

Stanford Japan Program at Shorenstein APARC

The Stanford Japan Program was formally established in November 2011, renewing the Walter H. Shorenstein Asia-Pacific Research Center's commitment to this important field. As an integral component of the Center, SJP facilitates multidisciplinary, social science-oriented research on contemporary Japan, emphasizing both academic scholarship and policy-relevant research. The program aims to become a central platform for Stanford students and the broader community for understanding and engaging with Japan.

Research and Program Activities

Program activities include the Japan Colloquium Series, conferences to further cutting-edge research and address critical contemporary policy issues, and public seminars. The goal of Japan Program is to become an eminent platform to foster intellectual exchange among scholars, experts, top-tier professionals, politicians, and students.

Message from the Director



I start my message for this newsletter with very sad news. As many of you know by now, our esteemed colleague of the Japan Program, Masahiko Aoki, passed away on July 15. He was 77. In this newsletter, I reproduce the note that I sent out to the APARC community on the day after he passed away (page 4). Masa was the one who re-ignited the research on Japan at the APARC when he established the Japan Program in 2011. He was the one who convinced me to move here to build the Japan Program. As one of the most respected scholars in economics all over the world, he contributed a lot to our program. His network in Japan and China has been very useful for us. I was counting on more help from Masa to expand our program. We miss him.

We are planning to have a memorial conference and celebration of life for Masa Aoki on December 4 and 5.

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Please mark your calendar. We will post more details on our website after the new academic year starts in September.

On the day that Masa passed away, the LDP pushed controversial security bills through the lower house. This is ironic since Masa was a leader of the student movement in 1960 that tried to block the renewal of the U.S.-Japan Security Treaty by the administration of Nobusuke Kishi, the grandfather of the current Prime Minister Shinzo Abe. Fifty five years later, Abe is also trying a security reform that is not popular among voters. His approval rate has suffered, and in many polls early in August, the disapproval exceeded the approval.

On August 14, Prime Minister Abe published a short statement on the 70th anniversary of the end of the World War II. Because I edited a booklet with Dan

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Sneider that collected the statements that some of our colleagues at Stanford would deliver if they were the prime minister of Japan, I was curious what Abe eventually would come up ([Reflections on the Seventieth Anniversary of the End of the Pacific Way: Eight Stanford Scholars Write their own August Statement](#)). In repeating the remorse expressed by his predecessors (Tomiichi Murayama on the 50th anniversary and Junichiro Koizumi on the 60th anniversary), declaring to face the historical facts, and ending with forward-looking visions for Japan to contribute to the world peace and prosperity, Abe's statement was overall similar to what we wrote in our project.

The one thing that I completely missed in the project is the length of the statement. Expecting that the Abe statement would be similar to the earlier Murayama and Koizumi statements, I imposed 700 words limit on my colleagues. The actual Abe statement has more than 1,600 words. If I had known this, my colleagues might not

have agonized to cram rich contents into a short piece. Abe's statement seems to have been taken quite well by Japanese voters. The approval rate increased a little bit. The reactions to the Abe statement by three of the project participants (Peter Duus, Dan Sneider, and me) are found here ([Stanford Scholars weigh in on Shinzo Abe's WWII statement](#)).

The biggest Japan Program event during the summer is the Stanford Summer Juku on the Japanese Political Economy. In its third year, we attracted a total of 40 political scientists and economists who are interested in academic research on Japan. A brief report is on page 3 of this newsletter.

- Takeo Hoshi

Changing Corporate Governance in Japan

Enhancing corporate governance has been an emphasis in Abenomics economic reform. 2014 brought forth the beginnings of that change with the establishment of the Stewardship Code and the JPX Nikkei Index 400. Following this, many Japanese companies started to improve their corporate governance and accounting practices to increase their chances to be included in the index. Now the Corporate Governance Code, which defines principles for effective corporate governance, is being developed, adding another impetus for Japanese companies to change. On June 4th, we invited two business leaders from Japan, Kazuhiko Toyama (Industrial Growth Platform, right) and Masaaki Tanaka (MUFG, left) to discuss changing corporate governance in Japan.

