Review of Selected Books on Japanese Business History Published in 2018

Han, Jaehyang. *Pachinko sangyō-shi: Shūen keizai kara kyodai shijō e* [A history of the pachinko industry: From a fringe economy to a massive market]. Nagoya: University of Nagoya Press.

Pachinko is a type of gambling device that became widespread across Japan in the aftermath of the Second World War, carving out a niche as a low-cost, low-stakes pastime. In the earliest stages of its development, however, the pachinko industry—in terms of economic activity, scale, and even social status—was little more than an unstable sector on the periphery of the market. Han Jaehyang’s new book, which trains its focus on pachinko machine manufacturers and pachinko parlors, paints a captivating industrial history by examining how pachinko emerged from those humble beginnings, navigated through a variety of crises, and eventually grew into a sprawling service industry.

Looking at the formation of the pachinko industry from the late 1940s to the early 1990s, Han uses data on the numbers of pachinko parlors and pachinko machine manufacturers to identify four distinct periods within the target span. Each individual chapter then analyzes the industry’s development—the challenges that arose and the ways in which parlors and machine manufacturers responded—in each respective period.

Chapter 1 details the environmental conditions that took shape and eventually enabled the pachinko industry to survive as a business, emphasizing how government’s regulatory stance on the game’s gambling-oriented nature impacted the industry. In Chapter 2, Han moves on to the confusion that government regulation created in the pachinko machine market and examines the role of Nittokuren (a patent pool), along with other forms of organization among machine manufacturers, in helping the industry overcome the market turmoil. Following that line of inquiry, Chapter 3 goes deeper into the roles of patent pools and delineates the competition between machine manufacturers. Chapters 4 and 5 complete the discussion with a look at the pachinko market’s boom in the 1980s, which ignited after the debut of the “fever machines,” and analyzes the impact of the new machine on the industry from a variety of angles.

Han’s book explores a unique sector—the kind of which rarely appears in normal business-history literature—but tackles that unorthodox field with a standard, orthodox analytical methodology. Over the course of the work, she expertly captures the dynamism of an industry where interaction among government regulations, service providers, and consumers propelled what was once a volatile, fringe amusement industry into a thriving market. She also succeeds in piecing corporate-level sources together into a detailed picture of the pachinko industry’s developmental process and a larger narrative of industrial development. An intrepid exploration in the field of industrial history, Han’s book is a sure to captivate readers for years to come.

Momoko Kawakami
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Ishii, Kanji. *Shihon-shugi Nihon no chiiki kōzō* [The regional structure of the capitalist society of Japan]. Tokyo: University of Tokyo Press.

This collection of papers by renowned Japanese economic historian Ishii Kanji, despite dating to the 1970s and operating from a Marxist economic perspective (a class-history viewpoint), represents a vital resource for present-day research in economic and business history. One of the key points running through Part I of the book is the need to draw close connections linking regional history (chronicles of public life) to macrohistory (the existing structure as a whole). Ishii also devotes considerable attention to the issues of “top-down capitalism,” which he defines as development led by the central bourgeoisie (typified by the *zaibatsu*), and “bottom-up capitalism,” or development spearheaded by indigenous industries and the regional bourgeoisie. While Ishii’s dichotomy may hold less currency now than it did during his time, his conjectures certainly laid the groundwork for research into the history of indigenous industries and local communities. His writings also argue that, in the structure of “military supremacy and centralism” that took hold during the Meiji period, regional economies had to choose a “non-confrontational” approach to central capital in order to develop.

In Part II, an exploration of macrohistory from the regional-history perspective, Ishii’s discourse fleshes out regional economic trends in more detail. At the heart of the discussion is the concept of “merchant responses”—defensive reactions by merchants against Western impact at the end of the Edo period. As Western influence poured into Japan, wealthy local merchants began investing in small-time business proprietors in hopes of stopping the Japanese community from bending to foreign capital. In Ishii’s assessment, the merchant response was one of the main reasons Japan was able to avoid falling under Western colonial control. Filling out Part II are detailed descriptions of merchants’ investment activities in Osaka, the Tama region, the Ehime area, and other locales.

Regional history is a thriving segment of Japanese history today. Ishii’s collected papers make a valuable contribution to the fast-growing scholarship in the field, highlighting both the growth of the community on the one hand and the structural constraints that curbed regional development on the other. By examining the history of labor relations and other facets of corporate management within an analytical framework that positions the “total picture” (macrohistory) relative to the “regional picture,” Ishii also presents an eye-opening window on the unique economic development that has characterized modern Japan.

