

CIRJE

Newsletter

CIRJE

Center for International Research
on the Japanese Economy
Faculty of Economics
University of Tokyo

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Message from the Director

Shin-ichi Fukuda appointed CIRJE Director



As the new director, I would like to extend my greetings at the beginning of a new academic year. I would also like to express my gratitude to Professor

Naoto Kunitomo, who did an excellent job in directing CIRJE over the past four years.

Established in April 1998, the Center for International Research on the Japanese Economy (CIRJE) is a research center dedicated to promoting 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. CIRJE undertakes and encourages unbiased economic research among the academic community, public policymakers, and business professionals.

CIRJE's research agenda has encompassed a wide variety of issues that confront our society. We have had many research projects, including comparative studies on Japanese economy, empirical studies of exchange rates, economics of the public supply system, issues on 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. But we especially 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 inter-firm relationships and corporate governance in Japan.

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. They 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.

In order to carry out the research, it is often necessary for the researchers concerned to meet with other members of the project in order to discuss and compare their research results. Over the years, CIRJE has facilitated a lot of interaction with visitors from abroad and fostered international exchanges by hosting

international conferences. CIRJE also has 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. The results of CIRJE's research have received prompt and thorough professional scrutiny.

Finally but not least, it is with deep regret that we announce the death of our advisor, Gary Saxonhouse, professor of economics in University of Michigan. He died November 30, 2006 in Seattle, Washington, where he was being treated for leukemia. He was 63. He was an excellent advisor for CIRJE, giving us important suggestions to improve our activities.

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Conferences



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University of Tokyo, University of Southern California Conference on Economic Dynamics in Honor of Edward Prescott

On November 3 and 4, 2006, the Faculty of Economics at the University of Tokyo and the Marshall School of Business at the University of Southern California cohosted a conference to honor Edward C. Prescott who shared the 2004 Nobel prize in Economics with Finn Kydland.

Professor Prescott has been a regular visitor to CIRJE at the Faculty of Economics since 2000 and has been actively interacted with both faculty and graduate students in the Faculty of Economics.

The purpose of the conference was to recognize his contributions to the Faculty of Economics, our understanding of the Japanese economy and economics more generally.



Professor Prescott has been conducting research on the Japanese economy for over 15 years. The output of his research has appeared in leading economics journals such as the Journal of Political Economy, and also in books.

The papers at the conference spanned some of the principal topics of Professor Prescott's current and previous research. In finance one of the leading empirical regularities is the "Equity premium puzzle." This puzzle which, refers to the surprisingly large excess return on equity relative to long-term government bonds, was first documented by Rajnish Mehra and Edward

Prescott in 1985. Professor Krueger of Goethe University and the University of Pennsylvania provided a set of conditions under which idiosyncratic non-diversifiable risk was irrelevant for the size of the equity premium. Professor Prescott then gave a presentation that argued why he thinks that the equity premium puzzle is no longer a puzzle for economic theory.

In previous research Finn Kydland and Edward C. Prescott developed a new methodology for analyzing business cycles. Resesarch presented by Julien Esteban-Pretel, Edward Green, Nobuhiro Kiyotaki, Vincenzo Quadrini and Mark Wright used this





Workshop on Global Stock Market History in the Twentieth Century

July 25, 2006, Meeting Room, Faculty of Economics, University of Tokyo

Organizers: Leslie Hannah, Masanao Ito, Tetsuji Okazaki, Kazuo Wada

methodology to investigate a wide range of topics including the dynamics of the labor market in Latin American economies, to the response of establishments and firms to shocks to housing and aggregate activity.

One theme underlying much of Professor Prescott's research has been the important role played by technology shocks in understanding economic activity. Technology shocks played an important role in understanding saving rates in Japan and the United States in research presented by Douglas Joines and Ayse Imrohoroğlu. However, research presented by Victor Rios-Rull suggested that previous conclusions about the importance of technology shocks may not be robust to the specification of the production technology.

Finally, Professor Prescott's research has emphasized the role of tax distortions on labor for understanding international differences in per capita GDP. An alternative explanation asserts that differences in product market regulations are more important. Richard Rogerson found that household labor supply must be elastic if product market distortions are to account for a substantial fraction of international income differences.

The workshop brought together global specialists in the history and economics of stock exchanges from a wide variety of countries to discuss the development of stock exchanges in the twentieth century. Introductory papers presented by Professor Herrigel (Chicago) and Professor Michie (Durham) set the scene with statements of the problems of corporate governance and the political interactions in global stock exchange developments. Two strong themes emerged in the remaining papers. One was that the dichotomies in the literature between bank-based systems and Stock Exchange-based systems are not helpful. Banks and stock exchanges are complementary as well as competing systems in the finance of nonfinancial enterprises. Banks, for example, played a large part in the historical development of a strong Stock Exchange in Germany, traditionally considered a strongly bank-based country, while Japan has also had periods of extensive reliance on stock exchange finance. Another theme was that hindsight has been too extensively used to characterise the past, with the result that important historical discontinuities have been missed. For example, the stock exchanges of St Petersburg, Brussels and Johannesburg (analyses of Brussels were made by Hans Willems (Antwerp) and of St Petersburg by Professor Borodkin (Moscow State University)) were very well developed by some measures, such as the quotation of local equities in 1900, while New York was then surprisingly small relative to the size of the economy it served.

On the issue of investment quality certification, Patrick Fridenson (EHESS, Paris) described the advanced securities research conducted by France's Credit Lyonnais from the late nineteenth century onwards, while Leslie Hannah (University of Tokyo) questioned De Long's evidence that

US firms with Morgan directors on the board performed better than other American or British companies. Carsten Burhop (Muenster) showed the role of German banks in developing IPOs in a well-regulated Berlin market before World War One, comparing this with the slower postwar development of IPOs in Frankfurt. Lyndon Moore (Wellington, New Zealand) showed that the post-World War One disruption to global securities market integration was particularly noticeable for Germany and the former Austro-Hungarian Empire, but its effect had been exaggerated elsewhere, and some of the other papers also showed later developments rather than the war weakening stock exchange finance. A cross section of the world's hundred largest firms in 1912 by Peter Wardley (West of England) showed Britain and the USA leading in the quotation of giant enterprises, with France closely following and Germany lagging. This pattern is different from that sometimes described: a result partly of Chandler's mistaken descriptions of national differences among industrial enterprises and partly of the fact that before World War One service enterprises (particularly banks and railways) dominate the giant enterprise lists.

A number of useful collaborative discussions about future joint research were usefully developed by the participants.

