Preface and acknowledgements

The ‘lost decade’ of economic stagnation in Japan during the 1990s has become a ‘found decade’ for regulatory and institutional reform. With nearly all areas of the ‘law in the books’ reviewed, revised and rewritten, the Japanese legal system is no longer the system that foreign commentators felt they were finally starting to understand by the 1980s. Nowhere is this more evident than in corporate governance. Corporate and securities legislation has been comprehensively revamped over 1993–2007, creating a more flexible and transparent regime for shareholders and managers. Financial markets law and regulatory institutions have changed, too, creating a new context for Japan’s ‘main banks’ as alternative or additional outside monitors of managerial performance in borrowing firms. Even the legislation surrounding labour relations has been amended, reinforcing the ‘lifelong’ security privileges for elite employee-stakeholders, yet also hastening the growth of other ‘atypical’ employment relationships. But how do such legislative reforms affecting key players in Japanese firms, covering areas central to the design of Japanese capitalism, play out in the ‘law in action’? Overall, this book argues that a significant ‘gradual transformation’ has occurred. Although this is evident also in other advanced industrialised democracies, such as Germany, Japan reveals especially complex interactions in the various fields that sometimes emphasise different ways of achieving such transformation.

The book integrates studies of lifelong employment, main bank financing, insider and outsider governance structures, closely-held companies, corporate law practice, and takeovers and M&A (mergers and acquisitions). The authors hail from diverse backgrounds and disciplines: practitioners and academics; lawyers and political scientists; early-career researchers and mid-career professors; Australian and Japanese (and, for good measure, American, Canadian and New Zealander, too!). They were brought together, along with almost 300 others worldwide, by the Australian Network for Japanese Law (ANJeL). ANJeL was created by the editors’ law schools to promote research, teaching and broader community engagement in Japanese law, especially in Australia.

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- Puchniak, Dan (2007a), 'Perverse Main Bank Rescue in the Lost Decade: Proof That Unique Institutional Incentives Drive Japanese Corporate Governance', Pacific Rim Law and Policy Journal, **16** (1), 13;
- Lawley, Peter (2007), 'Panacea or Placebo? An Empirical Analysis of the Effect of the Japanese Committee System Corporate Governance Law Reform', *Asian-Pacific Law and Policy Journal*, **9**, 105.

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Luke Nottage, Leon Wolff and Kent Anderson
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