Article

Will Current Account Surplus Matter So Much to Japan? A Perspective from Its Savings-Investment Balance

Ryohei NAKAGAWA

INTRODUCTION

As over a decade has passed in the twenty-first century, industrial structures both inside and outside of Japan are shifting. Price competitiveness of Japanese manufacturers has been challenged by South Korean, Chinese and other Asian companies, and people are feeling pessimistic about Japan's trade balance turning to deficit. The Great East Japan Earthquake and tsunami occurred on top of that in March 2011, causing the accident of the Fukushima Daiichi nuclear power plants that brought tremendous fear of people on the safety issues of nuclear energy. About 50 nuclear reactors around Japan are currently under safety inspections, which urged the power generation companies to fully operate their thermal power plants by importing huge amount of fossil fuels. Nakagawa (2012) mainly focused on such industrial shift and its impact on current account in the future and drew conclusion that Japan's service exports and inward income transfers generated by foreign direct investments abroad are expected to increase in the future, cancelling off the country's decreasing merchandise trade surplus. [1)]

Current account balance can also be analyzed through a country's savings-investment balance. Japan's savings-investment balance has also been changing significantly since the collapse of the bubble economy around 1990. This paper first tries to analyze the future savings-investment balances of the three groups of constituents in the Japanese economy; namely government, corporations and households. As a result, it became clear that overall future savings-investment balance is uncertain but totally depends upon the degrees of strengths/weaknesses, or successes/failures, of the two key factors; "business activities" and "social security and tax reforms in the future."

The second half of this paper consists of the scenario analysis about the combinations of successes and failures in future business activities and social security reforms. By analyzing the four scenarios, this paper attempts to draw a conclusion whether keeping current account surplus should be the policy target for the Japanese economy. At last, it will provide policy and business recommendations in order to achieve one of the successful scenarios.

Will current account deficit be “critical” for Japan?

Nakagawa (2012) took a stance that it is critical for Japan’s current account to turn into deficit. The reason behind it was that there is a reputation risk: Even small economic news may provide an unanticipated negative impact on global financial market by triggering unnecessary reputation, regardless of the fact that such capital flights do not always reflect the real economic conditions. By putting the reputation risk as a premise, Nakagawa (2012) analyzed the future of each component of current account and drew conclusion that overall current account would not turn into deficit rapidly. [2] Yet the approach and premise of this paper is different from it. While it is important to monitor carefully about reputation risk and the government should work uncompromisingly to fight against it, the objective of this paper is to analyze whether keeping current account should be one of the top priorities of Japan’s economic policy. Decision branch and scenario analyses are applied so that the risk and self-destructiveness of prioritizing current account would be highlighted.

The approach that Japan Research Institute (2012) took is similar to the first half of this paper, analyzing the savings-investment balance prospects of government, corporations and household sectors. [3] Findings of this paper, however, are not the same and, more importantly, are to investigate whether keeping current account surplus should be prioritized.

Taniuchi (2012) explains Japan should not worry about current account turning red. He also raises public finances and business activities as keys to solving the fundamental problems of the Japanese economy, and this view is consistent with this paper’s outcome through the scenario analysis. His message was to tackle the myth of the risk of shifting Japanese government bond (JGB) holders from domestic to abroad, and is different from the core message of this paper. [4]

The ideas of Oguro (2011) are similar to this paper’s, but approaches are different. Oguro explains the dilemma that “higher investments would drive Japan’s current account into deficit, while avoiding current account deficit would depreciate capital stock and reduce the productions.” [5] Although Oguro shares the same point with this paper that fundamental reforms on social security system and tax are necessary, this paper does not support the idea that current account deficit through higher investment is critical. It is because as long as the Japanese government monitors JGB’s reputation risk, expanding investments is good news and thereby impacts positively on public finances, at least in the long-run.

If we apply the “balance of payments stages hypothesis” that Geoffrey Crowther and Charles Kindleberger once presented to the current situation of Japan, Japan should be classified as “Stage IV – immature creditor country” (see **Chart 1**). [6] If the developing process of this theory represents the reality, Japan’s capital account should eventually become surplus in line with its current account turning red. In other words, turning into current account deficit should not be a critical issue as long as Japan can receive abundant capital inflows backed by its massive creditor position from the past.

Chart 1. Crowther's classification of "balance of payments stages hypothesis"

		Credit (+), Debit (-)			
		Goods and services	Investment income	Current account	Long-term capital account
Stage I	immature debtor country	-	-	-	+
Stage II	mature debtor country	+	- -	-	+
Stage III	debt repayment country	+ +	-	+	-
Stage IV	immature creditor country	+	+	+ +	- -
Stage V	mature creditor country	-	+ +	+	-
Stage VI	credit disposing country	- -	+	-	+

Source: Keizai Kikakucho (1984); Chart 2-16.

Considering the arguments above, Japan should closely monitor the reputation risk and avoid critical impacts on financial market when releasing economic news. On the other hand, however, impacts of current account deficit itself on the real economy would not be critical, particularly considering from the long-term perspective. Rather, this paper clarifies that prioritizing current account surplus would be even dangerous and critical.

ANALYTICAL FRAMEWORK

1 . The future savings-investment balances of the three groups of constituents in the Japanese economy, namely government, corporations and households, are analyzed.

