

Interview with the New Chairman RIETI

Toward a World-Class Think Tank

Special Discussion
Launch of the RIETI EBPM Center

Meet Our Fellows

URATA Shujiro
Chairman

What is RIETI Highlight?

RIETI's public relations magazine *RIETI Highlight* is published in Japanese on a quarterly basis, featuring RIETI's most recent activities with the objective of disseminating our research outcomes to a wider audience. This *RIETI Highlight Special Edition* is written in English and published annually as an overview of RIETI's undertakings for our international readers. We hope this Special Edition will be helpful not only in spreading information on our activities and research findings but also in deepening international readers' understanding of our mission as a leading Japanese policy think tank.

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- All titles and affiliations are as of the day of the event.
- Events and interviews are held online unless otherwise noted.
- Views expressed in this issue are solely those of the individual authors, and do not necessarily represent the views of RIETI.

The joint paper by Makoto Yano, former Chairman of RIETI, and Yuichi Furukawa, former Faculty Fellow of RIETI, published in Proceedings of the National Academy of Sciences (PNAS)

The paper, “Two-dimensional constrained chaos and industrial revolution cycles,” jointly authored by Makoto Yano, former Chairman of RIETI, and Yuichi Furukawa, former Faculty Fellow of RIETI, has been published in the online edition of the multidisciplinary scientific journal *Proceedings of the National Academy of Sciences* (PNAS). It is an open access website, and the paper can be downloaded free of charge from the link below. A printed version will be published in the near future.

Since the 18th century, the modern economy has gone through cycles of rapid technological innovation and serious stagnation, each lasting almost 100 years.

This study describes this phenomenon with a new term, “industrial revolution cycle,” and clarifies its mechanisms using the interrelationship between market quality and technological scarcity. This paper indicates that “large-scale innovations such as industrial revolutions reside in high-quality markets.”

Since the end of 1979, the United States and the United Kingdom, then under the strong leadership of President Reagan and Prime Minister Thatcher, respectively, have decisively implemented market reforms and promoted market upgrading. History has shown that this laid the foundation for the Third Industrial Revolution. To overcome Japan’s prolonged stagnation that began around 1990, it is essential to promote innovation in every corner of society. This study suggests that we should promote market upgrading in order to lay the foundation for such innovation.

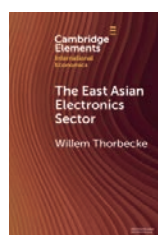
The idea of an “industrial revolution cycle” was proposed by *System Reform in the “Age of Quality”* (Yano 2005, Iwanami Shoten) as part of research of the Global COE program in collaboration with the Graduate School of Economics and Graduate School of Business and Commerce, Keio University and Kyoto Institute of Economic Research. This study models and explains the core of that concept.



To read the paper:



RIETI Senior Fellow Willem Thorbecke’s book was published in March 2023



RIETI Senior Fellow Willem Thorbecke wrote the book entitled “*The East Asian Electronics Sector: The Roles of Exchange Rates, Technology Transfer, and Global Value Chains*,” which was published by Cambridge University Press in March 2023. This book was written based on the findings of the research project “East Asian Production Networks, Trade, Exchange Rates, and Global Imbalances.”

The lion’s share of smartphones, computers, televisions, semiconductor devices, and other electronics goods is made in East Asia. Final electronics goods are assembled in China, and sophisticated parts and components (P&C) such as semiconductor chips, image sensors, and ceramic filters in upstream Asian economies such as Japan, South Korea, and Taiwan. How did Asia become the center of electronics manufacturing? How did learning take place that allowed Asian workers to produce cutting-edge products? Are there lessons for countries like the US that seek to reshore manufacturing of semiconductors, flat-panel displays, and related products? This Element addresses these issues.”



The Research Institute of Economy, Trade and Industry (RIETI) is a policy think tank established in 2001. Our mission is to conduct theoretical and empirical research, to maximize synergies with those engaged in policy making, and to make policy proposals based on evidence derived from such research activities. RIETI has developed an excellent reputation both in Japan and abroad for its work in these areas.



TOWARD A WORLD-CLASS THINK TANK

URATA Shujiro

Chairman, RIETI



In January 2023, Professor Emeritus Shujiro Urata of Waseda University was appointed as the new chairman of RIETI. Chairman Urata specializes in international economics and economic development theory, and has conducted research on how international trade and international investment have contributed to the development of national economies, including analysis of economic development in East Asia and other regions, as well as how the overseas expansion of Japanese companies has affected corporate productivity. In this interview, we asked Chairman Urata about his past research, his contribution to Japan's free trade agreement (FTA) policy, the outlook for Japan-Association of Southeast Asian Nations (ASEAN) relations, and his aspirations for the future direction of RIETI.

Interviewer

SABURI Masataka

Director of PR Strategy, RIETI (Special Advisor to the Minister, METI)

From the Study of Economic Development to a Theoretical Pillar of FTAs

Saburi: First, please tell us about your past research.

Urata: The focus of my research is in the field of economic development and international economics. There are various factors that contribute to the economic development of nations, and among them, I have been studying how international trade and international investment have contributed to the economic development of each country.

Economic development is accompanied by changes in industrial structure. When I was a researcher at the World Bank (1981-1986), I conducted empirical analyses at the country and industry level on the changes in industrial structure as countries' economic development shifted from agriculture to more productive manufacturing and then to services.

In the 1990s, micro data at the company and the factory level became available, allowing us to look at economic activity in even greater detail. After RIETI was founded in 2001 and I became a Faculty Fellow, I analyzed how the overseas expansion of Japanese companies has affected their productivity growth.

Saburi: The transformation of industrial structure has been a major mission since the days when the Ministry of Economy, Trade and Industry (METI) was the Ministry of International Trade and Industry (MITI), and even today METI has an Industrial Structure Division. It is very reassuring to have an expert in industrial structure theory as a chairman of RIETI.

In 1993, the World Bank published *The East Asian Miracle: Economic Growth and Public Policy*. Were you involved in this report as well? As a person in charge of Official Development Assistance (ODA) at that time, I was very encouraged by the report's high evaluation of Japan's aid to developing countries, which had been criticized as "tide-aid."

Urata: There was a famous economist named Hollis Chenery, who was considered a Nobel Prize candidate. His famous paper was on elasticities among factors of production and referred to as constant elasticity of substitution (CES) production functions, and his co-authors, Kenneth Arrow and Robert Solow, won the Nobel Prize. He was the vice president for development policy at the World Bank and he invited me to join the Bank.

The project leader of *The East Asian Miracle* was John Page, and I was in the same section of the World Bank with him. At that time, there was an "East Asian miracle debate" at the World Bank, and there were two views: one was that economic growth was achieved because of government support, and the other was that without government intervention, the private sector's dynamism would have led to more growth. Certainly Japan, South Korea, and Taiwan are prime examples where the government contributed to economic growth, but in other countries, the quality of the bureaucracy

was lower or there was a lot of corruption, so I don't think the government contributed much.

On the other hand, the effects of Japanese aid, and especially aid related to infrastructure development, which were focused on in *The East Asian Miracle*, can be explained by economics, and there is no dispute that this was very important for the economic development and economic growth of developing countries.

Saburi: I heard that you created the theoretical backbone of Japan's FTAs.

Urata: I have always conducted my research with a strong interest in policy. As a trend of global trade policy, the General Agreement on Tariffs and Trade (GATT) was established after World War II, under which trade was liberalized on a world-wide scale and the economy developed. However, trade liberalization under GATT began to slow down, and FTAs, which liberalize trade between specific countries, began to flourish around 1990.

In this context, the first country with which Japan concluded an FTA was Singapore. The Japan-Singapore Economic Partnership Agreement (JSEPA) was signed and entered into force in 2002, while the interest of many policy makers and researchers shifted from trade liberalization at the global level to trade liberalization on a bilateral or multi-country basis. My first project at RIETI was also a study on FTAs.

Saburi: After the experience of negotiating FTAs, Japan is now considered the "standard bearer of free trade."

Urata: Former President Trump's withdrawal from the Trans-Pacific Partnership (TPP) gave Japan an opportunity, and Japan should be commended for seizing the opportunity and playing an important role in maintaining free trade.

ASEAN-Japan Relations and Contribution of ERIA

Saburi: You have also been conducting research at the Economic Research Institute for ASEAN and East Asia (ERIA, Headquartered in Jakarta). What do you think will happen to Japan's relationship with Asia and the Asian economy in the future?

Urata: This year marks the 50th anniversary of friendly cooperative relations between Japan and the Association of Southeast Asian Nations (ASEAN). Ministry of Foreign Affairs (MOFA) and METI prepare to celebrate the anniversary.

ASEAN is an organization created in 1967 by the five countries of Indonesia, Malaysia, the Philippines, Singapore, and Thailand to promote peace and political stability among these Southeast Asian nations, which had often been in conflict. Economic cooperation began after political stability was achieved among these countries, and Japan was the first non-ASEAN country to approach it enthusiastically. Japan provided the ASEAN countries with ODA

for infrastructure development and human resource development, and private companies actively advanced into the region by taking good advantage of this assistance.

Looking at Japan's direct investment, the 10 ASEAN member countries have received about twice as much investment from Japan as from China, and ASEAN is the most important region in terms of Japanese companies' expansion into developing countries. ASEAN also occupies a very large position for Japan in terms of trade (15% after China), and ASEAN recognizes that its relationship with Japan is very useful for ASEAN's economic development. In this sense, it can be said that the relationship is a win-win situation.

On the other hand, China is geographically closer to ASEAN than Japan, and some countries are connected by land, so China and ASEAN are very closely linked by rail and road, so despite this win-win situation, China is the main trading partner for ASEAN countries, and not Japan.

Saburi: Japan and ASEAN are important partners in terms of economic security, but in the past, it has sometimes been said that "Japan was sometimes seen as having a condescending attitude toward ASEAN countries." Will Japan need to make major changes in its relationship with ASEAN in the future?

Urata: For ASEAN in the past, foreign companies were from Japan, the U.S. and Europe, but now companies from China, South Korea, Taiwan, and many other countries are active in ASEAN. Competition in the ASEAN market has become that much tougher, and the image of having a condescending attitude should definitely be avoided. There are many ASEAN companies from which Japanese companies can learn valuable lessons.

ERIA, an international organization established on Japan's initiative in 2008, is an important Japanese contribution to the region. ERIA's mission is to make an intellectual contribution to the economic development of East Asia, and I believe that ERIA is fulfilling this role effectively and faithfully, as it has a good relationship with the ASEAN Secretariat.

Future aspirations

Saburi: What are your ambitions for the future?

Urata: I have participated in RIETI as a faculty fellow and have been impressed by its excellent intellectual network, and I think it is wonderful that RIETI is working aggressively on new themes such as the fusion of humanities and sciences and evidence-based policy making (EBPM). I believe it is my mission to inherit the path of my predecessors and to play an ever more important role in solving world issues.

I am also very interested in internationalization, and I believe that RIETI is a world-class organization and can aim to enter the top 10 in the ranking of international think tanks.

Special Discussion

Launch of
the RIETI EBPM Center**OHASHI Hiroshi**

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*Job titles are as of the time of the trilogy

In this three-way discussion, Vice President Tetsuya Watanabe, who has been appointed to head the RIETI EBPM Center, talked with Professor Daiji Kawaguchi of The University of Tokyo, Program Director of the “Policy Assessment” program, and Professor Hiroshi Ohashi of The University of Tokyo, EBPM Center Advisor, about the significance of the establishment of the EBPM Center inaugurated by RIETI in April 2022 and their hopes for the future.

History of EBPM

Watanabe: RIETI inaugurated the RIETI EBPM Center in April 2022. In collaboration with domestic and overseas researchers and policymakers, the center engages in activities such as (1) retrospective policy evaluation based on quantitative analyses; (2) ex-ante assessment of large-scale projects in policy fields such as digital and decarbonization, implemented via public-private partnership; and (3) program logic model that reflects responsible program management. While accumulating experience with evidence-based policy making (EBPM), the center aims to be a core research institute that helps develop EBPM that strengthens the functions of policy recommendations to the government, including the Ministry of Economy, Trade and Industry (METI), on industrial policies.

We launched EBPM to increase confidence and trust in public administration through policies that are not (simply) decided based on policymakers’ intuition or because things have been done that way until now, but are determined based on data and in considerations of cost-effectiveness.

EBPM was begun by the Blair government in the UK and the Obama administration in the U.S., and is used across a wide range

of public policy fields such as education policy, industry policy, countermeasures against crime and illegal drugs, and measures to address poverty. In Japan, it has been adopted by METI, the Cabinet Office and other government ministries and agencies since around 2017. Professor Kawaguchi, you headed the Center for Research and Education in Program Evaluation (CREPE) until March 2022, and you have guided EBPM at RIETI and the relevant government ministries and agencies. Let me begin by asking your opinion on the development and challenges of EBPM in Japan until now.

Kawaguchi: Various EBPM initiatives have been undertaken at CREPE and the relevant government ministries and agencies, but here I would like to limit the discussion to RIETI’s initiatives. There are several mainstays among RIETI’s EBPM projects.

One of these is the project led by RIETI Senior Fellow Yoichi Sekizawa, in which a team of researchers at RIETI mainly engages in the assessment of METI policies. The full-scale implementation of EBPM across Japan began in 2017, and this RIETI team has engaged in pioneering research right on the front lines of EBPM in Japan.

The project led by RIETI Faculty Fellow Fumio Ohtake (Specially Appointed Professor, Osaka University) has also promoted wide-ranging research into policy assessment. It is

also carrying out research aimed at introducing EBPM into administrative processes. This project is engaged in highly reliable research such as randomized controlled trials (RCT) of “nudges” to encourage vaccination.

Meanwhile, RIETI Faculty Fellow Ryuichi Tanaka (Professor, The University of Tokyo) assesses education policy, and I am responsible for assessing labor policy. The lack of data in this field makes it difficult to implement RCT, and I rely on natural experiments using traditional government statistics for policy assessment.

Our research efforts in each field aim to obtain high-quality, highly reliable evidence, and we continue to work toward the publication of academic papers presenting the results we have announced in the form of discussion papers. I expect the establishment of the EBPM Center to produce successful examples of EBPM on the front line of policy making, and spread EBPM initiatives to those in other government ministries and agencies.

Watanabe: Thank you. Professor Ohashi, you have been appointed to chair the EBPM Center’s Advisory Board, with you and Professors Yasutora Watanabe and Sagiri Kitao (all of The University of Tokyo) as Advisors. I would like to hear your thoughts, too, on the assessment and challenges of EBPM in Japan until now.

Ohashi: The year 2022 has been a memorable year for policy evaluation. Mandatory policy assessment by governments was introduced in 2002, based on the Government Policy Evaluations Act. This year marks the 20th anniversary of the introduction of policy assessment.

Article 1 “Purpose” of the Government Policy Evaluations Act sets forth the reasons for undertaking policy assessment: “to promote the objective and rigorous implementation of policy evaluations and to reflect the results of these evaluations in the planning and development of policy.” In other words, the purpose of policy assessment is not the evaluation itself; rather, it is aimed at policy making. I believe that this was the spirit in which the law was written.

Today, 20 years on, however, there is some doubt regarding whether policy assessment is actually connected with policy formulation, or whether it has just become evaluation for the sake of evaluation. On the front line of policy making, policy assessment has sometimes been perceived as nothing more than the work of documenting policies after the fact, and it seems that, in some cases, there was really no connection between the assessment and formulation of policies.

EBPM is the reverse of statistical reform. Statistical reform was also implemented when Professor Hiroshi Yoshikawa (RIETI Faculty Fellow) was a member of the Council on Economic and

Fiscal Policy (under the Koizumi government). At the time, the abbreviation “EBPM” wasn’t used yet, but it was referred to as “evidence-based policy making.” To put it in terms of statistics supply and demand, supply (the sound preparation of statistics) was emphasized over demand. By contrast, EBPM emphasizes the demand side (policy making bodies). When EBPM started about five years ago, I think the concept was to run “statistical development” and “EBPM” in tandem. This approach was already in existence 20 years ago, when policy assessment was first introduced, and I think that we effectively returned to that idea.

In the past, EBPM had been ridiculed as “episode-based—rather than evidence-based—policy making,” or even as “policy-based evidence-making (PBEM).” Thanks to the untiring efforts of Professor Kawaguchi and RIETI, however, I believe that the perception of the importance of evidence has penetrated quite extensively within the government.

The importance of agile policy making

Ohashi: Policy needs have also changed substantially over the past 20 years. In terms of the popular PDCA approach (plan-do-check-act), policies can be improved by evaluating them and reflecting improvements at the P (planning) stage. Policy assessment and policy making are two sides of the same coin. The vital point is to properly establish issues at the P stage. The only way of knowing what methods are appropriate to solve these issues is to put them into practice. If no data exists, then we have to collect it as we go along, through PBEM (policy-based evidence-making). We then evaluate this data and change to a better method when the next P stage comes around. It’s also crucial to have a worldview in which we continue to repeat the PDCA cycle.

With the increasing pace of social change, even amid rising uncertainty, we are seeing the rapid emergence of a succession of issues such as digital transformation (DX), green transformation (GX) and economic security. Annual PDCA cycles have become too slow to keep up with this change. At the same time, some new policies require a long time—more than a year—to evaluate.

Policies used to be evaluated according to the criteria of “transparency” and “fairness,” but it has become very difficult to ensure the appropriateness of policy making using these two measures. Of course, P (planning) is crucial, but maybe we need to come up with a new measure for policy assessment that meets the demands of this new era, based on a consideration of the nature of P in the context of dynamic social changes and the kind of PDCA suitable for large-scale, long-term investment under uncertain conditions. I think this idea was behind the establishment of the EBPM Center.

In an uncertain world, there can be no doubt about the

importance of data. The term “agile policy making” is often used. In a “linear” model, where causes and effects are connected on a one-to-one basis, decisions made at the P (planning) stage cannot be changed later on. This is linked to the idea of administrative infallibility. Given the uncertain and dynamic changes occurring in the world around us, agile policy making frees us from this mirage of administrative infallibility by predicating policy making on the ability to appropriately fine-tune the policy making process in the age of dynamic industrial transformation. I think it is necessary to attain a consensus among the general population regarding this vision of policy making and policy assessment, where policies are adjusted dynamically in line with changes in the world around them.

The idea of adjusting policies risks being criticized as “fickle” or “inconsistent.” However, if we bear in mind the conditions for switching policy methods if a policy is not progressing as intended, this approach looks more like “adapting to circumstances.” I believe that RIETI’s EBPM Center needs to establish new examples of this agile policy making. Agility is required across an ever broader range of policy fields, and I hope that the EBPM Center can establish this approach and examples of its successful application, and spread these to other government departments.

Watanabe: Thank you. That’s a very important point. I think the very premise of policy formation is changing. How should policies be developed in a dynamically changing world, in terms of policy time frame and general uncertainty? To begin with, what needs should be incorporated, and what data should be gathered at the P (planning) stage? Our very approach to economic and industrial policies and the way they are formulated are in question, and I think the role of EBPM must evolve in response.

EBPM: logic model and data

Watanabe: One of the projects we have adopted at the EBPM Center is a government program to attract semiconductor factories. Under the program, the government will provide several billion yen in subsidies to overseas semiconductor manufacturers, Japanese companies and others for the establishment of large-scale semiconductor factories. We have been approached by METI for advice on this program.

For the evaluation of this large-scale program, a logic model is necessary that specifies the issues, what sorts of policies should be formulated to address them, and what these policies should encourage. This requires an overall perspective. It’s also necessary to obtain the advance consent of companies to provide data for use in the evaluation after the program is implemented. So-called data design is also very important. Government statistics can take a year or two before being published, but we can measure economic

effects earlier if we establish prior access to point-of-sale (POS) data and similar data.

Kawaguchi: I think that making companies that benefit from assistance programs promise to provide data in advance is an excellent idea. It would be good if we could build the infrastructure to obtain data both from those companies that were selected for assistance programs and those that were not. This would facilitate a correct assessment of the program after implementation.

Ohashi: Building a sound logic model and ensuring that we can obtain the data needed for assessment prior to the implementation of the program are the two core pillars of EBPM. On the other hand, there are also new issues: how to approach the logic model if future forecasts are difficult to make, and how to choose assessment data.

For instance, if the government were to state A (as a simple, hypothetical example, that the number of future airport users will be X), it will become unable to discuss policy making that leads to a conclusion other than A. In some cases, it will doom itself to insist on A, no matter how the world changes. This is one of the main problems with administrative infallibility.

Therefore, what is required is agile policy making: we think it will be A, but it may be B or C, depending on the circumstances. These assumptions should be incorporated into the P (planning) logic model in advance.

Kawaguchi: Logic models are constructed with arrows pointing from left to right, cause to effect, but as you just pointed out, I think that the left-right arrows could point to more than one result depending on the situation.

