Did divine wind rescue Japan out of the lost decade?

Kazuo Ogawa a,∗, Mika Saito b, Ichiro Tokutsu c

a Institute of Social and Economic Research, Osaka University, 6-1 Mihogaoka, Ibaraki, Osaka, 567–0047, Japan
b African Department, International Monetary Fund, 700 19th Street, N.W., Washington, D.C. 20431, USA
c Graduate School of Business Administration, Kobe University, 2-1 Rokkodai, Nada, KOBE 657-8501, Japan

A R T I C L E   I N F O

Article history:
Received 25 November 2015
Revised 11 February 2017
Accepted 15 March 2017
Available online 14 March 2017

JEL classification:
E44
F14
O30

Keywords:
Lost decade
Export
Total factor productivity
Price-Cost margin

A B S T R A C T

Strong external demand and micro-level productivity-enhancing efforts are key determinants of export. This study gives empirical evidence on the relative importance of these two factors in generating exports. Specifically we investigate Japanese export growth in the 2000s that helped Japan exit the severe decade-long stagnation known as the lost decade. Estimating the firm-level export function, we uncover quantitatively the source of the export surge during this period. Evidence shows that firms’ efforts to enhance productivity were more important than the so-called “divine wind” or exogenous external demand.

© 2017 Elsevier Inc. All rights reserved.

1. Introduction

The main objective of this paper is to evaluate quantitatively the relative importance of sources of Japanese export growth.AMPLE of evidence shows that a surge of exports in the 2000s helped Japan get out of the so-called lost decade of the 1990s. The Japanese GDP growth rate (blue bars in Fig. 1) averaged 1.4% during 2002 to 2007 before it turned negative in the 2008–2009 global financial crisis. More than eighty percent of this growth were due to growth in exports (red dotted bars in Fig. 1). This is a distinct contrast from the period between 1992 and 2001, where the GDP growth rate averaged 1.1% and only one third of this growth was due to growth in exports.

The question is what has led to this export growth in the 2000s. One view is that the “divine wind” or a surge of exogenous external demand, especially from China and other emerging markets in Asia, was the source of export growth. Indeed, Japanese exports to China and Asian NIEs (Hong Kong SAR, Korea, Singapore and Taiwan Province of China) accelerated from the early 2000s (Fig. 2). The average export growth rate to China during 2001 to 2007 almost doubled from that during 1991 to 2001 (Table 1). Sim-
Fig. 1. Export contribution to GDP growth rate. (For interpretation of the references to colour in this figure text, the reader is referred to the web version of this article.)

Fig. 2. Japanese export by destination.
دریافت فوری متن کامل مقاله

امکان دانلود نسخه تمام متن مقالات انگلیسی
امکان دانلود نسخه ترجمه شده مقالات
پذیرش سفارش ترجمه تخصصی
امکان جستجو در آرشیو جامعی از صدها موضوع و هزاران مقاله
امکان دانلود رایگان ۳ صفحه اول هر مقاله
امکان پرداخت اینترنتی با کلیه کارت های عضو شتاب
دانلود فوری مقاله پس از پرداخت آنلاین
پشتیبانی کامل خرید با بهره مندی از سیستم هوشمند رهگیری سفارشات