Workshop (8 meetings in 2004 with a total of 2 foreign visitors and 8 in 2005 with a total of 5 foreign visitors). (N.B. Some numbers are duplicated because of co-sponsorship).

(c) CEMANO also cooperated with CIRJE in hosting a number of international conferences. In 2005, 'Economics of Collusion: Evidence from Korea and Japan' was held on January 17; 'Emerging Markets and Institutional Change' was held on March 15; 'Between the Market and the State in the Global Economy: Modalities of International Private and Public Capital Flows' was held on March 25.

(d) CEMANO also continued to work with Seoul National University, offering a

Micro-Workshop as a contribution to the development of an Asian Network.

(e) CEMANO also continued with the COE Discussion Paper series (COE-DP) as an international medium for disseminating research results. By October 2005, 106 papers were published in English and 28 in Japanese. From October 2004 to October 2005, 57 papers were published in English and 15 in Japanese. The Discussion Papers are available for download from the CEMANO website.

(f) CEMANO has updated its website, both in English and Japanese. The homepage offers information on CEMANO's activities.

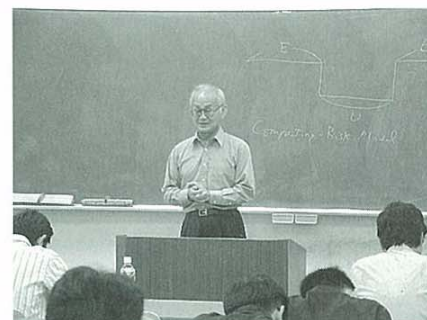
(g) CEMANO continued its research and education program in the new field of experimental economics.

### (2) Programs for the Cultivation of Young Scholars

(a) Continued OJT with the hiring of COE Assistants, Post-Doctoral Researchers and Research Associates, in addition to RATA.

(b) Our Center's COE Assistants organized, in cooperation with CIRJE, a series of COE Brown-bag Seminars where young scholars could present research on Macroeconomics, Microeconomics and Empirical Economics.

(c) COE Assistants who have produced distinguished research are given the chance to publish their work as a COE-DP. These papers are selected by CEMANO staff and eight have been published so far.



Professor Takeshi Amemiya (Stanford University) lecturing at COE Frontier Lecture Series



(d) COE Assistants can also be awarded the COE-TA Award for excellence in teaching. This award is decided upon the basis of teaching evaluations. The award-winners for the Spring Semester 2004 were Toru Kitakawa and Minoru Kitahara, and for the Winter Semester 2004, Akira Kaneko, Koichi Miyazaki and Yukitoshi Matsushita.

(e) To further the internationalization of CEMANO and the Graduate School, Roger Smith was hired as a Research Assistant Professor in charge of English education and training. Since October 2004 workshops on presentation and writing skills have been offered to graduate students.

(f) A new program for the overseas dispatch of young researchers has been established.

### (3) Others

CEMANO has set up research infrastructures such as IT, databases and software, while IT and software for Experimental Economics have also been introduced. A new management organization has been put in place, in cooperation with CIRJE.

## COE Seminars

- \* Distinguished Research Seminar Series
- \* Frontier Economics Lecture Series
- \* Macro Brown-Bag Lunch Seminar
- \* Micro Brown-Bag Lunch Seminar
- \* Empirical Micro Brown-Bag Lunch Seminar

Current schedules are posted on:  
<http://www.e.u-tokyo.ac.jp/cemano/research/index.html>

## Ministry of Education Grant-in-Aid for Scientific Research on Priority Areas

### Empirical Analysis and Design of Economic Systems

The Ministry of Education has awarded a large research grant (Ministry of Education Grant-in-Aid for Scientific Research on Priority Areas) to a research initiative headed by Fumio Hayashi, a CIRJE member. The funding is for six years starting from October 2000. The title of the project is "Empirical Analysis and Design of Economic Systems." It consists of seven groups, each of which has its own research agenda. Group leaders are Charles Horioka (Osaka University), Kenn Ariga (Kyoto University), Jota Ishikawa (Hitotsubashi University), Shin-ichi Fukuda (University of Tokyo), Masahiro Okuno-Fujiwara (University of Tokyo), Tetsuji Okazaki (University of Tokyo) and Fumio Hayashi (CIRJE and University of Tokyo). The research activities of these seven groups are coordinated by a committee which consists of the seven group leaders. CIRJE administers the budgets of the groups headed by University of Tokyo faculty members and maintains the project's website.

This project is in its final year. The research resulting from this project will be published in special issues of academic journals, written in English (forthcoming in 2006), and in a series of books in Japanese. For more details about the research please visit: <http://www2.e.u-tokyo.ac.jp/~seido/>

### Evaluation and Design of Japanese Monetary and Fiscal Policies

#### Group Members

Fumio Hayashi (Group Leader, CIRJE and University of Tokyo), R. Anton Braun

(CIRJE and University of Tokyo), Tsutomu Miyagawa (Gakushuin University), Etsuro Shioji (Yokohama National University)

This group, which is part of the research project entitled "Empirical Analysis and Design of Economic Systems" focuses on the evaluation of current and past Japanese fiscal and monetary policies, and the welfare consequences of alternative policies.

