

## **Economic Transformation of Japan, 1885-2015: Supply Side Approach**

Topic: IO Applications: Structural change, trade and dynamics

Author: Kakali MUKHOPADHYAY

Co-Authors: Partha Pratim Ghosh

Proposed Special Session

1) Title of the Organised Session:

Structural transformation in Asia: Lessons from Pre and Post-World War to Asian Crisis

2) The names and institutional affiliations of the organizers:

Kakali Mukhopadhyay, Professor, Gokhale Institute of Politics and Economics, Pune, India and Adjunct Professor/ Senior Fellow, Department of Agricultural Economics, McGill University, Montreal, Canada

Title of the Abstract

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Authors:

Partha Pratim Ghosh, St. Xavier's College, Calcutta, India & Kakali Mukhopadhyay, Gokhale Institute of Politics and Economics, Pune, India Department of Agricultural Economics, McGill University, Montreal, Canada.

Abstract

Over the past two centuries, many industrialized countries have experienced dramatic changes in the sector level composition of output and employment. The pattern of structural transformation, depicted for most of the developed countries, entails a steady fall in the primary sector, a steady increase in the tertiary sector, and a hump shape in the secondary sector. Since Japan is an important economy in the present world, it is essential to study the process of transformation in this country. The growth rate of the Japanese gross domestic product was significantly higher in the post-war era (1955-1985) compared to the pre-war era (1885-1935). Investigations on structural transformation have been generally carried out using the demand driven Leontief Model. However the Ghosh model can be used to provide additional insights on the process of transformation.

The objective of the present study is to estimate the effects of cost push in the Input-Output model and also the sector level changes in productivity for Japan during the period 1885 to 1985. The above empirical investigations can be carried out using the Japanese IO tables under alternative Ghosh assumptions. The present paper uses thirteen input-output tables each of seven sectors available between 1885 and 1985 (Shintani, 1988) to investigate the above mentioned issues. For these exercises, a comparison is made between the pre-World War(II) and post-World War(II) periods. The exercise is expected to throw light on the process of structural transformation of the Japanese economy and provide some direction for policy making.