

February 19, 2013
Washington, DC

Dear Dr. Hatta,

It is with sincere appreciation and respect that I approach you humbly for your consideration of my plea on behalf of one of your esteemed faculty members whose work has made a powerful impression upon government officials in the United States. It has come to my attention that the appointment of Professor Kaoru Yamaguchi to the faculty of Doshisa University may in fact be in jeopardy and that his position teaching system dynamics in Business Economics is being eliminated. If this is true then I am urging you to use the good graces of your office to protect the world-relevant work of a man who is one of the most important economists on the topic of monetary reform, of great relevance to Japan and the United States as well as the rest of the world.

As a 16 year member of Congress and a two-time Democratic Presidential candidate, I am deeply involved in issues relating to monetary science, I sponsored a special congressional briefing at which Dr. Yamaguchi shared his visionary system dynamics approach. Here in the United States, where money can be created by only borrowing it into existence, the work of Dr. Yamaguchi has achieved great importance as we search for ways to make our financial systems economically viable and socially just. As someone who has worked the last seven years on the system dynamics involved in monetary policy I can well understand the difficulty in approaching such a subject. It requires a new way of thinking, a new way of looking at money, which informs a new way of looking at the world, which, of course, is consistent with the deeper mission of a university and all of education.

Herein is the relevance of Dr. Yamaguchi's work and his vision: It is only by being able to unchain ourselves from the wheel of endless debt that society can aspire to higher levels of social evolution. Professor Yamaguchi may someday win the Nobel Prize for economics, given his extraordinary insight into system

dynamics. It would be a tragedy as he strives to continue to make world-wide contributions to monetary science if his own university would turn its back on him and his work. Let Doshisha University be known as a world-renowned sanctuary of academic freedom for a visionary man, not a graveyard where great ideas have come to die. Thank you for your careful consideration of my humble plea on behalf of a great man.

Submitted with the greatest respect,

Dennis J. Kucinich, Member of the United States Congress, 1997-2013.

cc: Professor Noriko Hama, Dean of the Business School

Dear Dr. Eiji Hatta and Professor Hama:

I write as President of the International System Dynamics Society, to endorse the use of the system dynamics methodology in education and research. Dr. Prof. Kaoru Yamaguchi, our previous Chapter President, has been active in research in this field; specifically, his recent work on macroeconomic dynamics is highly valued by economists worldwide as well as within our Society.

We understand that Professor Yamaguchi was recently denied the opportunity to teach Business Economics, on the grounds that "Business Economics must not be done with a system dynamics simulation approach." System dynamics is used in a wide variety of fields to tackle phenomena that simply cannot be understood with conventional, static approaches because those approaches cannot handle interdependence and feedback. It would be unfortunate if your students are denied an opportunity to understand and assess the contribution that system dynamics has to offer, especially as it is already in practical use for economic policy-making in many countries. See for example the work being done by the Millennium Institute to build sustainable growth policies for developing countries (<http://www.millennium-institute.org/>).

Equivalent challenges arise in the micro-economics field, where the dynamics of industry and firms' strategic development also suffer from the weaknesses of static methods. It is known that - with very few exceptions - all recessions in all economies over the past century were triggered in the business sector, rather than being led by consumer or Government cut-backs. The recent experience of the 2008-09 recession, after conventionally-trained economists announced "the end of boom-and-bust" has encouraged economists world-wide to seek better tools. It would be valuable to society as a whole if the next generation of business leaders had a stronger understanding of policy-making in the dynamically complex settings of their industries and the national and global economies, so that we might mitigate such difficulties in future.

More generally, the method is used in the most highly respected universities around the world at the undergraduate, graduate and doctoral levels, please find the list of

universities below. Our Society promotes development of the field of system dynamics and the free interchange of information about systems as they are found in all fields of endeavor, Economics being one of the most important such fields.

