平野智裕、金融庁、金融研究研修センター
柳川範之、東京大学大学院経済学研究科

Asset Bubbles, Endogenous Growth, and Financial System

Abstract

This paper investigates theoretically how a change in the financial conditions is related to the emergence of asset bubbles, and how bubbles affect economic growth rate. We show that whether bubbles can arise depends upon not only preference and technology parameters, but also the degree of the development of the financial system. We also demonstrate that whether bubbles enhance or impair the growth rate depends upon the degree. If the system is underdeveloped, bubbles increase the economy's growth rate while in the developed system, they decrease it. Moreover, we discuss how the bursting of bubbles influences the growth rate of the economy. We find that the effects are asymmetric between the developed and less-developed financial system. In the underdeveloped system, the bubble bursts reduces the economy's growth rate permanently. In the developed system, however, the economy keeps high growth even after the collapse.