Savings-investment balance is based on the following equation:

Savings = (Investment – Consumption of fixed capital) + Current account

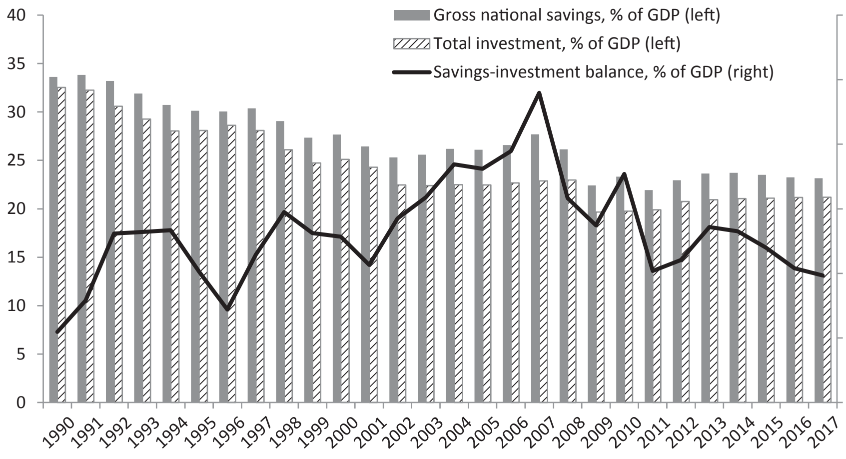
Although savings-investment balance does not necessarily represent the causal relations with current account balance, it automatically becomes equal to, or identical to, current account balance.

2 .While the prospect of public finances is clearly negative, savings-investment balance forecasts of both corporations and households are found to be uncertain, given the two factors that should be the keys to decide future current account balance of Japan; namely the degree of future business activities and success/failure of drastic social security and tax reforms.
3 .Plot the cases of "strong" and "weak" business activities for corporations and "successes" and "failures/status quo" for the social security and tax reforms. See their impacts on current account balance and the real economy.
4 .The scenario analysis: Analyze the combinations of successes and failures in future business activities and social security reforms. By examining the four scenarios, draw a conclusion whether keeping current account surplus should be the policy target for the Japanese economy or not.
5 .Provide policy and business recommendations in order to achieve one of the successful scenarios.

OBSERVATIONS

Both Japan's gross national savings and total investments had been decreasing overall in the past twenty years, reflecting so-called "Japan's lost (two) decade(s)." As investment activities were not as active, savings have always surpassed the total investments so that current account has always been in surplus throughout the period (see **Figure 1**). The savings-investment balance peaked in 2007, reflecting corporations' record-high profits without increasing salary payments to employees, as well as households' stronger incentive to save due to future uncertainty in pension receipts. The amounts in 2011 and onwards in **Figure 1** are the IMF's forecasts, and according to that, not much change in savings-investment balance (and in absolute volumes) is expected in several years to go.

Figure 1. Japan's gross national savings, total investment and savings-investment balance, as % of GDP; (CY1990-2010; actual), (CY2011-2017; estimates)



Source: IMF World Economic Outlook Database (2012)

The summary of the following observations in government, corporations and households can be seen at **Chart 2.**

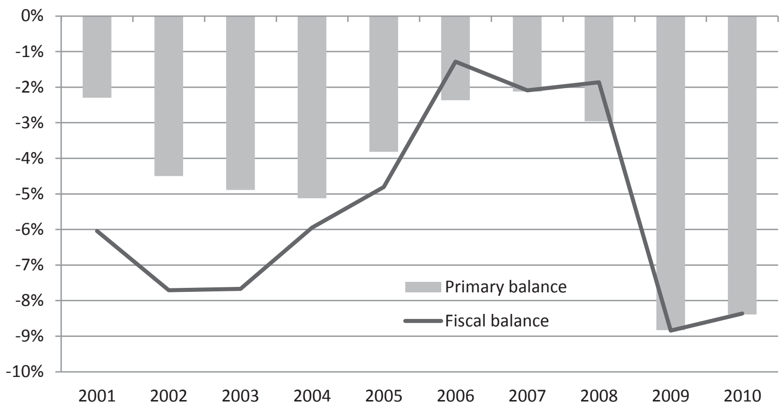
Chart 2. Assumptions of future savings, investments and investment-savings balance

	Savings	**Investment**	**Investment-Savings Balance**
Government: 25.3% of GDP in 2011	To decrease due to increasing needs in supporting elderlies.	To increase due to increasing needs in supporting elderlies.	Investment > Savings causing fiscal deficits.
Corporations: 13.7% of GDP in 2011	Depends on business vitality (increased internal reserves in the 2000s for fear of taking much risk while making profits.)	Depends Taniuchi (2012)	See **Chart 3**
Households: 61.9% of GDP in 2011	Gradually decrease, due to increasing elderlies; Horioka (2009). Kept high due to social security uncertainties: Okita & Kurmanalieva (2006).	Gradually decrease (residential investments decreased by CAGR -3.65% in 1994-2011) [7), 8)]	See **Chart 4**

Government

Public finances of Japan are notoriously well-known due to its ballooning public debt. **Figure 2** indicates that after the global financial crisis and political regime change, the government finances have been in huge deficit. If the government leaves the status quo and does not work on drastic reforms in social security and tax systems, the balance is considered to become even worse than what it is today. While productive population account for 66.1%, or 84.4 million people, of the entire population of 127.7 million in 2005, the ratio is forecast to decrease to 51.8%, or 49.3 million people, of the entire population of 95.2 million in 2050, according to the Ministry of Land, Infrastructure, Transport and Tourism. [9)] Increasing aging population and decreasing productive population will expand government spending and undermine the existing “pay-as-you-go” funding structure of social security.

