



COLUMBIA
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CJEB 1986–2006
20

CENTER ON JAPANESE ECONOMY AND BUSINESS

Celebrating 20 Years

ANNUAL REPORT 2005–2006



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*For twenty years, the preeminent academic center
on Japanese business and economics*

Established twenty years ago, in 1986, at Columbia Business School under the direction of Professor Hugh Patrick, the Center on Japanese Economy and Business (CJEB) promotes knowledge and understanding of Japanese business and economics in an international context. The Center is not only a research organization but is also widely recognized for its international programs, which provide prominent speakers from the public and private sectors a forum for collaboration and reflection on Japan, the United States, and the global economy.

In support of its mission, CJEB organizes and supports research projects, workshops, symposia, conferences, training and curricular development programs, scholarly and professional exchanges, and library and computer-based resource initiatives. Core faculty members are Japan specialists drawn from Columbia's Business School, Law School, School of International and Public Affairs, Economics Department, and the Department of Political Science. Funding is provided by corporate sponsors, foundations, and University sources.

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LETTER FROM THE DIRECTOR AND ASSOCIATE DIRECTOR FOR RESEARCH

The Center on Japanese Economy and Business, which we affectionately call CJEB, was established in spring 1986, twenty years ago. It immediately held its first conference, titled “Japan and the United States Today—Exchange Rates, Macroeconomic Policies, and Financial Market Innovations.” While other themes have also been important over these years, from time to time we return to these topics, since they continue to be as important as ever.

The mission of the Center from its inception has been to promote knowledge and understanding of the Japanese economy and its business systems in domestic, East Asian, and global contexts, with a special focus on the Japan-U.S. relationship. CJEB supports the research of individual faculty members, and from time to time organizes joint research projects of American and Japanese scholars at Columbia and elsewhere, especially Japan. It engages in a wide range of conferences, symposia, seminars, informal discussion meetings, and outreach activities.

Japan’s role as a major, mature player in the global economic system is even more important today than it was twenty years ago. And in these twenty years, CJEB has grown from a staff of one director, one program officer, and one part-time secretary to a present team of a director, three associate directors, six full-time program officers, and several student interns. The Center will maintain its dynamic process of intellectual activity and policy discourse for many years to come with this wonderful team.

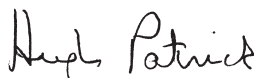
CJEB began the celebration of its twentieth anniversary this spring with a series of outstanding international programs, including two major conferences: “WTO at 10: Governance, Dispute Settlement, and Developing Countries,” held at Columbia in New York, April 5–7, and “Japan’s Future Economic Directions,” a special anniversary conference held in Tokyo on May 15. Details about these and other programs can be found on pages 39–40.

Also well-timed with our anniversary celebration is the launch of the new Columbia University Libraries–sponsored institutional repository program, Digital Commons. The Center is pleased to become the first academic group within the University to contribute electronic versions of all its publications to DigitalCommons@Columbia. See page 36 for more details.

The Center successfully initiated its Program on Alternative Investments four years ago under the leadership of Dr. Mark Mason. Focusing on hedge funds and private equity funds, the program has developed well by contributing objective approaches, perspectives, and analyses. These benefit Columbia students, business practitioners, policy makers, and academics. Mark decided to step down on July 1, and CJEB is fortunate that Alicia Ogawa, formerly a Managing Director at Lehman Brothers, is becoming the next Director of the Program. We welcome Alicia on board.

The continuing success of the Center is due, as always, to the dedication, hard work, and intelligent energy of its core faculty and staff; to the resources provided by the School; and especially to the corporate sponsors, foundations, and individuals who provide the funding. We thank them all.

We invite you to take a look at the twenty-year timeline of the Center, on pages 2–13 of this report. Please also visit our Web site, www.gsb.columbia.edu/cjeb, which includes a brief history of the Center.



Hugh Patrick, Director



David Weinstein, Associate Director for Research

Timeline of Twenty Years, 1986–2006

1987



Crown Prince Akihito and Crown Princess Michiko, with Miwa Kai of Columbia University (left)

1989



Prime Minister Noboru Takeshita



Meyer Feldberg, Dean of Columbia Business School; Takuji Shidachi, President of Mitsubishi Trust and Banking Corporation; and Michael Sovern, President of Columbia University

1985

- Initial seed money grant received from IBM World Trade Americas/Far East to plan the establishment of the Center on Japanese Economy and Business (CJEB) of Columbia University at Columbia Business School

1986–1987

- Five-year operating grant made to CJEB by the Sumitomo Corporation of America
- Four-year operating grant made by Fuji-Xerox Corporation
- Major endowment given to CJEB by major Japanese financial organizations: The Federation of Bankers Association, The Security Dealers Association, The Life Insurance Association, and The Marine and Fire Association
- Pacific Basin Studies Program is established at Columbia University by CJEB and the East Asian Institute
- CJEB forms its International Advisory Board
- Sumitomo Postdoctoral Fellowship Program is established
- CJEB becomes formal sponsor of the inter-university Japan Economic Seminar
- Major presses publish books based on Center projects and research:
 - Japan and the United States Today: Exchange Rates, Macroeconomic Policies and Financial Market Innovations*, edited by Hugh Patrick and Ryuichiro Tachi (Columbia University Press)
 - Japan's High Technology Industries: Lessons and Limitations of Industrial Policy*, edited by Hugh Patrick and Larry Meissner (University of Washington Press)

Research

- Telecommunications in the Pacific Basin
- Declining Industries, Structural Adjustment, and Trade Policy Implications in the Pacific Basin Economies

Conferences, Symposia, and Lectures

- Japan and the United States Today: Exchange Rates, Macroeconomic Policies, and Financial Market Innovations
- The Yen, the Dollar, and the U.S.-Japan Economic Relationship
- Japanese Corporations in Transition

1987–1988

- Crown Prince Akihito and Crown Princess Michiko visit Columbia University on their friendship tour
- Industrial Bank of Japan gives a fellowship grant to CJEB and the East Asian Institute of Columbia to support five MBA students' study and internship in Japan

Research

- Financing the Japanese Corporation: The Relationship Between Accounting Information and Security Prices in Japan
- The Role of Finance in Economic Growth and Development: Japan, Korea, and Taiwan, 1945–1990

Conferences, Symposia, and Lectures

- Japanese Investments in U.S. Real Estate
- Japan's Industrial Structure in Crisis: National Concerns and International Implications
- The Future International Role of Japan's Financial Markets

1988–1989

- Prime Minister Noboru Takeshita makes a private visit to the campus
- CJEB establishes the Industrial Bank of Japan Doctoral Fellowship
- Japan-U.S. Friendship Commission awards a grant to the Center to develop teaching materials and courses on Japan for the Business School curriculum

Research

- The Role of Finance in Economic Growth and Development: Japan, Korean, and Taiwan, 1945–1990
- National Systems Supporting Technical Advance in Industry

1990



Chazen International Study Tour to Japan, Columbia Business School



Hugh Patrick; Kenji Miyahara, President and CEO of Sumitomo Corporation of America; Meyer Feldberg; and Masahiko Yamane, Director of Personnel, Sumitomo Corporation of America

1991



Yasushi Hamao

Conferences, Symposia, and Lectures

- Japan's Financial Power
- The United States and Japan, Competition and Cooperation
- Strategic Alliances and Venture Opportunities Between Japan and the United States
- Management of the Japanese Corporation
- Agenda for the Pacific Partnership: An American-Japanese Dialogue

1989–1990

- Professor Schon Beechler joins Columbia Business School and the Center's core faculty
- The Mitsubishi Trust and Banking Professorship in Japanese Financial Markets and Economy is established through MTB's endowment gift to the Business School

Conferences, Symposia, and Lectures

- Super 301 and the World Trading System
- Japan: The Cornerstone of IBM's Asia-Pacific Strategy
- The U.S.-Japan Relationship in the Changing World Environment
- The MIGA and Its Mission

1990–1991

- The Sumitomo Corporation of America renews its financial support to the Center
- The Center administers its annual University-wide competition for the Mitsubishi Trust Yamamuro Memorial Scholarship
- Major presses publish books based on Center projects and research:
 - Aggressive Unilateralism: America's 301 Trade Policy and the World Trading System*, edited by Jagdish Bhagwati and Hugh T. Patrick (University of Michigan Press)
 - Supah 301 Jo-Tsuyomaru Ippo-shugi No Kensho*, edited by Jagdish Bhagwati and Hugh T. Patrick (Simul Press International)

Research

- The Japanese Main Banking System: An Analysis of Institutions, Policies, Practices, and Performance
- The Management of Japanese and American Transnational Firms in Southeast Asia and East Asia
- Japanese Multinationals: Does Overseas Success Breed Political and Economic Friction?

Conferences, Symposia, and Lectures

- Japan as a Capital Exporter
- Japan and the World Financial System
- Japan and the U.S.: Some Observations on Economic Policy
- Sony's Manufacturing Strategy in the United States

1991–1992

- Professor Yasushi Hamao joins Columbia Business School and the Center's core faculty
- Major presses publish books based on Center projects and research:
 - Regulating International Financial Markets: Issues and Policies*, edited by Hugh T. Patrick and Franklin R. Edwards (Kluwer Academic Publishers)
 - Pacific Basin Industries in Distress: Structural Adjustment in the Nine Industrialized Economies*, edited by Hugh Patrick and Larry Meissner (Columbia University Press)

Conferences, Symposia, and Lectures

- Level Playing Fields and the World Trading System: Economic, Political, and International Legal Questions for the 1990s
- Deindustrialization
- Capital Markets and Corporate Finance in Japan and the United States
- Taking Responsibility: Japanese Companies and Corporate Citizenship
- Going Global Without Going Broke
- Deregulation of the Japanese Financial Markets and the Role of Japanese Banks

1992



Ernest Higa

1993



Fumio Hayashi

1994



Hugh Patrick



Shijuro Ogata

- Problems and Solutions to Japanese Investment Abroad
- Thinking About World Order: America, Japan, and Germany in the 1990s

1992–1993

- Professor Hugh Patrick is awarded the Masayoshi Ohira Memorial Prize for his book *Pacific Basin Industries in Distress: Structural Adjustment in the Nine Industrialized Economies*
- Major presses publish books based on Center projects and research:
 - National Innovations Systems: A Comparative Analysis*, edited by Richard Nelson (Oxford University Press)

Research

- The Future Evolution of Japanese-U.S. Competition in Software: Policy Challenges and Strategic Prospects
- U.S. Competitiveness with Japan

Conferences, Symposia, and Lectures

- Korean-U.S. Financial Issues
- Japan's Changing Role in the Global Economy
- A Monologue on Japan's Financial Markets
- Selling IBM in Japan, Selling Japan in IBM
- Adopting and Adapting a U.S. Concept for Japan: Domino's Pizza

1993–1994

- Professor Fumio Hayashi of Columbia's Economics Department joins the Center's core faculty
- Major presses publish books based on Center projects and research:
 - Telecommunications in the Pacific Basin: An Evolutionary Approach*, edited by Eli Noam, Seisuke Komatsuzaki, and Douglas A. Conn (Oxford University Press)

Research

- Management Practices of Japanese Subsidiaries in the United States and Europe

Conferences, Symposia, and Lectures

- Pressing Issues in the U.S.-Japan Financial Markets
- Developments in the Japanese Economy and Its Pacific Context

- U.S.-Japan High-Tech Linkages and Related Trade Issues
- U.S.-Japan Economic Relationships Under the Two New Governments
- Kaisha vs. Company: The Coming Challenges for Japanese Management
- Japan's Companies, 1994: Beginning of the End, or a New Beginning?
- Agenda for Japanese Business in the Global Economy
- How We Invest in Japan: The Japan Fund Experience

1994–1995

- Professor Hugh Patrick is awarded the Order of the Sacred Treasure, Gold and Silver Star, by the Emperor of Japan
- Professors Christina Ahmadjian of Columbia Business School and Merit Janow of Columbia's School of International and Public Affairs join the Center's core faculty
- Shijuro Ogata and Masahisa Naitoh are appointed as Center Professional Fellows
- The APEC Study Center is established under the co-directorship of Hugh Patrick and Merit Janow
- Major presses publish books based on Center projects and research:
 - The Japanese Main Bank System: Its Relevance for Developing and Transforming Economies*, edited by Masahiko Aoki and Hugh Patrick (Oxford University Press)
 - The Financial Development of Japan, Korea, and Taiwan: Growth, Repression and Liberalization*, edited by Hugh T. Patrick and Yung Chul Park (Oxford University Press)

Research

- Transformation of Japan's High Growth Economic Institutions

Conferences, Symposia, and Lectures

- Global Partnership or Bilateral Competition? Emerging Issues in U.S.-Japan Economic Relations
- Japanese and American Automobile Industries in Global Competition
- The Japanese Economy and the Aftermath of Its Unusual Recession
- Japanese Corporate Strategies in Crisis

1995



William Rapp



Hugh Patrick and Masamoto Yashiro

1996



Ambassador Yoshio Karita and George Rupp, President of Columbia University

- Challenges Facing Japanese Steel in Today's Global Environment
- Rethinking the Japanese Management System

1995–1996

- The Center celebrates its tenth anniversary at Columbia Business School

Conferences, Symposia, and Lectures

- Key Issues in Financial Markets in the United States and Japan
- Managing for Success: Japanese and the U.S. Corporate Strategies in Southeast Asia
- Emerging Trends in Japanese Financial Markets
- Microeconomic Reform and Deregulation in Japan
- Software as a Tool of Competitive Advantage: A U.S.-Japan Comparison
- The Japanese Corporation in Transition: Current Challenges and Outlook
- A Viable Strategy for Japanese Security Firms in the USA
- Japanese Banks in Transition: Problems and Prospects

1996–1997

- A Festschrift Conference is held at Stanford University in honor of Hugh Patrick

Research

- Financial Deregulation

Conferences, Symposia, and Lectures

- Celebrating the Center's First Ten Years: Japan, Asia, and the United States: Economic Interactions and Business Interests
- Economic Deregulation: Prospects and Challenges for Japan and Asia
- Advancing Against the Grain: Challenges Facing Women Managers and Entrepreneurs in Japan
- Opening the Telecommunications Market Post-Divestiture: Present Actions and Future Effects
- The History and Future of Japanese Management
- Can an American Entrepreneur Work for a Japanese Company and Be Effective and Happy?
- Japan's "Super" Big Bang: Hashimoto's Make-or-Break Gamble
- The Yen and the Dollar: Irrational Exuberance

1997–1998

- Professor Jaeyong Song joins Columbia Business School and the Center's core faculty

Research

- The Asian Economic Crisis
- Emergence of Regional Technology Platforms As a New Organizing Mode of Japanese Multinational Corporations

Conferences, Symposia, and Lectures

- Pressing Issues in U.S.-Japan Financial Markets
- Challenges and Opportunities of the Southeast Asia Crisis: Implications for American and Japanese Business
- The Ongoing Economic Crisis in Japan: Muddled Policy Thinking and Policymaking
- International Automobile Production: How Will Firms Compete in the 21st Century?
- Strategy Toward the "Big Bang"—the Industrial Bank of Japan's Approach
- Wounded Asia versus the IMF: Where Do We Go from Here?
- Careers in International/Asia-Pacific Business: Perspectives of an Experienced Japan Hand

1998–1999

- David Weinstein is appointed Carl. S. Shoup Professor of the Japanese Economy of Columbia University and joins the Center's core faculty

Research

- Crisis and Change in the Japanese Financial System

Conferences, Symposia, and Lectures

- The Japanese Financial System: Restructuring for the Future
- The Changing Japanese Firm
- The Political Economy of Japan's Banking Mess: Is the Worst Over?
- China's Accession to the World Trade Organization: Implications for the United States, Japan, and the World
- The Next Trade Negotiating Round: Examining the Agenda for Seattle
- Investment Banking in Japan
- Japan's Economic Recovery: When Will It Begin? How Long Will It Last?

1996



Linda Edwards and Yuki Hattori

1997



Jaeyong Song



Paul Volcker and Lawrence Summers

1999–2000

- Curtis Milhaupt, Fuyo Professor of Law of Columbia Law School, joins the Center's core faculty
- Hugh Patrick receives an honorary doctorate in the social sciences from Lingnan University, Hong Kong
- Major presses publish books based on Center projects and research:
 - Crisis and Change in the Japanese Financial System*, edited by Takeo Hoshi and Hugh Patrick (Kluwer Academic Publishers)

Research

- Trustbusting and Zaibatsu Dissolution in Japan
- Japan's Banking Difficulties: Causes and Consequences
- Consolidation, Deposit Insurance, and Related Issues in Japanese Banking

Conferences, Symposia, and Lectures

- Japan's Political Economy: What's Next?
- Pokemania
- The New Japan: Economic Recovery, Corporate Restructuring, and the Internet
- The Road to Self-Sustained Recovery: The First Step to Sustainable Growth
- Japan's Corporate Challenge: Restructuring and Corporate Governance
- 6 Sigma and Leadership
- How and How Much Should Depositors Be Protected? The Japanese Case
- Japan's International Role in the New Millennium
- The Future of Japan and Asia
- Globalization and the Future of Japanese Banking: How Reform, Consolidation, and Foreign Competition Are Transforming Japanese Banking
- Sony's Journey into the Network Era

2000–2001

- A Center-supported project, *Memoir of a Trustbuster*, by Eleanor Hadley and Patricia Hagen Kuwayama, is published
- Sumitomo Corporation of America renews its commitment to CJEB
- Major presses publish books based on Center projects and research:
 - Information Technology Strategies: How Leading Firms Use IT to Gain an Advantage*, edited by William V. Rapp (Oxford University Press)
 - Nihon Kinyu System no Kiki to Henbo*, Japanese translation of *Crisis and Change in the Japanese Financial Systems*, edited by Hoshi Takeo, Hugh Patrick, and Tsutsui Yoshiro (Nihon Keizai Shinbunsha)

Conferences, Symposia, and Lectures

- The Japanese Political Economy and Its Financial Markets: Prospects and Problems
- Software as a Strategic Tool of Competitive Advantage: Japanese and U.S. Industry Case Studies
- Foreign Entry into the Japanese E-Commerce Market
- Workshop on Regional and Multilateral Trade Liberalization
- Corporate Japan: The Beginning of a New Era?
- Japan's New Economic Policies in East Asia: How It Looks from Australia

2001–2002

- Lee Branstetter joins Columbia Business School and the Center's core faculty

Conferences, Symposia, and Lectures

- Where Does the Japanese Economy Go from Here?
- Intellectual Property Rights and the Prospects for U.S.-Japan Cooperation in Asia
- Can Japan's Ailing Banking System Be Cured?
- Evaluating the Koizumi Cabinet's Economic and Financial Reform Program, and Japan's Imminent Banking Crisis
- Japan: Crisis or Reform—or Both?
- Crime and Punishment in Japan and the United States
- Entrepreneurship and Venture Capital in Japan
- Reform in Japan and China: A Change of Leadership



Merit Janow, Sylvia Ostry, and Peter Drysdale



Casey Ishniowski and Hideshi Itoh

2002–2003

- Gerald Curtis, Burgess Professor of Political Science of Columbia University, joins the Center's core faculty
- Mark Mason joins the Center as Director of the Program on Alternative Investments
- Robert Fallon is appointed as Center Professional Fellow

Research

- Solutions for the Japanese Economy: Implications for U.S. Policy and U.S.-Japan Relations
- Program on Alternative Investments: Hedge Fund, Private Equity, Distressed and Real Estate Investing

Conferences, Symposia, and Lectures

- Perspectives on Investing in the U.S. and Japan
- Goldman, Sachs in Asian Private Equity Markets
- Investing in Japanese Private Equity: International Comparisons
- Fiftieth Anniversary of the Japan-U.S. Fulbright Program
- China, Japan, and the United States: Political Economy Issues
- Japan's Struggle for Recovery: Chapters I, II, and III
- Japanese Realities: Challenges to Macroeconomic Theory
- Deflation and Monetary Policy in Japan
- The Future Security of East Asia
- The Marketable Global Executive
- Japan's Unavoidable Financial Crisis
- NTT DoCoMo and the New Global Communications Culture
- Japan's Economic Malaise: Causes, Cures, and Lessons for the Rest of the World

2003–2004

Conferences, Symposia, and Lectures

- Solutions for the Japanese Economy
- U.S.-Japan Pension Fund Alternative Investment
- Free Trade Agreements and Japan's Trade Policy
- Koizumi's Mandate: the Future of Japanese Politics and Economic Reform
- Restructuring Distressed Companies in Japan
- The Dollar, the Renminbi, and the Yen: A D-R-Y Relationship?
- East Asia Economic Cooperation and Interaction

- The Future of Japanese Corporate Governance
- Investing in Hedge Funds and Private Equity: Viewpoints of U.S. and Japanese Institutional Investors
- Update on the Japanese Economy
- Aozora Bank: The Contest Over, the Future Begins
- The Development of the Hedge Fund Industry: Market Dynamics and the Japanese Experience
- Investing in Distressed Real Estate: The Morgan Stanley Experience in Asia

2004–2005

- Major presses publish books based on Center projects and research:

- Reviving Japan's Economy: Problems and Prescriptions*, edited by Takatoshi Ito, Hugh Patrick, and David E. Weinstein (MIT Press)
- Post Heisei-Fukyou no Nihon-keizai: Seisaku-Shikou Approach ni-yoru Bunseki*, edited by Takatoshi Ito, Hugh Patrick, and David E. Weinstein (Nikkei)

Conferences, Symposia, and Lecture Events

- American and Japanese Foreign Direct Investments in China
- Japan's Current Political Economy
- Should Hedge Funds Be Regulated?
- Solutions for Japan's Economic Problems: Implications for U.S.-Japan Relations
- Japan, APEC, and East Asian Economic Cooperation
- The Development of the Buyout Industry: U.S.-Japan Comparisons
- New Hostile Takeover Guidelines in Japan
- Shinsei Bank: How to Win with a New Business Model
- Investing in Commercial Real Estate: Japan Versus China
- Is Japan Changing? An Institutional Analytic Perspective
- Korea's Financial Revolution: A Personal Perspective
- Investing in Hedge Funds and Funds of Funds
- Investing in Private Equity



"Pokemania"



Hugh Patrick, Akinari Horii, Timothy Geithner



Yotaro Kobayashi

2005–2006

- The Center celebrates its twentieth anniversary at Columbia Business School
- Alicia Ogawa joins the Center team as Associate Director for Program Development
- The Center becomes the first academic group within Columbia University to contribute to the DigitalCommons@Columbia project

Conferences, Symposia, and Lectures

- Dynamic East Asia: Progress and Prospects for Economic Growth and Regional Integration
- Update on the Japanese Economy
- Koizumi's Gamble and Its Consequences
- The Secret of Lexus' Success: How Toyota Motor Went From 0–60 in the Luxury Car Market
- The Role of Private Equity in Japanese Industrial Restructuring: The Case of Daiei
- Agents of Change: Women CEOs of U.S.- Based Japanese Subsidiaries
- WTO at 10: Governance, Dispute Settlement, and Developing Countries
- Twentieth-Anniversary Conference in Tokyo: Japan's Future Economic Directions

TWENTY YEARS OF DISTINGUISHED SPEAKERS AT THE CENTER

(listed alphabetically with year[s] of participation)

Shuhei Abe, President and CEO, SPARX Asset Management Co., Ltd. (2002–2003)

James Abegglen, Chairman, Gemini Consulting, and Professor of International Business, Sophia University (1993–1994)

Georges Abi-Saab, Member, WTO Appellate Body (2005–2006)

Christina Ahmadjian, Assistant Professor of Management, Columbia Business School (1995–1996); Professor of Management, Hitotsubashi Graduate School of International Corporate Strategy (2005–2006)

Grant Aldonas, Partner, Akin Gump Strauss Hauer & Feld LLP (2005–2006)

Elizabeth Allan, Principal, Scudder, Stevens & Clark, Inc. (1993–1994)

Arthur Alexander, President, Japan Economic Institute (1995–1996)

John Alouf, Senior Investment Officer, Virginia Retirement System (2004–2005)

Jose E. Alvarez, Hamilton Fish Professor of International Law and Diplomacy, Columbia Law School (2005–2006)

Bruce Amlicke, Chief Investment Officer, The Blackstone Group (2004–2005)

Jennifer Amyx, Council on Foreign Relations Fellow, U.S. Department of the Treasury (2002–2003)

Lisa Anderson, Dean and James T. Shotwell Professor of International Affairs, School of International and Public Affairs, Columbia University (2005–2006)

Masahiko Aoki, Henri and Tomoye Takahashi Professor of Japanese Studies Emeritus, Stanford University (1990–1991, 2003–2005)

Teruaki Aoki, President and Chief Operating Officer, Sony Electronics, Inc. (1999–2000)

Thomas J. Aquilino, Jr., Senior Judge, U.S. Court of International Trade (2005–2006)

Kyle Bagwell, Kelvin J. Lancaster Professor of Economic Theory and Professor of Economics and Finance, Columbia University (2005–2006)

Naoko Banno, President, Career Strategy Inc. (1996–1997)

Swift C. Barnes, Vice President, Goldman Sachs & Co. (1987–1988)

2000



"Corporate Japan: The Beginning of a New Era?"

- Luiz Olavo Baptista**, Member, WTO Appellate Body (2005–2006)
- Schon L. Beechler**, Associate Professor, Columbia Business School (1993–2006)
- Thomas Berger**, Associate Professor, Boston University (2001–2002, 2004–2005)
- George A. Bermann**, Jean Monnet Professor of EU Law and Welater Gellhorn Professor of Law, Columbia Law School (2005–2006)
- Jagdish Bhagwati**, University Professor, Columbia University (1991–2006)
- Thomas Bleha**, Former U.S. Foreign Service Officer (2005–2006)
- Lee C. Bollinger**, President, Columbia University (2002–2003, 2005–2006)
- Jane Bradley**, Adjunct Professor of Law and Deputy Director, Institute of International Economic Law, Georgetown University Law Center (2005–2006)
- Jeffrey Brandt**, President, JLB Consulting (2001–2002)
- Lee Branstetter**, Daniel W. Stanton Associate Professor, Columbia Business School (2001–2003)
- Harry Broadman**, Principal Economist, The World Bank (1998–1999)
- Creon Butler**, Head, Monetary Instruments and Markets Division, Bank of England (1995–1996)
- Charles W. Calomiris**, Henry Kaufman Professor of Financial Institutions in the Faculty of Business, Columbia Business School (1997–1999, 2004–2006)
- Thomas Cargill**, Professor of Economics, University of Nevada–Reno (1988–1989)
- Jay W. Chai**, Chairman and CEO, ITOCHU International Inc. (1996–1998)
- Max C. Chapman Jr.**, Co-Chairman, Nomura Securities International, Inc. (1990–1991, 1995–1996)
- Steve Charnovitz**, Associate Professor, George Washington University Law School (2005–2006)
- Arnold Chavkin**, Executive Partner, JP Morgan Partners LLC (2002–2003)
- Stephen Chiang**, Director of Patent Licensing, Boeing Company (2001–2002)
- Yoshitoki Chino**, Honorary Chairman, Daiwa Securities (1992–1993)

2001



Paul O'Neill



Takatoshi Ito, Ed Lincoln, Gerald Curtis, and Hugh Patrick

- Richard Clarida**, Professor, Columbia University (1991–1992, 2003–2004)
- Iain Cockburn**, Professor, School of Management, Boston University (2001–2002)
- Jerome Cohen**, Senior Fellow, Council on Foreign Relations (1998–1999)
- Timothy Collins**, CEO, Ripplewood Holdings LLC (1999–2000, 2001–2002)
- Henry Cornell**, Managing Director, Goldman, Sachs & Co. (2002–2003)
- E. Gerald Corrigan**, Chairman, International Advisors, Goldman, Sachs & Co. (1995–1996)
- Gerald Curtis**, Burgess Professor of Political Science, Columbia University (1991–2006)
- W. Bowman Cutter**, EM Warburg, Pincus & Co., LLC (1999–2000)
- William J. Davey**, Professor of Law, University of Illinois College of Law (2005–2006)
- Chester Dawson**, Editor, *BusinessWeek* (2005–2006)
- Leo de Bever**, Ontario Teachers' Pension Plan (2003–2004)
- Robert Discolo**, Managing Director, Head of Hedge Funds, AIG Global Investment Group (2003–2004)
- Ronald Dore**, Professor, University of London (1986–1989, 1993–1994); Senior Research Fellow, Center for Economic Performance (2001–2002)
- Peter Drysdale**, Professor of Economics Emeritus, Asia Pacific School of Economics and Government (1990–2004)
- Franklin Edwards**, Professor, Columbia Business School (1995–1996, 2003–2004)
- Linda Edwards**, Professor of Economics, City University of New York (1996–1997)
- Robert Fallon**, Managing Director, JP Morgan Chase & Co. (2000–2002); President, Korean Exchange Bank (2003–2004)
- James Feinerman**, James Morita Professor of Asian Legal Studies, Georgetown University (1998–1999)
- Robert Feldman**, Chief Economist, Morgan Stanley Japan, Ltd. (2000–2001)
- Florentino P. Feliciano**, Senior Associate Justice (Ret.), Supreme Court of the Philippines; Former Member, WTO Appellate Body; Senior Counsel, SyCip Salazar Hernandez & Gatmaitan (2005–2006)
- Mark Fields**, Representative Director and President, Mazda Motor Corporation (2000–2001)



Celebration of the 50th Anniversary of Japan-U.S. Fulbright Program



Wilbur Ross



David Weinstein, Robert Feldman, and Hugh Patrick

Stanley Finkelstein, Senior Research Scientist, Massachusetts Institute of Technology (2000–2001)

Albert Fishlow, Professor of International and Public Affairs; Director, Institute of Latin American Studies; Director, Center for Brazilian Studies, Columbia University (2005–2006)

David Flath, Professor of Economics, Osaka University (1995–1996)

Louis Forster, President, Cerberus Japan (2002–2004)

William Franklin, President, Franklin International Unlimited (1997–1998)

Nelson Fraiman, Professor of Management and Operations Management, Columbia Business School (1999–2001)

Yoshitaki Fujitani, President, NKK America (1994–1995)

Mariko Fujiwara, Research Director, Hakuodo Institute of Life & Living, Inc. (1996–1997)

Mitsuhiro Fukao, Professor, Keio University (1998–2001)

Toshihiko Fukui, Governor, The Bank of Japan (2005–2006)

Shinji Fukukawa, Chairman and CEO, Dentsu Institute for Human Studies (1986–1987, 1998–1999)

Sakie Fukushima, Senior Client Partner, and Regional Managing Director of Japan, Korn/Ferry International (2001–2003)

Yoichi Funabashi, Chief Diplomatic Correspondent, *Asahi Shimbun* (2002–2003)

Motohisa Furukawa, Democratic Party Member of the Lower House, Japan (2001–2002)

John Gaine, President, Managed Funds Association (2004–2005)

Jeffrey E. Garten, Managing Director, The Blackstone Group (1991–1992)

Timothy Geithner, U.S. Treasury Undersecretary for International Affairs (1999–2002)

Michael Gibson, Staff Economist, Federal Reserve System Board of Governors (1998–1999)

Richard Gitlin, Partner, Bingham Dana Murase (2001–2002); Chairman, Gitlin and Company, LLC (2003–2004)

William Gleysteen, President, Japan Society (1995–1996)

Lawrence Glosten, Colt Professor of Banking and International Finance, Columbia Business School (1995–1996, 2004–2005)

Andrew K. Golden, President, Princeton University Investment Company (2004–2005)

Harvey Goldschmid, Dwight Professor of Law, Columbia University School of Law; Commissioner of U.S. Securities and Exchange Commission (2004–2005)

Andrew D. Gordon, Professor, Harvard University (2003–2004)

Bruno Grandsard, Managing Director, Japan Internet Ventures LLC (2000–2001)

William Grimes, Assistant Professor of International Relations, Boston University (2001–2002)

Robert Grondine, Partner, White and Case LLP; President, American Chamber of Commerce in Japan (ACCJ) (2000–2002)

Toyoo Gyohten, Special Advisor, Japanese Ministry of Finance (1990–1991, 1997–1999)

David Hale, Chief Economist, Kemper Financial Services (1995–1996)

Koichi Hamada, Professor of Economics, Yale University (1995–1996)

Yasushi Hamao, Associate Professor of Finance, Columbia Business School (1995–1996)

Stuart Harbinson, Special Adviser, Office of the Director General, WTO (2005–2006)

