

Deflation, the Labor Market, and QQE

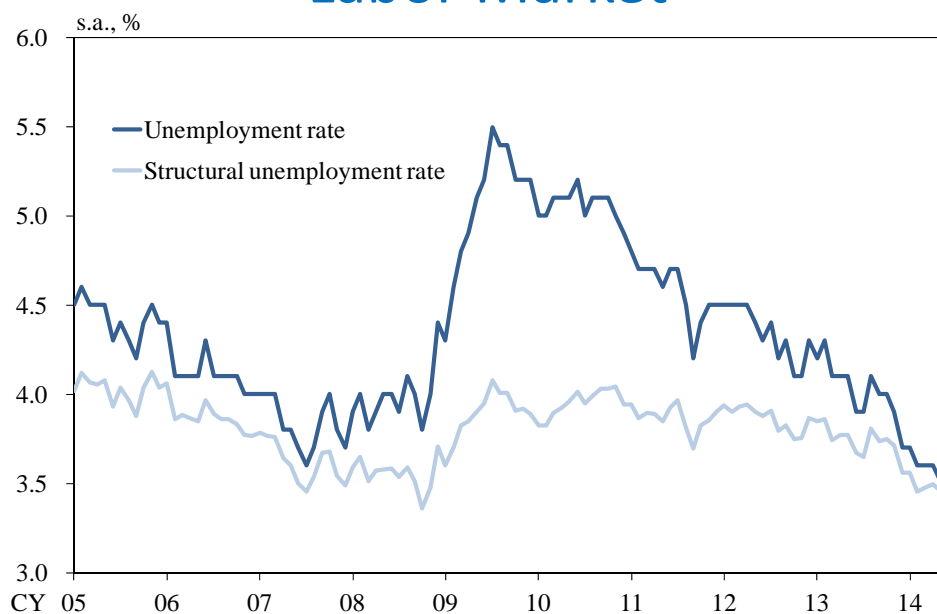
Remarks at the Economic Policy Symposium
 Held by the Federal Reserve Bank of Kansas City

August 23, 2014

Haruhiko Kuroda
 Governor of the Bank of Japan

Chart 1

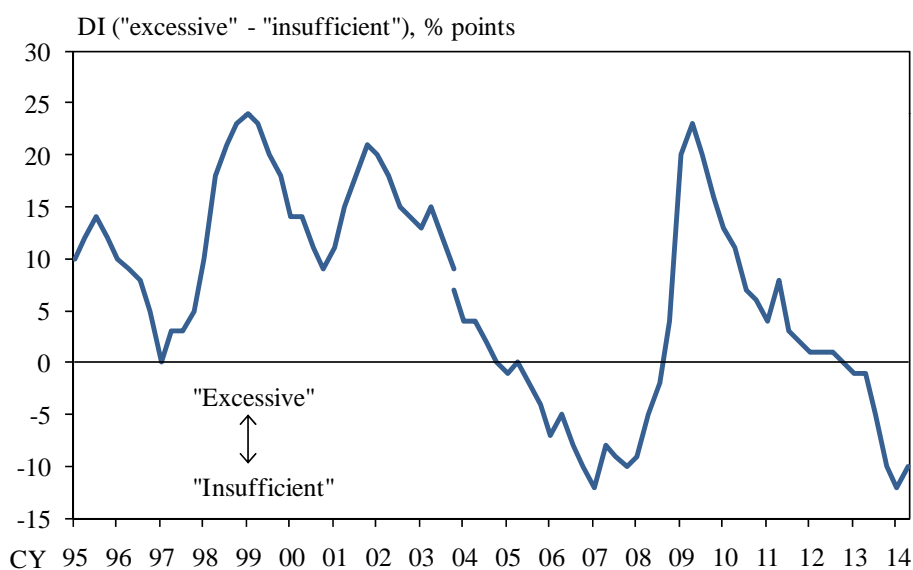
Labor Market



Note: The structural unemployment rate is defined as the level of the unemployment rate where the number of vacancies equals that of the unemployed, given the empirical relationship between job vacancies and unemployment (estimation by the Research and Statistics Department, Bank of Japan). It captures frictional unemployment and unemployment caused by the mismatch between supply and demand in the labor market.

