セッション：財政・金融政策

The Effects of Monetary Policy in Japan: An Empirical Study by DSGE Model

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This paper tests Japanese monetary policy since 1970 by employing dynamic stochastic general equilibrium (DSGE) model. Following Lubik and Schorfheide (2004), it assumes three priors to fit data and shows the following evidences. The hypothesis of determinacy equilibrium is preferred to Japan's data. Under determinacy equilibrium, monetary authority likely implements active monetary policy and set interest rate by considering larger weight to respond to inflation change and smaller one to respond to output change. Monetary policy after 1981 is excellent than that in 1970s. Impulse response analysis indicates that monetary policy shock has no long-run effect on output and inflation, and the "price puzzle" does not appear. Whereas under indeterminacy equilibrium, the effect of sunspot shock is limited and the "price puzzle" appears in several cases.

Keywords: DSGE, Monetary Policy, Determinacy

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