As President of the System Dynamics Society and representative of the international community of system dynamics practitioners and academics I feel I must express my concern that your students will not be given the opportunity to receive the insights and benefits they would otherwise gain from Prof. Yamaguchi's teaching of Business Economics using system dynamics. I would respectfully ask:-

- 1) What information have you received that has led to the decision that "Business Economics must not be done with a system dynamics simulation approach." ?
- 2) What further information may I provide to you in order to open up a discussion about the value of system dynamics for your students?

I look forward to your response.

Yours sincerely - Kim Warren

Universities where system dynamics is taught.

ASIA

India

Indian Institute of Technology Kharagpur

Rajiv Gandhi Indian Institute of Management Shillong

Sadhana Centre for Management and Leadership Development

Indonesia

University of Indonesia, Department of Management

University of Indonesia, Industrial Engineering Department

Iran

Eyvanakey University

Sharif University of Technology

Japan

Doshisha University

Senshu University

Philippines

De La Salle University

Saudi Arabia

King Saud University

Taiwan

National Sun Yat-Sen University

EUROPE

Austria

Johannes Kepler University Linz

University of Applied Sciences Wiener Neustadt

University of Natural Resources and Life Sciences

Croatia

University of Split

Finland

Aalto University

Germany

Frankfurt School of Finance & Management

University of Osnabrueck

University of Siegen

Greece

Aristoteles University of Thessaloniki

Italy

University of Palermo, CED4 -System Dynamics Group

Netherlands

Radboud University Nijmegen (part of European Master program in System Dynamics)

Delft University of Technology, Faculty of Technology, Policy and Management

Tilburg University

Norway

University of Bergen

Russia

Higher School of Economics

Spain

Catedra UNESCO en la Universidad Politecnica de Catalunya

University of Navarra

Universidad de Valladolid

Switzerland

Bern University of Applied Sciences

University of St. Gallen

Turkey

Bogazici University, Industrial Engineering Department

Bogazici University, Institute of Environmental Sciences

UK

Henley Business School

University of Glamorgan

University of Salford

University of Strathclyde

AUSTRALIA AND NEW ZEALAND

Australia

Monash University

University of New South Wales, Australian Defence Force Academy

New Zealand

Victoria University of Wellington

NORTH AMERICA

Canada

McGill University

Mexico

Instituto Tecnológico y de E. S. de Occidente (ITESO)

Tecnológico de Monterrey, Industrial and Systems Engineering Department

Puerto Rico

University of Puerto Rico

USA

American University, DC

The California State University, Chico

Canisius College

Central Connecticut State University, CT

Dartmouth College, NH

James Madison University, VA

Massachusetts Institute of Technology, MA

Portland State University, OR

Texas A&M University, TX

University at Albany, Public Administration and Policy Department, NY

University of Houston, TX

University of Southern Maine, ME

University of Utah, UT

University of Washington, WA

Virginia Tech, VA

Washington State University, WA

Washington University in St. Louis, MO

Willamette University, OR

Worcester Polytechnic Institute, MA

Dear President Hatta and Dean Hama,

I am writing this letter on behalf of my eminent colleague Professor Yamaguchi. To describe my own work briefly, I received a joint PhD in economic development and system dynamics from MIT in 1981 and have attempted in my work to apply system dynamics to addressing economic agendas as well as to teaching economics. I have served as president of system dynamics society and have also overseen the programs of the system dynamics conference organized at Bangkok in 1991, Tokyo in 1995 and Seoul in 2011. I am at present a member of the Jay Forrester Award Committee and also chair System Dynamics Society's Awards committee that oversees all professional recognitions by the society.

I personally laude Professor Yamaguchi's effort to use system dynamics to understand economic issues and use the process for teaching. In my own work, I find merit in communicating economic logic using feedback concepts, delays and stock and flow models, which are easier to understand than the abstract graphics and formal mathematics used traditionally. I think Professor Yamaguchi's work is at cutting edge and his use of system dynamics in teaching will bring a unique perspective to your university's program. He has served as president of the economics chapter of the system dynamics society and his work on connecting fragmented theoretical concepts into a coherent systems framework is innovative and insightful. As a colleague, I greatly value his excellent work and highly recommend encouraging him to teach business economics using system dynamics.