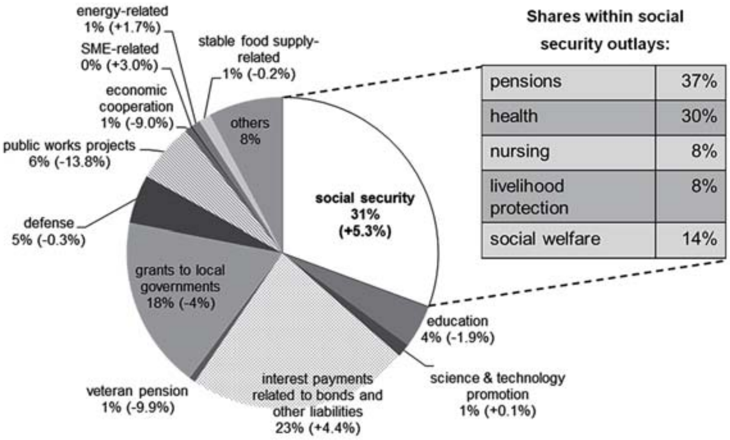
Figure 2. Japan's general government balance, as % of GDP (CY2001-2011)



Source: Cabinet Office, Government of Japan; Kokumin Keizai Keisan (System of National Accounts Statistics)

Social security expenses account for about one-third of the Japanese government's General Account budget outlays, as seen in **Figure 3**, reflecting the heavy burden of Japan's elderly society. Since this portion is expected to grow, fundamental reforms, such as shifting from pay-as-you-go pension system to an installment funding pension system, are urgently needed. And even if the reforms are implemented, the impact on the government finance overall would take time. Therefore, general budget deficit, or the savings-investment balance of the general government, is forecast to worsen in years to go.

Figure 3. Shares of General Account's budget outlays in FY2011; JPY92.4 trillion



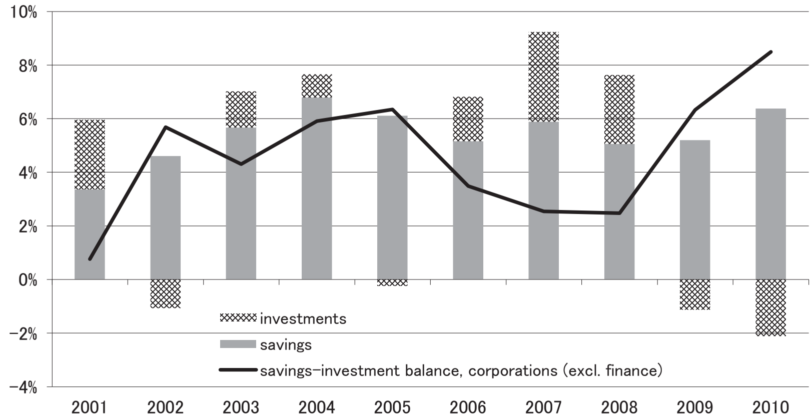
Source: National Diet Library (2011).

Corporations

During the 1990s, Japanese corporations have been working on streamlining their balance sheets in the aftermath of the burst of the bubble economy. They reduced borrowing, sold fixed assets, laid-off employees in order to make their balance sheets look better, rather than exploring their real businesses. Japanese economy was suffering from lingering deflation, and companies in general were holding onto cash rather than making new investments.

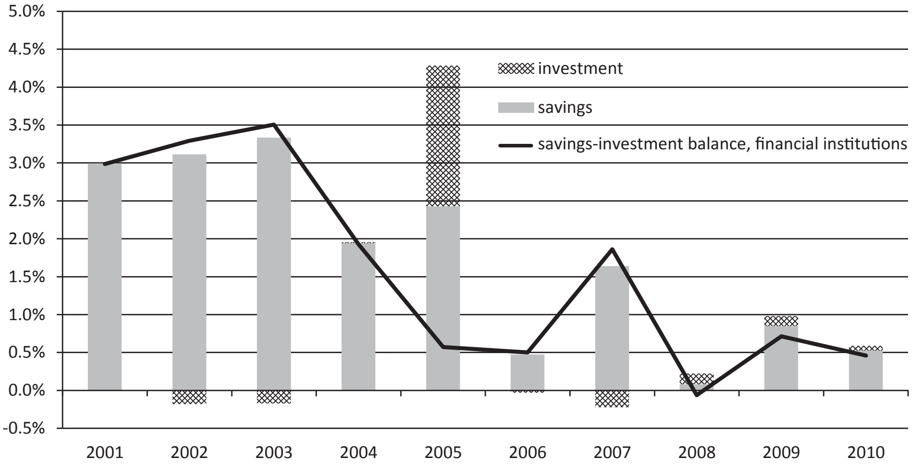
In the wake of the 21st century, Japanese companies expanded their revenues and profits, in many cases breaking their record highs, due mostly to exports, thanks to rapidly growing Chinese economy and America's real estate bubble. However, domestic economy in Japan was still suffering by deflation, and business people in Japan were so accustomed to pessimistic mood and squeezing balance sheets that companies did not increase their salary payments to employees but their own savings. Investments were not strong enough to cancel-off their savings, as seen in **Figures 4 & 5**.

