

Fujiwara Ippei Seminar

Professor Fujiwara Ippei

Field of Specialisation: Macroeconomics, International finance theory

Interviewer: Sakurai, Sunohara, Shikita

"Macroeconomics that considers the whole economy as a system"

Q. What is your research area, Professor Fujiwara?

I specialize in macroeconomics. Analyze the economy as a system, or more specifically, consider the economy as a system of simultaneous equations, and examine how a shock that occurs in one place spreads to others, and how such a spillover route occurs. We are analyzing what kind of policy should be designed on the premise of Recently, I have been focusing on topics related to international macroeconomics. For example, under what circumstances would the benefits from international policy coordination (coordinating policies among countries) become greater?), I am researching how central banks around the world should conduct monetary policy. After presenting these research results at conferences and seminars in Japan and overseas, and receiving various comments, we finally publish them in academic journals. Occasionally, we also strive to publish academic research in media (magazines and newspapers) that convey information in an easy-to-understand manner.

"I wanted to acquire global skills! "

Q. Please tell us how you came to study macroeconomics.

As a side note, I graduated from Waseda University, and then graduated from the Department of Political Science, Faculty of Political Science and Economics. So, I didn't study economics when I was a student (That's why I never imagined that I would be teaching at Keio's Faculty of Economics!). After that, I joined the Bank of Japan, and when I applied for the EJU, I wanted to study at a business school in the United States. . This was at the age of 28, and I am ashamed to say that I did not begin my study of economics with a higher consciousness. However, when I actually studied it seriously, I found myself hooked on economics, which tries to find answers by tackling things that I thought were strange. Afterwards, when he returned to the Bank of Japan after finishing his two-year study abroad at Oxford University, he returned to the department in charge of macro models that view the economy as a system. There, I was in charge of making predictions using macro models and policy simulations (to know what kind of policies would be desirable), as well as developing models. Through my work, I have also been involved in various academic research, and have given presentations at conferences and seminars at overseas central banks and universities. In the meantime, I became passionate about research, and in 2011 I retired from the Bank of Japan and started my career as a university professor at the Australian National University. When looking for a job (of course, I can grow in any job), I

vaguely thought that I would like to steadily acquire visible skills first. However, there was no concrete picture of what it was. After that, I was given the opportunity to study the real economy and economic theory while working at the Bank of Japan, and I think I learned macroeconomics as a skill. Next, I also wanted to become a global person who can fly around the world. As I began to spend more time on macroeconomics and its application to policy, I had more opportunities to exchange opinions with overseas colleagues at academic conferences and other occasions, and as a result, I began to travel abroad more frequently. Eventually, I got a job at an overseas university to teach macroeconomics. I think I was lucky. Thank you economics. In order to respond to this good fortune, I would like to continue to work earnestly in economics.

“Economics is full of interesting things!”

Q. How can economics become a weapon in life?

From an economic point of view, the world is full of interesting things. At the same time, economics certainly helps. Since I started working at the Bank of Japan without studying economics in depth, I began to look at the economy from a practical point of view. Therefore, rather than asking the question, "Is economics useful?" I was. As an example, let us first consider monetary policy. Central banks reduce inflation by raising interest rates. You may think that it is obvious. But at the same time, interest rates are higher when inflation is high. Isn't it strange? Interest rates are raised to keep inflation down, but when inflation is high, interest rates go up. It's actually not that easy to understand. We need a dynamic economic theory based on the idea of price stickiness. I take it for granted, but when I think about it, there are many things that I can't quite explain why. The world is still full of interesting things. I'm not saying you have to understand mathematical theory, but I do believe that there are many life lessons to be learned from understanding the essence of theory. There are also some interesting economic stories. There is also the "retirement consumption puzzle". This means that the consumption expenditure of retirees will drop significantly. You may think that this is also a matter of course. Retirement, however, is to some extent possible. Therefore, if it is rational, don't you think that people should prepare by saving before retirement so that consumption levels do not change significantly before and after retirement? Having said that, "because there will actually be no salary income, people will probably refrain from spending on behavioral economics, rather than rationally." I think there is also an explanation such as. According to a recent paper published in the United States, "Retirees spend less on consumer spending because they can afford to buy things cheaper." "Retirees have more time, so they spend more time looking for cheap things. For example, they spend more at places like Costco. do." Interesting, don't you think? In this way, retirees are acting extremely rationally. If you look at it from a slightly different perspective, the same thing will look completely different. This is not my field of expertise, but interesting research has been reported on the problem of poverty. In developing countries, many children do not go to school. Therefore, it is an important question what kind of policy should be taken to get more children to go to school. Of course, if resources were infinite, for example, if he could get a lot of money if he went to school (for example, he got 1 million yen), I think everyone would go to school. Getting them to go to school is very important, but we can't afford to spend that much money. It is truly an economic problem of how to use limited resources efficiently.