With regards,

Khalid

Khalid Saeed, Ph. D.

Professor of Economics and System Dynamics

Director, System Dynamics Program

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<http://www.wpi.edu/academics/facultydir/kxs.html>

Dear President Eiji Hatta, dear Dean Noriko Hama,

my name is Emanuele Campiglio, I'm a post-doc researcher at the London School of Economics.

I have been told that Professor Kaoru Yamaguchi has recently been suggested not to use system dynamics in his Business Economics course at Doshisha University.

Without the presumption of telling you what is best for your institution, let me just share the very high respect and admiration that both me and other colleagues have for Prof. Yamaguchi's work with system dynamics.

His book on "Macroeconomic Dynamics" is one of the most original and innovative pieces of economic analysis I've ever come across. The system dynamics methodology that he uses is fundamental in grasping some of the crucial features of the functioning of the economic system, which "mainstream" economics has many times failed to properly model and understand.

Furthermore, system dynamics is notoriously an excellent teaching instrument, very flexible and apt for young minds that can quite easily learn how to run their own simulations and scenarios.

I therefore vividly hope you will reconsider your decision. It would be a great loss not to have Prof. Yamaguchi something he has a first-class worldwide expertise in.

Best regards,

Emanuele Campiglio

Dr. Emanuele Campiglio - Researcher

Grantham Research Institute – London School of Economics

Email: e.campiglio@lse.ac.uk

Dear President Eiji Hatta of Doshisha University
Dean Noriko Hama of Business School

I am a member of the Economics Chapter of the International System Dynamics Society, which is promoting system dynamics method applied to the Economics education and research. Dr. Prof. Kaoru Yamaguchi at your school was our previous Chapter President, and has been actively doing research in this field; specifically, his recent work on macroeconomic dynamics is highly valued at our society as well as economists worldwide.

I am told that he was recently denied to teach Business Economics by Prof. Mari Kondo, Head of English MBA program, saying that "Business Economics must not be done with a system dynamics simulation approach"

I strongly felt this is an offensive against our society to promote the system dynamics method in economics education. Not only that, this is a serious violation against the academic freedom at your university.

I understand that your university is one of the best private universities in Japan, being obliged to protect academic freedom. Please kindly reconsider the request of Professor Yamaguchi so that he can continue to teach that subject.

I thank you for your consideration and I am looking forward to hearing from you on this issue.

Yours Sincerely,
Veasna Kum
Member of System Dynamics Society
Economic Chapter
Zaman University

Dear President Hatta and Dean Hama:

With all due respect, I submit this collegial request for you to reconsider your position regarding Professor Kaoru Yamaguchi's use of system dynamics to teach business economics. It is my experience that system dynamics adds value to other pedagogical tools used by economists to teach their students. And your students would benefit from Professor Yamaguchi's addition of system dynamics to the other analytical tools that they learn to use.

My experience includes teaching both macroeconomics and microeconomics to undergraduate and graduate students, including MBA students. For more than a dozen years, I have used system dynamics to teach macro and micro to undergraduates in distance learning courses at Virginia Western Community College in the United States. For half a dozen years, I have used system dynamics to teach applied microeconomics to MBA students at ISM University of Management and Economics in Lithuania. And, for more than ten years, I have been sharing my system dynamics model of the U.S. economy (MacroLab) with more than 100 economists around the world who discovered the model on the Internet and requested copies for the purpose of adapting it to their country's economy and/or using it as a pedagogical tool.

My perception of the value added by system dynamics to economics instruction is based on both evidence-based assessment (Wheat, I. D. (2007). *The Feedback Method of Teaching Macroeconomics: Is It Effective? System Dynamics Review*, 23(4), 391-413) as well as anecdotal feedback from students. MBA students in Lithuania, for example, have commented about the practical value of operationalizing abstract micro concepts so that day-to-day business decision making can actually make use of economic reasoning. And all students seem to appreciate the time dimension that system dynamics adds to static economic analysis (Wheat, I. D. (2009). *Teaching*

Economics as if Time Mattered. In J. Reardon (Ed.), *Handbook of Pluralist Economics Education*. London: Routledge), as well as the systemic approach that is so often missing in traditional textbooks.

