

# The Development of Bankruptcy Law in 18th and 19th Century Finland

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In the history of bankruptcy law, the 19th century was a period of modernisation. In many aspects the modern rules were based on solutions developed in the Early Modern period, but the great economic, political, and cultural changes of the 19th century brought with themselves radical changes in bankruptcy law. The process of modernisation was linked to the creation of unified national legal systems. On the other hand, the solutions adopted in foreign countries were very influential in the bankruptcy reforms. It is especially interesting to examine how and why the fundamental problems of bankruptcy law have been regulated in different societies and in different times. These basic problems include the treatment of insolvent debtors, the relationships between the different creditors, and the organisation of bankruptcy procedure.

The study will be focused on the development of bankruptcy law in 18th and 19th century Finland. To a large extent, it is also a study of Swedish legal history, because Finland was a part of Sweden until 1809. After the Russian conquest of 1809, Finland became an autonomous Grand Duchy within the Russian Empire. However, the old Swedish legal system was left intact, and cultural contacts between Finland and Sweden remained close. On the other hand, the development of the two societies diverged in the 19th century, and bankruptcy law was also affected.

The Finnish Bankruptcy Act of 1868 was modelled on the Swedish legislation of 1862, which in turn had been greatly influenced by Prussian legislation. However, the Finnish legislation differed from these foreign models in some important aspects, affecting the status of insolvent debtors and procedure. The reasons for these differences are analysed in the study. The bankruptcy reform is also studied in a wider context. It is an example of reception of complex institutions of modern law in a legal culture in which the legal profession was relatively weak.

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