



**COLUMBIA
BUSINESS
SCHOOL**

CENTER ON JAPANESE ECONOMY AND BUSINESS

Annual Report 2004–2005





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*The preeminent academic center on
Japanese business and economics*

Established at **Columbia Business School** in 1986 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 not only is a research organization but also is widely recognized for its programs, which provide prominent speakers from the public and private sectors and 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, Economics Department, and School of International and Public Affairs. Funding is provided by corporate sponsors, foundations, and University sources.

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LETTER FROM THE DIRECTOR AND ASSOCIATE DIRECTOR FOR RESEARCH

This year the Center has continued to play a leading role in the exchange of ideas between academics, policymakers, and business leaders of Japan and the United States. We mention here a few highlights, all of which are discussed in more detail in this annual report.

Throughout the year we welcomed outstanding leaders in business and public policy, including Koichi Kato, Member of the House of Representatives of Japan; Masamoto Yashiro, Chairman of Shinsei Bank; Shijuro Ogata, former Deputy Governor of International Relations, Bank of Japan; Robert Fallon, President of Korean Exchange Bank; and Harvey Goldschmid, Commissioner of the U.S. Securities and Exchange Commission.

The Center made good progress in its two major projects. The research project “Solutions for the Japanese Economy” was brought to a successful close. The eleven-chapter volume presenting the results of the project was published in September 2005, in English as *Reviving Japan's Economy: Problems and Prescriptions* (MIT Press), and in Japanese as *Post Hesei-Fukyou no Nihon-keizai: Seisaku-Shikou Approach ni-yoru Bunseki* (Nikkei).

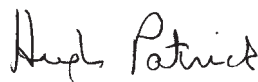
The Program on Alternative Investments continued its excellent development. It organized and hosted a series of seminars at Columbia, a symposium on hedge funds in midtown Manhattan, and two roundtables in Tokyo for invited members of the Japanese institutional investor community.

In addition to the active involvement of its core faculty who are extensively involved in Japan, the Center supports and encourages Business School faculty and students to travel to Japan on various kinds of study

tours. The Center was asked by Keizai Koho Center to select outstanding faculty from leading business schools to spend a one-week program in Japan. Hugh Patrick was a member of the initial four-person group in January, and Charles Calomiris, Henry Kaufman Professor of Financial Institutions and Academic Director of the Chazen Institute for International Business of Columbia Business School, was one of the five participants in the regular June program. The group met with senior corporate executives, scholars, government officials, and politicians to promote their understanding of the Japanese economy, corporations and management methods, and government policy issues.

The Center also supported the student-led Japan Business Association Japan Study Tour of the Chazen Institute in March. Thirty-three students spent ten days making site visits to various company headquarters in Tokyo.

The success of the Center, now approaching its 20th year since its establishment at Columbia Business School, is due to the hard work, dedication and intelligent energy of its core faculty and staff, the resources provided by the School, and especially funding provided by Japanese and American corporations, foundations, and individuals. We thank them all.



Hugh Patrick, Director



David Weinstein, Associate Director for Research

JAPAN: ANOTHER ECONOMIC RECOVERY, NEW POLITICAL TERRAIN BY HUGH PATRICK

In summer 2004, many Japanese expressed exuberant optimism that the economy was finally well on the road to recovery and to a self-sustained, full-employment economic growth path. By late fall, that optimism had been dashed. The economy had abruptly stalled, with three quarters of no growth. The 2.6 percent GDP growth for 2004 only reflected an excellent first quarter and the momentum to higher levels begun in 2003 (the base-year effect).

Optimism once again prevails. The economy has rebounded well in the first half of 2005 from last year's soft patch. Exuberance has been ignited by Prime Minister Junichiro Koizumi's overwhelming election victory on September 11 and the bullish upward revision of the slightly disappointing second quarter GDP growth initial estimates. The key question is, how strong and sustained will this growth be during the rest of 2005, in 2006, and beyond? Will Japan finally break out of its mediocre cyclical pattern and achieve its feasible growth path by eliminating excess capacity, or will it simply repeat its poor performance of the previous fifteen years? In last year's essay I was cautious, awaiting more evidence before being willing to judge whether the growth momentum was sufficient to restore the economy to a self-sustained, full employment growth path. I am somewhat more optimistic than a year ago, but I remain cautious and want more evidence that the current momentum will be sustained and enhanced.

With two or three years of robust growth—3 percent or so annually—Japan could absorb its labor and industrial slack and return to normalcy. I do not think that is likely just yet. Alternatively, sustained growth at 2 percent over the next five years would probably also achieve this, and that seems most likely. However, slower

growth, at less than a 2 percent annual rate, remains a danger; that would mean the Japanese economy would continue in its mediocre growth cyclical pattern.

Virtually all of Japan's economic indicators are improving, albeit mildly. The Japanese economy is in the best shape it has been since 1990. It is even possible that this widespread, gradual process at some point will create a sudden, optimistic shift in expectations that generates a virtuous circle of significantly increased business investment, employment, wages, consumption, and price stability instead of mild deflation. However, serious obstacles could prevent this happy event: exogenous factors such as slower world economic growth and sustained high oil prices; slow private sector and government structural reforms; the huge budget deficit and abnormally low nominal interest rates; and, potentially most dangerous, premature tightening of fiscal or monetary policy.

My somewhat cautious stance persists because despite broad-based improvements, most of Japan's major economic problems persist. Aggregate demand remains inadequate, and deflation has not yet ended. Considerable labor market slack continues, and household income growth is modest. Capital is misallocated. Business borrowing continues to decrease. On the other hand, the systemic problem of bank excessive nonperforming loans has been solved, and corporate restructuring proceeds. Even so, these continue to be abnormal times.

The results of the Lower House election and their implications and increasingly optimistic expectations about Japan's economic performance dominate Japanese news headlines in mid-September. Other issues have also received great media attention this

year. One is the contrast between the worsening political relationship with China and a continuing strong economic relationship. Another is merger and acquisitions, highlighted by the Livedoor–Nippon Broadcasting hostile takeover bid melodrama. These and other topics are considered below.

RECENT ECONOMIC PERFORMANCE

Japan's recovery in the first half of 2005 from 2004's final three quarters of stagnation has proceeded reasonably well. The strong first quarter rebounded at a 5.8 percent annual rate and was followed by a very good second quarter at a 3.3 percent annual rate. The

deflation did not significantly improve. The GDP deflator, year on year, was -1.0 percent, and the CPI worsened slightly to -0.4 percent.

The initial government report on second quarter growth, at only a 1.1 percent annual rate, was disappointing. The September 12 significant upward revision to 3.3 percent lifted expectations and forecasts for 2005 and 2006. The good news is that the upward revision was due mainly to a surge in business fixed interest, rising 15.4 percent, almost all of the net increase in domestic demand. Inventory investment were negative, -0.9 percent, but substantially less than initially estimated. However, consumption was slightly

These continue to be abnormal times.

evidence indicates broad-based improvements across the economy.

First quarter growth was driven entirely by private domestic demand; net exports were slightly negative, and a modest increase in government consumption was mostly offset by continuing decreases in government public works. Consumption—growing at a 4.9 percent annual rate—was strong, providing half of quarterly growth. Business fixed investment, a volatile major component of aggregate demand, grew rapidly, at 12.8 percent, contributing a third. Inventory accumulation, the most volatile aggregate demand component, increased excessively, comprising a quarter of the growth. Corporate profits increases slowed but remained strong. However,

less though than initially estimated and had slowed significantly, but even so increased a good 2.4 percent. Exports grew faster than imports, contributing to about a fourth of the quarter's growth in real terms. That said, in current prices net exports were a significant negative factor, due to high oil and commodity import prices, slowing nominal GDP growth by a quarter in the first half of the year. The CPI improved to a -0.1 percent rate, and the GDP deflator to -0.9 percent, but both remained negative.

The most significant improvement this past year has been in the labor market. Demand for labor, both employment and wages, drives household income; that drives consumption. Consumption is the largest compo-

Young Japanese have disproportionately borne the costs
of mediocre growth and poor employment opportunities.

nent of domestic demand and always is a major factor in aggregate demand growth.

As I have stressed in previous essays, substantial labor slack due to inadequate aggregate demand—unemployment, lower participation rates, the increased share of part-time and contract workers, and labor misallocation—has been one of the most serious costs of sustained mediocre performance. Between 1995 and 2004, the labor force participation rate dropped 3.5 percentage points for all males and more for those 20 to 24 and those 65 and over. Female participation rates have decreased more slowly, by 1.4 percentage points, and rates actually increased slightly for women 25 to 64. I presume Japanese simply withdrew from the labor force as job opportunities dried up; they represent disguised unemployment.

Young Japanese have disproportionately borne the costs of mediocre growth and poor employment opportunities. The unemployment rate of those 15 to 24 is 9.1 percent as of May 2005; too many of those employed worked in part-time jobs, since survey data suggest some 70 percent want full-time jobs. Japan has an estimated 640,000 NEETs (people 15 to 34 not in full-time education, employment, or training). Most live at home and are supported by their parents, a by-product of a rich country. About half the NEETs, presumably mostly women helping their parents at home, do not intend to enter the labor force. NEETS and “freeters” (some 2.1 million living an independent, usually part-time, work lifestyle) are an interesting and perhaps important new social phenomena, but in macro perspective they do not alter the realities of a slack labor market.

Over the past year, and particularly in the past few months, the employment situation has improved significantly. The unemployment rate declined to 4.4 percent in July from 4.8 percent a year earlier, and 5.5 percent at its January 2003 peak. The bellwether ratio of job

offers to applicants did rise to 0.97 from 0.85 a year ago, its highest level since October 1992.

Total employment began to increase from January 2004, but this was entirely in the form of contract and part-time workers; full-time regular employment continued to decrease. Now there is some improvement in the quality of employment: full-time employment has been increasing, while part-time, contract, and other nonstandard employment growth slowed, and perhaps has even begun to decline. It still remains some 30 percent of the labor force, however. Part-time workers continue to be one-fifth of the total; contract and subcontractor workers are 5 percent; and dispatched workers (employees sent to a subsidiary or affiliate) are 2 percent.

The improvement is more modest than it appears: increases are due basically to shifting part-time and dispatched workers to full-time, “regular” status, but not to “permanent employment” regular status with full bonuses. Permanent workers continue to decrease as retired employees are replaced by workers with more limited benefits. More than a cyclical adjustment, this is a structural increase in flexibility.

Household income depends both on employment and on wage and bonus increases. The second piece of good news in mid-2005 was that regular scheduled wages and total cash earnings, combining regular wages, overtime, and bonuses, have been increasing since April 2005, after having decreased slightly but continuously in both nominal and real terms for several years. Employee compensation in real terms, at 54.5 percent of GDP, is at its lowest share in more than 25 years. The peak, slightly below 56 percent, came in the mid-1990s. As a consequence, real consumption decreased from about 57.5 percent of real GDP in the mid-1990s to 55.7 percent in the second quarter of 2005.

Relative to output increases, and especially to the dramatic profit increases, wages are growing slowly.

Winners and losers, both across and within sectors, have become more apparent and more significant.

Labor markets, though strengthening, are still quite slack. A plus is that winter bonuses for all firms with five or more employees rose 2.7 percent, the first increase since 1996; and preliminary survey data suggest that summer 2005 bonuses rose about 2 percent. Wages will need to increase at a substantially greater rate if consumer spending is to become a leading force to sustain good growth over the longer run.

As a huge economy, Japan in the past decade has depended too much on export and current account surplus growth to bolster aggregate demand. Domestic demand picked up in the first half of 2005. Export volumes increased modestly in the second quarter of 2005 after three quarters of decline. Exports to China, which surged in 2003 and early 2004, have dramatically decelerated to virtually zero growth, despite China's continued extremely rapid GDP increases. Imports in current prices have continued to grow at a double-digit rate, in substantial part due to the major rises of oil and other raw material prices.

Even though large listed companies have relatively small shares of total output, value added, and employment, much of the analysis of Japanese corporate performance is based on data about them. One reason is that they are perceived to lead the economy. After all, a significant portion of small-firm production of goods (parts, components) and business services is sold to larger firms and, in due course, to the largest firms. Another reason is that the quality of data for large firms is substantially better than for small and medium-sized enterprises.

Japanese data coverage is comprehensive and extensive. However, the quality of much monthly and quarterly data, as reflected in their considerable volatility and significant revisions, is mediocre, often because survey samples are too small or not well constructed. The government has committed additional resources to

improving data quality, so perhaps short-term forecasting will improve.

Small and medium-sized enterprises (SMEs) employ 76 percent of employed workers. When self-employed and family workers are included, large firms (those with 500 or more employees) comprise only 20 percent of total employment. Despite the opaqueness of their balance sheets, the available evidence suggests that the performance of most SMEs is improving substantially, especially in profitability. SME operating profits for fiscal 2004 (ending March 2005) rose 30.3 percent in manufacturing and 18.4 percent in services, more than for large firms.

SMEs have paid off debt. While still substantial, net debt to equity ratios are at their lowest since 1974. SME ability to service debt is at its highest since 1992; for large firms, this ability is the highest since 1985. However, loan interest rates are extraordinarily low, so the corporate sector is not yet out of the debt woods.

Winners and losers, both across and within sectors, have become more apparent and more significant. Large urban areas are more productive than rural regions and small towns. Despite widespread Japanese self-identification as being middle class, differentials in household income by age, gender, and occupation have widened. The OECD estimates that Japan's income distribution is among the five least equal of its 30 advanced country members.

KOIZUMI'S ECONOMIC REFORM MANDATE

Prime Minister Koizumi's decision to call a snap Lower House election on September 11, when his dominant economic and political priority, the postal privatization legislation, was rejected by the Upper House of the Diet on August 8, was a huge political gamble. It was compounded by his decisive rejection of the 37 Liberal Democratic Party Lower House incumbent renegades

Postal privatization, the sole concrete issue of Koizumi's campaign, now is certain.

who had voted against the postal privatization as LDP candidates, instead selecting attractive candidates to run against them. And Koizumi won. It was a stunning victory, far beyond the most optimistic projections. The LDP achieved an absolute majority and, with its Komeito coalition partner, secured the two-thirds majority sufficient to pass the postal privatization bill and indeed any legislation regardless of the Upper House.

Koizumi brilliantly cast the election as a contest between those favoring and those opposing postal privatization and, by extension, between reformers and those wanting to maintain the status quo system of support for a range of vested interests. It was also a contest between those supporting small versus large government, those favoring markets versus government invention, and ultimately those for or against Koizumi as a leader of change, albeit vaguely specified. It was a victory for a charismatic, media-savvy, idiosyncratic leader; the LDP rode in on his coattails.

Koizumi's fundamental objective has always been reform of the LDP itself. To that end he has significantly strengthened top-down party discipline, reduced the power of traditional party leaders and factions, and moved the party from maintenance of the status quo towards reform. The election victory is the culmination of a longer run process in which pork-barrel public works spending has been reduced, and authority over income and resource redistribution has been more centralized in the Prime Minister's office, in a Cabinet supporting the Prime Minister's policy preferences rather than representing factions, in a vigorous Cabinet Office, and in a proreform Council on Economic and Fiscal Policy.

Postal privatization, the sole concrete issue of Koizumi's campaign, now is certain. The same, substantively somewhat weak legislation earlier rejected will pass the Diet this fall and become law. Privatization of Japan Post is important. It is by far Japan's largest

deposit-taking and life insurance institution, and inefficiencies abound. As of March-end 2005, postal savings deposits were ¥214 trillion (\$1.9 trillion), four-fifths of the deposits of the four major banking groups combined. Postal savings assets are invested overwhelmingly (85.6 percent) in central government bonds, bills and deposits in the fiscal loan fund. Postal life insurance assets of ¥120.2 trillion (\$1.1 trillion) are almost equal to Japan's four largest private life insurance companies combined and equivalent to 43 percent of the assets of all private life insurance companies.

In principle, privatization will make greater efficiencies possible in postal fund asset allocation and operations. While the postal legislation is flawed in some respects and the specifics of implementation are far from clear, it is both a fundamental economic reform in itself and a signaler of further economic reform. Privatization begins in 2007 and is scheduled to take ten years. However, the devil lies in the details—to what degree and in what concrete, specific ways implementation proceeds will involve an ongoing political economy process. The strife is not over.

Koizumi now has a public mandate for other economic reforms as well. How far and how well Koizumi will use this mandate is far from clear. He has yet to define his economic reform agenda, much less their priorities. In his victory press conference, he mentioned the need for reform of health care, public pensions, central and local government financial relationships, government finances, and civil service. Probably an early reform will be the consolidation of government financial institutions, since a major report is due out in October. Relatedly, the government may sell off financial assets and reduce gross government debt. Health reform will probably be another reform objective. The focus will be more micro—how to improve the efficiency of health care services while lowering costs—than the

Post-election euphoria has generated further positive expectations about Japan's future.

macro issue of how to cover the budget costs of the universal health care system.

