



## A Report from the 2017 EJARN Conference “Monetary Policy in Japan and Europe”

This year marks another successful entry in the history of European Japan Advanced Research Network (EJARN) conferences. For the first time, the network was held in Germany, i.e. in Frankfurt, an important financial location in Europe. Quite fitting, this year’s theme was “Monetary Policy in Japan and Europe”. This year’s conference came after a set of unconventional monetary policies from the Bank of Japan and central banks in Europe. For instance, in 2016, the Bank of Japan has followed central banks in Europe by adopting negative interest rates.

The conference took place on June 9<sup>th</sup> and 10<sup>th</sup> and was co-organized by Professor Dr. Cornelia Storz and Dr. Markus Heckel, in cooperation with the Interdisciplinary Center for East Asian Studies (IZO) at the Goethe University, Frankfurt. The organizers welcomed a group of distinguished guests and keynote speakers, comprised of leading scholars as well as European and Japanese officials.

The first day of the conference focused on keynotes related to monetary policy (Session 1: Monetary Policy), while the second day offered a broader scope of topics (Session 2: Politics, Security, and Political Economy in the EU and Japan). The conference attracted more than 60 speakers, scholars and invited participants ranging from policy makers, representatives from the business sector (e.g. the Hôjinkai [Association of Japanese enterprises in Frankfurt]) and interested students. The conference started off with welcoming remarks from Professor Marie Söderberg (Stockholm School of Economics and EJARN director), Yoshitaka Tsunoda (Deputy Consul General, Japan), Professor Cornelia Storz and Dr. Markus Heckel (both Faculty of Economics and Business Administration and Interdisciplinary Centre for East Asian Studies, Goethe University), after the attendees had a chance to catch up and connect over some sandwiches.

Report from the Conference June 9-10, 2017

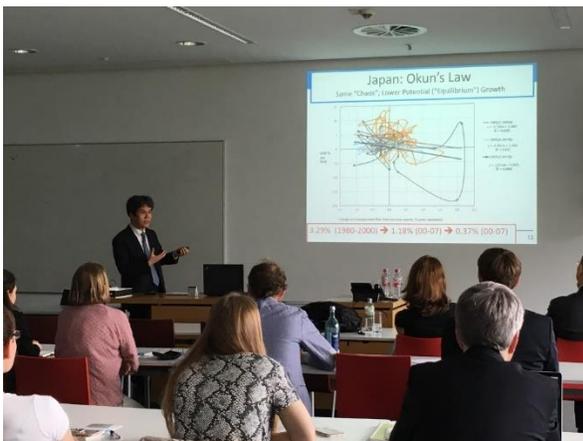


Picture (top): Lobby of Goethe University, conference location.



Picture (bottom): Yoshitaka Tsunoda (Deputy Consul General, Japan) at his welcome speech.

The first day was dedicated to bringing together monetary policy experts, central bank officials and scholars. The first panel, chaired by Per Nymand-Andersen (European Central Bank), gave an overview of recent monetary policy and changes thereof in Japan and Europe. It was kicked off by a panel consisting of (former) central bank officials Professor Kiyohiko Nishimura (National Graduate Institute for Policy Studies, Chair of the Statistics Commission of Japan, Former Deputy Governor, Bank of Japan), Dr. Katrin Assenmacher (European Central Bank, Head of Monetary Policy Strategy Division), and Dr. Daniel Kienzler (Deutsche Bundesbank, Monetary Policy and Analysis Division). Professor Nishimura talked about the changes and challenges of the Bank of Japan in the post-crisis-era; Dr. Assenmacher gave an overview about the ECB's monetary policy in the past three years; and Dr. Kienzler discussed issues regarding monetary policy and financial stability.



Picture: Kiyohiko Nishimura, former deputy governor of the Bank of Japan.

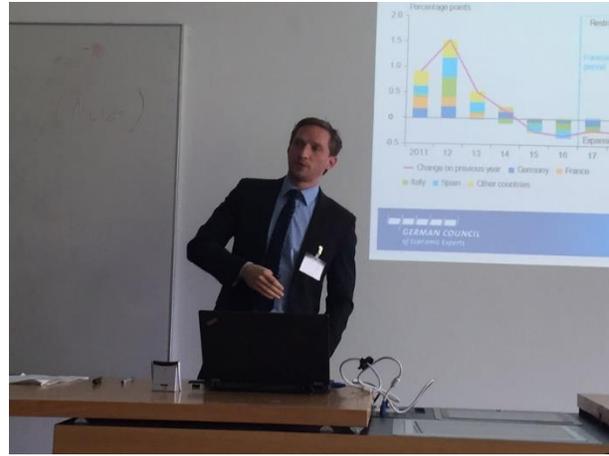


Picture (L-R): Katrin Assenmacher, Kiyohiko Nishimura, Daniel Kienzler and Per Nymand-Andersen

The next panel continued with the discussion on monetary policy with a focus on potential future policy. It was chaired by Dr. Markus Heckel (Goethe University Frankfurt). Speakers were Professor Franz Waldenberger (German Institute for Japanese Studies), Associate Professor Gene Park (Loyola Marymount University), and Sebastian Breuer (German Council of Economic Experts, Deputy Secretary General). Professor Waldenberger suggested fully reserve backed money as a potential solution to Japan's monetary and fiscal challenges; Professor Park discussed how economic ideas and monetary policy making are linked; and Mr. Breuer gave an overview of the challenges and status quo of the Euro area.



Picture: Gene Park, Sebastian Breuer, Franz Waldenberger (L-R).