There are two steps in EBPM analysis. One is to ascertain the present situation based on the data. The other is to ascertain the relationships of cause and effect: If A happens, then B will occur. In other words, in terms of a logic model, clarify the content of each “box” and describe the arrows that link the boxes. Until now, EBPM focused on the causal inference represented by these arrows (in other words, proving the relationships between cause and effect statistically), and whether or not there is substantial evidence of the cause-effect relationships represented by the arrows. However, based on what you just discussed, Professor Ohashi, it is also important to ascertain the present conditions in order to respond to changing circumstances.

I’d like to present an example that shows just how important it is to accurately ascertain the present situation. Raising the minimum wage in non-metropolitan areas has been discussed as a way to prevent the overconcentration of people and business functions in Tokyo. In the context of this discussion, the Ministry of Health, Labor and Welfare (MHLW) surveyed the attributes of workers on minimum wage, revealing that many of them had only high school education,

at most. Meanwhile, many of those who had moved to Tokyo from regional areas had a high level of education. The people who would be affected by raising the minimum wage did not actually have the same attributes as those who moved to Tokyo from non-metropolitan areas. The data suggested that raising the minimum wage in regional areas would not prevent the overconcentration of people and business functions in Tokyo. In this way, the policy implications sometimes become apparent without the need for difficult causal inference if we simply gain a clear understanding of the present state of affairs. An accurate grasp of the current situation is just as important, if not more so, in EBPM, as in causal inference.

Future outlook for EBPM and hopes for the EBPM Center

Watanabe: One of the projects that the EBPM Center will assess is technology development using the Green Innovation Fund. This represents the assessment of a large-scale, decade-long technology development project. For projects like this, any attempt to evaluate and correct the trajectory during the course of the project is substantially impeded by the problem of infallibility. Do you have any advice regarding long-term projects like this?

Ohashi: I think that the most difficult challenge on the front line of policy making is establishing the issue. Once you've correctly established the issue, you're 60 or 70 percent of the way there.

I don't think the EBPM Center should be a contracted evaluation agency of the government. Rather, I believe we should maintain a kind of tension with the government in our analyses. We need to carry out full discussions and, even if it is determined that the policy is a failure, we need to make sure we can explain what went wrong to cause this failure. In other words, we should verify the conditions that determine success or failure. The function of the EBPM Center, however, is purely academic. I think that the government should be responsible for pursuing policy accountability.

Kawaguchi: For major policies, it's important to verify the mechanisms through which they affect the economy during the process of policy implementation so that we can gain some kind of insight to use in the next policy. It's not just about success or failure; some social and economic mechanisms only become clear when policies are implemented, so I think it's also vital to gain insights that can be used in policy formation in the future.

Watanabe: RIETI Chairman YANO Makoto has also said that EBPM must evolve, that we must engage in qualitative, as well as quantitative, assessment. In this context, I take Professor Ohashi's advice that the EBPM Center should focus not only on

data but also on logic; and not only as advice, but also as words of encouragement.

Ohashi: Among METI's policies, for example, there is a large group referred to as energy policies. These policies are formed by consolidating the opinions of councils, committee members and stakeholders.

This method has potential weaknesses, one of which is that it is more easily constrained by past circumstances. Another potential weakness is that this format makes it difficult to incorporate insight from overseas. Many agencies are engaged in researching energy policy case studies from overseas, but they only present objective facts. There is an inability to adapt evidence from overseas for use in a Japanese context and apply it in policy programs. I also feel that there is a lack of upcoming talent capable of doing this. It is not possible to interpret the evidence without people who are familiar with both Japanese programs and overseas programs. There is a need for personnel able to understand the essential features of examples from overseas, and apply and transfer these features to a Japanese context.

Kawaguchi: I think it is important to thoroughly gather evidence and apply it to the context. The front line of policy formation works on short cycles, and there is often no time to collect and analyze data after issues arise. It is therefore vital to link together existing academic research and other resources, and apply this evidence in the context of policy discussions in Japan.

I feel that there are many people with the capacity to engage in EBPM, working in coordination with personnel at central and local government bodies. Many former students from our graduate schools and others who have gained master's degrees in public policy at universities overseas now work within government ministries. I think it's also important to utilize these human resources by appropriately deploying them to work on policies in each government body where evidence is required. This will also boost people's motivation to learn specialized knowledge at graduate school, creating a virtuous cycle of talent development.

Ohashi: Unless people like that are promoted and become role models, others won't follow their lead.

Watanabe: That point is, in a way, the reverse of the issue of embedding EBPM in the government and spreading it to key policies. People need to show leadership, but at the same time, the spread of EBPM into policies will attract more people. It's a bit of the chicken-and-egg problem. I think that once a model for success is established, it will lead to a virtuous cycle.

Ohashi: EBPM will need to spread, not only within the government

but also in the context of legislation.

Kawaguchi: There is a wide range of stakeholders in policy decisions, and some aspects of policy would be difficult to change. There is a certain settling point that is acceptable to all of them.

It's vital to prevent a situation from arising where the balance between stakeholders suddenly collapses, leading to extreme conclusions, and policies need to be maintained on a stable basis, to some extent. Of course, policies should be constantly revised, and should not be continued blindly, but we must also be aware of the risk of effective policies being drastically altered by politically driven interests. I feel that EBPM is also important in terms of maintaining some continuity, if you like, in public administration. It would be good if the legislature could be involved in this process and participate in discussions in the same sort of forum.

Watanabe: Thank you. Lastly, I would like to ask you each for a final comment.

Kawaguchi: The retrospective evaluation of policies using EBPM is important, but I think that it is also crucial to begin with an Evidence-Based Policy (EBP) approach that generates evidence from previous policies. I think that it's also important to have a mechanism that enables policymakers to start on a small scale, and scale up successful models. The value of some policies lies in their implementation, not just their results, so I think it's important to

have a perspective that makes full use of previous policy efforts.

Ohashi: I eagerly anticipate that the establishment of the EBPM Center will lead not only to the evolution of existing EBPM initiatives but also to taking on new challenges and producing results. Many phenomena in the world around us are constantly changing, and the direction of this change is uncertain, almost like they are living creatures. By adapting policies to respond appropriately to the movements of these creatures, policies will inevitably become dynamic and agile. I think we need to develop innovative EBPM that will make the previous, static, anatomical attempts at EBPM look dated in comparison. As an organization to lead agile and dynamic policy making, I expect the EBPM Center not merely to provide advice on METI policies but rather to engage in an expanded range of initiatives toward comprehending all social issues.

I think it's crucial as a fundamental philosophy that EBPM is a method for accumulating policy making insight, developing talent, providing forums to meet the needs of young people aspiring to policy making, including in the central government, and further boosting the attractiveness of careers in public office. I look forward to the further evolution of initiatives such as these at the EBPM Center.

Watanabe: Thank you, both of you. Thank you for your valuable opinions today.

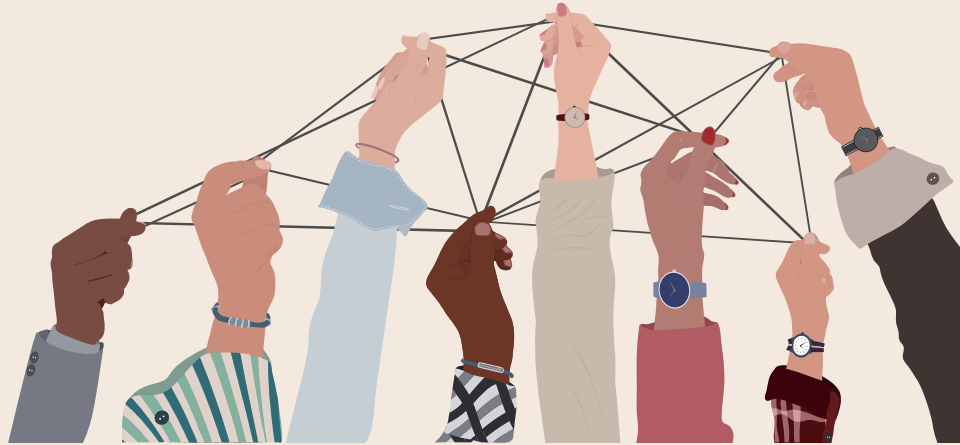
RIETI EBPM Center

Amid growing uncertainties caused by the climate crisis, geopolitical risks and the pandemic, there is a need to redesign economic policy to include public-private partnerships for "moon shot"-type large-scale advanced R&D initiatives, new institutional designs to create new markets and promote innovation, and measures to strengthen supply chain resilience.

In consideration of this significant change in circumstances, the Research Institute of Economy, Trade and Industry (RIETI) inaugurated a new RIETI EBPM Center on April 1, 2022. In collaboration with domestic and overseas researchers and policymakers, the center will strengthen retrospective policy assessments and develop new analytical tools to facilitate the prospective assessment of the economic effects of large-scale projects considered for implementation through public-private partnership, including, for example, decarbonization, and to propose the data design necessary to evaluate each potential project. Through these efforts, RIETI aims to evolve evidence-based policy making (EBPM) and to play a core role as a policy research institute that supports the advancement of economic and industrial policies through effective analysis and resulting recommendations.



Symposium held to present research results of the Integrated Research



RIETI is focusing its efforts on the fusion of social science elements and industrial technology, so-called “Integrated Research.” The Integrated Research program uses this perspective to undertake research and incorporate new knowledge from other disciplines, such as natural sciences, law, political science, and sociology, into economics and policy studies.

RIETI and Kyoto University’s the Graduate School of Medicine have been developing a joint research project since January 2021 to determine the actual status of COVID-19 infection using an antibody test kit newly developed by the Institut Pasteur in France. This is the first attempt in the world to conduct a large-scale, epidemiological study integrating medical and social fields using comprehensive human data, including antibody tests. A symposium was held on December 19, 2022, to present the research results of the project. In this symposium, the characteristics of the spread of COVID-19 and the status of behavioral changes in people were introduced as part of the results of this research, and opinions were exchanged on the future vision for the utilization of health- and life-science data.

Kyoto University – RIETI Symposium

“A Fusion of Humanities & Sciences Research on the COVID-19 Pandemic: Prospects for with-COVID-19 society”
held on December 19, 2022

Report of Research Results

Since 2021, Kyoto University’s the Graduate School of Medicine and RIETI have conducted an international joint research project to determine the actual status of infection among local residents and healthcare workers using an antibody test kit developed by the Institut Pasteur in France. In order for a whole society to combat the spread of infectious diseases, it is essential to address not only medical efforts but also behavioral changes in people. In this study, antibody tests and a web-based questionnaire survey were conducted on approximately 1,100 participants of the Nagahama Preliminary Prevention Cohort”, which is being established by Kyoto University in Nagahama City, Shiga Prefecture, in addition to medical workers at Kyoto University Hospital. By integrating and analyzing the actual situation of infection (including subclinical infection), the status of behavioral changes in people, and socioeconomic activities, we are developing a fusion of humanities & sciences research through the life and social sciences.

YAMAMOTO Masaki

Lecturer, Graduate School of Medicine Kyoto University



“Medical-Social Science Fusion Research for Clarification of the Actual Situation of the COVID-19 Epidemic (Focusing on data analysis for Kyoto University Hospital employees)”

Antibody testing for Kyoto University Hospital employees was conducted on 614 participants. The SARS-CoV-2 antibody testing assay using Luminex (MAGPIX) was developed at the Pasteur Institute, and this assay is capable of simultaneous testing for the five different proteins that make up the novel coronavirus (SARS-CoV-2).

These proteins are produced during infection with SARS CoV 2, but the spike protein (S) and its receptor binding domain (RBD) are produced both during infection and vaccination, whereas the envelope protein (E) and nucleocapsid protein (N) are not included in the m-RNA vaccine and are produced only upon infection.

When we measured each type of antibody (IgG, IgA, and IgM) using these characteristics, N- protein IgG antibodies were considered to be a relatively good indicator for determining

the presence of infection (morbidity rate). As for antibodies to S-protein, we believe that RBD IgG antibodies and S-protein IgG antibodies are accurate test indicators, and we are planning to further investigate this in the future.

The N-protein IgG antibody retention rate rose to about 26%, but this may be a little too high, given to the fact that hospital-spread infection control measures had been implemented at Kyoto University Hospital, and we believe that further scrutiny is necessary. S-protein IgG antibodies were found to rise steadily with vaccination, with the retention rate of over 90% at the second and third surveys.

As for future challenges, since the analysis is based on a population that does not include many cases of clinical infection, we need to accumulate more data in order to conduct a more accurate test. As for S-protein, we have not been able to analyze whether RBD IgG antibodies and S-protein IgG antibodies are clinically useful, so we would also like to examine the correlation with neutralizing antibodies. In addition, since the types of vaccines are changing, we would like to focus on the effects of different vaccine types.

MATSUDA Fumihiko

Professor, Graduate School of Medicine Kyoto University



Development of a New Antibody Detection Method for COVID-19 and a Large-Scale Antibody Survey using the Nagahama Cohort: Progress report on the second phase of the survey

In the second phase of the study (August-September 2022), we created a library of peripheral blood mononuclear cells (PBMCs)

for all 1,101 participants in the Nagahama Cohort, and conducted antibody testing with these PBMCs. At the same time, a social science survey was conducted and participants were asked to self-report their infection history and other information.

The results of the investigation showed that the use of peripheral blood enabled the accurate measurement of the ratio of antibodies to S- and N-proteins.

173 of 1,101 participants of this study tested positive for anti-N-protein antibodies, which can only be obtained from viral infection. Of these, 62 were aware of infection and 111 were unaware, suggested the possibility that the virus may be spread through subclinical infection.

The majority of those who were infected without the vaccine did not acquire sufficient S1 and RBD antibodies to provide immunity after infection. There were also a small number of vaccinated individuals who did not acquire sufficient antibodies.

Now that we have created a library of peripheral blood from this study, we can determine which antibodies were produced in each person, and we are planning new analyses to determine what the cause of these infection situations may be.

The Pasteur Institute is developing a test reagent for the Omicron variant. This may also reveal whether or not the inoculated person is sufficiently producing Omicron antibodies, and we would like to proceed with experiments using such test reagents in the future.

I believe that a third antibody test should be conducted. This is because in Nagahama, there was only one test conducted on peripheral blood, so by obtaining data from two tests, we can analyze the acquisition of group immunity using a time series and determine how the number of infected people increases. I also think that people's sense of caution has relaxed considerably, and by comparing data through time series, we may be able to determine changes in awareness and behavior.

HIROTA Shigeru

Faculty Fellow, RIETI / Professor, Faculty of Economics, Kyoto Sangyo University



COVID-19 Infections, Behavioral Change, and Social Factors

We attempted to verify the relationship between people's behavioral changes and socioeconomic factors, and infection from the second web-based survey and antibody testing conducted on the "Nagahama Cohort" participants in August 2022.

The method for verification was to use data on behavioral change from the third dose of vaccine (administered since December 2021) to the fourth dose (administered since May 2022), since most of those infected were infected after the summer of 2022, and to regress the presence or absence of infection, including subclinical infection, on possible factors.

The results showed that, first of all, with regard to preventive actions, those who regularly measured their body temperature tended to be more susceptible to infection, but there was no significant correlation with other preventive actions, and no clear conclusion could be drawn as to which specific preventive actions were effective in preventing infection. Rather, those who were generally more risk averse tended to be less infected. In other words, overall behavioral prudence is clearly related to the presence or absence of infection. The results for temperature measurement may reflect a reverse causal relationship, as those who suspected infection due to poor physical condition were particularly cautious.

It was also found that those who live with preschool children

may be more susceptible to infection probably because they have less freedom to avoid infection due to the necessity to care for their children and to bring them to daycare or nursery school. On the other hand, those who worked from home tended not to have been infected.

It is also important to note that the existence of a relationship between the evaluation of government policies and infection was discovered. Those who highly evaluated the country's policies in the first survey (2021) were more likely to be infected. A possible hypothesis for this is that those who valued the policy of easing restrictions and turning the economy around actively went out and became infected, or that those who questioned the effectiveness of the government's policy acted cautiously and avoided infection. In any case, it is extremely important to understand more clearly which specific policies were evaluated by respondents and how, and to use this information towards policy making to control infection.

Panel Discussion :

“Utilization of Health and Life Science Data”

Chris DAI

CEO, Recika Co., Ltd.



Our company is a social implementer of Web 3.0 elemental technologies such as data management using blockchain technology, non-fungible tokens (NFT), and decentralized autonomous organization (DAO). In a joint project between Kyoto University and RIETI, our technology is being used in the data management of the project.

Conventional data management, especially for personal data, is very cumbersome, and the problems of information leakage and the cost of reusing data are extremely high. Therefore, we thought that a mechanism using blockchain would be optimal for assuring safety, by allowing individuals to have ownership of their data, at the same time needing to separate the method of identifying individuals from personal data.

The system we implemented uses the blockchain to allow participants to issue IDs and passwords by themselves and returns their data so that they can verify the data themselves. At that time, we developed a system that is safe and prevents the leakage of personal information by returning each individual's data encrypted with their private key without linking it to personal information.

The DAO elemental technology we are working on, based on distributed ledger technology, allows organizations themselves to make decisions without a specific leader, and to build a system in which the profits earned by the organization are returned to distributed individuals. I believe that the DAO system will lead to an increase in the number of new types of organizations in the digital world.

YOSHIHARA Hiroyuki

Professor Emeritus, Kyoto University



Millennial Medical Record is a data platform that enables the collection of medical information under real names. We, Life Data Initiative, the promoter of this project, have been certified as the first authorized anonymously processed medical information business operator based on the Next-Generation Medical Infrastructure Law.

Data needs to be aggregated to some extent and put into a common format. Therefore, in 2015, with the support of the Japan Agency for Medical Research and Development (AMED), we launched the Millennium Medical Record Project to establish a system for the collection of medical data on a national level, and with the implementation of the Next-Generation Law in 2019, secondary use of medical information became possible.

Currently, medical information from 35 facilities is collected, and by providing this data to researchers, we receive usage fees and operate the business. However, the data was not structured or standardized, making it difficult to incorporate into the database. Therefore, with the cooperation of the Cabinet Office, we are developing a data conversion service as a social infrastructure.

The problems we face are numerous. Under the current Next-Generation Law, there is no compulsion to provide data, and certified providers are responsible for the costs of operation. There is also the problem that data on missing or deceased persons cannot be used because use is based on the premise that individuals are notified of the data use. Linkage with administrative and school data is also an issue, and the development of medical and other IDs by the government is also anticipated. To solve these problems, we believe it is necessary to establish a quasi-public organization that specializes in drafting legislation and building the future system.

To read full summary:



Research results of Global Intelligence Series

Inviting leading experts from Japan, the United States, Europe and Asia, we will collect and discuss information on a variety of global issues, including economic security and regional issues such as the U.S.-China conflict and the situation in the Middle East, the future of the Chinese economy, climate change, environmental and energy issues, the post-colonial trade order, supply chain risks, and the SDGs to make policy recommendations.

We present research results from the research project “Studies on Transformations of International Systems and their Impact on Japan’s Mid- & Long-term Competitiveness” and introduce RIETI BBL webinars on Global Intelligence Series.

Research project



Studies on Transformations of International Systems and their Impact on Japan's Mid- & Long-term Competitiveness



Project Leader:

WATANABE Tetsuya

Former Vice President, RIETI



Sub-Leaders:

SHIROYAMA Hideaki

Faculty Fellow, RIETI



SAHASHI Ryo

Faculty Fellow, RIETI



ITO Asei

Faculty Fellow, RIETI



ARIMURA Toshi H.

Faculty Fellow, RIETI

Overview

This project explores new international economic systems, while assessing various domestic and foreign risks that the Japanese economy may face in the future, based on the analyses, in particular, of (1) interactions between economic security policies and industrial, science and technology policies; and between policymakers and various stakeholders in the U.S., the EU, China and other countries; (2) the Chinese economy, focusing on the developments in the 2010's and prospects for the 2020's in the areas of innovation and digitization, external expansion and governance and structural reforms; (3) the economic impacts on the Japanese economy and industries of the possible Carbon Border Adjustment Measures under discussion in the EU in the context of addressing climate change; and (4) the digital revolution.

In implementing this project, we will try to deepen exchanges of views between policymakers in Japan and overseas, including METI and relevant ministries and agencies, and strengthen interdisciplinary discussions.

RIETI Discussion Papers (As of the end of December 2022)

22-E-110

“How Do Industrial Guidance Funds Affect the Performance of Chinese Enterprises?” (KAJITANI Kai, CHEN Kuang-hui and MITSUNAMI Kohei)

22-E-101

“Influence of E-commerce on Birth Rate: Evidence from rural China based on county-level longitudinal data” (KOMATSU Sho, MA Xinxin and SUZUKI Aya)

22-E-081

“Catching the Political Leader’s Signals: Economic policy uncertainty and firm investment in China” (ITO Asei, LIM Jaehwan and ZHANG Hongyong)

22-E-033

“The Hidden Cost of Having More Children: The impact of fertility

on the elderly’s healthcare utilization” (XIE Mingjia, YIN Ting, ZHANG Yi and OSHIO Takashi)

22-E-032

“Economic Transition and Wage Gap between Communist Party Members and Nonmembers in China” (Xinxin MA)

RIETI Policy Discussion Papers (As of the end of December 2022)

22-P-020

“Market-based Reform of Production Factors in China” (Chi Hung KWAN)

22-P-018

“How China Has Increased the International Competitiveness of Science and Technology: A summary of the governance system of science and technology and the trial and error of institutional design” (MENG Jianjun and PAN Motao)

To see this video:



RIETI BBL webinars on Global Intelligence Series (As of the end of December 2022)

The American Mid-Term Election Outcome and Its Implications

November 16, 2022

Speaker: Bruce STOKES (Visiting Senior Fellow, German Marshall Fund of the United States)

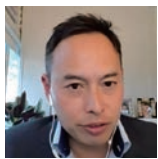


The American voters have spoken and established control of the U.S. Congress for the next two years. What are the implications for U.S. foreign and domestic policy, partisanship in American politics and the future of American democracy, and the 2024 Presidential election? And what may all this mean for Japan's relationship with the United States?