While the longer-run implications of the election on Japan's political and economic systems are probably profound, they are not at all obvious. The election was a one-off event involving a unique leader, not a political party victory. To what extent will the LDP become an urban party of reform? How will the Democratic Party of Japan reform itself? Half of the newly-elected LDP members still represent rural districts. While the urban LDP victories smashed many DPJ candidates, the margins of victory were not great, and the impact of nonaffiliated, floating voters was substantial. The LDP old guard has been weakened but they have not disappeared. While the LDP won 61 percent of the Lower House seats, it garnered only 48 percent of the popular vote for single-member districts and only 36 percent of the proportional representation votes, though that was better than the DPJ's 31 percent.

Further economic reform will depend fundamentally on Koizumi's exercise of leadership, including ongoing oversight of the implementation specifics as in postal privatization and unlike the earlier, less successful highway corporation privatization reform. In the coming months, Koizumi will probably define his economic reform agenda and will make its acceptance and support a requirement for whomever the LDP elects as his successor. To accomplish this, Koizumi may have to extend his term another year. He has repeatedly stated that he will retire as prime minister when his term as LDP president expires in September 2006. It is possible that by next spring Koizumi will change his mind. Regardless, the key issue will be who his successor is.

Post-election euphoria has generated further positive expectations about Japan's future, fueling what already is a good recovery. Nonetheless, the development of government economic reform policies and

especially their implementation is a long-run process, not a quick fix. Successful reforms will raise productivity, especially in the public sector. They will also enhance private sector expectations about Japan's economic future. Even so, businesses and households now rely far less on government leadership than before. The basic sources of efficient resource allocation and economic growth lie more than ever before in the autonomous actions of the private sector.

ECONOMIC GROWTH PROSPECTS

Will current moderate momentum in domestic demand and production continue for the rest of the year and throughout 2006? Will growth be sufficiently strong and rapid by the end of 2006 to break out of the recurrent cyclical pattern and restore Japan's economy to a self-sustained full employment growth path? Yes to the first, but probably no to the second, are the simple answers. But the world is never so simple, even assuming, as I do, that the election will not fundamentally alter government economic policy or overall economic performance in the near term.

While improvement is widespread, Japan's basic problems persist: inadequate aggregate demand; mild deflation; labor slack; business investment demand not sufficient to reverse the long-run decline in business borrowing from banks or financial markets; and the ongoing need for corporate and public sector restructuring, particularly government enterprises and institutions. Nationwide land prices are reported to be declining, but more slowly. In reality, both given time lags and inadequate weighting of differently valued land, coupled with such evidence as the expanding market for real estate investment trusts (J-REITs), land prices may have already stabilized. If so, that will be a significantly positive factor. I expect broad-based, incremental, slow, improvements in all these dimensions will continue.

The most important growth driver will be Japanese household expenditures.

One negative is the increases in tax rates already legislated. I consider these issues here and in following sections.

Consensus forecasts in early September, prior to the election, were that Japan will grow about 2.0 percent in fiscal 2005 and 1.8 percent in fiscal 2006. The election results have generated further optimism about government economic reform policy and Japan's economic performance. Several respected forecasters in mid-September projected growth to be close to 2.5 percent in 2005. However, views diverge significantly for 2006, from an optimistic 2.8 percent growth to a pessimistic 1 percent. The Bank of Japan's Monetary Policy Board April 2005 forecast will almost certainly increase in its October announcement. I take these expert projections to mean that recovery will proceed, but how rapidly and how long remain questionable.

Forecasts of when deflation will come to an end are important indicators of changing expectations, both of price movements and the ending of the very easy monetary policy. Japan's core CPI is expected to continue to decrease slightly in 2005 or to reach 0 or even become slightly positive by year-end. For 2006 a slight increase on the order of 0.2 percent is expected. The BoJ Monetary Policy Board April CPI forecasts for fiscal 2005 were -0.1 percent with a range of -0.1 percent to +0.1 percent, and for fiscal 2006 +0.3 percent with a range of 0.1 percent to 0.5 percent. While sustained CPI increases just above 0 are inadequate because the CPI measure overstates price increases (or understates price decreases), nonetheless it seemingly has become a significant indicator that deflation will end soon.

A number of official surveys provide information of business confidence, business sentiment, and consumer confidence. The Bank of Japan *Tankan* quarterly survey of business conditions and outlook three months hence is watched closely. The June-end *Tankan*

was quite positive, though with some cautions. The July *Shoko Chukin* survey, while still slightly negative, showed small improvement in SME business sentiment. However, the Cabinet Office quarterly consumer confidence index in late June decreased slightly, ending its steady improvement since the first quarter of 2003. The monthly economic data and various surveys during the summer indicate some slowdown in consumption and production, but expectations are that the economy will continue to do reasonably well. Presumably, upward momentum will be reinforced by the election results, but hard evidence is not yet in. The September-end *Tankan* was only moderately positive, a disappointment to optimists.

Good growth in coming months and years depends predominantly on expansion of domestic demand. While the yen's relative weakness is a happy surprise for Japanese exporters, it seems unlikely that exports will continue to increase rapidly, even if U.S. and Chinese growth continue strong. And should the high price of oil persist, it could reduce Japanese growth on the order of 0.5 percent annually, as world growth slows and the economy bears further domestic adjustment costs.

The most important growth driver will be Japanese household expenditures. This means employment has to rise, its quality improve, and the labor market tighten. Only then will wages increase sufficiently to underpin strong consumption. Based on the incremental, gradual improvements of the past two years, this is not likely to occur soon. The other important growth driver is rapid business investment, as the June *Tankan* suggests is possible.

Suppose somehow the economy does achieve 3 percent growth this year and next. Such an optimistic scenario is not probable, but it is not impossible. Continuing incremental improvements in major variables might generate a sudden positive shift in market expectations from deflation to reflation, from moderate

Increased fiscal drag will be an even greater negative factor for GDP growth than it has been over the past several years.

to more robust growth, from flat or slowly declining to rising land prices, from a stagnant to an even more buoyant stock market. First quarter rapid growth means that the base year effect for fiscal 2005 will be about 1.1 percent year-on-year growth, even if each quarter has zero growth, since the economy's level is higher than fiscal 2004. Sustained 3 percent growth would dramatically change Japan's economic and policy environment, with a virtuous circle of positive reinforcing interactions among the major variables.

However, Japan's fiscal policy throws cold water on this optimistic scenario. Tax increases have already been legislated. From October 2004, as part of pension reform, social security contributions will increase by a cumulative 5 percentage points of wages until 2017, 0.354 percentage points per year (0.18 percent of GDP). Income and residence tax increases, restoring one-half of the 1995 tax cuts, and amounting to 0.33 percent of GDP, will go into effect in January 2006. This, combined with restrictive fiscal expenditures and tax revenue increases that are already better than expected, suggests that increased fiscal drag will be an even greater negative factor for GDP growth than it has been over the past several years.

2007 AND BEYOND

The year 2007 will be important symbolically and substantively. Japan's population will have peaked and, each year for five years, over two million baby boomers will reach the traditional retirement age of 60. While certainly some will seek continued employment, the labor force decline will accelerate the process of ending labor force slack. By the end of the decade, Japan could well move to a labor shortage. Consumption will rise as retirees begin to enjoy life more. In 2007, postal privatization will begin. By 2007, the Bank of Japan will have reduced excess liquidity sufficiently to begin to raise

interest rates, assuming all goes reasonably well. However, the government may increase consumption taxes in 2007, which probably would be a major mistake. A 2-percentage point rise (from 5 percent to 7 percent) would have a significant negative growth effect of 1 percentage point of GDP.

In the medium term, Japan's growth prospects depend both on its long-term potential growth rate and the gradual elimination of the current slack in the economy (the output gap). The key intermediate growth issues are the actual degree of slack today; the degree to which aggregate demand will increase sufficiently to pull underutilized resources into the economy; and the degree of restructuring and other productivity improvements. The Japanese government and the OECD estimate quite small output gaps, so their intermediate possible growth rate estimates are not substantially greater than the longer term potential growth rate.

My intuition is that the slack is substantially larger. Industrial output capacity analysis focuses on manufacturing, only a quarter of the economy. Services—retail stores, restaurants, finance—could expand sales and transactions substantially with only limited increases in physical capacity. At least equally important, labor is still substantially underutilized, as already stressed. Given some 15 years of inadequate demand for labor, until Japan has a sustained period of strong demand, we do not know what the full employment equilibrium will be.

Japan's long-run potential growth rate depends on changes in the labor force (the demographic factor and the participation rate) and increases in output per worker. Labor productivity in turn depends on increases in capital per worker, improvement in labor skills, and technological change (total factor productivity). In the longer run, labor productivity will probably rise on the order of 1.5 percent, the cautious OECD estimate, to 2 percent

Japan came close to, but has not actually suffered, a systemic financial or economic crisis.

annually. Japan's working-age population will decrease some 0.7 percent annually. This implies that, assuming full employment of resources by 2007, Japan's longer-run growth rate will be between 0.8 percent, the OECD estimate for 2007–2010, and 1.3 percent. The IMF estimate is 1.6 percent. Growth per capita will be slightly higher as Japan's population decreases on the order of 0.2 percent annually for some years.

I think the OECD growth estimate for 2007–2010 is too low. The Japanese Cabinet Office in January 2005 forecast an average growth rate between 2005 and 2112 of 1.6 percent, assuming that economic reforms proceed. Labor productivity could grow more rapidly as labor and capital are allocated more efficiently through deregulation, restructuring, better capital, labor, and land markets, and also rising rates of Japanese and global technological improvement. The supply of labor could be increased by importing contract workers or, indeed, outright immigration. By the end of this decade, this is likely to be one of Japan's most important economic and social issues.

FISCAL POLICY

Japan's macroeconomic policy over the past fifteen years has succeeded in preventing systemic crises but not in achieving full employment growth and price stability. Four combined effects—the burst land and stock price bubbles in 1990 and 1991, the slow responses by both business and government, the institutional and structural changes required as Japan undergoes transformation from rapid growth to economic maturity, and demographic change—have resulted in sustained mediocre economic performance. This is despite massive macroeconomic stimulus—huge, sustained government budget deficits and a Bank of Japan policy of a zero interest rate and extraordinary liquidity. In this section, I consider fiscal policy and, in the next, monetary policy.

Why hasn't the government tackled the aggregate demand issue more vigorously and proactively? The key has been that Japan came close to, but has not actually suffered, a systemic financial or economic crisis. Incomes on average have risen slightly, not declined. Unlike other Asian economies, Japan has not had an external crisis. Indeed, Japan has continued to pile up current account surpluses and thereby increase its position as the world's largest creditor. One lesson is that rich countries can afford to temporize and delay taking difficult, painful short-term policies necessary to overcome powerful interests benefiting from the status quo. Without a sense of crisis, major reform takes strong political leadership in democratic societies.

Japanese policymakers—government officials and politicians alike—do not understand macroeconomic policy well. Each time recovery has appeared, a degree of complacency regarding needed reforms has set in, bolstering unrealized expectations that, this time, the economy will break out of its mediocre performance trap. Maybe 2005–2006 will be different.

While large deficits persist, fiscal policy has been slightly contractionary rather than stimulative for several years, as government expenditures have been restrained and a variety of small tax increases—for pensions, health care, and other specific purposes—have been put in place. While the rate of the consolidated (central plus local) government deficit has declined slightly, it was still 7.3 percent of GDP in 2004; the deficits have politically constrained even short-term fiscal stimulus measures.

Gross government debt has burgeoned over the last fifteen years, to more than 160 percent of GDP. That has raised, quite incorrectly, fears of a future fiscal crisis. In fact, the government is an immense financial intermediary, and its debt is partly offset by huge holdings of financial assets, including government debt

The gross government debt, ongoing huge fiscal deficit, and aging population provide such an opportunity to create a crisis mentality.

itself. Foreign exchange reserves alone, at \$840 billion, are 18 percent of GDP. The net government debt, the appropriate measure, is about half the gross debt.

In the long run the government will have to raise taxes, but the timing and size of tax increases are crucial. It is premature to raise taxes when aggregate demand is insufficient, growth is mediocre, under-employment exists, and deflation continues. The annual increases in social security contributions of 0.18 percent of GDP probably make sense because it well addresses long-term pension funding concerns.

The most important fiscal policy decision the new Koizumi government will face is the type, amount, and timing of further tax increases. One proposal, not yet enacted, is to raise income taxes by another 0.33 percent of GDP from 2007. However, the main policy impetus seems instead to raise the consumption tax significantly as soon as possible. While Koizumi earlier rejected increasing the consumption tax, he did not object to its being considered in 2006 for enactment from 2007. It appears that a drastic tax reform will be proposed by 2007. Whether any consumption tax increase goes into effect in 2007 or 2008, for reasons of administrative feasibility, may well be significant. It all depends on how well the economy has progressed and is doing.

The danger is that further tax increases will be premature. Nevertheless, the Ministry of Finance, always the basic force pushing tax increases, apparently believes it can marshal political support only if there is a sense of crisis. The gross government debt, ongoing huge fiscal deficit, and aging population provide such an opportunity to create a crisis mentality, especially if economic growth is seen as proceeding reasonably well. I fear that “reasonably” means a 2 percent rate, which is not sufficient to reduce slack quickly.

Achieving fiscal sustainability, with a stable government debt-to-GDP ratio, is a long-term goal, since it requires significant tax increases in order to reduce the budget deficit. The problem is how to achieve private sector plus foreign aggregate demand sufficient both to maintain full employment growth and to offset the negative effects of tax increases.

The government earlier this year, based on quite optimistic assumptions, projected that budget equilibrium can be achieved by 2012 or so. That not only is probably unrealistic but actually undesirable if the required tax increases choke off growth once again, as in 1997. The transition process, for both the budget deficit and rising government pension expenditures, should be spread over considerably more years, thereby sharing generational costs more equitably.

Japan’s significant public pension reform, effective October 2004, in reality goes a substantial way toward reducing the expected budget difficulties of financing future old age benefits. Just as important as the increased employer and employee contributions, benefits will not rise as rapidly as nominal GDP. The ratio of initial benefits to wages at retirement is projected to decline gradually, from 59 percent now to 50.2 percent by 2023, and ultimately to 50 percent.

Moreover, after the initial year of retirement, benefits are indexed to price inflation (CPI) rather than to the presumably larger nominal wage or income growth rates. Future retirees will not share in the economy’s productivity increases directly. As with all such projections, particularly as long term as this, the demographic, income, discount rate, and other assumptions will not be completely accurate and will require subsequent policy adjustments. Japan’s decision whether to have a big welfare state as in Europe or a small welfare state as in the United States is fundamentally a political, not economic, matter.

The BoJ has correctly signaled it will err on the side of caution.

MONETARY POLICY

The central goal of the Bank of Japan (BoJ) is to maintain price stability. Like all central banks, other key goals are to prevent systemic financial crises and to maintain the monetary conditions for good growth.

The BoJ has engaged in massive monetary stimulus since the late 1990s. The benchmark short-term rate, the overnight call rate, was reduced to zero in 1999; this has been termed the “zero interest rate policy” (ZIRP). Following the mistaken termination of ZIRP in summer 2000, the Bank in effect returned to it in spring 2001 by adopting a policy of extreme monetary quantitative easing. This was done by providing so much liquidity that financial institutions held official reserves as current account balances at the BoJ far in excess of their legal requirements. The BoJ increased this total reserve target in a series of steps to the current level of ¥30–35 trillion, far above required reserves of about ¥5 trillion.

In these abnormal monetary circumstances, a major policy objective has been to generate positive market expectations both to prevent a financial crisis and to bring deflation to an end. Crisis management has indeed been successful. Bank nonperforming loans have been reduced from dangerously high to more normal levels; and the government’s unlimited guarantee of all deposits (except settlement accounts) was smoothly terminated this year when demand deposit guarantees reverted to a ¥10 million limit on March 31. However, the Bank’s quantitative easing policy has not yet succeeded in ending mild but enduring deflation; market expectations have not improved as quickly or to the degree the authorities had hoped.

The BoJ has made it clear that it will not exit quantitative easing and ZIRP until year-on-year core CPI is positive for several consecutive months, until a strong majority of its Monetary Policy Board members forecast

that the CPI will continue above zero, and until good economic performance is achieved. None of these conditions have been met yet but probably will be in spring 2006. A barely positive CPI is too low a barrier. Given upward bias due to technological change, I am among those who think price stability should be defined as an annual CPI increase of about 1 percent, and that should be BoJ policy, at least implicitly.

One current policy debate focuses on the timing and process whereby the quantitative target is reduced from the ¥30–35 trillion range first to a more normal interim level of ¥10 trillion and then to only holding the required amount of reserves. The essence of the argument lies in how market expectations will be affected as the target and actual amount are reduced.

Another debate is on how the monetary policy exit process should proceed. One scenario is in three stages: first, reduction of the quantitative easing targets; then their termination, explicitly targeting interest rates instead, with ZIRP continuing; and, finally and most importantly, ending ZIRP by raising the overnight interest rate, thereby returning to interest rate changes as the main monetary policy instrument. One could argue that since quantitative easing did not seem to affect price expectations positively as the target was increased, a decrease in these excess reserves to a more normal level should not affect expectations negatively. However, any reduction is uncharted, potentially risky, territory; no other major country since the 1930s has experienced Japan’s miasma of persistent deflation.

