

Document for an External Review

**Introduction to
Institute of Social and Economic Research (ISER)
Osaka University**

January 25, 2013

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Overview

Missions

Institute of Social and Economic Research (ISER) is a research institute attached to Osaka University. The general mission of ISER is to conduct state-of-the-art research in theoretical and empirical economics, disseminate its research findings to the academia, and return their benefits to a society at large. ISER currently has eleven full professors, one associate professor, and four assistant professors as well as four adjunct members. Despite its small size, ISER has gained reputation as one of the top research centers of economics in Japan, and continues to produce first-rate research outputs.

Brief History

Soon after its establishment in 1953, the Faculty of Economics of Osaka University decided to create in 1954 the Office of Social and Economic Research (OSER) to promote research in economic theory. Instrumental in the creation of OSER was **Yasuma Takada**, dean of the Faculty of Economics at the time, who was keenly aware of the need for rigorous economic analysis in the era of the post-WWII chaos. OSER started with only two members: Takada himself as a first director, and **Michio Morishima**. It was soon expanded with the addition of **Shin-ichi Ichimura**, **Masahiro Tatemoto** and **Hukukane Nikaido**. In 1960, OSER launched a joint venture with the University of Pennsylvania by creating a new journal *International Economic Review* (IER), which turned out to be a long-run project that continues today. In 1964, OSER was renamed ISER, and was promoted to a research institute affiliated directly with the University and independent of the Faculty of Economics. ISER was the first research institute acquiring that status at Osaka University in social sciences, and still remains the only such academic unit.

Faculty Council and Advisory Board

ISER has three research divisions in theoretical economics, empirical economics, and policy analysis, as well as the Research Center for Behavioral Economics as an adjunct unit (Figure 1). All major decisions of the Institute are made at the faculty council attended by both senior and junior members. The council, which meets every month with the director presiding, offers a forum for free and candid discussion. The advisory board of ISER is composed of the representatives of other schools and research institutes in economics as well as those outside the academia. The board meets regularly once a year and discusses the future of ISER with the representatives from ISER. Opinions expressed at these meetings provide important directions for decision making at ISER, and ensure that it is open, transparent, and sensitive to the need of the society. See Figure 1 for the diagram of the organization.