Figure 4. Savings-investment balance, corporations (excl. finance), as % of GDP (CY2001-2010)



Source: Cabinet Office, Government of Japan; Kokumin Keizai Keisan (System of National Accounts Statistics)

Figure 5. Savings-investment balance, financial institutions, as % of GDP (CY2001-2010)



Source: Cabinet Office, Government of Japan; Kokumin Keizai Keisan (System of National Accounts Statistics)

The future prospects of current account overall would partly depend on corporations' decisions to either invest or save. If businesses aggressively increase investments, keeping current account in surplus may become difficult at least in the short-run, as summarized as "Case A" in **Chart 3**. However, impacts on the real economy should be positive, creating virtuous cycle with public finances and households in the longer-run. Additionally, positive business cycle would attract inward investments form overseas, thereby financing in the capital accounts' side.

On the other hand, if companies refrain from investing and kept their cash in their pockets, current account can be maintained in surplus while the real economy will be sluggish and there will be an industrial hollowing-out effect, as summarized as “Case B” in **Chart 3**. In this case, strong inward investments are not expected.

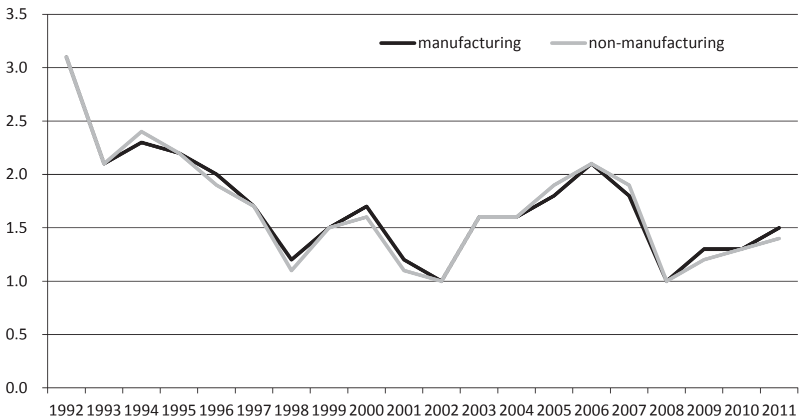
The matter of concern in Case B is that Japan’s fundamental problems of public finances and deflation will be kept unresolved. From the government perspective, this case will reduce tax income. As the Japanese government is already shouldering huge amount of social security burdens due to aging demographics, it is better for the Japanese economy if businesses make active investments as “Case A,” rather than keeping current account surplus but passively ignoring to solve the fundamental problems as “Case B.”

Chart 3. Cases related to corporations

Business activities		Impacts on current account	Impacts on the real economy
strong	**Case A**	**<negative>** Due to active investment at least in the short-run	**<positive>** Creating virtuous cycle in public finance and household consumptions
weak	**Case B**	**<positive>** Weaker investment and higher internal reserves	**<negative>** Hollowing out

Yet companies invest naturally only if they anticipate that the markets will grow. According to **Figure 6**, it is difficult to determine at the current stage whether companies’ future prospects are positive or negative. Given various uncertainties observed in the global political economy, such as the Euro crisis, geopolitical uncertainties in the Korean peninsula and Middle East, and China’s possible bubble burst, forecasting future business activities is quite difficult, just as how difficult for businesses to make investment decisions.

Figure 6. Anticipated annual real GDP growth by Japanese corporations; the following five years (1992-2011)



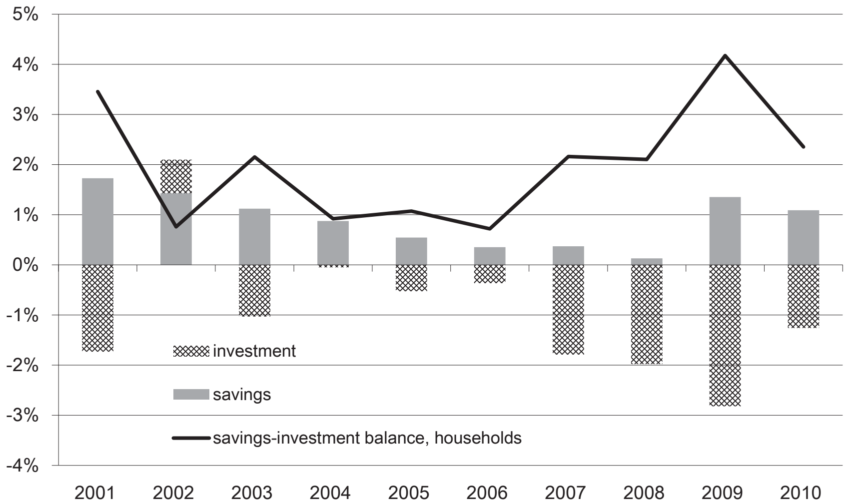
Source: Cabinet Office, Kigyokodo ni kansuru anketo (Annual Survey of Corporate Behavior) (2012).

One of the policy options to nurture business sentiment favorable is generating positive expectations, such as through inflation targeting.[10] Increasing fiscal outlays may also generate positive expectations but may undermine the already vulnerable public finances.

Households

Figure 7 indicates that while household savings has been in decreasing trend until the financial crisis, household investments, mostly in residential investments, also decreased, thereby keeping the households' savings-investment balance in surplus.