The group's research focus has been the measurement of the TFP (total factor productivity, a measure of the overall efficiency of the economy) and the determinants of TFP movements. Since joining the group Tsutomu Miyagawa has examined the TFP for a number of Japanese industries. R. Anton Braun has written a number of empirical and theoretical papers on the aging of the population, U.S. R&D and Japanese economic growth, and other issues. Etsuro Shioji has completed work with Braun on a technique called 'structural vector auto-regression'. He is currently working on the relationship between TFP and investment. Hayashi, in collaboration with Edward Prescott of Arizona State University, has completed a two-sector model analysis of Japan's prewar stagnation. He has also completed a two-sector analysis of Japan's economy in the 1990s. Work done by these members can be downloaded from: <http://www2.e.u-tokyo.ac.jp/~seido/DP.html>

### Economic Analysis of Political Systems

#### Group Members

Masahiro Okuno-Fujiwara (Group Leader, University of Tokyo), Toshihiro Ihori (University of Tokyo), Takero Doi (Keio University)

This project has focused on economic policies and institutional problems that have inhibited Japanese economic growth since 1990. Fiscal policy and policy making processes were among the principal issues which were tackled.

Doi analyzed sustainability issues in



Japan's fiscal policy and examined debt management policy based on maturity structures of government bonds, using theoretical models and numerical studies. He also investigated the desirable coordination of fiscal and monetary authorities toward fiscal reconstruction. It was concluded that, given the present maturity structure of bonds, Japan's debt management policy should be based on the smoothing rule over time, as follows.

As the termination date is concentrated within a ten-year period it is preferable to reserve fiscal resources to a certain extent even if reliance on government bonds rises temporarily. It is also necessary to reduce reliance on government bonds gradually when there are relatively a few expiring bonds. It is important to restrain the increasing trend towards reliance on government bonds.

Economic transactions are always beleaguered by possible moral hazards. Historically, the problem has been dealt with by limiting transactions to those carried out by members of the same community and by using the power of the state to support business contracts and legal rights. However, recent developments both in global transactions and information technology have weakened the effectiveness of these measures, because of the anonymity of transacting parties, freedom of entry and exit, and the sheer volume of trans-boundary transactions. These changes call for a new economic infrastructure for enforcement of contracts, which is likely to be based on weak social relations with a basis in social networks. Okuno-Fujiwara, using an evolutionary game analysis, examined a scenario in which loss of trust functioned as a sanction against moral hazards.

Ihori investigated the macroeconomic effect of fiscal policy and the fiscal reconstruction movement in Japan. He first summarized recent Japanese fiscal policy and discussed the sustainability of government deficits. He then investigated the macroeconomic effects of Japanese fiscal policy and evaluated the plausibility

of non-Keynesian effects. He also analyzed political constraints in fiscal reconstruction attempts, and the possibility of a crowding-in effect of fiscal reform. Finally, he discussed some measures for successful fiscal reconstruction in the near future. He concluded that the most desirable way to promote fiscal reform is to reduce the massive current deficit. Needless to say, it is not rational to give top priority to deficit-reduction alone. Nevertheless, deficit-reduction is an important policy objective, given Japan's deteriorating fiscal health. The question is how long it should take to cut the deficit. Considering the problems that could arise from delays, a reduction program should be implemented as soon as possible, as should reform of the system. Finally, it should be noted that a successful outcome of fiscal reconstruction may increase general political support for drastic fiscal reforms.

## The Construction of Comparative Theories and Data Bases in International Finance

### Group Members

Shin-ichi Fukuda (Group Leader, University of Tokyo), Eiji Ogawa (Hitotsubashi University), Shinji Takagi (Osaka University and IMF)

### Cooperative Members

Takeo Hoshi (University of California, San Diego), Kiminori Matsuyama (Northwestern University), Kar-yiu Wong (Washington University)

This group is using funding from the research initiative, "Empirical Analysis and Design of Economic Systems", to develop new theories of international finance and to examine their empirical relevance using international data. Ultimately, it is expected that these results will be used to identify the characteristics of a successful financial system in the current international finance environment. The Asian crisis of 1997 has

produced a large number of papers that offer prescriptions for reducing the risk of future crises. We have, however, not yet reached a definitive conclusion on what system is best for East Asian economies. Some researchers have constructed excellent theoretical models. But these models are usually too abstract to be applied to actual policy-making. In contrast, other researchers have performed excellent empirical studies using rich data sets. The theoretical underpinnings of these analyses are sometimes rather vague, however. Relatively little research to date has sought to reconcile the predictions of theoretical models with the empirical facts using a unified analytical framework. One goal of our group is to promote research that combines theory with measurement. Two areas of current interest are exchange rates and international capital flows. With respect to exchange rates we are developing and applying state-of-the-art theories of exchange rate movements to answer the important policy question of what makes a desirable exchange rate arrangement in East Asia. We are also investigating what the nature and pattern of current international capital flows to East Asia and current exchange rate regimes in this region suggest with regard to the need for rules that restrict international capital flows.

From 2003 to 2005, the group placed a particular focus on the analysis of a "Desirable Exchange Rate System in East Asia." We developed joint research between domestic and foreign scholars on the topic. We have already organized four international conferences that provide a forum where theoretical and empirical economists can present their research and exchange ideas.

Our most recent conference was held at Hitotsubashi University, on July 30-31 2005. The title of this conference was "APEA 2005", and it included sessions on "Asian Crisis, Financial Crisis, and Economic Growth". Papers were presented that examined the causes and effects of the Asian crisis and the recent recovery of affected countries.



## Empirical Analysis of Financial System

### Group Members:

Tetsuji Okazaki (Group Leader, University of Tokyo and RIETI),

Noriyuki Yanagawa (University of Tokyo)

This group succeeded part of the Fujiwara group's project, up until 2002. It is widely accepted that the financial system is one of the key issues in understanding and resolving the prolonged stagnation of the Japanese economy since the 1990s.

