

The Macroeconomic Effects of Unconventional Monetary Policy: Evidence from Japan*

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Abstract

This study examines the macroeconomic effects of unconventional monetary policy in Japan. We apply the new identification strategy proposed by Bu et al. (2019) to the Japanese case, using the data from January 1999 to December 2011. We show the macroeconomic effects of unconventional monetary policy; a contractionary monetary policy shock significantly decreases output and inflation rates even under the zero-lower bound on short-term nominal interest rates.

JEL Classification: E44; E52; E58

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