Kathryn Harrigan, Kravis Professor of Management, Columbia Business School (1995–1996)

Martha Caldwell Harris (1999–2000)

Melanie Hart, President, Tsuchiya North America, TASUS Corporation (2005–2006)

Noboru Hatakeyama, Chairman and CEO, Japan Economic Foundation (JEF) (1997–1998, 2003–2004)

Yuki Hattori, President, Dentsu Communications, Inc. (1996–1997, 2005–2006)

Fumiko Hayashi, Chairman and CEO, The Daiei, Inc. (2005–2006)

Fumio Hayashi, Professor of Economics, University of Tokyo (1994–1995, 2001–2002)

Ryozo Hayashi, Former Director General, Ministry of Economy, Trade and Industry, Japan (2003–2004)

Ernest Higa, President and CEO, Y. Higa Corporation (1992–1993)

Carla A. Hills, Chairman and CEO, Hills and Company International Consultants; former U.S. Trade Representative (2005–2006)

Etsuro Honda, Director General, Ministry of Finance, Japan (2001–2002)



Glenn Hubbard, Richard Clarida, and Haruhiko Kuroda



Curtis Milhaupt, Robert Fallon, Richard Gitlin, William Seidman, and Hugh Patrick

Yoshito Hori, CEO, Globis Corporation; Chairman and CEO, Apax Globis Partners (2001–2002)

Akinari Horii, Director General, The Bank of Japan (1999–2000)

Gary Horlick, Partner, Wilmer Cutler Pickering Hale and Dorr, LLP (2005–2006)

Robert Hormats, Vice Chairman, Goldman, Sachs & Co. (1996–1997)

Takeo Hoshi, Associate Professor, Graduate School of International Relations and Pacific Studies, University of California–San Diego (1995–1996, 1998–2004)

Makoto Hosomi, Deputy Commissioner for International Affairs, Financial Services Agency, Japan (2003–2004)

Kensuke Hotta, Managing Director, Sumitomo Bank, Ltd. (1991–1992)

Robert Howse, Alene & Allan F. Smith Professor of Law, University of Michigan Law School (2005–2006)

Glenn Hubbard, Dean, Columbia Business School (2003–2004)

Valerie Hughes, Partner, Gowling Lafleur Henderson LLP; former Director, WTO Appellate Body Secretariat (2005–2006)

Hideo Ishihara, Chairman, Goldman Sachs (Japan) Ltd. (1994–1995)

Takatoshi Ito, Professor, Graduate School Faculty of Economics, University of Tokyo (1995–1998, 2001–2004)

Motoshige Itoh, Professor of Economics, University of Tokyo (1996–1998)

John H. Jackson, Professor of Law, Georgetown University Law Center (1998–1999, 2005–2006)

Ravi Jagannathan, Professor, University of Minnesota (1995–1996)

Merit Janow, Professor in the Practice of International Trade, School of International and Public Affairs, Columbia University (1990–2006)

Shigeo Kagami, Partner, Heidrick & Struggles (2000–2001)

Sonny Kalsi, Managing Director, Morgan Stanley, Head of Morgan Stanley Realty, Asia (2002–2004)

Hideki Kanda, Professor of Law, The University of Tokyo (1998–1999)

Joo-Koo Kang, Professor, University of California (1995–1996)

Yasuo Kanzaki, Chairman, Nikko Research Center (1996–1997)

Anil K. Kashyap, Edward Eagle Brown Professor of Economics, University of Chicago (2003–2004)

Kiyoshi Kato, Professor, Nanzan University (1995–1996)

Koichi Kato, Member, House of Representatives, Japan (1994–1995, 1999–2000, 2003–2004, 2004–2005)

Richard Katz, Editor, *The Oriental Economist* (2001–2002, 2003–2004)

Naotaka Kawakami, former Special Officer of Research and Planning, Ministry of Finance, Japan (2001–2002)

Maryanne Keller, Managing Director and Automotive Analyst, Furman Selz LLC; President, Society of Automotive Analysts (1994–1995, 1997–1998)

Tadashi Kikugawa, Goldman Sachs Japan (1995–1996)

Hyun-Chong Kim, Minister for Trade, Republic of Korea (2005–2006)

Samuel Kim, Professor, Columbia University (2001–2002)

Kihwan Kim, International Advisor, Goldman Sachs (1998–1999)

Nobuyuki Kinoshita, Director General, Ministry of Finance, Japan (2004–2005)

Kakutaro Kitashiro, Chairman, Keizai Doyukai (2003–2004)

Yotaro Kobayashi, President, Chairman and Chief Executive Officer, Fuji Xerox Co. (1986–1987, 1995–1996, 1999–2000, 2005–2006)

Lawrence E. Kochard, Lecturer, University of Virginia McIntire School of Commerce (2003–2004)

Peter Kolesar, Professor, Columbia Business School (1986–1987, 1995–1996, 1999–2000)

Seiichi Kondo, Ambassador, International Trade and Economy, Ministry of Foreign Affairs, Japan (2005–2006)

Yutaka Kosai, President, Japan Center for Economic Research (1987–1988)

Martti Koskenniemi, Professor, Academy of Finland and University of Helsinki (2005–2006)

Sudhir Krishnamurthi, Managing Director, The Rock Creek Group (2004–2005)

Nicholas Kristof, former Tokyo and Beijing correspondent, *The New York Times* (2000–2001)

Roger Kubarych, Managing Member and Chief Investment Officer, Kaufman & Kubarych Advisors, LLC (1995–1997, 2001–2002)

Pieter Kuijper, Director–Principal Legal Adviser, European Commission (2005–2006)

Ken Kurahashi, President, PPG Japan (1995–1996)



Takatoshi Ito, David Weinstein, Hugh Patrick, Kenneth Kuttner, and Anil Kashyap

Haruhiko Kuroda, President, Asian Development Bank (2003–2004, 2005–2006)

Sadahei Kusumoto, President and CEO, Minolta Corporation of America (1991–1992)

Kenneth Kuttner, Danforth-Lewis Professor of Economics, Oberlin College (2002–2005)

Patricia H. Kuwayama, Vice President, JP Morgan Chase Bank (1997–1998, 2000–2001)

Julio A. Lacarte, former Member and Chairman, WTO Appellate Body (2005–2006)

Christopher LaFleur, Deputy Assistant Secretary of State for East Asian and Pacific Affairs (2001–2002)

Christine Lagarde, Minister of Foreign Trade, France (2005–2006)

Philippe Lagayette, Chairman, JP Morgan (1997–1998)

Nicholas R. Lardy, Senior Fellow, Institute for International Economics (1998–1999, 2001–2002)

Robert Lawrence, Albert L. Williams Professor of International Trade and Investment, Harvard University (2005–2006)

Bruce Lehman, President and CEO, International Intellectual Property Institute (2001–2002)

David Leuning, Group Director, Asia-Pacific Group IBM (1989–1990)

Sander Levin, Member, House Ways and Means Committee, U.S. Congress (2005–2006)

Edward Lincoln, Senior Fellow, Council on Foreign Relations (1993–2004)

George von Liphart, Managing Director of the Global Commercial Real Estate Group, Lehman Brothers (2003–2004)

Kay Magilavy, Manager, Information Resources, Toyota Motor North America, Inc. (2000–2001)

Francesco Mainolfi, Principal Investment Officer, The World Bank (2003–2004)

John Makin, Principal, Caxton Associates, LLC (1999–2000)

Terry Marsh, Professor, University of California–Berkeley

Mark Mason, Director, Program on Alternative Investments, Center on Japanese Economy and Business, Columbia Business School (1998–2006)

Keith Maskus, Professor of Economics, University of Colorado–Boulder (2001–2002)

Joseph A. Massey, Assistant U.S. Trade Representative for Japan and China (1988–1989)

Shigeru Masuda, Chairman of the Board, The Zeron Group (1988–1989)

Toru Masuda, Senior Manager Private Equity Investment United States, Sumitomo Trust Banking Co., Ltd. (2004–2005)

Mitsuo Matsushita, Professor Emeritus, Tokyo University; former Member, WTO Appellate Body (2005–2006)

Isao Matsuura, Managing Director and General Manager, The Sanwa Bank Ltd., New York Branch (1995–1996)

Deryck Maughan, CEO, Citigroup International (2002–2003)

James McGinnis, Senior Analyst, Mizuho Securities (2001–2002)

Donald McRae, Hyman Soloway Chair in Business and Trade Law, University of Ottawa (2005–2006)

Claude Meyer, Associate Professor, Sorbonne University and Sciences Po (2005–2006)

Hiroshi Mikitani, President and CEO, Rakuten Ichiba Co. (1999–2000); Chief Executive Officer and Chairman of Rakuten, Inc. (2005–2006)

Akio Mikuni, President, Mikuni & Co., Ltd. (1988–1989)

Curtis Milhaupt, Fuyo Professor of Japanese Law and Legal Institutions, Columbia Business School (1999–2006)

Frederic Mishkin, Professor, Columbia Business School (1999–2000, 2002–2003)

Hideki Mitani, Vice President, Goldman, Sachs & Co. (1987–1988)

Curtis Milhaupt, Fuyo Professor of Law and Director of the Center for Japanese Legal Studies, Columbia Law School (2000–2001, 2003–2005)

Frederic Mishkin, Alfred Lerner Professor of Banking and Financial Institutions, Columbia Business School (1999–2004)

Arthur M. Mitchell, General Counsel, Asian Development Bank (1999–2000, 2001–2002)

Yoshihiko Miyauchi, Chairman and CEO, ORIX Corporation (2005–2006)

Yuzaburo Mogi, Executive Director, Kikkoman Corporation, (1991–1992, 1996–1997, 1999–2000); President and CEO (2003–2004)

Amina Mohamed, Chair, WTO General Council; Ambassador from the Republic of Kenya to the WTO (2005–2006)



Glenn Hubbard, Franklin Edwards, Harvey Goldschmid, Hugh Patrick, and Mark Mason

Isao Momota, Assistant General Manager, Sumitomo Corporation (2000–2001)

James P. Moore Jr., Assistant Secretary for Trade Development, U.S. Department of Commerce (1988–1989)

Masaki Morita, Chairman and CEO, Sony Corporation (1990–1991)

Naoko Munakata, Senior Fellow, RIETI; Ministry of Economy, Trade and Industry, Japan (2001–2002)

Robert Myers, Director of Licensing and Business Development, IBM Corp. (1995–1996), Adjunct Professor, Columbia Business School (2001–2002)

Takeshi Nagano, Director and Counselor, Mitsubishi Materials Corporation (1996–1997)

Yuichiro Nagatomi, Chairman of the Board of Executive Governors of FAIR (1995–1996)

Kazuki Nakamoto, Managing Director, Daido Life Insurance Company (2003–2004)

Akihiro Nakamura, Leader, Pension Management and Evaluation, The Pension Fund Association of Japan (2003–2005)

Hiroshi Nakamura, Representative in Japan, Strategic Value Partners Japan, LLC (2002–2003)

Nirmal Narvekar, President, IMC, Columbia University (2003–2004)

Richard R. Nelson, George Blumenthal Professor of International and Public Affairs, Columbia University (1995–1996)

John Neuffer, Deputy Assistant for Japan, Office of the U.S. Trade Representative (2003–2004)

Paul O'Neill, Secretary of the Treasury, U.S. Department of the Treasury (2001–2002)

Shijuro Ogata, former Deputy Governor, The Bank of Japan and the Japan Development Bank; Professional Fellow, CJEB (1991–2006)

Alicia Ogawa, Managing Director, Lehman Brothers Japan (1996–1997)

Sharyn O'Halloran, George Blumenthal Professor of International and Public Affairs, Columbia University (2005–2006)

Yukiko Ohara, Senior Analyst, UBS Securities (1995–1996)

Kenichi Ohmae, former Director, McKinsey & Company, Inc. (1994–1995)

Saburo Okita, former Foreign Minister of Japan (1992–1993)

Ngzi Okonjo-Iweala, Minister of Finance, Federal Republic of Nigeria (2005–2006)

Ariyoshi Okumura, Managing Director, The Industrial Bank of Japan (1987–1988)

Sylvia Ostry, University of Toronto (1998–1999)

William Overholt, Senior Fellow, Harvard University Asia Center (2000–2002)

George R. Packard, President, U.S.-Japan Foundation (2001–2003)

David Palmeter, Senior Counsel, Sidley Austin LLP (2005–2006)

Arvind Panagariya, Bhagwati Professor of Indian Political Economy, School of International and Public Affairs, Columbia University (2005–2006)

Mari Elka Pangestu, Minister of Trade, Republic of Indonesia (2005–2006)

Ernst-Ulrich Petersmann, Professor of International and European Law, European University Institute (2005–2006)

David Pflug, Managing Director and Senior Credit Officer, JPMorgan Chase (2001–2002)

Thierry Porte, President and CEO, Shinsei Bank, Ltd. (2005–2006)

Adam S. Posen, Senior Fellow, Institute for International Economics (2001–2004)

Pitman Potter, Director, University of British Columbia (1998–1999)

Mark Ramseyer, Professor, Harvard Law School (2001–2002)

William Rapp, Leir Professor of International Trade and Business, New Jersey Institute of Technology (1995–1996, 2000–2002)

Timothy Reif, Democratic Chief Trade Counsel, U.S. House of Representatives (2000–2001)

Jean Renshaw, President, AJR International Associates (1996–1997)

Evans Revere, Director, Office of Japanese Affairs (2003–2004)

Joseph L. Rice III, Executive in Residence, Columbia Business School (2004–2005)

Mary Robinson, Professor in the Practice of Public Affairs, Columbia University; former President, Ireland (2005–2006)

Keith Rockwell, Director, Information and Media Relations, WTO (2005–2006)

Frieder Roesler, Executive Director, Advisory Centre on WTO Law (2005–2006)

- Frances Rosenbluth**, Professor of Political Science, Yale University (1995–1996, 1999–2000, 2001–2003, 2004–2005)
- Wilbur Ross**, Chairman and CEO, WL Ross & Co. (2001–2002)
- Shoichi Royama**, Professor of Economics, Osaka School of International Public Policy (1995–1996, 1997–1999)
- David Russ**, Treasurer and Vice President for Investments, University of California (2003–2005)
- Shoichi Saba**, Vice Chairman, Keidanren, and Adviser to the Board, Toshiba Corporation (1988–1989)
- Giorgio Sacerdoti**, Member, WTO Appellate Body (2005–2006)
- Jeffrey D. Sachs**, Director, The Earth Institute at Columbia University (2005–2006)
- Hideya Sadanaga**, Vice President, Nippon Life Insurance International (2003–2004)
- Atsushi Saito**, President & CEO, Industrial Revitalization Corporation of Japan (2005–2006)
- Eisuke Sakakibara**, Professor, Keio University; Former Vice Minister of Finance for International Affairs, Japan (1997–1998, 2001–2003)
- Richard Samuels**, Ford International Professor and Director, MIT-Japan Program, Massachusetts Institute of Technology (2001–2002)
- David Sanger**, White House Correspondent, *The New York Times* (2005–2006)
- Taisuke Sasanuma**, Representative Partner, Advantage Partners, LLP (2005–2006)
- Gary Saxonhouse**, Professor of Economics, University of Michigan (1986–1987, 1995–1997, 2001–2002)
- David M. Schizer**, Dean and Lucy G. Moses Professor of Law, Columbia Law School (2005–2006)
- Leonard Schoppa**, Professor, University of Virginia (2002–2003, 2004–2005)
- Susan Schwab**, Deputy U.S. Trade Representative (2005–2006)
- Sheryl Schwartz**, Managing Director, TIAA-CREF (2003–2004)
- William Seidman**, Chief Commentator, CNBC (2003–2004)
- Kazuo Seki**, Head of Planning and Investment, Mitsubishi Corporation (2003–2004)
- Paul Sheard**, Chief Economist Asia, Lehman Brothers (2001–2002)
- Takeo Shiina**, Chairman, IBM Japan (1992–1993)
- Yasuhisa Shiozaki**, Member, House of Representatives, Japan (2001–2002)
- Takao Shibata**, Ministry of Foreign Affairs, Japan (2001–2002)
- Hironobu Shibuya**, President and CEO, Dentsu Burson-Marsteller (1991–1992)
- Tetsuo Shimura**, Managing Director, The Bank of Tokyo, Ltd. (1995–1996)
- Joseph Stiglitz**, Professor of Economics and Finance, Columbia University (2001–2003, 2005–2006)
- Andrew L. Stoler**, Executive Director, Institute for International Business, Economics and Law, University of Adelaide; former Deputy Director General, WTO (2005–2006)
- Lawrence Summers**, Deputy Secretary of the U.S. Treasury (1995–1996); President, Harvard University (1997–1998)
- Zhenyu Sun**, Ambassador and Permanent Representative of the People's Republic of China to the WTO (2005–2006)
- Peter Sutherland**, Chairman, Goldman Sachs International; Chairman, BP plc; former Director General of GATT and WTO (2005–2006)
- Yuji Suzuki**, Managing Director and General Manager, The Industrial Bank of Japan, Ltd., New York Branch (1997–1998)
- Keiji Tachikawa**, President and CEO, NTT DoCoMo (2001–2003)
- Dennis Tachiki**, Senior Researcher, Sakura Institute of Research (1995–1996)
- Shinji Takagi**, Professor of Economics, Osaka University (1995–1996)
- Heizo Takenaka**, Minister of Internal Affairs and Communications (1995–1996, 1999–2000, 2005–2006)
- Toshiko Takenaka**, Associate Professor, School of Law, University of Washington (2001–2002)
- Hiroataka Takeuchi**, Dean, Graduate School of Business, Hitotsubashi University (2000–2001)
- Yasuhei Taniguchi**, Member, WTO Appellate Body (2005–2006)
- Yoshio Terasawa**, Executive Vice President, Multilateral Investment Guarantee Agency (MIGA) (1989–1990)
- Gillian Tett**, Former Tokyo Bureau Chief, *Financial Times* (2002–2004)
- Kazuo Ueda**, Professor of Economics, University of Tokyo (1987–1988, 1995–1996, 2002–2003); Dean, Graduate School of Economics, University of Tokyo (2005–2006)
- Junichi Ujii**, President and CEO, Nomura Securities Co., Ltd. (1998–1999); Chairman of the Board, Nomura Holdings, Inc. (2005–2006)
- Eiji Umene**, Executive Director, Nippon Steel, and President–Director General, Japan U.S. Business Council (1989–1990)
- Steven Vogel**, Associate Professor, University of California–Berkeley (1996–1997, 2005–2006)
- Paul Volcker**, former President and Chairman, Federal Reserve Bank of New York (1995–1996, 1997–1998)
- Yoshibumi Wakamiya**, former Deputy Managing Editor, *Asahi Shimbun* (2001–2002)
- Patricia M. Wald**, Judge (Ret.), U.S. Court of Appeals (2005–2006)
- John M. Weekes**, Senior Policy Adviser, Sidly Austin LLP; former Canadian Ambassador to the WTO (2005–2006)
- Sheldon Weinig**, Founder and former CEO, Materials Research Corporation; former Vice Chairman, Sony Electronics, Inc. (1996–1997)
- David Weinstein**, Associate Professor of Economics, Harvard University (1995–1996); Shoup Professor of the Japanese Economy, Columbia University (1998–2006)

Greg Williamson, BP America (2003–2004)

Bruce Wilson, Director, WTO Legal Affairs Division (2005–2006)

Albert Wojnilower, Senior Adviser, First Boston (1990–1991)

Martin Wolf, Associate Editor, Chief Economics Commentator, Financial Times (2005–2006)

Alan Wolff, Partner, Dewey Ballantine LLP (2005–2006)

Sheryl WuDunn, former Tokyo and Beijing correspondent, *The New York Times* (2000–2001)

Rongjiu Xue, Director, University of International Business and Economics (1998–1999)

Hidemasa Yamakawa, Vice President, North America Sales, Citibank, N.A. (2000–2001)

Masamoto Yashiro, Executive Vice President, Citicorp (1993–1994, 1996–1997, 2003–2004); Chairman, Shinsei Bank, Ltd.(2004–2005)

Rufus Yerxa, Deputy Director General, WTO (2005–2006)

Clayton Yeutter, Of Counsel, Hogan & Hartson LLP; Former U.S. Secretary of Agriculture; Former U.S. Trade Representative (2005–2006)

Kunihiko Yogo, Managing Director, IRCJ, and former CEO, Kanebo Cosmetics Inc. (2005–2006)

Susumu Yoshida, President, Sumitomo Chemical America, Inc. (1993–1994)

Taroichi Yoshida, former President of Asian Development Bank (1995–1996)

Tsutomu Yoshida, Senior Vice President, Mitsui & Co. (U.S.A.), Inc. (2004–2005)

Naoyuki Yoshino, Keio University (1998–1999, 2003–2004)

Masaru Yoshitomi, Vice Chairman, Board of Counselors, Long Term Credit Bank of Japan Institute of Research and Consulting (1993–1994)

Michael Young, Fuyo Professor of Law, Columbia Law School (1995–1996)

Werner Zdouc, Director, Appellate Body Secretariat (2005–2006)

Ernesto Zedillo, Director, Yale Center for the Study of Globalization; Professor in the Field of International Economics and Politics, Yale University; former President, Mexico (2005–2006)

TWENTY YEARS OF VISITING FELLOWS AT THE CENTER

American University of Beirut
Nada Mora (2004)

Aoyama Gakuin University
Junji Narita (2001–2002)
Hironobu Nakagawa (2005–2006)

The Australian National University
Peter Drysdale (1990–1991)
Ross Garnaut (1988–1989)
John Kunkel (1995–1996)

Bank of Japan
Masayoshi Amamiya (2003–2004)
Hiroki Tanaka (2005–2006)
Kenzo Yamamoto (1999–2000)

Daido Life Insurance Company
Shinsuke Oda (2006)

Daiwa International Capital Management Co., Ltd., Tokyo
Fumiki Fukawa (1994–1995)
Osamu Koide (1993–1994)

Development Bank of Japan
Kiyoto Koyama (2004–2005)
Masatoshi Ito (2005–2006)

Financial Services Agency of Japan
Nobuyuki Kinoshita (2004–2005)
Susumu Atsuki (2005–2006)

Getulio Vargas Foundation, Brazil
Fernando de Holanda (1989–1990)

Harvard University
Mineko Sasaki-Smith (1999–2000)

Hitotsubashi University
Tokuo Iwaisako (2003)

Hosei University
Hiroshi Tanaka (2004–2005)

International University of Japan
Tatsuo Tanaka (1995–1996)

Institute of World Economies, Vietnam
Trinh Ngoc Luu (2001–2002)

ITOCHU Financial Services
Hiroshi Ichinose (2004–2005)

Japan Broadcasting Corporation (NHK)
Shinji Yamada (1992–1993)

Japan Center for Economic Research
Michihiko Tachi (1993–1994)

Keio University
Heizo Takenaka (1993–1994)

Kobe University
Fumiharu Mieno (2005–2006)

Korea University
Linsu Kim (1992–1993)
Yung Chul Park (1988–1989)

Kyoto University, Institute of Economic Research
Kenn Ariga (2003–2004)
Shinichi Ichimura (1986–1987)

Kyushu University
Kiyoaki Shiotsugu (1997–1998)

Long Term Credit Bank Research Institute
Yukiko Fukagawa (1994–1995)

Meiji University
Takumi Takeda (2005–2006)

Ministry of Economy, Trade and Industry
Hironori Ishizaka (2003–2004)

Ministry of Finance
Susumu Fukuda (1988–1989)
Kazuyuki Furuya (2005–2006)
Naotaka Kawakami (2000–2002)
Chikara Kawakita (1995–1996)
Toshiharu Kusu (1992–1993)
Ryuji Koizumi (1993–1994)
Jiro Makino (1990–1991)
Katsunori Mikunya (1991–1992)
Tokio Morita (2002–2004)
Kisaburo Seno (1986–1987)
Kazuho Tanaka (1996–1997)
Hiroshi Tskuda (1989–1990)
Kazuyuki Yano (1998–1999)
Motoyasu Yoshikawa (1994–1995)

Ministry of Foreign Affairs
Tsutomo Kono (1989–1990)

Ministry of International Trade and Industry
Toshiomi Shono (1987–1988)

Ministry of Posts and Telecommunications
Etsuko Nakanishi (1996–1997)

Mitsubishi Materials Corporation
Junji Fukuchi (1996–1997)

Mitsubishi Trust and Banking Corporation
Hiroshi Asakura (1994–1995)
Toshi Hata (1996–1997)
Takashi Hayashi (1999–2000)
Yusaku Hiroto (1998–1999)
Tatsushi Inaba (1991–1992)
Toshiaki Ishino (1988–1989)
Hisashi Ito (1995–1996)
Akira Kaminaga (1990–1991)
Shinichi Kokubo (1993–1994)
Moyuru Kunifusa (1997–1998)
Takayuki Kusumoto (2003–2004)
Yoshio Nishizawa (2002–2003)
Takuma Okamoto (2004–2005)
Takamine Sakai (1989–1990)
Hirokuni Sakamoto (2001–2002)
Saburo Sato (1992–1993)

Mitsubishi UFJ Trust and Banking Corporation
Tetsuya Yonehana (2005–2006)

Mitsui Marine and Fire Insurance Co.
Shigeyuki Goto (1996–1997)
Satoshi Ohta (1999–2000)
Naoto Oka (1997–1998)
Atsuhiko Saeki (2001–2002)
Naoyuki Sakaki (1998–1999)

Mitsui Sumitomo Insurance Co., Ltd.
Masayuki Okazaki (2005–2006)
Satoru Suzuki (2004–2005)
Taketoshi Tarumoto (2003–2004)
Haruhiko Yoshida (2002–03)

New York University, Stern School of Business
Allan Bird (1992–1993)

Nihon Keizai Shimbun
Morimitsu Inaba (Summer 2001)
Kazuo Mori (1998–1999)

Niigata University
Akira Usui (1993–1994)

Reitaku University
JaiLin Zhao (2005–2006)

Seinan-Gakuin University
Chung-I Wang (2003–2004)

Shizuoka University
Ryoji Sakurai (2003–2004)
Kenji Tomita (2005–2006)

Tezukayama University
Atsuhiko Mukai (2002–2003)

Tokyo Keizai University
Juro Nakagawa (2002–2003)

University of São Paulo
Darcy Carvalho (1991–1992)

University of Tampere Finland
Ilari Tyrni (1987–1988)

The University of Tsukuba
Yasuo Hoshino (1996–1997)

University of Victoria British Columbia
William V. Rapp (1994–1995)

Wako University
Minoru Kobayashi (2002–2003)

Waseda University
Kazuo Tatewaki (1997–1998)

Yokohama National University
Elli Okada (1992–1993)

TWENTY YEARS OF SPONSORSHIP OF THE CENTER

(corporate, foundation, and individual support
listed alphabetically)

Advantage Partners, LLP
AFLAC Japan
Alfred P Sloan Foundation
The Bank of Tokyo-Mitsubishi, Ltd.
Caxton Associates, LLC
The Chase Manhattan Foundation
Citicorp, Japan
Columbia Business School, Jerome A. Chazen Institute of
International Business
Columbia University, Center for International Business
Education
Columbia University, Weatherhead East Asian Institute
Daido Life Insurance Company
Daiwa International Capital Management Co., Ltd.
Mr. and Mrs. John Davey
Dengen Kaihatsu Corporation
The Dun and Bradstreet Corporation
Eli Lilly International Corporation
The Federation of Bankers Association, Japan
Robert Alan Feldman, Morgan Stanley Japan, Ltd.
Ford Foundation
Foundation for Advanced Information Research, Japan (FAIR)
Fuji Xerox Co., Ltd.
Henry Luce Foundation
Higa Industries
HypoVereins Bank
IBM World Trade Americas/Far East
Industrial Bank of Japan
Institute of Global Financial Studies, Foundation for Advanced
Information and Research, Japan
ITOCHU Financial Services
Itoh Foundation, U.S.A.
Japan Economic Foundation
Japan External Trade Organization (JETRO)
Japan Foundation Center for Global Partnership
Japan Industrial Policy Research Institute
Japan Overseas Development Corporation (JODC)
Japan–United States Friendship Commission
Japanese Chamber of Commerce & Industry of New York, Inc.
JPMorgan Chase & Company
Kansai Electric Power Company
Keizai Koho Center
Kikkoman Corporation
The Life Insurance Association, Japan
The Lone Star Corporation
Long-Term Credit Bank Research Institute
The Marine and Fire Insurance Association, Japan
Shigeru Masuda, Zeron Corporation
MC Capital, Inc.
Mitsubishi Aluminum Co., Ltd.
Mitsubishi Corporation Capital, Ltd.
Mitsubishi International Corporation
Mitsubishi Materials Corporation
Mitsubishi Trust and Banking Corporation
Mitsubishi UFJ Trust and Banking Corporation
Mitsui Marine and Fire Insurance Co.
Mitsui Sumitomo Insurance Co., Ltd.
Mitsui USA Foundation
Mizuho Corporate Bank, Ltd.
Morgan Stanley Dean Witter & Co.
National Science Foundation (NSF)
NEC Corporation
New York Stock Exchange
Nissho Iwai Corporation
Nomura Holdings, Inc.
Hugh Patrick
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Saga Investment Co., Inc.
Sanken Industrial Policy Research Institute
Sanwa Bank, Ltd.
The Security Dealers Association, Japan
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Shinsei Bank, Limited
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Sumitomo Corporation of America
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Toyota Research Program
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United States Agency for International Development (USAID)
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JAPAN'S ECONOMY: FINALLY FINDING ITS WAY TO FULL EMPLOYMENT AND SUSTAINED GROWTH BY HUGH PATRICK

With 2005 recording the best economic performance in the past decade, continued growth in 2006, and only a modest slowdown likely in 2007, Japan finally is escaping its mediocre performance trap. The economy is moving nicely from recovery to full employment and sustained growth. GDP grew 3.2 percent in fiscal 2005, ending March 2006. The consensus is that growth will almost certainly be at least 2.5 percent in fiscal 2006, and then slow benignly to a somewhat better than 2 percent rate in fiscal 2007.

The highly regarded Bank of Japan (BoJ) *Tankan* quarterly survey at June-end indicates business expectations support the widespread optimism permeating Japan. In response to these better economic conditions, the BoJ terminated its five-year zero interest rate policy on July 14, a major shift in monetary policy.

I am more optimistic about the Japanese economy than I have been for fifteen years. But concerns persist: the economy has not yet returned to full employment growth, deflation has not quite ended, considerable employment slack remains, and the surprisingly low annualized growth rate of 0.8 percent for the April–June 2006 quarter is a splash of cold water, though it is less bad than it seems. I think domestic demand-side challenges will continue to dominate well into 2007, and perhaps beyond.

Near-term uncertainties are greater than usual. The major immediate uncertainty in summer 2006 is political. While it is almost sure that Shinzo Abe will replace Junichiro Koizumi as President of the Liberal Democratic Party (LDP) on September 20 and become Prime Minister, it is unclear what the new government's economic poli-

cies will be, and how well they will be implemented.

Major international concerns include the future price of oil; slowing growth of the world economy, notably the United States'; incipient global inflationary pressures; the global trade imbalances centering on the huge and increasing U.S. trade and current account deficits and Chinese surpluses; and the implications for the yen-dollar rate. A different type of concern is that current economic success will generate complacency among public and private decision-makers such that still-needed public and private sector reforms are not fully carried out.

Despite these concerns, I anticipate that Japan will indeed achieve sustained growth with full employment over the course of the next two to three years.

Subsequent sections address Japan's recent economic performance; near-term prospects; government economic policy, with special focus on the monetary and fiscal policy components of macroeconomic policy; growing income inequality; the financial sector; corporate management and governance; Japan in the global economy; and implications of economic maturity and declining population in the long run. I end with brief concluding comments.

RECENT ECONOMIC PERFORMANCE

For three decades, Japan has had a structural problem of deficient domestic private aggregate demand. In macroeconomic terms, Japan's high private saving rate was significantly greater than its high private business investment rate, and the gap was too large to be absorbed by an export and current account surplus. This was exacerbated over the past fifteen years, neces-

sitating huge government deficit spending to prevent a serious recession. However, the private sector saving-investment gap has decreased significantly, and so will be much less of a problem. The household gross saving rate, some 15 percent of GDP in 1991 and 11.6 percent in 1998, declined to 6.0 percent in 2004 and even lower in 2005. This was due in large part to the increase in the elderly and to a widespread desire to maintain consumption levels. While corporate saving rates have risen, now that balance sheet health has been restored companies are prepared to invest more rather than paying down debt.

