

Title: Japan's welfare gains through globalisation: An evidence from Japan's manufacturing sector

Author: Tadashi Ito, Toshiyuki Matsuura, Takeshi Mizuta

Presenter: Tadashi Ito (Gakushuin University)

Welfare gain through international trade is a cornerstone of international economics literature. However, it is only recently that the data and the methodologies become available to empirically assess such welfare gain. Building on the recently developed methodologies of estimating elasticity of substitution and computing welfare gains from trade, we estimate welfare gains of Japan from its trade liberalization in manufacturing sector. To do this as precisely as possible, the elasticities of substitution for HS 6-digit product code are estimated for various periods of time. The analyses show that Japan's welfare gains from trade liberalization took place especially from the 1990s, and reached eleven percent vis-à-vis the autarky situation.