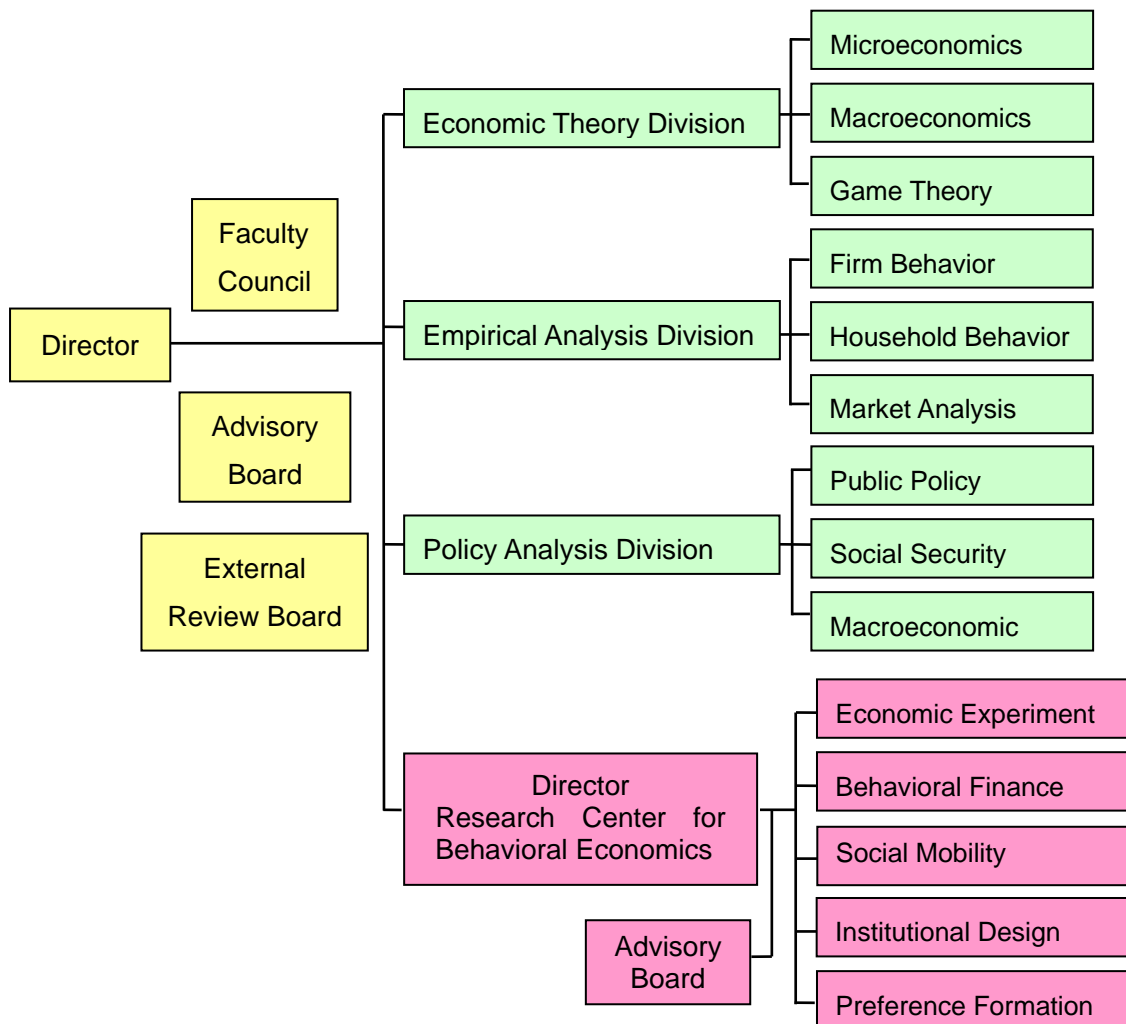


Figure 1 ISER Organization

Faculty

Faculty Body and Research Fields

Most of the present faculty members of ISER hold Ph.D.'s from North American universities, and all senior members have extensive research and teaching experiences outside Japan.¹ Research at ISER until mid-80's centered around economic theories of general equilibrium, multi-sector growth, input-output analysis, and macro-econometric forecasting. Through an organizational reform in the 80's, the research agenda expanded to policy-oriented subjects such as unemployment, environment, aging, tax, social security, and labor. ISER staff at present is well balanced over theoretical and empirical fields, and is strong in behavioral and experimental economics. (See the next section for the current faculty members and their research fields.) Most recently, research on behavioral and experimental economics was given a boost through the large-scale grants-in-aid awarded by the Ministry of Education, Culture, Sports, Science and Technology (MEXT) to the two projects headed by ISER faculty members.² The number of publications by ISER faculty members and the number of citations to their work compare very favorably with those of other economic institutes around the country as described in more detail below.

¹ Past and present faculty members have held full-time faculty positions at John Hopkins University, the University of Pennsylvania, Ohio State University, the University of California at Irvine, the University of Pittsburgh, etc. Visiting positions have been held at Caltech, Columbia, Essex, Princeton, Stanford, UBC, UC Berkeley, UCSD, Pennsylvania, Yale, etc.

² They are a project under the Global Center of Excellence (GCOE) program headed by [Fumio Ohtake](#) (see below), and a project under the Grant-in-Aid for Scientific Research on Priority Areas headed by [Tatsuyoshi Saijo](#).

Current Members

Economic Theory Division

Shinsuke Ikeda

Professor

Ph.D. Osaka U

Fields: Dynamic Macroeconomic, International Macroeconomics, Behavioral Economics, Asset Pricing

Recent work:

- “Decreasing and increasing marginal impatience and the terms of trade in an interdependent world economy,” (with Ken-Ichi Hirose), *Journal of Economic Dynamics and Control*, 36, 1151-1565, 2012.
- “Time discounting: Delay effect and procrastinating behavior,” (with Shunichiro Sasaki, Shiyu Xie, Jie Qin, and Yoshiro Tsutsui), *Journal of Behavioral Economics and Finance*, 5, 10-14, 2012.
- “Decreasing marginal impatience in an interdependent world economy,” (with Ken-Ichi Hirose), *Journal of Economics*, 105, 247-262, 2012.



Masaki Aoyagi

Professor

Ph.D. Princeton U

Fields: Game Theory, Mechanism Design

Recent work:

- “Coordinating Adoption Decisions under Incomplete Information and Externalities,” *Games and Economic Behavior*, 77, 77-89, 2013.
- “Information feedback in a dynamic tournament,” *Games and Economic Behavior*, 70, 242-260, 2010.
- “Optimal sales schemes against interdependent buyers,” *American Economic Journal: Microeconomics*, 2(1), 150-182, 2010.



Shieghiro Serizawa

Professor

Ph.D. U Rochester

Fields: Game Theory, Mechanism Design, Microeconomics

Recent work:

- “A Characterization of the Uniform Rule with Several Goods and Agents” (With S. Morimoto and S. Ching), *Social Choice and Welfare*, forthcoming.
- “Characterizing Vickrey Allocation Rule by Anonymity” (with I. Ashlagi), *Social Choice and Welfare*, 38(3), 531-542, 2012.
- “An Impossibility Theorem for Matching Problems” (With S. Takagi), *Social Choice and Welfare*, 35(2), 245-266, 2010.



Noriaki Matsushima

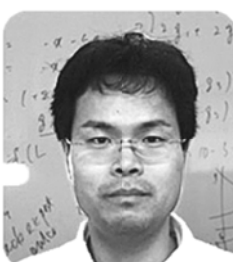
Professor

Ph.D. Tokyo Institute of Technology

Fields: Industrial Organization, Regional Science, Public Economics, International Trade, Economics of Business and Marketing

Recent work:

- “Competitiveness and R&D competition revisited” (with Toshihiro Matsumura and Susumu Cato), *Economic Modelling*, 2013, forthcoming.
- “The arm's length principle and tacit collusion” (with Chongwoo Choe), *International Journal of Industrial Organization*, 31(1), 119-130, 2013.
- “Why do large firms tend to integrate vertically?” (with Tomomichi Mizuno), *Bulletin of Economic Research*, 64(s1), s1-s21, 2012.



Empirical Analysis Division

Kazuo Ogawa

Professor

Ph.D. U Pennsylvania

Fields: Applied Econometrics, Macroeconomics

Recent work:

- “The Trade Credit Channel Revisited: Evidence from Micro Data of Japanese Small Firms” (with Elmer Sterken, Ichiro Tokutsu), *Small Business Economics*, forthcoming.
- “Global Financial Crisis and the Small and Medium-sized Enterprises in Japan: How Did they Cope with the Crisis?,” (with Takanori Tanaka), *Small Business Economics*, forthcoming.
- “Financial Distress and Industry Structure: An Inter-industry Approach to the “Lost Decade” in Japan” (with Elmer Sterken and Ichiro Tokutsu), *Economic Systems Research*, 24, 229-249, 2012.


