The Research Group of Non-performing Loans, Banking and Land Policies

This group will investigate the following three major topics regarding the Japan’s bubble and crisis:

(1) How was the ‘bubble’ produced in the late 1980s?

(2) How did the bank crisis proceed in the 1990s and in the early 2000s?

(3) How did the bank crisis and the macro-economic stagnation interrelate with each other?

by Akiyoshi Horiuchi
(1) How was the ‘bubble’ produced in the late 1980s?

Specific topics to be taken up in this theme:

1.1 Was the financial deregulation started in the 1980s responsible for the ‘bubble’? Did the BIS capital adequacy regulation have something to do with the bank crisis?

1.2 What influence had the variations in land prices on the real economy?

1.3 How did the land tax system influence the processes of land price bubble and its collapse?
(2) How did the bank crisis proceed in the 1990s and in the early 2000s?

Specific topics to be taken up in this theme:

2.1 How has the bank administration implemented by the MOF and the FSA changed since the early 1990s? Or why was the government unable to minimize the bank crisis in Japan?

2.2 How was the legal framework of bankruptcy and rehabilitation altered during the bank crisis? What does the alteration mean to the Japanese society?

2.3 How did the bank management degenerate into the crisis and how was the crisis disposed?

2.4 How were life insurance companies hard hit by the drop in stock prices? (This research will be a supplementary to 2.3.)

2.5 The political economy of the Japanese bank crisis: From the Jusen problem to the Takenaka Plan.
(3) How did the bank crisis and the macro-economic stagnation interrelate with each other?

Specific topics to be taken up in this theme:

3.1 Japan’s bank crisis from the international perspective: to mainly investigate Japanese financial institutions’ activities in the international markets and in Asian area.

3.2 Did the BOJ’s monetary policy, the variation in the exchange rates, and in the bank credit have something to do with the extended macroeconomic stagnation?

3.3 How did changes in banks’ and firms’ balance sheets influence banks’ lending behavior and the macro-economy?

3.4 How were the burst of ‘bubble’ and recession interrelated?

3.5 Was there any aftereffects of the ‘bubble’ (or its burst) on corporate investment behavior in the 1990s?