

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



The Japan Program started 2016 by welcoming back Meiko Kotani, who was on maternity leave. With Meiko's return, the Japan Program has completed doubling the staff capacity from a year ago. This allows us to expand the program activities even more.

Here I mention two such new activities. One is a conference on "womenomics" in Japan that we are planning for the fall. The project is supported by the grant we have just received from the US Japan Foundation. "Womenomics" is a slogan of Abenomics economic reforms that tried to encourage women's empowerment in Japan. The idea is to tap the long underused human resources in Japan to achieve higher productivity growth to counter the shrinking and aging labor force. We

plan to invite scholars, practitioners, and policy makers from both sides of the Pacific to discuss the importance of increasing participation of women in important business and policy positions in Japan (and also in Silicon Valley).

Another new project is a course on contemporary Japan that I will be teaching with Phillip Lipsky in the spring quarter. This is supported by another grant that we have just received from the Center for Global Partnership of the Japan Foundation. The course will differ from a usual introduction to the Japanese political economy in at least two aspects. First, the course will place emphasis on themes that appeal to a new generation of students especially here in Silicon Valley: innovation and economic dynamism, Japan's contributions to international

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peace and cooperation, and Japan's response to international economic and geopolitical challenges. Second, we will invite several guest professors, including some from Japan. We will ask them not only to teach some classes but also to give public seminars on the issues of their expertise.

Several events that we hosted toward the end of last year are featured in this newsletter. The most important event for me was the memorial conference for Masa Aoki on December 4 (See page 3). The conference had an impressive list of speakers and was very well attended. For many of us who knew Masa for a long time, the conference turned out to be a bittersweet opportunity to catch up with each other.

I was especially inspired by conversation with Professor Kotaro Suzumura of Hitotsubashi University, who was a speaker at the conference. I learned about his recent research on the social choice problem when the current generation's choice greatly influences the welfare of future generations, including those that are not born, yet. This led me to discuss the responsibility of the current generation to avoid pushing burdens to the future unborn generations (in the form of excessive government debt, environmental deterioration, and so on) in my op-ed piece for *Nihon Keizai Shimbun* this year (<http://aparc.fsi.stanford.edu/japan/news/stanford-economist-warns-japans-youth-employment-opportunities>).

My piece in *Nikkei* and other new outputs by researchers in our program can be found on our website (<http://aparc.fsi.stanford.edu/japan>). If you have not visited our website

recently, I encourage you to do so to find out some new materials. In particular, I would like you to look at an enhancement of our Stanford Silicon Valley New Japan Project website (<http://www.stanford-svnj.org/overview>). There is a new tab "Case Studies", where we have started uploading case studies of the Japanese startups in Silicon Valley. You can also find the list of Japanese startups in Silicon Valley that we have identified so far. The list is far from complete, and we would like to get your help to make it complete. If you know any "Japanese startups in Silicon Valley" that are not included in our list, please fill out a form on the website so that we can add those to the list.

The first major event of our program this year will be on February 2. We are holding a public panel discussion on the Silicon Valley ecosystem and implications for Japan and other Asian countries. The panelists will include our own Kenji Kushida and Professor Francis Fukuyama, who is the director of Center on Democracy, Development and the Rule of Law (CDDRL), also in FSI. The panel discussion will be video recorded by NHK, edited, and aired as a part of the NHK World programming "Global Agenda." You can learn more about the series at <http://www.nhk.or.jp/globalagenda/>. The show will be aired sometime in March, but you do not have to wait. You will be able to watch unedited version of the panel discussion here. I hope to see many of you here on February 2.

Memorial conference celebrates life work of Masahiko Aoki

Article written by Lisa Griswold

Photo credit: Rod Searcey

A conference that honored the life and scholarly contributions of Stanford economist Masahiko Aoki was held at Stanford. Dozens of friends, family and community members paid tribute to Aoki, the Henri and Tomoye Takahashi Professor of Japanese Studies and Professor of Economics, emeritus, who died in July at the age of 77.

Eleven renowned economists and social scientists gave talks on Aoki's extensive fields of research in economic theory, institutional analysis, corporate governance, and the Japanese and Chinese economies at the Dec. 4 conference, which was followed by a memorial ceremony the next day.



“When we contacted people to speak at this conference, few people turned us down,” said Stanford professor Takeo Hoshi. “The reason for this is Masa. It shows how much Masa was respected and how much his work is valued.”

The events were hosted by the Japan Program at the Walter H. Shorenstein Asia-Pacific Research Center, the Freeman Spogli Institute for International Studies (FSI), Graduate School of Business, Department of Economics and the Stanford Institute for Economic Policy Research (SIEPR).

