

Messages from the Chairman and the President



Fiscal 2008 marks the midway point for RIETI's second medium-term plan, and I am particularly happy to note that a record number of research projects were implemented during this year. The areas covered by these research projects are very expansive and participating scholars, experts and government officials are drawn from various fields of expertise. This inter-disciplinary approach supports many projects that are unique to RIETI's research format. The results of these projects have been made public in various symposiums and seminars held during fiscal 2008 on such subjects as "labor market institutions reform," "enterprise law" and "universities." Also, our discussion papers, which are accessible to the public through the RIETI website, continue to be downloaded at a high rate.

Regarding the research project for the compilation of the history of Japan's trade and industry policy, we held a series of interim report meetings in which coordinating lead authors reported on the areas of their responsibilities by the end of fiscal 2008, and the work has now entered into the stage of completing the first draft of the final report scheduled to be completed by mid-2009.

RIETI continues to develop and strengthen its exchanges with domestic and overseas research institutes. During fiscal 2008, a joint symposium was held with the Kyoto University Institute of Economic Research for the second consecutive year. Various seminars were co-organized with the Centre for Economic Policy Research (CEPR), the leading European research network in economics; China's Development Research Center of the State Council (DRC); and other institutes with whom RIETI maintains cooperative relations. Furthermore, we developed academic contacts with Harvard University and held reciprocal visits for the purpose of organizing academic workshops. We will continue to expand our exchanges with external organizations with the aim of building these cooperative relations into "networks."

In the area of public relations, we relaunched our website in June 2008 to enrich its content and to improve accessibility. In February 2008, we marked our 500th BBL seminar and have taken this milestone to further improve this function.

RIETI continues to work toward improving its financial and administrative efficiency. Moving forward on two initiatives that were launched last year, efforts are being made to lower the ratio of our negotiated contracts and to attract external funds. We have also made a concerted effort, both internally and with the cooperation of external personnel including Faculty Fellows, to review and to reduce our expenditures in all areas of operation. As strengthening internal security systems continues to be a top priority, we have made significant improvements in this area with guidance from external experts.

The global economy has been in crisis since September 2008. We believe fiscal 2009 will be a year in which we constantly ask ourselves what RIETI can do in the current situation. In addition to launching new research projects, we feel that it will be necessary to look at existing projects from a new angle. We look forward to your continued support and cooperation for all our undertakings.

May 2009

OIKAWA Kozo
Chairman



The world economy has been in turmoil ever since the failure of Lehman Brothers last year. The implementation of fiscal stimulus packages by governments throughout the world and the correction of global imbalances that have been causing an over-reliance on U.S. demand must take effect in order to stimulate demand in countries other than the U.S. and revive the world economy.

East Asia including Japan must transform itself from an export-oriented "manufacturing powerhouse" to a domestic-demand-oriented "creativity powerhouse" to maintain sustainable growth. This in turn requires comprehensive socioeconomic reforms that encourage diversity and mobility, promote sustainable innovation, and enhance productivity. We need to develop a system that cultivates and exchanges knowledge throughout East Asia, not only in the spheres of research and education, but in other areas such as the economy, industry, commerce and culture.

I believe RIETI will play an important role in helping Japan achieve this transformation. Addressing a broad array of domestic and international issues as an institute, where researchers can simultaneously pursue academic studies and policy research, RIETI is capitalizing on its strength of enabling studies based on valuable empirical data. During fiscal 2008, RIETI created the Global Economic Crisis Forum. As part of this initiative, the perspective of how to respond to the global economic crisis was added to all of our projects and efforts were made to contribute to the revitalization of the Japanese economy and the promotion of productivity growth. We also deepened exchanges with overseas researchers in the course of individual projects and built up frameworks for cooperative research with research institutes both in Japan and abroad. RIETI also made steady progress in the internationalization and diversification of its research during fiscal 2008. In the Asian region, we continued to develop our relationship with research institutes in China, South Korea and Taiwan. We also conducted workshops with CEPR and Harvard University.

Fiscal 2009 marks the fourth year in RIETI's second medium-term plan. RIETI will continue to do its best to emerge as a platform for the creation and exchange of knowledge.

May 2009

FUJITA Masahisa
President & Chief Research Officer