

CIRJE Newsletter

Center for International Research on the Japanese Economy

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

Message from the New Director

Akihiko Matsui

CIRJE Director • Faculty of Economics, University of Tokyo



The Center for International Research on the Japanese Economy (CIRJE) was established in 1998 in order to pursue international joint research mainly on the Japanese economy and its related fields. CIRJE is attached to the Graduate School of Economics at the University of Tokyo, and many faculty members of the school do joint research with the members of CIRJE.

CIRJE fosters various workshops such as micro and macroeconomics workshops, wherein many latest research developments are presented on a regular basis. In the last academic year, 74 visitors from abroad gave seminars there. Also, 47 researchers visited CIRJE and conducted joint research with our faculty members.

CIRJE's research projects receive funds from a variety of sources such as the Japan Federation of Housing Organization, which we gratefully acknowledge. 13 projects were conducted last academic year, including "Housing Recovery from the Great East Japan Earthquake (Leader: Professor Naoto Kunitomo)", "Studies on Suicide (SOS) Project (Leader: Professor Yasuyuki Sawada)" and "Econophysics in Macroeconomics (Leader: Professor Hiroshi Yoshikawa)".

CIRJE provides not only researchers in US-European but also those in various Asian countries with information, environment and resources for joint research. In 2012, CIRJE hosted two international conferences: the Joint Conference with Seoul National University (SNU), and the Joint International Conference with Yonsei University.

The Joint Conference with The Institute of Economic Research, Seoul National University (SNU) was held in Seoul National University on November 16, 2012. CIRJE has had annual conference series with Institute of Economic Research in SNU, and this one was the ninth conference. The theme of the 2012 conference was "Recent Developments in Economics". The Joint Conference with Yonsei University was held in Economics Research Annex (Kojima Hall), University of Tokyo on December 14, 2012. The theme of the conference was "Topics on Public Policy and Economics".



The Joint Economics Symposium of
Yonsei University and University of Tokyo

We promote joint conferences with other research institutes in Japan, too. In 2012, CIRJE had a joint international conference on "Tokyo Workshop on Spatial Economics" with The Research Institute of Economy, Trade and Industry (RIETI), organized by Takatoshi Tabuchi, the former director of CIRJE.

CIRJE is evolving. The goal newly set this year is to provide young assistant professors with various support. We would like to report on it in the next news letter.

CIRJE will continue to do its best to foster joint international research, providing both domestic and foreign researchers with information, environment, and resources for joint research. We sincerely hope your understanding and support on our activities and development.



The Ninth Joint Conference of
Seoul National University and University of Tokyo

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CIRJE Visitors

In 2012, we welcomed many distinguished visitors from other research institutions and universities abroad. Some of them wrote about their research activities they conducted while here at CIRJE.

Visiting Professor

Returning to Todai (University of Tokyo) after an absence of several years, one notices many changes: some colleagues have retired (but fortunately their conversation still occasionally enlivens the faculty coffee lounge), others have won deserved promotions, and bright new faculty have been recruited. Some former undergraduate students are finishing their PhDs and going onto the job market. Atsuya-san and Tanaka-san ensure everything works smoothly on the sixth floor of the new Kojima Hall research annex. My favourite sushi restaurant near my old home in Yanaka closed after the earthquake, but staying in the comfortable Todai visitor's accommodation at Oiwake International Lodge only a kilometre away down Hongo-dori proved a good base for exploring new restaurants and pubs in Hakusan.

And the good things within Todai are as good as ever. The Library of Economics is simply stunning for anyone with an interest in global economic history: well-stocked with old and recent books in a wide range of languages and covering every topic, and with ever-helpful staff. As I often tell European colleagues, you can find a lot of German books in the Staatsbibliothek zu Berlin, a lot of French ones in the Bibliothèque Nationale and a lot of English ones

Visiting Associate Professor

I had a wonderful stay in Tokyo during June - August 2012 during my visit to CIRJE, University of Tokyo. I would like to describe this visit as one of the most meaningful and productive part of my academic career. I worked on several interrelated research topics together with Professor Yasuyuki Sawada and his colleagues. I made several academic presentations at the following institutes including CIRJE's Tokyo Workshop on International Development: National Graduate Institute for Policy Studies (GRIPS), Institute of Developing Economies (IDE-JETRO), Hitotsubashi University and Kansai Research Group on Development Microeconomics (KDME) at Kwansai Gakuin University. I am grateful to Professor Yasuyuki Sawada for facilitating these tremendous opportunities for academic exchanges. I gratefully acknowledge the opportunity provided by the generous funding from CIRJE and Sawada Lab at the University.

