

Special Issue “How Traditions of Economic Thinking Shape Economic Policies”

Preface*

This special Issue of Economic Science presents research solicited by a research program which has been jointly initiated by the Nagoya University Institute for Advanced Research and the Freiburg Institute for Advanced Studies at the University of Freiburg, Germany. The purpose of the program was to shed light on the role of economic ideas, and sometimes long-standing economic paradigms, on economic policy.

Both Europe and Japan are in the course of a still incomplete recovery from the severe global economic crisis of 2008/09. The crisis and its aftermath have sparked intense controversies on the proper response of public policy in many domains, but in particular with regard to monetary, fiscal and social policies. In addition, the world was hit by the tremendous crisis of the COVID-19 pandemic. The pandemic seriously affects people's health and life, it has a serious impact on the operation of the world economy, and its duration is still unclear at the time of writing.

It has long been argued that economic policies are shaped by economic doctrines as much as they reflect the self-interest of politicians and their constituents. This project brought together the expertise of German and Japanese researchers to investigate the influence of economic paradigms on current policy, but also to explain policy controversies in the light of conflicting economic philosophies.

The policies considered range from case-to-case interventions to the design of institutions and

economic order. Most of this research was motivated by and focused on current policy issues, but some projects also looked back into the history of economic thought in order to identify the origins of underlying policy doctrines and to study how they inform present debates and policy choices.

The research project started in 2018 and has advanced the research work through a joint study group in Freiburg in September of the same year and several other individual workshops. At the end of March 2020, an international symposium centered on reporting the results was scheduled to be held at Nagoya University, but at that time COVID-19 became a major issue as a global pandemic. As a consequence, the international symposium had to be postponed indefinitely for the time being. However, even after that, the research was developed with the theme of further timely issues, and an international symposium was scheduled to be held at Nagoya University at the end of March 2021. Unfortunately, this conference had to be canceled, too. Therefore, a Japan-Germany joint workshop was held online on April 14 of the same year, and the results of various researches at that time were reported. Some will be published in this special issue as articles, and some will be introduced as slightly longer summaries to be published in specialized journals in individual academic fields. The contributions compiled in this Special Issue constitute the result of the Nagoya-Freiburg joint research program.

The special issue consists of four parts. The

* The authors wish to acknowledge the support, both financial and organizational, they received from the Nagoya University Institute for Advanced Research and the Freiburg Institute for Advanced Studies at the University of Freiburg i.Br.

1st part is a general introduction into the common research theme “How Traditions of Economic Thinking Shape Economic Policies” by Naoki Fukuzawa and Oliver Landmann. The 2nd part is devoted to various aspects of macroeconomic policy, comprising an article by Yasuhiro Doi on monetary policy, the summary of a paper by Oliver Landmann on the evolution of stabilization policy, the summary of an analysis by Markus Epp and Marius Jäger examining the propagation mechanism of COVID-19, and a piece by Hans-Helmut Kotz on the response of the European union to the COVID-19 crisis.

The 3rd part contains research on climate, environment and transportation policy, starting with an article by Shinichi Nagao on the applicability of the originally European concept of ecological modernization to East Asian states under different political systems and cultures. The individual situations in South Korea and in the People’s Republic of China are examined by Risa Kato and Dan Han, respectively. Their summaries are also in this part. Yusuke Adachi presents his study of the impact of public transportation improvements in the Tokyo metropolitan area. Finally, Markus Epp

and Anastasia Golubeva sum up their research on the macroeconomic effects of unilateral decarbonization.

The 4th part addresses issues of economic order. Naoki Fukuzawa gives a rough sketch of a phase in which German Ordoliberalism affected real politics and makes a comparison with the liberal thinking of a Japanese journalist/politician. Lachezar Grudev presents a summary of his research on theoretical contributions of prominent Ordoliberal economists of the German-speaking area in the face of the Great Depression of the 1930s, thereby concluding this special edition.

Freiburg has a brilliant history and tradition of original German neoliberalism, namely Ordoliberalism, which prepared the ground for post-war economic liberalism and the Social Market Economy, particularly in Germany. Participating researchers of Nagoya University have a special interest in its significance and in its impact on economic policies and on the formation of social structure. We hope that this academic cooperation will continue also in the future with fruitful results.

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