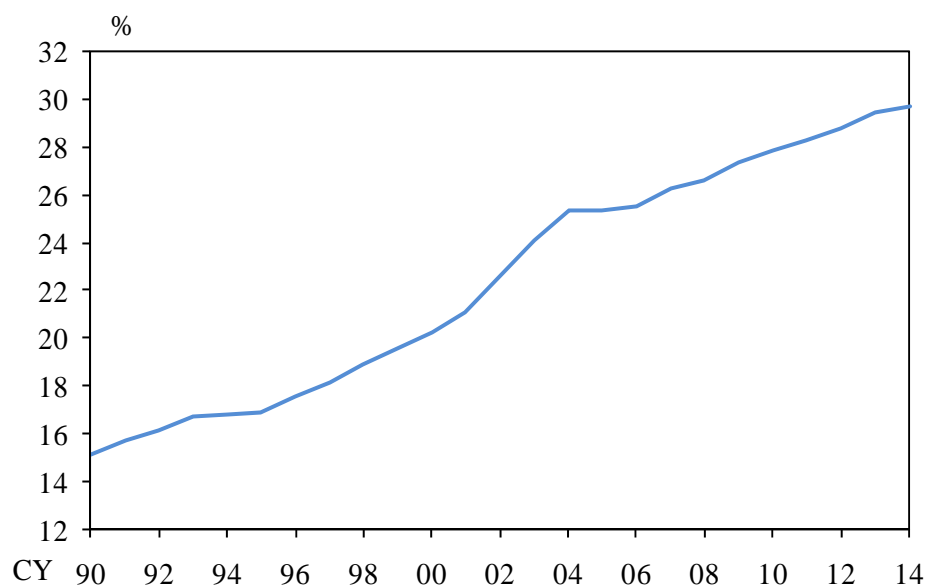
Sources: Ministry of Internal Affairs and Communications; Ministry of Health, Labour and Welfare.

Employment Conditions DI



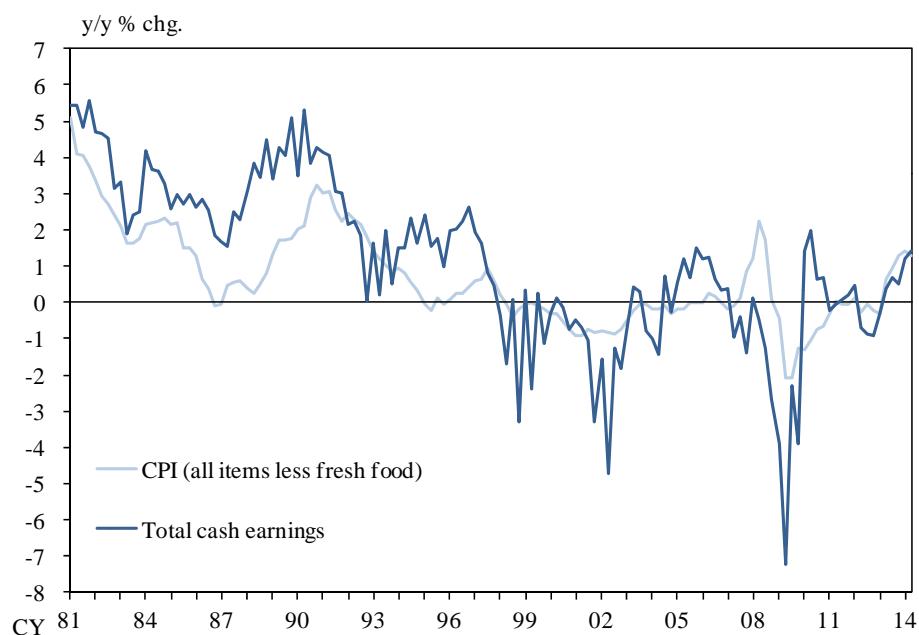
Source: Bank of Japan.

Share of Part-time Workers in Total Employees



Note: The figure for 2014 is the Jan.-Jun. average (seasonally adjusted).
Source: Ministry of Health, Labour and Welfare.

