Review of Selected Books on Business History 
Published in Japan in 2020

Takeda, Haruhito and Kaori Sekiguchi. *Mitsubishi zaibatsu keisei-shi [The history of the Mitsubishi zaibatsu before World War I]*. Tokyo: University of Tokyo Press, 2020.

This work analyzes the development of Mitsubishi’s business activities during the period between the late 1870s and the 1910s, highlighting changes of its organizational form. Many of the top Japanese companies, such as Mitsubishi Corporation, Mitsubishi Heavy Industries and MUFG Bank, are descendants of a shipping enterprise established by Iwasaki Yatarō in 1870, three years after the Meiji Restoration. (Shortly, the enterprise was given a firm name, Mitsubishi.) During the period in question, Mitsubishi expanded its business to the mining, shipbuilding and banking industries, while withdrawing from the initial shipping business. In the meantime, it came to be referred to as a “zaibatsu” alongside Mitsui, Sumitomo and others.

“Zaibatsu” has been among major research subjects of Japanese business history studies. It has been defined by exclusive investment by family members and business diversification. Under social circumstances in which the Meiji government was introducing modern political institutions and western business systems, Mitsubishi went ahead, as above-mentioned, with its business diversification. In 1893, following the enforcement of the commercial code, it adopted the organizational form of limited partnership capitalized by members of the Iwasaki family. Then, from 1908 onward (much earlier than Dupont or GM), the company made each of its business divisions financially independent, thus taking a form similar to the “multi-divisional structure.”

This work contains many interesting findings. For instance, in the course of the organizational reform, while establishing institutional systems and proceedings required for a modern company, the management of the company took enough time to adapt western institutions to its own needs in its original ways. The study highlights the fact that the organizational reform was not so much a pre-planned project as a gradual process in which ad hoc revisions were made one after another in response to actual problems.

The study also draws attention to social perceptions and value systems at the time, which were different from present ones. It is shown that a Japanese term, “kwaisha,” which was used as a translation of “company,” initially designated one of a company’s business departments rather than an incorporated enterprise. It is also shown that the demarcation lines between household and business accounts and between jurisdictions of the company’s business departments were ambiguous. According to this study, these facts should be regarded not as the management’s faults, or inappropriate conducts, but as reflections of changes of criterion the management adopted, or what the management intended to grasp in each period.

This immense work of detailed empirical research based on historical materials made available only after the mid-1990s inevitably confronts its readers with the fundamental question: “What is it to manage?”

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Nishino, Toshiaki. *Nihon chiiki denka-shi ron: Jūmin ga denki o tomoshita rekishi ni manabu* [The history of rural electrification in Japan: Learning from cases in which regional residents promoted electrification]. Tokyo: Nihon Keizai Hyōronsha, 2020.

The electric power supply system in post-War Japan (after 1951, more accurately) is called “kyū den-ryoku taisei” [the nine electric power company system]. That is, nine (ten, after the Okinawa reversion of 1972) electric power companies, each of which conducts the whole power operation from the generation, through the transmission, to the distribution of electricity, bear responsibility for power supply in return for the approval of their regional monopoly. Before the end of WWII, on the other hand, Japanese electric power companies did not bear responsibility for power supply, though they did not have a regional monopoly either. Therefore, they were not willing to supply electricity to unprofitable areas such as mountain villages and remote islands. Under those circumstances, there were some cases in which a local government and regional residents collaborated to promote electrification. This book is an attempt to find some hints for the current electric industry reform in Japan through empirical studies of such cases.

The main bodies that promoted regional electrification were municipally-run electricity services, electric light companies funded by regional residents, and electricity utilization unions (industrial unions that provided electricity services). The author has analyzed how those bodies were established and run around the country, and examined in what concrete ways regional residents were involved in the electrification process. The author has extracted some instructive lessons from the investigation. For instance, whether or not the municipality had public forests affected the timing of the launch of municipally-run electricity services. Incidentally, with regard to electricity utilization unions, Asano’s work (2020) should also be referred to in addition to this work.

