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| Title | Systemic Weaknesses of Japanese Relationship Capitalism: Evidence from the Case of Livedoor. |
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| Abstract |
| The paper aims first, to describe the basic structure of Japanese relation-based financial system and then highlights the weaknesses the system is embedded with. In so doing, we illustrate a widely cited case, Livedoor. In the lens of this illustration, we show that the financial system of Japan depends more on social practices and relation among and between groups than on formal laws and regulations. Its internal coherence acts as social lubricants for transactions and serves as a basic means of corporate finance and governance. The system, however, can be squeezed by any maverick market maker. But social norms and practices do not allow this practice to happen which can be proved from Livedoor’s attempt for and ultimate failure to take over the venerable Nippon Broadcasting System as well as the death of Livedoor itself. The study, therefore, is expected to help policymakers to identify the loopholes of the system and prevent any undesirable practices. |
| Sustainable Development Goal(s) (SDG) |
| Goal 12: Responsible Consumption and Production |