To address this issue, Okazaki compiled a data set on entry and exit of banks from the prewar period up to the present, and analyzed the ways in which the regulation regimes affected the banking industry. It was found that while under the prewar regime inefficient banks were selected out by market competition, under the postwar "convoy" regime this mechanism of selection did not remain effective for long. Based on this result, Okazaki developed an empirical framework to analyze the mechanisms of institutional and organizational evolution, in particular the role of selection and imitation. He has

written a paper applying this framework to the evolution of the financial system in Japan, from the 1960s to the end of the 1990s.

On the other hand, Yanagawa has worked on the theoretical and empirical analysis of the financial system, focusing on the concept of liquidity. While practitioners have long stressed the concept of liquidity, there was no solid theoretical basis. Also, the ways in which financial systems influence liquidity have not yet been assessed. Yanagawa examined the concept based on newly developed economic theory, and analyzed the effect—by means of liquidity—of institutions upon the financial market and macro-economy. At the same time, Yanagawa examined how financial institutions have been involved and how they ought to be involved in the reconstruction and liquidation of firms with excess debt. Based on the results, he has investigated the design of institutional arrangements to deal with non-performing loans and to revitalize businesses and M&A. Furthermore, he has explored the effects of securitization and the behavior of investment funds.

## CIRJE Research Projects Sponsored by Kojima Chair

### Regulation in Network-type Industries

#### Project Members

Yoshiro Miwa (Project Leader, University of Tokyo)

Yun Jeong Choi (University of Tokyo),

Yoshitsugu Kanemoto (University of Tokyo)

Yukihiro Kidokoro (University of Tokyo)

Toshihiro Matsumura (University of Tokyo)

Takashi Obinata (University of Tokyo)

Hiroshi Ohashi (University of Tokyo)

Kazuo Wada (University of Tokyo)

Noriyuki Yanagawa (University of Tokyo)

This project is concerned with the role of government policies in network-type industries, such as electric power, natural gas, telecommunications, and transportation.

We have invited specialists in business and government to discuss policy issues in

## Discussion Paper Series

<http://www.e.u-tokyo.ac.jp/cirje/research/03research02dp.html>

### F-Series (in English)

**CF-391** Akai, Nobuo and Motohiro Sato, "Decentralized leadership meets soft budget", December 2005.

**CF-390** Kamiya, Kazuya and Takashi Shimizu, "Real Indeterminacy of Stationary Equilibria in Matching Models with Divisible Money", November 2005.

**CF-389** Kubokawa, Tatsuya and Hisayuki Tsukuma, "Estimation of Parameters in a Linear Regression Model under the Kullback-Leibler Loss", November 2005.

**CF-388** Aoki, Masanao, "Cluster Size Distributions of Heterogeneous Economic Agents: Are there non-self-averaging phenomena in economics?", November 2005.

**CF-387** Doi, Takero, Toshihiro Ihori and Kiyoshi Mitsui, "Sustainability, Debt Management, and Public Debt Policy in Japan", October 2005.

**CF-386** Khan, Haider A., "Deconstructing Postmodernism and the Mainstream Developmental Discourse of Women's Empowerment in the (South) Asian Context", October 2005.

**CF-385** Khan, Haider A., "China's Energy Dilemma", October 2005.

**CF-384** Matsui, Muneya and Akimichi Takemura, "Goodness-of-Fit Tests for Symmetric Stable Distributions—Empirical Characteristic Function Approach", October 2005.

**CF-383** Matsuyama, Kiminori, "The 2005 Lawrence R. Klein Lecture: Emergent Class Structure", October 2005.

**CF-382** Okazaki, Tetsuji, "Determinants and Effects of Employing Professional Corporate Executives: A Case of Cotton Spinning Companies in Pre-war Japan", October 2005: Revised in December 2005.

### J-Series (in Japanese)

**CJ-141** Akiyama, Gouta and Naoto Kunitomo, "On Risk Management Methods of Equity-Linked Insurance and Practical Problems", October 2005.

**CJ-140** Obinata, Takashi, "Value Relevance of Earnings Components in the Income Statement", September 2005.

**CJ-139** Obinata, Takashi, "Value Relevance of Legally Mandated Provisions", September 2005.

**CJ-138** Sawada, Yasuyuki and Satoshi Shimizutani, "Coping with Damages caused by the Great Hanshin-Awaji Earthquake", September 2005.

**CJ-137** Okazaki, Tetsuji, "Long-term Economic Plans in Japan: Historical and Comparative Perspective", September 2005.

**CJ-136** Okazaki, Tetsuji, "An Introduction to Economic History", August 2005.



the energy and telecommunication industries. The following are examples of research produced by project members.

Clements, M. T. and H. Ohashi, "Indirect Network Effects and the Product Cycle: Video Games in the U.S., 1994-2002," forthcoming in *Journal of Industrial Economics*.

Matsumura, T. and O. Kanda, "Mixed Oligopoly at Free Entry Markets," *Journal of Economics* 84 (1), 2005, 27-48.

Matsumura, T. and T. Ohkawa and D. Shimizu, "Partial Agglomeration or Dispersion in Spatial Cournot Competition," *Southern Economic Journal*, 72(1), 2005, 224 - 35.

Kidokoro, Y., 2006. Regulatory Reform and the Congestion of Urban Railways, *Transportation Research A* 40, 52-73.

Kidokoro, Y., 2006. Benefit Estimation of Transport Projects—A Representative Consumer Approach—, forthcoming in *Transportation Research B*.

## Economic Analysis of Public Procurement and the Structure of the Construction Industry

### Project Members

Naoto Kunitomo (Project Leader, University of Tokyo)

Yoshitsugu Kanemoto (Project Leader, University of Tokyo)

Yoshiro Miwa (University of Tokyo)

Hiroshi Ohashi (University of Tokyo)

This project involves analysis of the public procurement system and the structure of the construction industry, based on evidence from practitioners and econometric analysis of statistical data. The following article and newspaper column represent part of the project's research results.