Understanding and Countering Beijing's Strategy of Economic Decoupling on Chinese Terms

October 6, 2022

Speaker: John LEE (Senior Fellow, Hudson Institute)



It is widely assumed that America is pursuing a decoupling strategy from China to strengthen its economy and weaken China's. However, Beijing has been pursuing economic separation since before Xi Jinping came into power, with hopes to ease America out of Asia in strategic, military, political and institutional terms. While Chinese economic policy aims to create Sinocentric infrastructure that ensures China can benefit disproportionately from the resulting economic system, the West must counter this strategy to prevent China from dominating global supply chains and innovation, especially in the lucrative high-tech sectors.

Growth and Capitalism in the Era of Climate Change

July 27, 2022

Speaker: Alessio TERZI (Economist, DG ECFIN European Commission; Lecturer, Sciences Po Lille)



This seminar revolves around the book written by Alessio TERZI titled *Growth for Good*. In this book, TERZI addresses climate change from the perspective of economic growth and capitalism. For example, should economic growth be abandoned in order to successfully mitigate climate change? Does ceasing the use of fossil fuels and transitioning to green energy hinder economic growth? Our society is organized in a capitalistic manner. Abandoning capitalism in the fight against climate change would cause tremendous difficulties. Therefore, TERZI outlines the use of capitalism against climate catastrophe involving the government, business, and citizens.

Carbon Pricing, From a Burden to an Opportunity? Testimony and shared vision from EDF, Europe's leading electric utility

June 23, 2022

Speaker: Vincent DUFOUR (Senior Vice President Japan & Korea, EDF International)



Carbon pricing is an instrument that places the burden of damage from greenhouse gases on the large carbon emitters. One carbon pricing system is called the emission trading system (ETS) in which mandatory markets set a cap on emissions for large emitters. An example of a successful ETS is in the European Union (EU) which is home to EDF, an electric utility company largely owned by the French state. In this presentation, Vincent DUFOUR of EDF addresses the EU ETS' development from the beginning to the present. Also, Vincent DUFOUR touches on EDF's views on carbon pricing and the EU ETS, and how they relate to Japan.

The Sword and the Shield: The economics of targeted sanctions

July 21, 2022

Speaker: Daniel AHN (Global Fellow, Wilson Center)



The Russia-Ukraine War of 2022 has unleashed the most comprehensive sanctions regime against Russia in recent memory. However, questions remain as to how effective they would be? Dr. Ahn shall discuss his research into the effects of the previous US-EU sanctions regime from 2014 to 2016, the first study using detailed firm and individual-level data to precisely measure the empirical impact of targeted sanctions. Dr. Ahn shall describe his findings, his hypothesis into the mechanisms on how sanctions work, how the target responded, their policy implications, and some lessons for today and for future sanctions regimes.

Biden's First Year: The international and domestic implications for 2022

January 12, 2022

Speaker: Bruce STOKES (Visiting Senior Fellow, German Marshall Fund of the United States)



January 20 marks the end of the first year of the Biden Administration. How do the American people think he has done? As 2022 begins, what are Americans' greatest domestic and international concerns, their views on trade, China, Japan, and Russia? In November, the U.S. will have Congressional elections. What does history and polling data tell us about the possible outcome? Will Republicans reclaim Congress and, if so, what does this mean for Biden's presidency?

Cornerstone of RIETI's Industrial Policy Research

— In Memory of Dr. Ryutaro Komiya



MORIKAWA Masayuki

President and CRO, RIETI



Dr. Ryutaro Komiya passed away on October 31, 2022.

Dr. Komiya was the first director general of the Research Institute of International Trade and Industry (MITI/RI), established in 1987, and served as its leader for 10 years until 1997. MITI/RI was the predecessor to the Research Institute of Economy, Trade and Industry (RIETI), which was established in 2001, and Dr. Komiya laid the “foundation of the foundation” of RIETI’s current research system. In his autobiography (Komiya, 2013), Dr. Komiya recollected that it was like “a bolt from the blue” when he was asked to become the director of MITI/RI, as he was known for his critical stance on the policies of MITI during several phases of the period of rapid economic growth. The fact that MITI invited a first-class economist with critical views toward MITI to serve as director general of MITI/RI is a testament to the insight and open-mindedness of MITI at that time.

Dr. Komiya established a procedure whereby research results are published as discussion papers, which are then peer-reviewed by external experts, and a system whereby university-based economists are invited to participate in research activities as visiting research fellows. The current RIETI has maintained these systems, although in different forms. Unlike in recent years, when it was not possible to easily download journal articles from the internet, the researchers also benefited from being able to browse

through the past English-language economic journals owned by Dr. Komiya, which were kept in the director’s office.

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In the mid-1990s, I became a senior researcher at the institute, with Dr. Komiya as my “boss.” When I was a university student, I studied using textbooks on microeconomics and international economics that he had co-authored, so of course I knew his name, but that was the first time I had met him in person. I was nervous at first because he was a well-known economist who wrote controversial articles on economic policy, but his warm personality soon made me comfortable and we often had lunch or dinner together. As Dr. Komiya himself wrote (Komiya, 2013), he believed it was important to visit the actual sites of economic importance around Japan, and he was a careful reader of the “Survey of Production Areas,” a document published by MITI. I had the opportunity to accompany him on a tour of a local factory, and he was a man of wide-ranging curiosity, asking many technical questions.

At that time, most of the full-time researchers at MITI/RI were assigned researchers from MITI or private firms and organizations. For the researchers who lacked an academic research background, Dr. Komiya provided cordial and detailed instructions on how to write papers based on his teaching

experience. I strongly remember that he emphasized (1) the need to have a clear hypothesis when writing a paper, and (2) the need to have a proper list of references formatted and organized correctly. He did not highly value any research that only consisted of analysis of data that presented observed facts without hypotheses. This form of research is called “anatomical” research. As was the case with his own writing, he highly valued research that led to conclusions that differed from the accepted wisdom. Recently, I have been more involved in guiding and reviewing thesis writing, and without a doubt, I am still strongly influenced by Dr. Komiya.

At that time, Japan’s trade surplus was strongly criticized by the U.S., and Dr. Komiya argued that it was wrong to regard a trade surplus as a problem, based on the idea of a savings/investment balance (Komiya, 1994). 1995 saw the rapid appreciation of the yen, and interest in the policy field was growing. Against this backdrop, I had the opportunity to co-author a paper titled “How Exchange Rates are Determined?” Later, it was included as a chapter in *An Economic Analysis of Japanese Industry and Trade* (Komiya, 1999), which is a compilation of papers written by Dr. Komiya during his time at MITI/RI. Although formally a co-authored paper, it was a written version of Dr. Komiya’s theories and became valuable on-the-job training for me. It contains several arguments, but one point is that the real exchange rate reflects the terms of trade in the long run, which is also important when considering the recent depreciation of the yen in Japan’s economy.

.....

Japan’s industrial policy attracted worldwide attention, and research by economists became more active around 1980. This was a time when the Japanese economy was doing well before entering a prolonged period of stagnation, and when research on the theoretical basis for industrial policy, such as new industrial organization theory, new trade theory, and endogenous growth theory, was flourishing in the field of economics. Few economists, including those before that time, have written as much about industrial policy as Dr. Komiya. For example, in the introduction to *Industrial Policy of Japan* (Komiya, Okuno, and Suzumura, 1984), the first comprehensive book on industrial policy in Japan, he describes “what industrial policy is,” “theoretical foundations of industrial policy,” “excessive competition,” and “decision-making process of industrial policy.” In *An Economic Analysis of Japanese Industry and Trade* (Komiya, 1999), two chapters, “Japan’s industrial policy in the 1980s” and “Japan’s industrial adjustment assistance” are directly related to industrial policy.

After making careful reservations, Dr. Komiya defines industrial policy as “those aspects of government economic policy in which policymakers use various means to influence the allocation of resources among industries, whether to address so-

called ‘market failures’ or for other purposes, and to regulate, restrain or promote certain types of economic activity in the private sector” (Komiya, 1999). The basic argument is that Japan’s postwar economic development was achieved mainly through the creativity and vitality of private companies, and that the role of industrial policy was marginal.

On the other hand, the report does not deny that industrial policy has a role to play, of course, as it lists various policies such as the protection of infant industries, promotion of R&D, information effects of policy taxation and finance, industrial adjustment assistance, and environmental protection as industrial policies that correct for market failures. By organizing industrial policy using common and well-understood economic concepts as a “common language,” the dialogue between researchers and practitioners was established, and it led to RIETI’s current principle of building bridges between academic research and policy practice. However, he stated that it is difficult to evaluate the effects of specific industrial policies on industry and the economy, and that he would not attempt to undertake these evaluations. This would have been a natural decision at a time when methodologies for elucidating the causal effects of policies were in their early stages and high-quality empirical research on industrial policies was limited.

We would like to be able to ask Dr. Komiya where the problems of the current Japanese and global economies lie and how he would evaluate recent economic policies, including industrial policies, but unfortunately that is no longer possible. With technological advances in econometric analysis and greater availability of data than at the time, the scope for research that can be useful in evidence-based policy formation has expanded. There is a growing understanding of the importance of such research among policy practitioners. We would like to repay Dr. Komiya’s kindness by conducting objective and neutral research and making good policy recommendations.

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East Asian and European Firms: Comrades or competitors

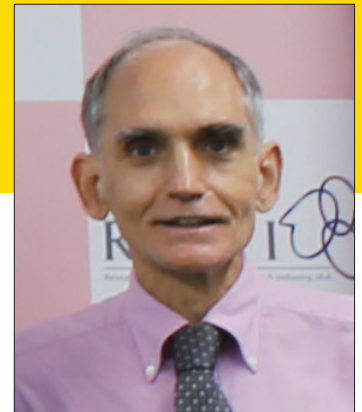
INTERVIEW

Willem THORBECKE

RIETI Title: Senior Fellow

Expertise: International Economics, Monetary Economics

His profile:



I have been looking at firms in Japan, South Korea, Germany, and France, and trying to get a sense of the extent to which they work together or compete with each other by checking exchange rates and how they are affecting firms. I looked at how exchange rates affect stock returns as they are a measure of the profitability of a firm. For example, if an exchange rate appreciation benefits Toyota, it means they are primarily cooperating and purchasing parts and components from other countries. Conversely, if it harms Toyota, it means they are primarily competing.

The effect of exchange rate changes on sectors and firms

I specifically looked at how stock returns in many sectors were affected by exchange rate changes. In France, I found that out of 33 different sectors, 20 sectors benefit when the euro becomes stronger relative to the yen. For example, there is a firm in France called Manitou that purchases engines from a Japanese company called Kubota. When the euro becomes stronger, Manitou can purchase more parts and components or purchase them more cheaply. There are many such companies that purchase parts and components, capital goods and intermediate goods from Japan. I also found that only three out of the 33 sectors are harmed when the euro gets stronger. This suggests that there is a lot of cooperation between French firms and Japanese importers.

On the other hand, if you look at the Korean won, I found almost the opposite result. I found that only two sectors benefit when the won becomes stronger relative to the euro. Those are telecommunication services with French companies like Orange importing smartphones from Samsung, and electronic entertainment with French gaming companies receiving input from Korean programmers. This suggests that there is a lot of competition between European firms and Korean firms.

In Germany, 60% of sectors benefit when the euro gets stronger relative to the yen, suggesting that there is a lot of input from Japan going to Germany. In addition, no sectors are harmed, suggesting that the competition is not as intense as we would have thought. Meanwhile, the results were almost the opposite for the won. This suggests that for European firms, there is a lot of cooperation with Japanese firms, but a lot of competition with Korean firms.

We often think of Korea and Japan as competing a lot, but I found that nine out of 36 sectors in Korea benefit when the won becomes stronger relative to the yen, suggesting that there are a lot of inputs from Japan going to Korea.

The implications of exchange rate changes

The results suggest that Japan plays a vital role in the world economy as an upstream provider of parts and components and capital goods. Many companies in other countries benefit when their respective currencies get stronger relative to the yen because they can import more parts and components, capital goods and intermediate goods from Japan. On the other hand, the results suggest that there is a lot of competition between European firms and Korean firms.

France has gone through a process of de-industrialization and has become much weaker in manufacturing. Therefore, one thing that France could do is to try to attract foreign direct investment (FDI) from Japan, which has a history of transmitting capital goods, managerial skills and technical knowledge. If France could attract Japanese companies, the country could gain some of these benefits. France could do so by simplifying its taxes and making them less distortionary, and by improving the educational level of certain neighborhoods with many immigrants.

The results also suggest that there is close cooperation between Korean firms and Japanese firms, despite their

governments being in conflict a lot of the time. This suggests that it could be worthwhile to consider a free-trade agreement between the two countries in order to allow firms to benefit from trading with each other.

Additional insight

The reason I chose Germany, France, Japan and South Korea as the focus of my study is because Germany and France are the two largest economies in Europe, and Japan and Korea are the two most advanced countries in East Asia, so it seemed like a natural choice.

There may be an argument as to whether the depreciation of the yen is good or bad for Japan. What we see is that companies like Toyota benefit very much from a weak yen not because it increases their exports, but because they have outsourced a lot of production and are now exporting mainly higher-end vehicles. Therefore, their exports do not respond

to the exchange rate, but their profitability does. On the other hand, it is not very good for the pharmaceutical industry because they import a lot from abroad, and when the yen is weak, they cannot import as much. It really depends on the sector.

One thing we see in France is that their luxury sector is very strong. Such companies in France produce good products but price them very high. On the other hand, such companies in Japan also produce good products, but their prices are much more reasonable. I think it could be beneficial for Japanese companies to learn how to charge more for their luxury products.



To see this video:



How Did Japan Cope with COVID-19? Two years of documenting consumption behavior with big data

INTERVIEW

KONISHI Yoko

RIETI Title: Senior Fellow

Expertise: Econometrics, Statistics, Service Industries (Tourism

Policy, Energy-saving Labels, and Consumer's Behavior)

Her profile:



The COVID-19 pandemic has drastically changed our daily lives in terms of eating, learning, working and leisure time. As of this date, Japan has experienced five waves of widespread infection (as of the time of writing) and three emergency declarations but has coped with the crisis without mandatory lockdowns, social restrictions or mandatory mask-wearing as seen in other countries.

We will introduce the initial disruption, the adaptation period and the change to a new normal by using consumption big data for the two-year period of January 2020 to December

2021. We used point-of-sales (POS) data from supermarkets, convenience stores, home centers, drugstores, consumer electronics stores and mass merchandisers, as well as data from household bookkeeping applications. The POS data was used to observe item-level sales trends, while the household bookkeeping application data was used to observe trends in services. This made it possible to comprehensively understand the changes of consumer behavior through the pandemic.



MEET OUR FELLOWS

The initial disruption of the COVID-19 pandemic

In terms of entertainment expenditures, leisure spending on movies, concerts and travel declined sharply, but spending on manga and games increased during the pandemic compared with the same months of 2019. The monthly growth rates of manga and games were higher during the three declared states of emergency, suggesting that they have been the main choices for indoor entertainment during the pandemic.

As for the trends in the sales of staple foods, processed foods and seasonings at supermarkets, just before the first state of emergency, staple food sales increased by 33.0%, processed foods by 24.5%, and seasonings by 12.7%.

Regarding meal services since the pandemic started, supermarket food sales continued to increase, while spending on food and beverage services continued to decrease. The decline was greatest at the time of the first state of emergency, with spending at drinking establishments falling to about 10% of that in 2019. With the data, we can further observe the impact of COVID-19 on specific types of restaurants, as well as on the timing of meals.

To analyze whether telecommuting has become more prevalent, we observed the sales trends of webcams and headsets, which are used for online meetings and classes. Shortly before the first state of emergency, the growth rate of webcams sharply increased by 386.1% and headsets by 524.4%, before sharply decreasing due to shortages caused by rapid demand increases and store closures.

During the COVID-19 pandemic, infection prevention products became essential goods in our daily lives. Over the past two years, the sales of these products have consistently exceeded pre-COVID-19 levels. At the peak of the second wave of the outbreak, sales of masks and hand sanitizers were up 1,689.2% and 2,077.6%, respectively. The data indicated that we continued to purchase masks and hand sanitizers, regardless of the number of infections or the level of vaccination rates.

Adapting to the new normal

Since the pandemic, new shopping practices, such as body temperature checking kiosks and hand sanitizer dispensers at store entrances, have been adopted to prevent infection, and cashless payment has increased to protect store clerks and customers. Supermarkets, convenience stores, drugstores and home improvement stores have seen a decrease in cash

payments compared with January 2019. There has also been a shift to cashless payment for services, with the cashless payment ratio increasing by 20% for cafes, by 18% for beauty salons, by 17% for clothing stores, and by 11% for drinking establishments. It turns out that credit cards are used for high unit price services such as clothing stores and beauty salons, while e-money payments are used at cafes and convenience stores with low unit prices.

We continued to purchase prevention essentials such as face masks and hand sanitizers during low and high infection levels and vaccination rates. Meanwhile, the spread of misinformation on social networking services (SNS) caused a rapid explosion in purchases, stabilizing when the correct information was provided.

Finally, we used the POS data to draw a cumulative density function for the number of masks sold weekly in 2019, 2020 and 2021. The cumulative density function does not provide information on the scale, but it tells us the degree of concentration and dispersion of purchase patterns in each year. In 2019, purchases were concentrated in the winter and hay fever seasons, indicating a seasonality in mask purchasing behavior. In 2020, the rate exceeded 30% in the week of the World Health Organization (WHO) state of emergency in January. In 2021, mask purchasing behavior did not show any concentration or dispersion of purchases due to seasonality or the sudden shortage of masks. In other words, the seasonality of mask purchases had disappeared.

COVID-19 changed people's behavior significantly. The types and quantities of products and services purchased fluctuated daily and weekly due to changes in the infection situation and social environment. However, official economic statistics observe weekly fluctuations, and some are published as late as the end of the following month or even one or two years in the future. That is why we focused on big data. By using POS data and household bookkeeping application data, we succeeded in creating a clear picture of Japanese consumption behavior and explored how people living in Japan tackled the spread of COVID-19 by purchasing certain goods and maintaining safe physical distancing.



To see this video:



Comments on CURRENT RESEARCH

COMMENTS



ARAKI Shota

Fellow (Policy Economist)

Labor Economics, Personnel
Economics, Applied
Microeconometrics



My research is based on two main research interests.

The first is an applied microeconomic analysis using the COVID-19 pandemic as a natural experiment. I analyze the impact of spectators on players' performance in sports, focusing on non-spectator games. I also conduct a study to measure the effects of policies to support shopping district events, focusing on interruptions caused by the COVID-19 pandemic.

The second is a study of workers' aptitude ability for capital and technology. Using the PIAAC survey, which simultaneously examines the abilities required for a job and the abilities possessed by individual workers, I am studying the process by which workers find a suitable job. I also analyze how promotions and personnel transfers occur using firm personnel data.

COMMENTS



ARATA Yoshiyuki

Fellow

Macroeconomics, Industrial
Dynamics, Stochastic Processes



Although the importance of high-growth companies (HGFs) has been widely accepted in recent literature, it is particularly difficult to predict which companies will become HGFs. Using comprehensive firm-level data and the theory of probability, I am currently studying the existence of features that characterize HGFs' firm growth dynamics by investigating the statistical regularities of firm growth dynamics and the process of firm growth.

COMMENTS



HASHIMOTO Yuki

Fellow (Policy Economist)

Labor Economics, Immigrant
Workers, SMEs, EBPM



My research focuses on both foreign workers in Japan and on the policy effects of industrial policy. In our research on foreign workers in Japan, we analyze job segregation and wage distribution between Japanese and foreign workers, and measure productivity of firms employing foreign workers. In the EBPM analysis of industrial policy, we examine whether the application and adoption of subsidy programs for small and medium-sized enterprises (SMEs) have increased the productivity of firms.