Despite the erratic and somewhat unreliable monthly movements of many economic indicators, on a quarterly basis they demonstrate that the recovery has been strong and broad-based, and is continuing to move into expansion mode. The economy started 2006 with a continuation of good growth, at a 2.7 percent clip (seasonally adjusted annual rate). While more mixed indicators led the consensus of experts to expect some slowdown to a 1.8 percent rate in the April–June quarter, the government’s first preliminary estimate on August 11 was only a disappointing 0.8 percent. While a soft patch may be emerging once again, the good

The surprisingly low annualized growth rate of 0.8 percent for the April–June 2006 quarter is a splash of cold water.

Excellent growth in fiscal 2005 was driven by consumption expenditures, business investment, and exports. Consumption increased 2.4 percent, substantially better than any year since 1996, and provided half of domestic demand growth. Business fixed investment rose 7.5 percent, providing another two-fifths of growth. Exports rose 9.2 percent; however, imports rose 6.8 percent in real terms, and even more in current prices, so net external demand was only one-sixth of real GDP growth. After several negative years, government demand in fiscal 2005 temporarily rose slightly, comprising 0.2 percentage points of the 3.2 percent GDP growth; this was mainly due to the substantial slowing of the decrease in government public works investment of previous years.

news is that domestic private demand—consumption and business investment—continued to grow well, at a 2.9 percent rate. Moreover, the slowdown was due predominantly to a decline in inventories and in government spending, which in fact is not bad news. Most indicators over the summer continue to be pretty good, so the growth momentum will probably be maintained.

Importantly, national average land prices rose by 0.9 percent in 2005, the first increase since 1992. While in some prefectures land prices are still falling, though more slowly, they are rising in major cities, notably Tokyo. Bank lending has turned positive, and increased notably in July. Industrial production continues to rise, including exports and especially machinery orders, and services are growing reasonably well.

Some of the greatest costs of Japan's mediocre economic performance over the past fifteen years have been inflicted on young Japanese.

The private sector is an ever-more important driver of the economy. The corporate sector has resurged. Successful restructuring has reduced costs, worker productivity has continued to increase and unit labor costs to decrease; even without price increases, profits rose by an impressive 12.5 percent in 2005 for larger firms, and 10.4 percent for small and medium enterprises (SMEs).

While not yet satisfactory, labor markets are improving. Unemployment, 4.2 percent in June, continues its slow decrease. The quality of employment has turned around. The number of full-time workers has begun to rise, and the still-too-high share of part-time workers and contract workers has leveled off at about a third of employees. However, persisting labor slack is evidenced in the reality that compensation of employees, based on rises in regular employees of 0.5 percent and in earnings of 0.7 percent, increased only 1.3 percent in 2005 and is not yet rising significantly. The summer 2006 wage bonus for a sample of some 800 large firms rose 2.06 percent, less than in the previous three summers.

NEAR TERM PROSPECTS

The June Tankan indicated that, overall, the economy continues to expand quite strongly and upward revisions of business investment plans suggest continued growth. Of course not all the news is positive, especially the poor second quarter growth rate. An ongoing negative is that deflation has not quite yet come to an end, although core CPI changes have been slightly positive since November 2005.

The consensus, as of August 16, of Japanese think tanks is that real GDP will grow 2.5 percent in fiscal 2006 and 2.2 percent in fiscal 2007. The forecasts of foreign institutions are even slightly more positive.

Since estimates of the longer-run potential growth are 1.5–2.0 percent, this is good news. The government, Bank of Japan, IMF and OECD forecasts tend to be more cautious but are nonetheless good. Growth depends, on the demand side, on how rapidly consumption increases, as well as business-fixed investment and exports; and on the supply side the degree of slack in the economy, especially labor slack, and relatedly, the size of the output gap.

Labor Slack

Japan's labor force as of spring 2006 totaled 67.25 million, of whom 64.84 million have jobs. Labor slack is still substantial. Of the 50.0 million employees (excluding corporate executives), 16.6 million (33.2 percent) are not regular employees. This includes 7.8 million part-time workers (of whom 7.0 million are women), 3.4 million temporary workers, and 5.4 million contract or dispatched workers. Full-time employees have decreased by 5 percent since 2000, while part-time and others have risen by 25 percent.

The labor slack includes unemployed seeking jobs, those who have reluctantly withdrawn from the labor force, the many part-timers who desire regular full-time jobs, and many of those who reluctantly accepted early retirement, as well as the elderly who would like at least part-time employment. It is important to distinguish between those who work part time by choice, predominantly married women, and those, especially temporary workers, who cannot obtain satisfactory full-time employment.

Some of the greatest costs of Japan's mediocre economic performance over the past fifteen years have been inflicted on young Japanese. They have disproportionately been unemployed or underemployed in part-time work. They are not receiving adequate on-the-job

Sustained economic growth, creating demand for workers, is the solution.

training. Many have stopped actively seeking work, or have dropped out of the labor market. Although some have deliberately chosen alternative life styles, most seek full-time work in a suitable occupation. New terms have entered the language: freeters (part-time and temporary workers), NEETs (those not in education, employment, or training). As of 2005, of those aged 15 to 34, 2,132,000 were unemployed (including about 640,000 NEETs), and another 2,010,000 were freeters, disproportionately high school dropouts. Most NEETs come from poor families and have low educational attainment.

Sustained economic growth, creating demand for workers, is the solution. While we do not know just how young people will respond to better job opportunities, I consider this potential labor supply to be the major resource to sustain rapid growth for another two years at least. However, some 60 percent of the freeters and NEETs are 25 or older; rigid recruiting age norms are an obstacle to their obtaining regular fulltime jobs. They probably will not be absorbed until labor markets become quite tight.

Some 19.4 percent of Japanese 65 or over are employed. This is higher than in other countries, though the rate has decreased over the past fifteen years. Many baby boomers retiring from full-time, regular jobs will seek continued employment. How large a labor reservoir older people are is unclear.

Japan's traditional large-firm permanent employment system has not disappeared, but it has become more narrowly defined. Many companies impose a hierarchy of job categories: permanent regular full-time employees (the core), essentially permanent part-time workers (mostly women), contract employees (one year or so), workers temporarily dispatched from another firm, ordinary part-time workers, temporary part-time workers (often on specific projects), and casual day

laborers. Most of these categories are mainly for blue collar or clerical work. Management-track employees are key members of the core. The weak labor market of the past fifteen years has enabled firms to shift more flexibly to lower-wage categories.

There are grounds for optimism that full-time employment will increase and that unemployment and part-time employment will decline significantly. This is because GDP will grow faster than 2 percent for the next two years and because the surge of early postwar baby boomers will begin to retire from 2007. With labor markets tightening as labor slack evaporates, wages eventually will have to rise. Better employment and higher wages will accordingly generate higher household consumption, an essential ingredient to sustain growth. The key is how quickly and strongly this process will take place.

The Output Gap

Two major objectives of economic policy are simultaneously to achieve and maintain both full-employment potential growth and price stability. In any forecasts, the size of the output gap—the amount of slack in the economy—is a key factor in estimating growth. The gap between actual output (GDP) and potential output under conditions of full employment of resources and price stability may be conceptually clear, but empirically it is difficult to measure, especially in an advanced economy where services rather than goods comprise most of the output. As Japan demonstrates, this empirical difficulty is exacerbated when an economy undergoes a long period of below-potential growth combined with modest deflation. The size of the output gap depends on the amount of slack in the economy, as well as future employment, capacity utilization, and labor productivity growth.

I share the view that the estimates of the output gap made by the government and the BoJ have been too

The dangers of deflation outweigh inflation, and their costs are disproportionately large.

small, and that slack in the economy is still substantial. Part has to do with the estimates of long-run potential growth, which are too cautious. Part has to do with the difficulties in measuring capacity (and, indeed, output) in services, now more than three-quarters of GDP. Even with good growth, slack will exist so long as prices are not increasing, wage rises are small, and unemployment and underemployment persist. Improvements in these indicators, rather than direct estimates of the presumed output gap, will tell us when the economy is back to normal.

An additional uncertainty is the degree to which labor productivity will grow, due not only to public and private sector reforms and restructuring but, more fundamentally, to the rate of technological progress. Japan has the potential to increase its rate of productivity growth from technological change and its diffusion as well as from increased efficiency in the allocation and utilization of labor and capital. Total factor productivity (TFP) growth slowed to 0.45 percent between 1995 and 2003, far below the 1980–1990 rate of 1.25 percent. This occurred despite the rise in capital investment in, output of, and TFP in information technology (IT) industries. The spread of IT to non-IT sectors has lagged. This provides Japan with an opportunity to increase labor productivity and total factor productivity.

Deflation

While real economic performance will probably continue to do well, being debated in Japan in summer 2006 is whether deflation has finally come to an end. Obviously, much depends on how deflation is defined. The core CPI based on 2000 prices maintained very small positive increases since November 2005, and in June continued at a 0.6 percent annual rate after the 0.5 percent rate for the first four months of the year. That was sufficient to

persuade the BoJ that ending its zero interest rate policy (ZIRP) was appropriate and desirable.

The August 25 revision of the CPI index to a 2005 price benchmark is another splash of cold water. The downward revision of the core CPI was 0.4 percent for July and 0.5 percent for the January–July period, substantially larger than expected. Accordingly, the July core CPI increased only 0.2 percent, and basically only became positive in June 2006, unlike the 2000 measure, which had become positive in November 2005. This will certainly reduce forecasts for the core CPI for this year and 2007.

I am concerned both that deflation has not yet ended and that price stability will be fragile. The dangers of deflation outweigh inflation, and their costs are disproportionately large. Financial markets evidently have a similar view, as indicated by the still-low yields on Japanese government bonds (JGBs). As of August 25, the yield on ten-year JGBs was 1.80 percent. The yield was 2.20 percent on twenty-year JGBs, and 2.43 percent on thirty-year. These suggest an expectation that price stability will continue with the CPI near the Bank of Japan's zero lower bound.

GOVERNMENT ECONOMIC POLICY

Shinzo Abe almost certainly will be Prime Minister by the time this essay is in print. How he and the LDP deal with a host of economic policy issues is a major uncertainty. To what degree and how strongly will the new Prime Minister and his government preserve and implement Koizumi's reform agenda of deregulation and privatization? In what ways will there be political support in the Diet for still-needed reforms? How about the still-powerful central government bureaucracy, which opposes reforms reducing its power? In what ways will the policy agenda be shaped by the summer 2007 Upper House

While the coming year will be good economically, it will be unsettled politically.

elections, in which LDP control is at risk?

Several major economic issues face the new government. Reducing the government budget deficit continues as a high priority. Reforming the agricultural sector is essential to implement any effective foreign trade initiatives. Relatedly, the appropriate degree and nature of government decentralization, especially how to finance local governments, is a thorny issue. In foreign policy, there are ongoing political difficulties with China, South Korea, and North Korea.

Together with reduction of protectionist regulation, the government appropriately has enacted prudential, pro-market regulation to enhance market transparency, efficiency, and competitiveness. However, Japan still has a long way to go on deregulation and liberalization, even apart from agriculture.

While the coming year will be good economically, it will be unsettled politically. Given the current political and government bureaucrat backlash against Koizumi's free market agenda, the government's economic reform program will probably slow substantially.

Fiscal Policy

Reducing the still-huge budget deficit and restoring fiscal balance continues to be a top priority. Key issues are how rapidly to reduce the deficit, the relative contribution of expenditure cuts and tax revenue increases, what kinds of taxes to raise, and by how much. Koizumi's final package of economic and fiscal-policy guidelines for fiscal 2007–2011 was finalized in July and approved by the Cabinet.

Although fiscal stimulus was essential in the 1990s in order to maintain aggregate demand sufficient to prevent a crisis or serious recession, the government budget deficit became enormous, and government debt ballooned. With recovery beginning in 2002, the govern-

ment has been able to pursue an appropriately moderate fiscal tightening policy, on the order of 0.5 percent of GDP a year. The combined budget deficit for both central and local governments, 8.0 percent of GDP in 2002, has declined to 6.0 percent in 2005 and a projected 5.2 percent in 2006. With the economy now well along its recovery path, the fiscal 2006 budget deficit may actually be somewhat smaller as revenues increase beyond official cautious projections.

The LDP is intensely debating whether to give priority to government expenditure cuts or to consumption tax increases. This will be a major issue for the incoming Prime Minister. Koizumi's fiscal priority has been first to restrain and now to reduce expenditures, as the fiscal 2006 budget demonstrates. Flat expenditures combined with revenue growth since 2004 have reduced the deficit absolutely as well as a share of GDP. Together with the effects of good growth performance, government revenues have been rising significantly. The government terminated its 1999 income tax cuts, instituted small annual (but cumulatively important) increases in social security taxes on wages, and is increasing private co-payments for the government national health care program.

On July 21, guidelines were announced for the fiscal 2007 budget. Central government general-account expenditures are to be ¥46.8 trillion, below ¥47.0 trillion for the first time in nine years. Expenditure cuts are not across the board as before, but instead range from 1 percent to 3 percent. Public works and official development assistance (foreign aid) are cut 3 percent, defense by 1 percent.

Koizumi's five-year target is to return to budget primary balance by 2011, meaning that the budget deficit excluding government interest payments on its net debt will be zero. By the end of fiscal 2006 the primary

To achieve primary balance by 2011, the government will have to overcome a projected five-year budget shortfall of ¥16.5 trillion.

deficit, 5.7 percent of GDP in 2002, is projected to be 2.8 percent. The long-run goal is to run a primary surplus by 2015 sufficient to achieve a balanced or even surplus government budget. These projections are founded on important assumptions, particularly that private aggregate demand will be sufficient to sustain the potential growth rate.

To achieve primary balance by 2011, the government will have to overcome a projected five-year budget shortfall of ¥16.5 trillion. In July the Cabinet adopted guidelines that require most (between 69 percent and 86 percent) to be covered by reductions in expenditures, and the remainder by tax increases. These projections are based on the assumptions that current-price GDP growth will average 3.0 percent, and real growth 2.2 percent. Implicit is the expectation that economic reforms and total factor productivity increases, plus absorption of remaining slack, will generate this growth.

The projected expenditure cut targets are unlikely to be fully achieved. The summer 2007 Upper House election puts great pressure on the LDP to halt the large declines in government local public works projects, and to increase transfers to local governments. In the longer run, public pension payments will increase as the population ages. Importantly, Japan's defense share of the costs of the planned relocation of U.S. military forces in Okinawa is substantial, and is not in the proposed budgets. The longer-run fiscal wild card is national security: will the North Korean missile threat and other security concerns lead to increased defense expenditures?

Cuts in government expenditures and rises in revenues have significantly altered the nature of the ongoing tax policy debate. The main issue is the consumption tax, currently 5 percent. A rise of 1 percentage point in the consumption tax increases government revenues

(and reduces aggregate demand) about 0.5 percent of GDP. In 2005 the debate was whether to raise the tax 5 or 10 percentage points and whether to start in fiscal 2007. Now the starting date is no sooner than 2008, possibly 2009. And, the question is whether the long-term increase should be 1 to 2 percentage points or 5 percentage points. The risk of premature fiscal tightening is currently considerably lower than before. I expect that the government will need to raise the consumption tax at some point. When and by how much depends on real and current price economic performance, social welfare programs, and national security expenditures.

Monetary Policy

The Bank of Japan dramatically altered macroeconomic policy, beginning in March, by shifting from a policy of extraordinary monetary ease to one of still considerable ease. The BoJ thereby began the process of implementing the three sequential policy steps essential to restore a normal monetary policy. These are: (1) reversing its quantitative easing policy by withdrawing excess liquidity in the system; (2) terminating the zero interest rate policy (ZIRP); and (3) gradually raising interest rates to a neutral level once sustained, full-employment growth consistent with price stability is achieved. The first two steps have been taken. The key policy issue now is how frequently and how far the BoJ will raise interest rates over the next year or two.

The BoJ also adopted a new monetary policy framework, which embodies transparent and flexible perspectives. It provides the Monetary Policy Board's "understanding" of price stability in the medium to longer term as being a CPI range of 0 percent to 2 percent. This provides an anchor for price expectations.

The new framework also is more forward looking. That is, policy will depend more on expected CPI and

The ending of ZIRP and restoring of interest rate policy flexibility was an important signal affecting expectations.

economic performance movements than on actual data, which in practice are backward looking. A potential danger of a forward-looking approach is that it may ignore the legacy effects of past poor economic growth and modest deflation. Effective BoJ communication, which Governor Toshihiko Fukui has done extremely well, will be even more important in implementing the new framework.

The BoJ successfully removed from the system most of the ¥24 trillion in excess reserves generated by the quantitative easing policy. That was necessary before it could restore its main policy instrument, namely changes in short-term interest rates. On the whole, the termination of quantitative easing has been accomplished quite smoothly, simply by letting BoJ holdings of short-term government debt run off. Excess reserve reduction alone was not sufficient to end ZIRP. For that, economic conditions and the CPI both had to be improving sufficiently and be expected to continue to improve.

On July 14, the BoJ ended ZIRP, as was widely expected. It raised the overnight call rate from 0 to 0.25 percent, and the basic lending rate at which banks can readily borrow from the BoJ (the “Lombard rate”) from 0.1 percent to 0.4 percent. Further, it stated that an “accommodating monetary environment ensuing from very low interest rates will probably be maintained for some time.” The ending of ZIRP and restoring of interest rate policy flexibility was an important signal affecting expectations. Of course, the direct interest rate effect on borrowers, lenders, and depositors has been small.

For optimal macroeconomic results, fiscal and monetary policies have to operate in tandem. For the next decade or so, fiscal policy will continue to focus on budget consolidation. This means a moderate fiscal drag on aggregate demand will persist. Fiscal policy is implemented through budget policy. That is inherently a political process involving Diet decisions on the mix of

government expenditure reductions and tax increases. The BoJ has to accept this contractionary fiscal policy as a given, and adjust monetary policy so as to achieve adequate levels of aggregate demand consistent with price stability. The future will be a mix of relatively tight fiscal policy and relatively easy monetary policy.

The key policy objective of the Bank of Japan, as with all central banks, is price stability. The definition of price stability is just as important as its measurement. Price stability is not a single point on a price index (or weighted average of different price indices), but a range. Given imperfect data, imperfect knowledge of the future, and inevitable random economic shocks, this is appropriate. As in other advanced countries, the BoJ essentially measures price stability by consumer prices. The BoJ has been using as its primary measure of price stability the core Consumer Price Index (CPI), which excludes fresh foods. Unlike the United States and many other countries, Japan’s core CPI does not exclude energy even though volatility is due to supply shocks.

The BoJ Monetary Policy Board defines price stability as a range of 0–2 percent increase in core CPI, lower than the U.S. Fed and European Central Bank, which both have an implicit range of 1–3 percent. The differences apparently lie in different perceptions of the degree of upward bias in the CPI measurement and of the safety buffer needed for the lower bound. It is generally accepted that the CPI inadequately handles technology-driven quality improvements, business price discounting practices, and lags in data, despite the improvement of using a hedonic price index to adjust quality for some items. In addition, there are technical debates on the best price index formula, as well as inevitable measurement errors. The general view is that in the United States the CPI has an annual upward bias of up to 1 percent. The Federal Reserve Board’s implicit

I consider the ongoing implementation of monetary restraint more a lessening of the previous extraordinarily easy monetary policy than a tightening.

lower bound for price stability is a 1 percent rise in the core personal consumption expenditures (PCE) measure it uses. My guess is that Japan's core CPI has an upward bias on the order of 0.5 percent, even following the August 25 revision.

All this makes the BoJ March statement that the Japanese consumer price index has no significant bias astounding. So too is its assertion that, in light of BoJ flexibility and macroeconomic policy effectiveness, it does not need a safety margin for its lower bound to act as a buffer against the risk of declining prices. Given measurement uncertainties and random shocks, it is risky for the BoJ to accept 0 percent as a lower bound for policy guidance. I would like the BoJ to adopt a 1–3 percent CPI increase as its measure of price stability, more like other central banks.

The BoJ monetary policy framework is in transition. I expect it to evolve as relevant conceptual issues are further analyzed and new empirical evidence becomes available. The BoJ has stated it will review its understanding of price stability every year in light of the structural changes in the economy. I do not expect the BoJ to adopt explicit inflation targeting any time soon, but I expect that at some point it will move its “understanding” of price stability to a 1–3 percent range, with 2 percent as the desired midpoint.

Other price measures are also relevant. The most important is the GDP deflator, which measures whether prices for total output are rising or falling. It is now 10 percent below the 1997 level, having declined every year; accordingly, current-price (nominal) GDP has been below real GDP. Some forecast it will flatten out and turn positive next year.

The most important monetary policy issue now is the course of further interest rate increases. The BoJ has stressed that it will pragmatically and flexibly

respond to economic conditions, including price movements, as they develop. It also depends on the course of government fiscal and other economic policies.

An intense debate is going on between hawkish and dovish commentators on how soon, how rapidly, and how steadily the BoJ will raise interest rates. It rests on different interpretations of BoJ statements, as well as past behavior. Obviously a great deal depends on how the economy performs and whether deflation has indeed been brought to an end, something the government has been more cautious about than the BoJ. The BoJ evidently does not expect a significant resurgence of deflation, presumably defined as several months of negative changes in the core CPI.

I consider the ongoing implementation of these three steps of monetary restraint more a lessening of the previous extraordinarily easy monetary policy than a tightening. Future BoJ policy should continue on this path, without premature tightening, until sustained, full employment growth and a comfortable degree of price stability are achieved. The recently revised CPI index suggests that the BoJ should not raise interests very soon.

INCREASING INCOME INEQUALITY

By the 1980s, prosperity and homogeneity had created the widespread perception that virtually every Japanese was middle class. However, subsequent fundamental economic and social transformations, combined with the unemployment and other adverse effects of poor economic performance, have led to a focus on the widening inequality of income distribution, an awareness of differences in lifestyles, and a newly articulated sense of unfairness between the wealthy and the poor. Opponents of free-market reforms are vigorously blaming Koizumi's policies. This is surely too simplistic, and

The fundamental issue will be to determine what kind of welfare system Japan wants.

almost impossible to demonstrate. But it is true that, thus far, government policy has not done much to counter the increasing inequality.

The government's summer 2006 economic white paper addresses the income distribution issue. The Gini coefficient, the standard measure of income inequality, has been slightly rising in Japan ever since it was first officially estimated by the Ministry of Health, Labor, and Welfare in 1987. After adjusting for declining household size, the coefficient increased modestly, by 0.012, between 1989 and 2004. Between 1992 and 2002, inequality in labor income increased in every age bracket. In Japan, as in all countries, it is very difficult to estimate the income of the wealthy, there are other data difficulties, and there are substantial lags in data availability.

An OECD study both documents Japan's increasing income inequality and places it in comparative perspective with other advanced industrial countries based on data for 2000, the latest available. The simple average of the Gini coefficients of OECD countries is 0.306. Japan, at 0.314, and five other countries are close to the average. The United States, at 0.357, has the highest observed inequalities; Denmark, with 0.225, has the most equal income distribution.

According to the OECD study, Japan's Gini coefficient increased by 0.017 between the mid-1980s and mid-1990s, and a further 0.019 in the five years to 2000. Japan's top fifth of the working-age population received 37.5 percent of disposable income, up 1.3 percentage points since 1995; the bottom fifth received 6.7 percent, down 0.7 percentage points.

Two major causes of increasing income inequality have been labor market weaknesses and demographic changes. Wages of part-time and contract workers are significantly below those of regular full-time workers, and their share of employees has risen substantially. In

Japan, unlike other countries, the unemployed are only about 10 percent of the poor.

The OECD study estimates that the disposable income of Japanese elderly households was 89.9 percent of the average in 2000, but the Gini coefficient is considerably higher for such households, and their share of the population is rising. Japanese 66 and older were 21.1 percent of the population in 2000, an increase of 5.1 percentage points in five years. About 70 percent of Japan's social welfare expenditures are for the elderly, about 4 percent for baby births and child rearing. The elderly hold their financial assets overwhelmingly in the form of deposits, which means for many years their interest income has been virtually zero.

Solving the financing of retired workers' pensions and expanding health care, while restoring budget equilibrium, is a major challenge. However, these problems are widely understood by political leaders and government bureaucrats, as well as the Japanese public, so they will be resolved more readily than some of the other challenges Japan faces. The fundamental issue will be to determine what kind of welfare system Japan wants, how large social welfare expenditure should be, and, accordingly, how much taxes will have to be raised as a share of GDP.

FINANCE

Banks continue to be the core of Japan's financial system for both borrowers and savers, so bank performance is important both in its own right and as an indicator of the economy more broadly. The net profits of the six major bank groups soared to a record ¥3.1 trillion (\$27.0 billion) in the year to March 2006. That, however, exaggerates their fundamental strength. The banks did not pay any income taxes because they have large deferred tax credits (loss carry-forwards). Moreover,

Significant capital market imperfections persist despite real improvements over the past several years.

about a tenth of reported profits are from reducing loan loss reserves.

This was possible because the nonperforming loan (NPL) problems of almost all banks were resolved by last year. NPL were only 1.8 percent of total loans for the major banks. While the NPL average for regional banks is 4.5 percent, the range is wide, and dangerously high for perhaps a dozen or so smaller banks. The major banks are now using profits to pay back the government capital received during the banking crisis.

However, large-bank profitability is still low; the pre-tax return on assets in 2005 was 0.84 percent, far below the 2.06 percent of major U.S. banks, though comparable to major banks in a number of continental European countries. A prime reason is that interest rate spreads on lending are still too narrow; they do not incorporate credit risk adequately. The spread for fifteen large Japanese banks was 1.07 percent, compared to 2.65 percent for twelve U.S. banks. With relatively low core capital ratios, Japanese banks are not internationally competitive. Most foreign loans are to finance the activities of their Japanese multinational corporation clients. Moreover, the IT and financial technologies of most banks are not yet state of the art.

Following its outstanding performance through 2005 from its April 2003 trough, the stock market retreated 19 percent in the spring and summer of 2006 from its Nikkei index high of 17,563 on April 7 to its June 13 low before beginning to rise once again. With 2005's run up, price-earnings ratios were high by international comparison, and corporate profit growth is projected to slow somewhat this year to about 8 percent. The shift to quality on international financial markets, in response to increasingly uncertain economic prospects, has been a negative factor. Foreign institutional purchases (and sales) continue to be important. By March's

end 2006 foreigners owned 26.7 percent of the Japanese stock market, up 3 percentage points from a year earlier and from 18.6 percent in 2000, a profound change from the 4.9 percent share in 1990. Japanese households, with huge savings in deposit form, have thus far been slow to purchase Japanese shares directly or through investment trusts (mutual funds).

The bond market provides important indicators of expectations about the economy's future performance, particularly inflationary expectations. With short-term interest rates expected to rise, the yields on benchmark ten-year JGBs and other government securities have begun to rise but not very much, notable given the increased uncertainty. Since many financial institution holders of JGBs also hold Japanese equities, capital losses due to interest rate rises will be offset, in many cases more than fully, by good economic performance (and stock price increases) that justifies and indeed requires appropriate interest-rate increases.

Hedge fund and private equity fund activity, though still modest, continues to develop. It involves Japanese financial institutions investing mainly in foreign alternative investment instruments, but gradually increasing in Japan as well. A relatively small number of dedicated foreign funds invest predominantly in Japan; that too is rising.

Significant capital market imperfections persist despite real improvements over the past several years. The market for the junk bonds and higher-yield bank loans of less-creditworthy large and medium firms remains underdeveloped. Capable credit-risk evaluation of SMEs is weak. For small firms and consumer finance, a key issue is whether the government will reduce the interest rate ceiling from 29.2 percent to 20.0 percent, in legislation scheduled for this fall. While that is likely, also likely are exceptions for smaller loans, possibly

The Tokyo Stock Exchange . . . is committed to major investment in infrastructure so as to become world class.

with a ceiling higher than the level of most current loans.

A pro-market, prudential regulatory system, essential for financial market efficiency, continues to be put into place, though loopholes remain. Equally important is effective implementation of existing rules and regulations.

With the NPL problem behind it, the Financial Services Agency (FSA) has turned to proactive reform of the financial system. The FSA has vigorously opened investigations, and has imposed business suspension, improvement orders, or other significant sanctions and penalties on leading firms throughout the sector. This includes both domestic and foreign firms and auditors (the Kanebo case), as well as fraudulent behavior scandals at specific companies, such as the Livedoor and Murakami melodramas. The FSA is working to establish a rules-based system with accountability and transparency. One danger is that those supplying risk capital, Japanese and foreign, will be targeted, particularly in the media, as part of the backlash against still-needed reforms.

In addition to ongoing FSA activities, further reform of Japan's financial institutions is both needed and, by and large, moving ahead.

The Tokyo Stock Exchange, plagued by a series of embarrassing incidents revealing its technological inadequacies and inefficiencies, is committed to major investment in infrastructure so as to become world class. The Securities and Exchange Surveillance Commission (SESC), under the FSA, has been increasing staff to investigate securities violations, though it still needs considerably more professionals with requisite technical skills. It probably should become an independent government agency.

Reform of government financial institutions (GFI) is moving ahead. Consolidation is underway, and two of

the eight GFI will be privatized. Importantly, government (and Japan Post) provision of funding for these lending institutions will continue to decrease significantly. The great question marks for GFI reform are the specifics as to how Japan Post is privatized.

CORPORATE JAPAN

The corporate sector has changed dramatically in the past two decades. The traditional pillars of the postwar economic system are evolving: the permanent employment commitment is being narrowed to a smaller core of full-time regular employees; while still bank based, corporate finance relies more on capital markets and is more responsive to their signals; and entrenched corporate management autonomy is weakened by new rules on transparency, disclosure, and modifications in corporate governance.

Most firms have engaged in restructuring, consolidation, and reduction of their work force by attrition and early retirement. With continued improvements in labor productivity and reduction in costs, firms have become quite profitable without significant increases in sales. Considerable consolidation and restructuring through friendly mergers negotiated directly between managements have taken place in major industries, notably steel, vehicles, paper and pulp, chemicals, pharmaceuticals, banks, and insurance companies.

Japan's business system is even more rooted in long-term relationships than most other countries. While the economist's abstract ideal may be spot markets, the important reality is that most business transactions are regularly repeated over extended periods of time. This is typically the case with the suppliers of inputs: workers, component parts makers, service providers, creditors. Sustained relationships require and engender trust, and under most circumstances are

A major lesson of the past fifteen years is that good profits, if not actual profit maximization, are essential to all stakeholders.

economically beneficial. When economic conditions significantly change however, so that resources need to be transferred to more efficient uses, binding relationships can become liabilities. Moreover, some relationships become too cozy, self serving, and even collusive.

Japan's economy is in the long-run process of becoming more competitive and market oriented. Inefficient relationships are being eroded, even ended. The past fifteen years have seen many such cases of changing relationships: Nissan and its excess number of parts suppliers, banks continuing to lend to weak companies with nonperforming loans, the Ministry of Finance convoy system of financial institution regulation, government officials retiring into cushy corporate positions (*amakudari*), bank-client cross-shareholding, and the permanent employment system. Efficient and effective relationships will persist, but they will be more conditional, which means less strong and probably less long term.

Corporate Governance

Japan's corporate governance system continues to evolve. Global convergence proceeds in terms of the overarching principles of transparency, disclosure, honesty, accountability, and responsibility. However, important specific differences in how these principles are interpreted and implemented persist in each country. Japan is considering legislation based on the U.S. Sarbanes-Oxley law, referred to as J-Sox. The results of the debate will further shape the legal basis for corporate governance behavior.

Japan will not wholeheartedly adopt an Anglo-Saxon model of corporate governance. The overwhelming majority of Japanese listed companies will continue to be controlled by entrenched management as members of the board of directors, even with the legal changes

that mandate that a majority of the separate board of auditors must be outsiders. Relatively few companies will choose to use an American-type committee board system. For most listed companies, one or a few members of the board of directors will be from the outside, but they will not control the board.

A major lesson of the past fifteen years is that good profits, if not actual profit maximization, are essential to all stakeholders—not just shareholders, but also management, employees, creditors, and suppliers. While management has certainly become much more responsive to company share prices and other shareholder interests, companies will continue to weigh heavily the interests of their regular, long-term employees, especially those on the management track. After all, these employees embody the technology and know-how essential to produce goods and services efficiently and competitively, and to sustain the management system over the longer run.