2006 Three-Country Conference "Corporate Governance in East Asia"

November 17, 2006, Meeting Room, Faculty of Economics, University of Tokyo

Organizers: Faculty of Economics, University of Tokyo, College of Business Administration, Seoul National University, Guanghua School of Management, Peking University

"Three-Country Conference" is annual conference series jointly organized by Faculty of Economics, University of Tokyo, College of Business Administration, Seoul National University, and Guanghua School of Management, Peking University. In the



conference series, we discuss various topics on financial markets in East Asia. The Center for International Research on the Japanese Economy (CIRJE), jointly with the Center for Advanced Research in Finance (CARF) and the Research Center for the Relationship between Market Economy and Non-market Institutions (COE program), supports this conference series. The 2006 Three-Country Conference was held on November 17th (Friday), 2006 at Faculty of Economics, University of Tokyo. The theme was “Corporate Governance in East Asia”. We had five participants from China, four from Korea, and eight from Japan. Six excellent papers were presented at the conference. We had very fruitful discussions on current and future of corporate governance in East Asia and its impacts on financial markets in East Asia.

University of Tokyo-London School of Economics Conference on Economic History

December 18, 2006, Meeting Room, Faculty of Economics, University of Tokyo
Organizers: London School of Economics and Faculty of Economics, University of Tokyo

The University of Tokyo (UT) and London School of Economics and Political Science (LSE) have just launched a series of economic history conferences. The first conference was held at the University of Tokyo on December 18, 2006. Four papers on the history of formation and management of human capital were presented. From LSE, Professor Stephan Epstein presented a paper on the “European Technological System,” which emerged in the thirteenth century, and Professor Patrick Wallis presented a paper on the role of apprenticeship in human capital formation in early modern Europe. These papers provide new interpretation of apprenticeship. From the University of Tokyo, Professor Tateshi Mori and Professor Hisashi Nakamura, presented papers on the human resource management at Yawata Steel Co. in postwar Japan, and the organizational and personnel reform at Nippon Railways

Co. in prewar Japan, respectively. As the four papers were closely related each other, the participants gave useful comments and discussions from comparative historical perspectives each other.

Current Issues in Economic Policy III

May 23, 2006, Hoam Faculty House, Seoul National University
Organizers: Seoul National University and University of Tokyo

The conference on Contemporary Economic Policy Issues III was held on May 23, 2006 at Seoul National University. In this year 4 papers; “Health AInformation, and Migration,” (Chulhee Lee, Seoul National University), “On Consumption Insurance Effects of Long-term Care Insurance in Japan: Evidence from Micro Household Data,” (Yasushi Iwamoto, University of Tokyo), “An Economic Analysis of KFTC’s Foreclosure Claims in Instant Messengers,” (Sang-Seoung Yi, Seoul National University), “Effects of Transparency in Procurement Practices on Bidding Behavior: A Case Study of Experience of Municipal Public Works,” (Hiroshi Ohashi, University of Tokyo) were presented and Tetsuji Okazaki (University of Tokyo), (Dae Il Kim, Seoul National University), Yun Jeong Choi (University of Tokyo), Sangin Park (Seoul National University) joined as discussants.

Conference “Markets and Organizations in Economic Development”

December 14, Meeting Room, Faculty of Economics, University of Tokyo
Organizer: Faculty of Economics, University of Tokyo

As a part of the COE program, “Research Center for the Relationship between Market Economy and Non-market Institutions,” we held a mini international conference. It was organized as a preparatory meeting for the next year’s grand final

conference. Its basic format—young COE members presented their works and visitors from abroad commented on them—turned out to be quite successful. Five COE members made their presentations on topic ranging from general equilibrium theory to quantitative assessments of Japanese monetary policy during the pre-war period.

CIRJE Research Projects

1. International Comparative Study Program

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

1. Econophysics in Macroeconomics (Yoshikawa)
2. APEA Conference (Fukuda)
3. Sustainability of Population, Food, and Environment in Asia (Iwami)
4. International Comparative Research on “A Lost Decade” (Shibata)
5. University of Tokyo-University of Southern California Macroeconomics Conference (Braun)
6. Japan-China-Korea Money and Banking Conference (Fukuda)
7. Economic Analysis of Public Good Provision and the Size of Government (Ihori)
8. Theoretical and Empirical Analysis of East Asian
9. Economic Integration (T.Ito)
10. Housing Policy (Kunitomo)
11. Markets and Organizations in Economic Development (Okazaki)
12. Product Architecture in Contemporary Housing Design (Okuno-Fujiwara)

1-2. The Field of International Comparative Studies of Firm

Demand Variability, Productivity, and Capital Utilization: Intra-Firm Diffusion of Japanese Steel Refining Furnaces (Ohashi)

1-3. The Field of International Comparative Study of History and Institution

1. Incomplete Contract Approach to Designing a Governance Structure of Government Organizations (Iwamoto)
2. Historical and Institutional Analysis of the Capital Market in Japan—Comparing with Advanced and Developing countries—(M. Ito)
3. Comparative Economic History of Housing Policy (Baba)

2. Statistical and Historical Material Program

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

Historical Study on *Minami Yamashiro* (Southern Part of Yamashiro District) (Tanimoto)

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

1. On Statistical Foundations of Insurance and Finance (Kunitomo)
2. UT-LSE Conference on Economic History (Okazaki)

Research Projects



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CIRJE carries out various researches through these research projects on the list on page 4. We also assist many of the research activities of the 21st Century COE (Center of Excellence) program, led by Professor Hiroshi Yoshikawa.

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

The 21st Century COE Program's Research Center for the Relationship between Market Economy and Non-Market Institutions (CEMANO; Project Leader, Prof. Yoshikawa) aims to establish a place of research of such high intellectual standard that the rest of the research community will come to refer to our work as the "Tokyo School." We also wish to further enhance the global reputation of the Graduate School of Economics at the University of Tokyo through research and education into the interaction between the market economy and non-market institutions. Since being established in September 2003, CEMANO has fostered the international exchange of research and education based on a close relationship with the CIRJE. Main activities in FY 2006 were as follows:

(1) Researches

- (a) In FY 2006 we invited, in corporation with CIRJE, 41 COE Fellows from overseas: 24 from North America, 11 from Asia, 5 from Europe, 1 from Middle East.
- (b) In cooperation with CIRJE, CEMANO hosted 8 Distinguished Research Seminars and 6 Frontier Economics Lectures in FY 2006. In the same period we organized 61 Micro workshops, 67 Macro workshops, 23 Applied Statistics Workshops, and 25 History Workshops.
- (c) CEMANO also cooperated with CIRJE to host a number of international conferences. "University of Tokyo, University of Southern California

Conference on Economic Dynamics in Honor of Edward Prescott" (This conference was planned to honor the works of Professor Prescott of Arizona State University, a regular visitor to our COE, who received Nobel Prize in Economics in 2004, see page 2), "International Symposium on Statistical Analysis of Spatio-Temporal Data" (This was one of the largest academic conferences on Statistical Analysis of Spatio-Temporal Data ever held. It succeeded in attracting a large number of active researchers in the field), "Three-Country Conference on Corporate Governance in East Asia" (see page 3), "International Workshop on Econophysics" (This was a truly interdisciplinary conference on econophysics, participated by economists, physicists and mathematicians), "Conference on "Markets and Organizations in Economic Development"(see page 4).

