1. Record Nr. UNINA9910812447703321

Autore	Leigh Daniel
Titolo	Monetary Policy and the Lost Decade : : Lessons from Japan / / Daniel Leigh
Pubbl/distr/stampa	Washington, D.C. : , : International Monetary Fund, , 2009
ISBN	1-4623-8401-3 1-4527-8234-2 1-282-84433-4 9786612844331 1-4518-7379-4
Edizione	[1st ed.]
Descrizione fisica	33 p. : ill
Collana	IMF Working Papers
Disciplina	339.5;339.530952
Soggetti	Monetary policy - Japan - Econometric models Deflation (Finance) - Japan - Econometric models Anti-inflationary policies - Japan - Econometric models Banks and Banking Inflation Money and Monetary Policy Production and Operations Management Monetary Policy Price Level Deflation Macroeconomics: Production Interest Rates: Determination, Term Structure, and Effects Banks Depository Institutions Micro Finance Institutions Mortgages Monetary economics Macroeconomics Banking Inflation targeting Output gap Central bank policy rate Monetary policy Prices Production Economic theory

Interest rates
Banks and banking
Japan Economic conditions 1989-
Japan Economic policy 1989-
Japan

Lingua di pubblicazione	Inglese
Formato	Materiale a stampa
Livello bibliografico	Monografia
Note generali	"October 2009."
Nota di contenuto	Intro -- Contents -- I. Introduction -- II. Empirical Analysis -- A. Model Specification -- B. Model Estimation -- III. Counterfactual Analysis -- IV. Conclusion -- Tables -- 1. Estimation Results -- 2. Actual and Counterfactual Inflation and Output Loss -- Figures -- 1. The Japanese Economy Since 1990 -- 2. Estimation Results: Implicit Inflation Target -- 3. Estimation Results: Natural Rate of Interest -- 4. Estimated Policy-Rate Target and Actual Policy Rate -- 5. Autocorrelation Functions -- 6. Demand and Supply Shocks: 1990-2005 -- 7. Actual and Counterfactual Macroeconomic Dynamics: -- 8. Actual and Counterfactual Macroeconomic Dynamics: -- 9. Actual and Counterfactual Macroeconomic Dynamics: -- 10. Actual and Counterfactual Macroeconomic Dynamics: -- Appendix -- References.
Sommario/riassunto	This paper investigates how monetary policy can help ward off a protracted deflationary slump when policy rates are near the zero bound by studying the experience of Japan during the "Lost Decade" which followed the asset-price bubble collapse in the early 1990s. Estimation results based on a structural model suggest that the Bank of Japan's interest-rate policy fits a conventional forward-looking reaction function with an inflation target of about 1 percent. The disappointing economic performance thus seems primarily due to a series of adverse economic shocks rather than an extraordinary policy error. In addition, counterfactual policy simulations based on the estimated structural model suggest that simply raising the inflation target would not have yielded a lasting improvement in performance. However, a price-targeting rule or a policy rule that combined a higher inflation target with a more aggressive response to output would have achieved superior stabilization results.