

CIRJE Newsletter

Center for International Research on the Japanese Economy

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

Conferences

The CIRJE has promoted and continued to support conferences and workshops. Among them, two international conferences during fiscal 2016 are introduced by the organizers.

January 22, 2017

The 1st International Forum on Suicide Prevention Policy ~ How to Prevail Its Benefit of the Whole Communities ~



Yasuyuki Sawada

Although the suicide rate in Japan has decreased in recent years, it remains at a highly serious level compared to that in other developed countries with similar economic situations. In addition, four characteristics may be noted with regard to suicide in Japan. First, during the so-called financial crisis of 1997 and 1998, the number of suicides per annum underwent a sudden increase of approximately 35%, from 24,391 to 32,863. Second, a trend of constancy is represented by the fact that the number of suicides had remained in excess of 30,000 from 1998 through to 2014. Third, the suicide rates among younger individuals increased in the last two decades. Lastly, recent trends show a decrease in the number of suicides in Japan.

Against this backdrop, the Basic Act on Suicide Countermeasures was enacted in Japan in 2006 and then revised 10 years later in April 2016 with the promotion of a framework for suicide countermeasures. It became mandatory for prefectural and municipal governments to promote suicide countermeasures based on the Community Suicide Countermeasure Plans. However, expanding implementation of suicide countermeasures in local communities became an urgent problem. We welcome our forum's keynote speaker, Dr. Ulrich Hegerl, Professor of Psychiatry in the Faculty of Medicine at the

University of Leipzig, Germany, whose leadership has resulted in the success of the European Alliance Against Depression (EAAD). Dr. Hegerl delivered a talk on the topic "An Evidence-Based Multifaceted Intervention Program for Suicide Prevention in Europe." In the afternoon symposium on "How to Disseminate the Results of Suicide Countermeasures to Local Governments Nationwide," the members of a Ministry of Health, Labour and Welfare (MHLW) Project entitled "Interdisciplinary and International Approaches to the Study of New Policy Developments for Comprehensive Suicide Countermeasures" engaged in a discussion on policy recommendations for measures to counter suicide in Japan. Participating members included Yutaka Motohashi, director of the Japan Support Center for Suicide Countermeasures (JSSC) and Research Representatives of the MHLW project, as well as Hiroe Tsubaki (National Statistics Center), Yoshihiro Kaneko (JSSC), Hiroto Itō (National Center of Neurology and Psychiatry), and Yasuyuki Sawada (The University of Tokyo). More than a decade has passed since the Basic Act on Suicide Countermeasures was enacted, and countermeasures have become more specific. The results of this forum are expected to play a new role in the future of policy making regarding suicide countermeasures in Japan.



Presentation by Prof. Yasuyuki Sawada



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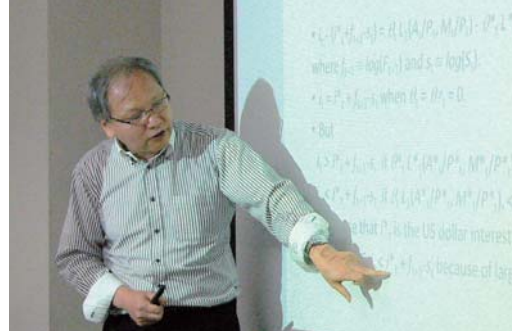


Shin-ichi Fukuda

The JIMF (Journal of International Money and Finance)-TOKYO Conference "The Pacific Rim and the Global Economy: Future Financial and Macro Challenges" took place on July 25-26, 2016. Recent unconventional monetary policies largely succeeded at achieving their domestic goals in advanced economies. However, they had a mixed effect on the rest of the world. To analyze the causes and the consequences of these unprecedented environments is an urgent policy issue. We had 16 participants from abroad. They include top



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Presentation by Prof. Shin-ichi Fukuda

economists such as Joshua Aizenman, Takatoshi Ito, and Mark M. Spiegel. We had intensive and fruitful discussions on the important policy issues. Most of the conference papers were published in a special issue in *Journal of International Money and Finance* (JIMF) Volume 74 (June 2017).

CIRJE Visitors

CIRJE accepts many visitors with a wide range of research interests to facilitate interaction with our faculty members. Visitors also have opportunities to communicate with other visiting scholars while they are here, in addition to conducting joint research with our faculty members and holding a seminar. Here are six reports from the researchers who visited CIRJE last academic year, about the research activities during their stay.