(d) We have decided that the main theme for the final international conference to be held this December will be "Poverty and Wealth."

(e) CEMANO also published, as international media for disseminating research results, 60 COE Discussion Papers (COE-DPs) in FY 2006. 48 were in English and the remaining 12 were in Japanese. These Discussion Papers are available for download from the CEMANO website.

(f) CEMANO continued its research and education program in the new field of experimental economics. We also started a new program on the interdisciplinary studies on the disabled under the leadership of COE associate Professor Nagase.

(g) Prof. Yunus of the Grameen Bank was

awarded the Nobel Peace Prize in 2006. On Jan. 26, 2005, we had the honor of hosting Prof. Yunus as the main speaker of an international conference "We Can Create a Poverty-free World," which gathered more than 300 participants. We have released his fascinating lecture in our website in order to make it accessible to all people who are interested in the so-called "micro-credit revolution" Professor Yunus and the Grameen Bank have ignited all over the world.

(2) Programs for the Cultivation of Young Scholars

- (a) We continued our research and education OJT of young scholars with the hiring of 40 COE Assistants and 8 Post-Doctoral Researchers.
- (b) Our COE Assistants independently 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) We gave COE-TA awards for excellence in teaching to Masataka Iwata and Taishi Narita for summer semester and Hitoshi Tsujiyama and Shinjiro Miyazawa for winter semester. This award was decided upon the basis of teaching evaluations. The awardees received a diploma and a right for English editing of at least one of their papers.
- (d) COE Assistants and PDs published 16 COE-DPs (13 in English and 3 in Japanese). These papers were refereed by CEMANO staff and circulated both in the form of hard copies and web downloads. To our delight, their number has shown a sharp increase in 2006.

- (e) 5 COE assistants took part in English editing program of their research papers.
- (f) We financed the travel expenses of 15 COE assistants and 3 PDs for their participations in domestic academic meetings and conferences.
- (g) We also dispatched 2 COE assistants as oversea trainees to an international meeting in Vienna.
- (h) A graduate school seminar organized by Assistant Professor Roger Smith was reported very effective in improving COE assistants' ability in English presentation and English writing.

CIRJE Research Projects Sponsored by Kojima Chair

The Ryojiro Kojima Chair established in June 2002 supports empirical research on the Japanese economy and industry. We gratefully acknowledge financial support from Mr. Ryojiro Kojima, the chairman of Kojima Press Industry.

Enterprises and Executives in Meiji era

Kazuo Wada

This project aims to create the database of the enterprises and executives in Meiji era, and then to explore how widely business networks would exist. Previous research repeatedly referred to the existence of business networks, placing a great emphasis on their role which greatly facilitated the rapid economic growth of Japan as a backward economy.

The Evolutionary Process of the Japanese Automobile Industry

Kazuo Wada

This project aims to investigate into the process of how the Japanese automobile industry developed in detail. Previous research shows many episodes about this. But they never provide how differently Japanese companies evolved their production methods from so-called Ford system. Based on the new understanding of Ford system,

this projects will throw new lights on the evolutionary process of the Japanese automobile industry.

Economic Analysis of Public Good Provision and the Size of Government

Toshihiro Ihori

We investigate various forms of public good provision from the viewpoint of the size of government. In this project we consider many types of public expenditures as public good provision. For example, transfer payments due to the pay as you go public pension scheme may be regarded a type of public good if the total amount of payment is included as an argument of the utility function. We analyze the economic implications of such public good provision on the size of government with democratic voting by developing an overlapping generations model of intra- and intergenerational transfers. We also consider the optimal size of government when the government may have a deficit in a short run. In the long run the sustainability constraint has to be maintained. From the viewpoint of tax smoothing criterion we examine the optimal size of deficit for both the central and local governments using a concept of the soft budget. Namely, this research investigates how the soft budget constraint with grants from the central government to local governments tends to exaggerate inefficient local expenditure. In Japan local governments implemented inefficient public investments and hence the bad outcome of soft budget problem occurred in the 1990s. We develop a theoretical model, which explains soft budget problem and local governments' rent-seeking activities in a multi-government setting.

Demand Variability, Productivity, and Capital Utilization: Intra-firm Diffusion of Japanese Steel Refining Furnaces

Hiroshi Ohashi

In this project I examine intra-firm diffusion of new technology in the Japanese

steel industry. The introduction of the basic oxygen furnace was the greatest breakthrough in the steel refining process in the last century. Using unique panel data on capital utilization, the paper estimates total factor productivity by technology type, and associates the estimate with intra-firm diffusion. Estimation results reveal an important role of productivity difference between old and new technologies. I also find that the operation of the old technology is better capable of responding to changes in the market demand, which brings about counter-cyclicality in measured productivity.

Incomplete Contract Approach to Designing a Governance Structure of Government Organizations

Yasushi Iwamoto

In this three-year project since FY2005, I finished two papers on the design of social security programs; "On the Design of Social Security Financing" and "On the Design of Social Security Contributions." They are included in the third volume of *Empirical Analysis and Design of Economic System* series, which collects the research output of six-year project headed by Professor Fumio Hayashi and financially supported by the Grant-in-aid of the Ministry of Education, Science and Culture. In the former paper, I discussed the reform of privatizing the earnings-related part of public pensions for employees and of introducing the risk adjustment scheme into the health insurance for the elderly. The paper also examined an appropriate response of social security system to economic and social risks surrounding the system. From this view point, the public pension and health and long-term care insurance should be operated as a mixture of fully-funded and pay-as-you-go. When unexpected shocks are realized, inter-generational risk sharing should absorb them.

I also finished the paper that clarifies various measures about the financial burdens of public financial intermediates. It was published in *Kinyu Kenku*, a journal of the Bank of Japan.

