

The Feature : RIETI's Activities in Fiscal 2010

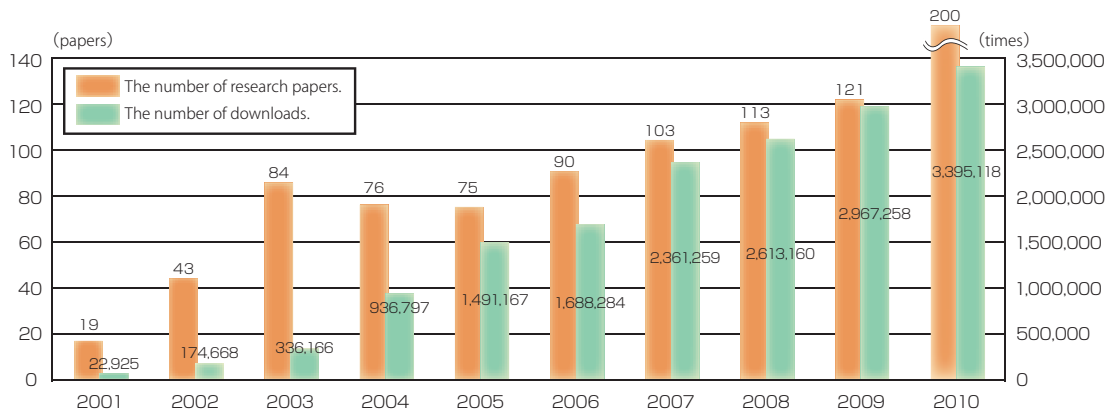
1. Research Activities

Fiscal 2010 marked the final year of our second medium-term plan (fiscal 2006 to fiscal 2010). Based on four Major Policy Research Domains and three Adjacent Basic Research Areas established under the medium-term plan, we continued to proceed with **55 research projects** (see the list of research projects on page 8) and conducted various research activities.

Four Major Policy Research Domains	Number of research projects
I. Maintaining Economic Dynamism under the Adverse Demographic Conditions of Low Fertility and Aging Population	8
II. Promoting Innovation and Strengthening International Competitiveness	10
III. Formulating Japan's Strategy in Response to Globalization and Deepening Economic Interdependence in Asia	14
IV. Compilation of the History of Japan's Trade and Industry Policy	1
Three Adjacent Basic Research Areas	
A. Institutions Related to Financial and Labor Markets, and New Corporate Law and Governance	18
B. Regulatory Reforms and Evaluation Frameworks for Deregulation	2
C. Compilation of Micro Panel Data on Firm Activities, Trade, Energy, and the Elderly; and Model Building and Operation	2
Total	55

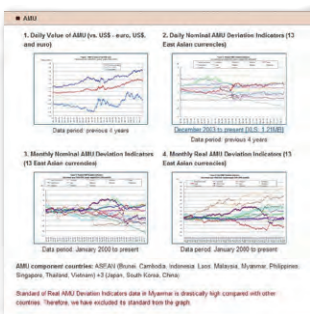
1) Research papers

We published **200 research papers** such as Discussion Papers (DPs) and Policy Discussion Papers (PDPs) in fiscal 2010, significantly exceeding our past performance (see figure below). DPs are both theoretical and analytical, and are empirical research papers in the form of an academic journal. Fiscal 2010 was marked by the fact that more DPs were written in English than in Japanese, reflecting our intent to disseminate them to the world (75 DPs in Japanese versus 87 DPs in English). In contrast, the number of PDPs written in Japanese was larger than the number written in English, as their purpose is to contribute to policy discussions in a timely manner (36 PDPs in Japanese versus 2 PDPs in English) (see the list of DPs and PDPs on page 41).



