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Preface

THE CENTRAL theme of this book is in what ways, and to what degree, the financial system has mattered, and what roles it has played in the Japanese economy since about 1990, in the Korean economy since about 1980, and in the Chinese economy since its reform process began in 1978.

The purpose is to make definitive contributions to the financial histories of these countries available to a wide audience. Thus, the rigorous analysis essential for economists and financial specialists is written to be readily accessible to the nonspecialist curious about what are fascinating stories.

While these three economies are at different stages of development—and have distinct histories, institutions, political systems, and societal characteristics—their economies share basic commonalities in rapid catch-up development and in economic structure. Moreover, while financial development in each country has been driven by domestic forces, international short-term financial flows have been an opportunity and a challenge.

For all three countries, the nature and role of the financial system and its development and evolution in the process of real economic growth are integral, yet complex and nuanced. The result is a fascinating spectrum of experiences, and Japan's mediocre economic performance since 1990 relative to its potential provides a case study of the challenges of dealing with economic success as a mature, high-income advanced economy. The transition from an investment-led to a consumption-led growth model is not easy.