

[Working Papers](#)

The Choice Between Public and Private Debt: An Analysis of Post-Deregulation Corporate Financing in Japan

Takeo Hoshi, Anil Kashyap & David Scharfstein

SHARE



WORKING PAPER 4421

DOI 10.3386/w4421

ISSUE DATE August 1993

As a result of deregulation, there was a dramatic shift during the 1980s in Japan away from bank debt financing towards public debt financing: in 1975, more than 90% of the corporate debt of public companies was bank debt; in 1992 it was less than 50%. This paper presents a theory of the choice between bank debt and public debt and then examines the theory using firm level data on borrowing sources in Japan. We find that high net worth companies are more prone to use public debt. We also find that the more successful members of industrial groups (or *keiretsu*) and less successful owner-managed firms tended to access the public debt markets. We offer a number of interpretations of these results in light of the theory.

Download a PDF

Acknowledgements and Disclosures



Citation and Citation Data



Related

TOPICS

Financial Economics
Corporate Finance
Financial Institutions

PROGRAMS

Corporate Finance
Monetary Economics

More from the NBER

In addition to [working papers](#), the NBER disseminates affiliates' latest findings through a range of free periodicals — the [NBER Reporter](#), the [NBER Digest](#), the [Bulletin on Health](#), and the [Bulletin on Entrepreneurship](#) — as well as online [conference reports](#), [video lectures](#), and [interviews](#).



Martin Feldstein Lecture, Summer Institute 2025
The Fiscal Future

N. Gregory Mankiw, Harvard University and NBER
July 10, 2025

2025, 17th Annual Feldstein Lecture, N. Gregory Mankiw, "The Fiscal Future"

FELDSTEIN LECTURE

PRESENTER: N. GREGORY MANKIW

N. Gregory Mankiw, Robert M. Beren Professor of Economics at Harvard University, presented the 2025 Martin Feldstein...



Methods Lecture, Summer Institute 2025
**Uncovering Causal Mechanisms:
Mediation Analysis and
Surrogate Indices**

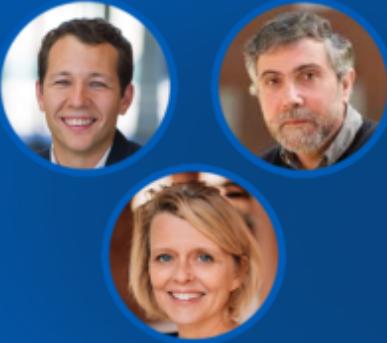
Raj Chetty, Harvard University and NBER
Kosuke Imai, Harvard University
July 24, 2025



**2025, Methods Lecture, Raj Chetty and Kosuke Imai, "Uncovering Causal Mechanisms:
Mediation Analysis and Surrogate Indices"**

PRESENTERS: [RAJ CHETTY](#) & [KOSUKE IMAI](#)

SlidesBackground materials on mediation
Imai, Kosuke, Dustin Tingley, and Teppei Yamamoto. (2013). "Experimental Designs..."



International Trade and Macroeconomics, Summer Institute 2025

Panel on The Future of the Global Economy

Oleg Itskhoki, Harvard University and NBER

Paul Krugman, City University of New York and NBER

Linda Tesar, University of Michigan and NBER

July 8, 2025

2025, International Trade and Macroeconomics, "Panel on The Future of the Global Economy"

PANEL DISCUSSION

PRESENTERS: [OLEG ITSKHOKI](#), [PAUL R. KRUGMAN](#) & [LINDA TESAR](#)

Supported by the Alfred P. Sloan Foundation grant #G-2023-19633, the Lynde and Harry Bradley Foundation grant #20251294...

National Bureau of Economic Research

Contact Us

1050 Massachusetts Avenue

Cambridge, MA 02138

617-868-3900

info@nber.org

webaccessibility@nber.org

Accessibility Policy

Diversity Policy

Privacy Policy

FOLLOW



© 2026 NATIONAL BUREAU OF ECONOMIC RESEARCH. ALL RIGHTS RESERVED.