The BoJ has correctly signaled it will err on the side of caution; it will not end its easy monetary policy prematurely. After all, the CPI could readily move around from a slight minus to a slight plus without meaning deflation has ended. Undesirable supply effects, such as oil price increases, could even dominate demand affects. (It will be interesting to see how the BoJ reacts

While a systemic threat has been taken care of, bank NPL difficulties are not yet fully resolved.

to the expected approximately 0.2 percent decrease in the CPI index from August 2006 when it shifts from 2000 to 2005 prices.) It now seems likely that the current account surplus will be reduced from spring 2006. The real issue will be when to end ZIRP. The ultimate goal should be not just to end deflation, but also to achieve sustainable real recovery.

A related policy debate is whether the BoJ should adopt, explicitly, or at least implicitly, an inflation target, say, of a CPI annual increase on the order of 2 percent. A few Monetary Policy Board members presently propose this. A more sophisticated monetary policy is initially to set a price level target (for instance, a return to the 1995 price level) that, once achieved, is followed by an inflation target. Since quantitative easing apparently did not affect inflation expectations significantly, the BoJ seems unwilling to use inflation targeting to overcome persisting deflation expectations. The question thus will be whether the BoJ will adopt an inflation target once a post-deflation environment is achieved.

BANKS

Japan's most successful economic reform during Prime Minister Koizumi's tenure has been in banking, particularly the major banks. The specter of a systemic banking crisis has been eliminated. The Financial Services Agency (FSA) required banks to reduce their nonperforming loans (NPLs) to one-half their dangerously high peak levels of 2002 with a March 2005 deadline. Major banks have achieved this by actively writing off bad loans and restructuring their worst large borrowers, financed by raising additional capital and retaining all operating profits.

Bank NPLs had declined to ¥17.9 trillion (\$163 billion), equal to 4.0 percent of loans, by March 2005. The eleven major banks continued to be the most aggressive, reducing NPLs to ¥7.4 trillion, equal to 2.9 percent of credit, down from 9.6 percent in March 2002. Given

balance sheet weakness, banks could only deal incrementally with their large, very weak, inefficient major borrowers (the so-called "zombies"). Of 35 such firms, 30, including two in the IRCJ restructuring process, have significantly improved their financial conditions through debt workouts and restructuring. Almost all the most extreme major cases of corporate distress have finally been reasonably well resolved.

The 113 regional and secondary regional banks have lagged. As of March 2005, their NPLs were ¥10.4 trillion (\$94.5 billion), equal to 5.5 percent of their loans. They reported a combined net profit of about ¥800 billion (\$7.3 billion), the first in years. However, the gap is widening between winners and losers. While 90 percent of the 87 listed regional banks reduced their NPL ratios, the ratio for the ten weakest remained between 7.9 percent and 13.3 percent. Similarly, reported capital adequacy ratios diverge widely. The best regional banks are stronger than the megabanks. Consolidation among weak banks continues, but slowly. Their best news is the improved performance of their SME clients.

While a systemic threat has been taken care of, bank NPL difficulties are not yet fully resolved; some remain hidden. Banks persist in rolling over loans at low interest rates to weak borrowers, while charging higher rates to more creditworthy clients. This retards the development of loan and bond markets for below-investment-grade, mid-level credit risks. Banks are just beginning to enter these markets.

A year ago a big banking story was the unprecedented contest between Mitsubishi Tokyo Financial Group (MTFG) and Sumitomo Mitsui Banking to take over UFJ Holdings. MTFG won, but the merger of the banking units, scheduled for October 1, has sensibly been delayed until January 2006 to ensure adequate systems integration. Japan will then have three megabanks, culminating an amazing decade-long consolidation and restructuring process.

Profit growth has been at the expense of workers; while labor productivity continues to rise, wages have decreased.

While strong domestically, none of these megabanks is globally competitive, and none is likely to become so any time soon. First, their capital base remains weak. Deferred tax assets are still a quarter of total capital. The banks are committed to repaying the capital earlier injected by the government to overcome the NPL crisis. The government has been willing to share with the banks about one-half the gains on those holdings as they are realized, rather than selling its shares in the market, but the FSA may be changing that implicit policy. It will take some years of excellent retained profits to build bank capital to an adequate level. Second, banks still do not have state-of-the-art financial technology in either IT hardware or human capital, and both are expensive. Third, while the mind-set of senior management is changing, caution and safety still seem to dominate credit risk-taking.

Like life insurance companies and other financial institutions, banks are subject to potential government bond interest rate risk. Megabanks do have two assets supporting their international business: access to cheap Japanese savings and Japanese multinational clients with which they have close relationships.

CORPORATE REFORM

Japanese corporations are in their best shape in years. Debt-to-equity ratios are at a normal, acceptable level. Firms are borrowing more money than they are repaying, for the first time in nine years. However, on balance they remain savers, by some 3 percent of GDP; their borrowings are being used to invest in financial assets rather than in expansion of plant and equipment. Good performance has produced a major increase in recurring profits, up 28.2 percent in fiscal 2004 and projected to rise another 8 percent or so this year. However, profit growth has been at the expense of workers; while labor productivity continues to rise, wages have decreased

until very recently and are only rising modestly now.

Corporate restructuring continues, though more needs to be done. Firms are focusing increasingly on core competencies, preparing to shed less profitable activities through spin-offs and management buy-outs, often with private equity fund participation. Mergers and acquisitions (M&A) activity is rising from its historically low base. Almost every M&A deal in Japan, as elsewhere, is friendly.

Hostile takeover bids (TOBs) are exceptional, but understandably they attract immense media attention and negative management reactions. Business leaders used anxiety about foreign takeovers, friendly or not, to delay until 2007 provisions in the major new corporate law, which otherwise goes into effect in 2006, which will enable foreign firms in friendly, triangular, cross-border transactions to use shares to acquire Japanese firms.

Livedoor's hostile attempt to take over the established Nippon Broadcasting System (NBS) and, thereby, potentially, its parent, Fuji Television Network, during February–April 2005 generated huge media and public excitement. Livedoor is an upstart Internet service provider; NBS and Fuji TV are core companies in Japan's largest media group, Fuji-Sankei. Iconoclastic, young, brash outsider Livedoor president Takafumi Horie was cast as a populist symbol of much needed change. He was pitted against the traditional business establishment, personified by much older Fuji TV chairman Hisashi Hieda, a symbol of incumbent management control and stakeholder capitalism.

Which was the good guy, and which the bad, depended on one's point of view; there was plenty of grey on both sides. Both made strategic misjudgments and mistakes as the contest progressed. The ultimate result was a standoff involving a somewhat strange alliance among the contestants. Although Livedoor's hostile bid failed, it made some money in the process.

Takeover bids are a new phenomenon, and the . . . framework assigning predominance to shareholders rather than stakeholders is still weak.

The Livedoor brouhaha has had several significant effects. It made clear that listed companies that own a substantial share of a larger affiliate's stock are vulnerable to TOBs. The most immediate consequence was to strengthen management opposition to hostile takeover bids by making development of defensive measures a high priority. These include higher dividends, stock buy-backs, and poison pills, those sophisticated instruments of legal technology designed to force takeover bidders to negotiate with management or suffer massive share dilution. Another effect has been to accelerate reshaping of the Japanese public and legal environment so as to make future hostile TOBs more feasible. It also accentuated stockholder activism in response to the poison pill defenses that company managements have begun to propose.

Hostile takeover bids are an extreme instrument of corporate governance, generally occurring only when a company's stock price is far below its potential value or the firm is liquid asset rich. TOBs generate a market for control of corporations, usually to the benefit of shareholders. However, some TOBs are harmful to existing shareholder interests of firms potentially being acquired. A market rationale for using poison pills is to halt or slow the process until the bid sufficiently reflects value.

The Ministry of Economy, Trade and Industry (METI) and the Ministry of Justice in May announced guidelines for proper and fair defenses against hostile TOBs. These guidelines essentially adopt Delaware state law principles and endorse poison pills, although they will have to be adapted for use in Japan. As the legal home of many major U.S. corporations, corporate law in Delaware has been refined over time through many court cases. Regarding TOBs, the result has been to increase shareholder value by slowing the TOB process. However, the legal system is flexible, and implementation depends significantly on the corporate governance context within which it operates. In the United States,

the system of poison pill defenses is founded on a combination of legally responsible, powerful, independent directors, knowledgeable and capable courts, and effective capital market pressures.

Japanese corporate governance is in a process of substantial change, with major improvements in transparency and disclosure. Nonetheless, in most companies management remains in tight control. Boards of directors consist overwhelmingly of internal directors, and it is not clear what proportion of the relatively few outside directors is truly independent. However, stockholder activism gathered substantial momentum this past spring, and at June 2005 annual meetings, stockholders in three major companies rejected management proposals to increase authorized shares because the boards could have preferentially allocated shares to friendly stockholders. Stockholder activism now includes Japanese pension funds as well as foreign institutional investors.

Poison pills in Japan can benefit shareholders or they can protect incumbent management. They will become increasingly important as stable and cross-shareholding continues to decline. How the poison pill develops in Japan remains to be seen. TOBs are a new phenomenon, and the normative and institutional framework assigning predominance to shareholders rather than stakeholders is still weak. Indeed, how the overall market for corporate control will develop is still far from clear, involving as it does actors reflecting the interests of incumbent management, the government ministries, political parties, finance, and the legal profession in a new, evolving, economic environment. How the courts rule will be important. In the recent Livedoor and Nireco cases, the courts have indicated that shareholders will have to approve management use of poison pills and other defensive share issuances in order to ensure that they are legal.

Once U.S. trade deficits no longer become sustainable, Japan . . . will have to replace slowing U.S. import demand with domestic demand.

JAPAN IN THE GLOBAL ECONOMY

Japan, the world's second largest economy measured by market exchange rates, continues to be a major, though somewhat stalled, global economic engine. Its economic performance is affected by world GDP growth, trade, foreign direct investment, exchange rates, and other elements in the globalization process. Japan's economy is especially linked to the economic performance and policies of the United States, EU, and now China, the other major engines of the global economy.

Alliance with the United States economically, politically, and in security terms continues to be Japan's pre-eminent foreign policy objective. Three big problems in the Japan-U.S. economic relationship persist: Japan's mediocre economic growth; the huge, ongoing U.S. trade and current account deficits; and, relatedly, low national savings rate.

I have been surprised by the dollar's rebound and concurrent yen and euro weakness, in the first three quarters of 2005. That has been affected by other surprises: better than expected world economic growth despite high oil and commodity prices; and U.S. long-term interest rates lower than expected as the U.S. central bank maintained its steady rise in short-term rates. Long-run economic fundamentals—a U.S. current account deficit more than 6 percent of GDP and a Japanese surplus of 3.5 percent—indicate that the dollar should weaken. Cyclical forces, such as the widening of interest rate differentials, attracting financial flows to the United States from Japan and better growth in the United States, combined with less good growth in Japan, have sustained yen weakness without any need for the Japanese foreign exchange authorities to intervene.

In real terms, after adjusting for inflation differentials, the yen is now as weak as it was in 1998 when the rate was 140 to the U.S. dollar. A rate of 110 today

is equivalent to 145 in 1995. Even aside from global forces weakening the dollar, once the Japanese economy restores normal growth, the yen should rise.

One factor supporting the dollar has been the reliance by the rest of the world on running a trade surplus with the United States as a means of sustaining domestic demand and their willingness to invest saving and foreign exchange surpluses in U.S. financial and other assets. Once U.S. trade deficits no longer become sustainable, Japan and other trading partners will have to replace slowing U.S. import demand with domestic demand, pursuing more stimulative macroeconomic policies to maintain their growth. These structural adjustments, in the United States, Japan, and the rest of the world will not be easily achieved.

China's recent announcement that it would end its yuan peg to the dollar, revalue the yuan by about 2 percent, and shift to a Singapore-style "currency basket, band, and crawl" exchange rate regime is welcome, especially since it has substantially reduced anti-Chinese political pressures in the United States. In the longer run, this desirably enhances the potential flexibility of all Asian exchange rates, including the yen. Nonetheless, the short-term economic effects will be minimal, so long as the yuan does not appreciate significantly.

China's burgeoning global trade and current surplus, 4.2 percent in 2004 and probably still rising, imply that the yuan will appreciate substantially in the longer term. One problem for Chinese monetary authorities is how to limit speculative capital inflows or sterilize them without generating domestic inflation. On the other hand, liberalization of currently restricted capital outflows by Chinese institutions and households would significantly depreciate the yuan. My expectation is that the yuan will appreciate only very gradually, and the net impact on the Japanese economy will be modest.

In long-run perspective, the world continues to par-

Both Japan and China are strong at the same time, a first in history.

ticipate in, and benefit from, the continuing spread of the industrial revolution to Asia. This is the economic development story of Japan from the first half of the twentieth century; Korea, Taiwan, Hong Kong, and Singapore from the second half; and, more recently, China, India, and most Southeast Asian countries. As labor productivity rises rapidly, a nation's power becomes much more a function of its total population. China and India will become the largest economies in the twenty-first century, although their standards of living (GDP per capita) will remain substantially below those of advanced, mature countries such as Japan. Just as Japanese production systems have become world class and are emulated globally, China and India will increasingly shape the process of globalization in their own ways; it will not be the simple Americanization of the global economic system.

CHINA AND EAST ASIAN ECONOMIC COOPERATION

China looms large in Japan's consciousness, both in the complex, multidimensional nature of the Japan-China relationship and in Japan's ambitions to lead the development of mechanisms for government-led East Asian economic cooperation. China's sustained, very rapid growth for a quarter of a century has made it a strong nation. Both Japan and China are strong at the same time, a first in history. This poses immense challenges and opportunities.

The contrast between Japanese and Chinese very good economic relations and very poor political relations is remarkable. China has now passed the United States as Japan's largest bilateral trading partner, with one-fifth of total trade. While Japanese exports to China have slowed significantly over this past year despite China's continued rapid growth, they remain larger than Japan's imports from China. Earlier Japanese fears of

cheap imports have been replaced by the delight of exports: electronic and other components to be assembled in Japanese-owned factories, as well as construction equipment, steel, and machinery in support of China's domestic investment boom.

Japanese foreign direct investment (FDI) in fiscal 2004 in China, ¥491 billion (\$4.5 billion), was almost as great as in the United States (¥502.7 billion, or \$4.6 billion). It appears that Japanese FDI flows into China will not decline, even though the risks of worsened political relations and the possibility of supply interruptions due to another SARS-type outbreak provide impetus to second-sourcing through investment in low-wage Asian countries.

Their poor political relationship is harmful. The legacies of World War II bedevil it. The current flash-points are: Prime Minister Koizumi's refusal to renounce visits to the war memorial Yasukuni Shrine, which became a particularly charged nationalistic symbol after the spirits of fourteen convicted Class A war criminals were enshrined in 1978; Japan's treatment of its war with China in school textbooks; and territorial disputes over East China Sea gas reserves and maritime boundaries.

Chinese policies and behavior are not without fault; they have exacerbated these tensions. While significant in themselves, these disputes are even more important as indicators of a fundamental structural change in the bilateral relationship as a consequence of China's growth. Japan and China both compete and cooperate for leadership in East Asia; their mutual efforts are essential for any region-wide economic cooperation process.

Japan's relations with South Korea have been soured by the same issues, though with somewhat different nuances. The territorial issue is a small island between them that Japan calls "Takeshima" and Korea calls "Dokdo." It was taken by Japan in 1905 as part of

Until Japan overcomes such protectionist forces, it will be difficult to commit to significant FTAs with other Asian partners.

the Russo-Japanese war treaty and for Koreans is a potent symbol of Japanese oppression. The textbook issue has to do mainly with Korea's history as a Japanese colony.

Every country has to come to terms with its own history through a process of self-reflection. Horrible things happen in wars and conquests. Unlike Germany, Japan has not come to terms with its colonial and wartime history. Ardent nationalists proclaim that Japan was not at fault. These are contentious issues, not just domestically, but also in Japan's relations with China, South Korea, and North Korea. These grievances are very difficult to resolve. This is one of the most onerous challenges Japan faces. While segmented so far, poor political relations may well spill over to less-good Japanese foreign economic relations, especially with China.

Even so, the Chinese and Japanese governments are actively participating in an East Asian economic cooperation process through the ASEAN+3 (China, Japan, South Korea) dialogue for regional financial cooperation. Thus far, substantive regional financial cooperation has been small, limited, and non-threatening, and complementary to, rather than competitive with, the international financial system based on the IMF and global financial markets. This dialogue, while heavy on rhetoric relative to economic substance, is an important initial phase in what inevitably will be a very long-run process. The first, current, stage is focused on increasing mutual knowledge, understanding, and trust; the next will involve significant, incremental, substantive commitments; and if they reach a final stage, it will include major commitments.

