

On Abenomics Stage 2

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Secular stagnation and deflation

deflation trap and monetary policy

What did BOJ do?

It is not easy to increase demand.

What has Abenomics Stage 1 achieved and what not?

Exchange rate

Labor market: job offer/job seeker ratio is getting very high

Corporate profits and stock prices

Nominal interest rate

tax revenue

Next Stage of Departure from deflation

Can wage be increased?

Wage increase, labor productivity and aging population

Will real interest rate become negative?

portfolio choice of household sector

cashing out of internal reserves of corporate sector ?

Economic growth and income distribution

Will income redistribution lower growth rate?

Aging population and income distribution

Increasing importance of investment on human resources

Approach to social security reform: incentive reform, increasing use of private sector