The infamous thirty or so distressed large companies termed “zombies” have been resuscitated or otherwise dealt with. Nonetheless, many weak companies, both large and small, persist. They are still kept afloat by banks at interest rates completely unrelated to credit risk. Until July the prime rate was 1.375 percent. At the end of May 2006 loans and discounts with an interest rate less than 1.0 percent amounted to 27.7 percent of total bank loans, an increase from 20.0 percent in May 2002 when the economic recovery was beginning. Loans at less than 0.5 percent interest were 13.0 percent of the total, up from 8.2 percent in 2002. The prime rate will surely continue to increase over the next two years. Will these weak borrowers improve their businesses sufficiently to pay increasing loan charges? If not, will they go under, or will they continue to be kept alive by their banks, at increasing cost to bank profitability?

The TOB [hostile takeover bid] market may finally emerge in Japan.

Perhaps a more serious potential problem is how successful firms will behave. While managements have identified their company's core competencies, they have not yet completed the process of divesting divisions or activities that are no longer central. Mergers and acquisitions involving outside players, though actually always friendly, are still relatively few; they will increase only gradually.

Japan has yet to fully develop a hostile takeover bid (TOB) market. Oji Paper's hostile bid for Hokuetsu Paper this summer, now also involving Nippon Paper Group and Mitsubishi Corporation, is a significant qualitative change. Unlike the attempt by upstart Livedoor to take over Nippon Broadcasting in 2005, this pits large, long-established, traditional Japanese companies against each other. Many such companies now have ample cash; the TOB market may finally emerge in Japan.

A real danger is that managements will squander cash on new but unprofitable domestic investment projects. They should distribute substantially more profits to shareholders through dividend increases and share buybacks. However, managers want their empires to be larger. Such behavior in these good times would set back the still-incomplete process of allocating resources more efficiently.

EXTERNAL ECONOMIC RELATIONS

Large current-account surpluses, achieved by significant increases in exports, have long played an important role in maintaining Japan's aggregate demand, despite trade's relatively small share in GDP. This reflects Japan's manufacturing competitiveness, as well as surplus savings being lent abroad. In fiscal 2005, Japan's current account surplus was a hefty 3.7 percent of GDP. The surplus is expected to persist for 2006 and narrow in 2007 as export growth is projected to slow.

Japan's balance of payments position is being significantly influenced by two relatively new factors: its role as a creditor and the likely continued high level of oil prices.

In 2005, Japan's net surplus of ¥12.5 trillion (\$109 billion) on its income account—interest and dividends—surpassed its trade surplus. Japan is a mature creditor country, the largest in the world. As a result of annual current account surpluses since 1980, Japan is a global net creditor on the order of ¥184 trillion (\$1.6 trillion). About half is in the form of government foreign exchange reserves. About 9 percent are the assets (undervalued in fact) of Japanese multinational foreign direct investments (FDI). Japanese FDI outflow in 2005 amounted to \$46 billion, the highest since 1990; most was in the form of reinvested profits. In contrast, Japan continues to be a low recipient of FDI; the inflow of \$2.8 billion in 2005 was below the \$7.8 billion in 2004.

Japan has to import essentially all its oil and natural gas. The world price went from \$45 a barrel in fiscal 2004 to \$60 in 2005, and is expected to be on the order of \$75 in fiscal 2006. This has not yet seriously affected Japan's CPI.

In the short run, oil shocks significantly interrupting supply are accidents waiting to happen. And, given the course of human history, they probably will. I think they are now the single greatest economic threat to Japan and the world economy. Japan would be harmed mainly by the slowing of world growth, global inflationary pressures, and export slowdown if oil prices rise further. It can absorb the direct effects of its increased oil costs reasonably well.

I have been surprised by the yen's weakness over the past year, given the economic fundamentals. However, the large and widening interest rate gap between yen and dollar financial assets has had a significant

Japan needs to invest less, and more efficiently.

impact, generating large net financial outflows from Japan. As the economy continues to improve and as Japanese interest rates rise while they level off in the United States, I expect the yen to appreciate somewhat against the dollar. That is quite aside from whether the dollar will decline significantly versus other currencies because of the huge U.S. current account deficit.

THE LONG RUN

Japan's two fundamental realities are that its population has peaked and will decline, and now that Japan has become a mature economy the long-run potential growth rate is not likely to be much more than 2 percent per capita at best. Consequently, Japan's economic structure will profoundly change over the long run.

Projections of Japan's demographic transition indicate the population will decline slightly over the next five years or so (-0.1 percent annual rate), then more rapidly (-0.3 percent) until 2020, and a further -0.5 percent during the following 30 years. The population is projected to decrease to 121.1 million in 2025 from 127.7 million today, and to about 100 million in 2050. As context, the population was 94.8 million in 1960, including Okinawa. The share of the population over 65, now 20.56 percent, will rise to about 27.8 percent by 2020. Those 15 to 65, termed the working age population, will continue to decline absolutely and as a relative share.

With decreasing supplies of workers, labor markets will be tight. Wages will be bid up, especially for 3D jobs (dirty, dangerous, difficult). Government pension and health care costs will rise as a share of GDP, and so, too, will revenues (taxes). Large-scale immigration sufficient to maintain the labor force and the population is unlikely. At most, foreign contract guest workers will be tolerated in order to ameliorate labor shortages in 3D

jobs and health care. It is possible that at some point in the distant future Japan's total fertility rate, now only 1.25, will rise to the 2.1 sufficient to maintain a level population. For that, profound changes in values and behavior, as well as in institutions, will have to take place.

As an advanced, high income, wealthy, mature economy with a sophisticated technological base, Japan's potential growth rate may be about 2.0 percent per capita. That has been the experience of other economies more or less at the global technology and productivity frontier. However since labor input will decrease, many argue the potential GDP growth rate will be only about 1.5 percent. The key to Japan's sustained growth will be continually improving labor productivity. That depends fundamentally on technological innovations and their diffusion, enhanced education and training, and better capital (machinery, buildings, software) per worker.

Japan's standard of living will double every thirty-six years if GDP per capita grows at 2 percent annually. Even if it only grows at 1 percent—slightly worse than its performance over the past fifteen years—the average standard of living will double in Japanese lifetimes.

Achieving Japan's potential growth rate in the long run will not be automatic or easy. Probably the most important structural transformation the economy requires is to shift the growth engine from high saving, high investment, and high exports to domestic consumption-led growth. Japan's saving and investment rates are wastefully high for an economy growing at 2 percent. Japan needs to invest less, and more efficiently.

The key to generating sufficient aggregate demand is consumption growth. The Japanese economy is too large to rely significantly on net export growth to be a major source of aggregate demand. Consumption will

A major challenge for Japanese will be how to alter their mindsets.

have to become a significantly larger share of GDP. To achieve that, wages and household incomes must rise, which they will because labor markets will be tight and the yields on financial assets will improve.

CONCLUSION

To recapitulate, Japan is on a sustained growth path and, if growth continues well, will probably fully absorb remaining slack and achieve full employment growth within two years or so. As that takes place, financial markets will gradually return to normal. However, economic expansion may falter on its current path to sustained growth, though that is not very likely. Downside risks are greater than upside risks.

I worry both about demand disappointments and supply shocks. My greatest anxiety is that high oil prices will continue for far too long, may even rise further, and will permeate the Japanese and other economies more deeply than has occurred so far. I continue to have other, nagging concerns: consumption will not increase sufficiently, and aggregate demand will not be adequate; deflation will not really end, and the policy definition of price stability will be too low; and the government will backtrack on economic reforms.

A major challenge for Japanese will be how to alter their mindsets. The postwar economic mindset, and the institutions supporting that mindset, has been buffeted by the economic failures of the past fifteen years as well as by Japan's longer-run economic, political, and social transformations. To compete globally, Japan has to allocate resources more efficiently and effectively, and that requires major mindset changes. Established practices, modes of behavior, and rules of the game (social norms) will have to continue to adjust to today's new realities.

Many issues are yet to be resolved. How far should competitive forces and free market forces go? How, and to what degree, should the weak be protected and sustained? How can such goals be achieved more efficiently? Japan is neither an American Darwinian-type society nor a European welfare-state society. I think its middle-of-the-road, rather egalitarian, commitments will persist.

Japan is certainly not alone in the challenges it faces. It has many strengths that will enable it to do well. Japanese have attained a high educational level; workers are skilled, strongly motivated, and very productive. Japan's high capital/labor ratio will increase further. Its technological level is outstanding and will continue to improve. Japan is a democracy, with strong rule of law. Compared to most other countries, the degree of corruption is low. It is a stable society; status differentiation is important, but a considerable egalitarian sense constrains inequalities. Japan will continue to be a major world player in the global economy, and certainly at least as successful in dealing with its problems as most other major advanced countries.

Hugh Patrick

August 25, 2006

PROGRAM ON ALTERNATIVE INVESTMENTS

Established in 2002, the Program provides substantive, objective information and analysis concerning hedge fund, private equity, and other alternative investments as they relate to Japan and the broader East Asian region. From its inception, the Program has involved the practitioner community in its activities to stimulate greater dialogue between academics and business people in the alternatives field and to forge closer ties between Columbia Business School and the business world.

The initial phase of the Program, led by Dr. Mark Mason, spanned three years. Mark decided to resign from his positions as Director of the Program on Alternative Investments and Associate Director for Programs of the Center on July 1, in order to pursue opportunities in the private sector. Mark will continue as Senior Adviser to the Program.

The second phase of the Program will be led by Alicia Ogawa, Associate Director for Program Development at the Center on Japanese Economy and Business, as she succeeded Mason as Director of the

Program on Alternative Investments. Alicia has had a distinguished career in equity research and its management, and was most recently a Managing Director at Lehman Brothers. In addition to further developing the Program on Alternative Investments, she will develop research and program activities on Japanese financial institutions and markets more broadly for the Center.

This past year the Program further updated, expanded, and reorganized its Web site in both English and Japanese. The template and other design features were modified to reflect the newly redesigned Center template, and the URL was changed for similar reasons.

The Program also continued to expand its e-mail list of interested parties from the business, government, and academic communities. The list now contains well over 1,500 individuals based in Asia, the United States, and Europe.

For further information on the Program and copies of publications, working papers, and other reports, please see www.gsb.columbia.edu/cjeb/alt_investments.

WORKING PAPER SERIES

The Center encourages dissemination of research results in written form, from within and outside Columbia University. Most research affiliated with the Center is published in scholarly books and professional journals; preliminary research results can be found in the Center's Working Paper Series, prior to publication. See our Web site or DigitalCommons@Columbia (see page 00 for more details) to download these papers, free of charge.

246 Zombie Lending and Depressed Restructuring in Japan

Ricardo Caballero, Takeo Hoshi, and Anil K Kashyap

In this paper, the authors propose a bank-based explanation for the decade-long Japanese slowdown following the asset price collapse in the early 1990s. They start with the well-known observation that most large

Japanese banks were only able to comply with capital standards because regulators were lax in their inspections. To facilitate this forbearance, the banks often engaged in sham loan restructurings that kept credit flowing to otherwise insolvent borrowers (zombies). Thus, the normal competitive outcome whereby the zombies would shed workers and lose market share was thwarted. The authors' model highlights the restructuring implications of the zombie problem. The counterpart of the congestion created by the zombies is a reduction of the profits for healthy firms, which discourages their entry and investment. In this context, even solvent banks will not find good lending opportunities. Key predictions are confirmed that zombie-dominated industries exhibit more depressed job creation and destruction, and lower productivity. Firm-level regressions are presented, showing that the increase in zom-

bies depressed the investment and employment growth of non-zombies and widened the productivity gap between zombies and non-zombies.

245 Reciprocity and Network Coordination: Evidence from Japanese Banks

Zekeriya Eser and Joe Peek

In this study, the authors provide the first detailed empirical evidence on the cooperative behavior of individual members of a functioning, real world network. In contrast to experimental evidence from limited settings, this study employs detailed data on the volume of loans given to individual firms from each individual bank that lends to them at an annual frequency for nearly twenty years. Using this detailed data, the authors exploit substantial cross-sectional variation in the degree of reliance of the banks on the network as a whole and on other individual banks within the network. In addition, the impact of economic stress on the cooperative behavior of individual network members is investigated by comparing the 1980s with the more turbulent 1990s. The authors find strong evidence that the strength of system-wide reliance on, and thus commitment to, the network, as well as pairwise reliance on other network members, plays an important role in explaining the observed cooperative behavior by Japanese banks.

244 Japan: Another Economic Recovery, New Political Terrain

Hugh Patrick

(also published in CJEB's 2004–2005 Annual Report)

This paper reviews Japan's recent economic performance through the first half of 2005, as well as the economic implications of Koizumi's snap election. After a disappointing final three quarters in 2004, first-quarter growth in 2005 was a strong 5.8 percent annual rate, followed by a reassuring second quarter at 3.3 percent annual rate. Slow gradual improvements across the economy can be expected to continue, but achieving sustained full employment economic growth depends on whether growth rates over the next five years are closer to 3 percent or 1 percent. The most significant

improvement had been in the labor market. The systemic problem of excessive nonperforming bank loans has been solved. Corporate restructuring proceeds, albeit in the light of new worries over hostile takeover bids.

Despite improvement in virtually all Japan's economic indicators, most of the major concerns fundamentally persist. The most difficult fiscal challenge will be to successfully navigate tax increases without inhibiting economic growth. Internationally, Japan must forge productive political relationships with its regional economic partners, specifically China, and continue to work toward greater East Asian economic corporation.

243 Characteristics of the Hedge Fund Industry in Japan

Ferenc A. Sanderson

In recent years Japan's hedge fund industry has been an increasingly popular destination for global investor allocations. Using a comprehensive database of returns and assets under management of Asian hedge funds, the author investigates the size flows, performance, and other characteristics of Japan's hedge fund industry. There are four main findings. First, that the industry has grown at a phenomenal rate since the second half of 2003, although the compound annual growth rate of assets appears to have slowed in the six months ending December 2005. Second, a time series of estimated dollar money-flows into/out of Japan's hedge fund industry points to large inflows in recent years. These have been directed at long/short equity, directional equity, and event-driven strategies. Third, the author notes that the average asset-weighted or equal-weighted performance of Japan hedge funds underperformed traditional Japan equity benchmarks. Finally, the prototypical hedge fund trading in Japan is described as being a very small, Cayman Island-domiciled fund with its portfolio managers typically located outside of Japan. Additionally, we note an increase in structures in which there is a Japan-based investor adviser to the offshore fund. Overall, these findings improve understanding of industry money flows, performance, and other fund characteristics.

The Center on Japanese Economy and Business has become the first academic group within the University to contribute electronic versions of its publications to DigitalCommons@Columbia, the new University Libraries–sponsored “institutional repository” pilot program. The full back runs of three Center publication series that have been available at CJEB’s Web site—Working Papers, Occasional Papers, and Event Reports—are now also available within DigitalCommons@Columbia, where they will be broadly available to scholars and researchers worldwide and where they will be permanently archived as part of the record of Columbia’s scholarly output. Future publications in these series will be deposited by CJEB staff directly into DigitalCommons shortly after they are published. The new DigitalCommons site is available at <http://digitalcommons.libraries.columbia.edu>. The orig-

inal print versions of the CJEB publications will continue to be available at CJEB, and at Columbia’s Business School library.

The new DigitalCommons@Columbia system provides powerful full-text indexing, searching, and browsing of content in an easy-to-use interface. The system also allows for automatic submission of content to Google Scholar and to other commercial and noncommercial indexing and aggregation services.

As part of its effort to begin collecting and archiving the University’s significant intellectual output, the Libraries will be expanding its institutional repository pilot program over the next year to incorporate electronic publications from other departments and academic groups. CJEB is delighted to be the first research center of Columbia to contribute to this project.

Fall 2005 Events

Continuing its regular communication of current research, thinking, and business trends in the field of Japanese business and economy, the Center organized lecture programs and symposia in the fall of 2005. Throughout the year, the Center also worked with various other Columbia University institutes and centers, in particular the APEC Study Center and the Weatherhead East Asian Institute, to create exceptional programs also on topics that concern the East Asian region more broadly. Complete reports of all lectures and conferences can be found at CJEB's Web site.

“Dynamic East Asia: Progress and Prospects for Economic Growth and Regional Integration”

September 12, 2005



Haruhiko Kuroda and Hugh Patrick

Ever since the 1997 Asian financial crisis, the nations of East Asia found a renewed political focus: regional economic cooperation. It has been close to ten years since the financial catastrophe, and it has brought tremendous change, not just for certain countries, but for the region as a whole.

Mr. Haruhiko Kuroda, President of the Asian Development Bank, visited Columbia Business School and provided his thoughts and suggestions on regional economic cooperation. This program was co-sponsored by the APEC Study Center of Columbia University.

“Update on the Japanese Economy”

September 13, 2005



Shijuro Ogata

Mr. Shijuro Ogata, Former Deputy Governor of International Relations of the Bank of Japan and Professional Fellow of the Center, visits Columbia annually to give his perspective on the current situation of the Japanese economy. His talk was attended by a full-to-capacity audience of Columbia students and faculty, and members of the New York business community. This program was co-sponsored by the Weatherhead East Asian Institute of Columbia University.

“Koizumi’s Gamble and Its Consequences”

September 20, 2005



Gerald Curtis

Prime Minister Junichiro Koizumi called for a snap election for the Lower House to occur in September 2005 to push forward his postal privatization agenda. He accomplished something many in Japan and overseas political observers could not believe he could do; he managed to usher in a new political era for his Liberal Democratic Party and the Japanese political system through this historic election.

To shed light on the current political landscape in Japan, Columbia University Burgess Professor of Political Science Gerald Curtis spoke to a packed audience on September 20, 2005. He was joined by David Weinstein, Carl S. Shoup Professor of Japanese Economy and Associate Director for Research at the Center on Japanese Economy and Business (CJEB), and Hugh Patrick, Director, CJEB. This program was co-sponsored and co-organized by the Weatherhead East Asian Institute of Columbia University.

“The Secret of Lexus’ Success: How Toyota Motor Went from 0–60 in the Luxury Car Market”

September 22, 2005



Chester Dawson

Back in the 1970s and 1980s, Toyota Motor's image in the United States was one of a reliable, yet cheap, car maker. Since the introduction of the auto maker's Lexus line in the 1990s, that image has now changed. Toyota's philosophy of conducting meticulous research over much time and money has been widely admired and studied by other

auto makers and college students alike, and has cemented Toyota's position as one of the most successful car makers in the world.

On September 22, the Center invited Chester Dawson, editor at *BusinessWeek* magazine and author of a new book, *Lexus: The Relentless Pursuit*, to discuss Toyota's strategy to keep an edge over the competition.

“The Role of Private Equity in Japanese Industrial Restructuring: The Case of Daiei”

November 15, 2005

As Japan finally embraces corporate reform, the buyout industry has begun to make its mark. There have been several high-profile cases over the past few years, but one transaction has been particularly notable: the restructuring of retailing giant Daiei by Advantage Partners, Marubeni Corporation, and the Industrial Revitalization Corporation of Japan (IRCJ). Daiei's restructuring is a unique example of how a private equity firm and a government organization are working together to implement a plan to restructure a large Japanese corporation.



Mark Mason, Taisuke Sasunuma, Atsushi Saito, and Hugh Patrick

The Center's Program on Alternative Investments organized a symposium and invited two leading experts on Daiei's ongoing reforms: Mr. Atsushi Saito, President and CEO of the IRCJ, and Mr. Taisuke Sasanuma, Representative Partner of Advantage Partners. Professor Hugh Patrick offered comments and questions in his role as discussant. Dr. Mark Mason, Director of the Program on Alternative Investments, moderated.

INAUGURATING THE TWENTIETH ANNIVERSARY CELEBRATION

“Agents of Change: Women CEOs of U.S.-Based Japanese Subsidiaries”

January 30, 2006



Melanie Hart, Schon Beechler, and Yuki Hattori

Although many Japan observers are quick to say that change comes relatively slow in Japan, the cumulative changes over the past fifteen years in the business arena have been profound, and are still evolving. One noticeable feature is the complex set of changes in behavior in the corporate world toward women. Few women achieve management positions, particularly in large Japanese companies, and even fewer become CEOs. It is both noteworthy and particularly interesting that there are some cases of women serving as CEOs of Japanese subsidiaries in the United States. The Center invited two female CEOs—one American and the other Japanese—to talk about their personal experiences of running a major company, of being female, and what has or has not empowered them to climb the corporate ladder so successfully. The speakers were Melanie Hart, President of the TASUS Corporation, a subsidiary of Nagoya-based auto parts manufacturer Tsuchiya, and Yuki Hattori, CEO of Dentsu Communications Inc., a U.S. unit of advertising giant Dentsu Corporation. The two were also joined by Columbia Business School Associate Professor and Center core faculty member Schon Beechler.

“WTO at 10: Governance, Dispute Settlement, and Developing Countries”

April 5–7, 2006

The Center on Japanese Economy and Business was pleased to organize and co-sponsor along with the APEC Study Center the World Trade Organization’s Tenth Anniversary Conference at Columbia University. The two-and-a-half-day conference was by far the most ambitious and successful event ever held by the Center, including over sixty-five distinguished speakers: scholars, heads of state, and other thought leaders who explored dispute resolution and other key international trade issues. The “Columbia WTO at 10” program was a capstone event of a year-long series of events designed to consider the past, present, and future of the WTO at this important milestone.

The conference opened with a Columbia University World Leaders Forum dinner on April 5 hosted by



Yasuhei Taniguchi, John H. Jackson, Julio A. Lacarte, George A. Bermann, Frieder Roessler, and Werner Zdouc



Merit Janow



Jagdish Bhagwati



Carla Hills



Mitsuo Matsushita

Columbia President Lee Bollinger, with a keynote panel discussion, “The Uruguay Round and the WTO: What Have We Achieved?” The full conference took place April 6–7 and featured many distinguished speakers, including trade and finance ministers, a former and the current Director General of the WTO, senior business leaders, politicians and policymakers, the former Presidents of Mexico and Ireland, a former U.S. Treasury Secretary,

a former U.S. Trade Representative, and the current Deputy U.S. Trade Representative. Leading academics, legal experts and journalists, and current and past members of the WTO Appellate Body also joined the panel discussions and were in the audience.

For more information, speaker profiles, and presentations, please visit www.sipa.columbia.edu/wto.

“Japan’s Future Economic Directions”

May 15, 2006

The Center hosted in Tokyo the first of its two major international commemorative twentieth-anniversary conferences. The speakers were distinguished business leaders and academics. The event was a great success substantively, and the room was filled with more than 300 invited guests and participants. The conference was followed by an equally full reception.

Mr. Toshihiko Fukui, Governor of the Bank of Japan, delivered the keynote address on Japan’s evolving monetary policy context. Panelists addressed Japan’s role in the global economy and East Asia and important new directions in Japanese business. The conference agenda is reproduced on the next page.



Kazuo Ueda, Junichi Ujiie, Hugh Patrick, Yoshihiko Miyauchi, and David Weinstein



Hiroshi Mikitani, Shuhei Abe, Fumiko Hayashi, Thierry Porté, Mark Mason, and Kunihiko Yogo



Governor Toshihiko Fukui



Heizo Takenaka and David Weinstein



Junichi Ujiie

Japan's Future Economic Directions

May 15, 2006

PROGRAM

Welcome

Hugh Patrick, Director, Center on Japanese Economy and Business
Yotaro Kobayashi, Chief Corporate Advisor, Fuji Xerox Co., Ltd.

Session I: Japan, East Asia, and the Global Economy

Moderator: **Hugh Patrick**

Panelists:

Kazuo Ueda, Dean, Graduate School of Economics, The University of Tokyo
Junichi Ujiie, Chairman of the Board of Directors, Nomura Holdings, Inc.
Yoshihiko Miyauchi, Chairman and CEO, ORIX Corporation
David Weinstein, Carl S. Shoup Professor of the Japanese Economy, Columbia University

Keynote

Toshihiko Fukui, Governor, Bank of Japan

Session II: Japan's New Business Directions

Moderator:

Mark Mason, Director, Program on Alternative Investments, Center on Japanese Economy and Business

Panelists:

Shuhei Abe, President and CEO, SPARX Asset Management Co., Ltd.
Fumiko Hayashi, Chairman and CEO, The Daiei, Inc.
Hiroshi Mikitani, Chief Executive Officer and Chairman of Rakuten, Inc.
Thierry Porté, President and CEO, Shinsei Bank, Limited
Kunihiko Yogo, Managing Director, IRCJ; former Chairman and CEO, Kanebo Cosmetics Inc.

Closing Remarks

David Weinstein

Reception

Toast by **Heizo Takenaka**, Minister of Internal Affairs and Communications

The Center's Web site has both a video and written report of this conference, which may be downloaded free of charge.

Weatherhead East Asian Institute Brown Bag Series

Throughout the year the Center co-sponsors a number of luncheon seminars with the Weatherhead East Asian Institute of Columbia University, providing an opportunity for students and faculty to listen to and participate in discussions with academics and practitioners in an informal setting. Lectures that were held during 2005–2006 include:

“Down to the Wire: Has Japan Become the World’s Leading IT Nation?”

Thomas Bleha, former U.S. Foreign Service Officer and Abe Fellow

November 10, 2005

Co-sponsored by the APEC Study Center

“Should China Revalue the Yuan? Lessons from the Japanese Experience”

Claude Meyer, Associate Professor, Sorbonne University and Sciences Po, Paris

February 23, 2006

Co-sponsored by the APEC Study Center, the Alliance Program, and the Institute for the Study of Europe

“Co-opting Globalization: Local Politics and the Transformation of Corporate Governance in South Korea and Japan”

Christina Ahmadjian, Professor of Management, Hitotsubashi Graduate School of International Corporate Strategy

March 1, 2006

Co-sponsored by the APEC Study Center

“Japan Remodeled: How Government and Industry are Transforming Japanese Capitalism”

Steven Vogel, Associate Professor, Department of Political Science, University of California–Berkeley

March 29, 2006

Co-sponsored by CIBER and the Alliance Program

LEADERSHIP AND STAFF

DIRECTOR



Hugh Patrick is Director of the Center on Japanese Economy and Business at Columbia Business School, Co-Director of Columbia's APEC Study Center, and R. D. Calkins Professor of International Business Emeritus. He joined the

Columbia faculty in 1984 after some years as Professor of Economics and Director of the Economic Growth Center at Yale University. He completed his B.A. at Yale in 1951, earned M.A. degrees in Japanese Studies (1955) and Economics (1957) and a Ph.D. in Economics at the University of Michigan in 1960. He has been a visiting professor at Hitotsubashi University, University of Tokyo, and University of Bombay.

Professor Patrick has been awarded Guggenheim and Fulbright fellowships and the Ohira Prize. His professional publications include sixteen books and some sixty articles and essays. His major fields of published research on Japan include macroeconomic performance and policy, banking and financial markets, government-business relations, and Japan–United States economic relations. His most recent book, edited with Takatoshi Ito and David Weinstein, is *Reviving Japan's Economy: Problems and Prescriptions* (MIT Press, fall 2005). Other books include *Crisis and Change in the Japanese Financial System* (with Takeo Hoshi); *The Japanese Main Bank System* (with Masahiko Aoki); *The Financial Development of Japan, Korea and Taiwan* (with Yung Chul Park); *Pacific Basin Industries in Distress: Structural Adjustment and Trade Policy in Nine Industrialized Economies*; *Regulating International Financial Markets: Policies and Issues* (with Franklin Edwards); *Japan's High Technology Industries: Lessons and Limitations of*

Industrial Policy; and *Asia's New Giant: How the Japanese Economy Works* (with Henry Rosovsky).

Professor Patrick is actively involved in professional and public service. He served as one of the four American members of the binational Japan–United States Economic Relations Group appointed by President Carter and Prime Minister Ohira, 1979–1981. He has testified before congressional committees on numerous occasions. He is on the Board of Directors of the United States National Committee for Pacific Economic Cooperation and the U.S. Asia Pacific Council. He succeeded Dr. Saburo Okita and served as chairman of the International Steering Committee for the conference series on Pacific Trade and Development (PAFTAD) between 1985 and 2005, having served on the Committee since PAFTAD's inception in 1968. He was on the Board of the Social Science Research Council, 1982–1988, and served as its Chairman from 1985 to 1988. He was a member of the Board of Directors of the Japan Society for seven three-year terms. In November 1994 the Government of Japan awarded him the Order of the Sacred Treasure, Gold and Silver Star (Kunitō Zuihōshō), and he was awarded an honorary doctorate of social sciences by Lingnan University, Hong Kong, in 2000. He is a member of the Council on Foreign Relations.

ASSOCIATE DIRECTOR FOR RESEARCH



David E. Weinstein is Carl S. Shoup Professor of the Japanese Economy and Vice Chairman of the Department of Economics at Columbia. He is the Associate Director for Research at the Center on Japanese

Economy and Business, Research Associate and Director of the Japan Project at the National Bureau of Economic Research, and a member of the Council on Foreign Relations. When on leave, Professor Weinstein was a Senior Economist at the Federal Reserve Bank of New York, where he continues to serve as a consultant. Prior to joining the Columbia faculty, Professor Weinstein was the Sanford R. Robertson Associate Professor of Business Administration at the School of Business Administration at the University of Michigan as well as an Associate Professor of Economics at Harvard. He also served on the Council of Economic Advisers from 1989 to 1990. His teaching and research interests include corporate finance, international trade, the Japanese economy, and industrial policy. Professor Weinstein earned his Ph.D. and M.A. in Economics from the University of Michigan and his B.A. at Yale. He is the recipient of numerous grants and awards, including three National Science Foundation grants, an Abe Fellowship, and a Japan Foundation Fellowship.

Professor Weinstein is the author of numerous publications and articles. His recent publications include "Globalization and the Gains from Variety," *Quarterly Journal of Economics*; "Variety Growth and World Welfare," *American Economic Review*; "Bones, Bombs, and Break Points: The Geography of Economic Activity," *American Economic Review*; "Market Access, Economic Geography, and Comparative Advantage: An Empirical Assessment," *Journal of International Economics*; and "Happy News from the Dismal Science: Reassessing Japan's Fiscal Policy and Sustainability," in *Reviving Japan's Economy: Problems and Prescriptions*, which he co-edited with Takatoshi Ito and Hugh Patrick.

ASSOCIATE DIRECTOR FOR PROGRAMS



Mark Mason is Associate Director for Programs and Director of the Program on Alternative Investments at the Center on Japanese Economy and Business. He was previously a tenured professor of international business at Georgetown University. He

began his academic career as a Postdoctoral Fellow at Harvard, followed by appointments as assistant and then associate professor at the School of Management, Yale. He has also held visiting research and teaching positions at the Helsinki School of Economics and Business Administration, INSEAD, and The University of Tokyo. Dr. Mason has received numerous research grants and awards from leading institutions, including the Japan Foundation, the Mitsui Foundation, the Sloan Foundation, and the Social Science Research Council, in addition to Harvard and Yale. He received his B.A. from Haverford College, his M.A. from Columbia, and his Ph.D. from Harvard.

Dr. Mason directs a series of ongoing research projects analyzing the development of Japan-focused hedge funds, buyouts, and distressed investments. He also organizes, directs, and moderates conferences and other meetings on alternative investments in Japan/East Asia in comparative perspective. These meetings explore major issues in the alternative investments field with the participation of business, government, and academic leaders from both sides of the Pacific. In addition, in 2004 he co-organized with the Pension Fund Association of Japan a major conference in Tokyo comparing Japanese and U.S. pension fund asset allocation strategies in hedge funds, private equity, and real estate alternatives. He has also edited numerous reports based on these and other meetings sponsored by the Program on Alternative Investments.

Dr. Mason has published widely in the field of International Business. He is the author of *American Multinationals and Japan* (Harvard University Press) and *Europe and the Japanese Challenge* (Oxford University Press), and co-editor of *Does Ownership Matter?* (Oxford University Press). In addition, he has published in a range of refereed academic and management journals, including *Business History Review*, *California Management Review*, *International Organization*, *The Journal of Common Market Studies*, *The Journal of Public Policy*, and *Transnational Corporations*. Dr. Mason has been widely quoted on business and economic issues in *BusinessWeek*, *The Economist*, *Financial Times*, *The New York Times*, *The Wall Street Journal*, and other media.

