

**A short report on the result of my researches as visiting professor at IWIM in Bremen
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I mainly researched in Bremen at the University, the University of Bremen being the Partner University of the Aichi University, about the functions of the present-day central banks. Concretely, I studied the collapse of the bubble economy and the financial safety net in Japan, and I analyzed the significance and the limits of the functions of the central bank. In addition, I started the research about the global subprime mortgage crisis. From these researches, I have so far got some results:

The financial safety net in Japan, such as the injection of public funds by the government, granting special loans, and pursuing a monetary super-easing policy by the central bank, had an effect of easing the financial panic. However, these policies had limits to recover the whole economy and have had side effects of bringing about a serious fiscal crisis and the loss of confidence in the monetary economy and in the currency.

On the other hand, the global subprime mortgage crisis looks very similar to the collapse of the bubble economy in Japan. But, in the USA the most sophisticated technologies of securitization were developed, which have enlarged the subprime mortgage bubble enormously with the result of the large-scale financial crisis around the globe.

As a remedy against the global financial crisis, quick injections of huge amounts of money by the government or the central bank and the monetary easing policy by the central bank have been carried out. These measures seem to have a certain effect in easing panic. The European Central Bank (ECB) also has injected money for the bailout fund in financial markets and has reduced in their monetary policy the interest rates as done also by other central banks. These policies by the ECB have had a calming effect on the panic. But the effect has limits and has side effects as well. The financial crisis may weaken the Euro currency, and the fiscal crisis in the EU countries may make it more difficult to maintain EU currency.

I will continue to watch and to analyze these phenomena in this global crisis, comparing the global crisis phenomena with the Japanese case after bubble.

I gave three lectures of the following themes during my stay in Bremen in 2008:

- 1) 16/4/2008, IWIM, World Economics Seminar, University of Bremen, "The Financial Safety Net after the Collapse of the Bubble Economy in Japan";
- 2) 24/6/2008, Hochschule Bremen, "The Financial Safety Net after the Collapse of the Bubble Economy in Japan";

Research reports will be published in Japanese and in English language on these issues.

- 3) 05/6/2008, Hochschule Bremen, International Conference under the auspices of the Hochschule Bremen "Corporate Culture and the Changes in the Employment System in Japan": In this last lecture, I talked about the issue how the Japanese employment system has changed in recent years. I argued that the employment system is now associated with a decrease in the share of regular employees; there is an emphasis on ability and performance in the employment system; and an increase of the share of non-regular employees is occurring, leading to a widening of the wage/income gap between the two groups and to an increase of the number of the 'working poor' in Japan.

Publications are expected on these issues as well.