COMMENTS



IKEUCHI Kenta

Senior Fellow (Policy
Economist)

Empirical Analysis on R&D,
Innovation and Productivity



I conduct empirical analyses on R&D, innovation and productivity. In particular, I am interested in basic scientific and academic research at universities and other institutions, industry-academia collaboration, how university-launched ventures and academic start-ups contribute to innovation and economic growth, dynamic analysis of knowledge networks using patent and academic literature database, and the effects of R&D tax incentives. I also participate in the OECD's international comparative project on the dynamics of employment and productivity (DynEmp/MultiProd) and contribute to providing analysis of Japanese data. I am also involved in promoting evidence-based policy making (EBPM) on science and technology innovation policy by participating in research projects at the National Institute of Science and Technology Policy (NISTEP) and the Science for Redesigning Science, Technology and Innovation Policy Center (SciREX Center) at the National Graduate Institute for Policy Studies.

COMMENTS



ITO Arata

Senior Fellow

Macroeconomics



My research focuses on uncertainty and social learning. I currently conduct a research project on the effects of policy uncertainty on the real economy and financial markets. As part of this project, I am updating data on news-based economic policy uncertainty indices for Japan each month. The data is available on the RIETI website as well as at PolicyUncertainty.com. I am also engaged in a research project on social learning using big data on consumption and newspaper coverage in the early stages of the COVID-19 pandemic.



MEET OUR FELLOWS

COMMENTS



KONDO Keisuke

Senior Fellow

Spatial Economics, Development Economics, Labor Economics, Applied Econometrics (Microeconometrics, Spatial Econometrics, Bayesian Econometrics)



As Japan faces a declining population, there is an increasing need to consider how to maintain and develop urban and rural economies. My research aims to bridge the gap between academic research and policy making so that I can contribute to the Japanese government's evidence-based policy making (EBPM) for regional revitalization. I have enhanced policy discussions by publishing RIETI discussion papers on analysis of regional differences in fertility rates, evaluation of compact city policies, ex-ante evaluation of migration subsidy policies, evaluation of productivity gains from urban agglomeration, evaluation of market competition through markups, and evaluation of the causal impact of minimum wage on young people's migration. Recently, I have been conducting empirical research integrating geospatial information and micro data in relation to data science, with the hope of developing a framework for systematic evaluation of urban and regional policies.

COMMENTS



LIU Yang

Fellow

Labor Economics, Employment, Wage, Human Capital, Labor Market, Migration



1. The first research topic is job creation and job destruction that occur simultaneously within the same firm in Japan, focusing on the effects of firm behaviors and characteristics on job creation and destruction.
2. The second research topic is an examination of labor market outcomes of immigrants living in Japan. A large-scale dataset of individuals is used for this study.
3. The third research topic is identification of economic and cultural factors in determining Japanese and foreign female labor force participation in Japan. Despite living in the same social and economic environment that has long been considered disadvantageous for women, we notice a higher probability of female labor force participation for immigrants than for Japanese. The reasons are examined using a large dataset of both groups in Japan.
4. The fourth research topic is an investigation of the impact of women's reservation wage on the gender gap, based original individual data from China.

COMMENTS



MATSUMOTO Kodai

Fellow (Policy Economist)

Labor Economics, Public Assistance Policy



There are three studies on which we are currently working. The first is the impact of the employment of persons with disabilities on corporate profits. In Japan, the minimum number of employees with disabilities in a company is mandated based on the total number of employees in that company. By using this system, we estimate its causal effects. In the second study, we examine the impact of policies to promote employment of persons with disabilities on employment figures. If a company fails to meet its quota of employees with disabilities, it must pay a levy based on the size of the company, but in 2015, the number of eligible companies changed. The impact of this policy intervention will be assessed. The third is the impact of receiving welfare on well-being. Receiving welfare benefits may reduce well-being due to stigmas and other factors, but we will empirically verify whether this is the case.

COMMENTS



NAKATA Daigo

Senior Fellow

Public Economics, Public Finance, Social Security, Health Care



I performed the following analyses on taxation and social security systems:

1. Simulation analysis of fiscal sustainability
 2. Impact on household savings, employment and labor supply
 3. Impact on firms' labor demand
- In recent years, I have studied impacts of household financial literacy, future insecurity and social capital.
- In particular, I analyze the effects of these factors on the following:
- A) Impact on risky asset ownership and asset accumulation behavior
 - B) Employment and saving behavior of no-asset households
 - C) Behavior of middle-aged and elderly persons in terms of deciding to receive pension benefits earlier or later
 - D) Changes in subjective life expectancy prediction and asset accumulation due to health shocks
 - E) Decision-making on living legacy gifts

COMMENTS



ONUMA Hiroki

Fellow (Policy Economist)

Environmental and Energy Economics, Climate Change Policy, Disaster Management



My research focuses on environmental economics and disaster risk management. My recent work has investigated what factors encourage or hinder the implementation of household disaster prevention measures. More specifically, I have quantitatively examined whether "charity hazard" exists in Japanese household preparedness for natural disasters using survey data. I have also explored the impact of carbon pricing on firms' environmental performance and residential energy consumption in Japan.

**SEKIGUCHI Yoichi**

Senior Fellow

Local Economy

I conduct research and make policy recommendations related to the revitalization of regional economies, including tourism. In December 2022, I published the book *Wellness Tourism to Energize the Body, Mind and Community* (Japanese). In the book, I attempted to clarify the overall picture of wellness tourism based on as much data as possible, including the background of growing interest in wellness tourism, which involves experiencing activities that utilize local resources such as nature, culture, food and human resources, the characteristics of wellness tourism, related national policies, and domestic and international examples.

**SEKIZAWA Yoichi**

Senior Fellow

Japan's FTA Policy, Application
of Cognitive Therapy to Social
Science

My research interest is whether psychological variables, especially emotion-related variables, influence personal political or economic decisions, and whether psychological intervention such as cognitive behavioral therapy and mindfulness can correct inappropriate political or economic decisions and behaviors. For this purpose, I work with psychiatrists and social scientists.

**SUMIYA Kazuhiko**

Fellow (Policy Economist)

Labor Economics, Public
Economics, Applied
Microeconometrics

I have three research topics. The first is to estimate the effect of income taxes on labor supply, wages and other labor market outcomes using Danish administrative data. Second, as part of the evidence-based policy making (EBPM) project at RIETI, I work with METI to evaluate their policies. So far, I have analyzed the effects of receiving the "Nadeshiko brand" and the "Manufacturing subsidies." Third, I am interested in developing methods for program evaluation.

**TAMURA Suguru**

Senior Fellow

Science and Technology,
Innovation Policy

I have administrative experience in the Technology Evaluation and Research Division of MITI and the Council for Science, Technology and Innovation. In the Technology Evaluation and Research Division, I was in charge of conducting evaluations of METI and NEDO R&D project achievement, building evaluation systems, and, in particular, designing evaluation items. Based on this experience, I am interested in the evaluation of R&D policies. In recent years, I have been trying to elucidate the actual status of standardization activities. So far, I have conducted four surveys, collected the related data, and published them. I am working to establish and disseminate measurement methods by providing this data to the research repositories of the International Organization for Standardization. I intend to continue this research in order to improve the methods of measuring standardization activities. The results of my studies are published in journals such as *Technovation*, *Computer Standards & Interfaces*, *Science and Public Policy*, and other innovation research journals.

**ZHANG Hongyong**

Senior Fellow

International Trade and
Investment, Chinese Economy,
Applied Microeconometrics

1. Using multiple government statistics, I conduct a quantitative analysis of the production networks of Japanese firms in Japan and overseas, the impact of supply chain disruptions and firms' responses, trends in the reshoring of manufacturing industry and friend-shoring, and the effects of subsidies to strengthen domestic production and diversify supply chains.
2. I carry out an empirical analysis using micro data on the impact of Chinese industrial subsidies on Chinese firms' innovation activities, exports and international competitiveness.
3. Using text data containing press coverage of Chinese President Xi Jinping and data on Chinese listed companies, I provide a quantitative analysis of the impact of economic policy uncertainty (EPU), policy agenda setting, progress of state capitalism, and the relationship between political visits and company performance.

Economic Outcomes and Regional Disparity of High-Speed Railways

MANAGI Shunsuke

Faculty Fellow, RIETI/Distinguished Professor of Technology and Policy, Director, Urban Institute, School of Engineering, Kyushu University



The development of transportation infrastructure is a “double-edged sword” that brings economic development but also promotes regional disparities. This study illuminates the causal relationship between high-speed railway expansion and economic development, focusing on Japan’s Shinkansen bullet trains from 1983 to 2020. The study found that a 1% increase in market access increases the land prices by 0.176%, income by 0.425%, and income per capita by 0.023% across Japan. However, most of the economic benefits are generated by the metropolitan areas. RIETI Senior Fellow KONDO Keisuke asked RIETI Faculty Fellow MANAGI Shunsuke who is also a Distinguished Professor of Technology and Policy, Director of Urban Institute at Kyushu University about this research, touching not only on the economic benefits but also the potential to lead to inclusive wealth.

A first step in the study of inclusive wealth

Kondo: First of all, could you introduce your field of expertise?

Managi: I am trying to link various fields such as urban planning, the environment, resources and energy rather than treat them as separate, and to view them within the framework of economics. In the area of environmental issues, reducing air pollution is also related to the field of health. I am also in charge of urban planning in the Department of Civil Engineering at my university, and I feel that I am helping to connect and develop the fields of civil engineering-based urban planning and economics.

Kondo: What made you focus on high-speed railways in this study?

Managi: First, I was interested in infrastructure as an area where the economic impact has not been fully measured. For this study, we wanted to focus on something that would have a large impact throughout Japan from a policy perspective, so we decided to focus on the development of the Shinkansen, Japan’s high-speed railway (HSR) system. This is still a high-profile topic, with the Nishi Kyushu Shinkansen being in operation and the Hokuriku Shinkansen extending to Fukui. We see HSR as an interesting theme in terms of infrastructure that will continue to develop

globally in the future.

The Ministry of Land, Infrastructure, Transport and Tourism (MLIT) conducts cost-benefit analysis, which is an analysis of the benefits and other effects in relation to the costs of a project from the perspective of socio-economic efficiency, before undertaking public works projects. But ex-post evaluation is insufficient, and it is difficult to say that the results of past ex-post evaluations are being used in subsequent policies. I believe that it would be very meaningful to closely examine past public works projects for the cost and extent of maintenance of infrastructure after they are built, in light of geographical characteristics. In terms of industry, if infrastructure changes the location of plants, offices and other workplaces, it should also have an impact on the environment and energy. For example, simply put, more energy is used in urban centers, but the energy efficiency per capita is better. On the other hand, there is also traffic congestion and a higher risk of photochemical smog and air pollution. If this is the case, health hazards are also a concern. Relief from these problems can be obtained by living in non-metropolitan areas, but if the infrastructure in non-metropolitan areas is weak, other inconveniences will arise. These will be counteracted and supported by automobiles or the Shinkansen.

On a slightly larger scale, United Nations (UN) Secretary-

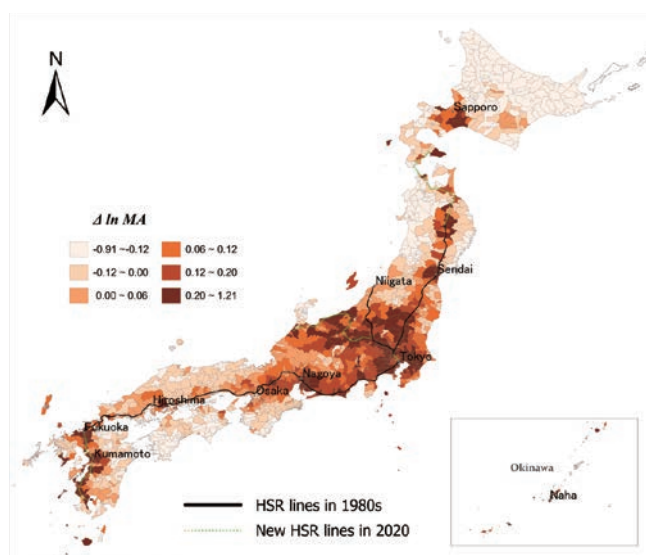
General António Guterres has issued a message that from now on the value of the world and society should be measured not only by gross domestic product (GDP) but also by incorporating various factors such as the value of nature and human happiness. To put this into practice in actual decision-making, it is important to evaluate even detailed data and to learn what would be positive or negative. With the Shinkansen, I would like to expand the analysis to include the effects on well-being and air pollution, but I think we should start at the base and examine the economic effects of the Shinkansen itself. The purpose of this study was to address the economic aspect as a first step.

Economic impact measured by market access

Kondo: Please tell us about the concept of market access, which is a key element in this study.

Managi: “Market access” is an indicator used in empirical studies of railways in the United States, and we employed it in this study as well. It is a concept that estimates the market potential of connecting two regions with new infrastructure, looking at how much travel time can be reduced and how many people can newly access the market. The larger the populations of the two areas to be connected, the greater the market accessibility due to the time savings. Even in areas not served by trains, it is possible to evaluate the effect of indirect access improvements due to the opening of a Shinkansen line in neighboring areas (Figure 1). With this indicator, we evaluated the causal effect of infrastructure in Japan. It can also be used for wide-area urban planning by dividing and inspecting the data by region and considering regional differences.

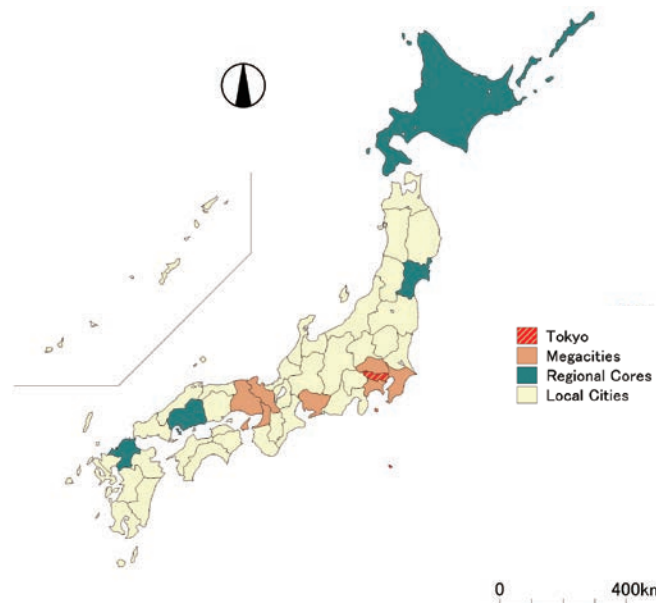
Figure 1: Market access evolution in Japan



Source: DP22-E-060 Fig. 3

In this study, we estimated the economic impact of the Shinkansen by dividing the data into four regional groups: Tokyo; the three major metropolitan areas of Tokyo, Osaka and Nagoya; the regional medium-sized metropolitan areas of Sapporo, Sendai, Hiroshima and Fukuoka; and other regions (Figure 2).

Figure 2: Regional categories



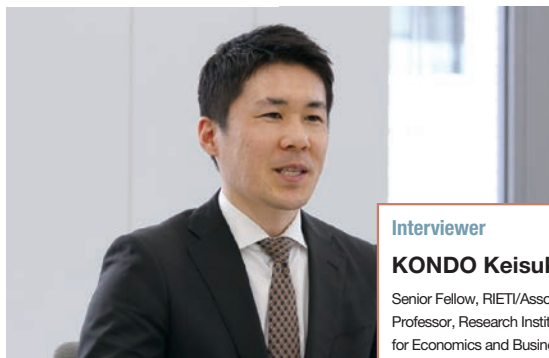
Source: DP22-E-060 Fig. 4

As a result, we found that a 1% increase in market access leads to a 0.176% increase in land prices nationwide. By region, the positive effect on land prices occurred only in Tokyo, megacities and regional cores, whereas no positive effect occurred in rural cities. In other words, it became clear that there are regional disparities in the economic effects of Shinkansen line development. In an unexpected finding, the positive effect was larger in regional cores than in the central Tokyo metropolitan area. I believe that constructive discussions can proceed only when the characteristics of each region are shown in clear figures such as these.

Kondo: Did you have any difficulties in analyzing the data?

Managi: We took long-term data covering all municipalities in Japan from 1983 to 2020, so we had a huge amount of data to handle, but we seven authors divided the work among ourselves to get through it. We felt that it would have been better if we had had data from even earlier periods. It would have been ideal to have data from the very beginning of the Shinkansen's construction.

Nevertheless, the fact that long-term data is well maintained and available in Japan is a strong point of Japanese government statistics. Although the statistical surveys may decrease in the future due to budget cuts and other factors, satellite images



Interviewer

KONDO Keisuke

Senior Fellow, RIETI/Associate Professor, Research Institute for Economics and Business Administration (RIEB), Kobe University

and alternative data are becoming more accurate thanks to the development of artificial intelligence, so I hope that there will be an abundance of data that can be used for research. I also think it is necessary to demonstrate that it is important to have data in order to conduct ex-post evaluation and set future goals.

Kondo: How is this study different from previous studies?

Managi: There have long been studies on the economic effects of U.S. railways and regional economic development from the perspective of logistics connecting a vast landscape. In the U.S., there are previous studies that have evaluated these old topics with causality, using market access. In Japan, studies on the Shinkansen have been conducted using quasi-experimental methods, such as difference-in-differences (DID) analysis of treatment and control groups. However, this is not suitable for estimating how different the economic effects of the Shinkansen are in each region, as the effects are expected to be felt in areas other than those where train stations have been built. To address this issue, market access was used as an indicator in this study. This is the first attempt to provide quantitative measures of the market access related to the Shinkansen in Japan, as there has never been a study of this kind before.

In Japan, market access is not used in cost-benefit analysis, but I hope that this approach will eventually become the standard for how cost-benefit is viewed.

High-speed railway development is a double-edged sword

Kondo: What is your view on the conclusion of the study that high-speed railway development is a “double-edged sword?”

Managi: Although regional disparities are generated, the economic effects of the Shinkansen are more positive than negative, as seen in the benefits that were extended even to medium-sized metropolitan areas. Although not included in the paper, if we track the effects from year to year, we find that in towns that can be considered relatively medium-sized, the economic impact is almost negligible at the beginning of the Shinkansen service, but gradually increases due to the effects of the expanding network.

Also, the reason why the effect in the three major metropolitan areas is lower is that each city is already established as a core location, so while it can contribute to the surrounding areas, it does not generate much new positive effect in the city itself. If greater effects are to be expected, the network as a whole must be connected with a certain degree of density while keeping an eye on the balance of the cities. Also, if only two connected places undergo development and the development does not extend to the surrounding areas, the economic effect will be small.

As we can show the economic impact of the Shinkansen numerically, it will be useful in understanding both positive and negative aspects and in simulating the currently planned regional extensions of the Shinkansen and the future maglev Chuo Shinkansen line. If there is a policy demand, we would like to link our analysis to internal policy discussions reflecting the results. At present, there are not many plans for the next phase of the maglev Chuo Shinkansen once it opens. How the fares are set and how many people it is expected to carry will greatly affect the level of development of the surrounding cities. With this in mind, the allocation of train schedules, station locations and other factors need to be considered. I hope that evidence-based policy making (EBPM), digital transformation (DX), green transformation (GX), and the Vision for a Digital Garden City Nation will help people understand the significance of using data and analysis.

Kondo: What is the main reason to focus on land prices and income as dependent variables to measure the economic effects of the Shinkansen?

Managi: The reason is that with land prices, we have the most detailed data available throughout Japan. Changes in land prices can be said to reflect the economic effects of the Shinkansen. We would also like to closely inspect the impact on industry, for example, but we do not have detailed industrial data, so this study focused on measuring the local economic effect of the Shinkansen using land prices as the variable.

We also found that the economic effect of the Shinkansen on income per capita in non-metropolitan areas was negative. This is probably because small non-metropolitan cities are often the last stops, and “spongification” (i.e., vacant lots and houses, resulting in a porous structure like a sponge) occurs, with the Shinkansen facilitating the outflow of people. Even if a Shinkansen line is built to “trigger development,” the effect may actually be negative. In a simple analysis, it is often judged as “break-even,” but I believe that the results clearly show that even if the effect of the Shinkansen is positive across Japan on a nationwide basis, the effect is concentrated in urban areas. And when looking only at non-metropolitan areas, the effect is negative due to the progress of spongification.

Community planning connecting the future

Kondo: Do you have any advice for policymakers?

Managi: The construction of Shinkansen lines is, in reality, heavily influenced by politics. I think the current situation is that politicians make public promises to “build a Shinkansen line” and then try to force the project through by laying out figures that are not well supported and claiming positive effects. There is a huge cost at the time of construction, but the fact that many companies benefit from it is one of the reasons why it is possible for the system to be established. A Shinkansen project will boost the economy in the short term.

However, we wondered what the long-term effects are, and upon investigation, we found that, in fact, they were not all that good in non-metropolitan areas.

If there is anything that I can suggest to the areas where the Shinkansen line is about to be constructed, it may seem obvious, but the closer the existing station and the Shinkansen station are, the better. The closer they are, the more predictable the development of commercial facilities and the city will be. In reality, however, a Shinkansen station ends up being built a little farther away for various reasons, such as a lack of surplus land. In this case, development cannot be achieved in the long term, and with the station distant from other infrastructure and difficult to use, only negative aspects result, such as spongification, with no positive effects expected.