Japan and other participants are pursuing East Asian economic cooperation on two tracks, trade and finance. Market-driven, deeper intraregional trade and FDI integration have been significant components of East Asia's sustained rapid growth. Further market inte-

gration will benefit from government cooperation in developing trade facilitation measures, capacity enhancement, and other institution building.

Since 2000, Japan has shifted its trade policy by adding bilateral (and potentially regional) preferential trade agreements, popularly termed FTAs (free trade agreements). Bilateral agreements have been ratified with Singapore and Mexico and negotiations virtually completed with Malaysia, the Philippines, and Thailand. However, negotiations with South Korea have stalled, and the prospects are not bright.

Japan's FTA strategy has a serious obstacle and a major flaw. The obstacle is the persisting power of Japanese agricultural and, now, health care-vested interests to prevent significant liberalization of agricultural imports and inflows of foreign health care workers. Until Japan overcomes such protectionist forces, it will be difficult to commit to significant FTAs with other Asian partners. That may not be so bad.

The flaw is that, while FTAs provide short-term gains for their members, they are likely to create overwhelming longer-run, systemic costs because they embed specific, incompatible, bilateral rules and agreements. Most FTAs are so complex, with so many intertwined elements, that they are difficult to make sufficiently general for other countries to join. Rules of origin are a particularly serious problem. It will be very different to create a single East Asia-wide FTA from existing and proposed bilateral FTAs.

Because bilateral and regional FTAs are less efficient than WTO multilateralism, Japan and other East Asian countries should be pushing the Doha Round vigorously. East Asian economic cooperation is a nice phrase, but it is difficult to implement in practice. Membership is one issue, mutual trust another, and incompatible national interests yet another. A crucial issue, not effectively addressed, is where the United

The greatest risk to achieving sustained growth is that the government will prematurely adopt an excessively restrictive fiscal policy.

States and India will fit in the Japanese and other Asian visions of economic cooperation.

Indeed, APEC (the Asia Pacific Economic Cooperation forum) is the only governmental organization that encompasses members representing the major East Asia, South Pacific, and U.S. and other Western Hemisphere economies. It may be that its mid-term review and its annual meeting in Korea in November 2005 will re-invigorate and restore APEC momentum and its multilateral commitments, in contradistinction to incipient East Asian preferential regionalism.

IN CONCLUSION

Will the Japanese economy grow rapidly enough this year and next to break out of its cyclical mediocre growth trap and return to a full employment, sustainable growth path? Probably not, though for the first time in many years that is a real possibility. The post-election positive mood, an optimistic sense that Japan is finally changing and moving ahead, might provide a sufficient additional impetus to a decisive, positive shift in business and market expectations. That could generate a virtuous growth circle of a 1–2 percent CPI rise, real estate price increases, buoyant business investment, output and employment growth, increases in household income, and rising tax revenues that reduce the budget deficit.

I think a more likely scenario is slow gradual improvements across the economy that eventually achieve a full employment equilibrium. That could take as much as five more years. It will be based significantly on the future reduction in the labor force through baby boomer retirements, and continued modest declines in private sector saving rates to bring aggregate saving and investment into better balance, particularly if companies raise dividends rather than hoarding cash flow.

I need further evidence that the current momentum will be sustained and enhanced before I judge that the economy is finally achieving self-sustaining, full employment growth. Both these scenarios are based on the assumption that a significant cyclical slowdown will not occur in 2006 or beyond. The greatest risk to achieving sustained growth is that the government will prematurely adopt an excessively restrictive fiscal policy by raising consumption taxes significantly. That could once again choke off sustained recovery, as occurred in 1997. A further concern is that wages, employment, and household incomes will not soon increase rapidly enough to sustain sufficiently strong consumption growth.

Good sustained economic growth, utilizing its labor, capital, and land resources fully and well, is Japan's fundamental macroeconomic challenge. As I have stressed, the economy faces, and on the whole is dealing increasingly well with, a wide range of structural and microeconomic challenges, including corporate and public sector restructuring, more efficient markets, and corporate governance. Internationally, Japan's greatest challenge is how to develop constructive, effective relations with its neighbors, especially China.

We should always remember that Japan's economy has a great deal of capital, excellent labor skills, and sophisticated technology, which combine to generate a now high standard of living and wealth. Most Japanese are capable, well motivated, and ambitious. As its long-run transformation proceeds, the economy will become more market-based, competitive, and efficient. Japan has many problems, but I have every reason to believe that GDP growth per capita will continue to rise, leading to ever-greater economic well-being.

Hugh Patrick

September 23, 2005

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Mark Mason is Associate Director for Programs and Director of the Program on Alternative Investments. He was formerly a tenured professor of International Business at Georgetown University and, prior to that, a professor at the School of Management, Yale University. His current research examines the evolving strategies of Japanese institutional investors in hedge funds and other alternative investments in Japan and abroad.

Dr. Mason is the author of *American Multinationals and Japan* (Harvard University Press) and *Europe and the Japanese Challenge* (Oxford University Press), as well as numerous articles in leading business and

management journals. In addition, he has been widely quoted in publications such as *Business Week*, *The Economist*, *The Financial Times*, *The New York Times*, and *The Wall Street Journal*. Dr. Mason frequently speaks at conferences on alternative investments. He holds a Ph.D. from Harvard University.

CORE FACULTY



Schon Beechler, Director of the Columbia Senior Executive Program, is a specialist in the management of multinational corporations and in Japanese management. Professor Beechler received her Ph.D. in Business Administration and

Sociology from the University of Michigan. She was a member of the Management Division at Columbia Business School from 1989 until 1997, when she joined Executive Programs. She has taught in the M.B.A., Executive M.B.A., and Ph.D. programs at Columbia Business School. 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 currently holds the position of Chair of the International Management Division of the Academy of Management.

As a core faculty member in Executive Programs, she is involved in executive education program design and teaching. She has directed the Columbia Senior Executive Program since 1994 and is the Faculty Director. Professor Beechler has also served as the Faculty Director of Columbia Business School's first executive education program in Japan, *Fundamentals of Management: Asia and for Leading and Managing the 21st Century Law Firm*, a joint venture between Columbia and Hildebrandt International. Professor Beechler also works with other 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 City.

In addition to her executive education work and teaching, Professor Beechler is an active researcher. She is currently involved in two major research efforts.

The first, the Columbia Learning Impact Initiative, is a project to measure the impact of executive education training on the global strategic leadership and management competencies of global senior executives as well as the barriers and enablers to transferring learning from the classroom back into the organization. The second research project, a large-scale effort involving four primary researchers around the world, is entitled “Organizational Competitiveness: Exploring the Roles of Human Resource Management and Organization Culture in Multinational Corporations.” Professor Beechler has received a number of grants for her research and currently has a National Science Foundation Research Award for her project on organizational competitiveness.

Professor Beechler 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 book chapters and practitioner-oriented journals. 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 finishing a book, *People Strategies for Global Firms*, to be published by Routledge.



Lee Branstetter is the Daniel W. 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 M.B.A. course, Business and Financial Markets in East Asia, which 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 served as Director of the Weatherhead East Asian Institute

at Columbia University 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 the *Chunichi* and *Tokyo Shimbun*, senior adviser to *Newsweek* for *Newsweek Japan*, 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.

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, and the Board of Directors of the U.S.-Japan Foundation. 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 at 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 90 scholarly articles on economics and finance, Professor Hubbard is the author of a leading textbook on money and financial markets. His commentaries have appeared in *Business Week*, *The Wall Street Journal*, *The New York Times*, *The 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*). During this academic year he made eight trips to Japan, continuing his active interest in Japanese monetary and financial policy.

In government, Professor Hubbard served as Deputy Assistant Secretary of the U.S. Treasury Department for Tax Policy 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. 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, Dex Media, KKR Financial Corporation, and Ripplewood Holdings.



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 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, Professor Janow was elected to the WTO Appellate Body for a four-year term. For two years, ending in March 2000, Professor Janow served as Executive Director of a 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 joining Columbia University, 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 received a B.A. in Asian Studies from the University of Michigan and a J.D. from Columbia Law School.



Curtis J. Milhaupt is the Fuyo Professor of Japanese Law and Legal Institutions, Director of the Center for Japanese Legal Studies, and Chair of the Transactional Studies Program at Columbia Law School. His research interests include comparative corporate governance, Japanese law, and law and capitalism. He is the author of numer-

ous articles on comparative corporate governance, as well as a wide range of Japanese law topics, from organized crime to deposit insurance. He has coauthored or edited three books: *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 a textbook entitled *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 in Asia, including most recently the Research Institute of Economy, Trade and Industry in Tokyo, and the Bank of Japan's Institute for Monetary and Economic Studies. From 2000–2002 he was project director for a major comparative corporate governance project sponsored by the Center for International Political Economy. He served from 1997–2000 as a member of an international project team charged with creating an “institutional blueprint” for a unified Korean peninsula, drawing on lessons from German reunification. 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 *Columbia 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 40 who has made the most significant contribution to the field. He has taught at Princeton, Stanford, and MIT and 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 1993–95, during the Clinton administration, and served as CEA chairman from 1995–97. He then became Chief Economist and Senior Vice President of the World Bank from 1997–2000.

Professor 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, Professor Stiglitz has written textbooks that have been translated into more than a dozen languages. He founded one of the leading economics journals, the *Journal of Economic Perspectives*. His most recent book is *The Roaring Nineties* (W. W. Norton, 2002). His book *Globalization and Its Discontents* (W. W. Norton, 2001) has been translated into 28 languages and is an international bestseller.

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MAJOR PROJECTS

SOLUTIONS FOR THE JAPANESE ECONOMY

This two-year-long research project, jointly administered by Columbia University and the University of Tokyo, culminated in June 2004 with a two-day public conference and half-day academic conference in Tokyo. Involving fifteen Japanese and American economists, "Solutions" brought together top economists with expertise in the areas of Japanese monetary and fiscal policy, its financial system, capital markets, labor markets, business investment, corporate restructuring, and international trade policy. The project's objective has been to have a substantial impact on the ongoing economic policy debate in Japan.

With the completion of the research, on November 19, 2004, a conference was held at the Japan Society to share the research results with the New York business, professional, and policymaker communities (see page 29 for more details).

The results of the project have been published in 11 chapter volumes in English and Japanese in September 2005. The English volume is *Reviving Japan's Economy: Problems and Prescriptions* (MIT Press), and the Japanese volume is *Post Heisei-Fukyou no Nihon-keizai: Seisaku-Shikou Approach ni-yoru Bunseki*. See the Center's Web site, <http://www.gsb.columbia.edu/cjeb> for information on how to order these books.

Support throughout this two-year long project was provided by The Itoh Foundation U.S.A., Toshiba International Foundation, the Japan Foundation Center for Global Partnership, and the Weatherhead East Asian Institute of Columbia University.

THE PROGRAM ON ALTERNATIVE INVESTMENTS

The Program continued to expand its efforts promoting understanding of hedge funds, private equity, and other alternative investments in Japan and the broader East Asian region. In addition to its active series of research projects and seminars and symposia in New York, the Program organized a series of high-level roundtables on hedge fund and private equity investments for the benefit of Japanese institutional investors. They are discussed in the following section of this report.

The major focus of the Program's fundraising efforts to date has been to establish a corporate sponsorship program with multi-year commitments from financial institutions and other organizations. The Program welcomed Nomura Holdings and Daido Life Insurance as its first two Lead Corporate Sponsors, and Advantage Partners and Shinsei Bank as its first two Corporate Sponsors. The Program also received financial support from Japan's Ministry of Economy, Trade and Industry and other organizations.

For more information about The Program on Alternative Investments, please visit the Web site at: http://www.gsb.columbia.edu/cjeb/alt_investments.

CJEB organizes symposia, lectures, and roundtable programs to serve as a means of communicating current research and business trends in the field of Japanese economy and business. These programs range from the essentially academic to those with a strong focus on business and public policy. Complete reports of the following programs can be found at <http://www.gsb.columbia.edu/cjeb>.

SYMPOSIA

“American and Japanese Foreign Direct Investments in China”

July 22, 2004

The recent surge in regionalism in Asia has encouraged Asian countries to invest in each other more heavily. Chinese economic development growth, and the role of foreign direct investment (FDI) in it, has significant implications both for American and Japanese multinational firms and for the trade and related policies of their respective governments dealing with China. This symposium addressed business and public policy concerns. Speakers included Philippe Becker, Senior Adviser, Wasserstein Ventures; Derek Kosti, Finance Director, Pfizer Inc., Asia Division; Peter Ni, Partner, Ernst & Young US, Asia Business Group; Alicia Ogawa, Managing Director of Global Equity Research, Lehman Brothers; and Daniel H. Rosen, Principal, China Strategic Advisory.

Co-sponsored by Columbia Business School Asian Alumni Club of New York and Japan External Trade Organization (JETRO)

“Japan’s Current Political Economy”

October 14, 2004

This symposium combined the expertise of economists and political scientists to present a comprehensive overview, both of the economic problems and range of policy prescriptions confronting Japan, and also to offer insight into the social and political realities that underlie them. Featured speakers were Gerald Curtis, Burgess Professor of Political Science, Columbia University; John Makin, Principal, Caxton Associates LLC, and also of American Enterprise Institute for Public Policy Research; Leonard Schoppa, Associate



From left to right: Gerald Curtis, John Makin, Hugh Patrick, Lee Branstetter, and Leonard Schoppa (October 14, 2004)

Professor, Department of Politics, University of Virginia; and Hugh Patrick. Lee Branstetter, Daniel W. Stanton Associate Professor of Business of Columbia Business School, moderated the discussion.

Co-sponsored by the Weatherhead East Asian Institute of Columbia University

“Should Hedge Funds Be Regulated?”

The Program on Alternative Investments

November 17, 2004

This symposium debated the pros and cons of government involvement in the hedge fund industry with leading experts from the business, government, and academic communities. Harvey Goldschmid, Commissioner of the U.S. Securities and Exchange Commission, currently on leave from Columbia Law School, delivered the keynote speech. Presentations followed by John Gaine, President of Managed Funds Association; Sudhir Krishnamurthi, Managing Director of Rock Creek Group; Franklin Edwards, Arthur F. Burns Professor of Free and Competitive Enterprise, Columbia Business School; and Nobuyuki Kinoshita, Director of Financial Services Agency of Japan, and Visiting Fellow at the Center on Japanese Economy and Business. Mark Mason moderated the discussion; Hugh Patrick and Dean Glenn Hubbard of the Business School gave introductions and opening remarks.



From left to right: Mark Mason, Harvey Goldschmid, John Gaine, Sudhir Krishnamurthi, Franklin Edwards, and Nobuyuki Kinoshita (November 17, 2004)

“Solutions for Japan’s Economic Problems: Implications for U.S.-Japan Relations”

November 19, 2004



Anil Kashyap

The purpose of this half-day symposium was to make the research results of the “Solutions” policy-oriented project available to a wider professional audience in the United States. Five of the fifteen authors made presentations to discuss the merits and mistakes of past, present and future economic policies by the government and the Bank of Japan. Presenters included Takatoshi Ito, Professor, Faculty of Economics and Graduate School of Public Policy, University of Tokyo; Anil Kashyap, Edward Eagle Brown Professor of Economics and Finance, University of Chicago; Kenneth Kuttner, Danforth-Lewis Professor of Economics, Oberlin College; Hugh Patrick; and David Weinstein. The program was divided into three sessions: Monetary and Fiscal Policy Issues, Banking Issues, and Implications for U.S. Macroeconomic Policy.

Co-organized by and held at Japan Society, New York

“Japan, APEC, and East Asian Economic Cooperation”

A Mitsui USA Symposium

February 14, 2005



Merit Janow

The Center on Japanese Economy and Business and the Mitsui USA Foundation sponsored the sixth annual Mitsui USA Symposium at Columbia. Presenters were Takatoshi Ito of the University of Tokyo and Peter Drysdale, Emeritus Professor of Economics, Visiting Fellow in Policy and Governance at the Asia Pacific School of Economics and Government of The Australian National University. This symposium centered on Japan and APEC’s role in East Asian financial cooperation, particularly in regional trade agreements. Discussants were Merit E. Janow, Professor in the Practice of International Economic Law and International Affairs of SIPA, and Co-director of Columbia’s APEC Study Center; and Hugh Patrick. David Weinstein was the moderator.

Co-sponsored by the APEC Study Center of Columbia University



Joseph Rice III addressing the audience (April 7, 2005)

“The Development of the Buyout Industry: U.S.-Japan Comparisons”

The Program on Alternative Investments

April 7, 2005

First developed in the United States, the buyout industry is finally emerging in Japan. The emergence of the Japanese buyout industry naturally raises a number of important questions. To explore these and related issues, the Program on Alternative Investments organized a seminar with two leading buyout practitioners, one American and the other Japanese, to share their views with an audience of academic and business participants. The first speaker was Joseph L. Rice III, Chairman, Clayton, Dubilier & Rice, Inc., a leading New York-based buyout firm. He was followed by Tsutomu Yoshida, Senior Vice President and General Manager, Mitsui & Co. (USA), a major Japanese trading firm that also participates in the buyout field. Mark Mason moderated the discussion.