This past year, I was approached by the head of the finance department at National University at Kiev-Mohyla Academy in Ukraine to assist her in the development of system dynamics teaching and research capacity in her department. Her expertise is in econometrics, but after reviewing the system dynamics-based economics literature, she became convinced that system dynamics could add value to her curriculum. We have now received a grant from the Norwegian government to implement the plans that she and I have developed. And this past week, I received a similar expression of interest from the National University of Uzbekistan.

Perhaps more to the point for you, I am personally well acquainted with Professor Yamaguchi's dedicated and high-quality work, his intellectual capacity, and the judgment he exercises in the classroom. He has, for example, been a guest lecturer in my graduate courses at the University of Bergen in Norway, and I have witnessed many of his presentations at international conferences over the years. To deny Professor Yamaguchi the right to use system dynamics to enhance his business economics instruction penalizes not only him and the international community of system dynamics-oriented economics professors; it penalizes the students to whom you have a duty to educate in the most complete and well-rounded way possible. Therefore, I respectfully request that you reconsider your position and permit Professor Yamaguchi to continue using system dynamics in his business economics courses in the Business School at Doshisha University.

Thank you for your consideration of my request.

Sincerely,

I. David Wheat, Ph.D.

Former President, Economics Chapter of the International System
Dynamics Society

Associate Professor of System Dynamics

University of Bergen

Bergen, Norway

Visiting Professor of Economics

ISM University of Management and Economics

Vilnius, Lithuania

Adjunct Professor of Economics

Virginia Western Community College

Roanoke, Virginia, U.S.A.

TO: President Eiji Hatta, Doshisha University

and

Dean Noriko Hama, of Business School, Doshisha University

Dear Gentlemen,

The American Monetary Institute writes to you because it has come to our attention that Doshisha University is considering terminating the services of Prof. Kaoru Yamaguchi. This came as a shock to us, because of the exceptionally outstanding quality and importance of Prof. Yamaguchi's work.

We understand that your university is one of the best private universities in Japan. In the past, we have described it as the "Harvard" of Japan.

We therefore urge you to consider the following:

Prof. Yamaguchi's work deals with understanding and solving the most pressing problem faced by the nations of the World - defining and establishing monetary systems based in morality and justice; systems which are fair and sustainable and functional over the long term, without embarrassing and costly breakdowns in society. Systems which operate for the benefit of all citizens, not merely one small section of society.

Prof. Yamaguchi was among the first economists in the World, to understand the importance of our work to reforming the world's monetary systems; to both resolve existing problems, and assure that they don't recur. He has addressed our annual monetary reform conference at University Center in Chicago three times and will do so again this September 19-22. We have also invited him to speak at our sessions on Monetary Reform at the 37th annual Eastern Economic Association Conference this year in New York, May 9-11th and address a one day conference we are holding at New York's Cooper Union, on May 12th.

Prof. Yamaguchi was awarded the AMI "**Advancement of Monetary Science**" award in 2010, for his work analyzing the American Monetary Act, and HR 2990, the legislative bill introduced into the Congress by Congressman Dennis Kucinich.

(see

<http://monetary.org/wp-content/uploads/2011/11/DesignOpenMacro.pdf>)

Only 2 other economists have received this award, Prof. Steve Keen of Australia, and Dr. Michael Kumhof of the International Monetary Fund. Prof. Keen, winner of the recent Paul Revere award for his early warning of the financial and monetary crash, has described Prof. Yamaguchi's System Dynamics approach to be among the most advanced in the world.

In 2011, at the invitation of U.S. Congressman Dennis Kucinich, Prof. Yamaguchi presented his work at a special "Briefing" to the U.S. Congress, to an overflow group of Congressmen and their aides and specially invited guests, which included Mr. Ralph Nader, and also Dr. Michael Clark of the United Nations. Indeed, Prof. Yamaguchi's excellent work on macroeconomic dynamics modeling has become a key foundation to promoting monetary reform, which is so desperately needed to solve the current world wide financial and debt crisis.