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Kikkawa, Takeo. Zero kara wakaru Nihon keiei-shi [Understanding Japanese business history from square one]. Tokyo: Nikkei Publishing.

In this recent work, Kikkawa Takeo lays out the history of Japanese business from the late Edo period to the present day. The far-reaching analysis centers on two sets of basic questions: how the Japanese economy took off at such an early stage, accelerated through the growth phase, and then lost steam, first of all, and who the drivers of the growth were in the past—and who they are today.

Japan was one of the first former third-world countries to achieve economic development, embarking on its growth trajectory in the Meiji period. To explain why Japan got such an early start, Kikkawa points to complementary relationships among different actors. The Japanese government and the private sector were mutually beneficial in propelling economic development, for example, as were capitalist managers, professional managers, and investor managers. What sustained Japan’s postwar economic boom, meanwhile, was the private sector, where collaborative labor relations at major companies formed a solid foundation for growth from the mid-1950s onward. Emerging from that context was a distinctly Japanese mode of management, one that put an emphasis on maximizing employee interests.

In the 1990s, however, Japanese companies began to lose their competitive edge as they shifted priorities to short-term profits and shunned making necessary investments. Changes in the external environment have dealt the Japanese business community significant blows, too: breakthrough innovations in developed countries and disruptive innovation in emerging nations have thrust companies into an uphill battle. For Japanese firms to regain their footing and momentum, Kikkawa argues, they will need vision and vitality—two elements of Dokō Toshio’s management philosophy. Potential avenues to recovery for Japanese companies and the broader economy include reforms to Japan’s financial systems and the maintenance of the country’s production systems. After ironing out that type of basic vision to guide the revitalization process, in Kikkawa’s view, businesses can generate vitality through a “new Japanese-style economy” that moves away from the traditional emphasis on seniority in favor of long-term employment.

Kikkawa’s book not only presents newcomers to Japanese business history with a thorough, intuitive introduction to the field but also translates those insights into roadmaps toward a better future for Japanese businesses and the Japanese economy. Considering its wide-ranging benefits, the book is definitely worth a close read.

Takashi Kitaura
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Taniuchi, Masayuki, and Satoshi Katō. *Nihon no hyakkaten-shi: Chihō, joshi ten’in, kōreika* [The history of Japanese department stores: Provincial cities, female shop workers, and the aging society]. Tokyo: Nihon Keizai Hyouronsha.

Since the year 2000, research on Japanese department stores between the latter half of the Meiji era and the pre-WWII years has expanded in fields as diverse as business history, retail history, cultural history, and social history. This new book by Taniuchi Masayuki and Katō Satoshi falls into that growing category of scholarship, exploring the realities of prewar Japanese department stores from the perspectives of provincial cities, female shop workers, and the elderly.

For their first analysis—department stores in the provincial-city context—the authors devote a full four chapters to various facets. Centering their discussion on the 1930s, when department stores made their way into local markets, Taniuchi and Katō detail events at department stores in Iwate, Yamagata, and Fukushima prefectures in Chapter 1, Mie Prefecture in Chapter 2, Kobe in Chapter 3, and Seoul (then under Japanese colonial rule) in Chapter 4. The next two chapters move on to the authors’ second analytical perspective with a probing look at how female shop workers shaped the concept of store image, replete with accompanying evidence on contemporary hiring conditions and high store turnover rates. The work concludes with Chapter 7, where the authors approach their topic from the perspective of the elderly. Central to the discussion is the target-market transformation evident in the department-store market: whereas stores originally positioned children as their primary audience, they gradually incorporated older segments into their target scope. Taniuchi and Katō trace that process to revealing effect.

The book’s distinguishing feature is how it defines department stores as “large-scale retail corporations that communicate trends and create culture.” The authors’ definition represents a critique of previous studies with a prewar focus, which tended heavily toward a focus on the sizes of department stores relative to other retailers and the impact they had on the segment of small- and medium-sized retailers. That bias meant that researchers never treated the topic outside a framework where department stores were a confrontational adversary for small- and medium-size retailers. Taniuchi and Katō thus wanted to fill that hole, aiming to make up for the lack of research on the other roles of department stores. To shine a new light on the topic, the authors decided to expand the definition of a department store. To this reviewer, the authors’ approach makes perfect sense. Taniuchi and Katō, however, do not establish a sufficient definition. Any attempt to break away from the conventional definition of what a “department store” is also requires a clear, consistent focus on what that new conception entails in concrete form. For example, the Motomachi Department Store (see Chapter 3) has traditionally fallen in the *yoriai hyakkaten* (shopping center) classification in past research, not the department-store category; similarly, the Washin voluntary chain (see Chapter 4) lies outside the conventional “department store” definition. These cases cannot be classified as “department stores” under the authors’ new definition. Using these unique case studies, the authors could have done more to show exactly how the book contributes to past scholarship. Still, Taniuchi and Katō give readers a compelling glimpse of how consumers in prewar provincial cities received department stores.