Kanemoto, Y., "Problems in the Japanese Public Procurement System," *Finance*, Vol. 474, May 2005 (in Japanese).

Kanemoto, Y., "What to do with 'Dango'" *Nihon Keizai Shinbun*, August 16, 2005 (in Japanese).

## Microstructure of the Foreign Exchange Market

### Project Members

Takatoshi Ito (Project Leader, University of Tokyo)

Shin-ichi Fukuda (Project Leader, University of Tokyo)

The Foreign Exchange Market (FOREX) is always open somewhere in the world. As news comes in to the market, trading occurs and new rates are formed every second. By looking at the effect upon macro fundamentals and the financial markets of the arrival of news, as well as the timing of jumps in the exchange rate, we may gain insights into the major determinants of the exchange rate in the short-run. Daily patterns of deals and rate volatility give us clues about the market mechanisms involved in exchange rate changes.

Trading occurs when one party thinks that the exchange rate will drop in the future, while the other party thinks that the exchange rate will increase. However, actual pricing reveals dealers' privately-held information. Deals therefore stimulate further deals. The electronic broking systems, i.e. Reuters and EBS, make it possible to connect international dealers on the FOREX market. Deals are done in a fraction of second.

This project uses high-frequency data of the FOREX market to analyze the ways in which 'price discovery' is made, along with its effects on the trading strategy of dealers.

## List of CIRJE Research Projects

### 1. International Comparative Studies Program

#### 1-1. The Field of International Comparative Studies of Economy

Regulation in Network-type Industries (Yoshiro Miwa)

International Conference on the Japanese Economy (Fumio Hayashi)

Econophysics in Macroeconomics (Hiroshi Yoshikawa)

APEA 2005 (Shin-ichi Fukuda)

TRIO 2005 (Shin-ichi Fukuda)

Asian Crisis (Shin-ichi Fukuda)

Sustainability of Population, Food, and Environment in Asia (Toru Iwami)

Economic Analysis of Centralization and Decentralization with Risk Management (Toshihiro Ihori)

International Comparative Research on "A Lost Decade" (Tokutaro Shibata)

Microstructure of the Foreign Exchange Market (Shin-ichi Fukuda and Takatoshi Ito)

Economic Analysis of Public Procurement and the Structure of the Construction Industry (Naoto Kunitomo and Yoshitsugu Kanemoto)

GETA 2005 (Kazuya Kamiya)

#### 1-2. The Field of International Comparative Studies of Firms

#### 1-3. The Field of International Comparative Studies of History and Institutions

Economic Analysis of Law (Yoshiro Miwa)

Comparative Research on Fiscal Institutions (Naohiko Jinno)

### 2. Statistical and Historical Material Program

#### 2-1. The Field of Statistical and Historical Material of the Japanese Economy

Historical Study of Minami Yamashiro (Southern Part of Yamashiro District) (Masayuki Tanimoto)

#### 2-2. The Field of Joint Research of Statistical and Historical Material Analysis

On Statistical Foundations of Insurance and Finance (Naoto Kunitomo)



# Workshops

Current workshop schedules can be found on CIRJE website: <http://www.e.u-tokyo.ac.jp/cirje/research/03research03ws.html>

## Microeconomics Workshop

We invite a broad range of speakers to discuss the latest research topics in microeconomics. The workshop is held every Tuesday from 4:50pm to 6:30pm throughout the academic year. Faculty members and graduate students of the University of Tokyo regularly attend the workshop, but it is also open to all economists who are interested in the topic. The latest seminar schedule can be found on the CIRJE's website. Recent guest speakers in the Microworkshop are listed below.

### Recent Speakers:

Charles Plott (California Institute of Technology)  
 Hiroyuki Chuma (Hitotsubashi University)  
 Kong-Ping Chen (Academia Sinica)  
 John Weymark (Vanderbilt University)  
 Chongwoo Choe (Australian Graduate School of Management)  
 Steven Davis (University of Chicago)  
 James Harrigan (Federal Reserve Bank of New York)  
 Masahiro Okuno-Fujiwara (University of Tokyo)  
 Sean Masaki Flynn (Vassar College, New York)  
 Lu Jingfeng (National University of Singapore)  
 Kenneth A. Small (U.C. Irvine)  
 Wataru Ohta (Nagoya University)  
 Hideo Owan (Washington University)  
 Rafael Rob (University of Pennsylvania)  
 Norio Takeoka (University of Rochester)  
 Jenny Lanjouw (University of California, Berkeley)

Kiminori Matsuyama (Northwestern University)  
 Nicholas Economides (New York University)  
 John Riew (Pennsylvania State University)  
 Takashi Shimizu (Kansai University)  
 Akihiko Matsui (University of Tokyo)  
 Hiroyuki Ozaki (Keio University)  
 Ricard Gil (University of California, Santa Cruz)  
 Yohei Sekiguchi (University of Tokyo)  
 Joe Chen (University of Tokyo)  
 Olivier Tercieux (Paris-Jourdan Sciences Economiques, CNRS)  
 Naoko Nishimura (Shinshu University)  
 Yuji Fujinaka (Kobe University)  
 Tatsuyoshi Saijo (Osaka University)  
 Toshiaki Iizuka (Aoyama Gakuin University)  
 Fuhito Kojima (Harvard University)  
 Joel Watson (UCSD)  
 Muhamet Yildiz (MIT)

## Macroeconomics Workshop

The University of Tokyo macroeconomics workshop is the leading forum for academic research in Japan. In the past year we have hosted dozens of seminars on a broad range of topics including macroeconomics, money and banking, development, public finance, finance, and labor economics. We welcome faculty and students of the University of Tokyo and the economics community in general. Our schedule is circulated among other leading universities and research institutions in Japan and is also posted on the CIRJE homepage. Our regular meeting time and venue is Thursdays from 4:50pm to 6:30pm in Lecture Hall No.3 on the 3rd floor of the New Economics Building. Additional seminars are arranged to accommodate the schedules of guest speakers. The current coordinators of the

workshop are R. Anton Braun and Fumio Hayashi.