Charles Yuji Horioka

Professor

Ph.D. Harvard U

Fields: Macroeconomics (Consumption, Saving), Japanese Economy

Recent work:

- “Recent Trends in Consumption in Japan and the Other Group of Seven (G7) Countries,” *Journal of the Asia Pacific Economy*, 18(3), forthcoming.
- “Foreign Debt Holdings in Japan and Emerging Asia” (with Takaaki Nomoto and Akiko Terada-Hagiwara), *Asian Development Review*, 30(1), forthcoming.
- “Are Japanese Households Financially Healthy, and If So, Why? A Group of Seven (G7) Comparison,” *The Japanese Economy*, 39(4), 2012.



Policy Analysis Division

Yoshiyasu Ono

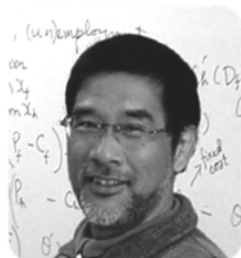
Professor

Ph.D. U Tokyo

Fields: Macroeconomic Dynamics, International Trade and Finance, Industrial Organization

Recent work:

- “Zero Nominal Interest Rates, Unemployment, Excess Reserves and Deflation in a Liquidity Trap” (with R. Murota), *Metroeconomica*, 63(2), 335–357, 2012.
- “The Keynesian Multiplier Effect Reconsidered,” *Journal of Money, Credit and Banking*, 43(4), 787-794, 2011.
- “Does Pro-population Policy Raise Per Capita Consumption?” (with K. Hashimoto), *Japanese Economic Review*, 62(2), 151-169, 2011.



Atsushi Tsuneki

Professor

Ph.D. U British Columbia



Fields: Public Economics, Economic Analysis of Law

Recent work:

- “Japanese Bureaucracy,” *The Japanese Economy*, forthcoming, 2012.
- “Socially Optimal Liability Rules for Firms with Natural Monopoly in Contestable Markets,” *International Review of Law and Economics*, 31, 99-102, 2011.
- “Labor Relations and Labor Law in Japan” (with Manabu Matsunaka), *Pacific Rim Law & Policy Journal*, 20, 529-561, 2011.

Junichiro Ishida

Professor

Ph.D. U Wisconsin-Madison



Fields: Applied Microeconomics, Organizational Economics, Contract Theory, Behavioral Economics, Industrial Organization

Recent work:

- “Dynamically Sabotage-Proof Tournaments,” *Journal of Labor Economics*, 30(3), 627-655, 2012.
- “Contracting with Self-Esteem Concerns,” *Journal of Economic Behavior and Organization*, 81(2), 329-340, 2012.
- “Market Competition, R&D and Firm Profits in Asymmetric Oligopoly” (with Toshihiro Matsumura and Noriaki Matsushima), *Journal of Industrial Economics*, 59(3), 484-505, 2011.

Research Center for Behavioral Economics

Fumio Ohtake

Professor

Ph.D. Osaka U



Fields: Labor Economics, Behavioral Economics

Recent work:

- “Organization adjustments, job training and productivity: Evidence from Japanese automobile makers” (with K. Ariga, M. Kurosawa, M. Sasaki and S. Yamane), *Journal of The Japanese and International Economies*, forthcoming.
- “How do high school graduates in Japan compete for regular, full time jobs? An empirical analysis based upon an internet survey of the youth” (with Kenn Ariga, Masako Kurosawa and Masaru Sasaki), *Japanese Economic Review*, 63(3), 348-379, 2012.
- “Asking about Changes in Happiness in a Daily Web Survey and Its Implication or the Easterlin Paradox” (with Y. Tsutsui), *Japanese Economic Review*, 63(1), 38-56, 2012.

Tatsuyoshi Saijo

Professor

Ph.D. U Minnesota



Fields: Engineering of Institutional Design

Recent work:

- “Payment Schemes in Indefinite-Horizon Experimental Games” (with Katerina Sherstyuk, Nori Tarui), *Experimental Economics*, forthcoming.
- “Prediction of Photovoltaic and Solar Water Heater Diffusion and Evaluation of Promotion Policies on the Basis of Consumers' Choices” (with Yohei Yamaguchi, Kenjyu Akai, Junyi Shen, Naoki Fujimura, Yoshiyuki Shimoda), *Applied Energy*, forthcoming.
- “A Cost-Benefit Analysis on the Specialization in Departments of Obstetrics and Gynecology in Japan” (with Junyi Shen, On Fukui, Hiroyuki Hashimoto, Takako Nakashima, Tadashi Kimura, Kenichiro Morishige), *Health Economics Review*, forthcoming.

Ryuji Sano

Assistant Professor

Ph.D. U Tokyo



Fields: Mechanism Design, Market Design, Game Theory

Recent work:

- “Vickrey-Reserve Auctions and an Equilibrium Equivalence,” *Mathematical Social Sciences*, forthcoming.
- “Non-Bidding Equilibrium in an Ascending Core-Selecting Auction,” *Games and Economic Behavior*, 74, 637-650, 2012.
- “Incentives in Core-Selecting Auctions with Single-Minded Bidders,” *Games and Economic Behavior*, 72, 602-606, 2011.

Katsunori Yamada

Assistant Professor

Ph.D. Kyoto U



Fields: Macroeconomics, Behavior Economics, Neuro Economics

Recent work:

- “A Numerical Study on Assessing Sustainable Development with Future Genuine Savings Simulation” (with S. Samreth and M. Sato), *International Journal of Sustainable Development*, 15(4), 293-312, 2012.
- “Japan's Intangible Capital and Valuation of Corporations in a Neoclassical Framework” (with H. Arato), *Review of Economic Dynamics*, 15(4), 459-478, 2012.
- “Macroeconomic Implications of Conspicuous Consumption: A Sombartian Dynamic Model,” *Journal of Economic Behavior and Organization*, 67(1), 322-337, 2008.