Aoki came to Stanford in 1967 as an assistant professor, held faculty appointments at Kyoto University and Harvard, and returned to Stanford in 1984. He retired to emeritus status at Stanford in 2005.

Throughout the conference, Aoki was described as an astute professor and colleague, valuable mentor and loyal friend by the many speakers and participants who shared works, stories and multimedia featuring their interactions with Aoki.

Aoki pioneered the field of comparative institutional analysis (CIA) with a team of scholars at Stanford: Avner Greif, John Litwack, Paul Milgrom and Yingyi Qian, among others. CIA analyzes and compares different institutions that evolve to regulate different societies.



“Masa had a good background in looking at the economy as a whole, financial institutions as a whole – not just how numbers or actors economically interact – but also the people who interact within a given institutional framework,” said Koichi Hamada, a professor emeritus at Yale University. Aoki applied a systematic lens to everything he studied, a “take society as a total entity” approach, Hamada said.

Aoki grew up in Japan, and developed a deep interest in Japanese politics at an early age. He was actively involved in student movements in the early 1960s, at the heart of which was a campaign against a controversial U.S.-Japan security

Memorial conference celebrates life work of Masahiko Aoki



treaty. China became another great interest of his as the country began to undergo economic transformation and modernization.

Throughout his career, Aoki traveled to Japan and China often, and sought to better inform policy debates by engaging scholars, government leaders and journalists there. He believed in sharing lessons learned from his own scholarly analyses on what constitute institutions, particularly the “people” aspects – the employees, their cognitive abilities and levels of participation.

Aoki was not only a scholar of institutions but also a builder of them.

In 2005, Aoki helped oversee the development of the Center for Industrial Development and Environmental Governance at Tsinghua University in Beijing, which held numerous roundtables in its first decade of existence, and continues to this day.

“Amid a time of diplomatic tensions between China and Japan... Masa was able to bring Japanese, Chinese and American economists together to study and do research,” said Yingyi Qian, dean and professor at the school of economics and management at Tsinghua.

At Stanford, Aoki played a leading role in the creation of the Stanford Japan Center and a multi-day conference that convened annually in Kyoto on issues of mutual concern between Asia-Pacific countries and the United States.

Earlier this year, Aoki was hospitalized for lung disease. Even at that stage, he worked tirelessly to revise a paper that examines the institutional development of China and Japan in the late 19th to early 20th centuries. That paper titled, “Three-person game of institutional resilience versus transition: A model and China-Japan comparative history,” was presented at the conference by Jiahua Che, one of two scholars that Aoki asked to finish and publish the work.

Aoki was also fondly remembered for his mentorship of students at Stanford and other universities he taught at.

“He was an original and unique professor – quite different from others that I’ve met in many respects. He was generous with his time, not hierarchical,” said Miguel Angel Garcia Cestona, who studied for a doctorate at Stanford and now teaches at the Universitat Autònoma de Barcelona.

Garcia Cestona, among other former students, spoke of Aoki as a friend and shared memories of their former professor hosting them at his home.



This article is also available online here:

<http://aparc.fsi.stanford.edu/japan/news/memorial-conference-celebrates-life-work-masahiko-aoki>

Smart Nation, Silicon Valley Technology and Asia Growth Strategy

The Shorenstein Asia-Pacific Research Center together with the Stanford Center for International Development (SCID) sponsored a talk on December 1, 2015 by **David Lee Kuo Chuen**, visiting scholar at the Walter H. Shorenstein Asia-Pacific Research Center (APARC) for the fall of 2015 and current Director of the Sim Kee Boon Institute for Financial Economics. The seminar explored how M-Pesa/Alibaba, the Chinese financial sector, and Singapore have each effectively capitalized on conducive regulatory environment and the opportunities offered by the technological advances and related disruptions. Lee also addressed how a combination of Silicon Valley Technology and Smart Nation/City initiative may overcome some challenges of low productivity and low growth in many parts of the world, in particular Asia and ASEAN. Presentation slides are available online: <http://stanford.io/1S4ISWp>



'By a Silken Thread': regional banking integration and pathways to financial development in Japan's Great Recession



Mathias Hoffmann, a visiting scholar from the University of Zurich, gave a seminar on December 1st on his paper entitled, “By a Silken Thread’: regional banking integration and pathways to financial development in Japan’s Great Recession”. In his presentation, Hoffmann addressed the role of banking integration in a financial crisis, explaining the development of regionally segmented banking in Japan and how to overcome this challenge by analyzing the silk export finance origins and relationship of local banks and bank-dependent small firms. Hoffmann’s presentation and paper are available here: <http://stanford.io/1HOjVFR>