Theoretical and Empirical Analysis of East Asian Economic Integration

Takatoshi Ito

During the 2006 fiscal year, the budget was used so that Professor Yuko Hashimoto (Toyo University) could participate in the 2nd Asia Pacific Economic Association Annual Conference that was held at the University of Washington, Seattle, from July 28 to 30, 2006. The conference was organized by Professor Kar-yiu Wong (University of Washington) and Professor Fukuda (University of Tokyo). Ito also served as a member of the Advisory Committee. Topics covered in the conference were broad: e.g., Currency crises, Chinese Yuan, Economic integration, EMES economies, etc. Professor Hashimoto served as chairman in Session 4C, "Regional Coordination in East Asia", and reported her paper, "Impacts of Deals and Predictability of the Exchange Rate Movements" (co-authored Professor Ito) in Session 6A: "New Topics in International Finance". It is always desirable to provide an opportunity for young economists to participate in an international conference and to discuss his/her research with scholars with diverse backgrounds.

CIRJE Research Projects Sponsored by Japan Federation of Housing Organizations

Japan Federation of Housing Organizations has kindly decided to support our research activities at CIRJE for promoting researches on the housing problems and housing policies in the fiscal year of 2006. We have started three related projects below at CIRJE.

Housing Policy

Naoto Kunitomo

The goal of this project is to carry out a broad range of economic analyses of Japanese housing markets and assess the

desirable government housing policies. The main focus of our research in the past year has been to understand the housing industry and government housing policies in the past including tax-policy, city-zoning policy and housing regulations.

Concerning the government housing policy, we have had several workshops where we invited specialists in the housing industry, the government officials (policy makers from Ministry of Land, Infrastructure, and Transport Japan, and Ministry of Finance), and also several economists.

This is the first year of our project in a longer horizon and it has been the year of preparation for future research. We shall investigate various aspects of the housing problems in Japan and government policies. We hope that we shall be able to make proposals to solve the long-standing "Usagigoya" (Rabbit-House) problem in Japan for our future generations.

Comparative Economic History of Housing Policy

Satoshi Baba

The aim of this project is to research housing policy and town planning movement in Britain at the turn of the 20th century by comparison with Germany. Based on the materials that I collected in Britain in August, I focused on the activities and ideas of J.S. Nettlefold. As chairman of the Housing Committee of Birmingham City Council, Nettlefold took a stance against slum clearance and municipal house building, and repaired unsanitary houses in the centre under Part II of the Housing of Working Classes Act, 1890. At the same time Nettlefold advocated the introduction of a German-style town extension plan under the influence of T.C. Horsfall's book and from experience of his own visit to German towns. In the report to the City Council in 1906 Nettlefold proposed town planning and municipal land purchase in the suburbs to prevent the creation of future slums, and the City Council approved his motion for a national legislation. It was Nettlefold who popularised the term 'town planning' in Britain. Thus Nettlefold, in collaboration with the garden city

movement, played a unique role in the British town planning movement until the enactment of the Housing and Town Planning etc. Act, 1909. The research output will be forthcoming shortly in the journal "Socio-Economic History", vol.72, no.6.

Product Architecture in Contemporary Housing Design

Masahiro Okuno-Fujiwara

In this project, we want to study the "product architecture" of constructions and the possibility and influence of modularization in housing industry based on new insights acquired in the fields of economics and business administration in recent years.

As complexity of various products increases with the development of IT, "modularization" has attracted wide attention as a means of efficient coordination of development and production. Constructions are no exceptions. Some examples like "open systems" or "prefabrications" can be regarded as approaches for "modularization" in the construction industry, however, these attempts do not seem to have remarkable results compared to those in other industries. To explain this, we want to work in two directions: (1) to show the structure of coordination in housing industry, (2) to deepen understandings about product architecture of products and artifacts in general.

We have conducted some preliminary researches this year. In particular, through discussions with Yashiro lab of IIS, which is familiar with the present situation and the practices of the construction industry, we had a good understanding about the problem which Japanese construction industry is confronting with. We will carry out theoretical research concentrated on the industrial organization of housing construction industry as well as further research about product architecture in next year.

Workshops



Center for International Research
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CIRJE has a close cooperative relationship with the Faculty of Economics of The University of Tokyo, and supports various regular workshops organized by the Faculty of Economics.

Up-to-date schedule of each workshop can be found on CIRJE's website:
<http://www.e.u-tokyo.ac.jp/cirje/research/03research03ws.html>

Macroeconomics Workshop

The University of Tokyo macroeconomics workshop is the leading forum for macroeconomic research in Asia. In the past year the macroeconomics workshop hosted a total of 52 presentations. A large majority of presenters were from outside of the University of Tokyo and 33 presenters were from outside of Japan. Themes of the presentations included: the great depression, globalization, the role of non-economic partnerships in economic exchange, the Asian Crisis, income inequality, technology adoption, inflation targeting, and informal labor markets. The regular meeting day and time of the macroeconomics workshop is Thursday from 4:50pm to 6:30pm in Lecture Hall 3 in the economics research building on the Hongo Campus. However, we also schedule additional presentations at lunchtime and occasionally at other times to accommodate visitors' schedules. Attendees include members of the University of Tokyo community and also faculty and students at other universities and research institutions from Japan and the rest of the world. The workshop schedule is posted to CIRJE's webpage. This coming year the macroeconomics workshop will be organized by R. Anton Braun, Shin-ichi Fukuda and Hidehiko Ichimura and we plan to expand the focus to include presentations on structural microeconomic models.

Microeconomics Workshop

From April 4, 2006 to March 27, 2007, the Microeconomics Workshop arranges 53 seminar talks plus 14 master thesis presentations. Guest speakers came from research institutes and universities all over the world including Japan, US, UK, Australia, Canada, Taiwan, South Korea, Israel, and Germany. Topics of presentations cover both theoretical and empirical studies of all major fields in microeconomics.

In terms of cooperation with other workshops, there were six talks joint with the Macroeconomics Workshop, five joint with the Search Theory Workshop, four joint with the Finance Center Workshop, three joint with the Urban Economics Workshop and the International Transportation Policy Research Unit (ITPU) Workshop, three with Micro Brown Bag Seminar, two with the Empirical Micro Forum, one joint with the COE Distinguished Research Seminar, one joint with COE Frontier Economics Lecture Series, and one joint seminar with the IO Research Group at the Institute of Social Science.

On average, there were 15 to 20 faculty members and graduate students made their presence in a talk. Occasionally, there were audiences from other divisions of the school or from neighboring universities. As organizers, we believe the Microeconomics Workshop 2006/2007 is able to:

1. Bring audiences to the frontiers of some major research topics in Microeconomics;
2. Engage audiences with guest speakers for constructive conversations in research methods and for future research topics;
3. Promote academic interchange of this Faculty with economic research institutes worldwide.

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, and transportation economics. The workshop occasionally invites outside researchers working on related fields, such as environmental economics, economics of regulation and public economics. The workshop usually meets on a monthly basis with three hours and two speakers.