2) Database

As our databases form the basis for our research, **we are continuing to develop internationally comparable statistics**, while conducting research on economic growth, productivity and globalization based on these statistics. Our primary databases include Japanese Industrial Productivity Database 2010 (JIP2010), Asian Monetary Unit (AMU), Japanese Study of Aging and Retirement (JSTAR), RIETI-TID, the Long-term Inter-industry Input-output Database, the Project for Quantitative Analysis of Microdata, and the Foreign Direct Investment Database 2010 (see RIETI Data Development Project on page 40).



Asian Monetary Unit (AMU)

3) Research cooperation

We also continue to step up **research cooperation with other institutes**. In cooperation with the Development Research Center of the State Council (DRC) in China, with which we have been conducting joint research since fiscal 2006, and the Centre for Economic Policy Research (CEPR) in the United Kingdom, with which we have been working closely since fiscal 2007, progress was made, such as co-hosting workshops to deliver research results from both sides and conducting an exchange of opinions.



CEPR-RIETI Workshop at London Business School (2010/07/06)



Co-authoring DP (RIETI and DRC)

2. Public Relations Activities




(The titles and affiliations are as of the day of the respective activity.)

1) Symposiums and seminars

With RIETI celebrating its 10th anniversary in fiscal 2010, we held the 10th Anniversary Commemoration Seminars as a four-part series. In cooperation with policy authorities, we also held a symposium to which Cabinet members who participated in the APEC SME Ministers' Meeting were invited. Some symposiums were co-hosted with Kushiuro Public University of Economics, Waseda University and Hitotsubashi University. We achieved outstanding results, providing opportunities in which overseas researchers to deepen exchanges with RIETI fellows and to introduce the latest overseas studies, and those through which RIETI would disseminate its research results widely (see the list of major symposiums, workshops and seminars on page 59).

■ The 10th Anniversary Seminar Series

RIETI, which was established on April 1, 2001, celebrated its 10th anniversary in fiscal 2010. These past ten years have encompassed both the first five-year medium-term plan (fiscal 2001 to fiscal 2005) and the second five-year medium-term plan (fiscal 2006 to fiscal 2010). To mark the occasion, four researchers who have been leading RIETI's research activities for many years held a series of RIETI 10th Anniversary Commemoration Seminars. These four well-known representative Japanese researchers described their deep observations about problems Japan currently faces and offered proposals, while actively exchanged ideas with seminar participants. For a summary of each seminar, please see the RIETI website (<http://www.rieti.go.jp/jp/events/tenth-anniversary-seminar/>).

Series No. 1 December 7, 2010	Series No. 2 January 11, 2011	Series No. 3 January 18, 2011	Series No. 4 January 31, 2011
Allocating Roles to Politicians and Public Servants	The Flying Geese Paradigm Ver. 2.0	Spatial Economics in the Era of Globalization and Knowledge	Education Problems in Japan
			
HATTA Tatsuo Advisor, RIETI President, National Graduate Institute for Policy Studies	AOKI Masahiko The First President and CRO, RIETI Professor Emeritus, Stanford University	FUJITA Masahisa President and CRO, RIETI Professor, Konan University Adjunct Professor, Institute of Economic Research, Kyoto University	TACHIBANAKI Toshiaki Advisor, RIETI Professor, Doshisha University

■ BBL (Brown Bag Lunch) Seminar

RIETI provides a venue for policy discussions with policy practitioners, academia, businesspersons, journalists, and diplomats during lunch breaks, inviting Japanese and foreign experts as lecturers. In fiscal 2010, we held **57 BBL Seminars** that covered a wide range of subjects including trade policies, international relations, industrial policies, macroeconomics, energy and the environment, SMEs and ventures, industrial clusters, work-life balance, and cultural industry, transcending the boundaries of industry, government, and academia (see the list of BBL seminars on page 65).



April 22, 2010
Peter DRYSDALE
(Professor Emeritus of Economics/Visiting Fellow, Crawford School of Economics and Government, Australian National University)
"APEC: Where to now?"