“New Hostile Takeover Guidelines in Japan”

June 13, 2005

This symposium examined Japan's planned new takeover guidelines from the different perspectives of practitioners, government representatives, and academics. Yasu Hatakeyama, Managing Director of Lazard Freres & Co. LLC, presented the guidelines on behalf of the Japanese Ministry of Economy, Trade, and Industry (METI) with commentary from George Sampas, Partner, and Janet Geldzahler, Of Counsel, Sullivan & Cromwell LLP. Comments followed by Charles Calomiris, Henry Kaufman Professor of Financial Institutions, Columbia Business School; and, from Columbia Law School, John C. Coffee Jr., Adolf A. Berle Professor of Law, and Curtis J. Milhaupt, Fuyo Professor of Japanese Law and Legal Institutions.

Co-sponsored by the Jerome A. Chazen Institute of International Business of Columbia Business School and the Center for Japanese Legal Studies of Columbia Law School

LECTURES

“Lecture with Mr. Koichi Kato”

Koichi Kato

Member, Japan House of Representatives

September 15, 2004

Co-sponsored by the Nihon Benkyo Kai/Japan Exchange Forum seminar of Columbia University



“Shinsei Bank: How to Win with a New Business Model”

Distinguished Leader Lecture/Program
on Alternative Investments Lecture

Masamoto Yashiro

Chairman, Shinsei Bank, Ltd.

September 22, 2004

“Investing in Commercial Real Estate: Japan Versus China”

Program on Alternative Investments Seminar

George von Liphart

Managing Director of the Global Commercial Real Estate Group, Lehman Brothers

October 27, 2004

Co-sponsored by The Paul Milstein Center for Real Estate, Columbia Business School

“Is Japan Changing? An Institutional Analytic Perspective”

Masahiko Aoki

Henri and Tomoye Takahashi Professor of Japanese Studies Emeritus, Stanford University

November 11, 2004

Co-sponsored by the Center for Japanese Legal Studies of Columbia Law School



“Korea’s Financial Revolution: A Personal Perspective”

Program on Alternative Investments Seminar

Robert Fallon

President, Korean Exchange Bank

February 28, 2005

Co-sponsored by the APEC Study Center of Columbia University and the Korean Business Association of Columbia Business School

ALTERNATIVE INVESTMENTS ROUNDTABLES IN TOKYO

The invited audiences to the following roundtables were representatives of Japanese institutional investors.

“Investing in Hedge Funds and Funds of Funds”

December 9, 2004

The first Columbia Roundtable explored three main themes: Industry Capacity, Manager Selection, and Risk Management. There were two sessions: “Public and Private Pension Funds” and “Commercial and Trust Banks, Life and Nonlife Insurance Companies.” Organized and moderated by Mark Mason, Program Director, the principal speakers of this roundtable were David. H. Russ, Treasurer and Vice President for Investments, University of California; and Bruce Amlicke, Chief Investment Officer of the Marketable Alternative Investments (BAAM) group, and Senior Managing Director of The Blackstone Group.

“Investing in Private Equity”

March 11, 2005

Although Japanese institutional investors continue to favor hedge funds and funds of hedge funds over other alternative investments, more and more Japanese pensions, banks and insurance companies are now seriously exploring opportunities in private equity. To examine these and related questions, the Program hosted its second seminar and roundtable in Tokyo. Organized and moderated by Mark Mason, the principal speakers were Andrew Golden, President of the Princeton University Investment Company (Princo); John Alouf, Senior Investment Officer, Private Equity at the Virginia Retirement System; Toru Masuda, Senior Manager in the Global Credit Investment Management Department of The Sumitomo Trust & Banking Co., Ltd.; and Akihiro Nakamura of the Pension Fund Association of Japan.

WEATHERHEAD EAST ASIAN INSTITUTE BROWN BAG SERIES

The Center cosponsors a number of informal luncheon seminars held throughout the academic year with the Weatherhead East Asian Institute at Columbia University. Meetings for 2004–2005 included:

The Best of Times, the Worst of Times

Thomas Berger

Associate Professor of International Relations

Boston University

October 6, 2004

Update on the Japanese Economy

Shijuro Ogata

Former Deputy Governor of International Relations

Bank of Japan

November 4, 2004

Reform of the Japanese Postal Finance System

Mark Scher

Director, Postal Financial Services Development,
and Former Head, United Nations Postal Savings
for Development Project

February 9, 2005

International Assistance to Peace and Reconstruction in Afghanistan: A Japanese Perspective

Nobutaka Miyahara

Professional Fellow, WEAI, and Former Deputy Chief
of Mission, Japanese Embassy in Afghanistan

March 30, 2005

The Myth of Rural Conservatism in Modern Japanese History

Ann Waswo

Professor, St. Anthony's College, and Director, Nissan
Institute of Japanese Studies, Oxford University

April 13, 2005



Hugh Patrick, Masahiko Aoki, and Curtis J. Milhaupt (November 11, 2004)

Publications

The Center contributes significantly to the understanding of Japanese business and Asia-Pacific economic relations by actively encouraging the 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; the Center's Working Paper Series and Occasional Paper Series disseminate preliminary research results prior to publication. We thank the authors for their contributions.

WORKING PAPERS AND OCCASIONAL PAPER SERIES

WORKING PAPERS

- 242 "Challenges for Japanese Universities' Technology Licensing Offices—What Technology Transfer in the United States Can Tell Us," Robert A. Myers, 2005.
- 241 "Political Economy of Competition Policy in Japan: Case of Airline Services," Takatoshi Ito, 2005.
- 240 "Stability and Change in Embedded Relationships: Broken Ties in Japanese Automotive Keiretsu," Christina L. Ahmadjian, 2005.
- 239 "The Effect of Bank Credit on Asset Prices: Evidence from the Japanese Real Estate Boom during the 1980s," Nada Mora, 2005.
- 238 "Corporate Governance in Japan," Christina L. Ahmadjian, 2005.
- 237 "The Role of Preconceived Ideas in Macroeconomic Policy: Japan's Experiences in the Two Deflationary Periods," Koichi Hamada and Asahi Noguchi, 2005.
- 236 "Monetary Policy Beyond the Zero Interest Rate Policy Under Deflation," Takatoshi Ito, 2005.
- 235 "Worker Discontent, Voice, and EI Programs in Japan," Hiroyuki Chuma, Takao Kato, and Isao Ohashi, 2005.
- 234 "Market Discipline and Deposit Insurance Reform in Japan," Masami Imai, 2005.
- 233 "Problems and Prescriptions for the Japanese Economy: An Overview," Takatoshi Ito and Hugh Patrick, 2005.
- 232 "New Proposals to Regulate Hedge Funds: SEC Rule 203(b)(3)-2," Franklin R. Edwards, 2004.
- 231 "Monetary Policy in Japan: Problems and Solutions," Takatoshi Ito and Frederic Mishkin, 2004.
- 230 "The Japanese Recovery and Growth Not Yet Assured," Hugh Patrick, 2004.
- 229 "Interventions and Japanese Economic Recovery," Takatoshi Ito, 2004.
- 228 "Happy News from the Dismal Science: Reassessing Japanese Fiscal Policy and Sustainability," Christian Broda and David E. Weinstein, 2004.
- 227 "What Went Wrong: Aggregate Demand, Structural Reform, and the Politics of 1990s Japan," Robert A. Madsen, 2004.

OCCASIONAL PAPER

- 56 "A Behavioral Risk Management System," Shigeyuki Goto, 2004.



David Weinstein (November 19, 2004)

EVENT REPORTS

To emphasize the importance of communicating research and scholarly exchanges to the students, faculty, and staff of Columbia and to the wider audience of the international government and business communities, the Center on Japanese Economy and Business generates a report of each lecture, symposium, and conference held throughout the year. Please refer to pages 28–32 for listings of these events. These reports can also be downloaded from our Web site, <http://www.gsb.columbia.edu/cjeb>.

SEMINARS AND DISCUSSION GROUPS

THE 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 University. With membership of close to 100, it is an interuniversity forum for faculty, advanced graduate students, and professionals to discuss ongoing research in preliminary form by specialists on the Japanese economy. The Center on Japanese Economy and Business and the Weatherhead East Asian Institute of Columbia University and George Washington University cosponsor the seminars, which meet four times annually. The Center administers the seminar, and Professor Hugh Patrick serves as secretary-treasurer. The following papers were discussed during 2004–2005:

“Structural Change in the Japanese Economy,”

Arthur Alexander, Georgetown University.

“Happy News from the Dismal Science: Reassessing Japanese Fiscal Policy and Sustainability,” David E. Weinstein.

(September 17, 2004, at Columbia University)

“The Monetisation of Japan’s Government Debt,”

David Lebow, Federal Reserve Board.

“Fiscal Remedies for Japan’s Slump,” Laurence Ball, Johns Hopkins University.

(November 12, 2004, at The George Washington University)

“Worker Discontent, Voice, and EI Programs in Japan: Evidence from the Japanese Worker Representation and Participation Survey,” Takao Kato, Colgate University.

“The Unwinding of Cross-Shareholding: Causes, Effects and Implications,” Hideaki Miyajima, Waseda University.

(February 11, 2005, at Columbia University)

“The Lost Thirteen Years: The Return to the Gold Standard Controversy in Japan, 1919–32,”

Masazume Wakatebe, Waseda University.

“Deposit Insurance Reform and Market Discipline in Japan,” Masami Imai, Wesleyan University.

(April 15, 2005, at The George Washington University)

THE U.S.-JAPAN DISCUSSION GROUP

This is organized as a series of informal meetings among a small group of 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 2004–2005 academic year, the discussions were led by Hugh Patrick and Atsushi Nishijo, 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; Jennifer Dwyer, Assistant Professor of Political Science, Hunter College; James Harrigan, Senior Economist, Federal Reserve Bank; Richard Katz, Editor, *The Oriental Economist*; Patricia Kuwayama, Vice President, Economics Group, JP Morgan Chase; Frances Rosenbluth, Professor of Political Science, Yale University; Mineko Sasaki-Smith, Visiting Research Fellow, Harvard Law School; and Kenzo Yamamoto, General Manager in the Americas, Bank of Japan.

SEMINARS AND DISCUSSION GROUPS continued

JAPAN PRODUCTIVITY CENTER FOR SOCIO-ECONOMIC DEVELOPMENT SEMINARS

In the fall of 2004, three lectures were given at Columbia Business School to members visiting from the Japan Productivity Center, Tokyo.

On October 14, Ms. Leanne Lachman, Executive-in-Residence at the Business School and president of Lachman Associates, and Hugh Patrick spoke to the

group about corporate governance and differences between American and Japanese management.

On November 17, Dr. Rita McGrath, Associate Professor of Executive Education at the Business School, lectured during a morning session on a comparison of American and Japanese management. In the afternoon, Professor Michael Feiner, Professor of management, lectured on leadership.

FACULTY EXCHANGE

INVITATION PROGRAM FOR LEADING U.S. BUSINESS SCHOOL EDUCATORS

Hugh Patrick and Charles Wolf Jr., Senior Economic Adviser and Corporate Fellow in International Economics, the RAND Corporation, are responsible for selecting faculty for 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 with senior corporate executives, scholars, government officials, and politicians with the intent of promoting understanding of the Japanese economy, corporations, and management methods.

Patrick and Wolf joined Henry Rowen, Edward B. Rust Professor of Public Management, the Graduate School of Business, and Senior Fellow, the Hoover Institution, Emeritus, Stanford University; and Yasheng Huang, Associate Professor of International Manage-

ment, MIT Sloan School of Management January 17–21, 2005, to inaugurate the restructured program of KKC. The theme was “Securing a Competitive Edge in the Global Economy.”

The annual spring group was in Tokyo from May 30 to June 3, 2005. The participants were Andrew Bernard, Professor of International Economics, Tuck School of Business, Dartmouth; Charles Calomiris, Henry Kaufman Professor of Financial Institutions, Columbia Business School; Benjamin Hermalin, Willis H. Booth Professor of Banking and Finance, Walter A. Haas School of Business, University of California; James Hosek, Professor, Pardee Rand Graduate School; and Theodore Marmor, Professor of Public Policy and Management, Yale School of Management. The theme of the program was “Sustainability of the Japanese Economy.”

STUDENT OUTREACH

The Center annually supports a number of student organizations and research institutes to enhance dialogue between Japan and the United States and with the Columbia community. During 2004–2005, the Center supported the student-run Japanese Business Association (JBA) and Asian Business Association (ABA) of Columbia Business School by co-sponsoring various programs.

CJEB also provides administrative and financial support for Columbia Business School's Japan Study Trip, which is organized by a committee of M.B.A. students under the direction of the JBA and the Chazen Institute. Some highlights of the March 2005 trip were meetings with Masamoto Yashiro, Chairman and CEO of Shinsei Bank, and Ernest Higa, CEO of Higa Industries. The 36 students also met with representatives of



Members of the Japan Study Trip, 2005

Kikkoman Corporation, Sony Media World, NTT DoCoMo, Toyota, and the Industrial Revitalization Corporation of Japan (IRCJ).

FELLOWSHIP AND SCHOLARSHIP PROGRAMS

The Center on Japanese Economy and Business provides select fellowship support for research and participation in academic programs related to Japanese economic and business fields for Columbia University students with proven outstanding academic ability and demonstrated 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 recipient for 2005 was Ruslan Bikbov.

The Center annually conducts a University-wide competition on behalf of the [Mitsubishi Trust Yamamuro Scholarship](#) and nominates one Columbia University student to receive tuition and living expenses for a one-year program of graduate study in Japan.

APEC STUDY CENTER OF COLUMBIA UNIVERSITY

Columbia University established the APEC Study Center in 1994 at the request of the U.S. Department of State in response to the APEC Leaders' Education Initiative proposed by President Clinton and endorsed by the leaders of the other APEC member nations at their historic meetings on Blake Island and in Seattle in November 1993. This Initiative calls on institutions of higher education in the United States and throughout the Asia Pacific to collaborate on Asia Pacific policy research, and through exchanges, joint research, conferences and other contacts, to help establish an emerging region-wide network of personal and institutional relationships for all member economies.

Columbia University has long been a leading center for the study of China and Japan, with one of the oldest and most highly regarded programs of study in these areas, including one of the nation's largest concentrations of specialists in East Asian affairs. Over the years, the University has built upon its global reputation for

academic excellence and policy relevance in these areas, adding the study of Korea, Southeast Asia, and U.S. relations with the countries of East Asia to its core expertise in China and Japan studies.

Jointly administered by the Center on Japanese Economy and Business (CJEB) at Columbia Business School and the Weatherhead East Asian Institute (WEAI) of Columbia University, the APEC Study Center at Columbia University enhances the Business School's rich tradition of research and teaching on the Asia-Pacific region by serving as the focal point of study on issues of economic importance for the region. The Center links, coordinates, and expands the reach of existing University programs organized by a variety of institutions, which in turn provide it with important infrastructural support. A complete list of APEC Study Center activities held at Columbia University during the 2003–2004 academic year is available at <http://www.gsb.columbia.edu/apec>.

PACIFIC TRADE AND DEVELOPMENT (PAFTAD) CONFERENCE SERIES

The Center on Japanese Economy and Business serves as the American liaison office of PAFTAD in association with the PAFTAD Secretariat based at the Australian National University. Since its inauguration in 1968, PAFTAD has held 30 policy-oriented academic conferences on major topics and policy issues involving various dimensions of the economic interactions among the Asia-

Pacific economies, including trade, foreign direct investment, technology transfer, regional institutional arrangements, environment and development, and competition policy.

PAFTAD participants, especially the International Steering Committee members, are actively involved as academic participants in PECC (the Pacific Economic

Cooperation Council) and especially its policy task forces and study groups. In a number of countries, they also serve as advisers to their respective government's participation in APEC (the ministerial Asia-Pacific Economic Cooperation forum). Professor Hugh Patrick

served as chairman of the PAFTAD International Steering Committee from 1985–2005. For more information on PAFTAD, please see the Web site at <http://apseg.anu.edu.au/paftad>.

PACIFIC ECONOMIC COOPERATION COUNCIL (PECC)

PECC is a unique international organization. It was established in 1980 as a policy-oriented forum through the efforts of several PAFTAD leaders, notably Sir John Crawford of Australia and Saburo Okita of Japan. Today some 25 Asia-Pacific economies are members. Each member has a unique tripartite national committee consisting of academics, business leaders, and government officials in their private capacity. PECC works closely with

the governmental Asia-Pacific Economic Cooperation forum (APEC). PECC holds general meetings biannually. PECC is the only nongovernmental official observer of APEC since APEC's formation in 1989.

Professors Janow and Patrick are members of the U.S. National Committee of PECC, and Hugh Patrick is on its board. Please visit the Web site at <http://www.pecc.org>.

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, tech-

nology, 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. The Center on Japanese Economy and Business supports this worthy project.

Resources

In addition to its core faculty and research associates, the Center depends critically upon other human resources without which its activities would not be possible. These include the Center's professional and administrative staff, Japanese visiting fellows and scholars, and part-time administrative interns.

