

German Institute for Japanese Studies (DIJ)

DIJ Business & Economics Study Group

Monday, 25 Feb 2013, 18:30

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Political Economy of Japan's Consumer Finance: A long-term perspective

In post-war Japan, banks and financial institutions were not able to offer consumer credit or develop sophisticated financial products due to strict regulations of the financial markets. This has led to an informal and personal offer of credit on a local non-market basis accompanied by usury and economic exploitation of borrowers (*sarakin mondai*). The rising number of cases of over-indebtedness forced the government to regulate the moneylenders' activity in 1983 (Moneylenders Business Law). Since this first regulation turned out to be ineffective, the law was revised in 2006 and implemented gradually until 2010. Since then the Japanese consumer credit market is experiencing fundamental changes. Although the «*sarakin mondai*» was recognized as a social problem at the end of the 1970s already, it is puzzling that it took the Japanese government until 2006-2010 to re-regulate the consumer credit market fundamentally.

The state of research on private debt and credit practices in Japan reveals that they were not considered as topics of high interest in the field of Japanese studies. Research works on consumer credits are abundant in the North American literature and more recently in Europe as well, however, comparative analyses are by far less open to other geographical areas. This research aims at filling the gap in comparative analysis on consumer credit's regulation by shedding light on the Japanese trajectory

For this purpose, I study the history of private debt from its personal and informal form to its institutionalization from Meiji to 2010. I adopt a political economic approach by focusing on the analysis of social dominant groups of interest in a long-term perspective and how they have influenced the legislation of credit. This historical approach shows that there is a common path of issues related to the legislation of credit from Meiji until nowadays, reflecting a certain continuity in the Japanese capitalism model in terms of influence of social dominant groups of interest on the government policy.

Adrienne Sala is a PhD candidate at EHESS (Paris) and currently a research student at Hitotsubashi University (Tokyo).

Everybody is welcome to attend, but kindly asked to register by February 22 with busi.econ-studygroup@dijtokyo.org.