### Recent Speakers:

Yongsung Chang (Seoul National University)  
 Guillermo A. Calvo (University of Maryland and the Inter-American Development Bank)  
 Alejandro Izquierdo (The Inter-American Development Bank)  
 R. Anton Braun (University of Tokyo)  
 Jang Ok Cho (Sogang University)  
 Kenshi Takeda (Bank of Japan)  
 Richard Rogerson (Arizona State University)  
 Steven Davis (University of Chicago)  
 Machiko Fujimoto (University of Tokyo)  
 Yuichiro Waki (University of Tokyo)  
 Kenichi Fukushima (University of Tokyo)  
 Jeong-Joon Lee (Towson University)  
 Kazuo Ueda (Bank of Japan)  
 Nobuhiro Kiyotaki (LSE)  
 Ricardo Lagos (New York University)  
 Keiichiro Kobayashi (RIETI)  
 Kiminori Matsuyama (Northwestern University)  
 Alexander Wolman (Richmond Federal Reserve Bank)  
 John Friedman (Harvard University)  
 Hisashi Nakamura (University of Tokyo)  
 Andreas Hornstein (Richmond Federal Reserve Bank)  
 Tatyana Koreschkova (Oberlin College)  
 Paul Gomme (Federal Reserve Bank of Cleveland)  
 Makoto Saito (Hitotsubashi University)  
 Selo Imrohorglu (University of Southern California)  
 Hiroyuki Ono (Toyo University)  
 Shang-Jin Wei (International Monetary Fund)  
 Mark M. Spiegel (Federal Reserve Bank of San Francisco)  
 Andrew K. Rose (University of California, Berkeley)  
 Masao Ogaki (Ohio State University)



## Workshop on Modern Business Organizations

The goal of this workshop is to promote communication among researchers of business administration related to modern business (corporate strategy, organizational behavior, manufacturing management, marketing, and so on), by providing researchers with a forum where they can present and discuss their research. The workshop provides a forum where researchers can present their work in early stages of development, exchange ideas and develop a mutual understanding of research through intense discussion between the presenter and attendees.

The workshop was first organized in June 1995, and is held on average twice a month during the academic year. The workshop is normally held in Lecture Hall No.3 on the 3rd floor of the Economics building from 15:00 to 18:00 on a Wednesday.

Recent presentations include: "An analysis of the hierarchical structure of competitive strategy: Strategic management of architecture" (Park Taehoon, Osaka University of Economics), "Inter-partner learning of organizational capabilities in horizontal high-commitment strategic alliances" (Daniel Arturo Heller, Yokohama National University), "Predicting brand preference using consumer social networks" (Hikaru Yamamoto, Seikei University).

## Applied Statistics Workshop 2005

Applied Statistics including Econometrics, Financial Econometrics, and Economic Statistics

The main purpose of this workshop is to promote communication among researchers and graduate students on various topics in the area of applied statistics. We interpret applied statistics broadly, to include research from the areas of econometrics,

financial econometrics and economic statistics.

Some seminars on spatial statistics and spatial econometrics are organized jointly by this workshop and the Center for Spatial Information Science (CSIS) at the University of Tokyo.

### Recent Speakers:

Masahito Kobayashi (Yokohama National University)  
Tatsuyoshi Okimoto (UC San Diego)  
Takeshi Amemiya (Stanford University)  
Shigeo Kusuoka (University of Tokyo)  
Hidehiko Ichimura (University of Tokyo)  
Yukio Muromachi (Nissei Research Institute)  
Yuichi Kitamura (Yale University)  
Nobuaki Hoshino (Kanazawa University)

## Urban Economics Workshop

This workshop is organized by faculty members and graduate students at the University of Tokyo who are interested in urban economics, economic geography, transportation economics, and the economics of regulation. The workshop occasionally invites outside researchers working in urban economics and related fields such as environmental economics, public economics and development economics. The workshop usually meets monthly and features two speakers.

## Political Economy Workshop

The purpose of this workshop is to promote communication among researchers in the area of political economy. The participants are mainly faculty members and graduate students of the University of Tokyo, but the workshop is open to all

political economists who are interested in this topic. Prof. Michiaki Obata, Prof. Tokutaro Shibata and Research Associate Kosuke Oki are coordinating this year's workshop. Speakers are invited from various universities and institutions.

### Recent Speakers:

Sadao Ishibashi (Wakayama University)  
Wonjong KIM (Chiba University of Commerce)  
Shuichi Yano (Takasaki City University of Economics)  
Brian MacLean (Laurentian University)  
Gerard Dumenil (Centre National de Recherche Scientifique)

## Research Meeting on Economic History

The purpose of this workshop is to promote communication among researchers, mainly faculty members and graduate students of the University of Tokyo specializing in economic history. The workshop also invites researchers from outside Japan, in order to gain insights from cutting-edge international research. The workshop is normally held on Monday evening every week during the semester.

