

Japan's Unconventional Monetary Policy and Income Distribution: Revisited

Abstract

In 2014, we published a study that concluded that Japan's unconventional monetary policy (UMP) had widened income inequality in Japan. Since then, the Bank of Japan (BoJ) has further increased the monetary base and inflation has been low but positive. We revisit the relationship between Japan's quantitative and qualitative easing (QQE) and find further evidence for our conjecture. However, the impact of unconventional monetary policy and income distribution may differ in other countries for various reasons, including differences in household balance sheets and the flexibility of labor markets.