Review of Selected Books on Japanese Business History
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Hori, Kazuo and Mitsuru Hagiwara (eds). “Sekai no kōjō” eno michi – 20-seiki higashi asia no keizai hatten [The road to the “world’s factory” – The economic development of East Asia in the twenty-first century]. Kyoto: Kyoto University Press, 2019.

East Asia has made a remarkable economic development during the twentieth century. The aim of this book is to highlight a unique characteristic of this economic development and point out its challenge to the present world. Many studies on East Asia’s economic development presupposed the development model based on historical experiences in Europe and the United States. They understood the development of developing economies in East Asia as a process to catch up with developed economies in Europe and the United States. However, by conducting a long-term investigation covering a century-long period since the late nineteenth century, this book demonstrates that development patterns of East Asian economies are different from those of Western countries. In addition, by applying the same analytical framework to both Japanese and Chinese economies, which have hitherto been only contrasted with each other, it reveals that economies in the East Asian region consisting of China, Japan, Korea and Taiwan have developed, showing both similarities and differences.

This challenging subject of theorizing development patterns of East Asian economies differing from those of Western countries is very intriguing. It is particularly worth noting that this book shows the following similarities and differences in the development of East Asian economies. With regard to similarities, first, a continuous economic development was realized intrinsically through the expansion of the domestic market. Second, the East Asian economies developed not as a closed chain within the East Asian region but as part of the global economy. As for a difference, the processes of economic development were different between Japan and China, because modern industries emerged at different periods. More concretely, in Japan, in which modern industries had emerged during the 1880s and 1890s, heavy and chemical industries developed during the interwar period, contributing to the advancement and sophistication of industries. Whereas, in China, in which modern industries emerged during the 1910s and 1920s, the secondary sector of industry consisted mostly of light industries, and the development of heavy industries was only limited. Despite these interesting findings, however, consumer goods industries such as the apparel and auto industries should have been included in the investigation in addition to core manufacturing industries dealt with in this book for the purpose of a better understanding of the economic development of East Asia, which has now become the “world’s factory.”

Rika Fujioka
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Lim, Chaisung. *Inshoku Chōsen – Teikoku no naka no “shoku” Keizai-shi* [Food industries in colonial Korea – The economic history of “food” in the Empire of Japan]. Nagoya: Nagoya University Press, 2019.

This book is a laborious work which aims to explore by what factors consumption areas were (re)allocated (within and outside the Japanese empire) during the process of Japan’s imperialization and how the economic cycle from production to consumption was restructured and reformed, conducting case studies of nine foods produced in colonial Korea. The object of this study is the “food system”: that is, the whole process of the food industry from production and processing, through distribution, to consumption. The investigation is implemented not only from the political and economic perspectives concerning various social groups engaged in production and distribution that were controlled by other groups in the same system, but also from the cultural and social perspectives concerning individual and communal values according to which foods were consumed. By this approach, the complicated process of the “separation between production and consumption” is analyzed. Although Korean rice and Korean cattle were traditional foods for the Koreans, Japan increased its importance as their new consumption area because of its colonial policy, and thus they became “foods of the empire.” In this way, production and distribution systems were restructured. As a result, the book reveals, the Koreans became unable to secure enough foods for themselves and the quality of Korean cattle deteriorated in the long term. With an aim to secure financial resources necessary for the colonies’ economic autonomy, productions of ginseng, soju and cigarettes were monopolized and modern technologies were introduced. The distribution network of the Mitsui Bussan Trading Company was indispensable for the export of ginseng. With regard to the cigarette production, its systematization and separation from consumption proceeded, while its material production remained a traditional industrial sector. As can be understood, the restructuring was not a uniform process. Productions of milk, apples and cod ovum propagated around the empire. Once these foods found their markets in Korea or in Japan, their productions were systematized, while being separated from consumption.

With regard to the food system, this book examines: economic situations of producers and consumers in a situation in which production and consumption were being separated; ethnicity of economic agents engaged in production and distribution; and the whole infrastructure system of distribution and transportation which connected production areas to consumption areas. The food system required efficient allocation of resources. However, as exemplified by the case of Korean cattle in which cattle’s quality deteriorated, the separation between production and consumption did not necessarily bring about an efficient system. As can be seen in the case of cod ovum’s market formation in Japan, this book does not implement consumption analysis as sufficiently as it should be. However, the book has a broad scope which includes the wartime economic control and even the outline of the postwar history. Viewing the system formed during Japan’s imperialization from various aspects, it presents a historical picture too rich to mention all its findings in this limited space.