### Recent Speakers:

Ken'ichi Shimizu (Kyushu International University)  
Takeo Kikkawa (University of Tokyo)  
Hartmut Kaelble (Humboldt-Universitaet zu Berlin)  
Kris James Mitchener (Santa Clara University)  
Janet Hunter (London School of Economics and Political Science/CIRJE)  
Jiyon Jinso (Korean Open University)  
Patrick Fridenson (École des Hautes Études en Sciences Sociales)  
Yasushi Yamanouchi (Tokyo University of Foreign Studies, Ferris University, emeritus)  
Hans Westlund (Swedish Institute for Growth Policy Studies/CIRJE)



# Research Staff



Naoto Kunitomo



Fumio Hayashi



R. Anton Braun

## Director

### Naoto Kunitomo

(University of Tokyo)

April 1, 2003-

<http://www.e.u-tokyo.ac.jp/fservice/faculty/kunitomo/kunitomo.e/frontpage.kunitomo.e.htm>

Areas of special interest: Statistics, Econometrics, and Mathematical Finance

## Professor

### Fumio Hayashi

(University of Tokyo)

October 1, 1999-

<http://www.e.u-tokyo.ac.jp/fservice/faculty/hayashi/hayashi.e/frontpage.hayashi.e.htm>

Areas of special interest: Macroeconomics and Applied Econometrics

## Associate Professors

### R. Anton Braun

(University of Tokyo)

April 1, 2001-

<http://www.e.u-tokyo.ac.jp/fservice/faculty/braun/braun.e/frontpage.braun.e.htm>

Areas of special interest: Monetary Economics and Fiscal Policy

### Yasuyuki Sawada

(University of Tokyo)

April 1, 2004-

<http://www.e.u-tokyo.ac.jp/fservice/faculty/sawada/sawada.e/frontpage.sawada.e.htm>

Areas of special interest: Development Economics and Applied Microeconomics

## Visiting Professors

### Yoichi Kobayakawa

The Ryojiro Kojima Chair of the Japanese Economy and Industry

(Chubu University)

June 1, 2002 - March 31, 2006

Areas of special interest: Japanese Business History, *Zaibatsu*, Business Networks and Economic Development

### Tsuneo Suzuki

The Ryojiro Kojima Chair of the Japanese Economy and Industry

(Gakushuin University)

June 1, 2002 - March 31, 2006

Areas of special interest: Business History and Industrial Evolution

### Nobuaki Hoshino

(Faculty of Economics, Kanazawa University)

April 1 - September 30, 2005

Nobuaki Hoshino has been studying issues relating to the public use of microdata in the field of official statistics. The widespread use of microeconometrics entails an active demand for microdata, including in Japan. Nevertheless, confidentiality clearly takes priority when disseminating microdata. Only when the risk of breaching privacy is sufficiently low can microdata be provided. Nobuaki Hoshino's current research relates to the assessment of these risks. This topic is considered as a kind of statistical estimation, involving discrete probability models. He has proposed an original family of discrete distributions and has investigated the instances of this family. The research comprises both theoretical and applied aspects. His models can be applied to

contexts other than risk assessment; broad contributions are expected.

### Tomoyuki Nakajima

(Institute of Economic Research, Kyoto University)

October 1, 2005 - March 31, 2006

Tomoyuki Nakajima received his B.A and M.A. from Kyoto University and his Ph.D. from the University of Chicago. He was Assistant Professor of Economics at Brown University, and is currently Associate Professor at the Institute of Economic Research at Kyoto University. His primary research interest is in macroeconomics, specifically in business cycles and asset prices. In the case of the former, he is studying optimal monetary policy in incomplete-market economies. In terms of the latter, he is trying to develop a model that explains the large fluctuations in equity and real-estate prices that have occurred in the last twenty years in Japan.

### Janet Elizabeth Hunter

(London School of Economics, UK)

March 1 - May 31, 2005

Janet Hunter, Saji Professor of Economic History at the London School of Economics, spent the period 1st March 2005 to 31st May 2005 visiting CIRJE. During this time her main research focus was on the development of communications networks in the Meiji period, with special reference to the postal system—the economic history of which has not been widely studied by scholars. The objective was to work on a methodology for





Yasuyuki Sawada



Yoichi Kobayakawa



Tsuneo Suzuki



Nobuaki Hoshino



Tomoyuki Nakajima

Janet Elizabeth  
Hunter

Hak Kil Pyo

Hans Gustav  
Westlund

analysing the economic role of the post, and to apply this methodology to pre-First World War Japan, a period for which relatively good data is available. This research was written up in a CIRJE Discussion Paper and is currently being revised for publication.

## Hak Kil Pyo

(Seoul National University, Economics Division, Korea)

June 1 - August 31, 2005

Professor Pyo visited CIRJE as a visiting professor from June - August 31, 2005. His recent research focuses on the feasibility of sustainable growth in East Asia after the 1997-1998 financial crisis. He has been engaged in interactions with Japanese institutions such as RIETI and Hitotsubashi University in international productivity comparisons among Asian countries and exchange of industrial data.

While visiting the University of Tokyo, CIRJE, he completed two papers. The first is entitled "Productivity Convergence and Investment Stagnation in East Asia" and was co-authored with Bongchan Ha, Visiting Fellow at Hitotsubashi University. It was presented at the University of Tokyo Macroworkshop Lunch Seminar on July 21, 2005. It explores a theoretical model of investment with asymmetric adjustment costs, to reflect the fact that in many crisis-afflicted East Asian economies it was more costly to shut down plants and cut employment than to expand production facilities. This was because the institutional set-up for exiting firms has not been well-established and there was a lack of labor market flexibility and social security networks.

Following some revision, this paper will be published as a CIRJE Discussion Paper.