Therefore, as is true not only in non-metropolitan areas but also in large cities, it is difficult to generate positive effects unless people make good use of areas with good accessibility. Osaka and Shin-Osaka stations are also distant from each other, so that is an issue in the area. There needs to be more exhaustive discussions on how to connect Shinkansen and conventional lines to the next step of development, and a structure that connects to the future should be thought about at the level of community planning. I think this can be done even now.

It would be easier to do if the local governments could set goals to create that structure. It would give each party involved a reason to start moving and enable explanation to related stakeholders. Proposals for goals set by the administration would have to go through regional assemblies, but at that time, the numbers from our analysis will provide support. I think our study will lead to further consideration on, for example, how we can find a simple way to connect two locations so that the regions do not become exhausted.

Collaborate with industry to incorporate highly accurate data

Kondo: Could you share your findings on infrastructure development?

Managi: Industry, including local banks, is eagerly considering the creation of wide-area infrastructure. From their point of view, it is natural to aim for local development, as it is the place where they do business for survival, and with their support, the region will develop as a result. Therefore, in non-metropolitan areas, politics is not the only thing that determines the next direction. Because of the cooperative relationship between local industry and politics, people should be able to create better communities and plans that will enable development over a wide area, based on highly accurate data. We conducted this study using only publicly available data, but it would be great if we could also collaborate to use data held by industry, such as telecommunications and freight forwarding.

This study focused on the Shinkansen across Japan, but the same logic is applicable for analyzing all transportation infrastructure development within a region. Right now, the Vision for a Digital Garden City Nation, DX and GX are being promoted, and I believe it is important to include the effective use of data.

In community planning, data-driven ex-ante and ex-post evaluations would be quite helpful in reducing costs and would also benefit the private sector.

Kondo: Finally, what is your outlook for future research?

Managi: In this paper, I wanted to show that we can glean a lot of information about infrastructure even from open data. I would also like to investigate measures of well-being such as air pollution, ease of mobility for residents, and low levels of traffic congestion. The UN's Inclusive Wealth Index, which I mentioned at the beginning, is useful for measuring such values that are not expressed in GDP. It is not limited to hard infrastructure but also takes into account soft factors such as nature and health. Analyzing data to show what kind of infrastructure makes people happy could lead to new national infrastructure proposals, which also could easily spread to non-metropolitan areas. We plan to conduct research on how to create a structure in which companies that can make good use of such infrastructure will benefit.

Kondo: It is true that economic analysis is all about measuring GDP and economic benefits, which underestimates the significance of rural areas. It is important to consider what kind of infrastructure development should be promoted by the national and local governments, with an eye to the happiness and well-being of the real people beyond the conventional cost-benefit analysis. Thank you very much.

Gender Stereotypes of Politicians



ONO Yoshikuni
Faculty Fellow, RIETI

Gender Gap in Politics

The gender gap in politics in Japan is one of the largest of all advanced countries. The proportion of seats held by women in the House of Representatives, the lower chamber of the Diet (Japan's national parliament), is 9.7%, far below the average of 25.9% among the 193 countries around the world (Note 1). Why are women so underrepresented in the Diet? One possible reason for the gender gap in political representation may be that gender stereotypes held by voters are putting women candidates at a disadvantage in elections.

Gender Stereotypes

Social psychology research shows that gender stereotypes can lead to prejudice and discriminatory behavior. So, what stereotypes do Japanese voters have with respect to men and women politicians?

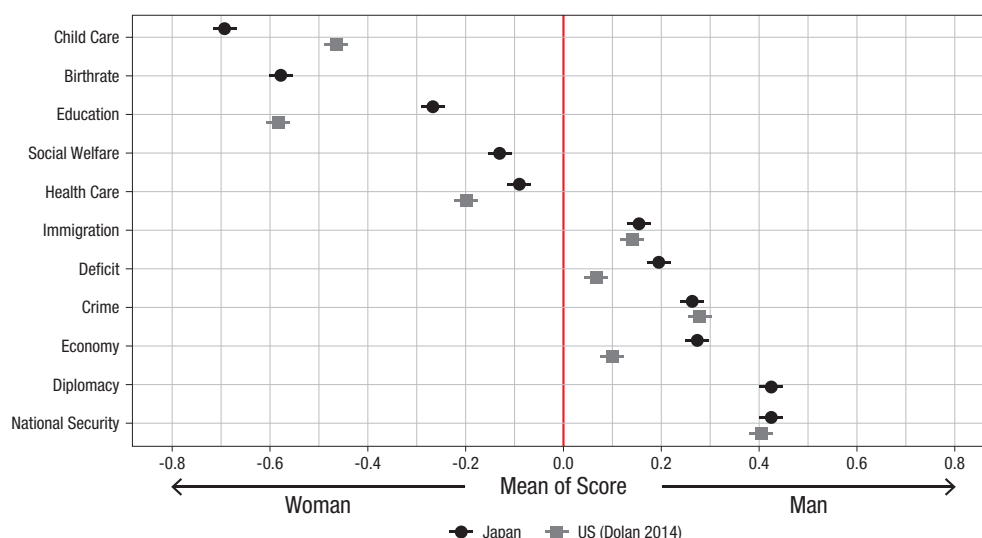
A Survey with Japanese Voters

In order to identify the stereotypes held by Japanese voters, we conducted an online survey with around 3,000 voters in March 2019. In the survey, the same set of questions was asked in the same format as that used in a survey previously conducted in the United States (Note 2) so that the tendencies among Japanese and American voters could be compared. This article provides a brief summary of the gender stereotypes observed among Japanese voters with respect to policy areas and personal traits. For information on the specifics of the survey, please refer to the relevant RIETI discussion paper (Note 3).

Gender Stereotypes regarding Policy Areas

The survey asked the respondents whether men or women politicians are generally better at handling each of 11 policy areas, requesting them to choose one of three response options: "men," "women," and "no gender difference." Figure 1 shows a summary of the results, which indicate that Japanese voters have stereotypes very similar to those held by American voters. Specifically,

Figure 1



the percentage of Japanese respondents who considered men politicians to be better at handling policy areas such as crime/public order, economics/employment, national security, immigration, and fiscal deficit was higher than the percentage of those who considered women politicians to be better at handling them. On the other hand, the percentage of Japanese respondents who considered women politicians to be better at handling such policy areas as education, healthcare, childcare/child welfare, the shrinking population of children, and pension/social welfare was higher than the percentage of those who considered men to be better at handling them. (Figure 1)

Gender Stereotypes regarding Personal Traits

Regarding personal traits, the survey asked the respondents whether each of 10 attributes may be better ascribed generally to men or women politicians. Figure 2 shows the results, which indicate a similar tendency to that observed in the United States. While Japanese voters consider men politicians to be better at consensus building and more decisive, have stronger leadership, be more politically experienced and more dominant than women politicians, they regard women politicians as being more compassionate, honest and intelligent. However, as to trustworthiness, voters recognized little difference between men and women politicians. (Figure 2)

Influence of Gender Stereotypes

How do such gender stereotypes influence voting behavior? When voters have gender stereotypes, if a man or woman politician expresses an opinion in a policy area that is perceived to be outside of his/her expertise, voters may react negatively

to that opinion or view the politician negatively because of the stereotypes. For example, if a female politician actively speaks out or expresses an opinion in the area of national security, which is often perceived as a “male prerogative,” voters may react with skepticism or evaluate the politician negatively.

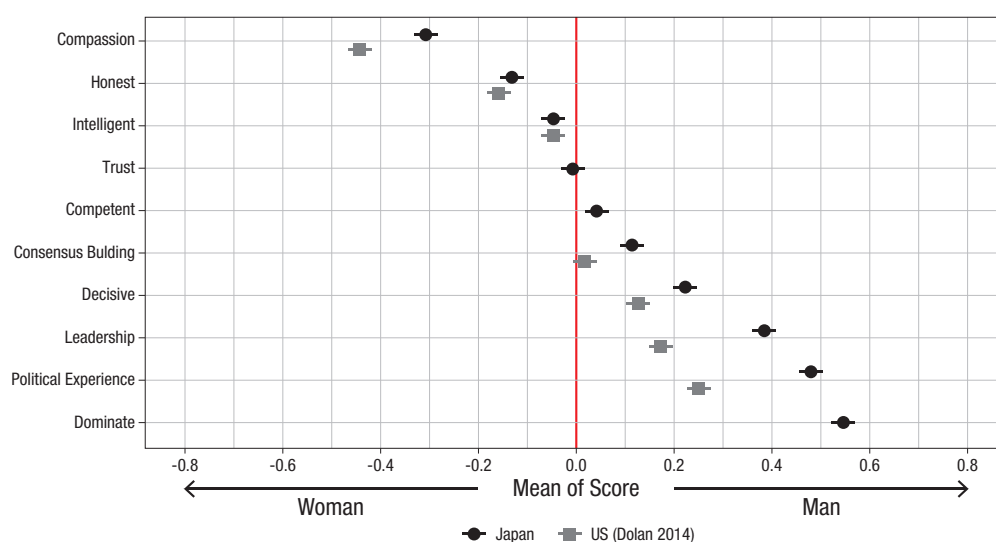
According to the results of a survey experiment conducted by the author in 2015 with the participation of around 2,700 voters, not only do Japanese voters tend to generally prefer men candidates over women, but also women candidates can lose votes if they fail to conform to the stereotypes (Note 4). In other words, while the emphasis on their gender tends to disadvantage women candidates, failure to behave in a “feminine” manner may be perceived negatively. Therefore, women candidates are expected to face more difficulties compared with men when considering what electoral strategy to adopt.

The question of how gender stereotypes affect voters’ views of politicians and their behavior has only just begun to be researched both domestically and internationally, and is not yet fully understood. I look forward to further progress in the research, as finding answers to this question is expected to provide clues to narrowing the gender gap in politics.

Footnote(s)

1. <https://data.ipu.org/women-averages>
2. Dolan, Kathleen A. (2014). *When Does Gender Matter?: Women Candidates and Gender Stereotypes in American Elections*. Oxford University Press, USA.
3. <https://www.rieti.go.jp/jp/publications/summary/21070019.html>
4. <https://www.rieti.go.jp/jp/publications/summary/18060006.html>

Figure 2



Social Pressure in Football Matches: An event study of 'remote matches' in Japan



MORITA Hiroshi

Associate Professor,
Hosei University



ARAKI Shota

Fellow, RIETI (Policy
Economist)

Our behaviors are highly influenced by social pressure. This column takes as a natural experiment the 2020 season of the Japanese professional football league, which held matches without spectators due to the COVID-19 pandemic, to examine whether the presence of spectators puts pressure on referees' decisions. The authors find that the home team advantage is real: the number of fouls decided against the home team decreased significantly in matches with spectators. The absolute number of home-team supporters mattered.

Our behaviors are highly influenced by social pressure. For instance, amid the COVID-19 pandemic in Japan, many people stayed at home and wore face masks, following the government's 'requests' even though they were not legally binding. Such behaviors may be partially caused by social pressure in addition to the primary purpose of infection prevention.

The relationship between social pressure and people's behavior has been one of the main concerns in economics since the pioneering work by Akerlof (1980). One strand of the literature has analyzed this relationship by focusing on the presence of spectators and match outcomes in professional sports (e.g. Endrich and Gesche 2020, Bryson et al. 2021, Scoppa 2021). We follow this literature (Morita and Araki 2021) and take as a natural experiment the 2020 season of a Japanese professional football league, which was unexpectedly forced into holding matches without spectators due to the COVID-19 pandemic, to examine whether the presence of spectators puts pressure on referees' decisions.

'Remote matches' in Japan

In Japan, a match with no spectators due to the pandemic is called a 'remote match.' The 2020 season started on February 21 and only the first period of the season was held as usual. After the first period, the season was suspended until June due to the spread of COVID-19. Matches resumed on July 4 for the first division (J1 league) and June 27 for the second division (J2 league) but were held with no spectators, and the situation continued in the next period in early July. As a result, 43 out of 768 games (5.6% of all games) were played as remote matches. This meant that – based on the 2019 season – an average of 21,000 spectators per

match in J1 and 7,000 spectators per match in J2 were removed from the stadium during this period. By taking advantage of this unprecedented situation, we analyze whether the referees' decisions, such as on fouls and yellow cards, are affected by the social pressure of spectators.

Table 1 Timeline of restrictions on spectators

Period	Date	Event
Usual Period	Feb21-Feb25	
	Feb21	Opening day of 2020 Season
	Feb21,22,23	1st section held without any attendance limit.
Suspended Period	Feb25-Jun26	The season was suspended for pandemic.
Remote Match Period	Jun26-Jul9	J1 and J2 League resumed as "Remote Match"
Relaxation Period	Jul10-Dec20	
Step 1	Jul10-Sep30	The attendance limit was set at 30% of the stadium capacity or 5000, whichever is larger
Step 2	Oct1-Oct30	Transition Period for Step 3.
Step 3	Oct30-Dec20	The attendance limit was relaxed to 50% of the stadium capacity. The away team supporters could mobilize to the stadium.
	Dec20	2020 Season close.

After 10 July 2020, the restriction on the number of spectators was relaxed in stages depending on the infection situation, as shown in Table 1. Broadly speaking, two periods after resuming matches were held completely as remote matches, and then for

a while, only home-team supporters were allowed to watch the games in the stadiums under a tight attendance cap (step 1). After a transition period, away-team supporters were also allowed to enter stadiums and the attendance limit was further relaxed (steps 2 and 3).

In summary, during the first step, the number of spectators was small but the stadium was filled 100% with home-team supporters. In contrast, during the second and third steps, the absolute number of home-team supporters in the stadium increased but their ratio was decreasing due to the mobilization of away-team supporters. We focus on the differences in the limitation of spectators and identify whether the referees exhibited bias and whether the source of any such bias is the absolute number of home-team supporters or the proportion.

Referee bias

We use difference-in-differences to estimate the impact of home-team supporters on the referees' decisions. This method emphasizes the benefits to the home team – in the form of referee decision-making – arising from the presence of home-team supporters. It captures the difference between the difference in referees' decisions for the home team and away team during matches (i) without spectators and (ii) with spectators (Figure 1).

The analysis reveals that the number of fouls decided against the home team in matches with spectators decreased significantly, by about 1.05, indicating that the home-team advantage is statistically significant although its magnitude is small. On the other hand, the number of yellow cards received by the home team was unaffected. Moreover, the importance of the absolute number of home-team supporters was evident based on the stadium capacity restrictions: we observed significant home-

team advantages in the referees' decisions when the matches were played under the relatively lax restriction on the audience cap, with the away-team supporters. However, only about 1.38 fouls were detected as the advantage in the referees' decisions to the home team.

Conclusion

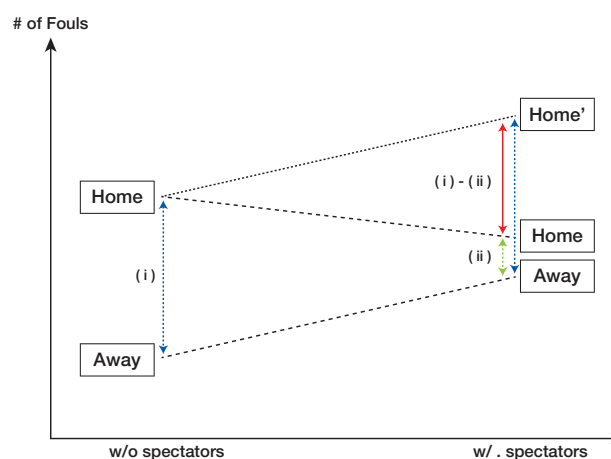
We examined the impact of social pressure on human behaviors by exploiting the natural experiment of professional football league matches with no spectators under the COVID-19 pandemic. Relying on information about detailed differences in spectator restrictions, we extracted the restrictions' effects with a reliable identification strategy. Our work is an empirical analysis that supports the classic economic theory of social behaviors, which represents an uninterrupted line of literature from the pioneering work of Akerlof (1980).

The power of social pressure is not particular to the referees' decisions in sports matches: it can also apply to peer pressure under the COVID-19 pandemic that forces people to wear face masks and refrain from going out. Therefore, it is desirable to continue to clarify the relationship between social pressure and people's behavior through the assessment of such events.

Editor's note: The main research on which this column is based (Morita and Araki 2021) first appeared as a Discussion Paper of the Research Institute of Economy, Trade and Industry (RIETI) of Japan.

This article first appeared on www.VoxEU.org on June 26, 2022. Reproduced with permission.

Figure 1 Difference-in-differences



Notes: This figure graphically shows the difference in differences estimation. Difference (i) corresponds to the difference in the number of fouls for home versus away teams in matches without spectators, while difference (ii) corresponds to the difference in the matches with spectators. Our interest is in the difference-in-differences, corresponding to (i)-(ii).










RIETI'S FIFTH MEDIUM-TERM PLAN

FY2020 to FY2023

In the Fifth Medium-term Plan period, RIETI will add research on the Fourth Industrial Revolution and the behavioral economics approach, which has been gaining popularity and credibility, to the AI-related research (e.g., using AI to analyze corporate performance and consumer behavior) it has promoted to date. The scope of this research creates opportunities for the participation of researchers in science disciplines outside economics and will gradually enable the establishment of a system that allows for integration of the humanities and sciences, including linkages between research in multiple disciplines and social science/economics. Additionally, RIETI will promote research on evidence-based policy making (EBPM), which is expected to become increasingly important in the future, to contribute to developing solutions to increasingly diverse and complex economic and social issues toward the formulation of economic and industrial policies.

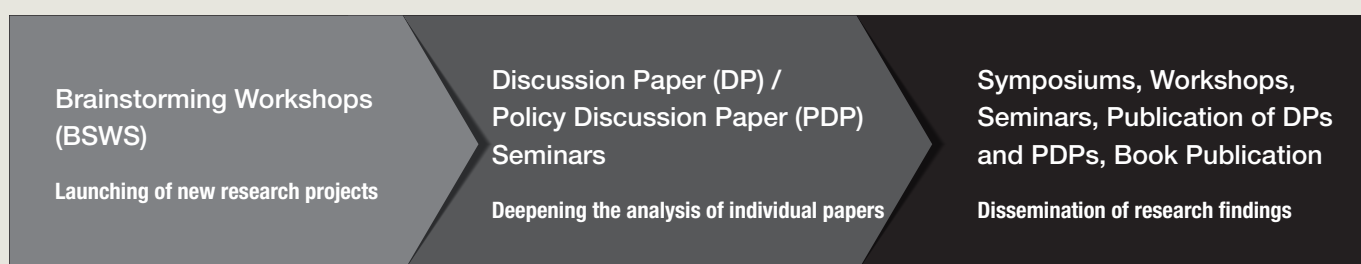
Guided by medium- and long-term policy directions from the government, including its economic and industrial policies, RIETI will continue to engage in research activities while working with experts in other areas to initiate integration between the humanities and sciences including linkages between research in multiple external disciplines and social science/economics. In doing so, it will contribute to an evidence-driven transformation of economics and social systems.

Research Programs

I	II	III	IV	V	VI	VII	VIII	IX
								
Macroeconomy and Low Birthrate/Aging Population	International Trade and Investment	Regional Economics	Innovation	Industry Frontiers	Raising Industrial and Firm Productivity	Human Capital	Integrated Research	Policy Assessment

Research Process

RIETI provides forums for discussion (e.g., brainstorming workshops and discussion paper/policy discussion paper seminars) and invites policymakers to these forums to improve the quality of our research and to build linkages between our research and future policies.



Introduction of the Nine Research Programs

Program I

Macroeconomy and Low Birthrate/Aging Population



Program Director: KOBAYASHI Keiichiro

Faculty Fellow, RIETI / Professor, Faculty of Economics, Keio University / Research Director, The Canon Institute for Global Studies / Research Director, The Tokyo Foundation for Policy Research



Sustaining long-term growth is a common challenge for the global economy; however, Japan is facing a rapidly declining birthrate and aging population ahead of other countries. We will conduct research that will contribute to policy recommendations to help maintain the economic vitality of Japan and contribute to the future development of the global economy. Specifically, we will analyze the role of supply chains within and between industries in the Asian region, the trends in international finance and the global economy, and the mechanisms behind prolonged economic stagnation. In addition, we will engage in multifaceted, integrated research to analyze comprehensive panel data for the elderly, the direction of reform for the integration of social security and tax/fiscal policies, and policy recommendations for economic change and the transformation in the industrial structure caused by the coronavirus pandemic.