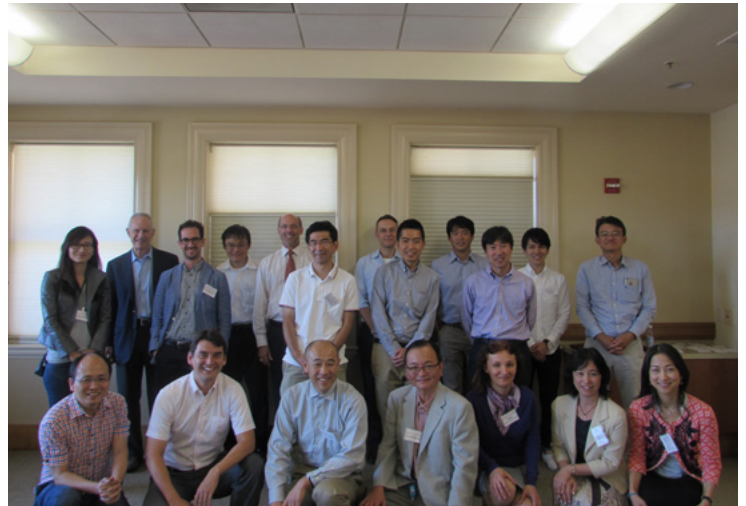


A video and transcript of the session can be found at:

<http://aparc.fsi.stanford.edu/japan/multimedia/changing-corporate-governance-japan>

Third Annual Stanford Summer Juku

The Japan Program held the third annual Stanford Summer Juku on Japanese Political Economy from August 10-13. Over 40 scholars from various parts of the United States and Japan participated in the conference, which took place in the Oksenberg Conference Center at Encina Hall at Stanford University. The first two days focused on political science and the second two days on economics. The distinctive features of the Summer Juku are the ample time allotted to each paper allowing for two discussants and discussion among participants, as well as ample time for informal interactions among participants. Both features allow for collaborations to form and for expansion of the network of researchers on Japan in political science and economics. Particularly notable this year was the large number of cross-disciplinary and cross-national collaborations between scholars ranging from political science, economics, management, informatics, and medicine.



A full report of the Third Annual Stanford Summer Juku can be found at:

<http://aparc.fsi.stanford.edu/japan/events/stanford-summer-juku-2015>

Takeo Hoshi's letter to the APARC community on July 16, 2015

Dear Colleagues:

I write with the very sad news that Masahiko Aoki passed away yesterday (July 15). As you have probably heard, Masa was hospitalized for new diagnosis of “interstitial lung disease” in late April, soon after he returned from a trip to Japan and China. In mid-June, Masa recovered well enough to be released from the hospital and start rehabilitation, but deteriorating lung condition forced him back to hospital early this month. Masa passed away at Stanford Hospital at the age of 77. He was the Henri and Tomoye Takahashi Professor of Japanese Studies and Professor of Economics, Emeritus, and Senior Fellow of Stanford Institute of Economic Policy Research (SIEPR) and Asia Pacific Research Center (APARC) at Freeman Spogli Institute for International Studies (FSI) at Stanford University. He was also the inaugural director of the Japanese Studies Program at APARC, when it was reestablished in 2011.

Masa was a founder of the comparative institutional analysis and made numerous contributions to the studies of economic systems, corporate governance, and East Asian economies, especially Japan and China. Even at the hospital, he worked on revising his most recent paper that examines institutional development in China and Japan from the late 19th Century to the early 20th Century.

Masa graduated from University of Tokyo in 1962 as an economics major, and later received Ph.D. in Economics from University of Minnesota in 1967. In the same year, he joined Stanford University as an assistant professor in economics. Soon he moved to Harvard University and then to Kyoto University, but came back to Stanford in 1984 as the Henri and Tomoye Takahashi Professor of Japanese Studies and Professor of Economics. For the next 30 some years, Stanford was Masa's primary location for work and living.

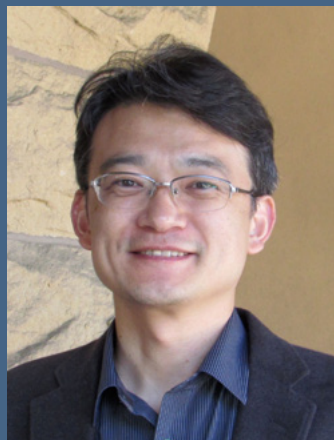
Masa was the founding editor of the *Journal of the Japanese and International Economies*, which was the first and still is the top academic journal that focuses on the Japanese economy. He served as the President of International Economic Association from 2008 to 2011 and organized the 16th World Congress at Beijing, China in 2011. Masa also founded the Research Institute of Economy, Trade, and Industry (RIETI) in collaboration with Ministry of Economy, Trade, and Industry of Japan, the Virtual Center for Advanced Studies in Institution (VCASI) at Tokyo Foundation, and was involved in the establishment of the Center for Industrial Development and Environmental Governance (CIDEG) at Tsinghua University in China.

Masa was an exceptional scholar and institutional builder who made important contributions to Stanford, the field of economics in general, and the study of East Asian economies in particular. He will be deeply missed.