ASSOCIATE DIRECTOR FOR PROGRAM DEVELOPMENT



Alicia Ogawa is Associate Director for Program Development for the Center on Japanese Economy and Business, and Assistant Director of the Program on Alternative Investments. Until 2006 she was

Managing Director of Global Equity Research for Lehman Brothers, where she was responsible for managing the firm's global equity research product. One of her important responsibilities was implementation of the so-called Spitzer Settlement at Lehman. Prior to joining Lehman Brothers, Ms. Ogawa spent fifteen years in Tokyo, where she was a top-rated bank analyst and was Director of Research for Nikko Salomon Smith Barney, having managed the original Salomon Brothers Research Department through three mergers. An authority on the Japanese financial system, she was called to testify in Congress and has published extensively in academic journals in addition to equity research reports. She was an unofficial adviser to two of the U.S. ambassadors to Tokyo, receiving a citation for this role. Prior to moving to Japan, she worked as a Research Assistant to the Japanese Ministry of International Trade and Industry on a number of U.S.-Japan trade negotiations. She is on the advisory board of the Japan Society Innovators' Project and is a frequent speaker on the topic of analyst conflict of interests. Her current research focus is on small business finance and restructuring in Japan and elsewhere in Asia.

She graduated from Barnard College and earned a master's degree in International Affairs at Columbia University's School of International and Public Affairs.

ASSOCIATE DIRECTOR FOR ADMINISTRATION



Yvonne Thurman is Associate Director for Administration at the Center on Japanese Economy and Business. She joined the Center in 1999 as a Program Officer, was promoted to Senior Program

Officer in 2001, and then to Associate Director in 2004. She received a Master of International Affairs degree in 2002 from Columbia University's School of International and Public Affairs, concentrating in International Finance and Business, and East Asian Studies.

Prior to coming to Columbia, Ms. Thurman was at the Japan Society of New York from 1998–1999. From 1996 to 1998 she was Coordinator for International Programs at the Central Office of the City University of New York, managing a financial aid project that allowed more than one hundred low-income household students to participate in one of the University's fifty-two overseas study programs. In 1994–1995 she taught English and coordinated cultural exchange programs in Kagoshima-ken, Japan, as a participant in the JET (Japan Exchange and Teaching) Program.

Ms. Thurman served as President of the JET Alumni Association, New York Chapter, in 1998–1999 and as Treasurer in 1997–1998. She received her B.A. from the City University of New York.

OFFICERS

Matthew Brummer

Financial Officer

B.S., Business Administration, Minor Economics,
Bucknell University

M.I.A. Candidate, School of International and Public Affairs
Columbia University

Jeffrey Lagomarsino

Program Officer

B.A., International Affairs, George Washington University
M.A. Candidate, Graduate School of Arts and Sciences,
Columbia University

Emiko Mizumura

Program Officer

B.A., American and English Literature, Otsuma University

Jennifer Olayon

Program Officer

B.A., Transnational Perspectives in Design,
University of Connecticut



Front row, left to right: Alicia Ogawa, Hugh Patrick, David Weinstein, Mark Mason, Yvonne Thurman.
Back row, left to right: Jeffrey Lagomarsino, Tamaris Rivera, Emiko Mizumura, Jennifer Olayon, Matthew Brummer, Alton Wanning

Tamaris Rivera

Administrative Officer
B.A., English, Wesleyan University

Alton Wanning

Program Officer
B.A., Anthropology and Sociology, Lafayette College

JAPAN REPRESENTATIVE

Terumi Ohta

B.A., Tsukuba University

INTERNS

Lan Cheng

B.A. Candidate, Economics, Barnard College

Eri Yoshida

B.A., East Asian Languages and Culture,
Columbia College

Elizabeth Ichniowski

B.A. Candidate, Economics, Columbia College

Adriana Sein

B.A. Candidate, Economics, Columbia College

CORE FACULTY

The Center's success over the last twenty years is due in significant part to its outstanding cadre of core faculty of Japan specialists drawn from Columbia's Business School, Economics Department, Political Science Department, Law School, and School of International and Public Affairs. They include:



Schon Beechler, Director of the Columbia Senior Executive Program, is a specialist in the management of multinational corporations and in Japanese management. Schon has been a faculty member at Columbia Business School since 1989. She

was Associate Professor in the Management Department, teaching credit courses in the MBA, Executive MBA, and Ph.D. programs, until 1997, when she became a full-time faculty member in Columbia

Executive Education. From 1994 until 2005 Professor Beechler served as Faculty Director of the Columbia Senior Executive Program, Columbia's flagship senior executive program. In addition, she opened up the Japanese market to Columbia Executive Education and served as the faculty director of Fundamentals of Management Asia from 2000 to 2003. Throughout her tenure at Columbia Business School she has directed and taught in a number of other open and custom programs in the United States, Asia, and Europe. She has worked with clients such as Hitachi, Aventis, Kone, Deloitte Touche Tohmatsu, Alston and Bird, the Arts Institute of New York, and the Fire Department of New York.

Professor Beechler is a specialist in the management of multinational corporations and in Japanese management. She lived in Japan for over six years and was a Visiting Associate Professor at the Center for Innovation Research at Hitotsubashi University in 1998.

She has published a number of articles on her research that have appeared in leading academic journals, including the *Academy of Management Review*, the *Journal of International Business Studies*, and *Human Resource Management*. In addition to academic journal publications, her research has been published in practitioner-oriented journals and as chapters in books. She has also edited two books on Japanese management: *Japanese Business Enterprise* (with Kristin Stucker), published in 1997 by Routledge Limited; and *Japanese Management Overseas: Organizational and Individual Learning* (with Allan Bird), published by Oxford University Press in 1998. She is currently working on a new book, *People Strategies for Global Firms* (with Vladimir Pucik and Anne-Valerie Ohlsson), to be published by Routledge in 2006.

She received her Ph.D. in Business Administration and Sociology from the University of Michigan. In March 2006, Professor Beechler joined Duke University as Executive Director of the Corporate Education Program.



Lee Branstetter is the Daniel Stanton Associate Professor of Business and Director of the International Business Program at Columbia Business School. He is also a member of the Weatherhead East Asian Institute at

Columbia. Professor Branstetter joined Columbia Business School's finance and economics division in 2001. In his first year he introduced an MBA course, Business and Financial Markets in East Asia, that was awarded the Columbia Business School's Chazen Innovation Prize. Prior to his appointment at Columbia, Professor Branstetter was an Assistant Professor of Economics and Director of the East Asian Studies Program at the University of California–Davis. He received his B.A. from Northwestern University in 1991 and his Ph.D. in Economics from Harvard in 1996. Professor Branstetter is a faculty research fellow of the National Bureau of Economic Research.

Professor Branstetter conducts research in international economics and industrial organization, with a thematic focus on the economics of technological change and a regional focus on East Asia, especially

Japan. Professor Branstetter's research has explored a number of aspects of Japan's economy, including the foreign direct investment of Japanese firms, changes in the focus and effectiveness of corporate R&D in Japan, the impact of Japanese government policies to promote innovation, and the effects of changes in Japan's patent system. He has also conducted research on trade and FDI policy in China, the impact of stronger intellectual property rights on international technology transfer, and the relationship between academic science and industrial innovation. Professor Branstetter spent the 2003–2004 academic year on leave in Japan as an Abe Fellow. He has been a Visiting Fellow of the Research Institute of International Trade and Industry, a Visiting Researcher at the Institute of Economic Research at Hitotsubashi University, and a Research Fellow of Keio University.

Professor Branstetter's recent publications include "Do Stronger Patents Induce More Innovation? Evidence from the 1988 Japanese Patent Reforms," *Rand Journal of Economics* (with Mariko Sakakibara); "When Do Research Consortia Work Well and Why? Evidence from Japanese Panel Data," *American Economic Review* (with Mariko Sakakibara); "Trade and Foreign Direct Investment in China: A Political Economy Approach," *Journal of International Economics* (with Robert Feenstra); and "Is Foreign Direct Investment a Channel of Knowledge Spillovers: Evidence from Japan's FDI in the United States," forthcoming in the *Journal of International Economics*. In addition to his academic pursuits, Professor Branstetter has been a consultant to the U.S. Department of Commerce, the OECD Science and Technology Directorate, and the World Bank.



Gerald L. Curtis is Burgess Professor of Political Science of Columbia University and Visiting Professor at the Graduate Research Institute for Policy Studies in Tokyo. He earlier served as Director of the Weatherhead East Asian

Institute at Columbia for a total of twelve years.

His books include *Election Campaigning Japanese Style* (published in Japan as *Daigishi No Tanjo*); *The Japanese Way of Politics* (winner of the Masayoshi Ohira

Memorial Prize in 1989 and published in Japan as *Nihongata Seiji no Honshitsu*), *Nihon No Seiji O Doo Miru Ka* [Comparative Perspectives on Japanese Politics], based on the 1996 series of twelve half-hour lecture programs he produced and narrated for NHK television); *The Logic of Japanese Politics* [Nagata-cho Seiji No Koubou]; and *The U.S. and Japan in East Asia*. Professor Curtis has written extensively on policy issues regarding Japan, U.S.-Japan relations, and international relations in East Asia. He is a columnist for *Chunichi* and *Tokyo Shimbun* and appears frequently as a commentator for the mass media in the United States, Japan, and other countries. He has held appointments at the Royal Institute of International Affairs, Chatham House, London; the College de France, Paris; Keio and Tokyo Universities; and the Research Institute for Economy, Trade, and Industry in Tokyo. He has served as Senior Adviser to *Newsweek* for *Newsweek Japan* and *Newsweek Korea*; Director of the U.S.-Japan Parliamentary Exchange Program; founding member of the Advisory Board to the Center for Global Partnership of the Japan Foundation, member of the External Advisory Council to the *Asahi Shimbun*; member of the American Advisory Committee of the Japan Foundation; and Chairman of the Joint Committee on Japanese Studies, Social Science Research Council, and American Council of Learned Societies.

Professor Curtis is the recipient of the *Chunichi Shimbun* Special Achievement Award and the Masayoshi Ohira Memorial Prize for *The Japanese Way of Politics*. In 2001 he was awarded the distinguished Japan Foundation Award for his writings on Japanese politics and society and contributions to cultural exchange. The awards ceremony was held in the presence of the Crown Prince and Princess and was followed by an audience with the Emperor. In November 2004 he was awarded The Order of the Rising Sun, Gold and Silver Star, by the Emperor of Japan in recognition of his contributions to strengthening U.S.-Japan relations.

Professor Curtis is a member of the Trilateral Commission, the Council on Foreign Relations, the Board of Directors of the U.S.-Japan Foundation, and the editorial committee of *Asian Survey*. He is adviser and consultant to numerous public and private organizations in the United States and Japan.



R. Glenn Hubbard was named Dean of Columbia Business School on July 1, 2004. A Columbia faculty member since 1988, he is also the Russell L. Carson Professor of Finance and Economics. Professor Hubbard received his B.A. and

B.S. degrees summa cum laude from the University of Central Florida, where he received the National Society of Professional Engineers Award. He also holds A.M. and Ph.D. degrees in economics from Harvard University. After graduating from Harvard, Professor Hubbard began his teaching career at Northwestern University, moving to Columbia in 1988. He has been a visiting professor at Harvard's Kennedy School of Government and Harvard Business School, as well as the University of Chicago. Professor Hubbard also held the John M. Olin Fellowship at the National Bureau of Economic Research.

In addition to writing more than one hundred scholarly articles in economics and finance, Professor Hubbard is the author of two leading textbooks on money and financial markets, as well as co-author of *Healthy, Wealthy, and Wise: Five Steps to a Better Health Care System*. His commentaries appear frequently in *BusinessWeek*, *The Wall Street Journal*, *The New York Times*, *Financial Times*, *The Washington Post*, *Nikkei*, and the *Daily Yomiuri*, as well as on television (on PBS's *Nightly Business Report*) and radio (on NPR's *Marketplace*).

In government, Professor Hubbard served as Deputy Assistant Secretary for Tax Policy at the U.S. Treasury Department from 1991 to 1993. From February 2001 until March 2003, he was Chairman of the U.S. Council of Economic Advisers under President George W. Bush. In that capacity he was the official responsible for dealing with Japanese macroeconomic and monetary policy-makers. While serving as CEA Chairman, he also chaired the Economic Policy Committee of the OECD. In the corporate sector, he is currently a Director of ADP, BlackRock Financial, Duke Realty, KKR Financial Corporation, R. H. Donnelley, Inc., and Ripplewood Holdings. He continues to travel frequently to Japan.



Merit E. Janow is Professor in the Practice of International Economic Law and International Affairs at Columbia University's School of International and Public Affairs (SIPA). She is also Director of the International Economic Policy

concentration at SIPA and Co-director of Columbia's APEC Study Center, and she serves on the faculty of Columbia's Weatherhead East Asian Institute. Professor Janow teaches graduate courses in international economic and trade policy at SIPA, and international trade law and comparative and international antitrust at Columbia Law School. In December 2003 she was elected to the WTO Appellate Body for a four-year term, and for two years, ending in March 2000, she served as Executive Director of the new International Competition Policy Advisory Committee to the Attorney General and Assistant Attorney General for Antitrust at the Department of Justice, Washington D.C. This was the first such committee established by the Department of Justice to consider international antitrust matters. Before coming to Columbia, Professor Janow served as a Deputy Assistant U.S. Trade Representative for Japan and China at the Office of the U.S. Trade Representative, Executive Office of the President, in Washington, D.C. Prior to her tenure in government, she was an Associate at Skadden, Arps, Slate, Meagher & Flom, specializing in corporate mergers and acquisitions. She is the author of numerous articles on international business issues and is a frequent speaker on international trade, antitrust, and economic issues.

Professor Janow has a J.D. from Columbia Law School and a B.A. in Asian Studies from the University of Michigan–Ann Arbor. She is a member of the Council on Foreign Relations, the American Bar Association, and the American Society of International Law. Professor Janow also serves on the Board of Directors of the Nasdaq Stock Market Inc., two mutual funds of the American Funds family, and Japan Society.



Curtis J. Milhaupt is the Fuyo Professor of Law and Director of the Center for Japanese Legal Studies at Columbia Law School. His research interests include comparative corporate governance, Japanese law, and law and capital-

ism. He is the author of numerous articles on comparative corporate governance, as well as a wide range of Japanese law topics, from organized crime to deposit insurance. He has co-authored or edited five books: *Law and Capitalism* (forthcoming, University of Chicago Press); *The Japanese Legal System: Cases, Codes, and Commentary* (Foundation Press, 2006); *Economic Organizations and Corporate Governance in Japan: The Impact of Formal and Informal Rules* (Oxford University Press, 2004); *Global Markets, Domestic Institutions: Corporate Law and Governance in a New Era of Cross-Border Deals* (Columbia University Press, 2003); and *Japanese Law in Context: Readings in Society, the Economy, and Politics* (Harvard University Press, Asia Center, 2001).

Professor Milhaupt has been affiliated with a number of think-tanks and universities around the world, including the Research Institute of Economy, Trade, and Industry in Tokyo; the Bank of Japan's Institute for Monetary and Economic Studies; Tsinghua University in Beijing; and the University of Amsterdam. From 2000 to 2002 he was Project Director for a major comparative corporate governance project sponsored by the Center for International Political Economy. He served from 1997 to 2000 as a member of an international project team charged with creating an "institutional blueprint" for a unified Korean peninsula, drawing on lessons from German unification. Prior to entering academia, he practiced corporate law in the New York and Tokyo offices of a major law firm. He holds a J.D. from Columbia Law School, where he was an editor of the *Law Review*, and a B.A. with high honors in Government and International Studies from the University of Notre Dame.



Joseph E. Stiglitz is University Professor of Columbia University. A graduate of Amherst College, he received his Ph.D. from MIT in 1967, became a full professor at Yale in 1970, and in 1979 was awarded the John Bates Clark Award, given biennially by the American Economic Association to the economist under the age of forty who has made the most significant contribution to the field. He has taught at Princeton, Stanford, and MIT, and he was the Drummond Professor and a fellow of All Souls College, Oxford. In 2001 he was awarded the Nobel Prize in Economics.

He was a member of the Council of Economic Advisers from 1993 to 1995, during the Clinton administration, and served as CEA Chairman from 1995 to 1997. He then became Chief Economist and Senior Vice President of the the World Bank from 1997 to 2000.

Stiglitz helped create a new branch of economics, the “economics of information,” exploring the consequences of information asymmetries and pioneering such pivotal concepts as adverse selection and moral hazard, which have now become standard tools not only of theorists, but of policy analysts. He has made major contributions to macroeconomics and monetary theory, to development economics and trade theory, to public

and corporate finance, to the theories of industrial organization and rural organization, and to the theories of welfare economics and of income and wealth distribution. In the 1980s he helped revive interest in the economics of R&D.

His work has helped explain the circumstances in which markets do not work well, and how selective government intervention can improve their performance. Recognized around the world as a leading economic educator, he has written textbooks that have been translated into more than a dozen languages. He also founded one of the leading economics journals, *The Journal of Economic Perspectives*. His book *The Roaring Nineties* was published by W. W. Norton in 2004; another, *Globalization and Its Discontents* (W. W. Norton, 2001), has been translated into twenty-eight languages and is an international bestseller.

In June Professor Stiglitz spoke at the World Bank’s ABCDE conference in Tokyo, and in early July he gave two talks in Kyoto on the topic of the Kyoto Accords. His new book, *Making Globalization Work*, will be published in Japan in November 2006.

Hugh Patrick and **David E. Weinstein** are also members of the Center’s core faculty; their profiles are on page 43.

VISITING FELLOWS

The Center accepts a small number of visiting fellows—academics, practitioners, and government officials—from Japan who then spend a period in residence at Columbia Business School. They contribute significantly to the Columbia environment and serve as important sources of experience and information for faculty, students, and administrators.

Center fellows engage in a wide variety of activities during their stay, including auditing courses at the University and pursuing individual research projects under the direction of Business School faculty. During 2005–2006, the Center hosted the following visiting fellows:



Susumu Atsuki
Financial Services Agency of Japan
(joint fellow with Weatherhead East Asian Institute)



Kazuyuki Furuya
Ministry of Finance



Masatoshi Ito
Development Bank of Japan
(joint fellow with Weatherhead East Asian Institute)



Takumi Takeda
Meiji University



Fumiharu Mieno
Kobe University



Hiroki Tanaka
Bank of Japan
(joint fellow with Weatherhead East Asian Institute)



Hironobu Nakagawa
Aoyama Gakuin University



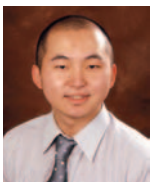
Kenji Tomita
Shizuoka University



Shinsuke Oda
Daido Life Insurance Company



Tetsuya Yonehana
Mitsubishi UFJ Trust and Banking Corporation



Masayuki Okazaki
Mitsui Sumitomo Insurance Co., Ltd.



JaiLin Zhao
Reitaku University

RESEARCH ASSOCIATES

The Center also benefits from ongoing collaboration with Japan specialists from institutions other than Columbia, principally within the United States. Research Associates are invited to communicate their research through participation in Center projects, programs and lecture events, and by contributing to the Center's Working Paper Series.

Christina Ahmadjian

Professor
Graduate School of International and Corporate Strategy
Hitotsubashi University

Masahiko Aoki

Henri and Tomoye Takahashi Professor of Japanese Studies Emeritus
Department of Economics
Stanford University

Schon Beechler

Executive Director
Corporate Education
Duke University

Jenny Corbett

Professor of Japanese Studies and Executive Director
Australia-Japan Research Centre
The Australian National University

Robert Dekle

Professor of Economics
University of Southern California

Peter Drysdale

Professor of Economics Emeritus
Asia-Pacific School of Economics and Government
The Australian National University

David Flath

Professor of Economics
North Carolina State University

Koichi Hamada

Professor of Economics
Yale University

Yasushi Hamao

Associate Professor
Marshall School of Business
University of Southern California

Masanori Hashimoto

Professor of Economics
The Ohio State University

Takeo Hoshi

*Pacific Economic Cooperation Professor of International
Economic Relations*
Graduate School of International Relations and
Pacific Studies
University of California, San Diego

Takatoshi Ito

Professor
Faculty of Economics and Graduate School of Public Policy
The University of Tokyo

Anil Kashyap

Edward Eagle Brown Professor of Economics and Finance
Graduate School of Business
University of Chicago

Takao Kato

Professor of Economics and Presidential Scholar
Colgate University

Kenneth Kuttner

Danforth-Lewis Professor of Economics
Oberlin College

Patricia Kuwayama

Vice President
JP Morgan Chase, New York

Edward Lincoln

Senior Fellow
Council on Foreign Relations

Robert Myers

Vice President
Fairfield Resources International, Inc.

Terutomo Ozawa

Professor of Economics
Colorado State University

Adam S. Posen

Senior Fellow
Institute for International Economics

William V. Rapp

Henry J. Leir Professor of International Trade and Business
New Jersey Institute of Technology

Frances McCall Rosenbluth

Professor of Political Science
Yale University

Gary Saxonhouse

Professor of Economics
University of Michigan

Ulrike Schaede

Associate Professor
Graduate School of International Relations and
Pacific Studies
University of California, San Diego

Michael Smitka

Professor of Economics
Williams School of Commerce
Washington and Lee University

Hong Tan

Lead Economist, Investment Climate Capacity
Enhancement Program
The World Bank Institute

Eleanor Westney

Professor of Management
Sloan School of Management
Massachusetts Institute of Technology

Michael Yoshino

Herman C. Krannert Professor of Business
Administration Emeritus
Harvard University

PROFESSIONAL FELLOW

A Professional Fellow appointment at the Center recognizes former government officials and business leaders who have had distinguished careers in economics-related ministries or business corporations. This position facilitates his or her ongoing involvement with CJEB and its activities.

The current appointee is **Shijuro Ogata**. Mr. Ogata served the Bank of Japan from 1950 to 1986, mostly in Tokyo but also in Osaka, London, Okayama, and New York, culminating as its Deputy Governor for International Relations. From 1986 to 1992, Mr. Ogata was Deputy Governor of the Japan Development Bank. During this period, he served in governmental councils on shipbuilding and shipping, navigation, coal mining, energy research, and education. In addition to serving as an adviser to a number of financial institutions, Mr. Ogata is active in public service as a member and former Chairman of the Asia Pacific Advisory Committee of the New York Stock Exchange, Japanese Deputy

Chairman of the Trilateral Commission, and a member of the Group of Thirty. In addition, he is currently a Nonexecutive Director of Fuji Xerox Co., Ltd., and Horiba, Ltd.; a member of the International Advisory Council of Chase Manhattan Corporation; a Swire Group adviser in Japan; an adviser to Imperial Hotel, Tokyo; and a special adviser to Barclays Asset Management Group in Japan. A graduate of The University of Tokyo and the Fletcher School of Law and Diplomacy, Mr. Ogata is a co-author of *International Financial Integration: The Policy Challenges* (Trilateral Commission, 1989) and has written numerous articles, mainly on international monetary issues.

Every academic year, Mr. Ogata visits Columbia to share his views with Columbia students and faculty. This informal lecture series, "Update on the Japanese Economy," was co-sponsored by the Weatherhead East Asian Institute on September 13.



Shijuro Ogata

INTERNATIONAL ADVISORY BOARD

The International Advisory Board provides overall guidance for the Center. Members are distinguished leaders in the fields of Japan-U.S., economic, business, and political relations.

Shinji Fukukawa

Chairman and Chief Executive Officer, Dentsu Institute for Human Studies
Former Vice-Minister, Japanese Ministry of International Trade and Industry

Robert S. Ingersoll

Former Ambassador to Japan
Former Undersecretary of State
Former Chairman, Japan Society, Inc.

Susumu Kato

President and CEO, Sumitomo Corporation of America

Yotaro Kobayashi

Chief Corporate Advisor, Fuji Xerox Co., Ltd.

Yuzaburo Mogi

Chairman and CEO, Kikkoman Corporation

Joseph G. Tompkins

President, Saga Investment Co., Inc.

Akio Utsumi

Chairman, The Mitsubishi UFJ Trust and Banking Corporation

Noboru Yamaguchi

Senior Adviser, Merrill Lynch Investment Managers Co. Ltd.

FACULTY ADVISORY BOARD FOR THE PROGRAM ON ALTERNATIVE INVESTMENTS

CJEB relies on the guidance of faculty members of the Business School to strengthen the research aspect of the Program on Alternative Investments. The current Board members are:

Franklin Edwards

Arthur F. Burns Professor of Free and Competitive Enterprise
Director, Center for the Study of Futures Markets

Larry Glosten

S. Sloan Colt Professor of Banking and International Finance
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Director, MBA Real Estate Program and Milstein Center for Real Estate

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Director, Center on Japanese Economy and Business

David E. Weinstein

Carl Sumner Shoup Professor of the Japanese Economy
Vice-Chairman, Department of Economics,
Columbia University
Associate Director for Research, Center on Japanese Economy and Business

JAPAN ECONOMIC SEMINAR

The Japan Economic Seminar (JES) was founded in 1966 by Professors James Nakamura of Columbia, Hugh Patrick (then at Yale), and Henry Rosovsky of Harvard. With membership of close to one hundred, it is an inter-university forum for faculty and advanced graduate students to discuss ongoing research in preliminary form by specialists on the Japanese economy. The Center on Japanese Economy and Business, Weatherhead East Asian Institute of Columbia University, and George Washington University cosponsor the seminars, which meet four times annually. The Center administers the seminars, and Professor Hugh Patrick serves as Secretary-Treasurer. The following papers were discussed during 2005–2006:

September 23, 2005, at Columbia University:

“Business Cycle Accounting: How Important Are Technology Shocks as a Propagation Mechanism? Some New Evidence from Japan”

Suparna Chakraborty, City University of New York

“The Role of Preconceived Ideas in Macroeconomic Policy: Japan’s Experiences in the Two Deflationary Periods”

Koichi Hamada, Yale University, and Asahi Noguchi, Senshu University

November 18, 2005, at George Washington University:

“Which Nonlinearity in the Phillips Curve? The Absence of Accelerating Deflation in Japan”

Emmanuel de Veirman, Johns Hopkins University

“Is Japan Different?”

Arthur Alexander, Georgetown University

February 17, 2006, at Columbia University:

“Electoral Institutions, Hometowns and Favored Minorities: Evidence from Japanese Electoral Reforms”
Shigeo Hirano, Columbia University

“Financial Liberalization and Japan’s Agricultural Cooperatives”

Yoshihisa Godo, Meiji Gakuin University

April 21, 2006, at George Washington University:

“Zombie Lending and Depressed Restructuring in Japan”
Anil Kashyap, University of Chicago Graduate School of Business

“Reciprocity and Network Coordination: Evidence from Japanese Banks”

Joe Peek, Gattton College of Business and Economic

U.S.-JAPAN DISCUSSION GROUP

This is organized as a series of informal meetings among a small group of invited senior American and Japanese business leaders and professionals in the New York area, together with several core faculty of CJEB. The group meets four evenings each year to consider issues in U.S.-Japan business, economic, financial, and political relations.

During the 2005–2006 academic year, the discussions were led by Hugh Patrick and Susumu Kato, President and CEO of Sumitomo Corporation of America.

MONETARY POLICY DISCUSSION GROUP

This discussion group includes specialists on the Japanese financial system, and meets five or six times annually. The participants are Hugh Patrick and David Weinstein, Tadashi Nunami, Frances Rosenbluth,

Patricia Kuwayama, Jennifer Dwyer, Richard Katz, James Harrigan, Hiroki Tanaka, Alicia Ogawa, and Mike Woodford.

OTHER COLLABORATIVE PROJECTS

The Center also collaborates with and gives support to institutions and projects outside of Columbia, including:

Japan Productivity Center for Socio-Economic Development Seminars

Each semester the Center hosts a group of visitors at Columbia Business School from the Japan Productivity Center for Socio-Economic Development (JPC). These members of JPC, middle and senior managers from Japan, attend lectures on U.S.-Japan comparative issues of corporate governance, leadership, and management. Columbia faculty members who gave lectures to the JPC group during the 2005–2006 academic year were:

Kathryn Harrigan, Henry R. Kravis Professor of
Business Leadership, Columbia Business School
Michael Feiner, Professor, Columbia Business School
Laura Resnikoff, Associate Professor,
Columbia Business School
Thomas Zweifel, Adjunct Assistant Professor,
School of International and Public Affairs

Japan Information Access Project

Based in Washington, D.C., the Japan Information Access Project is a trusted member of the U.S. policy community interested in Japan and Asia. The project specializes in introducing to Washington the best “outside the Beltway” scholarly research and analysis on critical Asia policy issues. The goal is to strengthen international understanding of Japanese and Northeast Asian science, technology, economic, and security policy. Through a range of programs and publications, the project educates its members, policymakers, and the public to use knowledge of Japan and Asia to increase national strategic competitiveness and security.

Value Added to the Columbia Community

FACULTY EXCHANGE

Hugh Patrick and Charles Wolf Jr., Senior Economic Adviser and Corporate Fellow in International Economics of the RAND Corporation, are responsible for selecting faculty from Columbia and other top-tier academic institutions to participate in the [Invitation Program for U.S. Business School Educators](#), a one-week program in Japan organized and financed by the Keizai Koho Center (KKC), an arm of Nippon Keidanren. KKC arranges a week of meetings and visits in Japan with corporate executives, scholars, government officials, and politicians, with the intent of promoting understanding of the Japanese economy, corporations, and management methods.

Led by Dr. Wolf, the annual spring trip was in Tokyo from July 10–14, 2006. The participant from Columbia Business School was Heather Haveman, Professor of Management, and the theme of the program was “Management and Innovation to Create Corporate Value.”

SUPPORTING STUDENT LIFE

The Center has a history of supporting the Business School’s student-run clubs, such as the Japan Business Association (JBA), Asian Business Association (ABA), and Black Business Student Association (BBSA). CJEB co-sponsors various programs to enhance the student experience at Columbia.

Once again CJEB co-sponsored the annual Chazen International Study Tour to Japan organized by the Jerome A. Chazen Institute of International Business and the Japan Business Association. On March 4, seventy-seven Columbia Business School students traveled to Japan for ten days to witness the country



Members of the Chazen International Study Tour to Japan, 2006

through a variety of perspectives and experiences. The trip included stays in the cities of Kyoto, Hakone, and Tokyo. The itinerary mixed tours of a cross-section of Japanese corporations including Kawashima Textile Manufacturers, Kyocera Corporation, Gekkeikan Sake Company, NTT DoCoMo, Sony, and Toyota Motor Corporation, with a number of educational and cultural excursions to places such as the Hiroshima Peace Memorial Museum and the Office for Privatization of Japan Post. The trip was also highlighted by a welcome reception in Tokyo organized by the Columbia Business School Club of Japan. CJEB has been an intellectual and financial contributor to the Chazen International Study Tour to Japan since its inception in 1989.

FELLOWSHIP AND SCHOLARSHIP PROGRAMS

The Center on Japanese Economy and Business provides selected fellowships supporting research and participation in academic programs related to Japanese economic and business fields for Columbia University students who prove outstanding academic ability and demonstrate a specific interest in Japan and the Asia-Pacific economies.

The **Sumitomo Fellowship Program** was established by the Center as part of an initial operating grant from Sumitomo Corporation of America. The program provides support to recent Ph.D.s and Ph.D. candidates specializing in some aspect of U.S.-Japan economic and business relations. Fellowship recipients typically spend a period in residence at the Center to engage in their own research and participate in Center programs.

The Center annually conducts a University-wide competition on behalf of the **Mitsubishi Trust Yamamuro Memorial Scholarship Foundation** and nominates one Columbia University student to receive tuition and living expenses for a one-year program of graduate study in Japan. The recipient for 2005–2006 was Jennifer Lillie.

LIBRARY AND DATA RESOURCES

Columbia University is home to one of the largest collections of Japanese- and English-language materials in the United States. The Center evaluates Columbia University library resources and commits funding to procure new materials on Japan and the Asia-Pacific economies.

The Center maintains a small working collection of materials on the Japanese and Asia-Pacific economies, including statistical resources, academic journals, and periodicals. It continues to develop its major computer-based databank on the Japanese economy, with emphasis on financial markets, under the direction of Professor David Weinstein. The databank is a compilation of statistical resources for faculty members and students conducting relevant research. It includes time-series and cross-section data on financial markets, institutions, and the macroeconomy from sources including Nikkei NEEDS (Nikkei Economic Electronic Databank System), an online news and data retrieval system that provides essential corporate and economic data as well as leading newspaper and journal articles on Japanese and other Asia-Pacific economies.