Wages and Prices



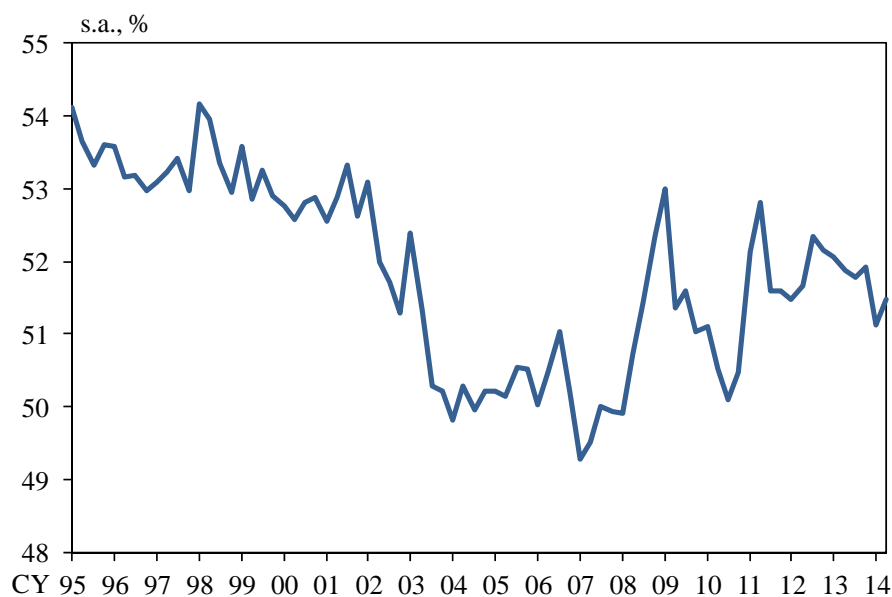
Notes: 1. Q1 = March-May, Q2 = June-August, Q3 = September-November, Q4 = December-February.

2. Figures for 2014/Q2 are those of June.

3. Figures for CPI are calculated to adjust the direct effects of the consumption tax hike.

Sources: Ministry of Health, Labour and Welfare; Ministry of Internal Affairs and Communications.