Our research aims to better understand individuals' economic decision making behavior which is important for economic development. Firstly, the aim of the project is to help poor people to

in the British Library, but if you want them all together you must come to Todai! And for the Asian comparisons which are central to my work on the evolution of economic institutions, there are so many generous colleagues willing to share their knowledge of specific economies or help out with the Japanese sources which are essential to incorporating not only Japan, but also Korea and Taiwan, into my historical databases.

With earlier work to complete and new projects to start, the four months have passed all too quickly (I enjoyed four years last time). I have published working papers on corporate governance and international variations in the adoption of the corporate form: much improved after exposure to a sceptical seminar of faculty, graduate students and visitors. I am now focused on the further work on international plant scale in 1914-1962 and the differential role of stock exchanges in Asia and the West. It's really hard to leave, but, after visiting four other countries in the next five months, I hope to return as a short-term visitor in the summer to finish my empirical work. It will be good to continue the conversation with Todai's team of economic historians and the broader economics research community here.

Leslie Hannah

Department of Economic History
London School of Economics



Minhaj Uddin Mahmud

Bangladesh Institute of Development Studies



attain a sustainable livelihood through saving and right investment, whereby we aim to investigate post-intervention effects of a saving program among factory workers. In particular, to investigate if high-saving rates achieved during the policy intervention are sustained after the intervention---habit formation with regards to saving. Habit is important to "self-discipline" to mobilize income flows for better livelihood. For this research component, I have worked on designing survey and experimental protocols for the field experiment and went back to Bangladesh (in July) for piloting and subsequently finalizing these instruments. Accordingly, we have also launched a pilot saving program among a small group of female garment workers near Dhaka, Bangladesh. We would subsequently learn and revise the program after analyzing field data. I have also worked on developing concept notes for studying vehicle drivers strategic risk preferences as well as fraudulent pricing behavior/statistical discrimination by auto-rickshaw drivers based on passenger characteristics by using arte-factual field experiments in Bangladesh. I have also worked

on manuscripts on measuring happiness in various life domains using previously collected data in Bangladesh. As well I worked on a manuscript based on Bangladesh data about transport mode preferences of urban commuters, which I presented at the CIRJE

workshop.

I stayed in the beautiful surroundings of Todaiakamon (Red gate at University of Tokyo). Overall, I had a wonderful time in Tokyo, a place I would always love to go back!

Short Term Visitors

I was very honored to be invited to CIRJE and the Faculty of Economics last summer. The University of Tokyo has been widely recognized for its contributions in economics, so I was curious about how the research environment would be and what it would be like to work with the faculty.

My visit was for about a week, which was, in fact, too short to enjoy everything that CIRJE and the Faculty of Economics offer. I benefited a lot from my discussion with Seung-Gyu Sim and other professors. My seminar presentation at CIRJE was based on my recent manuscript, "Trade, Structural Transformation, and Growth," co-authored by two other economists, in which I received a lot of useful feedback. The research facilities provided were also excellent, while the staffs were very friendly.

My first visit to CIRJE, the University of Tokyo, Tokyo and Japan late October 2012 was memorable. Working with Professor Tatsuya Kubokawa, we initiated research projects focussed on estimating a predictive density designed to model future occurrences of a given random variable. Namely, we investigated Poisson models, problems with restrictions on the underlying parameters, and multivariate normal models where the loss function is integrated squared error loss. The latter consists of follow-up work to research report CIRJE-F-843 (March 2012) where the loss studied was Kullback-Leibler. I have been

I was very fortunate to have the opportunity to enjoy the terrific research environment offered at CIRJE during a one-week visit in October 2012. During my stay, I had the chance to present to outstanding researchers some of my recent work on decentralized pollution control policies. This work explores various conditions under which regional governments may implement efficient pollution control policies, despite acting non-cooperatively, and even if pollution emissions spillover to other regions. My visit to CIRJE also provided the opportunity to start a

The research project that occupied me during my visit was an extension of the manuscript that I presented at the seminar, introducing a more coherent economic mechanism and matching the model with data from emerging economies. Especially, providing more practical policy implications has been my focus. Seung-Gyu Sim and I discussed how search-theoretic models can be introduced. This extension will help to understand how openness to international trade can affect the speed of structural transformation and economic growth in emerging economies.

I am very grateful to Seung-Gyu Sim, seminar participants and all other members of CIRJE and the Faculty of Economics. I look forward to my next visit.

recently interested in predictive density estimation problems, and in particular related Bayesian analysis and decision-theoretic issues. During my stay, I had an opportunity to review historical contributions and recent research results in a seminar presentation that I gave, as well as interact with other researchers and students on such interesting and challenging research problems.