Therefore, he selected about 50 similar schools each, and conducted an experiment on policy effects by implementing some kind of policy in one group and doing nothing in the other group. So we got a surprising result that "an effective policy is to distribute deworming." In fact, it seems that the main reason for not being able to go to school was that the child had a parasite in his stomach. Deworming medicine is not expensive at all, so this is a great policy in terms of cost performance. Conducting such experiments and making policy proposals is part of economics. I hope that through economics, you will be able to think that what you think is common sense may not actually be the case. In economics, there are still many things we do not understand. I also want people to find it interesting to challenge such things and think for themselves to find answers.

"I want you to challenge various things"

Q. Please tell us about Mr. Fujiwara's educational philosophy.

In terms of economics and academics, it often takes a little effort and patience to find interesting things interesting. I want you to do your best to get there. It is my hope that through classes and seminars, students will feel this way. In terms of university life, it is a place where you can have various experiences, so I hope that you will take on various challenges. This is the most important thing in college life, but it's not something that I can be taught through university education. I myself always intend to challenge the world through my research. My intellectual contribution may be extremely small, but I hope that I can continue to show such an attitude.

"It's fun to do something interesting with others!"

Q. Please tell us about your school days, Mr. Fujiwara.

I was the secretary-general of a fairly large tennis circle (I once participated in a Waseda-Keio party with people from Jukuren). So this was the main activity. I had a lot of valuable experiences. When there are many people, the direction is different, and there are many things that do not go the way you think (I do not act as others think). All in all, this was an incredible time. At my company, I have experienced these moments in many ways. Even if you become a member of society, there are plenty of fun things to do. Now, I often write papers jointly, but there are times when I wish we hadn't co-authored because we disagreed. I sometimes have a series of misunderstandings with overseas co-authors who have different ways of discussing. However, the thesis will only be good if you seriously exchange your opinions. At the end of the day, I'm always glad that I co-authored. I keep repeating that.

"People who can be hot, not passive!"

Q What do you expect from second-year students who want to join the Fujiwara seminar?

I think the most wonderful thing about university seminars is meeting friends with various backgrounds. Connections through clubs, circles, part-time jobs, etc. are wonderful, but they tend to be groups of people who share some common aspirations. The friends you make

through the new axis of seminars will surely become irreplaceable in your later life. Therefore, I hope that a wide variety of people will apply. New ideas and perspectives can only be obtained by sharing various values through diversity. Therefore, I would like to study with people who are willing to work on various things proactively rather than passively. Whether or not it shows up depends on the person, but being able to study with students who have a passion in their hearts is the happiest thing for me as a faculty member. It may be a seminar that I choose somehow, but even now, 20 years after graduating, he still gathers with his seminar friends. I hope my seminar students will be like that.

“There are many students who can discuss their opinions calmly and passionately! “

Q What kind of students attend the Fujiwara Seminar?

I don't know other seminars, so I can't compare, but I think that there are many students who can explain their opinions calmly and passionately. It's been about two months since he started the seminar, but his ability to express his own opinions appropriately and develop persuasive arguments is remarkable. We have people who are active as working adults come to our seminar about once a month and share their experiences so far. increase. I always get praise from the instructors saying, "I learned a lot." Even in situations where it is not possible to share or define what is right, I would like you to further improve your ability to persuasively develop an argument that you think is right. In the seminar, in addition to (1) commentary on published financial and economic indicators, (2) read-aloud of "Intermediate Macroeconomics (co-authored with Professor Aoki of the University of Tokyo)" scheduled to be published next year, and (3) methods for research themes that I find interesting The students are in charge of the presentation that states the conclusion and the expected conclusion. All of the research theme presentations that have been presented so far are full of originality and are very interesting. I feel that Keio students are excellent. From the perspective of seminars, there is no doubt that Keio students will be accepted at top schools in the world. That's why I want you to be confident and take on any challenge.

“Teachers are also learning!”

★Finally, please give a message to the second graders★

The current seminar students and sophomores were born around the time I entered the company. Through seminars, I may be able to learn a little from my experience, but at the same time, I myself am also learning by discussing with young students. Even at my company, I have been inspired by young people such as juniors and subordinates, but because of personnel evaluations, it is sometimes difficult to talk in a completely open manner. Seminar students always present new ways of looking at things. It's true that I have more experience with existing economics than I do, so I have a large accumulation of knowledge. However, on the other hand, there is also the aspect that the way things are perceived and the way discussions are developed have been established to some extent. In the seminar, I was able to receive intellectual stimulation that made me think, "Wow, did you come up with such an idea!?" So always challenge yourself to present your opinion convincingly. You can't go wrong. I am her

43-year-old uncle, but I still want to learn new things from everyone and take on various challenges.