The other paper was entitled 'Technology and Long-run Economic Growth in Korea', and was also co-authored with Bongchan Ha. It was presented at Technology and Long-run Economic Growth in Asia (September 8-9, 2005, Hitotsubashi University). It was based on the author's report 'Productivity Performance in 17 Developing Countries: The Republic of Korea Case Study', which was submitted to UNIDO on July 8, 2005. The paper deals with how human capital in Korea has contributed to technological advancement and how technology policies have affected productivity growth in Korea.

## Hans Gustav Westlund

(Swedish Institute for Growth Policy Studies, and Royal Institute of Technology, Sweden)  
September 16 - December 16, 2005

Various forms of regional economic development have been the main theme of Hans Westlund's research for almost 20 years. He has written books and papers on regional economic history, networks and infrastructure, border regions and on the regional development of Russia. He has spent the last five years focusing on social capital and its impact on economic development, with special emphasis on the transition from the industrial economy to the knowledge economy. While visiting the University of Tokyo, Westlund finished his book on social capital in the knowledge economy. The empirical part of the book contains comparisons of the social capital of Japan, the United States and Sweden, focusing, among other areas, upon innovation systems and biotech

industries. He also co-organized a Japanese-Swedish workshop on rural development and collected statistical data on the Japanese railways and civic society in Japan. This data will be used in future research projects.

## Short Term Visitors

### Yongsung Chang

(School of Economics, Seoul National University, Korea)

April 13 - April 15, 2005

Yongsung Chang's research interests include macroeconomics and labor economics. He is Associate Professor of Economics at Seoul National University (SNU) and a member of the Economic Research Institute at SNU. He has also taught at the University of Pennsylvania and worked for the Federal Reserve Bank of Richmond. He serves on the editorial boards of *the Seoul Journal of Economics* and *the Journal of Economic Theory and Econometrics*. His current research focuses on labor market fluctuation over the business cycle.

### Yuichi Kitamura

(Department of Economics, Yale University, USA)

June 9 - June 18, 2005

Yuichi Kitamura's current research focuses on nonparametric likelihood methods, nonparametric identification problems and applications of the large deviation principle (LDP) in econometrics. During his stay at CIRJE, he worked on a



project on the statistical inference for moment condition models using LDP. This project aimed at developing a new statistical procedure that overcomes problems in GMM and other existing procedures. The new procedure achieves optimality properties in terms of LDP. Yuichi Kitamura gave a seminar on this topic in the applied statistics workshop during his stay.

## Jeong-Joon Lee

(Department of Economics, Towson University, USA)  
June 12 - July 3, 2005

Jeong-Joon Lee's current research interests include quantitative implications of precautionary saving, aggregate productivity and equilibrium business cycle models and non-parametric hypothesis tests. While visiting the CIRJE he presented a paper on aggregate productivity and asset returns to the macroeconomics/CARF workshop. In a recent study he and Dr. Sawada examined the importance of precautionary saving under liquidity constraints in Pakistan (CIRJE-F-377 & CARF-F-051). A Korean national, he was an undergraduate at Yonsei University and finished his Ph.D. in economics at Stanford University. He is an assistant professor of economics at Towson University in Maryland, and an editor of *New Economics Papers (NEP)* for the areas of Development and Law and Economics.

## Hirokazu Takada

(Department of Marketing and International Business, Zicklin School of Business, Baruch College, The City University of New York, USA)  
October 1, 2005 - January 31, 2006

Hirokazu Takada is Professor of Marketing at the City University of New York in Manhattan. His research interests are related

to the quantitative analysis of various marketing problems, including analysis of diffusion processes in consumer durables, econometric and time-series analysis of competitive marketing behavior, econometric analysis of the relationship between advertising and sales, international marketing research in diffusion and advertising. His recent research project focuses on the analysis of the dynamic and complex relationship of diffusion processes between IT-related products. His analysis involves developing a comprehensive modeling framework based on a new product growth model.

## Hwy-Chang Moon

(The Graduate School of International Studies, Seoul National University, Korea)  
November 1 - December 28, 2005

Hwy-Chang Moon is Professor of International Business in the Graduate School of International Studies at Seoul National University, Korea. He has also taught at University of Washington, University of the Pacific, State University of New York at Stony Brook, Helsinki School of Economics and Business and Kyushu University. His main research fields are International Business Strategy, Foreign Direct Investment and Cross-Cultural Management. He is currently the editor-in-chief of *the Journal of International Business and Economy*, published in the U.S. He has consulted for many international companies and organizations (APEC, World Bank, UNCTAD), as well as national governments (Korea and Malaysia). During his stay at CIRJE he is conducting research on 'Comparing Competitive Advantages of Korean and Japanese Multinational Firms'. If you are interested in talking with him, please feel free to contact him at [cmoon@snu.ac.kr](mailto:cmoon@snu.ac.kr).

## Selahattin Imrohoroglu

(Marshall School of Business, University of Southern California, USA)  
November 16 - November 22, 2005

Selo Imrohoroglu's research interests include macroeconomics and public finance. He is Professor of Finance and Business Economics at the Marshall School of Business, University of Southern California. He is also an Associate Editor of *the Journal of Economic Dynamics and Control*. His recent research focuses on the impact of social security reform in calibrated heterogeneous agent economies. During his stay at CIRJE he presented a paper entitled "Consumption over the Life Cycle: The Role of Annuities", co-authored with Gary Hansen at UCLA.