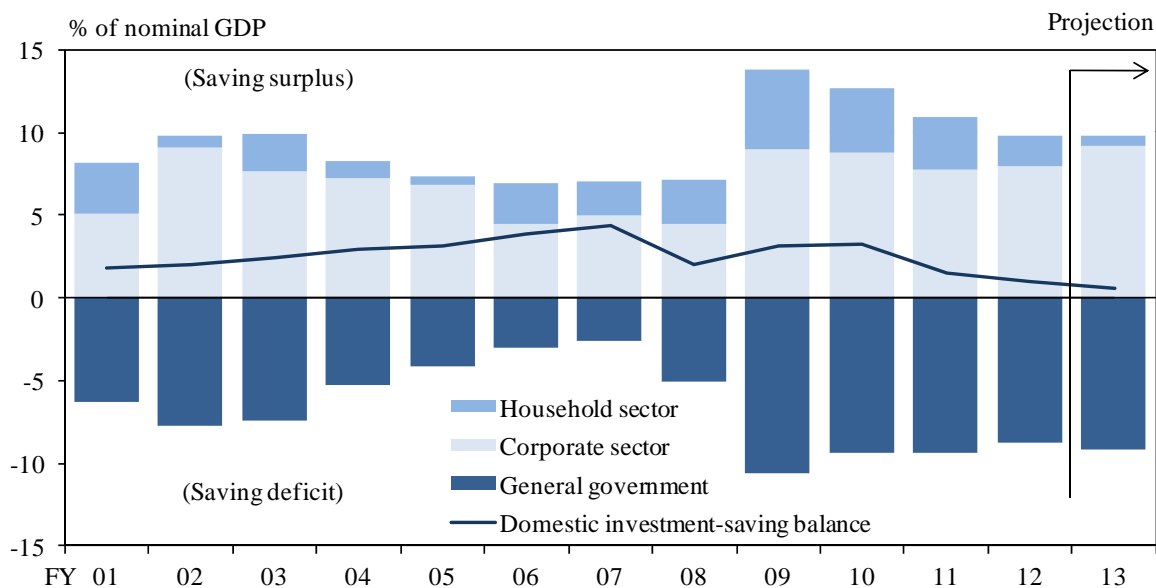
Labor Share



Note: Labor share = compensation of employees / nominal GDP × 100

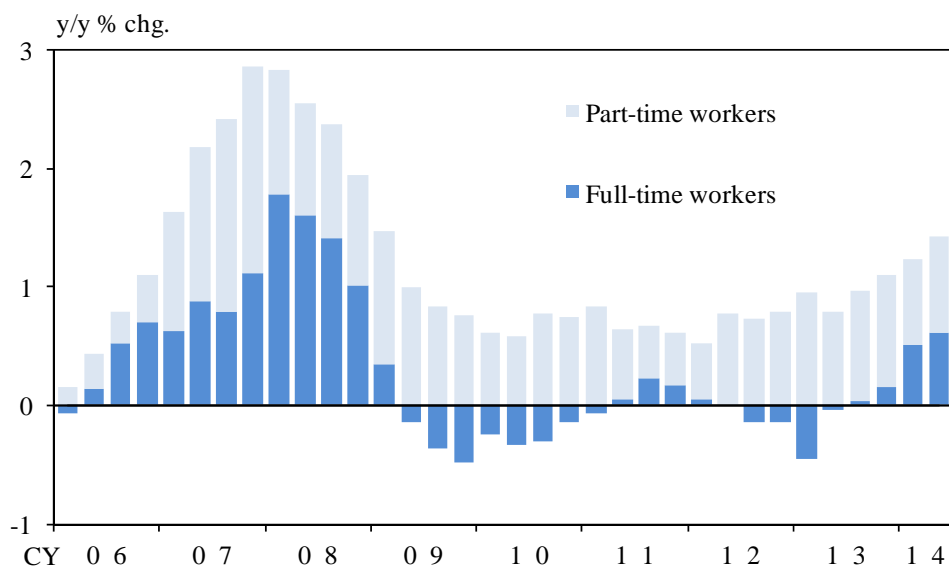
Source: Cabinet Office.

Investment-Saving Balance



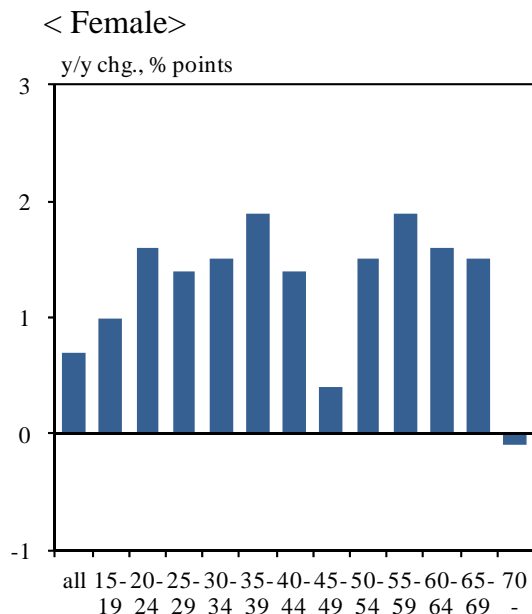
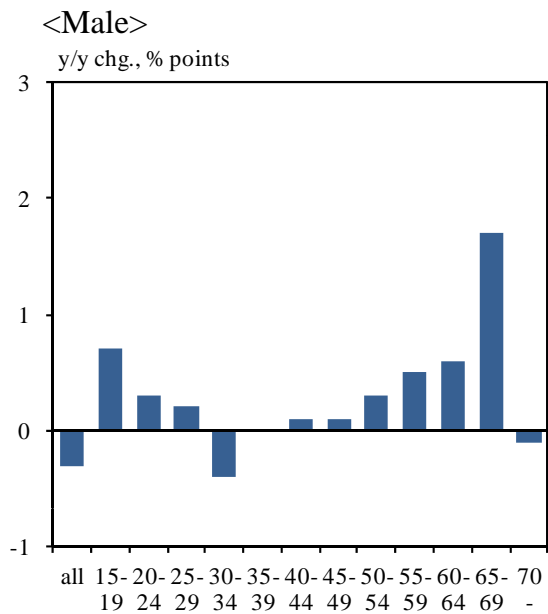
Source: Cabinet Office.

Number of Part-time and Full-time Workers



Source: Ministry of Health, Labour and Welfare.

Labor Force Participation Rate



Note: Figures are year-on-year changes from 2012 to 2013.
Source: Ministry of Internal Affairs and Communications.