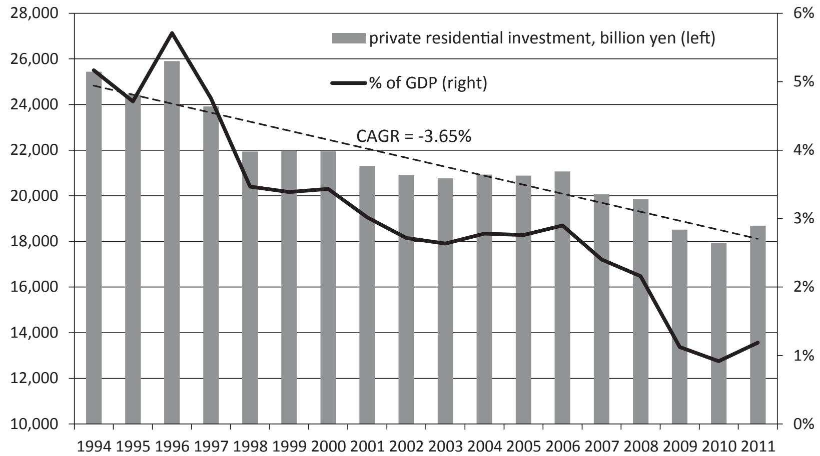
Figure 7. Savings-investment balance, households, as % of GDP (CY2001-2010)



Source: Cabinet Office, Government of Japan; Kokumin Keizai Keisan (System of National Accounts Statistics)

Residential investments have been decreasing throughout the 1990s and 2000s, as seen in **Figure 8**, due mainly to households' cautious stances and decreasing productive population.

Figure 8. Private residential investment in billion yen (CY1994-2011)



Source: Cabinet Office, Government of Japan; Kokumin Keizai Keisan (System of National Accounts Statistics)

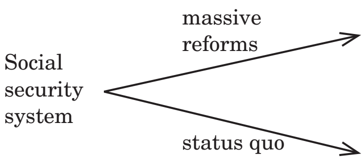
There are various studies that explain the relations between aging society and decrease in household savings. Horioka (2009) states that Japanese household savings rate has been decreasing in line with demographic aging, while decrease in savings rate is offset by decrease in investment; thereby decrease in Japan's current account surplus would not be so serious, if any. At the same time, he also refers to the decrease in Japan's capital account deficit, particularly backed by increasing capital inflows from the Asian neighbors with current account surplus, even reducing the worries of current account issues.[11)] Katayama (2006) also concluded that demographics would create downward pressure on the savings rate with high probability.[12)]

While demographics are pushing savings rate down, Okita & Kurmanalieva (2006) and Okita (2010) investigate the relations between household savings rate and social security system. Their conclusions indicate that there are positive relations between people's anxiety about the social security system and savings rate. More concretely, the Japanese government has been prompting fears of future uncertainty about the social security system by raising public pension premiums little by little, due to miscalculation of future fertility rates in the past.[13),14)] Cabinet Office (2009) also backs up the argument by presenting positive correlations between the degree of people's trust on their future pensions and household savings rate across twelve OECD countries.[15)]

The analyses above imply that while the demographic factor is pushing down both savings and investments and thus cancels off each other, people are still unnecessarily over-saving compared to the amount they should be saving due to distrust in the current social security system. Putting aside the demographic shift issue, the future savings-investment balance of households should depend on success or failure of social security reforms.

If drastic reforms in social security and taxation systems will take place, people would spend more and save less, thus its impact on current account should be negative, as summarized as “Case C” in **Chart 4**. However, the impacts on the real economy should be positive, creating virtuous cycle in businesses and government finances. In contrast, “Case D” suggests that if the reform initiative will be impotent, the impacts on the real economy should be negative while pushing current account positively at least temporarily. The matter of concern in “Case D” is that even if keeping current account surplus is achieved, all other important economic problems will be kept in back burner, pulling the country into the doldrums of economic and political downward spiral.

Chart 4. Cases related to households



	Impacts on current account	Impacts on the real economy
Case C	**<negative>** Weaker incentive to save; stronger consumption	**<positive>** Creating virtuous cycle in business activities and public finances
Case D	**<positive>** Stronger incentive to save; weaker consumption	**<negative>** Creating vicious cycle in business activities and public finances; deflationary pressure

Overall

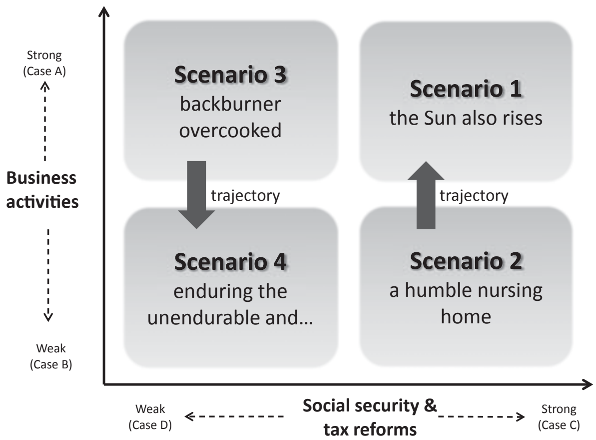
With the analysis above, Japan’s future savings-investment balance overall depends on successes and/or failures of the two factors, namely business activities and drastic reforms in social security and taxation systems.