The Center makes available to Columbia students, faculty, and other affiliates Nikkei NEEDS Financial Quest, in English and Japanese, and Nikkei Telecom 21, which provides convenient access to most services from round-the-clock news to corporate data on all Japanese listed and OTC companies. Visit our Web site for more information.

Financial Support

Columbia University and its Business School provide basic support for the Center by covering faculty salaries and providing office space, library and administrative support, and other necessary services. At the same time, the Center relies on external sources of financial support from foundations, corporations, and individuals for its programs and activities. Income is derived from the Center's endowment, operating and project grants, and especially from the Corporate Sponsorship Program, established in 1995. Academic independence has not been an issue, since there are no restrictions attached to any of these gifts.

These funds are utilized effectively and managed prudently and indeed have been essential in the expansion and deepening of Center activities over the years. The Center's Program on Alternative Investments receives financial support from a select group of leading companies in the U.S. and Japan.

CORPORATE SPONSORSHIP PROGRAM

The Center's Corporate Sponsorship Program, established in early 1995, has been instrumental in funding expansion of its activities and guaranteeing financial support for them over the long term. The Center continues to expand the Corporate Sponsorship Program of annual contributions and welcomes inquiries.

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CJEB 1986-2006

概要 — 日本語 —

創立20周年 北米における日本のビジネスと経済に関する最高の学術研究センター

日本経済経営研究所 (CJEB --Center on Japanese Economy and Business)

1986年にヒュー・パトリック教授の指導の下でコロンビア大学ビジネススクールに設立された日本経済経営研究所 (CJEB --Center on Japanese Economy and Business) の基本的な使命は、国際情勢を背景とした日本のビジネスと経済に関する知識を増進し、理解を深めることにある。単なる研究機関としてではなく、公共部門と民間部門から著名な講師を招聘してプログラムを実施し、日本、米国、グローバル経済に関する共同研究、省察、諮問の場を生み出してきた実績でも、各界から高い評価を得ている。

こうした使命を果たす為に、多彩な研究プロジェクト、ワークショップ、シンポジウム、コンファレンス、トレーニング/カリキュラム開発プログラム、学界と産業界の人材交流、そして図書館やオンラインでの研究資料提供活動などを組織し、支援している。主な教授陣は、コロンビア大学のビジネススクール、ロースクール、経済学部、そして国際関係/公共政策大学院 (SIPA) から招かれた日本専門家で、資金は、企業スポンサー、財団、そして大学の財源から提供されている。

1. 所長および研究副所長からのご挨拶

親愛なる友人と同僚の皆様へ、

CJEB の愛称で親しまれる日本経済経営研究所は、20年前の1986年春に設立されました。設立後すぐに同研究所最初のコンファレンス「日米の今日-為替レート、マクロ経済政策及び金融市場におけるイノベーション」が開催されました。他にも重要なテーマはありましたが、特にこのテーマは昔と変わらず重要なもので、過去何度となく議論を繰り返して参りました。

設立当初の研究所の使命は、日本国内、東アジア、そしてグローバルな環境での日本経済及び経営システムといったものの理解を深め、世の中に広めていこうというもので、これはとりわけ日米関係を軸として考えていこうというものでした。CJEBは教職員ら個々人の研究の支援をし、時には日米の学者の共同研究プロジェクトを、コロンビア大学及び日本を含めた他地域において、会議、シンポジウム、セミナー、非公式討論会、奉仕活動等様々な形を通じて実施して参りました。

今日の日本の役割は、グローバルな経済システムにおける主要なそして成熟したプレーヤーとして、20年前に比べて更に重要なものになってきております。この20年間でCJEBの構成員は、当初の所長1名、プログラムオフィサー1名、非常勤の事務員1名から、今では所長1名、アソシエートディレクター3名、プログラムオフィサー6名、インターン学生数名にまで発展しました。研究所は今後もこのすばらしい構成員で、末永く知的な研究活動そして政策的議論を引続きダイナミックに進めていきたいと思っています。

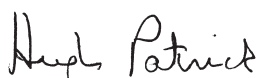
同研究所は、今春からこの創立20周年を祝し、数々のすばらしい国際プログラムを開催して参りました。特に2つの大きな国際会議：4月5日～7日にかけてコロンビア大学にて「WTO発足10周年記念カンファレンス：ガバナンス・紛争解決・途上国」、5月15日には東京にて創立20周年記念コンファレンス「日本経済の将来」を開催したことをご報告させていただきます。この国際会議及び他のプログラムの詳細については80頁をご参照下さい。

更にこの創立20周年記念と時宜を得て、コロンビア大学ライブラリーズ(Columbia University Libraries)主催の大学内電子文書管理プログラム「デジタルコモンズ(Digital Commons)」が立ち上げられました。同研究所は学内の組織で初めて DigitalCommons@Columbia に同研究所出版物全ての電子版を収めることができ光栄なことと思っております。詳細については80頁をご参照下さい。

同研究所は、マーク・メイソン博士のリーダーシップの下、4年前にオルタナティブ投資プログラムを成功裏に発足させました。同プログラムはヘッジファンド、プライベート・エクイティファンドに焦点を当て、客観的な手法、視点、分析を基に大きく発展を遂げました。このプログラムは、コロンビア大学の学生、実務家、政策立案者、そして学者の方々の為に大変貢献しています。マーク・メイソン博士は、この7月1日をもちまして、オルタナティブ投資プログラムのディレクター、そして同研究所のプログラム副所長から退任しました。研究所にとって幸いなことに、前リーマンブラザーズ・マネージングディレクター、小川アリシア氏が、オルタナティブ投資プログラムのディレクターとして就任します。アリシアの就任を心から歓迎します。

同研究所のこれまでの成功は、当然ながら主教授陣及びスタッフの献身的努力と知的な活動力、そしてコロンビア大学というリソースのお陰であり、又、特に企業、財団、個人を含めたスポンサーの方々のご支援の賜物でございます。これらのご協力に対し、この場をお借りして心から感謝の意を表したいと思えます。

同研究所の20年の軌跡については2～13頁をご覧ください(英文のみ)。更に同研究所の小史(題: The First Twenty Years, 1986-2006)を載せた同研究所ウェブサイト www.gsb.columbia.edu/cieb も併せてご参照下さい。



ヒュー・パトリック
所長



デイビッド・ワインスタイン
研究副所長

II. リサーチ&プログラム

日本経済:完全雇用と持続的成長への道筋がようやく見えてきた

ヒュー・パトリック(Hugh Patrick)著

2005年に過去10年来最高の経済パフォーマンスを記録し、2006年は成長の持続、そして、2007年はごく僅かな減速が見込まれるものの、日本経済は、冴えないパフォーマンスを継続させてきた落とし穴からようやく脱出しつつある。日本経済は、景気回復から完全雇用・持続的成長に向かってうまく推移している。2006年3月までの2005年度GDP成長率は3.2%であった。大方の一致した予想では、2006年度は少なくとも2.5%で成長することがほぼ確実視され、その後2007年度は2%強まで僅かながら減速すると見られている。

定評のある日本銀行企業短期経済観測調査(短観)の四半期調査では、4-6月期の企業による期待感の高さが、景気に対する楽観的見方が広く日本に浸透してきたことを裏付けている。これらの経済情勢の改善を受けて、日銀は7月14日に5年間に渡ったゼロ金利政策を解除し、日銀の金融政策を大きく転換した。

私は日本経済に対して、ここ15年来で最も明るい見通しを持っている。それでも、懸念は付きまとう。日本経済は依然として完全雇用成長には復帰しておらず、デフレも完全に終息していない。相当規模の顕在的及び潜在的余剰労働力(employment slack)は残存し、それに、2006年4-6月期の成長率が年率0.8%と驚く程低かったことが水を差している。ただし、同数値は見掛けよりも悪い数字ではない。私は、2007年、そして、恐らくそれ以降も、内需関連の課題が依然として日本を支配すると考える。

直近の不確実性は通常に増して大きい。2006年夏の当面の大きな不確定要素は政治的なものである。安倍晋三が9月20日に小泉純一郎に代わり自民党総裁に就き、首相に選出されるのはほぼ確実であるが、新政権の経済政策がいかなるものになるのか、またいかに実行されることになるのかは定かではない。

国際関連の主な懸念材料には、今後の石油価格の動き、世界経済の成長鈍化(特に米国)、世界的インフレ圧力の兆し、巨額かつ拡大する米国貿易収支・経常収支赤字と中国の黒字を中心にした世界貿易の不均衡、そして、以上の事態が円・ドル為替レートに与える影響が含まれる。異なる種類の懸念材料としては、現時点での経済的成功が、官民の意思決定者たちに自己満足を生ぜしめ、依然必要であるはずの官と民間部門の改革が十分には実行されなくなることである。

私は、以上の懸念材料にも関わらず、日本は必ずや、今後2-3年の間に持続的な完全雇用成長を実現するものと期待している。

以下、日本の近年の経済パフォーマンスについて、すなわち、近い将来の展望、マクロ経済政策のうちの金融財政政策に特に焦点を当てた政府の経済政策、所得不平等の拡大、金融部門、企業経営とコーポレート・ガバナンス、グローバル経済の中の日本、そして、経済の成熟と人口減少が長期的に及ぼす影響について、意見を述べ、最後に、簡単な結びのコメントをもって本稿を終える。

1. 近年の経済パフォーマンス

30年間、日本は国内民間総需要不足という構造的問題を抱えてきた。マクロ経済の観点から見れば、日本の高い民間貯蓄率が高い民間企業投資率を著しく上回っていたことになるが、そのギャップがあまりに大きかった為に輸出超過と経常収支黒字によって吸収されなかったことになる。この問題は過去15年に渡り悪化し、深刻な景気後退を避けるべく、政府に巨額の財政赤字支出を余儀なくさせてきた。しかしながら、民間部門の貯蓄・投資ギャップは大幅に縮小しており、以前程の問題にはなりにくい。粗家計貯蓄率は、1991年には対 GDP で15%程度、1998年には11.6%を占めていたが、2004年には6.0%まで低下し、2005年には更に低下した。これは主として、高齢化の進展と消費水準を切り詰めたくないとの広範な欲求の為であった。企業の貯蓄率は高まっているが、バランスシートの健全さが回復した今では、企業は負債の圧縮よりも投資拡大に備えている。

2005年度の優れた成長は、消費支出、企業投資、及び輸出に牽引されたものだった。消費は、1996年以降のどの年よりも著しく良好であり、2.4%増加し、内需の伸びの半分を提供した。民間設備投資は7.5%増加し、内需の伸びの5分の2を提供した。輸出は9.2%増加したが、輸入が実質値で6.8%増、名目値では更に増加した為、ネットで見た外需は、実質 GDP 成長の6分の1しか寄与していない。公的需要は、数年間の抑制の後、2005年度に一時的に若干上昇し、同年度の GDP 成長率3.2%のうち0.2%を占めるに至った。これは主として、それまで数年間の公共投資削減が実質的に鈍化した為であった。

経済指標の多くは、月間ベースでは不安定で幾分信頼に欠けるが、四半期ベースで見ると、日本経済の回復が力強く、広範に渡ってきたこと、そして、引き続き拡大基調に向かっていることを示している。2006年の経済は、順調な成長を維持して、年率2.7%(季節調整済み)で始まった。景気指標に翳りが見えたことから、景気は4-6月期には1.8%まで多少減速するというのが専門家の一致した見解であったが、内閣府が8月11日に発表した4-6月期 GDP 速報値は、期待外れの0.8%でしかなかった。景気の軟調局面(a soft patch)に再び足を踏み入れている可能性もあるが、朗報は内需(個人消費と企業投資)が引き続き順調で、2.9%伸びていたことである。更に、同期の減速は主として在庫と政府支出の減少によるものであって、それは、実の所、悪いニュースではない。夏の間、殆どの指標はかなり良好であり続けており、成長の勢いは恐らく維持されていくであろう。

重要な点を指摘しよう。2005年には地価が全国平均で0.9%上昇し、1992年以来初の上昇を記録した。幾つかの県では依然として地価が下がっているが、下落率は縮小しており、東京を始めとする主要都市の地価は上昇を続けている。銀行貸出残高はプラスに転じ、7月には顕著な伸びを見せた。鉱工業生産指数は、輸出や特に機械受注が好調であることを受けて、上昇を続け、サービスも順調な伸びを示している。

民間部門は、今まで以上に、日本経済の重要な牽引力となっている。企業部門は復活を果たした。リストラの成功は企業のコストを低下させ、労働生産性は上昇し、単位労働コストは低下し続けた。しかも、製品価格を引き上げることなく、2005年に、大企業は実に12.5%、中小企業は10.4%の増益を記録した。

労働市場は、依然として十分とは言えないものの、改善傾向にある。失業率は、6月には4.2%であったが、緩やかな低下を続けている。雇用の質も好転してきた。常用労働者数が増加に転じ、パートタイム労働者と契約労働者の比率が、依然として高過ぎるものの、雇用者数の約3分の1に収まってきた。しかしながら、2005年の雇用者報酬の伸び率は、正社員・正職員数0.5%増、収入0.7%増として求めるとすると、1.3%増に過ぎず、依然として顕著な伸びを見せていない。この現実、顕在的及び潜在的余剰労働力が根強く残っていることの証明になる。大企業約800社を対象に調査した2006年の夏季賞与・一時金は2.06%増であり、過去3年の実績を下回った。

2. 近い将来の展望

6月の日銀短観が示したのは、全体的には、経済がかなり力強く拡大し続けていること、そして、企業による設備投資計画の上方修正が成長の継続を示唆していることである。勿論、全てのニュースが肯定的という訳ではなく、第2四半期のGDP成長率はとりわけ期待外れであった。依然として否定的要因であり続けているのは、コアCPIが2005年11月以降、僅かながらも上昇してきたものの、未だにデフレが完全には終息していないことである。

8月16日現在、日系シンクタンクの大方向の予想では、実質GDPは2006年度に2.5%、2007年度に2.2%成長すると見込まれている。海外諸機関の予測は日系シンクタンクよりも、僅かだが、より明るい見通しを示している。長期的な潜在成長率の推定値が1.5~2%であることを考えれば、いずれも朗報である。日本政府、日銀、IMF、及びOECDの予測はより慎重な傾向にあるが、それにも関わらず、悪い数字は示していない。成長率を左右するのは、需要サイドでは、民間設備投資と輸出とともに、消費がいかに急速に伸びていくかという点であり、供給サイドでは、経済における緩み(slack)の度合い、特に顕在的及び潜在的余剰労働力と、それに関連した産出ギャップの規模である。

2.1 顕在的及び潜在的余剰労働力(labor slack)

2006年春時点において、日本の労働力人口は6,725万人に上り、このうち6,424万人が就労者である。顕在的及び潜在的余剰労働力は依然として相当規模である。雇用者数5,000万人(法人役員を除く)のうち、1,660万人(33.2%)が正社員・正職員ではない。この中には、780万人のパートタイム労働者(うち700万人が女性)、340万人の臨時雇用者、及び540万人の契約・派遣労働者が含まれている。2000年以来、常用雇用者が5%減少した一方で、パートタイムやその他労働者は25%増加している。

顕在的及び潜在的余剰労働力には、求職中の失業者、労働力から不本意ながら退出した者、正社員・正職員としての常勤職を望んでいる多数のパートタイム労働者、早期退職を不本意ながら受入れた者の多く、及び少なくともパートタイムでの雇用を希望する高齢者が含まれる。自ら選択してパートタイムで働いている人々(大部分は既婚女性たち)と満足する行く常勤職を得られない人々(特に臨時雇用者)とを区別することは重要である。

過去15年に渡って日本が期待外れの経済成長を続けてきたことの最も大きな代償の一部は、日本の若者が背負ってきた。彼らは、失業中である確率が不釣り合いに高かったり、パートタイム職での不完全雇用状態に置かれたりしてきた。彼らは適切な職場内教育を受けていない。積極的な職探しを諦めてしまった者や、労働市場から脱落していった者も多い。意図的に代替的ライフ・スタイルを選択してきた者もいるが、大半は自らに合った職場での常勤職を探している。フリーター(freeters:パート・タイムないし臨時雇用者)、ニート(NEET:Not in Education, Employment, or Training、就学、就労、職業訓練の何れもしていない者)といった新語が生み出されてきた。2005年時点で、15~34歳人口のうち、213万2,000人が失業者(約64万人のニートを含む)、201万人がフリーターであるが、彼らは高校中退者である場合が不釣り合いに多い。ニートの大半は裕福な家庭の出身ではなく、学歴が低い。

労働需要を生み出す持続的経済成長こそ、その解決策になる。より好条件の雇用機会に若者がいかに反応するかは定かでないが、私は、この潜在的労働供給が、少なくともあと2年間の急成長を維持するうえでの主たる源泉と考えている。しかしながら、フリーター及びニートの60%程度は25歳以上であることから、彼らが正社員・正職員としての常勤職に就くうえでは、硬直的な採用基準が一つの障害になっている。労働市場がかなり逼迫するまで、彼らが吸収されることは恐らくないであろう。

65歳以上の日本人の約19.4%が就業している。この割合は、過去15年に渡り低下してきたが、他の諸国より高い。正社員・正職員としての常勤職から退職する多数のベビーブーム世代が雇用の継続を求めよう。高齢者の労働力予備軍がどのくらいの規模になるかは不明である。

日本の伝統である大企業の終身雇用制度は、消失してはいないものの、以前よりもその対象が絞られてきた。多くの企業は次のような職階制を課している。終身雇用の対象である正社員の常勤雇用者（コア）、本質的には終身雇用の対象であるはずのパートタイム労働者（殆どが女性）、契約社員（1年程度）、他企業からの一時的派遣労働者、通常のパートタイム労働者、一時的なパートタイム労働者（しばしば特定のプロジェクトに関わる）、及び臨時の日雇い労働者である。これらの分類の殆どは、主としてブルーカラーや事務職が対象になる。管理職への道が開かれている(management-track)正社員が、コアの主要メンバーである。過去15年間の軟調な労働市場が、より低賃金の職階に向かって、企業がより柔軟に移行することを可能にしてきたのである。

常用雇用が増加し、失業とパートタイム雇用が大幅に低下するという明るい見通しを裏付ける根拠がある。これは、今後2年間に GDP が2%を上回る速度で成長し、戦後まもなく生まれたベビーブーム世代の定年退職の波が2007年から押し寄せるからである。顕在的及び潜在的余剰労働力が消失するにつれ、労働市場は逼迫し、最終的には賃金が上昇せざるを得なくなる。雇用改善と賃金上昇の結果、持続的成長の為に必須要素である家計消費の増加がもたらされることになる。重要なのは、これら一連の過程がどれだけ迅速かつ力強く生じるかである。

2.2 産出ギャップ

経済政策における二つの主要目標は、完全雇用下での潜在的成長と物価安定の双方を同時に達成、維持することである。いかなる予測においても、産出ギャップの規模 - 経済における緩みの大きさ - が成長率を推測するうえでの重要な要素となる。現実の産出高(GDP)と資源の完全雇用と物価安定という条件下での潜在的産出高とのギャップを測定することは、概念的には明快かもしれないが、特に、産出の大半を財よりもサービスが構成する先進国経済では、実証面で難しい。日本の場合がそうであるように、緩やかなデフレと潜在成長率を下回る成長とを長期に渡って併せて経験しているような経済の場合には、この実証面での難しさは悪化してしまう。産出ギャップの規模は、経済における緩みの大きさとともに、将来の雇用、稼働率、そして労働生産性の伸びに左右される。

私は、日本政府及び日銀の示している産出ギャップの推定値は過小であり、経済における緩みは依然として相当なものであるとの見解に与している。原因の一部は、長期潜在成長率の推定値に関係しているが、その値は余りにも慎重過ぎる。更に、今や GDP の4分の3を超えるサービス部門の生産能力(そして、まさに産出高)の測定が難しいことにも関係している。順調な成長を遂げたとしても、物価が上がらず、賃金の上昇が僅かで、失業と不完全雇用が残存する限り、緩みは存続しよう。産出ギャップ推定値を直接求めるよりも、これら指標の改善の方が、経済がいつ正常に戻るかを教えてくれよう。

その他の不確実性としては、公的及び民間部門の改革とリストラの単なる成果としてではなく、より基本的なこととして、技術進歩の成果として、労働生産性がどの程度伸びていくかということがある。日本は、労働と資本の配分・活用を通じて効率性向上を目指すのみならず、技術変化とその普及を通じて生産性成長率を高める潜在力を有している。全要素生産性(TFP)の伸びは、1980~1990年の1.25%を大きく下回り、1995~2003年の間には0.45%まで鈍化してしまった。これは、情報技術(IT)産業向けの資本投資が進み、同産業の産出高と TFP が伸びていたにも関わらず生じたことである。つまり、非 IT 部門への IT の普及が遅れたのである。ただし、このことは、日本に労働生産性と TFP を伸ばす機会を今後提供することになる。

2.3 デフレーション

実質的な経済パフォーマンスは恐らく順調に推移し続けようが、2006年夏に日本で議論されているのは、デフレが最終的に終息したかどうかである。明らかに、多くはデフレをどう定義するか依存する。2000年の価格を基準としたコア CPI は2005年11月以降、ごく僅かなプラス値ながらも上昇し続

け、2006年の最初の4ヵ月間に年率0.5%上昇した後、6月には0.6%上昇した。このことは、ゼロ金利政策を解除することが適切かつ望ましい、と日銀を説得するのに十分であった。

8月25日に改定値が発表された2005年価格を基準値とした CPI も、景気に水を差すものとなった。コア CPI の下方修正幅は、7月が0.4%、1-7月期が0.5%であり、予想を相当上回った。その結果、7月のコア CPI は0.2%増にとどまり、2000年を基準年とした CPI が2005年11月にはプラスに転じていたのと異なって、新たな基準年の下では、コア CPI がプラスに転じたのは基本的には2006年6月となった。このことは、コア CPI の2006年、2007年予測値を確実に下方修正させよう。

私は、デフレが依然として終息していないこと、そして物価の安定がはかなく終わることの双方を憂慮している。デフレの危険性はインフレに勝り、その代償は不釣り合いに大きなものである。日本国債が依然として低利回りのままであることで示されるように、金融市場も明らかに同様の見解を持っている。8月25日時点で、10年物国債の利回りは1.80%、20年物国債は2.20%、また30年物国債は2.43%であった。これらが示唆しているのは、日銀が物価の安定と見なす下限界のゼロに近い CPI で、物価の安定が続くとの予想である。

3. 政府の経済政策

本稿が出版されるまでには、安倍晋三がほぼ確実に次期首相に就任しているだろう。安倍と自民党が、山積する経済政策上の諸問題にいかに対処していくかは主たる不確定要素である。新首相と同政権がどの程度、そしていかに強力で規制緩和と民営化という小泉改革の課題を固執し実行していくことになるのか。依然として必要な改革に対する国会での政治的支援はどのような形になるのか。自らの権力を弱体化することになる諸改革に反対している、依然強力な中央省庁での官僚主義はどうなっていくのか。自民党支配が危険に晒される2007年夏の参議院選挙までに、政策課題はどのように形成されていくのか。

新政権は幾つかの主要経済問題に直面する。財政赤字の削減は、引き続き優先事項となる。農業部門の改革は、日本が対外貿易面でいかなる効果的なイニシアティブを発揮するうえでも、必須事項である。このことに関連して、適度かつ適切な内容の地方分権化、とりわけ地方自治体を財政的にいかに支援するかというのが、厄介な問題になる。外交政策では、中国、韓国、及び北朝鮮との間で深刻化している政治的難題が存在する。

日本政府は、保護主義的規制の削減と合わせて、市場の透明性、効率性、そして競争力を高める為に、慎重かつ市場重視型の規制を適切に施行してきた。しかしながら、農業分野を除外したとしても、日本が規制緩和・自由化を進める余地は依然として大きい。

来年は経済的には良好であろうが、政治的には不安定になろう。小泉首相の自由市場政策に対し顕在する政治的反発と官僚の反発とを考慮すると、恐らく、政府の経済改革プログラムは相当減速すると思われる。

3.1 財政政策

依然として巨額である財政赤字を削減し、財政均衡を取り戻すことは、引き続き最優先課題となる。重要な問題は、財政赤字をどれだけ迅速に削減するのか、歳出削減と税収増との組み合わせをどうするのか、どの税をどれだけ引き上げるのかである。小泉の2007~2011年度経済財政政策の総合的指針は7月に完成し、閣議決定されている。

経済危機や深刻な景気後退に陥るのを防ぐ為に、十分な総需要を維持する為の財政的刺激が1990年代には不可欠であった。しかし、政府財政赤字は巨額になり、政府債務は膨らんだ。2002年に

景気が回復し始めると、政府は、年間に GDP の0.5%程度の財政赤字を削減しようと、適度に抑制された財政緊縮政策を推進することが可能になってきた。2002年には GDP の8%を占めていた中央政府と地方政府とを合わせた財政赤字は、2005年には6.0%まで低下し、2006年には5.2%となると予想されている。経済が順調な回復基調にある現在、歳入が政府の慎重な予測を上回って伸びている為、2006年度の財政赤字は実際には更に縮小するかもしれない。

自民党は、歳出削減と消費税の増税のうちのどちらを優先すべきかを激しく議論している。これは次期首相の大きな問題になる。小泉の財政政策というのは、当初は歳出の伸びを抑制すること、そして現在は2006年度予算が示すように、歳出削減を優先してきた。歳出増の抑制と2004年以降の歳入増の組合せにより、財政赤字は、GDP 比と同様に、絶対額でも減少してきた。順調な成長の影響により、歳入は大幅に増加し続けている。政府は1999年に始めた所得税減税を終了させ、賃金に対する社会保障費負担を毎年少額ずつ(ただし累積的には大きく)引き上げ始める他、国民健康保険制度に対する利用者負担も増やそうとしているところである。

7月21日、2007年度予算の概算要求基準(シーリング)が発表された。中央政府の一般会計歳出は46兆8,000億円と、9年振りに47兆円を下回った。歳出削減は以前のように一律ではなく、1%から3%削減と幅を持たせている。公共事業及び政府開発援助(ODA)が3%の削減、防衛費が1%の削減となっている。

小泉の5年間の目標は、2011年度までに基礎的財政収支(プライマリー・バランス)を均衡に戻すこと、すなわち、政府の純債務に対する利払い費などを除いた財政赤字をゼロにすることを意味する。基礎的財政収支の赤字は、2002年には GDP 比5.7%であったが、2006年度末には2.8%になると予想されている。長期的目標は、2015年までに政府予算の均衡、更には黒字化さえ達成できる程に、基礎的財政収支を黒字にすることである。以上の見通しは、とりわけ、潜在成長率を維持するのに十分な民間総需要が存在することなど、重要な仮定を拠り所としている。

2011年までに基礎的財政収支の均衡を達成するには、政府は5年間で予想される16兆5,000億円の歳入不足を克服しなければならない。7月の閣議では、そのうちの大半(69%から86%)を歳出削減によって、残りを増税によって埋め合わせるように求める基本方針を採択した。こうした見通しは、名目 GDP 成長率を平均3%、実質成長率を2.2%とする仮定に基づいている。そして、経済改革と全要素生産性(TFP)の増加、そして残存する緩みの吸収により、同成長が生み出されるという期待が内在している。

目標とされる歳出削減が完全に達成されることは、ありそうにない。2007年夏の参議院選挙に絡んで、自民党には、地方での公共事業計画の大幅削減を食い止め、地方自治体への交付金増加を求める大きな圧力が加わっている。長期的には、高齢化が進むにつれ、公的年金の支払が増加する。また重要なこととして、予定されている在沖繩米軍移転費用の日本側負担は相当額だが、予算案には含まれていない。長期的に見た財政波乱要因は国家安全保障である。北朝鮮のミサイルの脅威やその他の安全保障上の懸念が防衛関係費の増加をもたらすことになるだろうか。

歳出削減と歳入増加によって、現在進んでいる税制をめぐる論争は大きく変質してきた。主な争点は、現在5%の消費税である。消費税の1%引き上げは、GDP の約0.5%分の歳入増加(そして総需要の低下)につながる。2005年での争点は、消費税を5%上げるのか、10%上げるのか、そして、同増税を2007年度に開始すべきかどうか、といったものであった。現時点では、消費税は2008年以前に引き上げられることはなく、2009年になるのかもしれない。そして、問題は、長期的引き上げ幅を1~2%にするべきか、それとも5%にするべきかである。時期尚早の財政引締めをもたらすリスクは現在、以前より相当低くなっている。私は、政府が数ポイント消費税を引き上げる必要があると見ている。いつ、どのくらいかは、実質・名目経済成長、社会福祉制度、そして国家安全保障支出によって左右される。

3. 2 金融政策

日本銀行は3月、極端な金融緩和策から依然相当程度の緩和策へと移行することにより、マクロ経済政策を劇的に変更させた。日銀はその結果、正常な金融政策を復活させるのに不可欠となる3段階から成る段階的政策プロセスに着手した。すなわち、過剰流動性の回収による量的緩和政策の解除、ゼロ金利政策の解除、そして物価安定と整合的な持続的完全雇用成長が達成された時点で、金利を中立水準まで徐々に引き上げていく、というプロセスである。最初の2段階の措置は講じられてきた。現在、主たる政策的問題は、今後1、2年間にかけて、日銀がどのくらいの頻度で、かつ、どこまで金利を上げるかである。

日銀は、透明性と機動性とを具体化した新たな金融政策の枠組みも採用した。この枠組みを通じて分かることは、CPI 上昇率が0%~2%の範囲に収まることをもって、同政策委員会が中・長期的な物価安定と「理解」していることである。これは期待物価の大きな振幅を抑制するもの(an anchor)になる。

新たな枠組みはまた、従来よりも経済の先行きに目を向けている。つまり、実際には過去を振り返ることになる現実のデータよりも、CPI や経済パフォーマンスの動向の期待値に、政策がより依存することになる。先行きを重視するアプローチの抱える潜在的な危険性は、過去の低い経済成長や緩やかなデフレのもたらす後遺症を無視することかもしれない。福井俊彦総裁は今日まで実に見事に対処してきたが、日銀の効果的コミュニケーションというものが、この新しい枠組みを履行するうえで一層重要になる。

日銀は、量的緩和政策によって生み出された24兆円の超過準備の殆どを金融システムから回収することに成功した。このことは、短期金利の変更、すなわち日銀の主たる政策手段を復活させる以前の段階で必要であった。全体としては、量的緩和の解除は、保有する短期国債を日銀が単に放出することによって、かなり円滑に成し遂げられた。超過準備の削減だけでは、ゼロ金利政策の解除には十分ではなかった。その為には、経済の諸条件とCPIの双方が十分に改善されていなければならなかったし、引き続き改善していくと予想されていなければならなかった。

7月14日、日銀は、大方の予想どおり、ゼロ金利政策を解除した。無担保コール翌日物金利を事実上ゼロから0.25%へと引き上げ、銀行が日銀から容易に資金を借り入れることができる公定歩合(「ロンバード金利」)を0.1%から0.4%へと引き上げた。日銀は更に、「極めて低い金利水準による緩和的な金融環境が当面維持される可能性が高い」と表明した。ゼロ金利政策の解除と金利政策の柔軟性回復とは、期待に影響を与える重要なシグナルであった。勿論、金利引き上げが借り手、貸し手、及び預金者に与えた直接的影響は僅かである。

マクロ経済面で最適な成果を得るには、財政金融政策が連動されねばならない。今後10年ないしそれ以上の間、財政政策は、財政建て直しに引き続き焦点を当てていかねばならない。このことは、総需要に対する緩やかな財政障害(fiscal drag)が存在し続けることを意味する。財政政策は、予算編成方針を通じて実行されている。それは、すなわち、歳出削減と増税との組み合わせをどうするかは、本質的には、国会での決定を含む政治的プロセスを通じて行われるということである。日銀は、財政引締策を与件として受入れ、物価安定と整合する適切な総需要水準を維持していく為に、金融政策を調整していかねばならない。今後は、相対的に緊縮的な財政政策と相対的に緩和基調の金融政策とが組み合わされていこう。