June 22, 2010
KOTERA Akira
(FF, RIETI/Professor, Graduate School of Arts and Sciences, The University of Tokyo)
"On the Significance of International Investment Agreements and their Future Prospects"



July 5, 2010
HAYASHI Tomoko
(Director for Overseas Economies, Cabinet Office)
"Cabinet Office's View on the World Economic Trends: Recovery driven by Asia and the Greek contagion"

September 28, 2010
Alejandro JARA
(Deputy Director General, WTO)
"The WTO: Present challenges and perspectives"



2) Publications

In fiscal 2010, we published **10 books** as a compilation of the research results, including the two series shown below. This was the largest ever number of publications in a year at RIETI (see the list of publications on page 54).

■ The Frontiers of Economic Policy Analysis, Volumes 1-3

In closing the final year of the second medium-term plan, RIETI published “The Frontiers of Economic Policy Analysis” in three volumes. Each volume runs parallel to the Major Policy Research Domains I, II, and III. FUJITA Masahisa, president of RIETI, and each Research Counselor who oversaw the respective Domain served as a co-editor for each volume. Although the research projects we conducted over the second medium-term plan totaled more than 110, this publication presents the research results and policy implications of representative projects in an easy-to-understand manner and avoids a tone that is overly scholarly. The publication of these books was a significant achievement in terms of not only demonstrating the track record of RIETI for this second five-year period, but also gaining recognition for showing the importance of evidence-based policymaking.

<p>Volume 1 : Economic Vitality in the Face of Low Fertility and an Aging Population</p>  <p>Edited by FUJITA Masahisa and YOSHIKAWA Hiroshi Attributes to Major Policy Research Domain I. Maintaining Economic Dynamism under the Adverse Demographic Conditions of Low Fertility and Aging Population</p>	<p>Foreword Economic Growth under Conditions of Low Fertility and Aging Population (YOSHIKAWA Hiroshi)</p> <p>Part I</p> <p>Chapter 1 Product Innovation and Economic Growth: Experiences of Japan (ANDO Koichi, UNAYAMA Suguru, KEIDA Masayuki, MIYAGAWA Shuko and YOSHIKAWA Hiroshi)</p> <p>Chapter 2 Empirical Analysis of IT and Productivity: Comparisons between Japan and the U.S. (MOTOHASHI Kazuyuki)</p> <p>Chapter 3 Change in Plant Ownership and Impact on Product Strategy and Productivity in New Industry (OKAZAKI Tetsuji)</p> <p>Part II</p> <p>Chapter 4 Social Security System and Public Finance: Sustainability, efficiency and equity (NAKATA Daigo and MORIKAWA Masayuki)</p> <p>Chapter 5 Mild Deflation alongside the Zero-bound Interest Rate (WATANABE Tsutomu)</p> <p>Chapter 6 On the Need for Comprehensive Panel Data on the Elderly in Japan (ICHIMURA Hidehiko)</p> <p>Chapter 7 Constructing New Macroeconomic Models (KOBAYASHI Keiichiro)</p> <p>Chapter 8 Challenges for Realizing a Work-life Balance (TAKEISHI Emiko)</p>
<p>Volume 2 : Productivity and Innovation Systems</p>  <p>Edited by FUJITA Masahisa and NAGAOKA Sadao Attributes to Major Policy Research Domain II. Promoting Innovation and Strengthening International Competitiveness</p>	<p>Foreword Productivity of Japanese Firms and Innovation System (NAGAOKA Sadao)</p> <p>Chapter 1 Japan's TFP Growth Rates at the Industry Level and their Determinants (FUKAO Kyoji)</p> <p>Chapter 2 Productivity Analysis based on Microdata of Government Statistics (ITO Keiko and MATSUURA Toshiyuki)</p> <p>Chapter 3 Measurement and Economic Effects of Intangible Assets (MIYAGAWA Tsutomu and Young Gak KIM)</p> <p>Chapter 4 Innovation Processes in Japan and the U.S. (NAGAOKA Sadao)</p> <p>Chapter 5 Innovation, Industrial Clusters and Entrepreneurial Activity (NISHIZAWA Akio, KODAMA Toshihiro and YASUDA Takehiko)</p> <p>Chapter 6 A Process Analysis of the “Design-based Comparative Advantage” Hypothesis (FUJIMOTO Takahiro)</p> <p>Chapter 7 Exploring the Main Causes of Declining Competitiveness in Japanese Science-based Industries: Experiences in the semiconductor industry (CHUMA Hiroyuki)</p>
<p>Volume 3 : Globalization and International Economic Strategies</p>  <p>Edited by FUJITA Masahisa and WAKASUGI Ryuhei Attributes to Major Policy Research Domain III. Formulating Japan's Strategy in Response to Globalization and Deepening Economic Interdependence in Asia</p>	<p>Foreword Formulating Japan's Strategy in Response to Globalization and Deepening Economic Interdependence in Asia (WAKASUGI Ryuhei)</p> <p>Chapter 1 Globalization of Japanese Firms: An analysis based on firm-level data (WAKASUGI Ryuhei and TODO Yasuyuki)</p> <p>Chapter 2 Offshore Outsourcing by Japanese Firms: An analysis based on micro-data (TOMIURA Eiichi)</p> <p>Chapter 3 Globalization and China's Economic Growth (YASHIRO Naomitsu and ITO Banri)</p> <p>Chapter 4 A Study on the Economic Impacts of FTAs (URATA Shujiro and ANDO Mitsuyo)</p> <p>Chapter 5 Global Imbalances and Currency Misalignments in Asia: An analysis with AMU (ITO Takatoshi, OGAWA Eiji and SHIMIZU Junko)</p> <p>Chapter 6 The Appropriate Policy Mix for China (Willem THORBECKE)</p> <p>Chapter 7 Official Development Assistance for Poverty Reduction in Developing Countries (SAWADA Yasuyuki and TODO Yasuyuki)</p> <p>Chapter 8 Key Issues of Today's International Investment Agreements: Including their relationships with taxation (KOTERA Akira)</p> <p>Chapter 9 WTO and the Environment (YAMASHITA Kazuhito)</p> <p>Chapter 10 WTO Functioning as a Rules-enforcement Agency: Current state of dispute settlement procedures and multilateral surveillance (KAWASE Tsuyoshi)</p>

