

[Joint research]

## 金融危機後の金融財政政策とマクロプルーデンス政策

### Joint investigators

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### Foreword

This volume presents a collection of studies that explore the multifaceted relationship between monetary policy, fiscal policy, and financial regulation in shaping macroeconomic performance and stability. Collectively, these works aim to deepen our understanding of how regime credibility, implementation timing, and international spillovers influence the effectiveness of policy frameworks in both advanced and emerging economies.

The first paper, **Teramoto (2025)**, analyzes the international spillover effects of prolonged U.S. unconventional monetary policy (UMP) on emerging market economies. Using a small open economy DSGE model with credit constraints, the study demonstrates that expectations of persistently low U.S. interest rates amplify excessive risk-taking in EMEs, raising the probability of crises by more than threefold relative to conventional regimes. The findings emphasize that global financial stability cannot be secured by domestic regulation alone; advanced-economy central banks must also recognize their international responsibilities.

The second paper, **Eguchi and Iiboshi**, investigates Japan's fiscal multiplier using a Markov-switching DSGE model in which fiscal and monetary stances alternate between active and passive regimes. The results indicate that fiscal multipliers are larger when fiscal policy is active and monetary policy is passive, highlighting the importance of monetary accommodation for fiscal effectiveness. The study underscores the necessity of predictable policy regimes to stabilize expectations and prevent financial volatility.

The third study, **Eguchi, Iiboshi, and Tsuruga**, extends this analysis by incorporating implementation lags and regime credibility into a regime-switching DSGE framework with money-financed and debt-financed fiscal policies. The results reveal that when the credibility of a money-financed regime is high, fiscal multipliers are substantial but decline with longer implementation delays. When credibility is weak, policy effectiveness becomes non-monotonic and may collapse altogether. This underscores that even well-designed fiscal regimes can lose traction if policy execution is delayed or credibility erodes.

Building upon these fiscal-monetary perspectives, the volume also introduces a new contribution grounded in the **Neo-Fisherian framework**.

Traditionally, monetary policy has been regarded as neutral in the long run, affecting only short-term fluctuations. However, the classical Fisher equation implies a positive long-run relationship between nominal interest rates and

inflation. **Eguchi and Iiboshi (2025)** integrate this “Neo-Fisher Effect” into a regime-switching New Keynesian model that allows monetary stances — active (hawkish) and passive (dovish) — to alternate over time. Employing the frameworks of Uribe (2022) and Cho (2021), their analysis finds that regime persistence and credibility crucially determine equilibrium determinacy. Under realistic regime durations (around five years), a credible active stance enhances both price stability and long-term economic growth. Moreover, both permanent and transitory inflation-target shocks induce **Neo-Fisherian dynamics**, wherein inflation, nominal interest rates, and output move in the same direction. These results demonstrate that monetary policy can exert meaningful and persistent real effects when long-run expectations are explicitly modeled.

Finally, **Kwon (2025)** provides an empirical complement to these theoretical analyses through firm-level evidence on how Japan’s unconventional monetary policies have influenced corporate investment. Using data from *The Corporate Financial Databank* (2009–2018), the study estimates a Tobin’s Q-type investment function and finds three robust results:

- (1) firms with higher Tobin’s Q tend to invest more;
- (2) increased cash flow stimulates fixed investment; and
- (3) higher debt ratios reduce investment.

These findings confirm that the Bank of Japan’s aggressive monetary easing — through quantitative and qualitative easing (QQE) and yield curve control (YCC) — has expanded firms’ investment opportunities and supported capital formation, albeit unevenly across firms. The results also suggest that financial soundness and liquidity conditions remain vital channels through which monetary policy affects real investment, and that structural reforms promoting intangible investment are necessary for sustained growth.

Taken together, the studies in this volume illustrate a unifying message: **monetary policy, fiscal frameworks, and financial regulation form an interdependent system whose effectiveness depends on credibility, coordination, and timing.** In a world of low interest rates, aging populations, and shifting expectations, these studies remind us that neither macroeconomic stability nor financial resilience can be achieved in isolation. A coherent policy architecture — integrating monetary discipline, fiscal credibility, and prudent regulation — is essential to sustaining long-term growth and price stability in both Japan and the global economy.