Speakers in FY 2006:

Clifford Winston (The Brookings Institution), Kentaro Nakajima (University of Tokyo), Se-il Mun (Kyoto University), Fu-Chuan Lai and Chong-Jian Liu (National Taipei University), Anming Zhang (University of British Columbia), Kazuo Yamaguchi (University of Tokyo), Daisuke Oyama (Hitotsubashi University), Pierre-Philippe Combes (University of Aix-Marseille),

Thierry Mayer (Université de Paris Sud), Kijung Ahn (Kyoto University), Akio Kawasaki (Kyushu University), Katsuhiro Yamaguchi (University of Tokyo), Yuichiro Yoshida (GraSPP), Toshiyuki Matsuura (RIETI), Kazuyuki Motohashi (University of Tokyo), Takaaki Takahashi (University of Tokyo), Fumitoshi Mizutani (Kobe University), Tomoya Mori (Kyoto University), Tohru Naito (Kushiro Public University), Shin-Kun Peng (Academia Sinica), Jean-Louis Mucchielli (Université Paris I Panthéon-Sorbonne), Hiroshi Aiura (Nagoya University), Moriki Hosoe (Kyushu University), Yusuke Teraji (Kyoto University), Michio Naoi (Keio University)

Applied Statistics Workshop

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:

Toshio Honda (Hitotsubashi University), Hideatsu Tsukahara (Seijo University), Satoshi Yamashita (Institute of Statistical mathematics), S. Chen (Hong Kong University of Science and Technology), Yuichi Kitamura (Yale University), Masayuki Hirukawa (Concordia University), Taisuke Otsu (Yale University), Kousuke Imai (Princeton University), Ed Vytlačil (Columbia University), Sokbae Lee (University College London), Yacine Ait-Sahalia (Princeton University), Andrew Harvey (Cambridge University), Costas Meghir (University College of London), Jean-Marc Robin (University of Paris I and University College of London), Patrik Guggenberger (UCLA), John Geweke (University of Iowa),

Tore Schweder (University of Oslo), Azeem M. Shaikh (Yale University and University of Chicago), Yoon-Jae Whang (Seoul National University)

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. Professors Michiaki Obata and Tokutaro Shibata are coordinating this year's workshop. The speakers are invited from various universities and institutions. Recent speakers are following: Kosuke Oki (Kagawa University), Makoto Nishibe (Hokkaido University), Kenichi Oshima (Ritsumeikan University), Nobuji Kasuya (Hosei University), Kazuto Iida (Meiji University), Masashi Shimizu (Senshu University), Eisaku Ide (Yokohama National University), Mariko Adachi (Ochanomizu University).

Research Meeting on Economic History

Our workshop has two forms of activities; ordinary workshop and special seminar. Young scholars such as graduate students present the results of their research at the ordinary workshop. On the other hand, we invite distinguished researchers from all over the world for the special seminar. These workshops and seminars have been working as a forum for economic historians of various fields, generations and nationalities. We regard these workshops as one of the core programs both for the research and the education in the department.

Workshop on Modern Business Organization

A purpose of this workshop is providing researchers of business administration related modern business (corporate strategy, organizational behavior, manufacturing management, marketing, and so on), with a forum where they can present and discuss their research. The workshop is held in from 15:00 to 18:00 on Wednesday, every other week.

Researchers can present their work in early stages of development, and through an intense discussion between the presenter and attendees, presenter can find some hints to refine their work, and attendees can get understandings of wide area of business administration. The workshop was organized in June 1995, and continued more than 10 years. Now, this workshop has become the place to promote communication among young researchers includes graduates. And we hope expansion of this researchers' network in the future.

The presentations in the academic year 2006 were: "The Effects of the Specialist System on Employees' Career Selection" (Fumie Ando, Nanzan University), "Boundary of the firm and boundary of the coordination: reconsideration of relationships between organizations and product architecture" (Kouichi Nakagawa, University of Tokyo), "Pilot study of TPS + service: The Toyota dealer industry" (Ryusuke Kosuge and Niklas Modig, University of Tokyo), "The Relationship Between Product Platform Development Strategy and Core Component Supplier—The Case of Mobile Phone—" (Shiu JingMing, University of Tokyo), and so on. You can see full presentation list at the below website (Japanese Only): <http://www.e.u-tokyo.ac.jp/cirje/research/workshop/business/busin.html>

Research Staff



Center for International Research
on the Japanese Economy
Faculty of Economics
University of Tokyo

One of the major tasks of CIRJE has been to facilitate interaction with visitors from abroad. Besides our Faculty Research Fellows, we welcomed many distinguished visitors with a broad range of research interests.

Director

Shin-ichi Fukuda

(University of Tokyo)

April 1, 2007-

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

Areas of special interest: Money and banking, macroeconomics, international finance



Associate Professor

Yasuyuki Sawada

(University of Tokyo)

April 1, 2004-

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

Areas of special interest: Development economics and applied microeconomics



Naoto Kunitomo

(University of Tokyo)

April 1, 2003-March 31, 2007

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

Areas of special interest: Statistics, econometrics, and mathematical finance



Visiting Professors

The Ryojiro Kojima Chair of the Japanese Economy and Industry

Yoichi Kobayakawa

(Chubu University)

June 1, 2002 - March 31, 2005

Areas of special interest: Japanese business history, *Zaibatsu*, business networks and economic development



Professors

Fumio Hayashi

(University of Tokyo)

October 1, 1999-

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

Areas of special interest: Macroeconomics and applied econometrics



The Ryojiro Kojima Chair of the Japanese Economy and Industry

Tsuneo Suzuki

(Gakushuin University)

June 1, 2002 - March 31, 2005

Areas of special interest: Business history and industrial evolution



R. Anton Braun

(University of Tokyo)

April 1, 2001-

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

Areas of special interest: Monetary economics and fiscal policy



Yoshihiko Nishiyama

(Institute of Economic Research, Kyoto University)

April 1, 2006-September 30, 2006

Yoshihiko Nishiyama graduated Kyoto University, and received his Ph.D. degree from LSE. He worked for Nagoya University until 2002 and currently works for the Institute of Economic Research, Kyoto University. His research interests include asymptotic theory of semi/nonparametric estimation and inferences, and



statistical theory for quantitative analysis of high-frequency financial data. He also makes empirical research on measuring firm- and time-specific productivity shocks semiparametrically using micro panel data of Japanese firms.

Tomoyuki Nakajima

(Institute of Economic Research, Kyoto University)
October 1, 2006-March 31, 2007

Tomoyuki Nakajima received 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, and specifically, in business cycles and asset prices. Specifically, his current research topics include: the relationship between asset prices and business cycles under imperfect credit markets; the effects of changes in expectations on business cycles; optimal monetary policy under incomplete asset markets.