In order to analyze the future scenarios of the Japanese economy, the Cases A and B are plotted vertically and the Cases C and D are plotted horizontally so as to schematize the combinations of effects of the two key factors. By comparing their impacts on current account balance and the real economy from the long-term perspective, pros and cons of prioritizing current account balance as a policy target will be verified.

Note that while social security and tax reforms will be achieved by people’s will, strong business activities at the macro level are not something to achieve by will but are the phenomena of the mass.

THE COMBINATION SCENARIOS

Figure 9. The four hypothetical scenarios



Scenario 1 (Case A + Case C): "the Sun also rises"

Although this combination scenario has both "negatives" in impacts on current account balance, its impact on the real economy is the best and the most ideal among the four scenarios; with strong business activities and successful reforms in social security and taxation reforms. Strong business sentiments may push prices higher, thereby also pushing the government's interest payments higher. However, it is just unimaginable that business activities will be so vibrant to the extent that price would shoot up. With strong business sentiment, the government's tax income may also increase, thus the impact on public finances overall would not be so strong. In the end, public finances will be more prudent and less exposed to the risk of inflation and rise in interest rates.

With expected negative impacts on current account balance, at least in the short-run, the government should closely monitor the reputation risk. News on temporal current account figures or on downgrading by rating agencies may trigger abrupt lift in the JGB yields, putting aside the condition of the real economy.

Scenario 2 (Case B + Case C): "a humble nursing home"

This scenario is the combination of successful social security reforms and not-so-strong business sentiment. In this scenario, people would still feel less anxious about their future than today even without vibrant businesses. Because the social security problems have been resolved, certain amount of people's saving would shift to investments/consumptions. With that, the economy could shift slowly toward "Scenario 1" depending on various exogenous variables.

Scenario 3 (Case A + Case D): "backburner overcooked"

Scenario 3 is the combination of vibrant business activities without social security reforms. There is a risk that important reform initiatives will be put on a back-burner when people are enjoying temporal economic growth. If so, it is likely that the economy will move toward "Scenario 4" in due course. Additionally, Feldstein (2010) warns that once Japan escapes from deflation, the government's interest payments would increase by about 4% of GDP and thereby break the golden triangle of high fiscal deficits, low interest rates and net external creditor. Since the fiscal reforms are undone, the economy will be highly exposed to the risk of inflation and rise in interest rates.

Scenario 4 (Case B + Case D): "enduring the unendurable and…"

If policy target priority is focused on keeping current account surplus, this combination of weak economy and no reforms should be the outcome. Companies will hold on to cash and do not invest, while people's future concerns of vulnerable social security system will be stronger and thus they stop spending money but save. Business and consumption will be weak, deflation will linger, unemployment rate will be higher and young people will have less incentive to have children. With the skewed demographic structure, Japan's public finances will be even worse, and people's lives will be daunting and less secured.

Findings

With the scenario analysis above, should Japan prioritize its policy priority on keeping current account surplus?

Scenario 4, which is the combination of the two "positive" impacts on current account balance, should not be the way people want to proceed. Focusing its policy target on current account surplus will kill reform momentum and business activities. By doing so, there is a risk that Japanese economy will be watered-down and become insolvent without people noticing the downfall. The analysis above implies that keeping current account surplus is unimportant. It is rather dangerous for the Japanese economy's future.

Even if current account turns deficit by proceeding to Scenario 1 or 2, the chances of JGB's abrupt yield hike would be small. It is because if Scenario 1 or 2 is achieved, the financial market's trust on Japan's public finances will be much better than what it is today, and in the longer-run, its financial condition will be much streamlined. Yet anything can happen in the uncertain world. The government should closely monitor the reputation risk. News on temporal current account figures may trigger abrupt lift in the JGB yields, putting aside the condition of the real economy.

Moreover, even if Japan's current account will turn deficit, capital inflow is increasing mostly from the neighboring Asian economies, financing possible current account deficit, if any, as Horioka (2009) states.[16] Japanese people should care much less about its current account balance.

CONCLUSION AND RECOMMENDATIONS

Nakagawa (2012) stated that it is critical for Japan's current account to turn into deficit from the perspective of reputation risk; the risk of the JGB yields to overshoot regardless of the country's real economic conditions, and this paper agrees with this idea. In the current overly sensitive and responsive world, it is Japanese government's important agenda to defend (but not to control information) the country from such speculative movements.

Even though Japan's current account deficit can be critical, the point of argument in this paper is that, on the other hand, Japan should not prioritize keeping current account surplus as one of its key economic policies. There was a time in Japan around in the 1960s and 70s when the country was growing rapidly from a lower base without high amount of international reserves. Back then, insisting on prioritizing the country's current account surplus made some sense. Moreover, it reminds us the Japan-United States trade frictions during the 1980s and the early 90s, when many business interests and economists in both countries stuck to such a principle as if current account balance represents the country's economic power. The analysis in this paper proves that such a principle, however, is not only obsolete but also dangerous.

If the "balance of payments stages hypothesis" of Crowther and Kindleberger (see **Chart 1**) represents Japan's progress, it should be natural for the country's current account to turn into deficit as it matures. The Scenarios 3 and 4 (without social security and tax reforms) exemplify the consequences of Japan not being able to reach as a "mature creditor country (Stage V)" but leaping to a "credit disposing country (Stage VI)."