Moreover, even after the establishment of the nine electric power company system, there still remained villages without electric lights all around the country. This work highlights efforts for electrification exerted by residents in such areas and reveals difficulties they had in bearing the costs. That is another valuable contribution this work has constituted.

This work succeeds in counterbalancing the line of argument that stresses and highly evaluates large power companies’ awareness of public interest and their implementation of innovation. However, it is hardly more than counterbalancing. Regardless of the content of this work, the fact remains that by the 1930s Japan’s electricity penetration rate had become among the highest in the world (Asano 2020: 76). It is also undeniable that the stability of power supply was greatly improved during the high economic growth period. In order to bring a success to the current electric power reform, it is necessary to closely examine historical legacies of large electric power companies, while taking into consideration arguments made in this work.

**Reference**

Asano, Shin’ichi. “Nishi-mikawa Chihō ni okeru denkiriyō kumiai: Nihon ichi no shūseki ga imisuru mono” [Electricity utilization unions in the Nishi-mikawa region: The significance of Japan’s largest cluster]. *Toyotashi-shi kenkyū* [Studies on the history of Toyota City], no. 11 (March 2020): 65–79.

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Shinomiya, Masachika. *Jidōsha ryūtsū no keiei-shi: Maker to dealer no kankei o chūshin ni [The business history of car dealing: The relationship between manufacturers and dealers]*. Tokyo: Nihon Keizai Hyōronsha, 2020.

This book deals with the distribution system of Japanese cars, elucidating changes of relationships between manufacturers and dealers based on franchise systems. In doing so, attention is drawn to entrepreneurs and company management.

First, a car distribution system began to be set up in Japan, as networks of dealers based on franchise systems of US car manufacturers were formed during the 1920s. Then, such structure took root as networks of dealers affiliated with Japanese car manufacturers were established. The foreign car dealing business was unstable, because foreign manufacturers forced dealers to have excess inventories and also because dealers had difficulty in collecting monthly payments. In fact, foreign car dealing was a business into which many companies entered and from which many went out. Dealers who had accumulated business experiences with foreign car manufacturers became helpful partners of Japanese automobile manufacturers, which were plagued with technological problems and lacked in know-how about selling their products. Those dealers complemented Japanese car manufacturers with their repairing services, contributing to the popularization of cars.

Second, after the War, the pre-War exclusive dealing system based on dealers affiliated with each car manufacturer was reinstated, replacing the region-based rationing system during the wartime. The reinstallation was realized thanks to proactive dealers who had made possible car distribution during the wartime through their activities such as repairing and the procurement of parts, which had been in shortage under the war circumstances.

Third, as the market expanded rapidly during the high economic growth period, the dealing system based on dealers affiliated with multiple car manufacturers was newly established in addition to the traditional exclusive dealing system. Since car manufacturers provided funds and dispatched their executives to affiliated dealing companies, the relationship between manufacturers and dealers was strengthened. Rebates given by franchisers to dealers were an important managerial resource, which contributed to the steady growth of dealers’ business centered on the selling of new cars.

Fourth, demand for replacement has gradually taken over that for new cars. While the development of the domestic market has slowed down since the collapse of the bubble economy, the traditional car distribution system consisting of both the exclusive and multiple car dealing has no longer produced profits. As a result, dealers’ selection has begun. Now, a new car distribution system has been searched that would fit to the current market situation, of which rapid development cannot be expected.

This work is a valuable contribution to research on the car industry in that it adds to it a comprehensive history of car distribution. However, since the main purpose of this work is to present an overall picture of the car distribution system, focusing on the relationship between manufacturers and dealers, there is room for further investigation concerning know-hows about various services for car users including financial services such as the monthly payment system.

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Shi, Rui. *Kaikaku kaihō to kourigyō no sōhatsu: Ikōki chūgoku no ryūtsū saihen* [Economic reforms and the emergence of retail: Distribution restructuring in China’s reform era]. Kyoto: Kyoto University Press, 2020.