In closing, many thanks to CIRJE, Ms. Kimiko Tanaka, Prof. Kubokawa for the wonderful hospitality and for making my visit so enjoyable.

new project with Professor Masayoshi Hayashi on the stabilization effects of equalization payments for provincial government revenues in Canada. In addition to characterizing important properties of the Canadian equalization system, this project might also generate insights of broader applicability concerning the design of interregional redistribution systems. Overall, my visit was very productive and enjoyable, and I am looking forward to visit CIRJE and the University of Tokyo again in the future.

Seung Mo Choi

International Monetary Fund

Short-term visitor supported by Nomura Foundation



Eric Marchand

Department of Mathematics
University of Sherbrooke

Short-term visitor supported by Nomura Foundation



Jean-François Tremblay
Department of Economics
University of Ottawa

Short-term visitor supported by Nomura Foundation



CIRJE Discussion Paper Series

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

As a part of our research activities, we regularly circulate two series' of Discussion Papers, in Japanese (J-series) and foreign languages (F-series), which are available for download at the CIRJE website. From April 2012 to March 2013, 13 papers in J-series and 38 papers in F-series are published. CIRJE also circulates the discussion papers to institutions and universities both inside and outside of Japan.

Visitors

One of the major tasks of CIRJE has been to facilitate interaction with visitors from abroad. We welcomed many distinguished visitor with a broad range of research interests. Below is a part of them.

Visiting Professor

- Leslie Hannah (2012.10.3 - 2013.1.31)
Department of Economic History, London School of Economics, UK

Visiting Associate Professors

- Kentaro Nakajima (2012.4.1 - 7.31)
Graduate School of Economics, Tohoku University, Japan
- Minhaj Uddin Mahmud (2012.6.1 - 2012.7.31)
Bangladesh Institute of Development Studies, Bangladesh
- Junko Watanabe (2012.8.1 - 2012.11.30)
Graduate School of Economics and Faculty of Economics, Kyoto University, Japan
- Takashi Unayama (2012.12.1 - 2013.3.31)
Institute of Economic Research, Hitotsubashi University, Japan

Short Term Visitors

- Hiroyuki Kasahara (2012.3.15 - 4.10, 2013.3.11 - 4.3)
Department of Economics, The University of British Columbia, Canada
- Donata Favaro (2012.5.10 - 6.11)
Department of Economics M. Fanno, University of Padova, Italy

- R. Anton Braun (2012.5.17 - 6.1)
Federal Reserve Bank of Atlanta, USA
- Ingmar Ottosson (2012.5.21 - 5.28)
Center for Languages and Literature, Lund University, Sweden
- Marcus Berliant (2012.6.18 - 6.26, 2013.2.13 - 2.24)
Department of Economics, Washington University in St. Louis, USA
- Fuhito Kojima (2012.6.20 - 7.3)
Department of Economics, Stanford University, USA
- François Perron (2012.6.20 - 6.23, 2012.6.29 - 6.30)
Department of Mathematics and Statistics, University of Montreal, Canada
- Yasutora Watanabe (2012.7.4 - 8.4, 2012.11.10 - 11.18, 2012.12.17 - 12.22, 2013.2.25 - 3.2)
Kellogg School of Management, Northwestern University, USA
- Charles Keith Head (2012.11.6 - 11.7)
Strategy and Business Economics Division, Sauder School of Business, University of British Columbia, Canada
- Satoru Takahashi (2012.12.17 - 12.21)
Department of Economics, National University of Singapore, Singapore

Staff

Research Staff

Director

Akihiko Matsui (Faculty of Economics, University of Tokyo)



Professors



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

Hidehiko Ichimura (Faculty of Economics, University of Tokyo)



Naoto Kunitomo (Faculty of Economics, University of Tokyo)

Yasuyuki Sawada (Faculty of Economics, University of Tokyo)



Takatoshi Tabuchi (Faculty of Economics, University of Tokyo)

Motoshige Ito (Professor, Faculty of Economics, University of Tokyo)

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

Masayuki Tanimoto (Professor, Faculty of Economics, University of Tokyo)

Tsutomu Watanabe (Professor, Faculty of Economics, University of Tokyo)

Advisors

Koichi Hamada (Tuntex Professor Emeritus of Economics, Department of Economics, Yale University)

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

Koichi Minaguchi (Lifetime-member of Japan Association of Corporate Executives, Adviser of Nomura Research Institute)

Kazuo Nishimura (Specially Appointed Professor, Interfaculty Initiatives in Social Sciences, Kobe University)

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

The Steering Committee

Chair

Akihiko Matsui (Professor, Faculty of Economics, University of Tokyo)

Member

Shinichi Fukuda (Professor, Faculty of Economics, University of Tokyo)

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