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『日本の景気循環』

Kazumi Asako, *Studies on the Japanese Business Cycle*, Maruzen Publishing Co. Ltd., 2012, xiv + 411p.

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Since its emergence as an industrialized nation in the early part of the twentieth century, Japan has witnessed substantial output growth, and a corresponding increase in living standards. As such, it now ranks as one of the world's most developed and largest economies. Yet like any other developed economy, the behavior of output has been characterised by periodic phases of contraction and expansion, or what Burns and Mitchell (1946) define as *business cycles*. In *Studies on the Japanese Business Cycle*, Kazumi Asako offers a comprehensive and wide-ranging analysis of the causes, consequences and overriding features of the business cycle in Japan. The book itself is a collection of academic papers published between 2000–2011. Significantly, the majority of the chapters were originally published in Japanese, rendering them to all intents and purposes unavailable to individuals not gifted with the skill to read the Japanese language. The translation of many of the chapters into English—and in many cases the substantial revisions to, and updating of the original papers on which the chapters are based—therefore represents a welcome contribution to the

academic literature, particularly for researchers with an interest in empirical business cycle research, the Japanese economy, or both.

The thirteen chapters contained in the book cover considerable ground, which is reflected in the author's decision to split the book into three distinct, but not mutually exclusive sections: *The Japanese Business Cycle* (Part I); *Models of Business Forecast and Business Judgement* (Part II); and *Business Cycle Analysis by Region and Country* (Part III). Part I familiarises the reader with the general features of the Japanese business cycle. This section is highly accessible, even for those with little or no background in business cycle research. The opening chapter emphasises the historical and institutional features of the Japanese business cycle, with much of the discussion being devoted to how business cycles are dated, their duration, and how prices, wages, and unemployment have historically behaved during phases of contraction and expansion. Moreover, and in keeping with the rest of the book, the chapter focuses on the experience of Japan in the post-World War II era. Chapter 2 investigates the effectiveness and nature of Japanese macroeconomic stabilization policies, and is, for instance, characterised by some scepticism with respect to the potency of the many public investment projects that were championed as fiscal stimuli in the post asset-bubble era. Significantly, what comes through in this chapter—as well as all of the chapters in Part I—is how successive government administrations and influential Japanese institutions (such as the Bank of Japan) both responded to, and attempted to (favourably) shape, macroeconomic outcomes. Such detail usefully highlights the reality that macroeconomic policy decisions seldom take place in a political vacuum, and moreover, helps to bridge the gap between the purely statistical data-driven representation of business cycles, and economic policy making as is actually practiced.

The remaining two chapters in Part I focus on the business cycle effects of financial shocks to the Japanese economy: Chapter 3 provides an account of the fall and subsequent resuscitation of the Japanese economy following the bursting of the asset bubble of the early 1990s, whereas Chapter 4 focuses on the macroeconomic impact of the Lehman Brothers shock in 2008, which followed a period of economic expansion for the Japanese economy beginning in 2002. Both of

these chapters usefully emphasise the deep-rooted relationship between the financial sector of an economy and the wider macroeconomy—something that since the global financial crisis of 2007–2008 has become the subject of considerable academic scrutiny. The remaining chapters of the book utilize a mix of statistical and econometric methods to investigate a number of different, often interrelated, themes. These can be summarised as follows: a regime switching dynamic factor model to analyse the policy effects of fiscal and monetary policies on the Japanese business cycle (Ch. 5); testing the accuracy and rationality of economic forecasts using OLS and panel data analysis (Ch. 6); ANOVA (analysis of variance) and time-series analysis of *Tankan* and other survey-based data to investigate the factors affecting firms' perceptions of the business cycle, and the extent to which business confidence indicators are consistent with the observed stage of the business cycle (Chs. 7–8); explaining and analysing variations in prefectural and regional business cycles, using techniques such as dynamic programming (DP) matching (Chs. 9–11); and movements in the Japanese business cycle as compared with other national economies (Chs. 12–13).

I found Chapter 11, which finds that the Japanese Phillips curve relationship differs depending on geographical region, particularly interesting. Here, data from nine Japanese regions (for which economic data was available) was analysed, leading the author to conclude—amongst other findings—that differences in Japanese regional industrial structures are responsible for generating different Phillips

curves, which subsequently lead to observed differences in regional business cycles. Of course, given the sheer breadth of coverage, it would be impossible within the confines of this review to comment extensively on every single chapter. However, *Studies on the Japanese Business Cycle* is a highly readable contribution to the literature, and will be of particular use to applied economists and researchers with an interest in the Japanese economy. The treatment of the topics involves considerable engagement with the empirical evidence, and certainly enriched my own understanding of business cycles in Japan. For instance, the book challenges the often-held 'conventional' view, that following the bursting of the asset price bubble in the early 1990s, Japan suffered long-term deflationary stagnation, which endured into the late 2000s (and even to this day). Instead, as the author demonstrates, this period was in fact characterised by *two* full business cycles and *three* expansionary phases. This insight and others that the book provides are made all the more lucid by the attention paid to historical, political, financial and institutional developments. In this sense, *Studies on the Japanese Business Cycle* can be viewed as providing an exemplary narrative of Japanese macroeconomic developments for much of the post-WWII era.

#### Bibliography

- Burns, Arthur F., and Wesley C. Mitchell (1946) *Measuring Business Cycles*, National Bureau of Economic Research, New York.

[Chris Spencer]