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UNIVERSITY OF MICHIGAN
GERALD R. FORD SCHOOL OF PUBLIC POLICY
JAPAN ECONOMY PROGRAM, DEPARTMENT OF ECONOMICS
AND
FACULTY OF BUSINESS AND COMMERCE, KEIO UNIVERSITY

CONFERENCE

ANALYTICAL ISSUES IN THE TRADE, FOREIGN DIRECT INVESTMENT, AND MACRO/FINANCIAL RELATIONS OF THE UNITED STATES AND JAPAN

Keio University
Tokyo, Japan

Friday and Saturday, May 18-19, 2001

Conference Agenda

Friday, May 18, 2001

9:00 A.M. **Welcoming Remarks**

Morning Sessions: Trade and Related Issues

9:15 A.M. **Kyoji Fukao, Hitotsubashi University, Toshihiro Okubo, Hitotsubashi University, and Robert M. Stern, University of Michigan**
"The Effects of NAFTA on Trade Creation and Trade Diversion"

Discussants: Shujiro Urata, Waseda University
Eric Ramstetter, International Centre for the Study of East Asian Development

10:15 A.M. **Alan V. Deardorff, University of Michigan**
"Time and Trade: The Role of Time in Determining the Structure and Effects of International Trade, with an Application to Japan"

Discussants: K.C. Fung, University of California, Santa Cruz
Masahiro Kawai, Tokyo University

11:15 A.M. **Coffee Break**

11:30 A.M. **Theresa Greaney, University of Hawaii, Manoa**
"An Analysis of Japan's Changing Import Behavior"

Discussants: Yoko Sazanami, Meikai University
Ryuhei Wakasugi, Yokohama National University

12:30 P.M. **Lunch**

Afternoon Sessions: Domestic and External Factors Affecting the Behavior and Structure of Japanese Firms

2:00 P.M. **Keith Head and John Ries, University of British Columbia**
"Sources of Productivity Differences Across Japanese Firms"

Discussants: Keith Maskus, University of Colorado
Keiichiro Kobayashi, Research Institute of Economy, Trade, and Industry

3:00 P.M. **Kyoji Fukao and Keiko Ito, Hitotsubashi University**
"A Micro-Data Based Analysis of Foreign Direct Investment in Japan's Service Sector"

Discussants: Sadao Nagaoka, Hitotsubashi University
Fukunari Kimura, Keio University

4:00 P.M. Coffee Break

4:15 P.M. **Fukunari Kimura and Kozo Kiyota, Keio University**
"Exports and Foreign Direct Investment Accelerate Corporate Reforms: Evidence from Japanese Micro Data"

Discussants: Masahiro Kuroda, Keio University
Robert Lipsey, Queen's College; Graduate Center, City University of New York; and National Bureau of Economic Research (NBER)

Saturday, May 19, 2001

Morning Sessions: Macro/Financial Issues

9:00 A.M. **Gary Saxonhouse, University of Michigan**
"Prospective Japanese Economic Recovery—European Economic Recovery in the 1930s: A Comparison"

Discussants: Toshihiro Ihori, Tokyo University
Tetsuji Okazaki, Tokyo University

10:00 A.M. **Mitsuhiro Fukao, Keio University**
"Japan's Lost Decade and Weaknesses in Its Corporate Governance Structure"

Discussants: Hugh Patrick, Columbia University
Mark Ramseyer, Harvard University

11:00 A.M. **Coffee Break**

11:15 A.M. **Hiroshi Fujiki and Shigenori Shiratsuka, Bank of Japan**
"Policy Duration Effect and Liquidity Constraints: Evidence from Japan's Zero Interest Rate Policy in 1999-2000"

Discussants: Kenneth West, University of Wisconsin
Naoyuki Yoshino, Keio University

12:30 P.M. **Lunch**

Afternoon Sessions: Macro/Financial Issues (Continued)

2:00 P.M. **Naohiro Yashiro, Japan Center for Economic Research**
Japan's Demographic Changes and Implications for Japanese Savings and Support for the Elderly"

Discussants: Koichi Hamada, Yale University
Tatsuo Hatta, Tokyo University

3:00 P.M. **Takashi Omori, Economic and Social Research Institute**
"Restoring Full Employment in Japan: Domestic and International Economic Policy Considerations"

Discussants: Allan Meltzer, Carnegie-Mellon University
Yoshio Higuchi, Keio University

3:15 P.M. **Coffee Break**

3:30 P.M. **General Discussion**

5:00 P.M. **End of Conference**

Conference Format

The individual papers will be allotted one hour for presentation, discussant comments, and questions from the floor.

Sponsorship

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