## Macroeconomic policy coordination between Japanese central and local governments

Yoshito Funashima<sup>\*</sup> Tohoku Gakuin University April 21, 2014

## Abstract

This paper utilizes wavelets to examine macroeconomic policy coordination between Japanese central and local governments. We find that local government investments fail to coordinate with central government investments during the lost two decades, and it is contributory to ineffectiveness of fiscal stimulus.

Keywords: Public investment, Wavelets

JEL classification: E32, E62

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