PROFESSIONAL AND ADMINISTRATIVE STAFF



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

Jeffrey Lagomarsino

Program Officer

B.A., International Affairs, The George Washington 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

Alton Wanning

Program Officer

B.A., Lafayette College

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Associate Director for Administration

B.A., City University of New York, Staten Island

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

Matthew Brummer

Financial Officer

B.S., Business Administration, and minor

B.A., Business Economics, Bucknell University

Wendy Himmelsbach

Administrative Officer

B.A., State University of New York, Old Westbury

M.A., Organizational Psychology, Teachers College, Columbia University

INTERNS

Peter Anthony

B.A., Columbia College

Susanna Giboni

B.A., Columbia College

Hea Lyun Lee

B.A., Columbia College

Eri Yoshida

B.A. Candidate, Columbia College

LIAISON, JAPAN REPRESENTATIVE OFFICE

Terumi Ohta

B.A., Tsukuba University

VISITING FELLOWS

Each year the Center accepts a small number of professional fellows and scholars to spend a period in residence at Columbia Business School. They contribute significantly to the Center 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, pursuit of individual research projects under the direction of Business School faculty, and monthly discussion groups with Business School faculty. During 2004–2005, the Center hosted the following seven visiting fellows from academic and professional communities in the fields of business and economics:



Hiroshi Ichinose
ITOCHU Financial Services



Takuma Okamoto
Mitsubishi Trust and Banking Corp.



Nobuyuki Kinoshita
Financial Services Agency of Japan



Satoru Suzuki
Mitsui Sumitomo Insurance Co., Ltd.



Kiyoto Koyama
Development Bank of Japan
(Joint Fellow with Weatherhead
East Asian Institute)



Hiroshi Tanaka
Hosei University



Nada Mora
American University of Beirut

PROFESSIONAL FELLOW



Shijuro Ogata

A professional fellow appointment 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 former Chairman and member 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 currently is a non-executive 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.

INTERNATIONAL ADVISORY BOARD

The International Advisory Board of the Center on Japanese Economy and Business 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.

[Yotaro Kobayashi](#)

Chairman and Chief Executive Officer
Fuji Xerox Co., Ltd.

[Yuzaburo Mogi](#)

Chairman and CEO
Kikkoman Corporation

[Atsushi Nishijo](#)

President and Chief Executive Officer
Sumitomo Corporation of America

[Joseph G. Tompkins](#)

President
Saga Investment Co., Inc.

[Akio Utsumi](#)

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The Mitsubishi Trust and Banking Corporation

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

Christopher J. Mayer

Paul Milstein Professor of Real Estate and Director,
M.B.A. Real Estate Program and The Paul Milstein
Center for Real Estate

Larry Glosten

S. Sloan Colt Professor of Banking and International Finance
Chair of Finance and Economics Division

Hugh Patrick

R. D. Calkins Professor of International Business
Emeritus and Director, Center on Japanese Economy
and Business

Robert Hodrick

Nomura Professor of International Finance

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

R. Glenn Hubbard

Dean and Russell L. Carson Professor of Finance
and Economics

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. The Center continues to develop its major computer-based databank on the Japanese economy, with emphasis on financial markets, under the direction of Professor David E. Weinstein. The databank is a compilation of statistical resources available for use by

faculty and students conducting relevant research. It includes time-series and cross-section data on financial markets, institutions and macroeconomy from *Nikkei NEEDs* and other sources. *Nikkei* is an online news and data retrieval system that provides essential corporate and economic data as well as leading newspaper and journal articles from Japan and other Asia-Pacific economies.

These resources are available to all Columbia faculty and students; appointments to use them can be made through our Web site at <http://www.gsb.columbia.edu/cjeb>.

CORPORATE SPONSORSHIP PROGRAM

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. These funds are utilized effectively and managed prudently and indeed have been essential in the expansion and deepening of Center activities over the years. Academic independence has not been an issue; there are no restrictions attached to any of these gifts.

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 will continue to expand the Corporate Sponsorship Program of annual contributions and welcomes inquiries.

Major Corporate Sponsors

(\$50,000+ annually)

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Corporate Sponsor Leaders

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The Tokyo Electric Power Company, Inc.

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Robert Feldman, Chief Economist and Managing
Director, Morgan Stanley Japan, Ltd.

Shigeru Masuda, Chairman, Zeron Capital, Ltd.

Friends of the Center

(up to \$9,999 annually)

Sumitomo Chemical Corporation

Hugh Patrick

Mr. and Mrs. John Davey

SPONSORSHIP OF THE PROGRAM ON ALTERNATIVE INVESTMENTS

The Program is actively soliciting financial support from a select group of leading institutions in Japan, the United States and Europe to cover the costs of its expanding range of activities. Sponsors receive a range of benefits in return for their support.

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FOUNDATION SUPPORT

The following foundations have provided financial support to the Center during the 2004–05 academic year for the “Solutions for the Japanese Economy” research project. The Center is grateful for their support.

The Itoh Foundation, U.S.A.

The Japan-U.S. Friendship Commission

概要 — 日本語 —



Highlights of the Year's Activities (in Japanese)

日本経済経営研究所



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PECC (太平洋経済協力会議、Pacific Economic Cooperation Council)

日本情報アクセスプロジェクト

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客員研究員・専門研究員

国際諮問委員会

学術顧問グループーオルタナティブ投資プログラム

VIII. 協賛

コーポレート・スポンサーシップ・プログラム

「日本経済への解決策」プロジェクトへの資金援助

オルタナティブ投資プログラムへの資金援助

所長および研究副所長からのご挨拶

今年も、日本経済経営研究所では日米両国の学界、政界、財界で指導的立場にある方々の交流と意見交換のために主導的な役割を果たしてきました。以下、簡単に活動成果をご報告します。詳細はアニュアルレポート本文をご参照ください。

この一年間を通して当研究所では、衆議院議員加藤紘一氏、新生銀行取締役会長八城政基氏、前日本銀行国際関係副総裁緒方四十郎氏、韓国外換銀行社長ロバート・ファロン氏、そして米国証券取引委員会委員ハーベイ・ゴールドシュミット氏をはじめ、日米の政財界でご活躍の方々を講演者としてお招きしてきました。

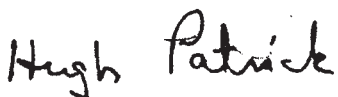
当研究所が推進する2つの研究プロジェクトにおいても、大きな成果を得ることができました。「日本経済への解決策」プロジェクトは成功裏に研究を終了。研究成果は、「ポスト平成不況の日本経済：政策志向アプローチによる分析」(“*Reviving Japan's Economy: Problems and Prescriptions*”)と題する11章から成る書籍として2005年9月に日本語版は日本経済新聞社、英語版はマサチューセッツ工科大学出版局からそれぞれ出版されました。

オルタナティブ投資プログラムも、引き続き発展を続けています。コロンビア大学で各種シンポジウムを催したほか、ニューヨークで開催したヘッジファンドに関するシンポジウムや、東京で日本の機関投資家を招いて実施した2回におよぶ円卓会議でも、大きな成果を収めました。

以上のような研究所の日本経済専門家による活動の他に、当研究所ではコロンビア・ビジネススクールの教授・学生陣が参加する日本での研修旅行への助言・支援も行いました。その1つとしては、財団法人経済広報センターの要請により、米国の一流ビジネススクールの教授陣のなかから一週間にわたる日本研修への参加者を選出。1月の第一陣は私、ヒュー・パトリックを含め4名、そして6月にはチャールズ・カロミリス、コロンビア大学ビジネススクール・チェイゼン国際ビジネス研究所長ヘンリー・カウフマン教授を含む5名の研究者が参加しました。研修では、日本企業の経営陣、研究者、政府関係者や政治家との交流を通して、日本経済、日本企業とその経営方法、および政府の政策への理解を深めました。

当研究所では、3月に行われた学生を中心とするジャパン・ビジネス・アソシエーションのチェイゼン研究所主催日本研修旅行も支援。研修では、33名の学生が10日間にわたり東京に本社を置く企業を訪問しました。

コロンビア大学ビジネススクールに創設されて以来20年近くになる当研究所が、今年もこれらの成果をあげることができたのは、教授陣とスタッフの努力と貢献と知的エネルギーに加え、ビジネススクール、そして多くの日米企業、基金、個人の方々から多大なご援助をいただいたからです。皆様のご厚意、ご援助に深く感謝します。



所長
ヒュー・パトリック



研究副所長
ディビッド・ワインスタイン

(抄訳)

日本：再度の経済回復、新たな政治勢力図

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

序文

2004 年夏、日本経済はようやく回復の兆しを見せ、自律的な完全雇用経済成長に向かっているとの強い楽観論が優勢だった。秋終盤にはそのような楽観的見方も勢いを失ったが、2005 年の後半には全く違った様相になった。経済は上半期に上向き、小泉首相の 9 月 11 日総選挙圧勝による効果もあり、第 2 四半期 GDP 成長率の速報値は強気に上方修正された。問題はこの成長が 2006 年以降、どれだけの力強さ、速さ、及び底堅さで続くかである。日本は冴えない景気循環を脱し、待望される成長軌道に乗るのか、あるいは、単に過去 15 年の脆弱な経済パフォーマンスを繰り返すだけなのか？

実質的に日本の経済指標は緩慢、漸増ながら改善傾向にあり、経済は 1990 年以來の最高の状況にある。この時点で広がりを見せる緩やかで漸増的な回復過程により、投資、雇用、賃金を大幅に増加させ、デフレなき価格安定の実現、好循環を生み出す楽観的期待へ突然シフトすることさえありうる。しかし、深刻な問題により、この幸運も阻まれてしまうかもしれない。問題は、世界経済成長の失速や原油価格の高騰の継続、民間部門及び政府構造改革の遅れといった外生要因である。財政赤字、異例の低金利もある上、最も危険な可能性と言えるのが、財政・金融政策の時期尚早な引き締めである。

最近の経済動向

2005 年上半期の景気は昨年 3 四半期に見られた景気停滞からかなりの改善を示した。第 1 四半期の好景気に引き続き、緩やかながら第 2 四半期もプラス成長となった。このことから持続的な成長に必要な経済全般の改善が伺える。

この一年で最も改善したのは、日本の労働市場である。雇用、賃金ともに労働力需要の増加は家計収入を押し上げ、家計の貯蓄率が適正な状況になった今、消費が上昇している。失業、労働力率の低下、パートタイム及び契約社員の割合の増加、歪んだ労働力配分といった、不十分な総需要により継続していた労働需要の不足（労働需要不振により余剰労働力がかかえる経済状況）が、低迷が続く日本の経済成長の最大の犠牲の一つである。この労働需要の不足は、余剰労働力が吸収され、完全雇用経済の均衡が達成されるまで、より強い経済成長の機会を与える。

過去一年、特にこの 2、3 ヶ月、雇用状況は大幅に改善したが、大幅な労働需要不足の現状を考えると、願わくば、労働需要の持続的改善の先触れであってほしい。総雇用は 2004 年 1 月から増加し始めたが、最近まではその伸びの全てが契約社員及びパートタイムによるものであった。一方、通常の常用雇用は減少し続けていた。現在、パートタイム、契約社員、その他の特殊雇用形態の成長が減速している一方で、常用雇用

が増加しつつある。これは周期的な調整というより、雇用流動性の構造的な増加である。

第二の最近の好材料は、ここ数年、名目、実質ともに緩やかながら継続して減少していた所定内給与と所得外給与、ボーナスとをあわせた現金給与総額が、2005 年 4 月以降確実に増加していることである。

小泉首相、郵政民営化と総選挙

9 月 11 日の衆議院解散総選挙についての小泉首相の決定は大きな政治的な賭けであった。しかし、結果は多くの楽観的な見方を遥かに上回る差での圧勝であった。小泉首相のおかげで、郵政民営化賛成派と反対派の間の、更には、改革派と現状維持派との争いとなった。基本的には、改革の雄としての小泉支持派と反小泉派との争いであった。

小泉首相の勝利は党構造を変え、よりトップダウン型の権力構造となった。今やより確実となった国内最大の預金受入機関かつ生命保険機関である郵便局の民営化は重要である。基本的に民営化は郵便局の抱える資金の資産配分を効率化するであろう。しかしながら、実際に何が達成されるかは不確実である。そのプロセスには 10 年かかるだろうし、その実行にあたっての重要な詳細部分はまだ明確になっていない。

小泉首相は今や、健康保険、公的年金制度、政府系金融機関等の他の改革に対する信任も得た。小泉首相は予定通り 2006 年 9 月に首相を辞任すると表明している。私が思うに、小泉首相の掲げている改革案が自由民主党及び後任者によって確実に継続する為に、少なくともあと 1 年は彼が首相を続ける必要があるだろう。

経済成長の見通し

国内需要と生産における、現在の緩やかながら良好なモメンタムは、今年後半及び 2006 年を通して継続するであろうか？ この成長が 2006 年の終わりまでに、これまで繰り返してきた周期的パターンを克服し、日本経済を完全雇用経済への自律的な成長軌道に回帰させるだけの十分な力強さと速度を持続するかどうか？ 最初の問いに対する私の端的な答えはイエスであるが、おそらく二番目の問いはそうではない。

改善が広範に見られたとしても、日本の基本的な問題は続く。すなわち不十分な総需要、緩やかなデフレ、労働市場の不振、企業による銀行借入の長期減少傾向を覆すには不十分な投資需要、一向に上昇に転じない地価、そして企業部門と公共部門、とりわけ政府系企業・機関の再編が引き続き求められている状況である。私は、広範かつ漸増的な緩やかな改善が引き続き進行すると予想している。

総選挙前の 9 月初めのコンセンサス予測では、日本の成長率は 2005 年度で 2.0%、2006 年で 1.8%であった。総選挙の結果で、政府の経済政策に対する楽観的な見方がより強まったが、2006 年の予測値には幅がある。私はこの専門家達の異なる予測が、回復は続くものの、どれだけのスピードでどれだけの期間、持続するかには疑問が残ることを示唆しているととらえている。それに加えて、価格変動及び金融政策に対する期待感の変動に関する重要な指標であるデフレは間もなく終わりを迎えるだろうと思っている。

企業の景況感、業況判断、消費者信頼感（消費意欲）調査は、景気回復が堅実かつ緩やかながら、目覚ましいものではないことを示唆している。

今後の経済成長は、大半は内需の拡大次第である。相対的な円安は日本の輸出企業にとって、うれしい驚きであるが、アメリカと中国が堅調な成長を維持するのであれば、引き続き輸出増加を加速させることは難しい。またもし原油の高値が続けば、世界の経済成長が鈍化し、更に国内調整コストが負担となり、日本の経済成長を年率 0.5% 鈍化させることになる。

最も重要な成長要因は日本の家計消費支出である。その実現には、雇用の伸び、その質の改善、そして労働市場の活性化が必要である。それらがあって初めて、消費の伸びを支えるのに十分な賃金上昇につながる。昨今の漸増的改善を考慮すれば、こうした変化はすぐには起こりにくい。その他の重要な成長要因は、当然のことであるが設備投資であり、6月の日銀短観ではこの可能性が示唆された。

しかしながら、日本の財政政策はこの楽観的シナリオに冷や水をかけるものである。増税法案は既に成立した。2004年10月から年金改革の一部として社会保険拠出率が2017年まで対賃金で最大5%増加することになる。所得税及び住民税の増加は、1995年減税を継続しつつ、2006年1月から実施される。財政的な足かせが増し、過去数年以上にGDP成長におけるマイナス要因となる。

2007年以降

2007年は象徴的かつ重要な年となるであろう。まず、人口がピークを迎え、緩やかに減少し始める。1947年から1949年までの3年間に生まれたおよそ680万人の日本の団塊世代が60歳定年の年齢に達し始め、更に410万人がその後二年間に定年を迎える。十年後までには、日本は労働力不足を迎える可能性が高い。第二に、郵政民営化が2007年に始まる。第三に、日銀が過剰流動性を減少させ、金利を引き上げ始めるであろう。しかしながら、政府は2007年に消費税を引き上げるかも知れず、それが決定的な誤算となりうる。2%の引き上げ（5%から7%へ）はGDP成長率1%分のマイナス効果となりうる。

日本の成長の今後2、3年の見通しは、現在の需要不足（経済的に緩慢な状況）、特に長期的、政策的な成長率に加え、十分に活用されていない労働力をどれだけ吸収できるかにかかっている。長期的には、労働人口は年率約0.5%ずつ減少し、労働生産率は年率最大2.0%増加することになるので、長期潜在成長率はおおよそ1.5%となる。十年後までには労働力不足にどう対処するかが経済的、社会的な重要課題となるであろう。

財政政策

日本の過去15年間のマクロ経済政策は、構造的危機を回避することには成功してきたが、完全雇用成長と価格安定は達成出来なかった。その代わりに、多くのマクロ経済刺激策にもかかわらず、日本の経済パフォーマンスは総じて冴えないものであった。