Jun Nakabayashi

Assistant Professor

Ph.D. Ohio State U



Fields: Industrial Organization, Applied Econometrics, Auctions

Recent work:

- “Small Business Set-asides in Procurement Auctions: An Empirical Analysis,” Tsukuba Economics Working Papers 2009-005, March 2009. (Accepted in *Journal of Public Economics*, January 2013.)
- “Equilibria in Asymmetric Auctions with Entry,” Tsukuba Economics Working Papers 2010-002, Jan 2010.
- “Procurement Auctions with Pre-award Subcontracting, An Experiment” (with Naoki Watanabe), Tsukuba Economics Working Papers 2010-009, Dec 2010.



Koji Abe

Assistant Professor

Ph.D. Kobe U

Fields: Game Theory, Decision Theory

Recent work:

- “A Geometric Approach to Temptation,” *Journal of Mathematical Economics*, 48, 92-97, 2012.



Flath, David Joseph

Specially Appointed Professor

Ph.D. UC Los Angeles

Fields: Industrial Organization, Japanese Economy

Recent work:

- “Returns System with Rebates”, (with Tatsuhiko Nariu and Atsuo Utaka), *International Economic Review*, 53(4), 1243-56, 2012.
- “Industrial Concentration, Price-Cost Margins, and Innovation”, *Japan and the World Economy*, 23(2), 129-139, 2011.
- “The Complexity of Wholesale Distribution Channels in Japan,” (with Tatsuhiko Nariu), *The Japanese Economy*, 35(2), 68–86, 2008.



Saori Tanaka

Associate Professor

Ph.D. Nara Institute of Science and Technology

Fields: Neuroeconomics and Behavioral Economics

Recent work:

- “Neural and Personality Correlates of Individual Differences Related to the Effects of Acute Tryptophan Depletion on Future Reward Evaluation,” (with Y. Demoto, G. Okada, Y. Okamoto, Y. Kunisato, S. Aoyama, K. Onoda, A. Munakata, M. Nomura, N. Schweighofer, K. Doya, S. Yamawaki) *Neuropsychobiology*, 65(2), 55-64, 2012.
- “Inter-individual discount factor differences in reward prediction are topographically associated with caudate activation,” (with K. Onoda, Y. Okamoto, Y. Kunisato, S. Aoyama, K. Shishida, G. Okada, N. Schweighofer, S. Yamaguchi, K. Doya, S. Yamawaki) *Experimental Brain Research*, 212(4), 593-601, 2011.
- “Serotonin affects association of aversive outcomes to past actions,” (with K. Shishida, N. Schweighofer, Y. Okamoto, S. Yamawaki, K. Doya) *The Journal of Neuroscience*, 29(50), 15669-15674, 2009.



Keiko Aoki

Specially Appointed Assistant Professor

Ph.D. Osaka U

Fields: Experimental Economics, Food Safety, Consumer Behavior

Recent work:

- “The preference of people with diploma in nursing for nursing job choice by using Internet choice experiment,” (with K. Akai, Y. Aoki) *Japanese Journal of Health Economics and Policy*, 23(2), 111-127, 2012.
- “Consumer Reaction to Information on Food Additives: Evidence from an Eating Experiment and a Field Survey,” (with J. Shen, T. Saijo) *Journal of Economic Behavior and Organization*, 73, 433-438, 2010.
- “Effects of Prior Investment and Personal Responsibility in a Simple Network Game,” (with Y. Ohtsubo, A. Rapoport, T. Saijo) *Current Research in Social Psychology*, 13(2), 10-21, 2007.

Naoko Okuyama

Specially Appointed Assistant Professor

Ph.D. Osaka U



Fields: Household behavior and public economics, Applied econometrics, Behavioral economics

Recent work:

- “Impacts of the Great Hanshin-Awaji Earthquake on the Labor Market in the Disaster Areas” (with Fumio Ohtake, Masaru Sasaki, and Kengo Yasui), *Japan Labor Review*, 9(4), 42-63, 2012.
- “Public Private Partnership between Local Governments and Nonprofits in Japan” (with Yu Ishida and Naoto Yamauchi), *Nonprofit Policy Forum* 1(1), 1-21, 2010.
- “What Determines the Size of the Nonprofit Sector?: A Cross-country Analysis of the Government Failure Theory” (with Yoshiho Matsunaga and Naoto Yamauchi), *International Journal of Voluntary and Nonprofit Organizations* 21(2), 180-201, 2010.

Yoshihiko Kadoya

Specially Appointed Assistant Professor

Ph.D. U Sydney



Fields: Health Economics, Public Policy

Recent work:

- “Widow Discrimination and Family Care-Giving in India,” (with Ting Yin) ISER Discussion Paper, 858, 2012.
- “Gender imbalance and parents’ anxiety about old age in China,” (with Ting Yin) ISER Discussion Paper, 855, 2012.
- “Managing the Long-Term Care Market: The Constraints of Service Quality Improvement,” *Japanese Journal of Health Economics and Policy*, 21(E1), 147-163, 2010.

Hiring

Regardless of the rank, faculty hiring is based solely on the candidates' merits, and a conscious effort is made to avoid in-breeding, a practice of hiring graduates of one's own university. Senior hiring targets the best available candidate regardless of his/her fields. The only field requirement at senior hiring is that it should result in each of the four fields — micro theory, macro theory, empirical micro, and empirical macro — represented by at least one member. Public advertisement for junior hiring is posted internationally, and candidates go through a careful selection process involving job seminars and paper review. All junior appointments are made for the fixed term of three to five years, implying that no internal promotion is allowed.

Career Development

Junior faculty members at ISER receive constant and significant support for career development. Junior members are exempted from heavy teaching and administrative duties and are left with much time and energy for research. They also receive generous allocations of internal research funds. Most of the junior members publish their work in internationally renowned journals during their appointment at ISER, and subsequently obtain competitive academic positions outside. It is worth noting that many of the most active researchers in economics in Japan at present have been at ISER as junior members.