Costas Lapavitsas

(SOAS, University of London, UK)
January 10, 2006-April 9, 2006

Costas Lapavitsas is Reader in Economics at the School of Oriental and African Studies. His research interests include political economy of money and finance, history of economic thought and the Japanese financial system. He spent three months at CIRJE, from 10 January 2006 to 9 April 2006. During this period he researched the adoption of new information-processing technologies by Japanese banks. In particular, he conducted fieldwork on the introduction of credit decision-making based on hard information, and including credit scoring techniques. Such practices are increasingly adopted by Japanese banks when lending to individuals and to small and medium firms. During the same period he has also pursued theoretical research on the structure and design of financial systems, drawing on Japanese political economy. This research will be written as a CIRJE research paper.



Shigeo Hirano

(Department of Political Science, Columbia University, USA)

June 1, 2006-August 31, 2006

Shigeo Hirano, an assistant professor in the Department of Political Science at Columbia University and a faculty fellow at the Institute for Social and Economic Research and Policy, spent the



period June 1st to August 31st, 2006 visiting CIRJE. His research interests are in political economy, electoral politics and representation. During this time at the Center, Professor Hirano focused on several empirical projects related to Japanese elections, political parties, and public finance. During the summer and fall of 2006 results related to these research projects were presented at the University of Tokyo microeconomics workshop, a Nanzan University Economics Department seminar, the Princeton University Political Economy Seminar and the NBER Japan Project Conference. One of the papers related to his research at CIRJE was recently accepted for publication in the journal *World Politics*.

Hong Chen

(Chinese Academy of Social Sciences, China)
September 1, 2006-January 31, 2007

Professor Hong Chen's research focuses on the fostering Asian bond markets. She completed a paper, "Fostering Asian Bond Markets: Situation and Impediments". This paper is to investigate how to encourage the development of East-Asian bond markets within the framework of a financial cooperation in East Asia. It will mainly focus on US Dollar monopoly as "vehicle currency", on inflationary dis-adjustment and on the part played by banks supporting bond markets. ASEAN+3 ministry of Finance and Central Banks representatives held a meeting in Tokyo in November 2002, during which they decided to promote Asian Bond Markets. Actually, four years have passed and only very few bonds were issued through this scheme. The inability to issue bonds drawn up in local currency instead of US dollars showed two main causes. Firstly, it is the dependence upon US dollar as a vehicle currency. Secondly, it is dependence upon the banking system as the main credit supplier for investment. According to the IMF Agreement (article 4), US Dollar is to occupy the key currency position in the international currency system and has to play a quite different part. Despite a steady increase in the exchange risk and despite a diversification of the functions of currency (invoice currency, investment currency, reserve currency...), US dollar leading position is strengthening. The predominance of the banking system in East Asia investment financing is correlative with the part these banks should play in the bond markets. Developing East-Asian economics as China, banks are in the vanguard of the expansion of bond markets where they prove to be very useful. It is expected that, in a near future, East-Asian countries would be able to solve problems related to invoice currency, investment currency and reserve currency.



Short-term Visitors

Masao Ogaki

(Department of Economics, Ohio State University, USA)

December 12-23, 2006

Masao Ogaki's research interests include macroeconomics and econometrics. He is Professor of Economics at Ohio State University, Editor of *Journal of Money, Credit, and Banking*, and Advisory Editor of *Economics Letters*. During his visit at the CIRJE, his research was on structural macroeconometrics. He gave a seminar on his study of monetary distortions of consumption-leisure choice with cointegration. He also conducted his research on how worldviews affect altruistic economic behavior within and across households.

Chiaki Moriguchi

(Department of Economics, Northwestern University, USA)

March 1-May 31, 2006

Chiaki Moriguchi is an assistant professor at Northwestern University and a faculty research fellow at the National Bureau of Economic Research. Her main research interests are economic history and organizational economics. She is currently working on a joint project with Emmanuel Saez at the University of California, Berkeley, which explores the evolution of top incomes in Japan, 1886-2003, using income and estate tax statistics. While visiting the CIRJE, she has collected archival data, presented a manuscript at several workshops, and received valuable comments. The paper is now available as an NBER Working Paper No.12588 at: <http://papers.nber.org/papers/w12588>.

Masayuki Hirukawa

(Department of Economics, Concordia University, Canada)

June 19-23, 2006

Masayuki Hirukawa's research focuses on bandwidth selection and bias correction in kernel smoothing and applications of these techniques to heteroskedasticity and autocorrelation-consistent (HAC) covariance matrix estimation in time-series

econometrics. In his seminar he presented two papers on HAC estimation. The first paper proposes a new bandwidth choice rule, which is alternative to two approaches that are most popularly applied. The second paper discusses attractive properties of the bias-corrected HAC estimator (i.e. improving the order of magnitude in the bias term while maintaining positive semi-definiteness) and its application to bootstrapping the generalized method of moments (GMM) estimators.

Myoung Jae Lee

(Department of Economics, Koera University, Korea)

September 1-10, 2006

Finding the effects of multiple sequential treatments on a response variable measured at the end of a trial is difficult, if some treatments are affected by interim responses; e.g., assessing the effects of sequential spankings on child behavior when parents adjust their interim spanking levels depending on interim behaviors. A headway, 'G estimation', has been made in 1980's generalizing the usual static single-treatment effect analysis under 'no unobservable confounders' or 'selection on observables'. But G estimation is not easy to implement. During my stay at the institute, I worked on a simpler alternative to G estimation: instrumental variable estimator (IVE) for a linear structural model, which identifies the same effect as G estimation does (under some assumptions). I also explored the relation between the IVE approach and Granger causality to show that the IVE approach is more general, although the two become equivalent for testing non-causality under a stationarity-type assumption.

Lars Magnusson

(Department of Economic History, Uppsala University, Sweden)

September 2-October 5, 2006

He is a world-famous economic historian in Sweden. His work spans several different areas. For example, proto-industrialization in Scandinavia, history of economic thought in Sweden, Regulation and political economy in a historical perspective and Swedish model of

labour market relations in a comparative perspective. While at CIRJE he had a lecture on proto-industrialization in Sweden and discussed with Japanese economic historians. This lecture will be published in "The Journal of Political Economy and Economic History".

