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Established in Response to the Demands of the Present Age

The Japanese economic environment is undergoing rapid and dramatic transformation, and it has now become apparent that existing systems, methodologies and ideas are inadequate to respond to these changes. The “Independent Administrative Institution” system is the fruit of years of deliberation to reform and bring efficiency to public administration. Traditionally, government-affiliated research institutions have been undertaking research on issues under the jurisdiction of their respective ministries and agencies. RIETI was established in April 2001 as a research institute independent from the Ministry of Economy, Trade and Industry (METI) to conduct high quality research activities and make policy proposals in a flexible manner under its own responsibility. Exploiting its unique status, RIETI is expected to contribute to the policy formulation process.

There are many advantages to the “independent” status for a research institution. Firstly, such institutions are capable of a more flexible budget administration. Secondly, because of their non-civil service status, they are able to make timely decisions on their own, regarding organizational and personnel matters. To accompany these advantages, a system for clear objective-setting and performance evaluation has been introduced. In addition, to enhance transparency, the program of work, financial statements, remuneration standards and other information are widely published as part of a new disclosure standard.

Research fellows at RIETI are not lifetime employees, but are appointed under fixed-term contracts that specify their annual remuneration. There are over 90 fellows at RIETI, with relevant experience from diverse backgrounds, drawn from domestic and overseas research organizations, universities, media, NGOs and NPOs. Fellows carry out high-level research and analysis based on a carefully thought out research plan that takes into account medium- to long-term issues, and formulate policy proposals. The results of their research and studies are widely disseminated worldwide through publications and through RIETI’s Web site. RIETI consequently hopes to invoke public debate on various issues, and to help formulate policies that will create new social and economic systems that contribute to the betterment of the quality of life. RIETI will continue to strive to fulfill its role as a policy platform that gathers knowledge from experts of diverse fields.

The Institute thanks you for your support.

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Chairman, Research Institute of Economy, Trade and Industry

RIETI as a Social Experiment

Established in response to the growing demand for a respectable public-policy research institute in Japan, RIETI represents an important social experiment. RIETI's mission is to improve both the quality and relevance of policy research, and to lay a solid foundation for the formulation of policies by providing opportunities for personnel exchange and discussion between researchers and government administrators, without any party compromising its identity. To fulfill this mission, RIETI will take advantage of its location in Kasumigaseki, the seat of the Japanese government in Tokyo, to operate as an independent administrative institution with non-civil service status, maintaining a certain distance from the government.

Our research activities are centered on individual research projects from a medium- and long-term perspective, and, as such, may not produce tangible results or have an immediate impact on policymaking in their first fiscal year. Nevertheless, our proposals on university reform, to which we have been committed since we were still the Ministry of International Trade and Industry/Research Institute (MITI/RI), proved influential in the decision on the independent corporatization of national universities through our publication released in February 2001 and contributions to discussion at the Cabinet Council on Science and Technology. I believe that our mission is to produce policy proposals that are underpinned by our earnest devotion to economic reform and substantive analysis. As I have emphasized elsewhere, institutions do matter, as well as their complementarity. In conducting our analysis, we must always keep in mind the institutional aspects of our economy.

From this perspective, we have proposed nine research clusters in our first fiscal year, while enabling individual researchers to freely formulate their research projects within this framework. Among the nine is the cluster "Industry-Academia Cooperation in R&D and Technology," noted above, which covers university reform and cooperation between businesses and universities. Others include the "IT Revolution and Economic System" and "Enterprise Organization, Management, Legal System, and Employment Contracts."

Now in our second year, we have modified the clusters to derive greater benefit from synergies among individual research projects. As a new section that supports our research activities, we established an office for quantitative analysis and databases in January 2002, to produce, manage and supply a broad array of quantitative data, reinforcing a function that had not been sufficient in the first fiscal year. In the same month, we also inaugurated the International Affairs Group that can professionally respond to the needs that arise amid the internationalization of research activities. This will enable us to better disseminate our research results to the rest of the world and to engage in more collaboration with overseas researchers.

We are making satisfactory progress in the initial stages, supported by the enthusiasm and efforts of everyone involved. With the conviction that RIETI's role is growing in importance as an economic policy think tank, we will respond flexibly to an ever-changing economic realm so that we can continue to conduct research of quality and relevance.

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