Public Finance and Social Security Reform

Fiscal Policy Subcommittee
Basic View

- Focus on Fiscal Policy in 90’s and Reforms in 2000’s
- Evaluation of improvement of efficiency by the reform
- A decrease in redistribution function as side effect of reform
Burst of Bubble and Fiscal Policy

- Fiscal Policy after the burst of bubble in 2002 was effective in the United States.
- We think these effects didn’t work through the classical Keynesian channel, but through the permanent change of Tax system and relative prices.
Non-Keynesian Effects cannot be disregarded

- In Japan's case, we couldn't find any positive effect of the discretionary spending policies and temporally tax cut
- It is possible to find the Non-Keynesian effects in Japan during 1990's