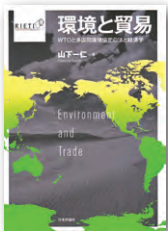
■ History of Japan’s Trade and Industry Policy in 12 Volumes Begins (Publication of Volume 4 and Volume 9)

One of the Major Policy Research Domains during the second medium-term plan was compilation of the History of Japan’s Trade and Industry Policy in the late-20th century, with a particular focus on the period from 1980 to 2000. We established the Committee on the History of Japan’s Trade and Industry Policy (HJTIP) within RIETI when the second medium-term plan started, and compiled the policy history by incorporating objective facts such as the formulation process of trade and industry policies, industrial and economic circumstances that necessitated such policy formulation, the process of policy implementation, the realization of intended policy goals, and industrial and economic conditions following policy implementation, as well as analytical and evaluative observations. In light of these outcomes, we plan to publish a total of 12 volumes, with the first volume presenting a general overview and the remaining 11 volumes providing detailed accounts of major policy fields with chapters organized by policy theme. In fiscal 2010, we were able to **publish Volumes 4 and 9**. The History of Japan’s Trade and Industry Policy can be the basis for developing economic and industrial policies in the future and is one of the great assets that RIETI has built (See “Compilation of the History of Trade and Industry Policy” on page 29).