Promotion

A review process for the promotion of an associate professor to full professor may be initiated either at the request of any faculty member including the candidate himself/herself, or automatically when the candidate reaches the age of 38. While no explicit criteria for promotion exist, the candidate's academic accomplishments are carefully reviewed. A primary emphasis is placed on the quality of the candidate's research output with secondary considerations given to his/her contributions in teaching, administrative work, and other areas.

Visiting Research Scholars (VRS)

ISER maintains strong ties with researchers overseas. The two faculty slots allocated to visitors from overseas are one key device for such ties. The visitors, called *visiting research scholars* (VRS), enjoy the same benefits as the regular faculty members including full secretarial support. The period for a visit by each VRS is between one month and one year, and ISER hosts on average four VRS per year. VRS help ISER faculty and graduate students to initiate international research collaboration, and strengthen a tie between ISER and their home institutions. Past and current VRS include distinguished scholars worldwide as listed in Table 1.

Table 1: VRS in 2010-2012

2010

COXHEAD, Ian Andrew, Professor, Dept. of Agricultural and Applied Econ., University of Wisconsin, USA.
DASTIDAR, Krishnendu Ghosh, Professor, Centre for Economic Studies and Planning, School of Social Sciences, Jawaharlal Nehru University, INDIA.
CHERN, Wen Shyong, Professor, Department of Economics, National Chung Cheng University, TAIWAN.
STARK, Oded, Professor, ZEF, University of Bonn, GERMANY.
JAYASURIYA, Sisira, Professor, School of Economics and Finance, La Trobe University, AUSTRARIA.
GASTON, Noel, Professor, School of Business, Bond University, AUSTRARIA.

2011

CHOE, Chong-woo, Professor, Department of Economics, Monash University, AUSTRALIA.
HARSTAD, Ronald M, Professor, Department of Economics, University of Missouri, U.S.A.
LEE, In-Ho, Professor, Department of Economics, Seoul National University, KOREA.

2012

KIM, Jeong-Yoo, Professor, Department of Economics, Kyung Hee University, KOREA.
SCHUMMER, James Peter JR, Associate Professor, Managerial Economics and Decision Sciences Department, Kellogg School of Management Northwestern University, U.S.A.
BRUNELLO, Giorgio, Professor, Department of Economics, University of Padova, ITALY.
GÜNAY, Hikmet, Associate professor, Department of Economics, University of Manitoba, TURKEY.
GROSSBARD, Shoshana Amyra, Professor, Department of Economics, San Diego State University, U.S.A.
ROSE, Andrew Kenan, Professor, Haas School of Business, University of California Berkeley, U.S.A.
KIM, Jeong-Yoo, Associate professor, Institute of Economics, Academia Sinica, TAIWAN.

Research Activities

Publications and Citations

The strength in research of ISER is most clearly documented by the number of publications by the ISER faculty in international academic journals and the number of citations to their work. In cooperation with economists from other universities, ISER has been working on the evaluation of its research performance in comparison with the research institutes in economics and social sciences of the University of Tokyo, Hitotsubashi University, Kyoto University, and Kobe University.³ Table 2 shows the numbers of publications during 2008-2012 in five nested categories of journals labeled as TOP20, TOP50, TOP100, TOP200 and Extended that adjust for quality based on the annual Article Influence Score (AIS) rankings in the Web of Science over the five-year period 2007-2011.⁴ For a co-authored paper, each author's contribution is counted as 1/(number of authors).

Table 2: Number of publications by Institutes

Publication in International Journals: 5 Years (2008-2012)																
	#Faculty	TOP20			TOP50			TOP100			TOP200			Extended List		
		Total	Per Capita	Median	Total	Per Capita	Median	Total	Per Capita	Median	Total	Per Capita	Median	Total	Per Capita	Median
Osaka	14	1.83	0.13	0.00	13.83	0.99	0.42	20.17	1.44	1.17	34.45	2.46	2.00	35.28	2.52	2.14
Kyoto	21	6.25	0.30	0.00	9.75	0.46	0.00	19.67	0.94	0.50	30.08	1.43	0.75	34.67	1.65	0.75
Kobe	19	0.50	0.03	0.00	4.33	0.23	0.00	11.50	0.61	0.00	18.33	0.96	0.00	26.50	1.39	0.50
Hitots.	30	1.50	0.05	0.00	3.67	0.12	0.00	7.37	0.25	0.00	23.32	0.78	0.50	29.02	0.97	0.92
Tokyo	36	0.33	0.01	0.00	1.67	0.05	0.00	2.17	0.06	0.00	12.17	0.34	0.00	24.00	0.67	0.00
Sum, Average	120	10.41	0.09		33.25	0.28		60.88	0.51		118.35	0.99		149.47	1.25	
	(Sum)	(Sum)	(Average)		(Sum)	(Average)		(Sum)	(Average)		(Sum)	(Average)		(Sum)	(Average)	

"#Faculty" = # (senior or junior) members with full-time appointment as of April 1, 2012.

"Total" = #publications aggregated over all full-time members of each institute.

"Per Capita" = "Total" divided by "#Faculty".

"Median" = #publications of a median member of each institute.

ISER is at the top for both the Per Capita and Median values except for TOP20, where it is second only to Kyoto. In most categories, the Per Capita values for ISER are at least twice as high as the average of the five institutes. Furthermore, the very small difference between the Per Capita and Median values at ISER implies that most members of ISER are very active at these quality levels.

³ The details are found in the attached document "Research Performance Comparison of Research Institutes of Economics and Social Sciences in Japan (2012)."

⁴ **TOP20:** 19 journals ranked at least twice within top 20 during the five years.

TOP50: 54 journals ranked at least twice within top 50 during the five years.