Picture: Sebastian Breuer

The last panel of the first session, chaired by Professor Marie Söderberg (Stockholm School of Economics), dealt with economy and business. The first presentation by Associate Professor Patrik Ström (University of Gothenburg) presented on "Chinese Firms' Utilization of Foreign Acquisitions In Out - of - the Mainstream Mature Economies for Enhancing Innovation Capabilities". Next, Professor Cornelia Storz (Goethe University Frankfurt) presented her research on conditions for successful entry in new digital industries. In the final presentation of the day, Dr. Markus Heckel presented micro data from Japan and Spain about employees who are confronted with uncertainty over their labor contract duration.



Picture (L-R): Markus Heckel, Cornelia Storz, Patrik Ström, Marie Söderberg

The day was concluded with a dinner at the Restaurant *Salzkammer*. In a relaxed setting, the participants continued the day's discussions and the building of networks via pleasant and lively conversations.

The second day of the conference featured discussions about the general topic of politics, security, and political economy in the EU and Japan, and consisted of another three panels. The first panel was on Japanese Defence and Strategic Issues, chaired by Dr. Maaïke Okano-Heijmans (Clingendael Institute). Paul O'Shea, PhD (Lund University) as the first speaker of the day started with a contribution on "Risk Communication and Safe Food in Post-Fukushima Japan". He was followed by Professor Pekka Korhonen (Jyväskylä University), who laid out the Japanese defence issues arising from North Korea's ever advancing nuclear missile program. The panel was concluded by Associate Professor Guibourg Delamotte's (French Institute of Oriental Studies) presentation of the development of Japan's power concerning Prime Minister Abe's reforms.



Picture (L-R): Pekka Korhonen, Maaïke Okano-Heijmans, Guibourg Delamotte, Paul O'Shea

After a short coffee break the session was continued with the last panel consisting of presentations. Under chair Professor Cornelia Storz the presenters expanded on development, cooperation and business strategies, starting out with Professor Marie Söderberg and her presentation about the "Philippines as a Case Study of Japanese Policy under the New Development Cooperation Charter". Lastly, Dr. Maaïke Okano-Heijmans, talked about "European and Japanese Responses to the EU-Asia Connectivity Drive: How to Stay Competitive in a New Era of Chinese State-Sponsored Capitalism". The participants proceeded with a casual lunch at the on-campus restaurant *Sturm&Drang*.



Picture (L-R): Patrik Ström, Gene Park, Cornelia Storz, Heike Schneider, Maki Kobayashi, Marie Söderberg, Paul O'Shea, Maaïke Okano-Heijmans, Guibourg Delamotte



Picture (L-R): Hermann Gump, Tsuyoshi Kawasaki (Simon Fraser University), Markus Heckel, Kiyohiko Nishimura, Toshiyuki Oshima

After the lunch break, the public part of the EJARN conference was concluded with a roundtable on EU-Japan relations moderated by EJARN Board Executive Committee member Axel Berkofsky. The roundtable brought together policymakers from the EU and Japan (Maki Kobayashi from the Ministry of Foreign Affairs of Japan and Heike Schneider from the European External Action Service), representatives from business and business associations (Takayasu Fukui from the Japan External Trade Organization, and Jutaro Kaneko from the Japan Center for International Finance) and scholars (Professor Franz Waldenberger, Director of the German Institute for Japanese Studies). Professor Waldenberger started the roundtable by summarizing the recent developments of foreign companies in Japan, which was complemented by a contribution from Mr. Fukui about the situation of Japanese companies in Europe. Regarding recent developments in EU-Japan relations, in particular the future scope and quality of EU-Japan relations after the adoption of the EU-Japan Economic Partnership Agreement (EPA) and the Strategic Partnership Agreement (SPA), the impact of Brexit on Japanese banking and investment in Europe, and Japanese trade and investment policies towards Europe and elsewhere have been discussed intensively. As regards the above-mentioned EU-Japan agreements, the Japanese representative from Japan's Ministry of Foreign Affairs and the representative from the EU's External Action Service both agreed that the adoption of the agreements will further institutionalise already ongoing EU-Japan cooperation in international trade and politics. As regards the impact of Brexit on Japanese banking in and trading with Europe, Japanese contributors to the roundtable warned that Brexit indeed has the potential to hamper and decrease Japanese banking and finance operations in Europe. The discussant, Professor Berkofsky, offered insightful comments before the discussion was opened to the floor.



Picture (L-R): Franz Waldenberger, Takayasu Fukui, Heike Schneider, Jutaro Kaneko, Axel Berkofsky, Maki Kobayashi

The conference ended with a brief meeting of the EJARN members, which was the annual meeting of the EJARN network. Everyone was pleased with the contributions and discussions of the conference. Next year, the 10<sup>th</sup> year anniversary of EJARN will be celebrated and the EJARN conference will be held in Stockholm hosted by Professor Marie Söderberg, the director of the EJARN's Executive Committee. The committee is comprised by:

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Two days of cordial interdisciplinary work closed with a sense of accomplishment. Speakers from a wide variety of disciplines had come together to present their thoughts on monetary policy as well as broader issues of politics, security, and political economy in the EU and Japan that in many ways enhanced the understanding of the discourses and processes involved. Toshiba International Foundation (TIFO) and the "Vereinigung von Freunden und Förderern der Johann Wolfgang Goethe-Universität" (VFF) contributed to the financing of this conference and we would like to express our gratitude for that.

Cornelia Storz and Markus Heckel