Visiting Professors

College of Economics, Ritsumeikan University
Yoichi Gokan
(2016.4.1 - 7.31)



I stayed at CIRJE for four months, during which I conducted my own economic research. I also undertook a joint study with Professor Tomohiro Hirano. In my research, I clarified the theoretical similarity between consumption externalities and consumption taxes by examining the dynamic impacts of the two economic distortions. While I was writing this paper, Professor Hirano continued to advise me on how to improve it. Owing to his excellent guidance, I could write my paper more efficiently at CIRJE.

I also discussed with Professor Hirano the dynamic analysis of an economy encompassed by an asset bubble to write a paper on a newly important economic topic. We focused our attention on the likelihood that the patterns of an agent's preference and the production technology greatly influence the evolution of an asset bubble over time. We would like to finish writing our paper as soon as possible.

School of Humanities,
Education and Social Sciences,
Örebro University
Björn Horgby
(2016.10.10 - 11.16)



In October-November 2016, I spent six fantastic weeks as a visiting professor at CIRJE. I am most grateful for this opportunity and for the friendly welcome. In our earlier studies, Professor Shunji Ishihara, The University of Tokyo, Professor Christer Ericsson, Örebro University and I compared the paternalistic strategies in Japanese and Swedish industries from the late nineteenth century to present days. Here we have problems in understanding the bonds and the consequences of the different approaches to the relations between employers and employees.

In Japan the relations of trust were often based on the family as a model of loyalty and obedience. In Sweden, the trade unions and the employers created a system of negotiations from the 1920th. As a consequence of the family model, the Japanese companies succeeded to create tighter bonds between employers and employees compared to the Swedish companies, where negotiations played an important role.

Department of Economics, Korea University

Myoung-jae Lee

(2016.4.1 - 5.13)



I visited CIRJE over April 1 - May 13, 2016. During this time, I conducted essentially two types of research. The first was a joint research with Yasuyuki Sawada on empirically verifying 'prospect theory' using Fukushima earthquake data. The second research was by myself; it was on applying simple least squares estimator to find a treatment effect using 'propensity score' residual.

On Prospect Theory:

Using the earthquake data in relation to prospect theory, we examined four important factors determining one's utility or satisfaction: the number of family members, health, house size, and income. We found evidence of the prospect theory only in house size change.

On Least Squares Estimator for Treatment Effect using Propensity Score Residual:

In analyzing effects of a non-randomized binary treatment, propensity score matching is widely used to control covariates, which requires, however, several arbitrary decisions to be made. The paper proposes a simple least squares estimator, where the treatment and the response variable are replaced by the propensity score residuals. It is numerically stable and possibly the easiest to use compared with the existing alternatives such as matching, regression imputation, weighting, and doubly robust estimators.

Washington University in St. Louis
Department of Economics,
Research Division, Federal Reserve Bank of St. Louis

Alexander Monge-Naranjo

(2016.6.1 - 6.30)



We study growth models in which the set of industrialized nations is increasing over time, and where the new participants are initially poorer but grow faster. We consider a simple infinite horizon endowment economy with a continuum of agents that can be either in the 'backward' state —subsistence income— or in a 'modern' state, with late modernizers catching up with earlier modernizers. Taking the income processes and ascension times as exogenous, we focus on the determination of asset prices and the volume and direction of borrowing and lending. A key aspect of the analysis is the non-stationarity of equilibria, which are characterized by an infinite sequence of present value conditions. We solve for equilibria with CRRA (constant relative risk aversion) preferences. Next, we consider production economies with a cash-in-advance (CIA), in which ascending countries accumulate the assets in anticipation of higher future consumption and investment levels.

Visiting Associate Professors

Faculty of Economics, Kyoto University

Hisaki Kono

(2016.8.1 - 11.30)



During my stay at CIRJE, I advanced collaborative research with Professor Sawada, including a DVD educational program and an impact assessment of a skin care awareness project, both conducted in Bangladesh. Regarding the latter, we needed to organize frequent meetings with multiple collaborators living in Tokyo on topics such as the analytical framework, examination of the results, and the structure of the paper. This program, which provided with office space and accommodation expenses by CIRJE, proved to be a significant driving force in conducting our research. The ex-post survey design, which combine non-experimental baseline surveys with additional recall-base baseline, complicated the analysis especially due to the recall bias, as propensity score methods produce biases with measurement errors such as recall bias. We engaged in repeated discussions about managing this effectively. During my stay at CIRJE, I also participated in seminars, which were excellent, meaningful opportunities to interact with other researchers.