TOP100: 110 journals ranked at least twice within top 100 during the five years.

TOP200: 167 journals i) in TOP100 or ii) ranked in top 200 in all five years.

Extended: TOP200 above plus journals in business, area studies, history, law, sociology, politics, mathematics, operations research, etc. as classified by Social Sciences Citation Index and Sciences Citation Index. (This category was added to account for the presence of non-economists at some of the other institutes.)

Figure 2 shows the numbers of citations to the papers and books written by the members of the same institutes as above counted in the Social Sciences Citation Index (SSCI). ISER takes a commanding lead with the Per Capita value of 182.79, which is three times as high as the average (59.73) of the five institutes. For the Median values, the difference between ISER and others is even larger.

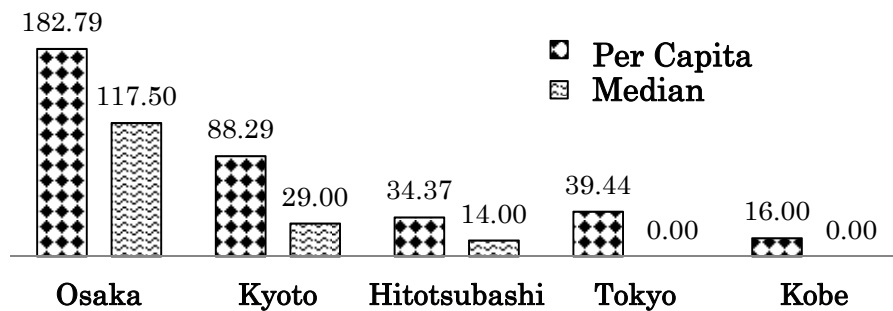


Figure 2: Citations by Institutes

International Economic Review (IER)

Editorial work performed for IER is one of the core activities of ISER. Since its inception in 1960, IER has consistently been ranked as one of the top general audience journals in economics. According to the AIS ranking of economic journals by Thomson-Reuters, IER ranks consistently in the 20's during 2007-2011.⁵ As mentioned earlier, ISER has a historical engagement with the journal: IER was founded by **Michio Morishima** of ISER and Lawrence Klein of Pennsylvania, who both became original editors of the journal. Behind the creation of the journal was strong support from the local Osaka region as represented by the initial funding provided by the Kansai Economic Federation, a non-profit organization of a large number of private enterprises based in Kansai. Currently, three faculty members of ISER serve on the editorial board of IER including **Charles Horioka**, who serves as co-editor. IER publishes 50-60 papers in four volumes each year and maintains a rigorous refereeing standard with a low acceptance rate of about 10%. As one function of IER, ISER invites distinguished scholars from around the world to host the Klein lecture every three years.⁶

⁵ IER is ranked 22nd (2007, 2008), 25th (2009), 27th (2010), and 28th (2011).

⁶ Past speakers of the Klein Lecture at ISER are: Fumio Hayashi (1999), Nobuhiro Kiyotaki (2002), Kiminori Matsuyama (2005), Oded Galor (2008), and Ernst Fehr (2011).

Academic Services

The academic activities of ISER faculty members extend beyond the boundary of the institute. The external activities they engage in range from conference organization to the refereeing and editorial work for journals. Table 3 lists the present faculty members who are on the editorial boards for IER and other academic journals.

Table 3: Editorial Service for International Journals (as of Jan 2013)

Yoshiyasu Ono

International Economic Review

Review of Development Economics

Tatsuyoshi Saijo

International Economic Review

International J. of Business and Economics

Social Choice and Welfare

Review of Economic Design

Economics Bulletin

Charles Yuji Horioka

International Economic Review

Japanese Economic Review

Masaki Aoyagi

International Economic Review

Kazuo Ogawa

Japanese Economic Review

Journal of Economic Structures

Fumio Ohtake

The Japanese Journal of Labour Studies

Shinsuke Ikeda

Journal of Behavioral Economics and Finance

FLATH, David Joseph

The Japanese Economy

ISER Seminar Series

The seminar series held at ISEK is a main forum for academic discussion at ISEK. The seminar organizers, typically appointed from junior faculty, invite outside speakers. Many of the speakers have been from outside Japan. The list of speakers in 2012 is given below.

Table 4: ISEK Seminars in 2012

January 13:	John B. Jones (SUNY), Skill-Biased Technical Change and the Cost of Higher Education: An Exploratory Model (with Fang Yang)
January 17:	Robert F. Tamura (Clemson), Economic Growth in the Long Run
February 8:	Mayu Fujii (Hitotsubashi), When to start working after giving birth? Short- and medium-term effects on children's health
February 9:	Lingsheng Meng (Tsinghua), Prenatal Sex Selection and Missing Girls in China: Evidence from the Diffusion of Diagnostic Ultrasound
April 4:	Masao Ogaki (Keio), Cultures, Worldviews, and Intergenerational Altruism
April 25:	Koichi Hamada (Yale), Ignorance, Vested Interests, or Cognitive Dissonance? Causes of Poor Monetary Policy in Japan
April 25:	Masahiro Shoji (Seijo), Guilt Aversion and Peer Information in Crime: Evidence from Experiment and Survey Data in Developing Country
May 9:	Takeshi Nishimura (Hitotsubashi), Optimal Design of Scoring Auction
June 1:	Daniel Sullivan (Federal Reserve Bank of Chicago), Manufacturing Plants' Use of Temporary Workers: An Analysis Using Census Micro Data
June 20:	Shoshana Amyra Grossbard (San Diego State / ISEK), Racial Intermarriage and Household Production: Are There Compensating Differentials? (with J. Nadal and Jos Molina)
June 26:	Shoshana Amyra Grossbard (San Diego State / ISEK), Do Men Pay Women for Household Production?: The Case of Income Pooling in Denmark (with Jens Bonke and Catalina Amuedo-Dorantes)
July 4:	Masahiko Haruno (NICT), Rapid and Intuitive Judgment During Social Interaction
July 27:	Andrew K. Rose (UC, Berkeley / ISEK), Dollar Illiquidity and Central Bank Swap Arrangements During the Global Financial Crisis (with Mark Spiegel)
August 1:	Xiangyu Qu (Ohio State / Keio), An Axiomatization of Subjective Mean-variance Utility under Ambiguity
August 23:	Nobuyuki Hanaki (Aix-Marseille), Individual irrationality and lack of common knowledge of rationality in experimental asset markets (with Eizo Akiyama and Ryuichiro Ishikawa)
October 10:	Yutaka Kayaba (Caltech), Nonparametric Learning Rules from Bandit Experiments: The Eyes Have It! (with Yingyao Hu and Matthew Shum)
October 31:	Shingo Takagi (Hokkaido), A Structural Estimation Approach to an Asymmetric Auction Model for the Retail Power Market
November 16:	Kaye Broadbent (Griffith), Privatised aged care and the impact on home care work in Japan
November 21:	Rafael Lalive (Lausanne), How Does Early Childcare Affect Child Development? Learning from the Children of German Unification
December 5:	Yusuke Mori (Hitotsubashi), How Can Integration Reduce Inefficiencies Due to Ex Post Adaptation?
December 12:	Atsushi Iwasaki (Kyushu), Strategyproof Matching with Minimum Quotas