Title	Coordinating Lead Authors
Vol. 1 General Overview	ODAKA Konosuke (Professor Emeritus, Hitotsubashi University/Professor Emeritus, Hosei University)
Vol. 2 Trade Policy	ABE Takeshi (Professor, Graduate School of Economics, Osaka University)
Vol. 3 Industrial Policy	OKAZAKI Tetsuji (Professor, Graduate School of Economics, The University of Tokyo)
Vol.4 Commerce and Distribution Policy	ISHIHARA Takemasa (Professor, School of Business Administration, Kwansei Gakuin University)
Vol. 5 Location, Environment and Safety Policy	TAKEDA Haruhito (Professor, Graduate School of Economics, The University of Tokyo)
Vol. 6 Basic Industries	YAMAZAKI Shiro (Professor, Faculty of Urban Liberal Arts, Tokyo Metropolitan University)
Vol. 7 Machinery and Information Industries	HASEGAWA Shin (Vice President and Professor of School of Business, Aoyama Gakuin University)
Vol. 8 Consumer Goods Industries	MATSUSHIMA Shigeru (Professor, Graduate School of Management of Science and Technology, Tokyo University of Science)
Vol.9 Industrial Technology Policy	SAWAI Minoru (Professor, Graduate School of Economics, Osaka University)
Vol. 10 Natural Resources and Energy Policy	KIKKAWA Takeo (Professor, Graduate School of Commerce and Management, Hitotsubashi University)
Vol. 11 Intellectual Property Policy	NAKAYAMA Nobuhiro (Professor Emeritus, The University of Tokyo/Professor, Organization for the Strategic Coordination of Research and Intellectual Property, Meiji University)
Vol. 12 Small- and Medium-sized Enterprise Policy	NAKATA Tetsuo (Professor, Graduate School of Business, Doshisha University)



■ Other Publications in fiscal 2010



3) Website and PR materials

■ Website (<http://www.rieti.go.jp/en>)

The website of RIETI is **operated in three languages: Japanese, English and Chinese**. As a think tank in Kasumigaseki, the heart of national administration and policymaking, our strengths lie in our unique content, databases and statistics only available at RIETI (see the website on page 58). In fiscal 2010, our website earned high marks in a website survey of independent administrative agencies conducted by a private company.



■ Public relations magazine *RIETI Highlight*

Each quarter we publish *RIETI Highlight*, a public relations magazine that introduces the latest activities of RIETI. In fiscal 2010, we published **the English version as a special edition**, as in the previous fiscal year. In each edition, we look at timely topics such as “Globalization and Trade Policy,” “Road to Economic Recovery,” “How Employment and Labor Systems Should Change,” “Industrial Policies” and “Industry Policy and Economic Growth,” chosen from among our research results and present them as a **feature in the magazine** (see Publicity Materials on page 64).



Research framework for RIETI's third medium-term plan (fiscal 2011-fiscal 2015)

Under the third medium-term plan (fiscal 2011 to fiscal 2015), RIETI makes it its mission to undertake theoretical and empirical research to create a grand design for putting the Japanese economy on a growth path and solidifying sustainable growth in the future. To this end, we will proceed with research activity by always keeping in mind the following three Priority Viewpoints on economic and industrial policies (see figure below).

Based on the three Priority Viewpoints, nine Research Programs have been established. With each Research Program representing a set of interrelated policies, altogether they will cover a broad range of policy areas. Several Research Projects are to be conducted under these nine Research Programs. In addition, there are also Special Projects that extend beyond these programs. Depending on the progress we are able to make in the nine Research Programs or the potential necessity to explore new research areas due to changing economic conditions, we will either alter or add to our current research programs as needed.

Three Priority Viewpoints on economic and industrial policies to be kept in mind when carrying out research activities:

1. Incorporating growth of the world economy;
2. Developing new growth areas; and
3. Responding to changes in society and creating new economic and social systems for sustainable growth.

Research Programs



Research Process

To further improve the quality of research, RIETI ensures that at least three discussion fora are organized for each research project through workshops and symposiums, where Japanese and foreign experts and policymakers participate with a view toward deepening their research.

