[Grant-in-Aid for Scientific Research (S)]

Humanities and Social Sciences (Social Sciences)



Title of Project : Diverse Risk Assessment in the Global Economy from the Viewpoint of International Economics

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Research Project Number : 26220503 Researcher Number : 80240761 Research Area : International Economics

Keyword : Globalization, International Economics, Risk

[Purpose and Background of the Research]

International risks such as environmental degradation, the recent financial crisis, natural disasters, coups d'état and terrorism are causing worldwide concerns. In today's globalized economy, international trade and investment are also subject to these and other kinds of risk while themselves becoming a factor adding to and complexifying the overall exposure to uncertainty. The goal of this research project is to examine the various risks in the global economy, from the perspective of international economics. Specifically, we focus on (i) risks in the international financial market, (ii) global environmental problems, (iii) international production network risks, and (iv) natural disasters. We look into their causes, possible solutions and the different international institutions and systems that work under them.

[Research Methods]

In every sub-project, we strive for a balance between theoretical modeling and empirical testing. In our empirical studies, we build databases of firm-level data combined with macro data. We hold regular workshops to discuss and coordinate each group's ongoing research. We then unify the different sub-projects and cross-examine the economic risks that may be caused by factors such as international trade barriers, political conflicts, military standoffs, etc.

[Expected Research Achievements and Scientific Significance]



Project Structure

Sub-project1 Risks in the international financial markets: We investigate the political systems and institutions determining the financial policies of different countries, as well as the ensuing international political risks.

Sub-project 2 Global environmental problems: We take into consideration the differences in economic development among countries and look for effective environmental policies for the globalized economy. We also combine conventional environmental research with contingent natural disaster analyses, looking for new insights and solutions.

Sub-project 3 Risks associated with international production networks: A large part of our globalized economy is based on international production networks. Larger networks face bigger risks because a mistake at any one point may cause the whole system to break down. We investigate firm strategies and government policies that may affect these networks in different ways.

Sub-project 4 Risks caused by large-scale natural disasters: We examine the prospects of sustained growth in the currently largely export-driven economies of developing Asian countries by integrating economic theory with our own country-specific microeconomic data. We also analyze the added risks of man-made disasters and political instability and look for measures that can minimize the impacts of such risks.

[Publications Relevant to the Project]

• K. Kiyono, and J. Ishikawa, "Environmental Management Policy under International Carbon Leakage," *International Economic Review*, vol. 54, 2013, pp. 1057-1083.

• J. Ishikawa, and K. Kiyono, "Greenhouse-gas Emission Controls in an Open Economy," *International Economic Review*, vol. 47, 2006, pp. 431-450.

Term of Project FY2014-2018

(Budget Allocation) 150,000 Thousand Yen **(Homepage Address and Other Contact**

Information

http://www.econ.hit-u.ac.jp/~getrade/s