Japan Revisited Before and After The 90’s: The Importance of the Japanese Enterprise *Keiretsu* Model

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Abstract:

Japan became a developed nation in the late 70’s and 80’s. Japan’s experience had been studied by business academics very closely throughout the late 80’s and 90’s. Since the economic bubble of the early 90’s, Japan has been having major economic difficulties. While the Japanese model developed under the high growth environment of the 50’s and continued through the 80’s, it has been under pressure since the major down turn of the Japanese economy. Today Japan has very low growth and a high debt to GDP ratio, (230%). In this presentation, we will examine Japan’s post WWII model of development in two segments. The first segment will be the early development of the Japanese Enterprise System as a main pillar of the Japanese Model. The second part will be examining what has happened since the early 90’s bubble period. The Keiretsu model provided the main source of dynamism to Japanese development until the bubble period, when it apparently became a burden to the Japanese economy. This study also touches on the USA experience of financial difficulties of 2008 and analyzes differences with the Japanese bubble.