### Hiroyuki Nakata \*COE Fellow\*

2005.4.1 to 2005.4.22, 2005.11.16 to 2006.1.13: Department of Accounting, Finance and Management, University of Essex, UK

### Takeshi Amemiya \*COE Fellow\*

2005.4.6 to 2005.6.6: Department of Economics, Stanford University, USA

### Charles Plott \*COE Fellow\*

2005.4.11 to 2005.4.14: Division of Humanities and Social Science, California, Institute of Technology, USA

### Kong-Ping Chen \*COE Fellow\*

2005.4.25 to 2005.4.27: Institute of Economics, Academia Sinica and Department of Economics, National Taiwan University, Taiwan

### Masanao Aoki \*COE Fellow\*

2005.5.19 to 2005.5.24, 2005.10.17 to 2005.12.5: Department of Economics, University of California, Los Angeles, USA

### Richard Rogerson \*COE Fellow\*

2005.5.23 to 2005.5.24: College of Business, Arizona State University, USA



**Steven J. Davis**

2005.5.23 to 2005.5.27: Graduate School of Business, University of Chicago, USA

**Lu Jingfeng** \*COE Fellow\*

2005.6.13 to 2005.6.15: Department of Economics, National University of Singapore, Singapore

**Hideo Owan**

2005.6.14 to 2005.7.20: John M. Olin School of Business, Washington University, USA

**Rafael Rob** \*COE Fellow\*

2005.7.4 to 2005.7.6: Department of Economics, University of Pennsylvania, USA

**Partick Fridenson**

2005.7.4 to 2005.8.24: Center de Recherches Historiques École des Hautes Études en Sciences Sociales, France

**Ricardo Lagos** \*COE Fellow\*

2005.7.7 to 2005.8.4: Department of Economics, New York University, USA

**Yiting Li**

2005.7.17 to 2005.7.23: Department of Economics National Taiwan University, Taiwan

**Kiminori Matsuyama** \*COE Fellow\*

2005.7.27 to 2005.8.13: Department of Economics, Northwestern University, USA

**Jenny Lanjouw** \*COE Fellow\*

2005.8.1 to 2005.8.15: Agricultural and Natural Resources Department, University of California at Berkeley, USA

**Edward Prescott**

2005.8.12 to 2005.8.13: Department of Economics, W. P. Carey School of Business, Arizona State University, USA

**Ryuzo Sato** \*COE Fellow\*

2005.9.1 to 2006.3.31: Leonard N. Stern School of Business, New York University, USA

**Douglas H. Joines**

2005.9.1 to 2005.10.8: Marshall School of Business, University of Southern California, USA

**Ming-Tien Tsai**

2005.9.20 to 2005.9.27: Institute of Statistical Science, Academia Sinica, Taiwan

**John Riew**

2005.9.28 to 2005.10.5: Department of Economics, The Pennsylvania State University, USA

**Kristian Behrens**

2005.9.29 to 2005.10.10: CORE, Université catholique de Louvain, Belgium

**Gerard Dumenil**

2005.10.12 to 2005.10.15: Centre National de la Recherche Scientifique, France

**Ricard Gil**

2005.10.24 to 2005.10.28: Department of Economics, University of California, Santa Cruz, USA

**Paul Gomme**

2005.10.26 to 2005.10.30: Research Department, Federal Reserve Bank of Cleveland, USA

**Tatyana Koreshkova**

2005.10.26 to 2005.10.30: Department of Economics, Oberlin College, USA

**Shin-Kun Peng**

2005.11.4 to 2006.11.9: Institute of Statistical Science, Academia Sinica, Taiwan

**Alan E. Gelfand** \*COE Fellow\*

2005.11.28 to 2005.11.30: Department of Statistics, Duke University, USA

**Shang-Jin Wei**

2005.12.7 to 2005.12.10: International Monetary Fund, USA

**Mark M. Spiegel**

2005.12.8 to 2005.12.13: Federal Reserve Bank of San Francisco, USA

**Allan Drazen**

2005.12.9 to 2005.12.15: Department of Economics, University of Maryland, USA

**Masao Ogaki**

2005.12.12 to 2005.12.23: Department of Economics, Ohio State University, USA

**Andrew K. Rose**

2005.12.15: Haas School of Business, University of California, Berkeley, USA

**Muhamet Yildiz**

2005.12.19 to 2006.12.22: Department of Economics, MIT, USA

**Hongbin Li**

2006.1.17 to 2006.1.19: Department of Economics, Chinese University of Hong Kong, China

**Research Associate****Yinglin Wang**

(CIRJE, University of Tokyo)  
April 1, 2005 - March 31, 2006

Yinglin Wang's major field of research is Japanese and Asian economic history. She is currently investigating technology transference to China by Japanese technicians left behind in China after WWII, and its significance in the technological development of China. She is also conducting research work on the industrialization of developing countries.

Please visit!

<http://www.e.u-tokyo.ac.jp/cirje/index.html>

CIRJE Website



## **Director**

Naoto Kunitomo (Professor, CIRJE and Faculty of Economics, University of Tokyo)

## **Advisors**

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

Kunio Okina (Director-General, Institute for Monetary and Economic Studies, Bank of Japan)

Gary Saxonhouse (Professor, Center for Japanese Studies, University of Michigan)

Toshiaki Tachibanaki (Professor, Graduate School of Economics/Faculty of Economics, Kyoto University)

Juro Teranishi (Professor, Institute of Economic Research, Hitotsubashi University)

## **The Steering Committee**

### **Chair**

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

### **Members**

Fumio Hayashi (Professor, CIRJE and Faculty of Economics, University of Tokyo)

Yasuhiro Omori (Associate Professor, Faculty of Economics, University of Tokyo)

Junjiro Shintaku (Associate Professor, Faculty of Economics, University of Tokyo)

# **CIRJE Newsletter**

**No.8 February 2006**

Formerly: RIJE Newsletter

**Center for International Research on the Japanese Economy**

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

Website <http://www.e.u-tokyo.ac.jp/cirje/index.html>