THE UNIVERSITY OF MICHIGAN
GERALD R. FORD SCHOOL OF PUBLIC POLICY
DEPARTMENT OF ECONOMICS
JAPAN ECONOMY PROGRAM
CENTER FOR JAPANESE STUDIES
AND

HITOTSUBASHI UNIVERSITY, INSTITUTE OF ECONOMIC RESEARCH

In Collaboration with

Japan Foundation, Center for Global Partnership
Economic and Social Research Institute (ESRI), Cabinet Office
A 21st Century COE Program, Research Unit for Statistical Analysis in
Social Sciences, Institute of Economic Research, Hitotsubashi University

Macro/Financial Issues and International Economic Relations: Policy Options for Japan and the United States

Friday and Saturday, October 22-23, 2004

Foster Library
Department of Economics
Lorch Hall, 2nd Floor
611 Tappan Street
University of Michigan, Ann Arbor

CONFERENCE AGENDA

FRIDAY, OCTOBER 22

8:30-9:00 A.M.   Registration and Welcoming; Continental Breakfast

A. Assessment of Japan's Macro/Financial Policies and Proposals for Reform

9:00-10:00 A.M.   Koichi Hamada, Yale University, and Asahi Noguchi, Senshu University, "The Role of Economic Perception vs. the Role of Group Interests in Macroeconomic Policies"

Discussant: Ted Truman, Institute for International Economics

10:00-11:00 A.M.	Kyoji Fukao, Hitotsubashi University, Kiyohiko G. Nishimura, University of Tokyo, Qing-Yuan Sui, Yokohama City University, and Masayo Tomiyama, Hitotsubashi University, "Japanese Banks' Monitoring Activities and the Performance of Borrower Firms, 1981-1996"

Discussant: Joe Peek, University of Kentucky

11:00-11:15 A.M.	Coffee Break

11:15-12:15 P.M.	Alan G. Ahearne, Board of Governors of the Federal Reserve System, and Naoki Shinada, Development Bank of Japan, "Zombie Firms and Economic Stagnation in Japan"

Discussant: Patrick McGuire, Bank for International Settlements

12:15-1:30 P.M.	Lunch

1:30-2:30 P.M.	Toshihiro Ihori and Atsushi Nakamoto, University of Tokyo, "Japan's Fiscal Policy and Fiscal Reconstruction"

Discussant: Alessandro Zanello, International Monetary Fund

2:30-3:30 P.M.	Masahiro Hori, Cabinet Office, and Satoshi Shimizutani, ESRI and Hitotsubshi University, "What Changes Deflationary Expectations? Evidence from Japanese Household-Level Data"

Discussant: Robert Barsky, University of Michigan

3:30-4:00 P.M.	Coffee Break

4:00-5:00 P.M.	Gary R. Saxonhouse, University of Michigan, "Good Deflation/Bad Deflation and Japanese Economic Recovery"

Discussant: Michael Bordo, Rutgers University

7:00-9:00 P.M.	Dinner

SATURDAY, OCTOBER 23

8:30-9:00 A.M.	Continental Breakfast

B. Traditional and Unconventional Macro/Financial Policies for Economic Recovery

9:00-10:00 A.M.	Masahiro Kawai, University of Tokyo, "Japan's Banking System: From the Bubble and Crisis to Reconstruction"

Discussant: Takeo Hoshi, UC-San Diego

10:00-11:00 A.M.	Mitushiro Fukao, Keio University, "The Effects of 'Gesell' (Currency) Taxes in Promoting Japan's Economic Recovery"
	Discussant: Willem Buiter, European Bank for Reconstruction and Development (EBRD)
11:00-11:15 A.M.	Coffee Break
11:15-12:15 P.M.	Ronald McKinnon, Stanford University, and Gunther Schnabl, Tubingen University, "The Return to Soft Dollar Pegging in East Asia: Mitigating Conflicted Virtue"
	Menzie Chinn, University of Wisconsin
12:15-1:30 P.M.	Lunch
1:30-2:30 P.M.	Takatoshi Ito, University of Tokyo, "Yen Depreciation and Japanese Economic Recovery"
	Discussant: Charles Engel, University of Wisconsin

C. International Monetary Arrangements

2:30-3:30 P.M.	Rasmus Fatum, University of Alberta, and Michael Hutchison, University of California, Santa Cruz, "Foreign Exchange Intervention and Monetary Policy in Japan, 2003-04" Discussant: Kathryn Dominguez, University of Michigan
3:30-4:00 P.M.	Coffee Break

D. Policy Determinants

4:00-5:00 P.M.	Koichiro Kamada and Izumi Takagawa, Bank of Japan, "Deepening Interdependence in the Asia-Pacific Region: An Empirical Study Using a Macro-Econometric Model"
	Discussant: Dale Henderson, Board of Governors of Federal Reserve System
5:00-5:30 P.M.	Concluding Discussion
7:00-9:00 P.M.	Dinner