Faculty of Economics, Kobe University

Eric Weese

(2016.12.1 - 2017.3.31)



In joint research with Masayoshi Hayashi (The University of Tokyo) and Masashi Nishikawa (Aoyama Gakuin University), I am attempting to produce models that describe municipal mergers that have occurred at various times in Japan. The main challenge is that there are an incredibly large number of ways in which a set of municipalities could merge together. The main benefit of such a model is that we could use it to learn about many things other than Japanese municipalities. For example, what sorts of issues arise if areas such as Catalonia were allowed to declare independence unilaterally? Does it matter if the areas in question are richer than the countries that they are separating from? Do problems become more severe if we allow smaller areas (e.g. cities) to also exercise this right?

In related research with Francesco Trebbi (The University of British Columbia (UBC)), I am attempting to discover the coalition structure of terrorist groups in Afghanistan. Unlike the case of municipal mergers, we do not directly observe the coalitions formed by terrorists; however, by looking at the use of simultaneous terrorist attacks in different regions we can try to estimate which areas are controlled by the same group.

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 2016 to March 2017, 11 papers in J-series and 37 papers in F-series are published.

Visitors

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

Visiting Professors

- Myoung-jae Lee (2016.4.1 - 5.13)
Department of Economics, Korea University, Korea
- Yoichi Gokan (2016.4.1 - 7.31)
College of Economics, Ritsumeikan University, Japan
- Björn Horgby (2016.10.10 - 11.16)
School of Humanities, Education and Social Sciences,
Örebro University, Sweden

Visiting Associate Professors

- Alexander Monge-Naranjo (2016.6.1 - 6.30)
Research Division, Federal Reserve Bank of St. Louis and
Department of Economics, Washington University in
St. Louis, USA
- Hisaki Kono (2016.8.1 - 11.30)
Faculty of Economics, Kyoto University, Japan
- Eric Weese (2016.12.1 - 2017.3.31)
Faculty of Economics, Kobe University, Japan

Short Term Visitors

- Jungmin Lee (2016.5.19 - 5.24)
Short-term visitor supported by Nomura Foundation
School of Economics, Sogang University, Korea
- John Kennan (2016.6.16 - 6.17)
Department of Economics, The University of Wisconsin-
Madison, USA

- Julen Esteban-Pretel (2016.6.20 - 6.24)
Short-term visitor supported by Nomura Foundation
Queens College, The City University of New York, USA
- Thomas Vallée (2016.8.15 - 8.22)
Short-term visitor supported by Nomura Foundation
University of Nantes, France
- Christer Ericsson (2016.10.10 - 11.6)
Short-term visitor supported by Nomura Foundation
Örebro University, Sweden
- Leslie Hannah (2016.10.10 - 10.28)
Short-term visitor supported by Nomura Foundation
The London School of Economics and Political Science, UK
- Toan Phan (2016.10.16 - 10.21)
Short-term visitor supported by Nomura Foundation
Department of Economics, The University of North Carolina, USA
- Alexander Teytelboym (2016.11.26 - 12.9)
Short-term visitor supported by Nomura Foundation
Institute for New Economic Thinking (INET), University of Oxford, UK
- Patrick Alexander Puhani (2017.1.21 - 1.28)
Short-term visitor supported by Nomura Foundation
Institut für Arbeitsökonomik, Leibniz Universität Hannover, Germany
- Ali Hortaçsu (2017.3.12 - 3.24)
Short-term visitor supported by Nomura Foundation
Department of Economics, University of Chicago, USA

Staff

Professors



Advisors

- Junko Kato (Professor, Graduate Schools for Law and Politics,
The University of Tokyo)
- Nobuhiro Kiyotaki (Professor, Department of Economics, Princeton
University)
- Kazuo Nishimura (Specially Appointed Professor, Kobe University
Center for Social Systems Innovation)
- Kunio Okina (Visiting Professor, Graduate School of Regional
Policy Design, Hosei University)
- Hajime Takata (Senior Managing Executive Officer,
Mizuho Research Institute Ltd.)

The Steering Committee

Chair

Katsumi Shimotsu (Director)

Members

Kosuke Aoki • Shin-ichi Fukuda • Yasuyuki Sawada
Masayuki Tanimoto • Tsutomu Watanabe

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