Recommendations:

It became clear that Japan should not react too nervously to current account movements. Through the analysis in this paper, the following policy and business recommendations are provided in order to achieve one of the positive scenarios:

1) Drive forward the drastic reforms in social security and taxation systems: Social security-related outlays accounted for 31% of the government budget's General Account in 2011. It is the highest of all kinds of expenses and is highly likely to increase in the future, given the country's aging demographics. The current system, however, applies a pay-as-you-go plan, and is evidently unable to sustain in the future as productive-age population ratio continues to decline. Due to uncertainty of the system's sustainability, Japanese citizens are currently saving more than if they feel less anxious about it, according to Okita & Kurmanalieva (2006) and others. By changing from the current plan to an installment funding method, new social security system will be immune from demographic distortion, and citizens will become more responsible and regain trust in the public social security. Additionally, regaining trust in the social security means that people will save less than before. Part of the household financial assets of JPY1.4 quadrillion may shift toward consumptions and investments, thereby stimulating economic activities overall.
2) Avoid an abrupt overshooting of JGB yields: Fiscal reforms cannot materialize overnight, particularly given Japanese government's super-high debt per GDP. A temporal swing in current account balance (or any other indicators) may cause an unanticipated negative impact on the JGB yields by triggering unnecessary reputation that may be far from the reality. It is Japanese government's important agenda to secure (but not to control information) the country from such speculative actions. To reinforce such reputation risk management, having a transparent

communication strategy and clear-cut leadership will be vital in the political scenes.

3) Regain trust in politics: Stop the embarrassing acts of the oppositions (and opposing factions within the governing parties) to simply water-down important political decision-making without substance. Politics are losing trust from the public, and such distrust is making political situations even worse. Given such conditions, the Japanese government is not effectively driving some of the key reform agendas, such as social security and taxation systems reforms. Before the situation becomes fatal, both lawmakers and citizens (media) should break the vicious cycle of populism so that citizens can vote based on each lawmaker's policies, not on his/her expertise in playing political games.

4) Welcome investments from abroad: With strong investment inflows, Japan's balance of payment condition will be even more secured. Open the borders and stop dwelling on racial purism. The case of Hong Hai Precision Industry's purchase of Sharp's 10% stakes in March 2012 demonstrates the ongoing change in industrial systems inside and outside of Japan. What Japanese companies should secure is not the ownership (as long as that company's activities are not critical for national security) but employment. Not being able to trust foreign owners is simply an exclusionism, just as the world witnessed the case of Olympus in 2011 when a British CEO was ousted due to his act of justice to reveal the company's wrongdoings.

NOTES

1）Nakagawa (2012), pp.86-87.
2）Nakagawa (2012), pp.73-75.
3）Japan Research Institute (2012), pp.1-7.
4）Taniuchi (2012).
5）Oguro (2011).
6）Keizai Kikakucho (1984); Chapter 2, Section 4.
7）Cabinet Office, Kokumin Keizai Keisan (System of National Accounts Statistics).
8）CAGR (compound annual growth rate): CAGR $(t_0, t_n) = [\{V(t_n)/V(t_0)\}$^$\{(1/t_n\text{-}t_0)\}]$-1
9）Ministry of Land, Infrastructure, Transport and Tourism (2011), Annex, p.5.
10）In fact, Governor of Bank of Japan Masaaki Shirakawa announced at a press conference on April 27, 2012, that the central bank will likely achieve the 1% inflation rate by FY2014, according to Nihon Keizai Shimbun (2012).
11）Horioka (2009), pp.300-305.
12）Katayama (2006), pp.2-5.
13）Okita & Kurmanalieva (2006), pp.19-21.
14）Okita (2010), pp.125-134.
15）Cabinet Office (2009), pp.270-273.
16）Horioka (2009), pp.300-305.

REFERENCES

Cabinet Office (2009), Bureau of Director-General for Policy Planning (Naikaku-fu Seisaku-Tokatsu-Kan Shitsu). *Keizai Zaisei Hakusho (White Paper on Economy and Public Finances)*. Tokyo: Cabinet Office.

Cabinet Office (2012), *Kigyokodo ni kansuru anketo (Annual Survey of Corporate Behavior)*, released on February 28, 2012; http://www.esri.cao.go.jp/jp/stat/ank/h23ank/data.html (retrieved on April 24, 2012).

Cabinet Office, *Kokumin Keizai Keisan (System of National Accounts Statistics)*; http://www.esri.cao.go.jp/jp/sna/data/data_list/kakuhou/files/h22/h22_kaku_top.html (retrieved on April 24, 2012).

Feldstein, Martin (2010). *"Japan's Savings Crisis;"* A Project Syndicate article, dated September 24, 2010: http://www.project-syndicate.org/commentary/japan-s-savings-crisis (retrieved on April 27, 2012)

Horioka, Charles Yuji (2009). "*Koreika nadono Kozoyoin kara Mita Nihon no Kokusai Shushi Mondai (Japan's Balance of Payment Issues from the Perspective from Structural Factors such as Aging Society)*;" Chapter 8 in *Kokusai Kankyo no Henka to Nihon Keizai (Change of International Environment and the Japanese Economy), Baburu/Defure-ki no Nihon Keizai to Keizai Seisaku (Japanese Economy and Economic Policy in the Bubble/Deflation Period)* Vol.3. Tokyo: Keio University Press.

IMF World Economic Outlook Database (2012); http://www.imf.org/external/pubs/ft/weo/2012/01/weodata/index.aspx (retrieved on April 23, 2012).