Active Projects

Macroeconomic Policy and Political Philosophy toward Economic Growth

Project Leader: KOBAYASHI Keiichiro (Faculty Fellow)

East Asian Production Networks, Trade, Exchange Rates, and Global Imbalances

Project Leader: Willem THORBECKE (Senior Fellow)

Macroeconomic and Social Security Policies under Demographic Aging: Dynamics of firms, individuals and inequality

Project Leader: KITAO Sagiri (Senior Fellow)

Exchange Rates and International Currency

Project Leader: OGAWA Eiji (Faculty Fellow)

Macroeconomy and Automation

Project Leader: FUJIWARA Ippei (Faculty Fellow)

Firm Dynamics and Aggregate Fluctuations

Project Leader: SENGU Tatsuro (Fellow)

Program II

International Trade and Investment



Program Director: TOMIURA Eiichi

Faculty Fellow, RIETI / Professor, Faculty of Economics, Hitotsubashi University



Formulating economic and industrial policies requires a deep understanding of domestic and overseas economies; however, research on the international economy has become even more significant as globalization intensifies. Amidst the increasing global uncertainty related to trade and investment, it is necessary to address policy concerns and understand long-term trends. Thus, we will empirically analyze international trade, foreign direct investment, and various other international economic activities in the real economy using a variety of data, including microdata from government statistics and our own surveys. We will also examine topics such as Japan's external economic policy, trade policies in other nations, rules on international trade, and the global activities of firms from both legal and economic perspectives.

Active Projects

Empirical Analysis of Firms amidst Globalization, Digitization and the COVID-19 Pandemic

Project Leader: TOMIURA Eiichi (Faculty Fellow)

Studies on Foreign Direct Investment and Multinationals: Impediments, policy shocks, and economic impacts

Project Leader: JINJI Naoto (Faculty Fellow)

Empirical Studies on Crises and Issues in Global Supply Chains

Project Leader: ZHANG Hongyong (Senior Fellow)

Restructuring the International Trade Law System Based on Sustainability

Project Leader: NAKAGAWA Junji (Faculty Fellow)

Comprehensive Research on the Current International Trade/Investment System (pt.VI)

Project Leader: KAWASE Tsuyoshi (Faculty Fellow)

Structural Changes in the World Economy and Responses from Japanese Firms and the Government

Project Leader: URATA Shujiro (Chairman, RIETI)

Economic Policy Issues in the Global Economy

Project Leader: ISHIKAWA Jota (Faculty Fellow)

Program III

Regional Economies



Program Director: **HAMAGUCHI Nobuaki**

Faculty Fellow, RIETI / Professor, Research Institute for Economics and Business Administration (RIEB), Kobe University



We will systematically organize place-based policies (PBPs) that take the uniqueness of each locale into consideration. For large cities, which are expected to take a leading role in innovation and international competition, we will identify both the infrastructure that utilizes the economic advantages of agglomeration while curbing the harmful effects caused by congestion and the methods of assisting economic actors. For non-metropolitan regions, we will identify the network and community structures and system designs that will promote structural transformation toward production activities that will generate high-added value via the innovative and sustainable use of each region's locally-specific resources. We will also study policy measures that can optimize the balance between large cities and non-metropolitan regions.

Active Projects

Economic Policy for Post COVID-19 Japanese Regional Economies

Project Leader: HAMAGUCHI Nobuaki (Faculty Fellow)

Verification of Regional Revitalization and Regional and Urban Economies after the Coronavirus Pandemic

Project Leader: NAKAMURA Ryohei (Faculty Fellow)

Geography, Inter-Firm Network and Socio-Economic Structural Change

Project Leader: SAITO Yukiko (Senior Fellow)

Development of Quantitative Framework for Regional Economy Based on the Theory of Economic Agglomeration

Project Leader: MORI Tomoya (Faculty Fellow)

Evidence-Based Policy Making for Regional Revitalization

Project Leader: KONDO Keisuke (Senior Fellow)

Program IV

Innovation



Program Director: **NAGAOKA Sadao**

Faculty Fellow, RIETI / Professor, Tokyo Keizai University



The creation of new knowledge and its exploitation for solving economic or non-economic problems are the foundations for innovations, including the Fourth Industrial Revolution. We will develop original data that will allow us to understand this process, conduct cutting-edge research using these data, and perform analyses that will contribute to the formulation of policies for accelerating innovation. Specifically, we will examine the innovation capability of industries, mechanism of the development of an innovation-enhancing industrial organizational changes, such as vertical specialization, government policies that support research and development (R&D), including the intellectual property regime and setting of technological standards and industry-academic collaboration. We will undertake research from an international perspective that will include international comparisons of innovation performance.

Active Projects

Assessment of the Innovation Capability of Japanese Industry from an International Perspective

Project Leader: NAGAOKA Sadao (Faculty Fellow)

Penetration of Quantitative Performance Indicators of the Impact of "Design" on Organization Management

Project Leader: WASHIDA Yuichi (Faculty Fellow)

Research on Innovation Ecosystem Formation Processes

Project Leader: MOTOHASHI Kazuyuki (Faculty Fellow)

Innovation, Knowledge Creation and Macroeconomy

Project Leader: NIREI Makoto (Faculty Fellow)

Program V

Industry Frontiers



Program Director: **OHASHI Hiroshi**

Faculty Fellow, RIETI / Vice President, Professor, Graduate School of Public Policy,
The University of Tokyo / Professor, Faculty of Economics, The University of Tokyo



As the public implementation of digital technology occurs and the integration of digital and real space gradually becomes a reality, it is necessary to redesign Japan's socioeconomic system and create new industrial frontiers in order to effectively incorporate technological progress. We are entering an era in which various economic activities are merged around data. In this context, we will study the nature of the policies for overcoming the challenges that Japan's economy faces by considering not only the traditional industry-specific policies but also cross-industrial policies.

Active Projects

Globalization, Innovation, and Competition Policy

Project Leader: KAWAHAMA Noboru (Faculty Fellow)

Heterogeneity across Agents and Sustainability of the Japanese Economy

Project Leader: YOSHIKAWA Hiroshi (Faculty Fellow)

New Indicator Development and Economic Analysis using Big Data: Service industries

Project Leader: KONISHI Yoko (Senior Fellow)

Institutional Design to Achieve a Society of Well-being

Project Leader: MANAGI Shunsuke (Faculty Fellow)

Study Group on Corporate Finance and Firm Dynamics

Project Leader: UESUGI Ichiro (Faculty Fellow)

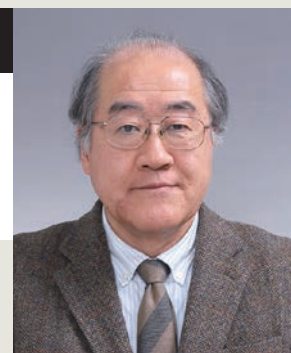
Program VI

Raising Industrial and Firm Productivity



Program Director: **FUKAO Kyoji**

Faculty Fellow, RIETI / University Professor, IER, Hitotsubashi University /
Professor Emeritus, Hitotsubashi University / President, Institute of Developing Economies,
Japan External Trade Organization



Since the 1990s, Japan has fallen behind other developed countries, such as the United States, the United Kingdom, and Germany, by a large margin in terms of its gross domestic product per capita and the increase in its real wage rate. The main factors causing this include the stagnation of the total factor productivity (TFP) and the significant slowdown in capital stock accumulation, including intangible assets and information and communications technology (ICT) particularly since the mid-2000s. This program will update and develop databases concerning the industry-level productivity and factor inputs in Japan and China (Japan Industrial Productivity [JIP] Database and China Industrial Productivity [CIP] Database) and the Regional-Level Japan Industrial Productivity (R-JIP) Database, which measures the TFP for each industry by prefecture. The program will also examine the types of policies required to improve productivity and facilitate investment via empirical analyses using these databases and firm/business-level data.

Active Projects

East Asian Industrial Productivity

Project Leader: FUKAO Kyoji (Faculty Fellow)

Human Capital (Education-Health) Investment and Productivity

Project Leader: INUI Tomohiko (Faculty Fellow)

Capital Accumulation and Productivity Growth after the COVID-19 Crisis

Project Leader: MIYAGAWA Tsutomu (Faculty Fellow)

Firm Dynamics, Industry, and Macroeconomy

HOSONO Kaoru (Faculty Fellow)

Program VII

Human Capital



Program Director: **TSURU Kotaro**

Faculty Fellow, RIETI / Professor, Graduate School of Business & Commerce, Keio University



It is expected that our society and economy will be significantly transformed by the current decrease in population caused by the rapid acceleration of population aging, the intensification of global competition, and new technologies such as information and communication technology (ICT) and artificial intelligence (AI). Therefore, for resource-poor Japan to maintain and strengthen its economic vitality and innovation and drive its growth potential while leveraging its strengths, the utilization of human resources will be of critical importance. We will undertake multifaceted and comprehensive research on the redesigning of employment/labor systems suitable for the age of AI, the development of capacity/skills to complement AI, the required reforms in education/training for such purposes, and the ideal methods of improving the well-being of workers, such as health management. Greater use will be made of original datasets.

Active Projects

Employment and Educational Reform in the AI era

Project Leader: TSURU Kotaro (Faculty Fellow)

Empirical Studies on Issues of Foreign Employment and Technology Progress in a Society with a Persistent Labor Shortage

Project Leader: LIU Yang (Fellow)

Productivity Effects of HRM Policies and Management Quality

Project Leader: OWAN Hideo (Faculty Fellow)

Economic Analysis on the Problem of an Aging Population and a Declining Birthrate in China and Japan in the COVID-19 Pandemic

Project Leader: YIN Ting (Fellow)

Fundamental Research for Restoring Vitality and Improving Productivity in the Japanese Economy and Society

Project Leader: NISHIMURA Kazuo (Faculty Fellow)

Wage Inequality and Industrial Dynamics

Project Leader: KAMBAYASHI Ryo (Faculty Fellow)

Research on Diverse Work Styles, Health and Productivity

Project Leader: KURODA Sachiko (Faculty Fellow)

Program VIII

Integrated Research



One of the major issues afflicting the Japanese economy is the existence of barriers, such as the barriers between permanent and non-permanent employees and between men and women in the workplace. RIETI has been addressing various problems concerning these barriers in the economy. Academia has also been suffering from this problem of barriers, for example, barriers between humanities and sciences, between legal studies and economics, between microeconomics and macroeconomics, and between theory and empirical testing. It is essential to remove these barriers to increase the capacity for innovation and enable organizations to become more sophisticated. The Integrated Research program uses this perspective to undertake research and incorporate new knowledge from other disciplines, such as natural sciences, law, political science, and sociology, into economics and policy studies.

Active Projects

Toward Building Socio-Life Science

Project Leader: HIROTA Shigeru (Faculty Fellow)

Basic Research for Exploring the Ideal Medical Intervention after the Advent of the New Coronavirus

Project Leader: SEKIZAWA Yoichi (Senior Fellow)

Advanced Technology and Democracy: Does new technology help or hurt democracy?

Project Leader: ONO Yoshikuni (Faculty Fellow)

Frontiers in Corporate Governance Analysis

Project Leader: MIYAJIMA Hideaki (Faculty Fellow)



Program Director: **KAWAGUCHI Daiji**

Faculty Fellow, RIETI / Professor, Graduate School of Economics, University of Tokyo /
Graduate School of Public Policy



The Policy Assessment program will accelerate Evidence-Based Policy Making (EBPM) by simultaneously researching the ideal form of EBPM and evaluating individual policies. Regarding the research on the nature of EBPM, we will employ a meta perspective to analyze how policymakers should prepare evidence and formulate policies based on such evidence, as well as the extent to which EBPM is practiced. Regarding the evaluation of individual policies, the program will use high-quality microdata and empirical microeconomic techniques to provide credible evidence to contribute to policy making in education, labor, tax, social security, and other areas.

Active Projects

Empirical Analysis on Japanese Labor Market

Project Leader: KAWAGUCHI Daiji (Faculty Fellow)

Comprehensive Research on Evidence Based Policy Making (EBPM)

Project Leader: SEKIZAWA Yoichi (Senior Fellow)

Implementing Evidence-Based Policy Making in Japan

Project Leader: OHTAKE Fumio (Faculty Fellow)

Evaluation of the Effects of Institutional and Environmental Factors on Family Formation, Parental Labor Market Performance and Children's Academic Performance

Project Leader: KONDO Ayako (Faculty Fellow)

Analysis on Policies to Improve Firm Productivity: The Case of Lao Textile industry and initial analysis on Japanese firms' foreign study tours

Project Leader: TANAKA Mari (Faculty Fellow)

Future Challenge and Empirical Analysis of Corporate Taxation

Project Leader: SATO Motohiro (Faculty Fellow)

Special Projects

Active Projects

RIETI Data Management Project

Project Leader: SEKIGUCHI Yoichi (Senior Fellow)

Studies on Transformations of International Systems and their Impact on Japan's Mid- & Long-term Competitiveness

Project Leader: WATANABE Tetsuya (Former Vice President, RIETI)

Historical Evaluation of Industrial Policy

Project Leader: OKAZAKI Tetsuji (Faculty Fellow)

The Policy-Making Process of the Industrial Competitiveness Policies in Japan

Project Leader: WATANABE Junko (Faculty Fellow)

International Institutions with RIETI

Activities

EUROPE

United Kingdom

- 1 Centre for Economic Policy Research (CEPR) London office
- Chatham House
- COVID-19 Genomics UK Consortium (COG-UK)

- 2 Saïd Business School, University of Oxford

- 3 Durham University

- 4 University of Sussex

France

- 5 Banque de France
- Center for Economic Policy Research (CEPR) Paris office
- Fondation France-Japon de l'EHESS
- Institut national de la santé et de la recherche médicale (INSERM), Cremer3
- Institut Pasteur
- Organisation for Economic Co-operation and Development (OECD)

Germany

- 6 IZA Institute of Labor Economics (IZA)
- German Development Institute

- 7 Deutsche Gesellschaft für Auswärtige Politik
- Institut für Mittelstandsforschung

- 8 Kiel Institute for the World Economy

Italy

- 9 European University Institute

Switzerland

- 10 Graduate Institute, Geneva
- University of St. Gallen

Netherlands

- 11 Clingendael Institute
- Utrecht University School of Economics

Belgium

- 12 Bruegel
- European Commission (EC)
- European Corporate Governance Institute (ECGI)

Sweden

- 13 Varieties of Democracy (V-Dem), University of Gothenburg

Turkey

- 14 Economic Policy Research Foundation of Turkey

Russia

- 15 New Economic School

ASIA

OCEANIA

OCEANIA

Australia

- 24 Australian National University
- 25 University of Adelaide



Institutions that Collaborated in 2022



NORTH AMERICA



NORTH AMERICA

United States of America

26 Council on Foreign Relations (CFR)
Asia Society Policy Institute (Washington, D.C. Office)
Brookings Institution
Georgetown University
George Washington University
German Marshall Fund of the United States
International Food Policy Research Institute
International Monetary Fund (IMF)
Peterson Institute for International Economics

28 Syracuse University
29 Yale University
30 Harvard University
31 University of Chicago
32 Portland State University
33 University of California San Diego

Canada

34 Centre for International Governance Innovation

SOUTH AMERICA

Brazil

35 Fundação Dom Cabral
36 Centro de Estudos de Integração e Desenvolvimento
BRICS Policy Center

Argentina

37 Escuela Argentina de Negocios
38 Universidad Nacional de La Plata

ASIA

Republic of Korea

16 Korea Institute for Industrial Economics and Trade (KIET)

Taiwan

17 Taiwan Institute of Economic Research (TIER)

China

18 Institute of Japanese Studies, Chinese Academy of Social Sciences (IJS, CASS)
Peking University
Tsinghua University
University of International Business and Economics

19 Asia Global Institute

Mongolia

20 The Mongolian National Development Agency (NDA)

Singapore

21 Asian Trade Centre
Asia-Pacific Economic Cooperation (APEC) Secretariat
ISEAS –Yusof Ishak Institute
Middle East Institute, National University of Singapore

Indonesia

22 Economic Research Institute for ASEAN and East Asia (ERIA)
Indonesia Research Institute for Decarbonization (IRID)
University of Indonesia

India

23 Centre for Policy Research Research and Information System for Developing Countries

Activities

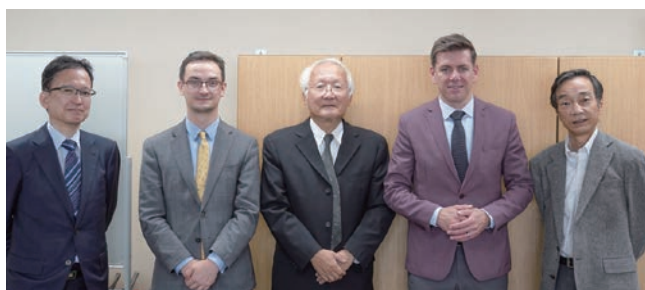
*Institutions in blue are institutions with which RIETI has signed Memorandum of Understandings (MoUs) to date.

VISITORS to RIETI



With the significant relaxation of border control measures on entry into Japan in October 2022 and the state funeral of the late former Prime Minister Shinzo Abe, RIETI has been visited by a number of foreign dignitaries, resulting in the first face-to-face discussions in a long time. The following is a list of visitors to RIETI:

September 27, 2022



H.E. Mr. Jan SKOPEČEK (Member of the Chamber of Deputies of the Parliament) of the Czech Republic

There are 300 Japanese companies operating in the Czech Republic, and the visit was made with the expectation of strengthening ties with Japan in the future.

The country also held the EU Presidency for July-December 2022, making it a timely opportunity to strengthen relations.

September 29, 2022



Dr. Rebecca Fatima STA MARIA (Executive Director, APEC Secretariat)

During her visit to Japan to attend the state funeral of former Prime Minister Abe, Dr. Sta Maria paid a courtesy call on Chairman Yano.



October 6, 2022



Mr. Stephen QUEST (Director-General of the Joint Research Centre, EU)

The Joint Research Centre is the European Commission's science and knowledge service think tank, which provides evidence-based scientific support to the European policy making process. The visit was made with a desire to establish a working relationship with RIETI.

October 25, 2022



H.E. Dr. Ashurboy SOLEHZODA, First Deputy Minister of Economic Development and Trade of the Republic of Tajikistan

Since an economic research institute was very recently established within the Ministry of Economic Development and Trade, to which he belongs, he expressed interest in RIETI's experience and knowledge, and the visit was made with the expectation of building a cooperative relationship in the future.

November 25, 2022



Mr. Andrew WYCKOFF (Director for Science, Technology and Innovation, OECD)

Mr. Wyckoff, who has been a speaker at three RIETI seminars in the past, came to Japan to discuss future cooperation between the OECD and RIETI, including the deep connection between RIETI's research projects and OECD's research themes.

October 18, 2022



Business, Energy and Industrial Strategy Select Committee, the House of Commons, UK

The visit was requested to discuss the most recent economic and labor situations in Japan. They expressed interest in a wide range of topics including corporate governance, security, government debt, employment of the elderly, use of AI, immigration issues, and women's labor issues.

November 15, 2022



Professor Beatrice WEDER di MAURO (President, CEPR)

RIETI and CEPR have a long-standing cooperative relationship, including mutual publication of columns and co-hosting of events. Information was exchanged on CEPR's recent activities and the current situation in Europe.

December 20, 2022



Dr. Richard BALDWIN (Professor of International Economics at the Graduate Institute, Geneva; Founder & Editor-in-Chief of VoxEU.org; Former President of the CEPR)

During his visit to Japan, he engaged in a discussion regarding RIETI-CEPR co-sponsored events scheduled for March and April 2023 and presented his latest research.

OTHER MAJOR EVENTS

2022

September 14, 2022

BBL Webinar

“The Future of Japan and Singapore”



Speaker: Peter TAN
(Ambassador of the Republic of Singapore to Japan)

The Relationship between Japan and Singapore

Singapore is a relatively young nation, gaining independence in 1965. Singapore is about 710 square kilometers and lacks natural resources. The development of Singapore since 1965 owes much to the support of foreign friends and partners, such as Japan. Japanese companies invested in Singapore during the 1970s and 1980s. Singapore has also learned much from the best practices of Japan, such as improving productivity and quality standards. Also, Singapore has a network of neighborhood police posts based on Japan's system. In our earlier industrialization period, we learned a lot from Japan.

The foundations of our friendship with Japan were led by Singapore's founding prime minister, Mr. Lee Kuan Yew. He visited Japan regularly and had forged very close ties with Japanese leaders. Subsequent prime ministers, Mr. Goh Chok Tong and Mr. Lee Hsien Loong have built on this foundation to strengthen the bilateral relationship between Singapore and Japan.

The frequent visits between the prime minister of Singapore and Japan, including many other ministerial and official delegations, highlight how our friendship has grown over the past decades. A key pillar of our bilateral relations is our strong economic cooperation. Singapore and Japan ranked among each other's top trading partners with bilateral trade standing at close to 6 trillion yen in 2021, which was nearly a 9% increase from 2020. Singapore is Japan's second largest investment destination in Asia, and Singapore is also Japan's top Asian investor. We host over 5,000 Japanese companies, a number of which have set up their Asia-Pacific headquarters in Singapore. Many companies also use Singapore as a base for innovation, talent, and leadership development. Singapore and Japan also share common interests in maintaining regional peace and stability and upholding an open and inclusive regional architecture. We have joined hands on many multilateral initiatives

including the Regional Comprehensive Economic Partnership (RCEP), the Comprehensive and Progressive Agreement for Trans-Pacific Partnership (CPTPP), and the Indo-Pacific Economic Framework (IPEF). We welcome efforts by Japan to strengthen engagement with ASEAN in line with the ASEAN Outlook on the Indo-Pacific.

