**ABSTRACT**

This article presents the basic foundations of an institutional economy, using the Japanese economic system as an example. This is the basis for the development of characteristic organizational culture which the Japanese economic progress is built on.

The article presents basic assumptions of the institutional economy using some Japanese economic organizations as examples. The organizational culture has been presented on such a base in the studies by K. Konecki, I. Nonanaka and H. Takeuchi. They describe the cultural foundations of the Japanese society which is an interesting example of institutionalism.