Selahattin Imrohorglu

(Marshall Business School, University of Southern California, USA)

October 26-November 3, 2006

Selahattin Imrohorglu's recent research has focused on the factors causing the decline in the Japanese net national saving rate since the 1960s. Despite much work economists have not been able to quantitatively account for the differences in the Japanese and U.S. saving rates after World War II. In "The Japanese Saving Rate" [American Economic Review, Vol. 96(5) December 2006, 1850-1858] they show that the use of actual Japanese Total Factor Productivity growth rates in a standard growth model generates saving rates that are reasonably similar to the Japanese data between 1956-2000. During his stay, Professor Imrohorglu has worked on "The Japanese Saving Rate Between 1960-2000: Productivity, Policy Changes, and Demographics", a joint working paper with Kaiji Chen and Ayse Imrohorglu. In this paper, the authors ask if the life cycle features such as demographics and the social security system might be quantitatively important in the decline of the Japanese saving rate. Using a model that allows for observed aging of the population, total factor productivity, and fiscal policy to affect the national saving rate, their calibrated general equilibrium setup generates saving rates that are reasonably similar to the data during this period. Their counterfactual experiments indicate that observed TFP growth rates are the main reason for both the secular decline and the two humps in the saving rate during 1960-2000. This paper is forthcoming in Economic Theory.

Josep Pijoan-Mas

(CEMFI, Spain)

October 30-November 6, 2006

Josep Pijoan-Mas is an assistant professor of

economics at CEMFI. During his stay at CIRJE he presented a paper entitled "The Effects of Labor Market Conditions on Working Time: the US-EU Experience". In this work, he documents the different evolution of hours worked in the US and in the main countries of Continental Europe and he provides a theoretical explanation that is able to reproduce the observed changes. During his stay Pijoan-Mas interacted with the CIRJE researchers and gathered information about the evolution of working time in Japan. In addition, Pijoan-Mas is a co-author of Javier Diaz-Gimenez in their joint project on fundamental tax reforms that was also presented at CIRJE during his visit.

Javier Diaz-Gimenez

(Department of Economics, University of Carlos III de Madrid, Spain)
October 30-November 6, 2006
Javier Diaz-Gimenez's current research focuses in using dynamic general equilibrium heterogeneous agent models to study the consequences of fiscal policy reforms. During his visit at CIRJE he presented the paper "Tax Reforms in the U.S.: A Boon for the Income Poor" which is joint work with Josep Pijoan-Mas. He is currently working in evaluating the consequences of delaying retirement in Spain taking into account both The demographic and the educational transitions which, as is the case in Japan, are particularly severe for the Spanish economy.

Yakhshiyani Oleg Yur'evich

(State University of Administration, Moscow, Russian Federation)
November 24-30, 2006
Oleg Yakhshiyani, associate professor of the State University of Administration (Moscow, Russian Federation), is a specialist in the field of study of local administration in the Russian countryside, mainly in the 1920s. He is an author of "Communal Self-Government and Society: Local Power in the Russian Countryside in the 1920s" (Moscow, 2006). He lays emphasis on the communal character of rural sovet, whose territory was composed of some land communes, criticizing the viewpoint of so-called "dual power" (rural sovet and land commune) in the Russian

countryside in the 1920s.

Donghoon Lee

(Department of Economics, New York University, USA)
January 9-15, 2007
Donghoon Lee's current research focuses on estimating structural equilibrium models of the labor market to account for changes in wages and employment over a long period in the US. Using the results of the estimated models, he evaluates the effects of various policies aimed to enhance the labor market outcomes and educational outcomes in a general equilibrium framework. He also works on econometric and computational issues associated with estimating these kinds of computationally heavy models, such as Simulated MLE of discrete choice models with finite number of simulations and parallel simplex methods of model estimation with many parameters. During his stay at CIRJE, he presented a paper on the changes in the US labor market in a macroeconomics workshop.

The Other Short-term visitors

Masanao Aoki *COE Fellow*
2006.4.18 to 2006.7.9, 2006.10.19 to 2006.12.27
Department of Economics University of California, Los Angeles, USA

Rober Boyer
2006.5.14 to 2006.5.28:
French Centre National de la Recherche Scientifique, France

Harold Cole *COE Fellow*
2006.5.15 to 2006.5.26:
Department of Economics, University of California, Los Angeles, USA

Douglas H. Joines
2006.5.22 to 2006.6.9, 2006.8.17 to 2006.10.13, 2007.3.1 to 2007.4.16
Marshall School of Business, University of Southern California, USA

Andrew Levin
2006.5.17:
Federal Reserve Board, USA

Songnian Chen *COE Fellow*
2006.5.26:
Department of Economics, Hong Kong University of Science and Technology, China

Toshihiko Mukoyama *COE Fellow*
2006.6.12 to 2006.6.17:
Department of Economics, Concordia University, Canada

Yuichi Kitamura
2006.6.15 to 2006.6.25:
Department of Economics, Yale University, USA

Taisuke Otsu *COE Fellow*
2006.6.16 to 2006.7.27:
Cowles Foundation, Yale University, USA

Hiroyuki Kasahara *COE Fellow*
2006.6.28 to 2006.7.7:
Department of Economics, University of Western Ontario, Canada

Pierre-Philippe Combes
2006.7.5 to 2006.7.8:
Centre National de la Recherche Scientifique (CNRS), France

Thierry Mayer
2006.7.5 to 2006.7.8:
Professor of Economics, University of Paris Sud, France

Hiroyuki Nakata *COE Fellow*
2006.7.10 to 2006.8.1, 2006.12.18 to 2007.1.12:
Department of Accounting, Finance and Management, University of Essex, UK

Mototsugu Shintani *COE Fellow*
2006.7.13 to 2006.7.31:
Department of Economics, Vanderbilt University, USA

Luis Rayo*COE Fellow*
2006.7.14 to 2006.7.18:
Graduate School of Business, University of Chicago, USA

Patrick Fridenson
2006.7.21 to 2006.8.17:
L'École des Hautes Études en Sciences
Sociales, France

Kosuke Imai
2006.8.14 to 2006.8.25:
Department of Politics, Princeton University,
USA

Kiminori Matsuyama *COE Fellow*
2006.9.8 to 2006.9.21:
Department of Economics, Northwestern
University, USA

Costas Meghir
2006.9.22 to 2006.9.24:
Department of Economics, University of
London, UK

Jean-Marc Robin
2006.9.22 to 2006.9.24:
Department of Economics, University of
London/University of Paris I, UK/France

Hans Westlund
2006.9.29 to 2006.10.3:
National Institute of Working Life (ALI),
Sweden

Ichiro Obara
2006.10.5 to 2006.10.10:
Department of Economics, University of
California, Los Angeles, USA

John Riew
2006.10.9 to 2006.10.13:
Department of Economics, The Pennsylvania
State University, USA

Kazuko Kano *COE Fellow*
2006.10.23 to 2006.10.24:
Department of Economics, Queen's Univer-
sity, Canada

Byeongju Jeong
2006.10.23 to 2006.10.28:
CERGE-EI, Charles University, Czech
Republic

John Geweke
2006.11.14
Departments of Economics and Statistics,
University of Iowa, USA