日銀の主たる政策目標は、他の中央銀行と同様、物価の安定である。物価安定の定義というのは、その測定と同様に重要である。物価の安定とは、特定の物価指数上の特定の数値(あるいは幾つかの異なる物価指数の加重平均値)を指すわけではなく、一定の範囲(range)によって示される。不完全なデータ、将来に対する不完全な知識、そして不可避免的に訪れる無作為の経済的ショックを考慮すれば、物価安定を範囲によって定義するのが適切である。他の先進諸国と同様に、日銀は基本的には消費者物価によって物価の安定を測定している。日銀は、物価安定を測る第一義的尺度としては、生鮮

食品を除くコア消費者物価指数(CPI)を用いてきた。米国やその他多数の諸国と異なって、日銀は、供給ショックが物価の変動を引き起こしているにも関わらず、エネルギーを除外していない。

日銀政策委員会は、コア CPI が0%~2%の範囲で上昇する状態を物価安定と定義しており、1%~3%を暗黙の範囲としている米連邦準備制度理事会や欧州中央銀行よりも物価安定基準を低く設定している。この違いは明らかに、CPI 測定における上方バイアスの程度や下限に必要とされるクッションとしての許容範囲についての考え方の違いによる。CPI は、幾つかの品目に対して質的調整を試みた物価指数を使用するといった改善にも関わらず、技術の牽引する品質改善、企業の値引き行為、及びデータのラグに十分に対応できていないことが、一般に認められている。加えて、測定上避けられない誤差についてのみならず、物価指数を求める最善の公式をめぐっての技術的な論争もある。一般的な見解では、米国の CPI には、年に最高1%の上方バイアスが生じている。米連邦準備理事会による物価安定の暗黙の下限は、同理事会が用いているコア個人消費支出値の上昇率1%としている。私の推測では、日本のコア CPI は、8月25日の修正後も、約0.5%の上方バイアスを持っている。

以上の点から、日本の消費者物価指数には大きなバイアスは存在しないと日銀の3月の声明には、驚いてしまった。同声明は、日銀の柔軟性とマクロ経済政策の効果を鑑みて、CPI の下限には、物価下落リスクに対する許容範囲は不要という日銀の断言でもある。計測の不確実性や無作為のショックを考慮すれば、日銀が政策指針の下限を0%と定めるのは危険である。私は、日銀が、他国の中央銀行により近い、1%~3%の CPI 上昇を物価安定の尺度として採用することを願っている。

日銀の金融政策の枠組みは過渡期にある。私は、関連する概念上の諸課題が更に分析され、新たな実証的証拠が利用できるようになるにつれ、同枠組みが進化すると見ている。日銀は、経済の構造変化を踏まえて、物価の安定についての理解を毎年見直していくと表明してきた。私は、日銀が近い将来、明示的なインフレ・ターゲットを採用するとは考えていないが、将来のある時点で、自らの「理解」する物価安定を1%~3%の範囲(2%を望ましい中心値)へと移すと予想している。

その他の物価尺度も問題とされている。最も重要なのは、全ての生産に関わって物価が上昇しているか下落しているかを測定する GDP デフレーターである。GDP デフレーターは毎年低下しており、現在は1997年の水準を10%下回っている。すなわち、名目 GDP が実質 GDP を下回ってきたのである。来年には GDP デフレーターは下げ止まり、プラスに転じるとの予測もある。

現在、最も重要な金融政策の課題は、今後の利上げの行方である。日銀は、物価動向を含む経済状況の進展に応じて、現実的かつ柔軟に対応していくと強調してきた。同様に、財政政策、その他経済政策の行方にも左右される。

日銀がどの時期に、どの位急いで、どの位漸進的に金利を引き上げていくかについては、タカ派とハト派の識者間で激しい論争が続いている。論争が起こるのは、日銀のこれまでの行動のみならず、声明についての解釈に開きがあるからである。どう見ても、今後の利上げの行方は、経済の動向や、デフレが実際に終息しているのかといった、日銀よりも政府がより慎重になっている多くの点に依存している。日銀は、明らかに、本格的なデフレの再燃(コア CPI が数ヶ月に渡ってマイナスで推移する状況として恐らく規定される)を予想していない。

私は、既に進行中である上記3段階から成る金融引き締め措置を実行することは、金融引き締めというより、これまで続けてきた尋常ならざる金融緩和政策の緩和度を引き下げたものだと考えている。日銀の今後の政策に関しては、持続的な完全雇用成長と確かな物価安定が達成されるまでは、時期尚早な引き締めはせずに、この路線を継続すべきである。最近改定値が発表された CPI が示唆しているのは、日銀は直ちに金利を引き上げるべきでないということである。

4. 所得不平等の拡大

1980年代までは、繁栄と民族の単一性から、日本人は皆、実質的に中流であるといった認識が広範に広がっていた。しかしながら、その後生じた経済・社会の根本を揺るがす変質が、失業その他の貧弱な経済パフォーマンスからの悪影響とあいまって、所得分配における不平等の拡大に注目させ、ライフスタイルの違いに対する認識を喚起させ、そして、新たに明確化している富裕層と貧困層の間の不公平感を導いてきた。自由市場改革の反対者たちは小泉政策の責任であると強烈に批判している。この点は間違いなく単純視し過ぎているし、立証するのは殆ど不可能である。しかしながら、これまでのところ、政府が拡大する不平等への対抗措置を殆ど講じてこなかったことも事実である。

政府は2006年夏刊行の『経済財政白書』の中で所得分配の問題に言及している。所得の不平等度を測定する標準的尺度の一つであるジニ係数は、1987年に当時の厚生省（現、厚生労働省）が初めて公式に計測して以来、僅かながら上昇を続けている。世帯規模の縮小を調整した後の同係数は、1989年から2004年の間に、0.012だけ緩やかに上昇した。1992年から2002年の間は、労働所得の不平等が各年齢層でいずれも拡大した。どの国でも同じであるが、日本でも富裕層の所得を推定することは非常に難しいし、その他、データに関わる困難やデータを入手するまでの実質的なラグが存在する。

OECD の調査は、直近の利用可能な2000年のデータを基にして、日本の所得不平等の拡大を報告するとともに、他の先進工業諸国との比較を取り上げている。OECD 諸国のジニ係数の単純平均値は0.306である。日本は0.314で、日本の他には5カ国が平均値近辺に位置している。米国は0.357と、所得不平等が最大の国で、最も平等な所得分配国はデンマーク(0.225)である。

OECD の調査に拠ると、日本のジニ係数は1980年代半ばから1990年代半ばにかけて0.017上昇し、2000年までの5年間には、更に0.019上昇している。日本の生産年齢人口のうち所得上位20%は可処分所得の37.5%（1995年以来1.3%の増加）を受領し、下位20%は同6.7%（0.7%減）を受領している。

所得の不平等の拡大させている二つ主たる原因は、軟調な労働市場と人口統計上の変化である。パートタイムや契約労働者の賃金は正社員・正職員としての常用労働者を大幅に下回っているうえに、雇用者全体に占める前者の割合がかなり増加してきた。日本では、他の諸国とは違って、失業者は貧困層の約10%を占めるに過ぎない。

OECD 調査では、日本の高齢者世帯の可処分所得は2000年平均の89.9%と推計しているが、高齢者世帯のジニ係数は相当に高く、人口に占める高齢者の割合は増加中である。66歳以上の日本人が2000年の総人口に占める割合は21.1%で、5年間で5.1%増加している。日本の社会福祉関係支出の約70%は高齢者向けであり、約4%が出産・育児向けである。高齢者は自らの金融資産を圧倒的に預貯金の形態で保有しているが、このことは、彼らの利息収入が長年に渡り実質的にゼロであったことを意味している。

均衡予算への復帰を進めながら、定年退職者への年金給付と拡大する国民医療費の財源を確保することが、大きな課題になっている。しかしながら、これらの問題は政治指導者や官僚のみならず、一般の日本国民にも広く理解されている為、日本が直面している幾つかの他の課題よりも容易に解決されよう。根本的な課題は、日本はどのような福祉制度を望んでいるのか、社会福祉関係の支出をどのくらいの規模にするべきなのか、また、その結果として、GDP 比でどれだけ税金を徴収しなければならないのかを、決定することであろう。

5. 金融

銀行は、資金の借り手と貯蓄者双方にとって、日本の金融制度の中核であり続ける。従って、銀行の業績というのは、銀行自身としても、より広範な経済の指標としても重要である。6大銀行グループの純利益は、2006年3月までの1年間に、3兆1,000万円(270億ドル)を記録するまで急増した。しかしながら、同数字は、こうした銀行の基本的な体力を誇張している。これらの銀行は繰り延べ税金資産(欠損金繰り越し)を資産計上している為、法人税を全く支払っていないからである。更に、報告された利益の約10分の1は、過去に積み立てていた貸し倒れ引当金が利益として繰り戻された分である。

以上のことは、ほぼ全ての銀行の不良債権問題が昨年までに解消したがゆえに可能になった。不良債権は、これら大手銀行の貸出総額のうち1.8%でしかなかった。一方で、地方銀行の貸出総額に占める不良債権は平均で4.5%だが、銀行間の開きが大きく、ことによると、1ダース余りの小規模銀行の同比率は危険なまでに高いかもしれない。大手銀行は現在、銀行危機の間に投入された公的資本の返済に利益を充てている。

しかしながら、大手銀行の収益性は依然として低く、2005年の税引き前総資産利益率は0.84%と、幾つかの欧州大陸諸国の大手銀行とは同等であるが、米国大手銀行の2.06%にははるかに及ばない。最大の理由は、貸付に対する金利スプレッドが依然小さ過ぎる為であり、信用リスクを適切に取り込んでいない。日本の大手15銀行のスプレッドが1.07%であったのに対して、米国12銀行の場合は2.65%であった。日本の銀行はまた、相対的に自己資本比率が低く、国際的競争力を欠いている。海外向け融資の大半は、それぞれの銀行の得意先である日系多国籍企業の海外事業への融資である。更に、殆どの銀行のITや金融テクノロジーは未だに最先端のものではない。

株式市場は2003年4月の底値から2005年にかけて著しい活況を呈したが、その後、2006年春夏にかけて、日経平均は、4月7日に付けた17,563円という高値から、反騰し始める前の6月13日の底値を付けるまで、19%下落した。2005年の株価上昇により、株価収益率が国際比較でも高まったが、法人利益の成長率は今年にかけて若干鈍化し、8%程度になると予想されている。経済の見通しがますます不確実になっていることに応じて、国際金融市場が質の重視に向かっていることがマイナス要因になってきた。海外の機関投資家の買い(及び売り)が引き続き重要になっている。2006年3月末までに外国人投資家の日本株保有比率は26.7%になった。これは前年比3%の増加である。外国人投資家の日本株保有比率は、2000年には18.6%に達し、1990年の4.6%から大きく変化している。預貯金の形態で多額の貯蓄を抱えている日本の家計は、これまでのところ、直接的にも、投資信託を通じて間接的にも、日本株をなかなか購入しようとはしていない。

債券市場は、将来の経済パフォーマンスに関する期待、特にインフレ期待の重要な指針を提供する。短期金利の上昇を期待して、指標銘柄の10年物国債やその他国債の利回りが上昇し始めたが、不確実性が増していることを考慮に入れれば、上昇幅はそれ程大きくはない。日本国債を保有している多くの金融機関は日本株も保有している為、良好な経済パフォーマンス(及び株価上昇)によって、金利上昇によって被るキャピタル・ロス(多くの場合、十分以上に)相殺することになる。そのことが、適切な金利引き上げを正当化し、また実際に必要とするのである。

ヘッジファンドやプライベート・エクイティ・ファンド事業は、依然として地味だが、引き続き発展していく。主として日本国外のオルタナティブ投資物件に投資している日系金融機関がそこでは関与しているが、日本国内でも徐々に増加している。また、比較的少数の海外投資を専門とする外国ファンドが圧倒的に日本に投資しており、その数も増加している。

過去数年に渡る実質的改善にも関わらず、資本市場にとっては重大な不完全性が存続している。ジャンク債と信用力に欠ける大企業、中規模企業向け高利回り銀行融資といった市場は、依然として未発達のみである。中小企業の信用力・リスクを評価する能力が乏しい。小規模企業と消費者金融にとっての重要課題は、政府が今秋にも法案化を進めている、出資法の上限金利を29.2%から利息制

限法の定める20%にまで引き下げかどうかという点である。引き下げが決まりそうだが、こと少額貸付に関しては、大半の現行融資の金利水準を上回る上限金利を別途特例として定めることも予想される。

金融市場の効率化に不可欠な市場重視型のプルデンシャル規制システムは、依然として抜け穴が残っているものの、導入され続けている。同様に重要なのは、既存のルール・規制を効果的に履行することである。

不良債権問題が片付き、金融庁は金融制度の積極的改革に取り組み始めている。金融庁は精力的に検査に乗り出し、金融部門全体に渡って、大手企業に対して営業停止、業務改善命令、その他相当の制裁金や罰金を課してきた。この中には、ライブドアと村上ファンドの「メロドラマ」といった特定企業のスキャンダルのみならず、国内外企業の双方と、監査法人(カネボウ事件)も含まれている。金融庁は、説明責任と透明性を備えた、ルールに基づいた制度の確立に努めている。一つ危険なのは、依然として必要である改革に対する一部反動として、リスク・キャピタルを供給している国内外企業が、特にメディアの目の敵にされる点であろう。

現在進行中の金融庁の活動に加えて、日本の金融機関の更なる改革は必要であり、かつ、全般的に見て、前進している。

東京証券取引所は、技術的欠陥と非効率性を露呈してしまった一連の厄介な災難に見舞われたが、世界に通用する証券取引所になる為の大型インフラ投資に打ち込んでいる。金融庁下の証券取引監視委員会は、必要な専門技能を備えた相当数の人材を依然必要としているものの、証取法違反などの検査に当たる検査官を増員してきた。同委員会は、恐らく、独立行政機関になるべきであろう。

政府系金融機関の改革は前進している。統合が現在進行中で、8ある政府系金融機関のうち2つが民営化されることになる。重要なこととして、政府(及び日本郵政公社)からの上記貸出機関に対する出資は、大幅に減少し続けることになる。政府系金融機関改革についての大きな疑問点は、郵政民営化が具体的にどのように行われるかである。

6. 日本株式会社

企業部門は過去20年間に劇的に変化してきた。戦後経済制度を支えてきた伝統的な柱は進化しつつある。終身雇用の対象は、常勤正社員から成る、より小さなコア集団へと狭められつつある。企業の資金調達も、依然として銀行中心であるものの、資本市場への依存度を高め、同市場のシグナルにも敏感になっている。また、揺らぐことのなかった企業経営上の自律性が、コーポレート・ガバナンスにおける透明性、情報開示に関する新たなルール設定と諸変更により弱体化した。

殆どの企業はリストラ、経営統合、自然減・早期退職を通じた人員削減に従事してきた。労働生産性の向上とコスト削減の継続により、企業は、大幅な売上増なしにも、収益力をかなり高めてきた。経営者同士の直接交渉による友好的合併を通しての経営統合やリストラが主たる業界で生じてきたが、特に鉄鋼、自動車、製紙・パルプ、化学、医薬品、銀行、保険業界で目立ってきた。

日本の企業システムは、その他殆どの諸国よりも、長期的関係に深く根差している。エコノミストの抽象的規範はスポット市場かもしれないが、重要な現実には、企業取引の大半が長期間に渡り定期的に繰り返されていることである。このことは、生産要素を含む投入財の供給者、すなわち、労働者、部品メーカー、サービス提供者、融資先との取引において典型的である。持続的な関係は信頼を必要とし、信頼を生む。そして、殆どの状況下で、経済的に有益である。しかしながら、経済情勢が著しく変化し、その為に資源をより効率的に利用する形へと転換する必要がある場合に、拘束力のある関係は障害になる。そのうえ、馴れ合い、利己主義が幅を利かせ、癒着につながる関係さえある。

日本経済は、より競争的で、より市場主導型の経済へと向かう長期過程の只中にある。非効率的関係は徐々に浸食され、関係が断たれてさえている。過去15年間は、そうした関係が変化していく数多くの事例を見てきた。すなわち、日産と夥しい数の部品サプライヤー、経営不振に陥った企業に融資を続け不良債権を抱えてしまった銀行、財務省による護送船団方式での対金融機関規制、退職後に企業の閑職に就く官僚たち(天下り)、銀行・取引企業間の株式持合い、そして終身雇用制度である。効率的かつ効果的な関係は持続するが、より多くの条件が付帯することになろう。つまり、従来に比べると、結び付きは弱まり、恐らく長期に及ばないことを意味している。

6.1 コーポレート・ガバナンス

日本のコーポレート・ガバナンスの在り方は引き続き進化を遂げていく。透明性、情報開示、公正さ、説明責任、その他責務に対する包括的原則に関して、世界的融合が進んでいる。しかしながら、こうした原則をいかに解釈し、いかに履行するかに関しては、重要な個別の違いが各国に残っている。日本は、J-Sox(日本版企業改革法)と呼ばれる、米国の企業改革法(Sarbanes-Oxley Act)に基づいた法案を検討している只中にある。同法案をめぐる審議の成果が、コーポレート・ガバナンスの在り方に関する更なる法的基盤を形成しよう。

日本がアングロ・サクソン型のコーポレート・ガバナンスを本気で採用することはなかろう。日本の上場企業の圧倒的多数は、独立した立場に置かれた監査役会の半数以上を社外監査役とすることを義務付ける法改正が為されても、取締役会を構成する取締役で要所を固めた、従来からの経営手法によって内部統治し続けよう。米国型経営委員会という手法を企業統治の在り方として選択する日本企業はかなり少数であろう。上場企業の大半は、一人ないしは少数の取締役を外部に求めようが、社外取締役が取締役会を支配することはなかろう。

過去15年間で得た大きな教訓は、利潤の最大化とは言わないまでも、確かな利益を上げることが、株主のみならず、経営陣、社員・従業員、債権者、そして取引企業といった利害関係者全てにとって不可欠であるということである。経営陣は確かに、自社の株価や株主の抱くその他の利害に以前よりはるかに対応するようになってきたが、企業は引き続き、管理職への道の開かれた、長年勤続している正社員の利害にとりわけ重きを置くことになろう。結局のところ、これら雇用者こそ、効率のかつ競争に打ち勝ちながら財サービスを生産し、長期に渡って経営制度を維持するうえで、必要不可欠な技術やノウハウを具現化しているのである。

ゾンビと名付けられた30余りの経営難に陥った悪名高き大企業は、再生ないしは処理されてきた。それにも関わらず、大企業から小企業まで、多くの経営不振企業が存続している。こうした企業は、銀行が信用リスクと全く無縁の金利で融資を続けていることで、未だに破綻せずに存続している。7月までプライムレートは1.375%であった。2006年5月末時点で、1%を下回る金利での融資は銀行貸出残高の27.7%を占めていた。同割合は、経済回復が始まりつつあった2002年5月の20.0%から上昇している。金利0.5%未満の融資は同残高の13.0%を占め、2002年の8.2%から上昇している。プライムレートは今後2年間に確実に上昇し続けよう。これらの経営不振の借り手は、膨らむ借入金負担を返済するのに十分なだけ事業を回復させていようか。そうでなければ、これらの企業は破綻するのだろうか、それとも、取引銀行が自らの収益性をますます犠牲にしなが、引き続き生かしていくのだろうか。

ことによると、より深刻な潜在的問題は、成功を収めている企業がいかに自らを処していくかかもしれない。経営陣は、自らの企業にとってのコア・コンピタンスを見出してきたが、もはや主力ではない事業部門や活動を売却・処分する手続きを未だに完了していない。外国企業ないしグループ外企業の間接的買収・合併は、実際、常に友好的なものであるにも関わらず、未だ比較的僅かであり、徐々に増加するしかなかろう。

日本は敵対的株式公開買い付け(TBO)市場をまだ十分発展させていない。今年夏の王子製紙による北越製紙に対する敵対的 TOB は、今や日本製紙グループと三菱商事も参加しているが、日本にとって意義深い質的变化である。これは、2005年に新興ライブドアが仕掛けた日本放送乗っ取りの試みと異なり、伝統的な日本の老舗大企業同士が対抗しているのである。現在は、こうした豊富な資金を抱えている多くの企業が存在しており、TOB 市場が日本にもようやく登場するかもしれない。

本当に危険なのは、経営陣が新規の採算性の低い国内投資プロジェクトに資金を浪費してしまうことである。配当を増やし、自社株を買い入れることで、実質的により多くの利益を株主に分配すべきである。しかしながら、経営者というのは自らの帝国をもっと大きくしたがるものである。好調時のそのような行為は、資源配分の更なる効率化に向けた未完のプロセスを後退させてしまうかもしれない。

7. 対外経済関係

輸出の著しい増加により達成された多額の経常収支黒字は、貿易の対GDP比が比較的小さいにも関わらず、長い間、日本の総需要を維持するうえで重要な役割を果たしてきた。このことは、余剰貯蓄が海外に貸し出されていることとともに、日本の製造業の競争力を反映している。2005年度、日本の経常黒字は GDP の3.7%と大きかった。黒字は2006年にかけて持続し、2007年になると、輸出の伸び鈍化が見込まれている為、黒字の減少が予想されている。

日本の国際収支の状況は、比較的最近生じている二つの要因に著しい影響を受けている。債権国としての役割と引き続き高水準で推移しそうな石油価格である。

2005年、12兆5,000億円(1,090億ドル)に上った日本の所得収支 — 利息や配当収入の国内純流入額 — の黒字は、貿易黒字を上回った。日本は成熟した債権国であり、その額は世界最大である。日本は、1980年以来毎年続く経常黒字の結果、およそ184兆円(1兆6,000億ドル)を保有する対外純債権国となっている。そのうちの約半分は、政府外貨準備の形である。約9%は、日系多国籍企業の対外直接投資を通じた資産(実際、過小評価されている)になる。2005年の日本の対外直接投資は、1990年以来最高の460億ドルに達した。殆どは利益を再投資したものであった。それに対して、日本への対内直接投資は引き続き少なく、2005年の対内直接投資額28億ドルというのは、2004年の78億ドルを下回った。

日本は、国内で消費する石油と天然ガスを基本的に全て輸入しなければならない。国際石油価格は、2004年度の1バレル当たり45ドルから2005年度には60ドルへと上昇し、2006年度には75ドル程度まで到達すると予想されている。この事態は、日本の CPI にはまだ深刻な影響を与えてはいない。

石油供給の大幅減をもたらす石油ショックは、短期的に、いつ起きてもおかしくはない。そして、人類の歩んできた歴史を考慮すれば、恐らく起こるだろう。私は、この点が現在、日本と世界経済に対する単独では最大の経済的脅威と考えている。石油価格が更に上昇すれば、日本は主として世界経済の成長鈍化、世界的インフレ圧力、そして輸出の減速によって被害を受けるかもしれない。石油価格上昇による直接的影響に関しては、日本はかなりの程度まで吸収できる。

私は、日本経済のファンダメンタルズに鑑みて、ここ1年余りの円安に驚いてきた。しかしながら、円・ドル金融資産間の大幅かつ拡大し続ける金利差が、日本からの大幅な資本純流出を引き起こすことで、為替に多大な影響を及ぼしてきた。日本経済が回復を持続し、米金利が頭打ちになる一方で日本の金利が上昇していくと、ドルに対して円高が幾分進む、と私は予想している。この点は、米国の経常赤字が巨額である為、ドルが他の通貨に対して大幅に価値を下げるかどうかという点とは、まったく別の話になる。

8. 長期的展望

日本が直面する二つの基本的現実がある。まずは、人口が既にピークを迎え、あとは減少していくこと、それに、日本は今や成熟経済となり、長期的な潜在成長率は良くても一人当たり2%を大きく上回ることにはなさそうだということである。結果として、日本の経済構造は長期的に大いに変化を遂げていこう。

日本の人口動態統計予測では、日本の総人口が今後5年間程度は僅かながら減少を続け(年率0.1%減)、その後2020年までは少し速度を上げ(0.3%減)、そして、以後30年間は年率0.5%減と更に加速して減少し続ける、と指摘している。日本の総人口は、現在の1億2,770万人が2025年には1億2,110万人、2050年には約1億人まで減少すると予測されている。ちなみに1960年の総人口は、返還前の沖縄県を含め、9,480万人であった。65歳以上の人口比率は、現在の20.56%から、2020年には約27.8%まで上昇しよう。生産年齢人口と称される15歳以上65歳未満人口は、絶対数でも、全体に占める割合としても減少し続けよう。

労働供給の低下とともに、労働市場は逼迫しよう。賃金は、特に3D 仕事(dirty, dangerous, dull)で競り上がっていく。年金と医療費の GDP に占める割合が増加し、歳入(税収)に占める割合も増加しよう。労働力そして総人口を維持できる程大量の移民受け入れはありそうにない。せいぜい3D 仕事や医療分野での労働力不足を改善する目的で、外国人の契約出稼ぎ労働者が許容される程度であろう。遠い将来のどこかの時点で、現在1.25まで低下している日本の合計特殊出生率が、人口を一定の規模で保持する人口置換水準を上回る2.1まで上昇することは可能である。その為には、制度のみならず、日本人の価値観や行動に、相当大きな変化が生じなければならない。

高度に洗練された技術基盤を備えた、先進で、高所得で、豊かな成熟経済としての日本の潜在成長率は、一人当たり約2%になる可能性がある。このことは、世界の技術・生産性の最前線に位置する他の経済が、多少の差はあれ、経験してきたことである。しかし、労働投入量が減っていくことから、GDPの潜在成長率が約1.5%にとどまると主張する者も多い。日本にとっての持続的成長の鍵は、労働生産性の継続的向上にかかっている。それは、基本的には、技術革新とその普及、教育・訓練の強化、そして労働者一人当たりの資本装備(利用可能な機械設備、建物、ソフトウェアなど)の質量面での増加に依存する。

日本の生活水準は、一人当りの GDP が年率2%で成長する場合、36年ごとに倍になる。成長率が、過去15年に渡る実績より若干劣って1%にしかならなくとも、日本人が一生を送る間に平均的生活水準は倍になる。

日本が長期的に潜在成長率を達成していくことは、自動的なことでも、容易なことでもない。恐らく、日本経済が必要としている最も重要な構造変化というのは、成長のエンジンを高貯蓄、高投資、高輸出に求める在り方から、国内消費主導型の成長へと移行させることであろう。日本の貯蓄率と投資率は、2%で成長する経済には不必要な程高い。投資を実行するうえで、日本はより少なく、より効率的に進める必要がある。

十分な総需要を生み出すうえで鍵となるのは、消費の伸びである。総需要の主たる源泉を純輸出の伸びに大きく依存するには、日本経済は大き過ぎる。消費は対 GDP 比を大幅に拡大させていかねばならない。それを達成するには、賃金や世帯所得が増加しなければならないが、労働市場が逼迫し、金融資産の利回りが伸びていけば、どちらも増加していこう。

9. 結論

要約すると、日本は持続的な成長軌道を歩んでおり、成長が順調に継続すれば、恐らくここ2年位の間に、依然として残っている緩みを吸収し、完全雇用成長を達成することになるだろう。それが生じるにつれて、金融市場は徐々に正常な状態に回帰していく。しかしながら、あまり起こりそうなことではないが、持続的成長へと向かう現在の軌道上で、経済拡大がつかず場合もある。景気の失速するリスクの方が過熱するリスクよりも依然大きい。

私は、需要拡大が期待外れに終わること、そして供給ショックの双方を心配している。私の最大の懸念は、石油の高値が非常に長きに渡って継続、ないしは更に上昇し、日本や他の経済にこれまで以上の深刻な影響をもたらすことである。この他にも、引き続き、私をつきまとして離れない不安がある。消費が十分には拡大せず総需要が不足するのではないかと不安、デフレが実際には終息せず、物価安定の政策的定義が低過ぎるままとなる不安、政府が経済改革から手を引くのではないかと不安である。

日本国民にとっての大きな課題は、自らの物の見方(mindsets)をいかに改めていくかであろう。戦後経済における物の見方とそうした見方を支えている制度は、長期的な日本の経済、政治、社会的変質とともに、過去15年間の経済的失態によって打ちのめされてきた。世界で競争していく為に、日本は資源をより効率的かつ効果的に配分していかなければならないが、その為には物の見方を大きく改める必要がある。従来からの慣行、行動様式、そしてゲームのルール(社会規範)は、今日の新たな現実に合わせて、引き続き調整されていかなければならない。

多くの課題は未解決のままである。競争原理と自由市場の原理にどこまで委ねるべきなのか。弱者はいかにして、そしてどの程度まで保護され、扶養されるべきなのか。そのような目標はいかにしてより効率的に達成され得るのか。日本は米国のようなダーウィン型社会でもなく、欧州型福祉国家社会でもない。私は、中道路線、ただし多少平等主義寄りの傾倒が今後も持続すると考えている。

日本が直面している課題というのは、明らかに日本だけのものではない。日本には、首尾よく対処していけるだけの様々な強みがある。日本国民は高い教育水準を実現してきたし、労働者は熟練度が高く、大変意欲的で、非常に生産的でもある。資本装備率の高さは更に上昇していこう。日本の技術水準は傑出しており、引き続き向上していこう。日本は民主主義国家であり、法による支配が強固である。その他殆どの国々と比べて、汚職の度合いが低い。安定した社会であり、地位や身分の差別化は重要ではあるが、少なからぬ平等主義的感覚が不平等を抑制している。グローバル経済の中で、日本は世界の主要国であり続け、自らの問題に関わっては、その他主要先進国の大半と少なくとも同程度には、首尾よく対処していくことが確実である。

ヒュー・パトリック

2006年8月25日

(本文の邦訳のとりまとめに当たっては、当研究所の客員研究員でもある明治大学政治経済学部 武田巧助教授に大変お世話になりました。お礼申し上げます。)

オルタナティブ投資プログラム

2002年に設立されたオルタナティブ投資プログラムは、ヘッジファンドやプライベート・エクイティ、その他のオルタナティブ投資に関して、実質的かつ客観的な情報・分析を、日本および他の東アジア域内と関連づけながら提供している。その設立以来、オルタナティブ投資分野における学者と業界間の対話をより一層促進し、コロンビア大学ビジネススクールと実業界とのより密接な関係構築の為の活動を行い、投資家コミュニティに関わってきた。

3年間にわたるプログラムの第一段階は、マーク・メイソン博士が指導。メイソン博士は、民間分野に活動の場を移し、7月1日付でオルタナティブ投資プログラムのディレクター兼CJEBのプログラム副所長の地位を辞任したが、当プログラムのシニア・アドバイザーとして引き続きプログラムに関与していく。

プログラムの第二段階は、CJEBのプログラム開発副所長の小川アリシアが、メイソンの後を継いでオルタナティブ投資プログラムのディレクターに就任する。彼女は、株式調査・運用分野での卓越した経歴を持ち、つい最近までリーマン・ブラザーズのマネジング・ディレクターとして活躍していた。彼女はオルタナティブ投資プログラムの更なる育成に務めるとともに、CJEBの為に、日本の金融機関・市場に関連した、より広範な研究・調査やプログラム活動を開発していく。

この一年間、同プログラムの、日英両語によるホームページの更新、拡張、再編を進めてきた。CJEBホームページのデザイン変更に伴い、プログラムのサイトデザインおよびURLも併せて変更した。

プログラムの eメール・リストも、引き続き拡大した。リストには、今や1,500人をはるかに上回る、アジア、米国、およびヨーロッパに拠点を置く官・民・学界の関係者が登録している。

本プログラムの詳細、講演会、出版物などはこちらのウェブサイトから：
www.gsb.columbia.edu/cjeb/alt_investments

ワーキング・ペーパー・シリーズ

日本経済経営研究所はコロンビア大学内外を問わず、専門家による研究成果を発表する機会を提供している。ワーキング・ペーパーはCJEBのウェブサイトまたはコロンビア大学のDigitalCommons@Columbia サイトからダウンロード下さい。

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Zombie Lending and Depressed Restructuring in Japan
Ricardo Caballero, Takeo Hoshi and Anil K Kashyap

#245

Reciprocity and Network Coordination: Evidence from Japanese Banks
Zekeriya Eser and Joe Peek

#244

Japan: Another Economic Recovery, New Political Terrain
Hugh Patrick
(also published in CJEB's 2004-05 Annual Report)

#243

Characteristics of the Hedge Fund Industry in Japan
Ferenc A. Sanderson

コロンビア大学のデジタルコモンズ(Digital Commons)プロジェクト

日本経済経営研究所は、DigitalCommons@Columbia というコロンビア大学が試験的に開始した電子文書管理プログラムに、他の研究所に先駆け、全ての出版物を提供した。出版物のオリジナルは、研究所及びコロンビア大学ビジネススクールの図書館でも引き続き閲覧可能。