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Yokoi, Katsunori. *Kokusai bungyō no mechanism: Honda Giken Kōgyō, nirin jigyō no jirei* [The mechanisms of international specialization: Examining the case of Honda Motor Company’s motorcycle business]. Tokyo: Dobunkan Shuppan.

This new empirical study from Yokoi Katsunori probes the evolution of the global production networks at Honda Motor Company, particularly within its motorcycle business, looking specifically at how the mechanisms for coordinating resource allocation within the company took shape. The first half of the book, which examines the changes in Honda’s arrangements for its international production setup from the late 1990s to the mid-2010s, analyzes the transformation in three basic phases. In the initial form of the system, individual sites supplied each other with products developed for local markets. Over time, however, the framework gradually took on a leaner, more efficient composition in which selected production sites cater to foreign markets. Honda clarified the roles for the different production sites, as well; in the process, the company assigned certain locations—like the location in Thailand—higher-level functions. As Yokoi shows, Honda’s in-house global production setup developed in a co-evolutionary fashion: instead of progressing according to a predetermined plan, the framework took shape through a series of revisions and tweaks in response to constant market fluctuation and development of resources at individual production sites.

In the second half of the work, Yokoi focuses on the coordination mechanisms that governed the development of Honda’s international production system. First, the author investigates Honda’s processes for formulating its product lineups, developing individual models, and executing production. Then Yokoi discusses how the company confronted daunting challenges in optimizing its international production system amid market changes and tapped into the development of capabilities at each production site—all the while staying in line with the company’s long-term business strategy. From there, the analysis turns to Honda’s production-planning division. Yokoi investigates how the production-planning division evaluates and selects production sites and argues that, within that system, domestic Japanese production facilities represent crucial cogs in the coordination mechanism for Honda’s global strategy.

All together, the book uses the example of Honda—a global force—for a revealing, concrete look at the importance of the coordinating functions that regulate the evolution of in-house international production systems. Yokoi’s latest effort is an achievement in scholarly research, both as a case study in organizational management and an analysis in global business history.

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Yuzawa, Noriko. *Ibukuro no kindai: Shoku to hitobito no nichijō-shi* [Modern stomachs: A history of everyday food and everyday lifestyles]. Nagoya: University of Nagoya Press.

In this new release, Yuzawa Noriko surveys the history of modern life through a unique lens: how people have filled their stomachs. Food-centric research runs in a similar vein as consumption-history scholarship, an area of economic history that has seen noticeable growth in recent years. With more and more scholars plumbing the world of food for compelling research inspiration, Yuzawa places her focus on reexamining society by exploring the authentic, everyday lives of people whom history has traditionally passed over. Her decision to form the entire work around the concept of the “stomach” stems from that aim, a conscious attempt to root her discussion in a real, physical dimension.

For Yuzawa, the modern era is a period that saw both the isolation and collectivization of people’s dietary habits at the same time. Food had traditionally had a communal, social, group dimension, but modernity made it an individual issue—the demographic shift from farming villages to cities removed the stomach from the group context, leaving it isolated. With individuals now responsible for satiating their respective appetites, factories, communities, and the government started offering “collectivized” food out of a growing social need. That food-support structure helped people’s stomachs overcome their isolation and find new sources of sustenance in the social construct of collectivization.

From the business-history perspective, the most compelling element in Yuzawa’s book is its depiction of how industrialization accompanied the development of factory meal services and other forms of collectivization. As quick-stop diners, public cafeterias, factory meals, public markets, and leftover-processing businesses emerged onto the scene, structures for mass production and mass processing began to take shape in the food-service industry. New mechanisms for distribution, like public markets, and the need for larger-volume transportation also sparked infrastructural changes. In the end, even the farms producing raw foodstuffs—and the larger agricultural community as a whole, in fact—underwent transformations. Farms began concentrating on specific crops, creating product standards, and managing quality in response to urban demand.

The stomach, a symbolic expression of people’s day-to-day lives, was instrumental in bringing a long-ignored constituent to the fore amid tumultuous social development: the individual, incapable of securing his or her own fill independently. That emergence, in turn, also gave way to new community support structures and business formats. In Yuzawa’s book, which portrays a full social picture by linking the elements of consumption (and the settings thereof), production, and distribution in the middle, it appears as though the field of food research has a cornerstone to build on.

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