Sachiko Miyata
2006.11.23 to 2006.12.3:
International Food Policy Research Institute
(IFPRI), USA

Giovanni L. Violante *COE Fellow*
2006.11.27 to 2006.12.1:
Department of Economics, New York
University, USA

Jacques-François Thisse *COE Fellow*
2006.12.1 to 2006.12.31:
CORE, Université catholique de Louvain,
Belgium

Marcel Fafchamps *COE Fellow*
2006.12.13 to 2006.12.15:
Department of Economics, Oxford Univer-
sity, UK

Shin-Kun Peng
2007.1.13 to 2007.1.20:
Institute of Economics, Academia Sinica,
Taiwan

Takeo Hoshi *COE Fellow*
2007.1.24 to 2007.1.31:
Pacific Economic Cooperation Chair in
International Economic Relations, Univer-
sity of California, San Diego, USA

Roger Farmer *COE Fellow*
2007.2.2 to 2007.2.2:
Department of Economics, University of
California, Los Angeles, USA

Shintaro Yamaguchi
2007.2.6 to 2007.2.9:
Department of Economics, McMaster
University, Canada

Emiko Usui
2007.2.13 to 2007.2.16:
Department of Economics, Wayne State
University, USA

Simon G. Gilchrist *COE Fellow*
2007.3.14 to 2007.3.22:
Department of Economics, Boston Univer-
sity, USA

Chiaki Moriguchi
2007.3.14 to 2007.5.11:
Department of Economics, Northwestern
University, USA

Research Associates

YingLin Wang

(CIRJE, University of Tokyo)
April 1, 2005 to October 31, 2006
After 2002, under the guidelines of “break
monopolies, encouraged competition, and
separate electric power transmission and
distribution from electricity generation”,
China electricity sector began a large scale
industrial re-organization. In this transition,
how did the local electric power industry
adapt itself? This research takes the
GuangXi electric power industry as an
example, analyzed formation of cross-region
electrical systems with the involvement of
foreign capital, and the adjustment mecha-
nism of demand and supply following the
separation of power transmission and
distribution from electricity generation
during this economic transition period.
Besides, this research also focused on the
electric power exportation to neighboring
Asian countries, studied the new develop-
ment of China Southern Power Grid, which
includes the GuangXi Power Grid.

Yukitoshi Matsushita

(CIRJE, University of Tokyo)
December 1, 2006-
Yukitoshi Matsushita's major field of
research is Statistics and Econometrics. He
is currently investigating structural
equations model, especially when the model
is weakly identified. He is also conducting
research work on the semiparametric
methods such as empirical likelihood.

Publications



Center for International Research
on the Japanese Economy
Faculty of Economics
University of Tokyo

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. It mainly includes the reports of research projects and the proceedings of conferences.

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

CIRJE-R-2: Hiroshi Okuda, ed., "The 20th Century and Rural Russia" (in Russian), February 2005.

CIRJE-R-3: Takeshi Amemiya (Department of Economics, Stanford University), COE Special Lecture Series "Lectures on

Micro-econometrics" (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.

CIRJE-R-5: Naoto Kunitomo, ed., "X-12-ARIMNA and Japanese Official Statistics" (in Japanese), January 2006.

CIRJE Discussion Paper Series

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

As a part of our research activities, we regularly circulate two series' of Discussion Papers, in Japanese (J-series) and in foreign languages (F-series), which are available for download at the CIRJE website. CIRJE also circulates the discussion papers to institutions and universities both inside and outside of Japan. 98 papers (78 in English, 20 in Japanese) were published in 2006. Below is a part of them.

F series (in English)

F-459 Tsukuma, Hisayuki and Tatsuya Kubokawa, "Simultaneous estimation of normal precision matrices", December 2006.

F-458 Chousa, Juan Pineiro, Haider A. Khan, Davit N. Melikyan and Artur Tamazian, "Democracy, Finance and Development", December 2006.

F-457 Khan, Haider A. , "Soft Infrastructure, Trading Costs and Regional Co-operation", December 2006.

F-456 Sato, Yasuhiro and Jacques-François Thisse, "Competing for capital when labor is heterogeneous", December 2006.

F-455 Behrens, Kristian, Carl Gaigne and Jacques-François Thisse, "Is the regulation of the transport sector always detrimental to consumers?", December 2006.

F-454 Jean Cavailhes, Carl Gaigne, Takatoshi Tabuchi and Jacques-François Thisse, "Trade and the structure of cities", December 2006.

F-453 Lechevalier, Sebastien, Yukio Ikeda and Junichi Nishimura, "Collaborative R&D in the robot technology in Japan: an inquiry based on patent data analysis (1991-2004)", December 2006.

F-452 Ichimura, Hidehiko and Petra E. Todd, "Implementing Nonparametric and Semiparametric Estimators", December 2006.

F-451 Takahashi, Akihiko, Kota Takehara and Akira Yamazaki, "Pricing Currency Options with a Market Model of Interest Rates under Jump-Diffusion Stochastic Volatility Processes of Spot Exchange Rates", December 2006.

F-450 Ihori, Toshihiro and Martin McGuireb, "Group Provision Against Adversity: Security By Insurance vs. Protection", November 2006.

J Series (in Japanese)

J-171 Kubokawa, Tatsuya, "Linear Mixed Models and Small Area Estimation", December 2006.

J-170 Okazaki, Tetsuji, "Portfolio Management and Profitability of Mitsubishi Zaibatsu during the War: 1935-1944", December 2006.

J-169 Takahashi, Akihiko, "On an Asymptotic Expansion Approach to Numerical Problems in Finance", October 2006.

J-168 Kobayashi, Takao, "The Critical Weakness of the Japanese Financial System and Its Remedy", October 2006.

J-167 Kobayashi, Takao, "The Market Efficiency-35 years after Fama", September 2006.

J-166 Chen, Nai-fu, Takao Kobayashi and Risa Sai, "Rethinking '100% Money': Challenges from New Financial Technology", August 2006; Revised in November 2006.

Director

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

Advisors

Koichi Hamada (Professor, Economic Growth Center, Yale University)

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

Koichi Minaguchi (Life-time member of Japan Association of Corporate Executives)

Kunio Okina (Visiting Professor, School of International and Public Policy, Hitotsubashi University)

Toshiaki Tachibanaki (Professor, Faculty of Economics, Doshisha University)

The Steering Committee

Chair

Kazuya Kamiya (Professor, Faculty of Economics, University of Tokyo)

Members

Tetsuji Okazaki (Professor, Faculty of Economics, University of Tokyo)

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

Takatoshi Tabuchi (Professor, Faculty of Economics, University of Tokyo)

CIRJE Newsletter

No.9 April 2007

**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>