Japan Research Institute (2012). *"IS baransu kara mita wagakuni keijoshushi no yukue (Prospect of our nation's current account from the savings-investment balance perspective)."* News Release dated March 13, 2012; http://www.jri.co.jp/page.jsp?id=20938 (retrieved on April 24, 2012).

Katayama, Kentaro (2006). *Why Does Japan's Saving Rate Decline So Rapidly?* PRI Discussion Paper Series No. 06A-30, dated December 2006; Policy Research Institute, Ministry of Finance, Japan.

Keizai Kikakucho (Economic Planning Agency of Japan) (1984). *Nenji Keizai Houkoku (Annual Economic White Paper)*, dated August 7, 1984: http://www5.cao.go.jp/keizai3/keizaiwp/wp-je84/wp-je84-00204.html

Ministry of Land, Infrastructure, Transport and Tourism (2011). *Kokudono choki tenbo – Chukan torimatome (Long-term prospects of the national land – Interim report)*, dated February 21, 2011.

Nakagawa, Ryohei (2012). *"A Perspective on Japan's Current Account and Industrial Shift in the Post-3.11 Era."* Ritsumeikan Kokusai Kenkyu (The Ritsumeikan Journal of International Studies) Vol.24 No.3, March 2012; The International Studies Association of Ritsumeikan University. Kyoto.

National Diet Library (2011). *"Heisei 23-nendo yosan-an no gaiyo (Overview of FY2011 budget plan),"* Issue Brief #695, dated February 1, 2011: http://www.ndl.go.jp/jp/data/publication/issue/pdf/0695.pdf

Nihon Keizai Shimbun (2012). *"Bukka josho 14-nendo nimo 1% (Inflation would become 1% by FY2014)."* Dated April 28, 2012, p.1. Tokyo.

OECD (2012). *OECD Factbook 2011-12 - Household savings*: http://www.oecd-ilibrary.org/sites/factbook-2011-en/03/02/03/index.html?contentType=/ns/StatisticalPublication,/ns/Chapter&itemId=/content/chapter/factbook-2011-22-en&containerItemId=/content/serial/18147364&accessItemIds=&mimeType=text/html (retrieved on April 27, 2012).

Oguro, Kazumasa (2011). *"Genkai ni chikazuku nihon zaisei – Kokumin chochiku gen de seisan shukusho mo (Japanese public finances on the edge – Productions may shrink due to decrease* *in national savings)."* A Keizai Kyoshitsu article dated August 16, 2011. Nihon Keizai Shimbun.

Okita, Yoichi & Kurmanalieva, Elvira (2006). "Chochikuritsu to shakaihosho (nenkin) no kankei ni tsuiteno jisshobunseki (Empirical analysis on the relations between savings rate and social security (pensions))." GRIPS Policy Information Center Research Report I-2006-0005

Okita, Yoichi (2010). *"Sengo nihon keizai ron (Postwar Japanese Economy)."* Tokyo: Toyo Keizai Inc.

Taniuchi, Mitsuru (2012). *"Akaji tenraku wo nageku hitsuyo nashi (Need not worry about turing deficit)," Keijoshushi mondai wo kangaeru - jo (Discussing current account issues – volume one)*. A Keizai Kyoshitsu article dated March 06, 2012. Nihon Keizai Shimbun.

(NAKAGAWA, Ryohei, Assistant Professor, College of International Relations, Ritsumeikan University)

経常収支黒字は日本にとってそんなに大切なのか：貯蓄・投資バランスから見た一考察

1990年代から2000年代にかけて，日本の製造業の相対的優位性は競争力を失ってきており，その背景には中国・韓国や他のアジアの新興国企業との厳しい価格競争，超円高，資源高に伴う交易条件の悪化などがある。そこに2008年のリーマン・ショック以降の世界的な経済停滞や昨今の欧州危機などに伴う海外の需要停滞が発生していた中で，更に2011年3月，東日本大震災と津波，そしてそれに伴う福島第一原子力発電所の事故が起きた。今後はさらに原子力を代替する化石燃料の輸入が増える可能性があり，日本の経常収支が著しく悪化するかもしれないとの観測がマスコミや政府などから聞こえてきている。

この状況を受け，本稿では将来の日本の経常収支がどのように変化するかを貯蓄投資バランスの視点から政府部門・企業部門・家計部門に分けて分析を行い，それによれば日本の将来の経常収支は急激な赤字化は見込まれないものの，「企業活動」と「社会保障と税の一体改革」の2点の強弱／成否という不確実性によって決まってくることがわかった。そのため，この2つの要素の強弱／成否がどう組み合わされればより理想的な道筋となるかを4つの単純なシナリオ分析で検討し，それを通じて優先的政策目標として経常収支黒字の維持を設定することは，不要であるばかりか，かえって危険であることが明確になった。

加えて日本経済の理想的な道筋を実現させるための政策やビジネス面での提言として，1）社会保障と税の一体改革を可及的早急に推し進めること，2）日本国債がちょっとしたニュースをきっかけに投機筋によって投げ売りされ利回りが急上昇することがないよう，政府は風評悪化に細心の注意を払うこと，3）政治の信用を取り戻し，社会保障と税の一体改革のような重要政策の意思決定が正しく行われるような環境をつくること，4）海外からの投資流入を歓迎して国を開くことで，一定程度減少するかもしれない経常収支部分をファイナンスできる仕組みにすること，を挙げる。

（中川　亮平，立命館大学国際関係学部講師）