The 3rd person to receive the AMI Advancement of Monetary Science award, Dr. Michael Kumhof, got the award for his IMF Working paper, "**The Chicago Plan Revisited.**" Which put the old Chicago Plan through a computerized modeling program, the results of which are already affecting economic thinking around the world - for example there was a recent presentation by Dr. Kumhof on his Chicago Plan paper at the Bank of England. (see

<http://www.monetary.org/wp-content/uploads/2012/08/ChicagoPlanRevisited.pdf>)

Dr. Kumhof had seen two of Prof. Yamaguchi's system dynamics presentations at our annual Monetary Reform Conferences in Chicago, before writing the paper.

So when we were told that Prof. Yamaguchi was recently denied to teach Business Economics by Prof. Mari Kondo, head of the English MBA program, in order to avoid using a system dynamic simulation approach; we were shocked that Doshisha might adopt such a position, when the direction for progress is clearly in the system dynamic direction - even by the IMF's working paper.

I won't discuss that we strongly feel this would be an offense against Prof. Yamaguchi's academic freedom to teach his recent work on monetary reform using the system dynamics method in his economics class. I also won't discuss that this would be a serious violation against the academic freedom at your esteemed university. From your reputation, I have every confidence that Doshisha will take seriously its obligation to protect academic freedom.

Accordingly, we strongly request that Prof. Yamaguchi's right to teach Business Economics using system dynamics is respected through your efforts. We encourage Doshisha to embrace and benefit from Prof. Yamaguchi's work.

We are looking forward to hearing from you soon on this issue.

With deep respect, and best regards,

Stephen Zarlenga

Director, American Monetary Institute

<http://www.monetary.org>

President Eiji Hatta, Doshisha University
Dean Noriko Hama, Business School, Doshisha University

Dear Sirs,

I have just been informed that your institution is not allowing Professor Kaoru Yamaguchi to teach Business Economics using system dynamics.

I hope I have been misinformed. System dynamics is a vastly underutilized tool in economics, and Professor Yamaguchi is one of the pioneers in this area. To terminate his usage of this methodology now would be an incredibly retrograde step.

The economic crisis in which the world has been embroiled for the last half decade--and of course Japan's now lost two decades--have defied explanation from conventional economic perspectives. Only now is the realization dawning on economic policy makers that the theoretical tools that economists use to analyze the economy are in need of drastic revision. I believe that as that need seeps back to academia, there will be a growing need for the sort of work that Professor Yamaguchi does.

I urge you to reverse this decision and allow a pioneer to continue developing what may one day become the mainstream of business economics.

Yours sincerely,

Professor Steve Keen

Help reform economics. Kickstart Minsky now!: <http://t.co/rzFwjEnJ>

www.debtdeflation.com/blogs

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To the President of Doshisha University, Dr. Eiji Hatta,
To the Dean of the Business School, Prof. Noriko Hama,

Dear Sirs,

I hear about the Head of your English MBA program, Prof. Mari Kondo, prohibiting Prof. Yamaguchi from teaching Business Economics on a methodological basis of system dynamics.

This is so disconcerting that I find it difficult to believe.

System dynamics, in macro- as well as microeconomics, is a well-established and acknowledged scientific approach to research and teaching across the world. Prohibiting system dynamics as a methodological approach must be seen as a severe infringement of the fundamental freedoms of teaching and research. A fait accompli would in this case certainly not be without consequences for the hitherto great reputation of your university.

I have got to know Prof. Yamaguchi as a colleague in monetary systems research where he is widely known as an internationally outstanding scholar enjoying highest esteem among the experts in the field. In this capacity he is also a member of the Scientific Advisory Board among other well-known international experts of a research network I have set up myself.

So I take the liberty to speak out here in favour of our colleague Prof. Yamaguchi. We would strongly appreciate your wise intervention in order to restore Prof. Yamaguchi's right to teach Business Economics on the methodological basis of system dynamics.

Respectfully

Yours

Prof. Joseph Huber

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