Jaehyang Han
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Nakajima, Yūki. *Nihon no denshi buhin sangyō: Kokusai kyōsō yūi o umidashita mono* [The Japanese electronics parts industry: The long road to international competitive advantage]. Nagoya: Nagoya University Press, 2019.

This book traces the development of the Japanese electronic component industry from the postwar economic recovery period to the 2010s with an aim to explore sources of its international competitiveness. Electronic components can be divided roughly into two categories: “active components” such as semiconductor integrated circuits and “general electronic components” such as capacitors, resistors and transformers. Taking up “general electronic components” as its research object, the book describes in detail the development process of the electronic component industry in Japan. In doing so, the study highlights a positive impact of having a wide variety of customers on company development and economic conditions that led to the establishment of “general purpose parts” production. It also explores influences, on the industry’s development, dating back to the prewar period, of the policy to organize smaller businesses and of industry associations established after WWII.

This book consists of three parts corresponding to three successive periods. The first part deals with the period immediately after the War in which the component sector attained rapid growth as the radio industry recovered. The second part analyzes the development of the electronic component industry during the high economic growth period. The establishment process of the specialized production system is elucidated, with an emphasis being placed on roles played by industry associations and experimental research institutions. The third part handles the period during and after the 1970s, examining the process in which the manufacturers acquired the international competitive advantage.

The first and second parts have rich contents, depicting in detail the development of the demand and supply sectors of the electronic component industry through extensive use of historical materials. In addition to its historical analysis of the component standardization process, the book’s great merit is that the process in which electronic components became “general purpose parts” is examined from multiple aspects, with attention being drawn, in particular, to efforts for component standardization made by the demand sector, distribution agencies and industry associations. However, the empirical analysis carried out in the first and second parts is not clearly connected to the argument in the third part about sources of the international competitive advantage. Nevertheless, it does not reduce the significance of this book, which highlights characteristics of the postwar development of the Japanese economy through the analysis of its electronic component industry.

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Nakamura, Masato. *Kindai nihon tetsudō kaikei-shi* [The history of modern Japanese railway accounting]. Tokyo: Dōbunkan Shuppan, 2019.

This book consists of four main chapters dealing with national railway accounting in prewar Japan and two additional chapters concerning accounting issues related to the 1906 railway nationalization and accounting systems of private railway companies. This review is only about the main chapters. The author raises five questions regarding national railway accounting and answers them. The first question is: Was the double account system introduced to national railway accounting? Although the idea of the double account system was propagated, the double account system itself was not introduced to national railway accounting. The second and third questions are: Was depreciation carried out and what practical measures were taken in this respect? Depreciation was not carried out in national railway accounting. The fourth question is: Was the reason why depreciation was not carried out in national railway accounting related to the idea of the double account system? It was not because of the idea of the double account system that depreciation was not carried out. There was no need for depreciation, since all the net profit was added to capital stock. In addition, it was rather expedient for Japan’s national railways not to carry out depreciation, because had depreciation been carried out there would have been a possibility for the remaining profit to be transferred to the government’s general account. The fifth question is: What accounting measures were taken for the abrasion of fixed assets? Since Japan’s national railways espoused the “maintenance of real capital” principle that aimed at maintaining the value-producing capacity of fixed assets, the necessary amount of money for the maintenance of fixed assets was appropriated as “hojū-hi” [replacement expenses], or “kairyō-hi” [improvement expenses].

This is a valuable book that studied national railway accounting in prewar Japan from the view of the history of accounting. From the standpoint of the history of management, further investigation is required with regard to the relationship between national railway accounting and the governing system. For instance, the author maintains that an important reason why the idea of the double account system was connected not with business accounting but with budget implementation accounting was the necessity to submit budget bills and financial statements to the Imperial Diet, which held the right to determine budgets (pp. 92-93). By analyzing discussions in the Imperial Diet concerning national railways’ accounting and budgets, it is possible to examine national railway accounting’s functions in the management of national railways.

Takashi Kitaura
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Sawai, Minoru. *Kaigun gijutsusha no sengo-shi – Fukkō kōdoeichō bōei* [The postwar history of former Japanese naval engineers – the economic recovery, the high economic growth and defense]. Nagoya: Nagoya University Press, 2019.