International Exchange

ISER has extensive academic exchange agreements with universities overseas. To date, it has signed exchange agreements with Southern Illinois University at Carbondale, Hong Kong University of Science and Technology, MOVE,⁷ and Hong Kong University. These agreements have each resulted in the exchange of scholars and joint workshops. Most recently in 2012, ISER begins with the strong initiative of the current director [Shigehiro Serizawa](#) an exchange program with MOVE, Academia Sinica of Taiwan, and the University of Rochester based on the funding from the Japan Society for the Promotion of Science. This program enables ISER and the Faculty of Economics to send their faculty members and graduate students to these overseas institutions for extended periods of time.

Experimental Laboratories

ISER has two experimental laboratories and is *the* center of experimental economic research in Japan. Instrumental in the establishment of the laboratories at ISER was [Tatsuyoshi Saijo](#), a current member of ISER, who was a pioneer of experimental economics in Japan and is currently an associate editor of the top field journal *Experimental Economics*. The two laboratories are equipped with 48 PC's and 3 servers and can be used either independently or in conjunction with each other. ISER hires a junior experimental economist as a manager of these heavily used laboratories. The experiments conducted there are essential part of the behavioral economics research, the centerpiece of the current ISER research agenda.

21st Century COE project

During 2003-2007, ISER was engaged in a research project under the 21st Century COE program sponsored by the Ministry of Education, Culture, Sports, Science and Technology (MEXT). The project is aimed at tackling the aspects of human behavior outside the realm of conventional economics, and deepening our understanding of human behavior. It extensively used questionnaire surveys and economic experiments as new research methods, and drew on the ideas and methodologies of brain science, psychology and sociology, among others. The research under the project saw international collaboration with researchers from Yale, Michigan, Hong Kong University of Science and Technology, and Fudan University. With a high aim of making ISER the center of behavioral economics research in Japan, the project yielded a number of cutting-edge research papers and policy proposals. An academic association of behavioral economics researchers, the Association of Behavioral Economics and Finance, grew out of the program, and so did many young promising researchers in behavioral economics.

⁷ Markets, Organizations and Votes in Economics an institute based at the campus of Universitat Autònoma de Barcelona.

Global COE Project

In 2008, ISER launched a five-year research project entitled “Human Behavior and Socioeconomic Dynamics,” by winning a competitive grant under the Global Center of Excellence (GCOE) program of MEXT. The project builds on and develops the 21st Century COE project described above, and further extends research on behavioral economics. The project, which received the highest interim rating from MEXT in 2010, places strong emphases on: policy applications in real-world social and economic problems, cross-country comparative research, international collaboration, interdisciplinary collaboration, and the development of young researchers. Among them, the interdisciplinary collaboration takes place with researchers in neuroscience, bioscience and medical science and utilizes data obtained from functional MRI, and the analysis of twins. At the core of the development of young researchers is the establishment of a systematic graduate curriculum that emphasizes good analytical and writing skills, which form the basis of any research, whether theoretical or applied. Research-wise, specific topics pursued under the project include: persistence of recessions, occurrence and bursting of bubbles, multi-debtor problems, environments, and the roles of emotions and feelings in economic problems, just to name a few.

Inter-University Research Collaboration Center

In 2010, ISER was designated an inter-university research collaboration center by MEXT under its program aimed at promoting inter-university research collaboration in Japan. The designation as a collaboration center recognizes ISER’s track record as a network hub for experimental and behavioral economics research as well as its international stature as represented by the editorial function performed for the International Economic Review. As a collaboration center, ISER solicits applications for competitive funds for collaborative research. In 2012, the grants were awarded to 14 applications from 72 researchers in the following eight categories: time discounting, liquidity preferences, risk aversion, public policy, overconfidence, neuroeconomics, happiness and decision making under abstinence. The output of the collaborative work is expected in the forms of publication in academic journals and presentation at open symposia targeted at the general public.