During the COVID-19 pandemic, Singapore and Japan have been cooperating very closely to navigate the challenges. When countries started to shut borders following the outbreak of the COVID-19 pandemic, there were concerns that the supply of essential goods would be affected. Singapore's Ministry of Trade and Industry then held discussions with Japan's Ministry of Economy, Trade and Industry (METI) to release a joint statement on facilitating resilient economic activities for combating the COVID-19 pandemic in May 2020. This statement expressed our shared commitment to maintaining supply chain connectivity, showed concerns on the scarcity of goods in Singapore, and reinforced Japan's reputation as a trusted and important partner. Both countries also work closely on vaccine multilateralism with other partners through the COVID Vaccine Global Access (COVAX) facility. Singapore and Japan also launched the Business Track/Reciprocal Green Lane and Residence Track in September 2020 as both sides saw the need to maintain economic activities to keep our partners and businesses going. Singapore was the first country with which Japan established the Reciprocal Green Lane, reflecting our close and strong economic and personal ties and the high level of trust that we have in each other.

Future Areas of Cooperation

In the future, there will be many opportunities for cooperation. With our excellent relations, our shared commitment, and convergence of views, there is much more we can do together, specifically in three specific areas. The first area is digital cooperation. Digitalization has already been rapidly transforming the economic landscape in Asia and the world; it has disrupted the traditional models of commerce and how companies conduct businesses. The pandemic has made our reliance on digital platforms more pronounced; it has become a catalyst and made us go online, voluntarily or otherwise. The future lies in the adoption of digital tools, and we need to develop common frameworks and global standards to ensure that cross-border transactions and data flows are kept safe, secure, and efficient.

In May of this year, the two prime ministers witnessed the signing of memorandums of understanding (MOUs) on digital government transformation, and startup and innovation. We also welcomed the establishment of the Singapore-Japan Economic Dialogue, which will facilitate exchanges on green economy and digitalization. There is much scope for Japan and Singapore to work on regarding Japan's Digital Garden City Initiative and Singapore's Smart Nation Initiative.

The second area is green cooperation. In Singapore, we launched our Green Plan 2030 to make a strong push for sustainable development, and Japan plans to be net carbon neutral by 2050. In this space, we have very aligned interests and a convergence of views, and Singapore and Japan can build on our common stake for a more sustainable future.

We signed a memorandum of cooperation on low emission solutions in January this year when then-METI Minister Hagiuda visited Singapore. Such cooperation will help foster closer partnerships in areas including long-term emissions reduction strategies and pathways, including green technology and green finance.

The third area is infrastructure cooperation. One of Singapore's government agencies, Infrastructure Asia and Japan's Ministry of Land, Infrastructure, Transport and Tourism (MLIT) signed a memorandum of understanding on March 5, 2021, to promote cooperation between Japan and Singapore-based companies on regional infrastructure projects.



One of the successful cooperation projects that is currently being done is in the Philippines, New Clark City, which shows cooperation on developing smart city infrastructure in Southeast Asia. It is a project that had Singapore and Japan work together in the area of infrastructure cooperation to provide infrastructure solutions in the Philippines. As the Southeast Asia region looks towards post-COVID-19 recovery, there will be opportunities for Singapore and Japan to work together in this sector.

The friendship between Singapore and Japan has indeed flourished over the past five and a half decades. Now, the people-to-people ties are strong. Through visiting each other's countries pre-COVID-19 and interaction among the citizens, trust and understanding has been enhanced. There is the potential for us to do much more, and much will depend on the people, companies, and governments of both sides to pursue a common interest and path to enhance our livelihoods.

June 10, 2022

IEA-METI-RIETI Conference

“New Thinking on Industrial Policy” Keynote Speech: The role of industrial policy in the new era



Speaker: Joseph STIGLITZ
(Columbia University)

Professor Stiglitz noted a confluence of factors, including financial crisis, climate crisis, inequality, Covid-19, and the war in Ukraine, behind industrial policy taking a center stage once again. Professor Stiglitz stressed that market alone do not suffice systematic failures, and governments can improve matters by government-designed economic strategy, and cited that the systemic short-sightedness to risk is evidenced most strikingly by an European country which made itself significantly dependent on Russian gas.

Professor Stiglitz recalled oppositions from many advanced countries and from within the World Bank on his project on the East Asian miracle in the last 1980s'-early 1990s', a World Bank project with support from Japan. His observation is that what was behind these opposition was unwillingness to seek for an alternative to the Washington Consensus, and industrial policy has discredited not by experience or theory, but by ideological hostility toward industrial policy, a view that is widely rejected today.

Professor Stiglitz raised following four reflections on industrial policy.

- 1) All countries do have industrial policy in reality. Support for expansion of derivatives, policies embedded in the Defense Department, policies that encouraged de-industrialization are the industrial policy in the U.S. Policies, expenditures, and taxes all shape the economy, and being conscious on

every government action helps shape the economy to have a democratic discussion about where the economy and the society is going.

- 2) We need to keep in mind both social objectives (e.g. climate change, equality and resilience) and market failures (e.g. failures in capital market, widespread racial and gender discrimination in many societies). Borders do matter as well; while we have created a view after WWII that we should be working and striving for a borderless world, and economic policy was often based on the notion that we were about to achieve a borderless world, we began to realize that the borders do matter (e.g. actions by President Trump, vaccine nationalism, export restraints under food crisis).
- 3) An industrial policy program has to focus on addressing double or triple duties. With limited resources and instruments, policies need to address as many of social objectives as possible. It is pleasing that the Biden administration is pursuing industrial policy with discrimination inequality and green transition in consideration.
- 4) Opposition to industrial policy is not based on economics but is based more on political economy and imperfections of information. Governments have made a difference (e.g. U.S. agricultural programs in the 19th century, DARPA and the Internet in the 20th century). The East Asian miracle showed unambiguously that the government industrial policies have made a difference. In terms of institutional design that reduces the likelihood of failures, one distinct source of success by East Asian economies is access to credit versus giving away free money. Transparency, peer review, engagement of civil society can mitigate political economy risks.

November 29, 2022

RIETI-OECD Seminar

“Confronting the Crisis - OECD Economic Outlook November 2022”



Speaker: Muge Adalet McGOWAN (Deputy Head of Division/
Senior Economist, Country Studies - Desk Japan/Ireland,
Economics Department, OECD), OGURO Kei (Economist,
Economics Department, OECD)

This presentation addresses/discusses the OECD's latest Economic Outlook announced on 22 November, 2022, which shows that the global economy is expected to slow further in the coming year as the massive and historic energy shock triggered by Russia's war of aggression against Ukraine continues to spur inflationary pressures, sapping confidence and household purchasing power and increasing risks worldwide. The presentation will also cover Japan's economic forecast, as well as policy recommendations such as accelerating structural reforms to boost productivity and wages, improving fiscal sustainability and sustainable

growth, and continuing to communicate current and future monetary stance clearly and timely.

November 22, 2022

BBL Webinar

“Voice Through Divestment”



Speaker: Marco BECHT
(Professor, Free University of
Brussels / ECGI)

Divestment is considered inferior to engagement because it has a small direct effect on stock prices, and it negates voting power. Paradoxically, fossil free divestment pledges can be a complement to shareholder engagement. We show that go fossil free is an economic narrative that has an impact beyond the actual amounts divested. It is a simple story with a core contagious element that stigmatises target companies. It puts pressure on corporate boards to effect change. It threatens the social licence to operate and increases stranded asset risk. We show that the virality of divestment pledges on Twitter coincides with an increase in the carbon premium and a higher cost of capital. Risk averse investors should divest from carbon out of self-interest, reinforcing the narrative. Activists were right to campaign for divestment pledges from renowned institutions and individuals.

October 31, 2022

BBL Webinar

“Japan - Hawaii Socio-Economic Innovation: Collaborations to advance economic development and climate resilience”



Speaker: Denis Eby KONAN
(Dean, College of Social Sciences
University of Hawaii at Mānoa)

Longstanding ties between Hawaii and Japan create ideal conditions for socio-economic innovation. This presentation will share a new program, supported by Keidanren and The Council for Better Corporate Citizenship (CBCC), to leverage these strong relationships through public private partnerships. Hawaii and Japan share many challenges of island economies, and have a commitment to sustainable solutions that mitigate and adapt to climate change. Shared experiences will lead to advancements in decarbonizing energy, responding to natural disasters, managing tourism for sustainability, and promoting regional economic cooperation in Northeast Asia. Hawaii offers a model platform to test new ideas and share experiences, and dialogs for multinational cooperation.

March 11, 2022

BBL Webinar

“APEC: Driving Asia-Pacific’s inclusive and sustainable growth”



Speakers: Rebecca Fatima STA MARIA (Executive Director,
APEC Secretariat, Singapore)

Dr. Rebecca Sta Maria’s presentation is two-part. The first half is a brief background on Asia-Pacific Economic Cooperation (APEC) as a multilateral institution which promotes voluntary, non-binding, consensus-building principles among its members. Since its establishment in 1989, APEC helped liberalize the Asia-Pacific economy through initiatives such as the Bogor Goals and Osaka Action Agenda. It has since expanded its economic aspirations for the region to ensure economic growth goes hand-in-hand with sustainability, innovation and inclusiveness. This was made evident by the APEC Putrajaya Vision 2040 and the subsequent Aotearoa Plan of Action.

The second part covers the factors which make APEC essential to economic cooperation in the region. The forum gives voice to a variety of stakeholders and taps into many areas of work, leading confluence of efforts of policymakers, businesses, academia, the youth, and others.

APEC host economies consider both domestic and regional issues when planning the annual agenda, while ensuring that host economy priorities remain consistent and complimentary to each other. As such, APEC’s achievements and works are pragmatic and inclusive of the economic realities of each member economy, who will together work towards the vision of an “open, dynamic, resilient and peaceful Asia-Pacific community by 2040, for the prosperity of all our people and future generations.”



LIST OF EVENTS IN 2022

In 2022 RIETI hosted 59 events, welcoming various speakers from Japan and overseas. The seminars covered a wide range of topics including the impact of COVID-19 on the economy, green growth strategy, geopolitical issues, DX, Japan-Asia cooperation, and economic security. For the video and summaries of the events, please visit: <https://www.rieti.go.jp/en/events/>



Date	Event
2022/12/19	Kyoto University - RIETI Symposium A Fusion of Humanities & Sciences Research on the COVID-19 Pandemic: Prospects for with-COVID-19 society
2022/12/16	RIETI Open BBL Webinar: DX Series The Present State and Future of the Metaverse As Seen Through the Development of "Cluster"
2022/12/14	RIETI-IJS/CASS Symposium Japan-China Economy: The past 50 years and the next 50 years
2022/12/13	RIETI Open BBL Webinar Penetration of Quantitative Performance Indicators of the Impact of "Design" on Organization Management
2022/12/7	RIETI Open BBL Webinar World Economic Outlook and the Asia-Pacific Region: Countering the cost-of-living crisis
2022/12/5	Nordic 5 Countries Embassy Seminar New Form of Capitalism in Japan and the Nordic Vision: Labour participation, gender equality, and work-life balance
2022/11/30	RIETI-WINPEC-GSIS Symposium Advanced Technology and Democracy-International Symposium "The Future of Electronic and Internet Voting in Japan"
2022/11/29	RIETI-OECD Seminar Confronting the Crisis - OECD Economic Outlook November 2022
2022/11/28	RIETI Open BBL Webinar Economics of Invention: Knowledge creation for innovation
2022/11/22	RIETI Open BBL Webinar Voice Through Divestment
2022/11/17	RIETI Open BBL Webinar: DX Series Mixed Reality that Starts from Hearing: Hearables forge the path to the ultimate MR world
2022/11/16	RIETI Open BBL Webinar: Global Intelligence Series The American Mid-Term Election Outcome and Its Implications
2022/11/10	Waseda-RIETI Symposium Corporate Control and ESG under "New Capitalism" - Next phase of corporate governance reforms under new capitalism -
2022/10/31	RIETI Open BBL Webinar Japan - Hawaii Socio-Economic Innovation: Collaborations to advance economic development and climate resilience
2022/10/27	RIETI Open BBL Webinar The Future of Capitalism in a Saturated Economy
2022/10/20	RIETI Open BBL Webinar: DX Series Transforming Equipment Maintenance with Fast Digital Twin: The latest examples of initiatives that are accelerating plant DX
2022/10/14	RIETI Open BBL Webinar Is Maternal Age Associated with Children's Outcomes?
2022/10/6	RIETI Open BBL Webinar: Global Intelligence Series Understanding and Countering Beijing's Strategy of Economic Decoupling on Chinese Terms
2022/10/4	RIETI-ANU Symposium Australia, Japan, ASEAN and Economic Security in Asia
2022/9/30	RIETI Open BBL Webinar APEC Energy Demand and Supply Outlook 8th Edition - Energy trends in the APEC region and Japan to 2050
2022/9/29	RIETI Open BBL Webinar The COVID-19 Crisis - A Tale of Two Economists: Balancing economic activity with infection control measures
2022/9/14	RIETI Open BBL Webinar The Future of Japan and Singapore
2022/9/8	RIETI Open BBL Webinar: DX Series The Potential of the Metaverse and Web3
2022/8/29	Tokyo Foundation for Policy Research-RIETI Webinar Low Fertility in Japan: From the viewpoint of the second democratic transition (SDT) and gender equality
2022/8/23	Japan Society for the Promotion of Machine Industry - Economic Research Institute Online Seminar Toward Japan's Future Energy Policy: The role of offshore wind power and other renewable energy sources
2022/7/29	RIETI Open BBL Webinar Nagasaki Saves the World
2022/7/27	RIETI Open BBL Webinar: Global Intelligence Series Growth and Capitalism in the Era of Climate Change
2022/7/21	RIETI Open BBL Webinar The Sword and the Shield: The economics of targeted sanctions

*Events highlighted in green are the special symposiums.



Date	Event
2022/7/20	RIETI Open BBL Webinar [RIETI-SME Support, JAPAN Webinar] Listening to SMEs During the COVID Crisis: Utilizing the SME business survey
2022/7/14	RIETI Open BBL Webinar: Global Intelligence Series Japan's Geoeconomic Strategy in the Indo-Pacific
2022/7/7	RIETI Open BBL Webinar: DX Series What Should the Government Do to Help Japan Regain Superiority in Software Engineering?
2022/6/30	RIETI Open BBL Webinar The Impact of the Weak Yen on Japan's Economy: How do we deal with the recent depreciation of the yen?
2022/6/24	RIETI Open BBL Webinar The Latest Situation in Russia and Ukraine and Essential Thoughts on the Japan-India Relationship
2022/6/23	RIETI Open BBL Webinar: Global Intelligence Series Carbon Pricing, From a Burden to an Opportunity? Testimony and shared vision from EDF, Europe's leading electric utility
2022/6/16	RIETI Open BBL Webinar "New Direction" of Economic and Industrial Policies
2022/6/15	RIETI Open BBL Webinar: DX Series Four Keywords to Understanding the Success of Silicon Valley
2022/6/14	RIETI Open BBL Webinar World Economic Outlook and the Asia-Pacific Region: War sets back the global recovery
2022/6/10	IEA-METI-RIETI Conference New Thinking on Industrial Policy
2022/6/7	RIETI Policy Symposium Value Creation in the Digital Age - The perspective of design-driven management
2022/5/30	ISEAS-RIETI Webinar ASEAN Perspectives on Current Geopolitics and Japan
2022/5/27	RIETI Seminar: 20 Years of China in the WTO Reflecting on China's 20 Years at the WTO
2022/5/11	RIETI Open BBL Webinar Realization of the Physical Internet – Overcoming the logistics crisis
2022/4/27	RIETI Open BBL Webinar The Latest Situation in Russia and Ukraine and Essential Thoughts on the Japan-India Relationship
2022/4/20	RIETI Open BBL Webinar Food Security and Japan's Farm Policy: Lessons from the Russian invasion of Ukraine
2022/4/19	RIETI Open BBL Webinar High Economic Growth and Finance
2022/4/13	RIETI Open BBL Webinar Industrial Policy for the Sustainable Development Goals – Increasing the private sector's contribution –
2022/4/6	RIETI Open BBL Webinar: DX Series Digital Businesses in the Post-COVID-19 Era
2022/3/23	RIETI-CEPR Symposium Exploring the New Capitalism
2022/3/15	RIETI-JRI Webinar Energy Demand-Based (Demand-Driven) Decarbonized Economy
2022/3/11	RIETI Open BBL Webinar APEC: Driving Asia-Pacific's inclusive and sustainable growth
2022/3/4	RIETI Open BBL Webinar DX Thinking and the Future of Education
2022/3/2	RIETI Open BBL Webinar: DX Series Risk Management and DX
2022/2/25	RIETI Open BBL Webinar: DX Series SRE Holdings' DX Deployment and Creation of Vertical SaaS
2022/2/16	RIETI Open BBL Webinar: Global Intelligence Series The Geopolitics of Semiconductors Toward 2030: Who will control strategic materials?
2022/2/8	RIETI-ANU Symposium CPTPP and Beyond: Multilateralism in an era of great power strategic competition
2022/2/2	RIETI Open BBL Webinar: DX Series New Regional Revitalization Strategy: Promoting smart cities
2022/1/27	RIETI-IEEJ-EUCJ Joint Webinar Carbon Pricing for Net Zero / Utilizing Market Mechanism
2022/1/20	RIETI Open BBL Webinar Foreign Entrepreneurs Preserving Japanese Culture: Fascinated by its charm
2022/1/12	RIETI Open BBL Webinar: Global Intelligence Series Biden's First Year: The international and domestic implications for 2022

Name	RIETI Title	Expertise
Senior Fellow		
IKARI Hiroshi	Senior Fellow (Specially Appointed)	Development Finance, Capital Formation, Pension
IKEUCHI Kenta	Senior Fellow (Policy Economist)	Empirical Analysis on R&D, Innovation and Productivity
ITO Arata	Senior Fellow	Macroeconomics
KITAO Sagiri	Senior Fellow (Specially Appointed)	Macroeconomics, Fiscal and Social Security Policy
KONDO Keisuke	Senior Fellow	Spatial Economics, Development Economics, Labor Economics, Applied Econometrics (Microeconometrics, Spatial Econometrics, Bayesian Econometrics)
KONISHI Yoko	Senior Fellow	Econometrics, Statistics, Service Industries (Tourism Policy, Energy-saving Labels, and Consumer's Behavior)
NAKATA Daigo	Senior Fellow	Public Economics, Public Finance, Social Security, Health Care
SAITO Yukiko	Senior Fellow (Specially Appointed)	Spatial Economics, Network Analysis, Industrial Organization
SEKIGUCHI Yoichi	Senior Fellow	Local Economy
SEKIZAWA Yoichi	Senior Fellow	Japan's FTA Policy, Application of Cognitive Therapy to Social Science
TAKEMORI Shumpei	Senior Fellow (Specially Appointed)	International Trade, International Finance
TAMURA Suguru	Senior Fellow	Science and Technology, Innovation Policy
THORBECKE Willem	Senior Fellow	International Economics, Monetary Economics
YAMASHITA Kazuhito	Senior Fellow (Specially Appointed)	Food and Agricultural Policy, Issues for Intermediate and Mountainous Areas, WTO Agricultural Negotiations, Trade and Environment, Trade and Food Safety
ZHANG Hongyong	Senior Fellow	International Trade and Investment, Chinese Economy, Applied Microeconometrics
Fellow		
ADACHI Daisuke	Fellow (Specially Appointed)	International Economics, Labor Economics
ARAKI Shota	Fellow (Policy Economist)	Labor Economics, Personnel Economics, Applied Microeconometrics
ARATA Yoshiyuki	Fellow	Macroeconomics, Industrial Dynamics, Stochastic Processes
HASHIMOTO Yuki	Fellow (Policy Economist)	Labor Economics, Immigrant Workers, SMEs, EBPM
LIU Yang	Fellow	Labor Economics, Employment, Wage, Human Capital, Labor Market, Migration
MATSUMOTO Kodai	Fellow (Policy Economist)	Labor Economics, Public Assistance Policy
ONUMA Hiroki	Fellow (Policy Economist)	Environmental and Energy Economics, Climate Change Policy, Disaster Management
SENGA Tatsuro	Fellow (Specially Appointed)	Macroeconomics, Macro-Finance, Firm Dynamics
SUMIYA Kazuhiko	Fellow (Policy Economist)	Labor Economics, Public Economics, Applied Microeconometrics
YIN Ting	Fellow (Specially Appointed)	Macroeconomics, Household Economics, Chinese Economy, Labor Economics
Research Associate		
FUJII Daisuke	Research Associate	International Trade, Firm Dynamics and Macroeconomics, Supply Chain and Firm Networks, Urban Economics
GOTO Yasuo	Research Associate	Industrial Organization, SME Research, Financial Economics
ITO Banri	Research Associate	International Economics, R&D, Innovation
IWAMOTO Koichi	Research Associate	Renewable Energy, IoT/Industrie4.0, Regional Economy, German Economy, Chinese Economy
KAMEI Kenju	Research Associate	Experimental Economics, Behavioral Economics, Business Economics, Public Economics, Applied Economics
KATO Atsuyuki	Research Associate	Economic Growth, Productivity Analysis, Trade and Development
KAWAMURA Satoshi	Research Associate	Economic History of Japan, History of Transportation Industry, Industrial Safety Administration
KIYOTA Kozo	Research Associate	International Economics and Data Science
KODAMA Naomi	Research Associate	Applied Microeconomics, Labor Economics
MAKIOKA Ryo	Research Associate	Applied Microeconomic, International Economics
NAKATA Hiroyuki	Research Associate	Microeconomic Theory, Financial Economics
NISHITATENO Shuhei	Research Associate	International Economics, Transport Economics, Environmental Economics, Japanese Economy
ODA Keiichiro	Research Associate	Game Theoretic Analysis of Investors' Strategic Interactions in Financial Markets
OKIMOTO Tatsuyoshi	Research Associate	Financial Econometrics, Macroeconometrics, Energy Economics
TANAKA Ayumu	Research Associate	International Trade, Foreign Direct Investment, Natural Disasters
TOMOHARA Akinori	Research Associate	International Economics, Labor Economics, Public Economics
TSUKADA Naotoshi	Research Associate	Economics of Innovation, Industrial Organization