DigitalCommons@Columbia へはこちらからアクセス下さい。:

<http://digitalcommons.libraries.columbia.edu/>

DigitalCommons@Columbia という新システムでは、フルテキスト索引や、ユーザーフレンドリーな画面にて検索・閲覧が可能になった。システムに出版物を掲載する事により、米 Google 社の学術論文検索用サーチエンジン「Google Scholar」など他の索引、アグリゲーションサービスサイトからも閲覧可能になる。

コロンビア大学の学術書などを保存する為、図書館では来年も引き続き、他研究所の研究所も掲載し、同システムを拡大・充実させていく。

III. 2005年度秋期 講演一覧

躍動する東アジア- 経済発展と地域統合に関する進展と展望

2005年9月12日

1997年のアジア金融危機以降、東アジアでは地域経済協力が政治課題として一層重要視されるようになった。金融危機から約10年が経つが、この間に個々の国家だけではなく地域全体にもたらされた変化は図り知れないものがある。

アジア開発銀行総裁の黒田東彦氏はコロンビア大学ビジネススクールにて、地域経済協力に関する見解と提言を述べた。本講演はコロンビア大学 APEC 研究センターと共催した。

今日の日本経済

2005年9月13日

前日本銀行国際関係副総裁、CJEBの専門研究員である緒方四十郎氏はコロンビア大学を毎年訪問し、今日の日本経済に関する見解を講演している。今年も、コロンビア大学の教授・学生、およびNYのビジネスコミュニティからの参加者で満席の会場の中、緒方氏の講演が開催された。本講演はコロンビア大学ウェザーヘッド東アジア研究所と共催した。

小泉首相の賭けとその結果

2005年9月20日

小泉純一郎首相が郵政民営化を推進する為に2005年9月実施の解散総選挙を要請した。選挙での地すべりの圧勝により、小泉首相は国内外の多くの政治通が無理だろうと思っていたことを成し遂げた。小泉首相はこの歴史的選挙を通じて、自民党及び日本の政治体制にとっての新時代の先導役となった。

現在の日本の政治構造を明らかにする為に、コロンビア大学政治学部バークス政治学教授のジェラルド・カーチス教授は2005年9月20日、満席の聴衆を前に講演した。講演にはコロンビア大学日本経済経営研究所、所長のヒュー・パトリック教授とコロンビア大学 カール・S・シャウプ日本経済教授兼日本経済経営研究所研究副所長のデビッド・ワインスタイン教授が同席した。本講演は、コロンビア大学ビジネススクール日本経済経営研究所とコロンビア大学ウェザーヘッド東アジア研究所の共催で開催された。

レクサス成功の秘密:トヨタの高級車市場参入戦略

2005年9月22日

1970年代や80年代当時、米国でのトヨタのイメージは故障の少ない安い車のメーカーというものだった。そのようなイメージも、90年代に登場したレクサスのおかげで今や一変している。時間と資金を豊富に投じて綿密なリサーチを行うという同社の哲学は賞賛され、広く他の自動車メーカーや学生らの研究対象となり、世界で最も成功した自動車メーカーのうちの1社としてのトヨタの地位を確固とした。

コロンビア大学ビジネススクール日本経済経営研究所はビジネスウィーク誌の編集者で米国にて9月22日に発売された新刊書『Lexus: The Relentless Pursuit』(邦題:レクサス—完璧主義者たちがつくったプレミアムブランド、2005年6月発行、東洋経済新報社)の著者でもあるチェスター・ドーソン氏を招き講演会を催した。

ダイエーの例に見る日本産業構造改革におけるプライベート・エクイティ投資の役割

オルタナティブ投資プログラム

2005年11月15日

日本で企業改革が進む中、企業買収(バイアウト)は日本のビジネス業界にも浸透し始めた。ここ数年増加傾向にある企業買収の中でも、特に新聞の見出しをにぎわせているのは、アドバンテッジパートナーズ LLP、丸紅、産業再生機構 (IRCJ)による巨大小売チェーン、ダイエーの企業再建である。ダイエーの企業再建は、プライベート・エクイティと政府機関が連携して民間企業の再建に取り組むめずらしい例である。プライベート・エクイティが日本企業の再建に貢献できるか否かを定めるテストケースであるこの企業買収は、多くの人の注目を浴びている。

CJEBのオルタナティブ投資プログラムは、ダイエーの再建をリードする二人の専門家である IRCJの最高経営責任者である齊藤惇氏、及びダイエー企業再建の第一責任者であるアドバンテッジパートナーズの共同代表パートナー、笹沼泰助氏をお招きし、講演を行った。日本経済経営研究所所長であるヒュー・パトリック教授がコメンテーターを務め、オルタナティブ投資プログラムのディレクター、マーク・メイソン博士が司会を務めた。

IV. 2006年度春期 講演一覧 —創立20周年記念イベント—

変化を触発する女性たち：在米日系企業子会社の女性 CEO

2006年1月30日

日本では変化は比較的緩慢なものであるというのは、多くの日本研究者らが真っ先に指摘する点だが、過去15年間に累積した企業を取り巻く変化は深遠なものであり、しかも変化は現在も続行中である。この変化の顕著な特徴は、女性に対する企業行動の複雑な変化に見られる。管理職に就く女性は、特に日本の大企業においてはほとんど見られず、まして社長となる女性はさらに稀である。在米日系企業子会社の CEO に女性が就いている今回のケースは、その意味で注目すべき、非常に興味深いものと言えよう。在米日系企業子会社の経営の内側に光を当てることを目的に、日本経済経営研究所では二人の女性 CEO——一人は米国人、かたやもう一人は日本人——を招き、大企業を経営すること、女性であること、そして昇進を目指す原動力となったもの、ならなかったものについて、個人的な体験を語って貰った。講演者は、名古屋の自動車部品メーカー、株式会社榎屋の米国子会社であるターサス コーポレーション(TASUS Corporation)社長メラニー・ハート氏と、大手広告企業である電通の米国子会社、電通コミュニケーションズ(Dentsu Communications Inc.)の CEO である服部由紀氏。司会はコロンビア大学ビジネススクールのショーン・ビーチラー助教授が務めた。

10周年を迎えた WTO：ガバナンス・紛争解決・途上国

2006年4月5～7日

WTO(世界貿易機関)発足10周年を記念する会議がコロンビア大学において、日本経済経営研究所およびAPEC研究センターの共催により開催された。2日半にわたる会期中、65名の学者、米国各省トップおよび有識者らにより、紛争解決等の主要な国際貿易問題について掘り下げた講演が行われるなど、研究所が主催するイベントの中でも特筆すべき大成功を収めた。“Columbia WTO at 10”と題した本プログラムは、記念すべき10周年を迎えた WTO の過去、現在、未来について検討する為に開催され、ここ一年間にわたる一連のイベントを総括するものとなった。

会議初日の4月5日には、コロンビア大学リー・ボリンジャー(Lee Bollinger)学長主催によるコロンビア大学ワールド・リーダーズ・フォーラム(World Leaders Forum)の夕食会および、“ウルグアイラウンドとWTO:これまでの成果(The Uruguay Round and the WTO: What Have We Achieved?)”と題した基調パネルディスカッションが開催された。続く4月6～7日の本会議においては、通産相、財務相、WTO 前・現総裁、ビジネス界の重鎮、政治家、政策立案者、メキシコ前大統領、アイルランド前大統領、米前財務長官、米前通商代表、そして現通商副代表を含む多数の著名なゲストスピーカーをお招きした。さらに学界、法曹界、ジャーナリズムを代表する方々、そして、WTO 上級委員会の前職・現職の皆様にもパネリストやご招待客として参加いただいた。

講演者プロフィール、プレゼンテーション内容など、詳細はこちらから：
www.sipa.columbia.edu/wto

日本経済の将来展望

2006年5月15日

CJEBは創立20周年記念コンファレンスと題するコンファレンスの第一弾を東京にて開催した。講演者にはビジネス・学会の著名な方々をお招きし、成功裏に終了した。

基調講演には日本銀行総裁の福井俊彦氏をお招きし、日本の金融政策に関してご講演いただいた。他のセッションでは、日本の世界及び東アジア経済における役割と日本産業における新しい方向性について議論が交わされた。

開会の辞

Hugh Patrick コロンビア大学日本経済経営研究所 所長
小林陽太郎 富士ゼロックス株式会社 相談役最高顧問

セッションⅠ 『日本と東アジアと世界経済』

司会: **Hugh Patrick** コロンビア大学日本経済経営研究所 所長

パネリスト:

植田和男 東京大学大学院経済学研究科 教授
氏家純一 野村ホールディングス株式会社 取締役会長
宮内義彦 オリックス株式会社 取締役兼代表執行役会長・グループ CEO
David Weinstein コロンビア大学 カール・サムナー・シュワブ日本経済学教授

基調講演 日本銀行総裁 **福井俊彦**

セッションⅡ 『日本新興産業の将来展望』

司会: **Mark Mason** 日本経済経営研究所 オルタナティブ投資プログラム ディレクター

パネリスト:

阿部修平 スパークス・アセット・マネジメント投信株式会社 代表取締役社長
林文子 株式会社ダイエー 代表取締役会長兼CEO
三木谷浩史 楽天株式会社 代表取締役会長兼社長
Thierry Porté 株式会社新生銀行 取締役代表執行役社長
余語邦彦 株式会社産業再生機構 執行役員、株式会社カネボウ化粧品 元 CEO

閉会の辞

David Weinstein コロンビア大学 カール・サムナー・シュワブ日本経済学教授

懇親会 **竹中平蔵** 総務大臣・郵政民営化担当

日本経済経営研究所は、当コンファレンスのレポート及びビデオをウェブサイト上より無料で提供している。

コロンビア大学ウェザーヘッド東アジア研究所 ブラウンバッグ・レクチャー・シリーズ

日本経済経営研究所は1年を通して、コロンビア大学ウェザーヘッド東アジア研究所と共催し、ブラウンバッグ・レクチャーシリーズを開催している。ブラウンバッグ・レクチャーでは、形式張らない環境で、講演者の講演を聴講し、講演者と交流する機会を提供する。2005-2006年度に行われたレクチャーは下記の通りである。

"Down to the Wire: Has Japan Become the World's Leading I.T. Nation?"

Thomas Bleha, Former U.S. Foreign Service Officer and ABE Fellow

共催: コロンビア大学 APEC 研究センター

2005年11月10日

"Should China Revalue the Yuan?: Lessons from the Japanese Experience"

Claude Meyer, Associate Professor, Sorbonne University & Sciences-Po, Paris.

共催: コロンビア大学APEC研究センター、アライアンス・プログラム、欧州研究所

2006年2月23日

"Co-opting Globalization: Local Politics and the Transformation of Corporate Governance in South Korea and Japan"

Christina Ahmadjian, Professor of Management, Hitotsubashi Graduate School of International Corporate Strategy.

共催: コロンビア大学 APEC 研究センター

2006年3月1日

"Japan Remodeled: How Government and Industry are Transforming Japanese Capitalism"

Steven Vogel, Associate Professor, Department of Political Science, University of California-Berkeley.

共催: コロンビア大学 CIBER、アライアンス・プログラム

2006年3月29日

V. 研究所の顔ぶれ

所長・副所長

所長

ヒュー・パトリック

コロンビア大学 APEC 研究センター共同所長

コロンビア大学 R.D.カルキンス 国際ビジネス名誉教授

イエール大学にて経済学教授及び経済成長センター所長を数年務めた後、1984年にコロンビア大学教授に就任。1951年にイエール大学にて文学士号取得後、ミシガン大学にて日本学修士号(1955年)、経済学修士号(1957年)、経済学博士号(1960年)を取得。また一橋大学、東京大学、ボンベイ大学にて客員教授を務める。グッゲンハイム奨学金及びフルブライト奨学金を受け、また大平賞を受賞。専門分野の出版刊行物には、16の著書と60余りの記事・論文を含む。最近の著書には、伊藤隆敏教授、デイビッド・ワインスタイン教授と共著・共編の"Reviving Japan's Economy: Problems and Prescriptions (ポスト平成不況の日本経済—政策志向アプローチによる分析)"(日本経済新聞社、2005年9月出版)。

太平洋経済協力会議(PECC)米国委員会及び米国アジア太平洋会議の常任委員を務める。また、1968年の太平洋貿易開発会議(PAFTAD)発足以来、国際運営委員会メンバーを務め、1985年から2005年間には大来佐武郎博士の後を継ぎ、同会議国際運営委員長に就任。

研究副所長

デイビッド・ワインスタイン

コロンビア大学 経済学部 カール・S・シャウブ 日本経済学教授

同経済学部 副学部長

ニューヨーク連邦準備銀行 シニア・エコノミスト、ハーバード大学 経済学助教授、ミシガン大学経営学部 サンフォード・R・ロバートソン 経営学助教授を歴任。1989~1990年、経済諮問委員会メンバー。教育・研究分野はコーポレート・ファイナンス、国際貿易、日本経済、産業政策。イエール大学にて文学士号、ミシガン大学にて経済学修士号及び博士号を取得。また全米科学財団助成金、エイブ・フェローシップ、国際交流基金フェローシップなど数々の研究助成賞を受賞。

プログラム副所長

マーク・メイソン

当研究所 オルタナティブ投資プログラム ディレクター

コロンビア大学日本経済経営研究所 オルタナティブ投資プログラムのディレクターとして、学術研究および運営面で主要な役割を担っている。ハーバード大学で Ph.D.(博士号)を取得、直近では、ジョージタウン大学国際ビジネス学部、それ以前はイエール大学ビジネススクールの教授として教鞭をとった。メイソン博士の主な著作には、「アメリカの多国籍企業と日本」(ハーバード大学出版)、「ヨーロッパと日本の挑戦」(オックスフォード大学出版)がある。また、一流のビジネスやマネジメント関係の雑誌

にも数多くの論文を寄稿しており、ビジネスウィーク、エコノミスト、ファイナンシャルタイムズ、ニューヨークタイムズ、ウォールストリートジャーナル等の出版物でも幅広く引用されている。

プログラム開発副所長

小川アリシア

当研究所 オルタナティブ投資プログラム アシスタント・ディレクター

オルタナティブ投資プログラムのアシスタント・ディレクターを務め、日本経済経営研究所に勤務する以前は、リーマン・ブラザーズでグローバル株式の調査を担当していた。株式市場調査での経験は20年近くに渡り、そのほとんどをソロモン・ブラザーズ東京支店にて金融セクター・アナリストとして東京で過ごした。後に日興シティグループ証券となる合併会社においては、日興証券とソロモン・ブラザーズの両調査部門の統合を担当した。コロンビア大学バーナード・カレッジ卒業、コロンビア大学国際公共政策大学院にて修士課程修了。

アドミニストレーション副所長

イボンヌ・サーマン

1994年から1年間、JET(Japan Exchange and Teaching)プログラムに参加。1997年、JET同窓会ニューヨーク支部財務担当、1998～99年、JET同窓会ニューヨーク支部代表を務める。1996年、ニューヨーク市立大学本校にて国際プログラムのコーディネーターとして従事。1998年、在ニューヨーク・ジャパン・ソサイエティーにてヴァイスプレジデントおよびディレクターの下、企業向けプログラムの推進をサポート。1998年、ニューヨーク市立大学にて学士号を取得。1999年プログラム・オフィサーとしてコロンビア大学日本経済経営研究所に入所。その後、シニアプログラムオフィサーを経て、2004年より現職のアドミニストレーション副所長に就任。2002年コロンビア大学国際公共政策大学院にて国際関係学修士課程修了。

研究者陣容

日本経済経営研究所は、コロンビア大学の教授陣に支えられている。教授陣はビジネススクールをはじめ、経済学部、政治学部、ロースクール、国際公共政策大学院(SIPA)からの日本専門家を中心に構成されている。

リー・ブランステター

コロンビア大学ビジネススクール ダニエル・スタントン助教授

コロンビア大学ビジネススクール 国際ビジネスプログラム・ディレクター

ジェラルド・カーチス

コロンビア大学政治学部 バーゲス政治学教授

政策研究大学院大学 客員教授

メリット・ジェイノー

コロンビア大学国際関係/公共政策大学院 国際経済法・国際関係教授

コロンビア大学国際関係/公共政策大学院 国際経済政策課程 ディレクター

コロンビア大学 APEC 研究センター 共同所長

ジェゼフ・スティグリッツ

コロンビア大学ビジネススクール 財政・経済学教授

コロンビア大学国際関係/公共政策大学院 財政・経済学教授

グレン・ハバード

コロンビア大学ビジネススクール 学長

コロンビア大学ビジネススクール ラッセル・L・カーソン 財政・経済学教授

ヒュー・パトリック

コロンビア大学ビジネススクール 日本経済経営研究所 所長

コロンビア大学 R. D. カルキンス国際ビジネス 名誉教授

コロンビア大学 APEC 研究センター 共同所長

ショーン・ピーチラー

コロンビア大学ビジネススクール シニア・エグゼクティブ・プログラム ディレクター

エグゼクティブ MBA プログラム 助教授

カーチス・ミルハウプト

コロンビア大学ロースクール日本法センター 所長

芙蓉日本法教授

デイビッド・ワインスタイン

コロンビア大学ビジネススクール 日本経済経営研究所 研究副所長

コロンビア大学経済学部 カール・S・シャウプ 日本経済学教授

コロンビア大学経済学部 副学部長

客員研究員・専門研究員

日本経済経営研究所では毎年、公共政策・ビジネス界などで活躍されている方、日本、アジア・太平洋地域の研究者、政府・企業関係者を日本経済経営研究所の客員研究員として受け入れ、コロンビア大学ビジネススクールの一員として研究活動を行う機会を提供している。

研究員は多岐に渡った活動に参加し、コロンビア大学の授業の聴講やコロンビア大学ビジネススクールの教授の指示のもと、各自研究活動などを行う。

また、元日本開発銀行副総裁の緒方四十郎氏には、専門研究員として、講演などに参加いただいている。

2005-2006年度の客員研究員は以下の通りである。(敬称略・五十音順)

厚木 進

金融庁

(兼 ウェザーヘッド東アジア研究所 研究員)

伊藤 正敏

日本政策投資銀行

(兼 ウェザーヘッド東アジア研究所 研究員)

岡崎 雅行

三井住友海上火災保険株式会社

小田 真介

大同生命保険株式会社

武田 巧

明治大学

田中 洋樹

日本銀行

(兼 ウェザーヘッド東アジア研究所 研究員)

趙 家林
麗澤大学

古谷 一之
財務省

富田 健司
静岡大学

三重野 文晴
神戸大学大学院

中川 浩直
青山学院大学

米花 哲也
三菱UFJ信託銀行

リサーチ・アソシエイト

CJEBは、コロンビア大学内外を問わず、主に米国内の日本専門家たちから継続的な協力を得ている。リサーチ・アソシエイトの方々には、CJEBのプロジェクト、プログラム、講演会への参加やCJEBのワーキング・ペーパー・シリーズへの寄稿を通じて、各人の研究発表の場を提供している。（アソシエイトのリストは51～53頁（英語のみ）をご覧ください。）

国際諮問委員会

CJEBでは国際諮問委員会を設け、日米の政治、経済、ビジネス関係の分野で著名な以下の方々に、CJEBの運営上重要な問題について助言を仰いでいる。（敬称略・五十音順）

ロバート・インガソル	元米国駐日大使、元米国国務次官 元ジャパン・ソサエティ会長
内海 暎郎	三菱 UFJ 信託銀行株式会社 取締役会長
加藤 進	米国住友商事会社社長・米州総支配人
小林 陽太郎	富士ゼロックス株式会社 相談役最高顧問
ジョセフ・トンプキンス	Saga Investment Co., Inc. 社長
福川 伸次	株式会社電通総研 代表取締役社長兼研究所長 元通産省事務次官
茂木 友三郎	キッコーマン株式会社 代表取締役会長
山口 登	メルリリンチ・インベストメント・マネジャーズ株式会社 顧問

オルタナティブ投資プログラム 学術顧問

日本経済経営研究所の学術顧問は、コロンビア大学ビジネススクールの以下の教授陣で構成されている。

フランクリン・エドワーズ

コロンビア大学ビジネススクール アーサー・F・バーンズ教授
コロンビア大学ビジネススクール 先物市場研究センター ディレクター

ラリー・グロステン

コロンビア大学ビジネススクール S・スローン・コルト教授
コロンビア大学ビジネススクール 財政・経済学部 学部長

グレン・ハバード

コロンビア大学ビジネススクール 学長
コロンビア大学ビジネススクール ラッセル・L・カールソン教授

ヒュー・パトリック

コロンビア大学ビジネススクール R・D・カルキンス名誉教授
コロンビア大学ビジネススクール 日本経済経営研究所 所長

ロバート・ホドリック

コロンビア大学ビジネススクール 野村教授

クリストファー・メイヤー

コロンビア大学ビジネススクール ポール・ミルスタイン教授
コロンビア大学ビジネススクール MBA不動産プログラム、ミルスタイン不動産センターディレクター

デイビッド・ワインスタイン

コロンビア大学経済学部 カール・サムナー・シャープ教授
コロンビア大学経済学部 副学部長
コロンビア大学ビジネススクール 日本経済経営研究所 研究副所長

VI. 意見・知識の交流

日本経済セミナー(JES)

日本経済セミナー(JES)は1966年にコロンビア大学のジェームズ・ナカムラ教授、ヒュー・パトリック教授(当時、イェール大学)、ハーバード大学のヘンリー・ロゾフスキー教授により開始された。100人近くの会員を抱えるJESは、日本経済の有識者による研究段階にあるプロジェクトを議論することを目的とした、教授、専門家、大学院生が参加する大学間のフォーラムである。コロンビア大学の日本経済経営研究所とウェザーヘッド東アジア研究所及びジョージ・ワシントン大学が本セミナーの主催者となり、

年4回開催している。以下は、2005-2006年度中にフォーラムで議論された論文の一部である。
(敬称略、セミナー順)

1) 2005年9月23日 (於:コロンビア大学)

“Business Cycle Accounting: How Important Are Technology Shocks as a Propagation Mechanism? Some New Evidence from Japan”
Suparna Chakraborty, City University of New York

“The Role of Preconceived Ideas in Macroeconomic Policy: Japan’s Experiences in the Two Deflationary Periods”
Koichi Hamada, Yale University and Asahi Noguchi, Senshu University

2) 2005年11月18日 (於:ジョージ・ワシントン大学)

“Which non-linearity in the Phillips curve? The absence of accelerating deflation in Japan”
Emmanuel de Veirman, Johns Hopkins University

“Is Japan Different?”
Arthur Alexander, Georgetown University

3) 2006年2月17日 (於:コロンビア大学)

“Electoral Institutions, Hometowns and Favored Minorities: Evidence from Japanese Electoral Reforms”
Shigeo Hirano, Columbia University

“Financial Liberalization and Japan’s Agricultural Cooperatives”
Yoshihisa Godo, Meiji Gakuin University

4) 2006年4月21日 (於:ジョージ・ワシントン大学)

“Zombie Lending and Depressed Restructuring in Japan”
Anil Kashyap, University of Chicago Graduate School of Business

“Reciprocity and Network Coordination: Evidence from Japanese Banks”
Joe Peek, Gatton College of Business & Economics

The U.S.-Japan Discussion Group (日米ディスカッショングループ)

少人数の会合を年4回開催している。ニューヨーク周辺の日米のビジネスリーダーを対象に、CJEBの教授陣も参加し、日米のビジネス、経済、金融、および政治問題を討議する場を提供している。2005-06年度には、パトリック教授と米国住友商事会社社長・米州総支配人の加藤進氏が討議をリードして開催された。

日本金融システム・ディスカッショングループ

日本金融システムの専門家で構成されており、年5-6回会合を開いている。CJEB教授陣のパトリック教授、ワインスタイン教授に加え、マイケル・ウッドフォード氏、小川アリス氏、リチャード・カツツ氏、

パトリシア・クワヤマ博士、田中洋樹氏、ジェニファー・ドワイヤー教授、沼波正氏、ジェームス・ハリガン氏、フランシス・ローゼンブルース教授が参加している。

その他の支援活動

CJEBは、下記を含む、コロンビア大学以外の機関との協力・連携、支援を行っている。

財団法人社会経済生産性本部セミナー

CJEBは、財団法人社会経済生産性本部 (Japan Productivity Center for Socio-Economic Development : JPC) が主催するセミナーに対して、コロンビア大学での開催場所提供や、コロンビア大学教授の手配などの支援を行っている。本セミナーは、JPC から日本の中間・上級管理職の方々が参加し、過去には日米比較という視点からそれぞれコーポレート・ガバナンス、リーダーシップ、企業経営などを題材に開催された。

2005-6年度の講演者：

キャサリン・ハリガン教授 (Prof. Kathryn Harrigan) –コロンビア大学ビジネススクール
マイケル・ファイナー教授 (Prof. Michael Feiner) –コロンビア大学ビジネススクール
ローラ・レズニコフ教授 (Prof. Laura Resnikoff) –コロンビア大学ビジネススクール
トーマス・ツヴァイフェル教授 (Prof. Thomas Zweifel) –コロンビア大学国際関係・公共政策大学院

日本情報アクセス・プロジェクト (Japan Information Access Project)

ワシントン D.C.を拠点とする日本情報アクセス・プロジェクト (Japan Information Access Project) は、日本・アジアに関心を持つ米国政策コミュニティーの、高い評価を得ている情報源の一つである。同プロジェクトは、重要なアジア政策課題に関連した「ワシントン官僚外」の最も優れた学術調査・研究や分析をワシントンに紹介することを専門としている。日本や北東アジアの科学・技術・経済・安全保障政策についての国際理解を強化することを目標としており、プログラムや出版を通じて、会員や政策立案者、また国民向けに、米国の戦略的な競争力や安全保障を高める為に、日本やアジアについての情報を提供している。

VII. コロンビア大学コミュニティーへの活動

ファカルティ交流

日本経団連の外郭団体、(財)経済広報センター (KKC) が日本国内で主催する一週間のプログラム、「米国ビジネススクール教育者招聘プログラム (Invitation Program for U.S. Business School Educators)」に参加するコロンビア大学および他の一流大学の教授選抜を、ヒュー・パトリック教授とランド研究所の上級経済顧問兼国際経済コーポレート・フェローのチャールズ・ウルフ・ジュニア (Charles

Wolf, Jr.)が担当した。KKC は、日本経済・企業・経営方法についての理解促進を行っている企業経営陣、学者、政府官僚、政治家達との、同プログラム期間中における会議や訪問の手配を行う。

ウルフ博士の先導による、恒例の招聘旅行は2006年7月10-14日に行われ、コロンビア大学ビジネススクールからは経営学のヘザー・ハブマン(Heather Haveman)教授が参加した。今年のプログラムのテーマは、「企業価値を高めるマネージメントとイノベーション(Management and Innovation to Create Corporate Value)」であった。

コロンビア大学学生支援

日本経済経営研究所は、コロンビア大学コミュニティー間の交流および、日米間の交流・対話を促進する目的で、毎年、幾つかの学生組織・研究機関を支援している。当支援の一環として、CJEB はコロンビア大学での学生の経験を高める様々なプログラムを協賛することにより、コロンビア大学ビジネススクールの学生運営クラブであるジャパン・ビジネス・アソシエーション(JBA)、アジア・ビジネス・アソシエーション(ABA)、ブラック・ビジネス・スチューデント・アソシエーション(BBSA)を支援している。

CJEB は、国際ビジネス・ジェローム・チェイズン・インスティテュート(Jerome A. Chazen Institute of International Business)および JBA が企画・編成した2006年チェイズン訪日国際研究ツアー(2006 Chazen International Study Tour to Japan)を協賛した。3月4日から10日間、77人のコロンビア大学ビジネススクールの学生が日本での研修を終えた。滞在期間中は、東京、京都、箱根、広島、神戸などを訪れた。また、日程としては、株式会社川島織物、京セラ株式会社、月桂冠酒造株式会社、株式会社 NTT ドコモ、ソニー株式会社、およびトヨタ自動車株式会社を含む日本企業の視察と合わせて、広島平和記念資料館や郵政民営化推進室などの教育的・文化的な施設も合わせて訪問した。コロンビア大学ビジネススクールの日本クラブ主催の歓迎会も東京にて盛大に行われた。CJEB は当ツアーが開始された1989年より、知的側面および資金面で貢献している。

研究奨学金と育英奨学金プログラム

CJEBでは、米国住友商事奨学金、三菱信託山室記念奨学財団などのコロンビア大学の大学院生・学部生を対象とした奨学金プログラムを通して、日本経済に関する研究や、日本への留学を支援、日本経済に興味のある次世代の人間を育成している。2005-6年度は、ジェニファー・リリーが三菱信託山室記念奨学財団奨学金プログラムの受賞者に選ばれた。

図書館・データ資源

コロンビア大学は、米国で最も大量の日本語・英語資料を保存する機関の一つである。CJEB は、コロンビア大学図書館が所有する日本および東アジア経済に関する書物やデータを吟味し、必要に応じてコロンビア大学に対し、データ、書物、資金を提供するなどの支援を行っている。

CJEB は、日本経済やアジア・太平洋経済関連資料(統計資料、学術誌、定期刊行物など)の研究資料を所蔵している。デイビッド・ワインスタイン教授の指揮下で、金融市場を中心にした日本経済関連のデータバンクの拡張を続けている。当データバンクは、関連研究を行う教授陣や学生を対象にした統計資料の集大成で、日本経済新聞社の NEEDS(総合経済データバンク)を含む情報源からの金融市場、金融機関、およびマクロ経済関連の時系列、分野横断的データを含む。NEEDS は、日本経済

やその他アジア・太平洋経済に関連した主要新聞からの記事や学術論文が検索できる他、企業・経済の基本データを提供するオンライン・ニュース・データ検索システムである。

CJEB は、コロンビア大学の学生、教授陣、およびその他関係者に対し、日本の上場・OTC(店頭登録)会社に関する企業データから24時間リアルタイムでのニュースなどを提供する日経 NEEDS Financial Quest (日本語・英語)や日経テレコン21(Nikkei Telecom 21)を提供している。詳細は、CJEB のウェブサイトをご覧ください。

VIII. 協賛

コロンビア大学およびコロンビア大学ビジネススクールから、教授陣の給与負担、オフィス、図書館などのサービス提供などの支援をいただいている。また、1995年に開始したコーポレート・スポンサーシップ・プログラムは、CJEBの短期及び長期的な研究・講演などの活動計画を実現するにあたり、必要な資金援助をいただくものである。日本企業の皆様からCJEBへのご寄付には、経団連海外事業活動関連協議会を通じて、税金控除が適用される。

コーポレート・スポンサーシップ・プログラム

現在、本プログラムにおける協賛企業は以下の通りである。(五十音順)

リード・コーポレート・スポンサー(100,000ドル+/年)

米国住友商事会社

メジャー・コーポレート・スポンサー(25,000+/年)

キッコーマン 株式会社

Saga Investment Co., Inc.

タカタ 株式会社

株式会社 槌屋

コーポレート・スポンサー(10,000+/年)

AFLAC Japan

Caxton Associates, LLC

新日本アーンスト アンド ヤング税理士法人

財団法人東芝国際交流財団

三井住友海上火災保険 株式会社

三菱 UFJ 信託銀行 株式会社

米国三井物産財団

東京電力 株式会社

ニューヨーク日本商工会議所

富士ゼロックス株式会社

株式会社 安川電機

個人スポンサー(10,000⁺/年)

ロバート・アラン・フェルドマン氏 (モルガン・スタンレー証券会社(東京))

増田茂氏 (ゼロン・グループ)

フレンド (~9,999ドル/年)

住友化学工業 株式会社

ヒュー・パトリック

ジョン&シエルビー・ルーシュ

オルタナティブ投資プログラム スポンサー企業

リード・コーポレート・スポンサー (100,000ドル⁺/年)

大同生命保険 株式会社

株式会社 野村証券ホールディングス

コーポレート・スポンサー (50,000ドル⁺/年)

アドバンテッジパートナーズ LLP

株式会社 新生銀行

Design/Production:
Columbia University Office of Publications

Editor:
Yvonne Thurman

Assistant Editor:
Emiko Mizumura

Editing Team:
Susanna Giboni
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Photography:
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