Research Center for Behavioral Economics

The Research Center for Behavioral Economics (RCBE) was established in 2004 as an adjunct center of ISER in response to the recommendation of an external review to bring the organization and research agenda of ISER up to date. Behavioral economics studies a broad range of subjects not covered by traditional economics and draws heavily on data collected through large-scale surveys, economic experiments as well as other methods such as MRI and eye-ball tracking. The interdisciplinary nature of the subject requires interaction among researchers in diverse areas including economics, sociology, psychology, brain science, and artificial intelligence. The object of RCBE is to advance research in behavioral economics by being a network hub of such interaction. RCBE conducts research in five subfields in behavioral finance, experimental economics, system

design, preference formation, and social mobility. RCBE has a seminar series, and a discussion paper series, both of its own.

ISER in the Japanese Academia

ISER provides key support for the organization and management of the Japanese Economic Association (JEA), the largest and representative academic association of economists in Japan, and is a counterpart of AEA. From ISER came nine presidents of JEA, and numerous members on its board of councilors. On the other end of the JEA activities, ISER has produced three winners of the Nakahara Prize awarded annually to the best economist under the age of 45, and one winner of the Ishikawa Prize awarded annually to the economist under the age of 50 who has made the most significant contribution on the analysis of the Japanese economy.⁸ Other academic associations have also recognized ISER faculty members for their accomplishments. Most notably, **Fumio Ohtake** was a recipient of the Japan Academy of Science prize in 2008.⁹

Contributions to the Society

ISER faculty members constantly appear in newspapers and other mass media to give their expert opinions on micro- and macroeconomic issues in the society. They are also frequently asked by central and local governments for policy advice, and serve on a number of governmental committees. An annual symposium on behavioral economics aimed at the general public is another way of returning to the society the benefits of research at ISER. The titles of the past symposia include such contemporary issues as economics of obesity, preparing for earthquakes by behavioral economics, economics of marriage and childbearing, and economics and culture.

⁸ Among them, **Charles Horioka** (2003 winner of the Nakahara prize) and **Fumio Ohtake** (2007 winner of the Ishikawa prize) are current members.

⁹ **Noriaki Matsushima** is the recipient of the 9th JSPS Prize and the 9th Japan Academy Medal Prize in 2012. Past members **Takuma Yasui** and **Michio Morishima** are both recipients of the Order of Culture by the Japanese government for their contributions to the advancement of economics. More than a dozen members (past and present) are winners of the Nikkei prize for books on economics, a prize awarded annually to the best books on economics by the business newspaper Nikkei.

Education

Graduate Education

ISER cooperates with the Graduate School of Economics (GSE), the graduate school unit of the Faculty of Economics, in the education of their doctoral and masters' students. ISER faculty members teach two courses per year in GSE, and serve as advisors for doctoral and masters' theses. In particular, ISER takes full responsibility in the provision and organization of core courses in microeconomics at GSE. In accordance with the new GSE policy to internationalize its graduate program, four ISER faculty members take turns to teach these core courses in English. ISER also organizes a preliminary mathematics course for incoming graduate students.

ISER-Moriguchi Prize

Commitment of ISER to the development of graduate students is most evident at the annual conferment of the ISER-Moriguchi Prize, which was created in 1999 in honor of **Chiaki Moriguchi**, a former member of ISER who contributed the prize money. Applications for the prize are solicited from graduate students studying in Japan or Japanese graduate students studying abroad. The rigorous selection process consists of review by external referees and research presentations. The winning papers are included in the ISER discussion paper series, and it is not rare to see them subsequently published in a top academic journal. The winners of the prize and their papers are listed in Table 5.

Table 5 : ISER- Moriguchi Prize Winners

1st (1998) N/A

2nd (1999) N/A

3rd (2001)

Daiji Kawaguchi (Michigan), Human capital accumulation of salaried and self-employed workers. Published in *Labour Economics*, 10(1), 55-71, 2003.

4th (2002)

Young-Jun Lee (Nagoya), Labor Market Segmentation and Long-Term Employment Policy.

5th (2003)

Ken Yamada (Osaka), Intra-family Transfers in Japan, Published in *Applied Economics*, 38(16), 1839-1861, 2006.

6th (2004)

Ryo Nakajima (New York), Measuring Peer Effects on Youth Smoking Behavior.

7th (2005)

Takayuki Ogawa (Osaka), Welfare Analysis of Debt Policy during Recessions.

Junmin Wan (Osaka), Rational Addiction with an Optimal Inventory: Theory and Evidence from Japanese Daily and Monthly Purchases.

8th (2006)

Shintaro Yamaguchi (Wisconsin), Job Search, Bargaining and Wage Dynamics.

9th (2007)

Masayuki Kudamatsu (LSE), Has Democratization Reduced Infant Mortality in Sub-Saharan Africa? Evidence from Mother Fixed-effects Estimation.

10th (2008)

Rieko Ishii (Osaka), Collusion in Repeated Procurement Auction: A Study of Paving Market in Japan.

11th (2009)

Hiroko Okudaira (Osaka), The Economic Costs of Court Decisions Concerning Dismissals in Japan: Identification by Judge Transfers.

Hiroaki Miyamoto (Wisconsin), Technological Progress, On-the-Job Search and Unemployment (with Yuya Takahashi), Published in *Journal of Monetary Economics*, 58(6-8), 666-680, 2011.

12th (2009)

Shinsuke Tanaka (Boston), Access to Health Infrastructure and Child Health Development: Evidence from Post-Apartheid South Africa.

13th (2010)

Katsuo Kogure (Tsukuba), Dictatorships, Institutional Change, and Economic Performance: Evaluating the Impacts of Forced Marriage System under the Pol Pot Regime in Cambodia, 1975-1979.

Naoaki Minamihashi (Boston), Destruction of Competition by Competition Law: Evidence from Unbundling Regulation on Fiber-Optic Networks in Japan.

14th (2011)

Wataru Tamura (Osaka), A Theory of Multidimensional Information Disclosure.

15th (2012)

Yusuke Mori (Hitotsubashi), How Can Integration Reduce Inefficiencies Due to Ex Post Adaptation?