How Japan’s military technology developed before the end of WWII was utilized in the postwar period has not been investigated in detail in previous studies. Shedding light on former naval engineers, this book examines civilian conversion of such technology in industrial sectors such as shipbuilding, machine construction, construction, civil engineering, railway and aviation.

This exploration has notable characteristics. First of all, this is not simply about technology conversion but deals with spirits and thoughts of former naval engineers. Their deep regret about Japan’s defeat and their consciousness that the country’s defeat was a result of inferior technology brought to their mind the self-awareness, or self-pride, that they had to be the driving force of postwar Japan. It was with this spirit that they contributed to the country’s high economic growth. During the prewar period, naval engineers shared technological nationalism in common. When they realized, at the end of the War, that Japan’s defeat was due to technological inferiority, their attitude to learn advanced technology from Europe and the United States was even more strengthened. However, few of them faced the fact that Japan was defeated in a war with China.

Second, the book analyzes the relationship between former naval engineers and Japan’s postwar defense policy. In 1952, after the conclusion of the San Francisco Peace Treaty, the Maritime and Air Self-Defense Forces Conference was set up by former naval officers and engineers. Those who took part in the Conference belonged to the Defense Agency, the Self-Defense Forces and the defense industry. Although there is a view that the Conference was no more than a product of former soldiers’ nostalgia, the author argues that it served for the shaping of a public opinion that Japan’s defense industry should resume production.

Third, the book emphasizes variety and complexity regarding the postwar civilian conversion of military technology. With regard to warship technology, while some former naval engineers sought to inherit and develop such technology, others became engaged in developing merchant ship technology. There also existed some former naval engineers who did not choose professions related to shipbuilding. After the end of the War, some of the former naval engineers had difficulty in finding employment despite their abilities. By contrast, civil engineers in the former Japanese navy were smoothly reemployed by government bodies such as the Ministry of Transport because of the social need for improvement of infrastructure. Technologies that had been accumulated in the former Japanese navy were converted to civilian use through the employment of former naval engineers by private companies. In addition, they were also propagated through joint research projects between former naval engineers and private companies.

It is this book’s significant contribution that attention is drawn to the variety and complexity regarding the postwar civilian conversion of what used to be military technology.

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Yuzawa, Noriko. *7-fukuro no potato chips – Taberu o kataru, ibukuro no sengo-shi* [Seven bags of potato chips - A talking about eating: The postwar history of the stomach]. Tokyo: Shōbunsha, 2019.

This book develops the theme of her previous book (*Ibukuro no kindai* [The stomach in the modern era] Nagoya: Nagoya University Press, 2018) – that is, “eating as a social activity” which has been changing its signification in the course of modernization – and elucidates the “postwar history of the stomach” through personal histories. After outlining changes in the social meaning of the stomach over two hundred years since the early modern period, it analyzes, as to the period during and after the War, functions of the stomach as a channel to the society.

The wartime was a period of hunger and starvation. However, they did not affect members of the society indiscriminately. Their extent differed according to region and gender. To think about ways to fill the stomach was a kind of social experience to discover connections with others. During the period immediately after the War, people were plagued by a shortage of food which was more extreme than during the wartime. After the food shortage problem was overcome, then came the high economic growth, which was the era of satiation. Once people had wanted to feel full. Now, people had satisfaction when they were able to choose what to eat. In the present day, there is no difficulty in filling the stomach. Instead, phenomena such as “koshoku” [eating individually, or eating separately] have emerged. The author summarizes today’s society’s characteristic by saying that the era of “satiation” has turned into the era of “hōshoku” [collapse of eating]. In relation to this, the meaning of the title, “seven bags of potato chips,” is revealed at the end of the book. The stomach, which has lost its role as a channel to the society, is now being confined to each individual. At this stage, a new distribution system appears that directly combines producers with consumers with an aim to bring about safe, sustainable consumption. It is interesting that the transformation of economic activities can be grasped from the point of view of eating as a social activity.

Changes in relationships between people which have been reflected to the stomach are analyzed from the standpoint of consumers who take in food, although consumers’ standpoint may not seem original in the first glance. In order for this investigation to be linked with business history studies, factors that have caused changes concerning the stomach have to be considered. In this respect, attention should be drawn to markets that have been reformed according to changes in consumers’ behaviors. Changes in markets and economic activities are related to changes in relationships between individuals and their families, or their society. Not enough attention has been paid by business history studies to interactivities between the transformation of “eating” and social relationships that have caused such transformation. This book provides a clue to a new research area.

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