Name	RIETI Title	Expertise
WAKABAYASHI Midori	Research Associate	
YAMAUCHI Isamu	Research Associate	Innovation, Research and Development (R&D) Management, Intellectual Property
YOKOO Hide-Fumi	Research Associate	Environmental and Resource Economics
YUDA Michio	Research Associate	Health Economics, Social Security, Applied Microeconometrics
Faculty Fellow		
AOYAMA Hideaki	Faculty Fellow	Theoretical Physics, Econophysics
ARIMURA Toshi H.	Faculty Fellow	Environmental Economics, Energy Economics, Applied Econometrics, Climate Policy
FUJIWARA Ippei	Faculty Fellow	Macroeconomics, Monetary Economics, International Finance
FUKAO Kyoji	Faculty Fellow	Macroeconomics, International Economics, Historical Economics
HAMAGUCHI Nobuaki	Faculty Fellow	Spatial Economics, Regional Studies (Brazil)
HIROTA Shigeru	Faculty Fellow	Health and Economy, Regional Economics
HOSONO Kaoru	Faculty Fellow	Banking Regulations, Corporate Finance, Monetary Policy, Aggregate Productivity
INUI Tomohiko	Faculty Fellow	Economic Policy, Productivity, International Economics
ITO Asei	Faculty Fellow	Chinese Economy, Asian Economy
JINJI Naoto	Faculty Fellow	International Economics, Environmental and Natural Resource Economics, Industrial Organization
KAMBAYASHI Ryo	Faculty Fellow	
KAWAGUCHI Daiji	Faculty Fellow	Labor Economics, Empirical Microeconomics
KAWAHAMA Noboru	Faculty Fellow	Antitrust Law, Competition Policy
KAWASE Tsuyoshi	Faculty Fellow	International Economic Law, Trade Policy
KOBAYASHI Keiichiro	Faculty Fellow	Endogenous Growth Theory, General Equilibrium, Business Cycles, Bad Debt Problem, Debt Control Policy, Macropolitical Economy
KONDO Ayako	Faculty Fellow	Labor Economics
KURODA Sachiko	Faculty Fellow	Field of Specialization: Labor Economics, Applied Microeconomics/Research Topics: Work Hours, Time Allocation/Time Use, Mental Health and Workplace, Health and Productivity Management
KWON Hyeog Ug	Faculty Fellow	Productivity Analysis, Industrial Organization
MANAGI Shunsuke	Faculty Fellow	Environmental Economics, Resource economics, Applied Microeconomics
MIYAGAWA Tsutomu	Faculty Fellow	Macroeconomics; Japanese Economics; Asian Economic Trends
MIYAJIMA Hideaki	Faculty Fellow	Japanese Economy, Economic History of Japan, Corporate Finance, Corporate Governance Comparative Financial Systems
MORI Tomoya	Faculty Fellow	Spatial Economics, Urban and Regional Economics
MOTOHASHI Kazuyuki	Faculty Fellow	Applied Microeconomics, Economic Statistics, Econometrics, International Comparison of Productivity, Economic Analysis of Information Technology, Technological Innovation and Economic Growth, Innovation System, Input-Output Analysis
NAGAOKA Sadao	Faculty Fellow	Policy and Institutions for Innovation
NAKAGAWA Junji	Faculty Fellow	International Economic Law, Global Governance
NAKAJIMA Kentaro	Faculty Fellow	Spatial Economics, Urban Economics
NAKAMURA Ryohei	Faculty Fellow	Regional Science and Urban Economics
NAKAMURO Makiko	Faculty Fellow	Educational Economics
NIREI Makoto	Faculty Fellow	Macroeconomics
NISHIMURA Kazuo	Faculty Fellow	Nonlinear Economic Dynamics, Educational Economics, Neuroeconomics
OGAWA Eiji	Faculty Fellow	International Currency, International Finance
OHASHI Hiroshi	Faculty Fellow	Industrial Organization, Competition Policy, Science & Technology Innovation Policy, Trade Policy, Economic Policy
OHTAKE Fumio	Faculty Fellow	Behavioral Economics, Labor Economics
OKAZAKI Tetsuji	Faculty Fellow	Economic History, Development Economics, Comparative Institutional Analysis
ONO Yoshikuni	Faculty Fellow	Japanese Politics, Electoral Systems, Voting Behavior
OWAN Hideo	Faculty Fellow	Personnel Economics, Organizational Economics, Labor Economics, Innovation Economics
SAHASHI Ryo	Faculty Fellow	International Politics in East Asia
SATO Motohiro	Faculty Fellow	Public Finance, Local Public Finance
SHIROYAMA Hideaki	Faculty Fellow	Public Administration, International Public Administration, Science, Technology and Public Policy
TANAKA Mari	Faculty Fellow	Labor Economics, Development Economics, International Economics
TANAKA Ryuichi	Faculty Fellow	Labor Economics, Economics of Education



(As of the end of December 2022, Alphabetical order)

Name	RIETI Title	Expertise
TODO Yasuyuki	Faculty Fellow	International Economics, Development Economics, Japanese Economy, Applied Microeconometrics
TOMIURA Eiichi	Faculty Fellow	Empirical International Trade
TSURU Kotaro	Faculty Fellow	Comparative Institutional Analysis, Organizational Economics, Labor Market Institutions
UCHIYAMA Yu	Faculty Fellow	Japanese Politics, Comparative Politics
UESUGI Iichiro	Faculty Fellow	Banking, Corporate Finance, Small and Medium Enterprises, Japanese Economy
UNAYAMA Takashi	Faculty Fellow	Household Behavior, Applied Econometrics, Index Theory
WASHIDA Yuichi	Faculty Fellow	Marketing, Diffusion of Innovation, Design Research, Foresight Studies
WATANABE Junko	Faculty Fellow	Economic History, History of Economic Policy, History of Industry, Business History
YAMORI Nobuyoshi	Faculty Fellow	Empirical Research on the Japanese Financial System
YOSHIKAWA Hiroshi	Faculty Fellow	Macroeconomics, Japanese Economy

Consulting Fellow		
AKAHOSHI Yasushi	Consulting Fellow	
AMBASHI Masahito	Consulting Fellow	Applied Microeconomics, Industrial Organization, Industrial Policy, Innovation, Economic Development (Asian Economy)
ANDO Haruhiko	Consulting Fellow	
ANJO Takayuki	Consulting Fellow	International Relations
ARAKAWA Kiyooki	Consulting Fellow	Interregional Migration
ARIMA Jun	Consulting Fellow	Energy and Climate Policy
Chi Hung KWAN (C. H. Kwan)	Consulting Fellow	China's Economic Reform, Regional Integration in Asia, Yen Bloc
ENDO Noriko	Consulting Fellow	Policy Development for Regional Industries, Entrepreneurship, Marketing, Organization (Network, Community, Nonprofit-Organization)
ENOMOTO Shunichi	Consulting Fellow	International Business, Servitization under IoT, Digitalized Production
ETO Manabu	Consulting Fellow	Management of Technology, Standardization, Innovation Policy
FUJI Kazuhiko	Consulting Fellow	Effects of Trends in Crude Oil and Natural Gas on International Affairs, Impacts of Super Aging Society on Japan (including community theory), China's Political Economy, U.S. Political Economy, Energy Cooperation with Russia (Natural gas pipeline project in Sakhalin)
FUKUNAGA Yoshifumi	Consulting Fellow	International Economic Law, International Political Economy, Regional Economic Integration of ASEAN and East Asia
FUKUYAMA Mitsuhiro	Consulting Fellow	Globalization, International Political Economy, Trade, U.S.-China Relations, Regional Integration, Poverty Reduction
HARA Keishiro	Consulting Fellow	Future Design, Technology Policy and Innovation, Environmental and Energy Policy, Sustainability Science
HARADA Takashi	Consulting Fellow	Intellectual Property Policy, SME Policy, Innovation Policy, Organizational Design Theory, Public Relations
HASHIMOTO Kenji	Consulting Fellow	Human Resources, Education, Human Capital, Productivity, AI, Labor Market
HATA Shigenori	Consulting Fellow	Innovation Policy, R&D Evaluation
HATTORI Takashi	Consulting Fellow	International Relations, Trade Policy, Environment and Energy Policy
HAYAFUJI Masahiro	Consulting Fellow	Trade and Related Policies, Trade Regimes, Economic History, Environmental Economics
HIBIKI Akira	Consulting Fellow	Environmental and Resource Economics, Law and Economics (in the Area of Accident Law)
HIRAYAMA Yuka	Consulting Fellow	
HISHINUMA Takeshi	Consulting Fellow	Intellectual Property, Private International Law and International Relations
IKEDA Yoko	Consulting Fellow	Policy and Institutions for Innovation, Rulemaking, Global Governance
INOUE Ayaka	Consulting Fellow	Cultural and Economic Policies, Fashion Policies, Luxury Brand Management and Cool Japan Policies that to Capture the Overseas Demand in Lifestyle and Cultural Industries
INUKAI Shinya	Consulting Fellow	Macroeconomic Policy
ISHII Yoshi(aki)	Consulting Fellow	SME and Venture Business Policy, Industrial Organization, Innovation Policy
ISHIKAWA Toshiki	Consulting Fellow	Official Statistics, New Statistics Development with Utilizing Big Data, Data Visualization, A Design Policy, Design Management
ITO Koji	Consulting Fellow	Firms' International Activity (Trade, FDI, etc.), Dynamics of Firms
IWASAKI Fusanori	Consulting Fellow	International Relations, Trade Negotiations, East Asia Economic Integration
KAMEI Hiromichi	Consulting Fellow	Macroeconomy, Tax · Finance · Social Security
KANKE Masaru	Consulting Fellow	
KAWASAKI Kenichi	Consulting Fellow	Economics (Economic Model Analysis)
KAWASHIMA Yusaku	Consulting Fellow	Artificial Intelligence (AI), AI Ethics, Data Science, Statistics, Finance, Economics, Technology Policy, Leadership, Design Thinking, System Dynamics, Foresight Methodologies
KIDO Fuyuko	Consulting Fellow	Quantum Chemistry, Innovation

Name	RIETI Title	Expertise
KIKUCHI Yasuyuki	Consulting Fellow	Macroeconomics, Monetary Policy, Regional Finance, Growth Theory
KIMURA Fukunari	Consulting Fellow	International Trade, Development Economics, East Asian Economies
KIMURA Takuya	Consulting Fellow	Trade and Investment Policy, Rulemaking, Management
KITAMURA Kenta	Consulting Fellow	
KOBAYASHI Hirokazu	Consulting Fellow	Learning Organization, Innovation, Southeast Asia and Indo-Pacific Affairs
KOBAYASHI Masanori	Consulting Fellow	International Public Policy, Regional Economy, Urban Policy, Real Estate Studies, etc.
KOBAYASHI Yohei	Consulting Fellow	Public Economics, Applied Econometrics, Tax Policy, Public Finance, Social Security, Evidence-Based Policy Making, Urban Economics
KOMETANI Kazumochi	Consulting Fellow	
KUNITO Takayuki	Consulting Fellow	Economic Security, Economic Interdependence Theory (International Relations), Decision-Making Theory (The Game Theory, Behavioral Economics), Regional Security Architecture
KUTSUZAWA Ryuji	Consulting Fellow	Urban Economics, Analysis of Real Estate Prices, REITs and Institutions for Innovation
MASAKI Yusuke	Consulting Fellow	Policy Making; EBPM (Evidence-Based Policy Making); Public Management; Local Administration; Economic Growth
MATSUMOTO Hideyuki	Consulting Fellow	International Financial Markets, Multinational Investment Banking, Global Strategic Information Systems Management, Offshoring and Outsourcing, Cross-Cultural Studies
MATSUMOTO Rie	Consulting Fellow	Artificial Intelligence and Robotics, Digital Transformation and Innovation Ecosystem
MATSUNAGA Akira	Consulting Fellow	
MIURA Satoshi	Consulting Fellow	
MIYOSHI Yoshiyuki	Consulting Fellow	Public Finance, Regional Economics, Macroeconomics, Housing Policy, Infrastructure Policy
MIZUNO Ryota	Consulting Fellow	
MONDEN Yuichiro	Consulting Fellow	Information Technology Industrial Policy, Competition Policy, Intellectual Property Policy, Systems Thinking, High Field Science, High Energy Density Science
MORIMOTO Takuya	Consulting Fellow	
MUNAKATA Naoko	Consulting Fellow	International Trade Regime, Economic Security, Innovation, Intellectual Properties, Risk Management, Data Governance
NAGAI Hiroyuki	Consulting Fellow	
NAGAMACHI Daisuke	Consulting Fellow	Macroeconomics, Public Investment, Public Policy
NAKADATE Naoto	Consulting Fellow	Science, Technology & Innovation Policy / Startup Supporting Policy / Research of Disruptive Technologies / Uncertain Management under Pandemic, Disaster & Accident / Diversity Leading to the High Quality of Organizational Decision / FoodTech / Middle East Oil Money to Japanese DeepTech / Production Management & Manufacturing
NAKAGAMI Yasunori	Consulting Fellow	
NAKAJIMA Atsushi	Consulting Fellow	
NAKAMURA Yoshiaki	Consulting Fellow	Industrial Theory, Industrial Policy, Management of Technology
NAKANISHI Tasuku	Consulting Fellow	EPA, FTA, Investment Agreements, Industrial Development and Trade & Investment
NAKATOMI Michitaka	Consulting Fellow	International Economy, Trade Law, Trade Policy, Intellectual Property and International Standards, Investment Policy, Technology Policy, Digital Economy, Global Value Chains, Industrial Policy
NAKAZAWA Norio	Consulting Fellow	Economic Thought, Market Analysis, Public Finance, Personnel Economics
NAMBU Tomoshige	Consulting Fellow	Public Finance, Tax Policy, Trade Policy
NISHIDA Akio	Consulting Fellow	
NISHIGAKI Atsuko	Consulting Fellow	
NISHIOKA Takashi	Consulting Fellow	Social Security
NUMAMOTO Kazuki	Consulting Fellow	
ODAKI Kazuhiko	Consulting Fellow	
OGURO Kazumasa	Consulting Fellow	Public Economics
OIKAWA Keita	Consulting Fellow	Macroeconomics, International Economics, Econometrics, Public Economics, Industrial Organization
OKADA Yo	Consulting Fellow	Macroeconomic Policy and Analysis, International Trade and Investment Policy, Corporate Tax and Financial Accounting Policy
OKAMURO Hiroyuki	Consulting Fellow	Empirical Studies in Industrial Organization and Business Economics, Especially on Small Business, Start-Ups, Innovation, R&D Collaboration, and Innovation Policy
OKAWA Tatsuo	Consulting Fellow	
ONODERA Osamu	Consulting Fellow	Trade Policy and Innovation Policy
OSABE Yoshiyuki	Consulting Fellow	Bibliometrics, Intellectual Property Rights, STI Policy
SAITO Takashi	Consulting Fellow	Official Statistics, New Statistics Development with Utilizing Big Data
SAKAMOTO Masazumi	Consulting Fellow	Sustainable Development, History



(As of the end of December 2022, Alphabetical order)

Name	RIETI Title	Expertise
SANO Tomoki	Consulting Fellow	
SATO Dai	Consulting Fellow	International Relations in Asia, Chinese Diplomacy
SATO Katsuhiko	Consulting Fellow	Strategic Management, Corporate Finance, M&A
SEKIGUCHI Kunio	Consulting Fellow	
SHIRAI Hiroaki	Consulting Fellow	Urban Economics, Infrastructure Planning, Disaster Risk Management
SHONO Yoshihisa	Consulting Fellow	Macroeconomics, Econometrics, Policy Evaluation, Economic Inequality
SUGIYAMA Seiji	Consulting Fellow	Regional Economic and Industrial Policy, Productivity Analysis, Information Policy
SUZUKI Kenichi	Consulting Fellow	
TADOKORO Hajime	Consulting Fellow	
TAKAGI Seiji	Consulting Fellow	International Trade Policy in Asia-Pacific, Economic Security Policy, Finance
TAKEDA Takuya	Consulting Fellow	Trade Policy, Economic Cooperation Policy, Economic Security Policy, Southeast Asia
TAKEGAMI Shiro	Consulting Fellow	Industry-University Cooperation, Innovation, Medical Device and Healthcare Innovation, Regional Industrial Development, Security Export Control, Start-Up Support Program, Research Project Management
TAKEUCHI Maiko	Consulting Fellow	Economic Sanctions, Economics and National Security, Strategic Trade Control, Non-Proliferation, Arms Control
TAMURA Akihiko	Consulting Fellow	International Political Economy, Global Governance, International Economic Law, Regional Integration (Especially, EU and East Asian Region), Corporate Social Responsibility, China
TANABE Yasuo	Consulting Fellow	
TANI Midori	Consulting Fellow	Consumer Policy, Environment Policy
TASHIRO Takeshi	Consulting Fellow	
TOMOZAWA Takanori	Consulting Fellow	Economic Growth, Innovation, Energy & Environment, Mobility, Digital, System Design
TSUDA Hirokazu	Consulting Fellow	Evidence-Based Policy Making, Behavioral Economics, Entrepreneurship, Regional Economy
TSURUTA Hitoshi	Consulting Fellow	
UNO Yuya	Consulting Fellow	Public Economics
YAMADA Masato	Consulting Fellow	Work-Life Balance, Intellectual Property Policy, Consumer Policy, Regional Economies, Energy Policy
YOSHIDA Hiroki	Consulting Fellow	Digitalization of Government Service, Design Thinking for Government Service, Management Strategy for Corporations and Government Agencies
YOSHIDA Ryohei	Consulting Fellow	Macroeconomy, Japanese Economy, Monetary Policy, Social Security Policy

Visiting Fellow		
ARMSTRONG Shiro	Visiting Fellow	International Trade and International Economic Policy, Foreign Direct Investment, East Asian Economy, Japanese Economy, Chinese Economy, Cross Straits Economic Relation, South Asian-East Asian Economic Integration, Australia-Japan Relations
ITO Hiroyuki	Visiting Fellow	International Macroeconomics, International Finance, Monetary Economics
ITO Koichiro	Visiting Fellow	Environmental and Energy Economics, Industrial Organization, Public Economics
MENG Jianjun	Visiting Fellow	Development Economics, Industry Development, Environmental Policy
NARITA Yusuke	Visiting Fellow	Design, Evaluation, Prediction of Education, Health, Labor Policies
YAMAGUCHI Kazuo	Visiting Fellow	1. Quantitative Methodology (Event-History Models and Models for Categorical Data), 2. Work and Family, Work-Life Balance, 3. Models of Rational/Purposive Social Action, 4. Life Course and Occupational Career, 5. Social Stratification and Social Inequality, 6. Contemporary Japanese Society, 7. Social Network, Exchange, and Diffusion, 8. Epidemiology of Drug Abuse, 9. Longitudinal Analysis of Drug Use History



Editorial Note:

RIETI is making a fresh start with the appointment of Chairman Shujiro Urata in January 2023. As noted in the interview, Chairman Urata's expertise covers international economics and economic development theory. He is also eager to promote the internationalization of RIETI. We are set to work harder than ever under the leadership of this new internationalist leader. (T)

This was the first time in roughly six years that I had been fully involved in the planning and editing of a PR magazine. I thought back on my previous experience regarding the process and organized the interview. This PR magazine focuses on RIETI Fellows. We hope you will find their research interesting. (W)

The daylight is getting longer and I can feel the approach of spring. For the first time in three years, we might be able to enjoy cherry blossoms viewing with relax, so I would like to visit viewing spots not only in Tokyo but also in the suburbs. (M)

(RIETI Highlight Editorial Team)

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