何故、政府は総需要の課題に対してもっと精力的にまた積極的に取り組まなかったのか？ 重要なことは、日本は構造的な財政、経済危機に近付きつつあるものの、実際に

は深刻な打撃を受けていないことである。平均所得は減少ではなく微増してきた。他のアジア経済と異なり、外生的な危機がなかった。豊かな国は現状から得られる強大な利益を克服するに必要な、困難で痛みを伴う短期的政策を妥協したり、あるいは遅らせる余裕があるのである。危機感がないのであれば、大幅な改革には民主的社会における強い政治リーダーが必要となる。日本の政治家（政府官僚も議員も一緒だが）はマクロ経済政策をあまり理解していない。回復が見られるたびに、今度こそ経済が冴えないパフォーマンスから抜け出さだろうとの現実のものとはならない期待とともに、ある程度の安堵感が広まる。しかし、おそらく 2005～2006 年は異なるだろう。

小泉新内閣が直面するであろう最も重要な財政政策の意思決定事項は、増税の種類、額及び時期である。財政赤字を削減するためには大幅な増税が必要となるので、安定的な公債の対 GDP 比率とともに財政的持続性を達成することが長期的な目標となる。問題は、完全雇用成長を維持し、増税のマイナス効果を相殺するだけの総需要を、民間部門と海外部門とを合わせていかに達成するかである。今年初め、政府は均衡予算は 2012 年ぐらいまでには達成できると予想した。おそらくそれが現実的でないだけでなく、もし必要な増税が 1997 年の再来となって、成長を抑制してしまうのであれば、むしろ望ましくない。財政赤字及び国民年金支出における移行過程はより長期間に渡るべきであり、それにより世代間のコスト負担もより平準化される。

金融政策

1990 年代終わり以降、日銀は短期指標金利である無担保コール翌日物金利を実質ゼロまで誘導し、また過剰流動性を市場に供給することで、大規模な金融刺激策を取ってきた。これにより、金融機関は日銀当座勘定の形で法的準備率以上の準備金を維持してきた。この異常な金融状況において、主要な政策目標は金融危機回避とデフレの終焉に対する市場の期待感の醸成であった。この危機管理は事実、成功してきた。銀行の不良債権は危機的レベルから通常レベルに減少し、決済用預金を除き、預金の全額保護もスムーズに廃止された。しかしながら、日銀の量的緩和策は緩やかながら継続するデフレの終焉には未だ成功していない。また市場の期待感の改善もそれほど急速なものではなく、当局が期待した程度までには達していない。

日銀は、対前年比で生鮮食料を除く全国消費者物価指数（CPI）が数ヶ月連続してプラスにならない限り、また金融政策委員会の大多数のメンバーが CPI が継続してゼロを上回ると予測しない限り、また良好な経済パフォーマンスが達成されない限り、量的緩和と政策とゼロ金利政策を解除しないということを明確にしてきた。今のところ、これらの条件のどれ一つとして実現していないが、2006 年春までにはおそらく達成されるであろう。

金融政策の変化は 3 つの段階で進行すると想定される。量的緩和目標値の引き下げ、ゼロ金利策を維持する代わりに目標金利を明確に設定することによる量的緩和の廃止、そして無担保コール翌日物金利引き上げと主要金融政策としての金利変動への回帰によるゼロ金利政策の廃止である。金融政策委員会のメンバーの中には日銀はインフレ目標を採用すべきであると支持する者もいるが、これはデフレが終結するまでは難しいであろう。

銀行

小泉首相の経済改革の最大の成功は銀行行政、特に主要銀行に対するものである。金融庁が各金融機関に不良債権を 2002 年レベルから半減するよう要請して以来、構造的な銀行危機に対する懸念は払拭された。もっとも地銀、第二地銀は 11 の主要銀行に遅れを取っており、勝ち組と負け組の格差は拡大し、それが合従連衡を誘発している。

構造的問題が解消された一方で、不良債権問題は完全には解決されていない。銀行は脆弱な借り手には引き続き低金利で融資の延長に応じる一方、信頼性の高い顧客には高い金利を課している。これは中レベルの信用リスクに対する貸付と債券市場の発展を歪めるものであり、銀行はこれらの市場に参入しはじめたに過ぎない。

企業改革

日本企業はここ何年もの間、好調である。負債・自己資本比率は通常レベルにあり、過去 9 年で初めて企業の借入額が償還額を上回っている。

更なる企業再編が必要であるが、その再編も継続している。企業はますます中核業務に焦点を合わせており、収益性の低い事業をプライベート・エクイティ・ファンドの参加とともにスピンオフやマネジメント・バイアウトにより切り離す準備をしつつある。企業合併（M&A）活動も歴史的な低レベルから脱し、増加しつつある。

ライブドアはニッポン放送の敵対的買収を仕掛け、それにより 2005 年 2 月から 4 月の間に、ニッポン放送の親会社であるフジテレビは幾つかの重要な影響を受けた。親会社の大株主となっている上場子会社は、敵対的株式公開買付（TOB）の攻撃を受けやすいことが明白になった。直ちに出た影響は、高配当と自社株買い及びポイズン・ピル等の防衛策を駆使し、経営陣による対抗買付を強化したことである。もう一つの影響は、TOB を今後より行いやすくするための日本の公的・法的環境の改正を推進したことであった。それはまた投資家の活動を活発化させ、これはつまり企業経営陣が提起し始めたポイズン・ピルによる防御策に対する反応であった。

世界経済における日本

アメリカとの同盟関係維持は引き続き日本の重要な外交政策目標となるであろう。日本の低経済成長、及び弱いドルの根源となっているアメリカの増加しつつある膨大な貿易・経常赤字と低い貯蓄率といった日米経済の二つの大きな課題は継続するだろう。

2005 年の第 3 四半期までのドル高傾向、同時に起こった円安、ユーロ安に私は驚いた。更なる驚きは、原油価格と消費財価格の高騰にもかかわらず、予想以上の世界経済成長であり、予想以下の米国の低金利である。経常収支は対 GDP 比率で米国が 6% 以上の赤字また日本が 3.5% の黒字であり、長期経済基本指標を見ればドル安に向かうべきである。金利格差の増加、日本から米国への資金流入の増加、日本の低成長と米国における高成長など周期的な影響により、日本の外国為替当局が介入する必要もなく、円安が続いてきた。

ドル高を支える一つの要因は、世界の国々が、内需を支える為にアメリカとの対貿易黒字に依存していることと、貯蓄黒字と為替取引の超過分を米国の金融およびその他の

資産に積極的に投資していることにある。米国の貿易赤字が持続しないとなれば、日本や他の貿易国は、成長維持のために、より刺激的なマクロ経済政策を追求し、米国からの輸入需要の低下を内需で補う必要がある。日米及び世界各国におけるこれらの構造的な調整は容易には達成できない。

中国と東アジアの経済協力

中国は日本にとって重大な位置を占めるが、日中間の良好な経済関係と脆弱な政治関係の違いは顕著である。中国は今や日本の最大の貿易相手国として米国を追い抜き、総貿易額の 5 分の 1 を占める。中国の急速な成長が持続しているにもかかわらず、日本の対中輸出が過去一年で大幅に減速した一方、日本の中国からの輸入は増加している。更には、日本の 2004 年における中国への対外直接投資額は、4,910 億円（45 億ドル）にのぼり、対米のそれと肩を並べる（5,027 億円、46 億ドル）。

この脆弱な日中政治関係は痛手である。過去の戦争犯罪に対する対立、日本の歴史教科書の解釈及び領土問題が、東アジアのリーダとして競合し、協力している二国間の関係に暗雲をもたらす。二国の相互努力は地域広範のあらゆる経済協力過程で必要不可欠である。こうした歴史的な感情のもつれは解決するのが困難で、多くの時間がかかるものである。これは日本が直面する最大の困難の一つである。

中国、日本両政府は、地域の金融協力のためのアセアン+3 国（中国、日本、韓国）対話を通じて、東アジアの経済協力プロセスに活発に参加している。この対話は、経済的には実質上大きな意味はないものの、不可避である超長期プロセスにおける重要な第一段階である。

日本と参加各国は、東アジアの経済協力を貿易と融資の二つの手法を追及している。2000 年以降、日本は二国間（あるいは地域間）特惠貿易協定、一般に自由貿易協定（FTA）を通じて貿易政策を変更してきた。しかしながら、日本の自由貿易協定には多くの不備があり、既存の及び提案されている二国間自由貿易協定をもとに東アジア共通の自由貿易協定を策定するのは大変困難であろう。二国間アプローチには実質、膨大な制度上のコストがかかる。

二国間及び地域内自由貿易協定は WTO 多国間協定よりも非効率なため、日本及び他の東アジア諸国はドーハ・ラウンド交渉を大いに推し進めるべきである。東アジアの経済協力は良好な段階にあるものの、実施するのは困難である。メンバーシップが一つの課題であり、相互の信頼関係がもう一つの課題である。さらには対立する国益も課題である。未だ有効な取組みがなされていない重要な問題は、米国、インドが日本及び他のアジア諸国の経済協力ビジョンにおいてどこに位置付けられるかである。

結論

日本経済が今後、景気の踊り場から脱却するに足るだけの速度で成長しないかもしれないが、ここ長年みられなかったレベルで高い現実味を帯びている。それには日本が 2005 年と 2006 年に年率 3%かそれ以上での成長を達成する必要があるだろう。9 月の総選挙以降広まる期待ムードは、産業及び市場期待における決定的、前進的な転換に対して、十分な推進力を与え、良好な成長を生み出すかもしれない。

私が考えるに、最も可能性の高いシナリオは、年平均 2%の成長で完全雇用均衡の達成に向けた緩やかで段階的な経済回復である。これには 5 年かそれ以上かかるかもしれないが、現在のモメンタムが持続するという更なる確証が必要である。それには GDP のプラス成長のデータや、賃金、雇用、家計収入の上昇が含まれる。政府が消費税率の早期引き上げを行わないことは重要である。国際的には、日本の最大の課題は、いかに隣国、特に中国との建設的で効果的な関係を築くかである。

日本は多くの課題を抱えているが、先進国であれ、途上国であれ、それはどの国も同じである。過去 15 年間に及ぶ景気低迷を脱すれば、日本の国民一人当たり GDP 成長は存続し、生活水準の更なる向上をもたらすであろう。

コロンビア大学ビジネス・スクール 日本経済経営研究所 (CJEB)

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

I. ミッション

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) の基本的なミッションは、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ります。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ます。

こうしたミッションを果たすため、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、支援しています。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、そして大学の財源により提供されています。

II. 研究者陣容

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

ディビッド・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

マーク・メイソン

コロンビア大学ビジネス・スクール 日本経済経営研究所 プログラム副所長

オルタナティブ投資プログラム ディレクター

ショーン・ビーチラー

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

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

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

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

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

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

III. 活動内容

日本経済経営研究所では、研究機関、ビジネス界、国際機構、政府関係機関などとの積極的な交流を通して、日本およびアジア太平洋の理解促進に努めています。当研究所では、学術的な研究プロジェクトから公共政策関連のトピックまで、幅広く研究プロジェクトを手掛け、シンポジウム、講演会、ラウンドテーブルを開催しています。なおプロジェクトの報告書は当研究所のウェブサイト (www.gsb.columbia.edu/cjeb) からダウンロードすることが可能です。

主な活動内容は以下の通りです。

「日本経済への解決策」プロジェクト

当研究プロジェクトは、日本経済経営研究所と東京大学先端技術研究センターが共同で行い、2004年6月に成功裏に終了しました。15名に及ぶ日米両国の優れた研究者により、金融・財政政策、資本市場、労働市場、銀行・金融制度、企業投資、国際経済システム、通商政策、経済政策決定と政治的変化・政治改革の可能性など、それぞれの専門分野に関する論文を執筆し、日本経済への総合的な解決策を作成しました。当プロジェクトは長引く低迷から日本経済が脱出するための方策を探り、具体的な政策提言に結びつけることを目的として実施されました。

研究成果は、「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」(“*Reviving Japan's Economy: Problems and Prescriptions*”)と題する11章から成る書籍として2005年9月に日本語版は日本経済新聞社、英語版はマサチューセッツ工科大学出版局からそれぞれ出版されました。ご購入を希望される方はウェブサイト (www.gsb.columbia.edu/cjeb) にて詳細をご覧ください。

オルタナティブ投資プログラム

当プログラムでは、日本を含めアジアに急速に普及しているヘッジファンド、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する理解促進の為、(1) 研究 (2) シンポジウム、カンファレンス、ラウンドテーブル (3) 出版の 3 つの主な活動を展開しました。本年度は、ニューヨークでのシンポジウムに加え、日本の機関投資家を対象にヘッジファンド及びプライベート・エクイティ投資に関するラウンドテーブルを東京にて開催しました。

日本、アメリカ及びヨーロッパにおける主な企業に対し、数年単位での金銭面での援助を積極的にお願ひしており、現在、当プログラムにおける協賛企業はリード・コーポレート・スポンサーの野村證券ホールディングス、大同生命保険株式会社、コーポレート・スポンサーの株式会社アドバンテージ・パートナーズ、株式会社新生銀行です。その他に、2004-2005 年度のプログラムには経済産業省より 1,800 万円のご寄付を頂戴しました。

詳細はウェブサイト (www.gsb.columbia.edu/cjeb/alt_investments) をご覧下さい。

シンポジウム

日米による中国への海外直接投資

2004 年 7 月 22 日

昨今のアジアにおける地域主義の高まりにより、アジア諸国間の対外投資はますます増加しています。中国の経済発展と海外直接投資(FDI)がその経済発展に果たす役割は、アメリカ及び日本の多国籍企業に対しても、中国外交を担う両国政府の通商及び関連政策においても重要な意義があります。今回のシンポジウムでは産業・公共政策の問題点が提起されました。講演者には、フィリップ・ベッカー氏(ワッサースタイン・ベンチャーズ シニア・アドバイザー)、デレック・コスティ氏(ファイザー社 アジア部門 ファイナンス・ディレクター)、ピーター・ナイ氏(米国アーンスト・アンド・ヤング アジア事業グループ パートナー)、小川アリシア氏(リーマン・ブラザーズ グローバル・エクイティ・リサーチ部門 ディレクター)、ダニエル・H・ローゼン氏(チャイナ・ストラテジック・アドバイザリー プリンシパル)を迎えました。

日本政治経済の現状

2004 年 10 月 14 日

経済学者や政治学者を招き、日本が直面する経済問題や政策的処方のみならず、その根底となる政治的・社会的現実に対する洞察について議論が交わされました。第一部はジョン・マーキン氏(アメリカン・エンタープライズ公共政策研究所、カクストン・アソシエイツ)とヒュー・パトリック教授(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)の間で「日本の経済状況」をテーマに討論。「日本の政治状況」をテーマとした第二部では、レン・ショッパ教授(バージニア大学)、ジェラルド・カーティス教授(コロンビア大学)が講演し、財政赤字についてさらに掘り下げた議論を展開しました。

ヘッジファンドは規制されるべきか？

オルタナティブ投資プログラム

2004年11月17日

基調講演者として米国証券取引委員会委員であるハーベイ・ゴールドシュミット氏を迎えての催しとなりました。10月26日に同委員会は、賛否両論に分裂した中、わずかな票差でヘッジファンド登録義務付けを主眼とする規則を採択しました。ヘッジファンド業界代表者やコロンビア大学教授陣及び日本の金融庁からの出席者を含んだシンポジウムのパネルは、この新規則の本質や、そもそもヘッジファンドを規制する必要があるのかという点、また各国、特に日本の対ヘッジファンド投資への影響などを討論しました。パネル・ディスカッションにはゴールドシュミット氏に加え、フランクリン・エドワード教授(コロンビア大学ビジネス・スクール)、ジョン・ゲイン氏(マネージド・ファンズ・アソシエーション)、木下信行氏(日本金融庁)、ジュディア・クリシュナマーティ氏(ロッククリーク・グループ)が参加しました。R・グレン・ハバード学部長(コロンビア大学ビジネス・スクール)が開会の時を述べ、マーク・メイソン博士(当プログラムディレクター)とヒュー・パトリック教授(当研究所所長)がモデレーターを務めました。

「日本経済への解決策」プロジェクトー日米関係に意味する事とは？

2004年11月19日

半日にわたるこのシンポジウムは、プロジェクトで取り上げられた政策志向の解決策を米国内のより多くの第一線で活躍するビジネスマン、政策立案者、政府関係者に提示することを目的に開催されました。16人の著者のうち5人が講演し、日本政府と日本銀行による過去、現在、将来の経済政策の功罪を検討しました。発表者には伊藤隆敏教授(東京大学大学院経済学研究科・先端科学技術研究センター)、ディビッド・ワインシュタイン教授(コロンビア大学経済学部)、アニール・カッシュアップ教授(シカゴ大学経済学部)、ケネス・カットナー教授(オベリン大学経済学部)、ヒュー・パトリック教授(当研究所所長)を迎えました。プログラムは、金融・財政政策問題、銀行行政問題、米国マクロ経済政策への意義について三部構成で行われました。