The retail industry in China has changed so fast and so drastically. During the 1960s, Chinese consumers were putting up with poor-quality services provided by domestic department stores. Fifty years have passed, and now they have already gotten used to online shopping. They do not even bother to visit supermarkets located within a fifteen-minute drive distance, not to mention department stores. This research strategically adopts a historical method of analysis to deal with the so quickly changing Chinese distribution industry, revealing characteristics of China’s economic development in terms of distribution.

This work is unique and original in that the development of department stores and supermarkets after the reform and opening-up is analyzed from the aspect of retail format. Chapters 1 and 2 trace in details the development of the department store business in China from the period before the reform and opening-up to the present-day. Then, Chapter 3 investigates the process in which Yonghui Superstores created a new retail format of fresh food supermarket in Fujian Province, adapting to the actual states of consumption and competition in China. A detailed analysis is conducted with regard to key factors of retail management: that is, stocking, logistics, and store management. In Chapter 4, regional differences in the development of department stores are inquired. Chapter 5 looks into changes of stocking systems of department stores with regard to the apparel business.

A merit of this investigation resides in highlighting characteristics of China’s economic development through the examination of the process of knowledge transfer and emergence in the retail industry. In the author’s view, the key element for the development of the Chinese retail industry was not so much knowledge transfer by foreign companies as domestic companies’ adaption to the local situation and their creation of new retail formats. The case of Yonghui Superstores corroborates this view. Another merit is its solid empirical research method. The author, a former foreign student at Kyoto University, has applied the method of business history he learnt in Japan to the research fields of distribution and marketing: fields in which most of the researchers are busy following the newest developments. Utilizing multiple sources such as internal documents of companies, materials deposited in archives, newspapers and magazines, statistical data and interviews, the author depicts the real picture of the Chinese retail industry. If the analysis seems a little complicated, that is because it simultaneously deals with two retail formats, department stores and supermarkets. As a whole, this work constitutes a valuable contribution to research on the history of distribution and marketing in emerging countries.

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Asada, Shinji, Kazue Enoki and Izumi Takeda (eds). *Global keizai-shi ni gender shiten o setsuzoku suru [Combining a gender perspective with global economic history].* Tokyo: Nihon Keizai Hyōronsha, 2020.

Global economic history, an academic discipline that has developed rapidly since the 2000s, has changed and enriched our understanding of history through the correction of the traditional Eurocentric historical view, an emphasis on interrelationships between regions and the introduction of new viewpoints such as disease, consumption and culture. However, the perspective of gender has not yet been fully incorporated into global economic history. On the basis of this recognition, this work, constituted by nine chapters and three columns, aims at “combining a gender perspective with global economic history.”

In Introduction, motivation and the structure of this volume are presented with a review of previous studies. The First Part consisting of three chapters mainly covers the period from proto-industrialization to the industrial revolution. Chapter I revisits high wages in England, a factor that has been considered as one of the central conditions behind the industrial revolution. Chapter II studies the consumption of wool products in England during the eighteenth and nineteenth centuries. Chapter III investigates proto-industrialization in France. In each of these chapters, previous studies are critically reexamined and their arguments are elaborated and modified from new aspects such as social situation in which women were placed and genderized consumer culture. The Second Part copes with topics concerning the nineteenth century. Chapter IV inquires roles played by female workers in the development of the coffee growing business run by Japanese farmers in Hawaii. Chapter V investigates the history of immigrant workers engaged in gold mining in southern Africa and their genderized social norms. Chapter VI looks into gender and race in the economy of Qingdao, which was developed by Germany as an exemplary commercial colony. The Third Part deals with the present-day issues. Chapter VII provides a shopfloor analysis of the apparel sewing industry in Bangladesh from a gender perspective. Chapter VIII is a study on the Philippine female domestic workers working abroad.

Each chapter is a proof that economic history can be enriched by shedding light on female presence at the sites of labor and consumption and by visualizing the dynamics of gender. On the other hand, however, none of the chapters and columns, except for a column concerning women’s stock investment, tackles the problem of “women’s absence” from managerial work. Why have women been excluded from managerial work? What structure lies behind that? To answer to these questions from a historical viewpoint is a task entrusted to business history researchers.

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