ABSTRACT

In Japan in the 1950s and 1960s the economic objectives for consumers, corporations and the government coincided. Consumers wanted to improve their standard of living, corporations tried to increase their productivity through modernisation and industrialisation and the government attempted to foster a new economic system to rebuild the devastated economy after the Second World War and to maintain employment security. The desire to purchase consumer durables for households was significant in stimulating development and the role of consumer durables was important in stimulating investment and the supply of financial capital through household savings. The government had to channel such savings to corporations in order to increase domestic supply and to satisfy the desire of households to purchase consumer durables to increase the standard of living.

POSTWAR CONSUMPTION PATTERNS OF JAPANESE HOUSEHOLDS: THE ROLE OF CONSUMER DURABLES

Introduction

Recently, Japanese economic power has grown apace in world commodity and financial markets. Japan’s balance-of-payments has been in surplus since 1985 and it is presently the largest asset-holding country in the world. The rapid emergence of the Japanese economy is one of the more striking developments in the international economy since the Second World War.

Japan’s phenomenal economic growth after the Second World War is referred to as the ‘Japanese miracle’. After the Second World War, the Japanese economy was in ruins. About 25 per cent of its capital stock was destroyed, and Japan had to absorb huge numbers of repatriates. At that time, the most important economic policies of the Japanese government were recovery of the capital stock and maintaining employment security for the swollen labour force.

To promote industrial production in the 1950s, the Japanese government implemented the Preferential Production Plan and devised industrial policy based on negotiations between the government (mainly the Ministry of International Trade and Industry), corporate management and labour union leaders.

Japanese monetary policy as instigated by the Ministry of Finance and the Bank of Japan created favourable conditions for Japan’s economic recovery. The characteristics of the