日本、APEC、東アジア間における経済協力

米国三井物産財団シンポジウム

2005年2月14日

米国三井物産財団、コロンビア大学ビジネス・スクール日本経済経営研究所および同大学APEC研究所が共催し、第六回米国三井物産財団シンポジウムが行われました。学界の著名人を集めた今回のシンポジウムでは、東アジアの財務協力における日本APEC(アジア・太平洋経済協力会議)の役割、特に地域貿易協定が中心に討論されました。講演者には、伊藤隆敏教授(東京大学大学院経済学研究科・先端科学技術研究センター)、ピーター・ドライスデール教授(豪州国立大学アジア太平洋経済学科)、メリット・ジェイノー教授(コロンビア大学国際関係公共政策大学院(SIPA)・APEC研究センター)、ヒュー・パトリック教授(当研究所・APEC研究センター)、ディビッド・ワインスタイン教授(コロンビア大学経済学部)を迎えました。

バイアウト業界の発展：日米比較

オルタナティブ投資プログラム

2005年4月7日

米国で発達したバイアウトビジネスは最近日本でも見られるようになりました。日本で突如として出現したバイアウトは多くの重要な問題を提起しています。問題点を議論すべく、世界有数のバイアウト専門家による日米のバイアウト業界の類似点・相違点に関する洞察を深める為のシンポジウムを開催しました。ニューヨークを本拠とするバイアウト・マネジメント会社クレイトン、ダビリアー&ライスの会長ジョセフ・L・ライス三世氏と、米国三井物産株式会社の金融市場本部 シニア・ヴァイス・プレジデント吉田勉氏の2名が講演を行いました。当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ました。

日本における敵対的買収に関する新指針

2005年6月13日

今回のシンポジウムでは、日本で導入予定の敵対的買収に関する新指針について、政策的また学術的に、実務家の視点から検討しました。畠山康氏（米投資会社ラザード・フレール マネージング・ディレクター）が日本の経済産業省に代わって指針を説明しました。解説には、サリバン&クロムウェル弁護士事務所のジョージ・サンパス氏（パートナー）及びジャネット・ジェルドザーラ氏（顧問弁護士）を、また引き続きコロンビア大学ビジネス・スクールのチャールズ・カロミリス教授（専門：金融機関論）、ジョン・C・コーフィー・Jr.教授（専門：法学）、そしてコロンビア大学法律大学院のカーティス・J・ミルハウプト教授（専門：日本法・法機関論）を迎えました。

講演会

2004—2005年度は、以下の講演会が開催されました。（敬称略、講演順）

加藤紘一氏による講演会

2004年9月15日

加藤紘一
衆議院議員

新生銀行：新しいビジネス・モデルで勝つ方法

オルタナティブ投資プログラム講演会

2004年9月22日

八城政基
株式会社新生銀行 取締役会長

商業不動産投資：日本 VS 中国

オルタナティブ投資プログラム・セミナー

2004年10月27日

ジョージ・ヴォン・リパート
リーマン・ブラザーズ マネージング・ディレクター

日本は変わりつつあるのか？機関投資家の分析的視点

2004年11月11日

青木 昌彦

スタンフォード大学経済学部教授

韓国金融の進化：ある一銀行家の視点から

オルタナティブ投資プログラム・セミナー

2005年2月28日

ロバート・ファロン

韓国外換銀行 社長

オルタナティブ投資プログラム 東京ラウンドテーブル

ヘッジファンドとファンド・オブ・ファンズへの投資

2004年12月9日

第1回ラウンドテーブルではヘッジファンド市場のキャパシティー、マネジャー選択、リスク・マネジメントの3つのテーマについて討論しました。午前の部は年金基金、午後は金融機関・保険企業からそれぞれ代表者を招待して実施されました。ブルース・アムリック氏（ブラック・ストーン・グループ、流動オルタナティブ資産グループ・チーフインベストメントオフィサー）とデビット・ラス氏（カリフォルニア大学財務部長兼、投資ヴァイス・プレジデント）が参加し、マーク・メイソン博士（当プログラム・ディレクター）がモデレーターを務めました。

プライベート・エクイティ投資

2005年3月11日

日本の機関投資家は引き続きオルタナティブ投資のその他の手法よりも、ヘッジファンドやファンド・オブ・ヘッジファンズを好む傾向が続いていますが、現在プライベート・エクイティ（未公開株式）への投資機会を真剣に検討する日本の年金基金、銀行、保険会社が増えています。こうした疑問を検討するために、オルタナティブ投資プログラムは、2005年3月11日に東京にて第2回目のセミナー及びラウンドテーブルを主催しました。主な講師・パネリストには、アンドリュー・ゴールデン氏（プリンストン大学投資会社社長）、ジョン・アルーフ氏（バージニア州退職年金基金 プライベート・エクイティ担当 シニア・インベストメント・オフィサー）、増田徹氏（住友信託銀行 クレジット投資業務部 主任調査役）を迎えました。マーク・メイソン博士が総合司会を、中村明弘氏（厚生年金基金連合会）がパネル・ディスカッションの司会を務めました。

ウェザーヘッド東アジア研究所ブラウン・バッグ 講演会シリーズ

日本経済経営研究所は、毎年、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・バッグ講演会シリーズのうち、日本関係の講演会を共催しています。

以下は2004—2005年度の講演会の一部です。（敬称略、講演順）

The Best of Times, the Worst of Times

2004年10月6日

トーマス・バーガー

ボストン大学 国際関係学部 助教授

日本経済の最新情報

2004年11月4日

緒方四十郎

前日本銀行国際関係副総裁

日本の郵便事業制度改革

2005年2月9日

マーク・シャー

郵便事業サービス発展（NGO）ディレクター、元国連郵便貯金開発 計画責任者

アフガニスタンにおける平和・復興のための国際支援：日本の視点

2005年3月30日

宮原信孝

元アフガニスタン公使、ウェザーヘッド東アジア研究所 研究員

現代日本史におけるムラ社会的保守主義神話

2005年4月13日

アン・ワスオ

セント・アンソニー大学教授 オックスフォード大学 ニッサン・インスティテュート・オブ・ジャパニーズスタディー ディレクター

IV. 刊行物

日本経済経営研究所では、コロンビア大学内外を問わず研究プロジェクトの出版を積極的に企画、支援しています。出版刊行物は、学術書に加え、シンポジウム・講演会レポート、オケージョナル・ペーパーなどバラエティに富んでおります。また、研究結果を広く配布することで、日本のビジネス及びアジア太平洋経済関係の理解促進に貢献しています。

2004—2005 年度におけるオケージョナル・ペーパーは 33 ページをご覧ください。また、シンポジウム・講演会レポートを含め、当研究所の刊行物はウェブサイトよりダウンロード頂けます。
ウェブサイト：www.gsb.columbia.edu/cjeb

V. 意見・知識の交流

日本経済セミナー(JES)

100人近くの会員を抱える日本経済セミナー(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、専門化、大学院生が参加する大学間のフォーラムです。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回開催しています。以下の論文は、2004-2005年の間で検討されたもの一部です。（敬称略、セミナー順）

- 「日本経済における構造変化」
アーサー・アレクサンダー（ジョージタウン大学）
- 「陰気な学問－経済学からの吉報：日本の財政政策の再評価と持続可能性」
デビッド・ウェインSTEIN
- 「日本国債のマネタリズム」
デビッド・レボウ（連邦準備制度理事会）
- 「日本の不況の財政的救済策」
ローレンス・ボール（ジョンズ・ホプキンス大学）
- 「日本労働者の不満、声、雇用保険制度：日本の労働者達による意思表示と参加調査」
加藤隆夫（コルゲート大学）
- 「株式持合の解消：要因、効果とその意義」
宮島英昭（早稲田大学）

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。ニューヨーク周辺の日米のビジネスリーダーを対象に、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ます。2004-05 年度には、パトリック教授と米国住友商事会社社長の西條温が討議をリードしました。

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 回会合を開いています。当研究所教授陣のパトリック教授、ワインSTEIN教授に加え、ジェニファー・デュワイヤー氏、ジェームス・ハリガン氏、リチャード・カツ氏、JP モルガン・チェースのパトリシア・クワヤマ博士などが参加しています。

教育者交流：米国ビジネススクール教育者招聘プログラム

ヒュー・パトリック教授とチャールズ・ウルフ・Jr.氏（ランド研究所 上級経済顧問 兼 コーポレート・フェロー）は、日本経団連の一組織である(財)経済広報センター(KKC)が運営、資金提供を行う日本におけ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」の選考責任者を務めます。当プログラムは、KKCが一週間に渡る企業役員、学識者、政府官僚や政治家達への面談、訪問を企画し、日本の経済、企業、経営手法に対する理解を深めてもらうというものです。

パトリック教授とウルフ氏は、2005年1月17日～21日にKKCが特別プログラムとして開催した改定プログラム発足式で、ヘンリー・ロウエン教授（スタンフォード大学名誉教授 兼 同大学フーバー研究所上級研究員）、ヤシェン・ファン助教授（マサチューセッツ工科大学(MIT)スローン・スクール・オブ・マネジメント）と同席。本プログラムでは「グローバル経済における競争優位性の確保」をテーマに意見が交わされました。

2005年5月30日～6月3日にはメンバーが東京に集い、「日本経済の持続可能性」をテーマに当プログラムを実施しました。出席者にはアンドリュース・バーナード教授（ダートマス大学タック・スクール・オブ・ビジネス、専門：国際経済学）、チャールズ・カロミリス教授(コロンビア大学ビジネス・スクール、専門：金融機関論)、ベンジャミン・ハーマリン教授（カリフォルニア大学 ウォルター・A・ハース・スクール・オブ・ビジネス、専門：金融・ファイナンス論）、ジェイムズ・ホゼック教授（パーディ・ランド大学院）及びテッド・マーマー教授（エール大学 スクール・オブ・マネジメント、専門：公共政策管理学）が名を連ねました。

学生に対する活動支援

当研究所は毎年、学生団体や研究機関を支援し、コロンビア大学コミュニティと同様に日米間の交流・対話を促進しています。2004年～2005年にかけては、当研究所はコロンビア大学ビジネス・スクールの学生組織であるジャパン・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)とともに様々なプログラムに協賛しました。

コロンビア大学ビジネス・スクール ジャパン・スタディー・トリップ

当研究所は、毎年コロンビア大学ビジネス・スクールの日本人学生が中心となり企画しているジャパン・スタディー・トリップにも事務的・財務的な支援を行っています。ビジネス・スクールの教授と学生が日本各地を回り、政府・企業を訪問するこの研究旅行は本年度で13周年を迎えました。この2005年3月のスタディー・トリップの目玉として、茂木友三郎氏（キッコーマン代表取締役会長）、八城政基氏（新生銀行 取締役会長）、アーネスト・M・比嘉氏（ヒガ・インダストリーズ 代表取締役社長）といった方々を訪問しました。また参加した36人の学生は、ソニー・メディアワールド、NTTドコモ、トヨタ自動車及び産業再生機構(IRCJ) の代表者とも面会しました。

研究奨学金と育英奨学金プログラム

当研究所では、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を育成しています。

VI. その他の支援活動

コロンビア大学 APEC 研究センター

パトリック教授とジェイノー教授が共同所長を務める APEC 研究センターは、米国国務省の要請により 1994 年に創設され、日本経済経営研究所とウェザーヘッド東アジア研究所により共同運営されています。APEC 研究センターに関して詳しくはウェブサイトをご覧ください。
ウェブサイト：www.columbia.edu/cu/business/apec

PAFTAD（太平洋貿易開発会議、Pacific Trade and Development Conference）

日本経済経営研究所は PAFTAD 駐米連絡事務所を兼ねており、オーストラリア国立大学の PAFTAD 事務局と提携しています。1968 年の設立以来、PAFTAD は計 30 回の会議を開催してきました。「Does trade deliver what it promises?」と題された第 30 回 PAFTAD は、2005 年 2 月にホノルルで開催されました。ウェブサイト：<http://apseg.anu.edu.au/paftad/>

PECC（太平洋経済協力会議、Pacific Economic Cooperation Council）

PECC は、1980 年、PAFTAD で主導的役割を果たしてきたオーストラリアのジョン・クロフォード卿と大来佐武郎氏によって創設されました。現在、25 名のアジア環太平洋諸国の研究者、ビジネスリーダー、政府関係者などが 2 年に一度集まり、政策関連のトピックを討議しています。ジェイノー教授およびパトリック教授がメンバーとして参加、パトリック教授は PECC 理事も務めています。ウェブサイト：www.pecc.org

日本情報アクセスプロジェクト

ワシントンDCに本部を置く、日本情報アクセスプロジェクトは、日本とアジアに関心を寄せる米国政界の方々から信頼を得ています。本プロジェクトが目指すのは、重要なアジアの政策課題に関して、政府中心部外からの優れた学術研究及び分析をワシントンDCにある政府機関に紹介することです。

VII. 研究所の顔ぶれ

客員研究員・専門研究員

毎年、公共政策・ビジネス界などで活躍されている第一人者、日本、アジア・太平洋地域の研究者、政府・企業関係者が、客員研究員として当研究所の活動に参加しています。また、元日本開発銀行副総裁の緒方四十郎氏が、専門研究員として、シンポジウムなどに参加しています。2004-2005年度の客員研究員は以下の通りです。(敬称略・アイウエオ順)

一ノ瀬 浩	伊藤忠商事株式会社
岡本 卓万	三菱信託銀行株式会社
木下 信行	金融庁
小山 潔人	日本政策投資銀行
鈴木 哲	三井住友海上火災保険株式会社
田中 洋	法政大学
ナダ・モラ	ベイルート・アメリカン大学

国際諮問委員会

当研究所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、当研究所の運営上重要な問題について助言を仰いでいます。(敬称略・アイウエオ順)

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	三菱信託銀行株式会社 取締役会長
小林 陽太郎	富士ゼロックス株式会社 取締役会長
ジョセフ・トンプキンス	Saga Investment Co., Inc. 社長
西條 温	米国住友商事会社 取締役社長

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

学術顧問グループオルタナティブ投資プログラム

学術顧問グループはプログラムに対し知識分野からの指導をするべく、コロンビア大学ビジネス・スクールにおける関連学部の主たる教授陣から構成されています。
メンバーは、以下のとおりです。

フランクリン・エドワーズ

コロンビア大学ビジネス・スクール教授

将来市場研究センター ディレクター

(企業の自由と競争； アーサー・F・バーンズ)

ラリー・グロステン

コロンビア大学ビジネス・スクール教授

ファイナンス・経済学部 学部長

(銀行及び国際金融； S・スローン・コルト)

R・グレン・ハバード

コロンビア大学ビジネス・スクール学部長

コロンビア大学ビジネス・スクール教授

(金融経済； ラッセル・L・カールソン)

ヒュー・パトリック

コロンビア大学ビジネス・スクール名誉教授

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

(国際ビジネス； R・D・カルキンス)

ロバート・ホドリック

コロンビア大学ビジネス・スクール教授

(国際金融； 野村)

クリストファー・メイヤー

コロンビアビジネス・スクール教授

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

(不動産； ボール・ミルスタイン)

ディビッド・ワインシュタイン

コロンビア大学経済学部教授

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 副所長

(日本経済； カール・サムナー・シャープ)

VIII. 協賛

コーポレート・スポンサーシップ・プログラム

コーポレート・スポンサーシップ・プログラムは、当研究所の短期及び長期的な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す。より一層の充実を図ってゆきたいと考えております。日本企業の皆様から当研究所へのご寄付には、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ます。

現在、本プログラムにおける協賛企業は以下の通りです。

メジャー・コーポレート・スポンサー（年間寄付金額 50,000 ドル以上）

米国住友商事会社

コーポレート・スポンサー・リーダー（年間寄付金額 25,000～49,999 ドル）

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（年間寄付金額 10,000～24,999 ドル）

Aflac(アフラック)

Caxton Associates, LLC

ニューヨーク日本商工会議所

三菱信託銀行 株式会社

三井住友海上火災保険 株式会社

米国三井物産財団

東京電力 株式会社

個人スポンサー（年間個人寄付金額 10,000 ドル～24,999 ドル）

ロバート・フェルドマン氏

モルガン・スタンレー証券会社（東京）マネージング・ディレクター兼チーフエコノミスト

増田茂氏

ゼロン・グループ 代表取締役社長

フレンド（年間寄付金額 ～9,999 ドル）

住友化学工業 株式会社

「日本経済への解決策」プロジェクトへの資金援助

2004-2005 年度に本プロジェクトにおける協賛企業は以下の通りです。

米国カリフォルニア州 非営利法人 米国伊藤財団

日米友好基金

オルタナティブ投資プログラムへの資金援助

日本、アメリカ及びヨーロッパにおける主な企業に対し、金銭面での援助を積極的にお願ひしています。スポンサー企業には、様々な特典を提供しています。

現在、本プログラムにおける協賛企業は以下の通りです。

リード・コーポレート・スポンサー(3年にわたり毎年 **100,000** ドル以上)

野村証券ホールディングス

大同生命保険株式会社

コーポレート・スポンサー (**3**年にわたり毎年 **50,000** ドル)

株式会社アドバンテージ・パートナーズ

株式会社 新生銀行

その他の協賛団体・企業

経済産業省 (2004-2005 年度のプログラムに関して、1,800 万円のご寄付)

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