

## Accepted Manuscript

Title: Measuring the Systemic Risk in Interfirm Transaction Networks

Authors: Makoto Hazama, Iichiro Uesugi

PII: S0167-2681(17)30041-0  
DOI: <http://dx.doi.org/doi:10.1016/j.jebo.2017.02.009>  
Reference: JEBO 3986



To appear in: *Journal of Economic Behavior & Organization*

Received date: 31-3-2016  
Revised date: 30-11-2016  
Accepted date: 10-2-2017

Please cite this article as: Hazama, Makoto, Uesugi, Iichiro, Measuring the Systemic Risk in Interfirm Transaction Networks. *Journal of Economic Behavior and Organization* <http://dx.doi.org/10.1016/j.jebo.2017.02.009>

This is a PDF file of an unedited manuscript that has been accepted for publication. As a service to our customers we are providing this early version of the manuscript. The manuscript will undergo copyediting, typesetting, and review of the resulting proof before it is published in its final form. Please note that during the production process errors may be discovered which could affect the content, and all legal disclaimers that apply to the journal pertain.

# Measuring the Systemic Risk in Interfirm Transaction Networks<sup>\*</sup>

Makoto Hazama

Cabinet Office

Nagatacho 1-6-1 Chiyoda-ku Tokyo Japan

Email: makoto.hazama.z6k@cao.go.jp.

Iichiro Uesugi

Institute of Economic Research, Hitotsubashi University.

Naka 2-1 Kunitachi-shi Tokyo Japan

Email: iuesugi@ier.hit-u.ac.jp.

November 30, 2016

## Highlights

- We examine default propagation along the trade credit channel and provide direct and systematic evidence of its existence and relevance.
- We also estimate the probabilities of actual firm bankruptcies and compare the predicted defaults and actual defaults.
- An economically sizable number of firms are predicted to fail when their customers default on their trade debt.
- The prospective defaulters are indeed more likely to go bankrupt than other firms.
- A certain type of firm-bank relationships, in which a bank extends loans to many of the firms in the same supply chain, significantly reduces firms' bankruptcy probability.

---

<sup>\*</sup> This study is a product of the project “Design of Interfirm Networks to Achieve Sustainable Economic Growth” under the program for Promoting Social Science Research Aimed at Solutions of Near-Future Problems conducted by the Japan Society for the Promotion of Science (JSPS). We appreciate the financial support by JSPS KAKEN Grant #25220502. The authors are grateful to Kosuke Aoki, Vasco Carvalho, Hans Degryse, Gilles Duranton, Hikaru Fukanuma, Shin-ichi Fukuda, Kaoru Hosono, Takatoshi Ito, Masatoshi Kato, Daisuke Miyakawa, Makoto Nirei, Arito Ono, Ralph Paprzycki, Hirofumi Uchida, Konari Uchida, Tsutomu Watanabe, Peng Xu, Koichi Yoshimura, and participants of the SWET workshop, the RIETI study group, the DBJ RICEF seminar, FNET2013 (Kyoto), APEA 2014 (Bangkok), and the Entrepreneurship seminar at Kwansei Gakuin University for their helpful comments and suggestions. The authors are also grateful to Teikoku Data Bank Incorporated, especially, Masahiro Miyatani, Taro Aihara, Takuro Kitou, Takashi Suzuki, and Goro Komatsuzaki for their collaboration in constructing the dataset.

Download English Version:

<https://daneshyari.com/en/article/5034566>

Download Persian Version:

<https://daneshyari.com/article/5034566>

[Daneshyari.com](https://daneshyari.com)