Understanding Silicon Valley and Startup Ecosystems: New research and academic classics you should know



On December 2, 2015, **Kenji Kushida** and **Kanetaka Maki**, Research Associates at the Shorenstein Asia-Pacific Research Center Japan Program, gave a joint seminar to over 50 participants, entitled “Understanding Silicon Valley and Startup Ecosystems: New research and academic classics you should know.” Kushida provided an overview of canonical works of Silicon Valley, including the work of Martin Kenney and his classic co-edited volume “*Understanding Silicon Valley*” and other more recent work drawn from the Stanford Silicon Valley - New Japan Project’s “[Top Ten Reading List of Silicon Valley](#).”

Maki presented his new research from a paper entitled “Milestones to University-Based Startup Success: What Is the Impact of Academic Inventor Involvement?” Based on the data analysis of 533 University of California startups, Maki addressed the impact of inventor involvement in the growth and success of university-based startups.

A full video of the seminar is available for viewing here: <https://www.youtube.com/watch?v=LEueiInUkaE&feature=youtu.be>



Womenomics, the Workplace and Women: A Stanford Silicon Valley US-Japan Dialogue

The Japan Program is excited to announce a new project- Womenomics, the Workplace, and Women: A Stanford Silicon Valley US-Japan Dialogue, which is funded by the support of the US-Japan Foundation.

As Japan faces a shrinking and aging population, it must pursue productivity growth to remain a wealthy nation. Women, long underrepresented Japan's workforce, are receiving renewed attention by Abe's administration slogan of Womenomics as part of his Abenomic economic reform package. Now that the issue of women in the workplace is being taken more seriously than ever before, it is time to mobilize serious research in the form of policy evaluation, create new dialogue that can spark innovative ideas by injecting Silicon Valley ideas and people into US-Japan policy discussions, and link entrepreneurs, policy makers, and researchers from both sides to cultivate sustained interpersonal networks.

This project takes on the issue of women leadership and women's positions in the Japanese workforce and society, beginning with a two day conference in the fall of 2016 at Stanford University. The objective of the conference will be to bring issues to the table and explore concrete mechanisms by which government policy, business practices, and social factors can be influenced to make concrete progress for women's leadership and participation in Japan.

Further details regarding the conference to be announced at a future date.

Educating a New Generation of Leaders and Innovators about Contemporary Japan

Japan Program at Shorenstein APARC has received a grant from the Japan Foundation Center for Global Partnership (CGP) for the project on Social Science Research and Education on Contemporary Japan.

The project aims to inform Stanford students by teaching a new lecture course that covers the economy, politics, and international relations of contemporary Japan. The course will move beyond previous ones on Japan by drawing on Stanford's institutional strengths and placing emphasis on themes that appeal to a new generation of students. The themes covered in the course will include innovation and economic dynamism, Japan's contribution to international peace and cooperation, and Japan's response to international economic and geopolitical challenges. A significant portion of the course will be taught by guest lecturers who are up and coming researchers on contemporary Japan in the US as well as prominent scholars in Japan. The lecturers will also join other activities such as seminars and lunch discussions at our Japan Program.

In *Nikkei Shimbun*, **Takeo Hoshi** addresses the youth employment issues in today's Japan. Hoshi emphasizes Japan's shrinking number of younger people in the workforce and demands a fair system for both old and new generations.



The article (in Japanese) is available at:

<http://aparc.fsi.stanford.edu/japan/news/stanford-economist-warns-japans-youth-employment-opportunities>

Upcoming Events

Big Change, No Change, or Evolutionary Change?: Implications of the New Japanese Security Laws

Wednesday, January 27, 2016

Philippines Conference Room
3rd floor Encina Hall
616 Serra Street, Stanford University

For more information or to RSVP go to:

<http://aparc.fsi.stanford.edu/japan/events/big-change-no-change-or-evolutionary-change-implications-new-japanese-security-laws>

Silicon Valley- New Japan Project Public Forum Series

Wednesday, February 3rd

Masazumi (“Masa”) Ishii, Managing Director of AZCA, Inc

Tuesday, February 23rd

Joseph Z. Perkins, Partner, Technology Companies Group, Orrick, Herrington & Sutcliffe LLP

Tuesday, March 8th

Hiro Saijou, Div. Manager of New Venture Business Development Div. YAMAHA MOTOR CORPORATION, U.S.A and CEO and Managing Director, YAMAHA MOTOR VENTURES & LABORATORY SILICON VALLEY INC

Further details for each public forum will be posted as they become available on the SVNJ website:

<http://www.stanford-svnj.org/forum/>

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