Takeo Hoshi



Satoshi Koibuchi



Satoshi Koibuchi is an Associate Professor of Finance at Chuo University in Tokyo. His areas of focus are corporate finance, financial system, and macroeconomics. He is currently a Visiting Scholar at the Walter H. Shorenstein Asia-Pacific Research Center (S-APARC), Stanford University. His main research agenda at S-APARC includes the research on estimating impacts of bank failure on the disruption of bank-firm relationship, and the research on evaluating long run impacts of natural disaster and reconstruction policy on regional economy in Japan.

Koibuchi received his M.A. and Ph.D. in economics from the University of Tokyo, and B.A. in economics from Waseda University. Before joining Chuo, he was an assistant professor at Chiba University of Commerce and a visiting scholar at School of International Relations and Pacific Studies at the University of California, San Diego. He and his coauthors are currently writing a book, *Managing Currency Risk: Currency Invoicing and Production Network of Japanese Firms*. He is also a Research Fellow and a board member of Tokyo Center for Economic Research (TCER).

Michiru Sawada

Michiru Sawada is a visiting scholar at the Walter H. Shorenstein Asia-Pacific Research Center (Shorenstein APARC). Currently he is a professor of Nihon University College of Economics in Japan; he has been at Nihon University since 2009. He received his M.A. and Ph.D. in Economics from Hitotsubashi University, Japan, and B.A. from Keio University, Japan.

His main research fields are banking, corporate finance and financial history. His research interests include the Japanese financial system in prewar and contemporary periods. He has studied bank consolidation, financial conglomerate, director interlocking, and interbank network, using the data on Japanese banking industry. He has published his work in academic journals such as *Journal of Economic History*, *International Review of Economics and Finance*, *Industrial and Corporate Change*, and *Pacific-Basin Finance Journal*.



Shuichiro Nishioka



Shuichiro Nishioka joins the Walter H. Shorenstein Asia-Pacific Research Center (Shorenstein APARC) during the 2015-16 academic year from the West Virginia University's Department of Economics where he serves as an Associate Professor. His research covers the broad issues on International Trade, Economic Development, and East Asian Economies. During his time at Shorenstein APARC, Nishioka will conduct research projects on the expanding inequality in China and Japan.

Nishioka previously affiliated for research and teaching at the Research Institute of Economy, Trade and Industry, the University of Pittsburgh and Hitotsubashi University. He contributes to articles to publications including the *Journal of International Economics*, the *Journal of Development Economics*, and *European Economic Review*. Nishioka holds a PhD and an MA in Economics from the University of Colorado at Boulder, and a BA in Economics from Yokohama National University.

On July 7th the National Institute for Research Advancement (NIRA) published a new report entitled “[Institutional Foundation for Innovation-Based Economic Growth](#)” by **Richard Dasher** (Stanford University), Nobuyuki Harada (University of Tsukuba), **Takeo Hoshi** (Stanford University), **Kenji E. Kushida** (Stanford University), Tetsuji Okazaki (University of Tokyo).

Kenji Kushida, Research Associate at Stanford University Shorenstein Asia-Pacific Research Center Japan Program, presented to the Japan Stanford Association in Tokyo on June 30, 2015 his research about Silicon Valley and Japan, Information Technology, and highlighting activities about the Silicon Valley- New Japan Project. With about 1600 members (1400 Japanese and 200 non-Japanese) the Japan Stanford Association (JSA) is one of Stanford University’s largest and most active alumni organizations outside the United States and one of the most prominent foreign university alumni organizations in Japan. His presentation is available on the Japan Stanford Association website: <http://japanstanford.org/events/jsa-sempai-seminar-56th/>



Phillip Lipsy (The Thomas Rohlen Center Fellow with the Japan Program at Shorenstein APARC and Assistant Professor of Political Science) spent the summer conducting research on the politics of energy and climate change as an Abe Fellow in Japan. He was affiliated with the Institute of Social Science at the University of Tokyo. Lipsy participated in several conferences and presentations during the summer, including a panel at the Sasakawa Foundation titled “The AIIB and Japan’s Pathway Forward.”



Michael Armacost, Shorenstein APARC Distinguished Fellow, published a new book entitled [Ballots, Bullets, and Bargains: American Foreign Policy and Presidential Elections](#). The book draws on Armacost’s twenty-four years of experience in government and explores how the contours of the U.S. presidential election system influences the content and conduct of American foreign policy.



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GENERAL INQUIRIES

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Upcoming Events

Save the Date

Masahiko Aoki Memorial Conference and Celebration of Life
December 4-5, 2015
Location TBD