

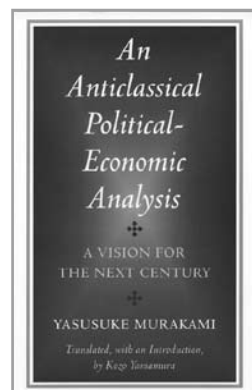
# Economics / Business



# An Anticlassical Political- Economic Analysis: A Vision for the Next Century

*Yasusuke Murakami*

(Stanford University Press, 1996)



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This important and influential book questions the venerable concept that social progress is unified and unilateral. Standing against this “classical” definition, the author proposes many reasons for such “progress.” In so doing he indicates a new way that social scientists can think about central questions such as development, wealth, power, and international relations. And he does so from a Japanese perspective that is global as well as local.

By classical analysis Murakami means an analysis of power politics based on the nation-state system honoring the neoclassical assumption that competition and free trade are fundamental bases.

His own analysis takes the form of a concept the author calls “polymorphic liberalism.” This he then applies to three questions. How can a stable post-cold-war world-order be created? How can necessary economic performance be achieved while conflict and environmental deterioration are minimized? How to safeguard the freedom of all peoples?

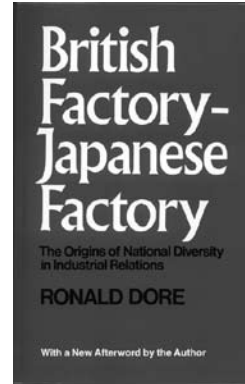
These cannot be answered by the nation-nation system at present in use which holds that unimpeded competition and free trade are reliable bases for increasing wealth for all. New paths must be sought and one message of this book is that the model of Japan offers some opportunities.

# British Factory–Japanese Factory:

## The Origins of National Diversity in Industrial Relations

*Ronald Dore*

(University of California Press, 1973)



The way that the Japanese work is often perceived as “different.” The author here sets out to find how different and why. He is not interested in impressionistic East/West comparisons but in making a strict comparison of two Japanese factories with two British ones making similar products.

The first half of his book illustrates the attitudes and assumptions that underline the “organization-oriented” system of Japan and the “market-oriented” system of Britain.

Much can be said for the orderliness, the mutual consideration, with which the Japanese manage their affairs; but they pay a price—the sacrifice of individuality and of independence. The British preserve these virtues but in doing so they pay a price in suspicion, obstinacy, inertia, and what the author calls “a shifting mixture of complacency and national self-doubt.”

But the purpose of this book is not to judge but to explain—to give, as the author says, a causal account of the genesis of the reasons why there should be two all but identical processes of creating all but identical electric generators; two very different ways of ordering the social and economic relations among the people involved.

# The Economics of Work in Japan

*Kazuo Koike*

(LTCB International Library Foundation, 1995)



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**T**his book presents an analysis of Japan's labor economy stressing the way work is done and how human resources are managed. The author has said that his work has two purposes. The first is to show that Japan's labor economy has much in common with other industrialized countries, despite native and foreign claims that Japan is unique.

The second is to indicate that some differences do exist and it is these which must be studied. These include the means through which skills are formed, the nature of these skills, and intense competition that stimulates their formation.

Indeed, these arguments are central. Japan's labor economy is to an extent based upon this Japan-as-different argument. These differences are compared and studied.

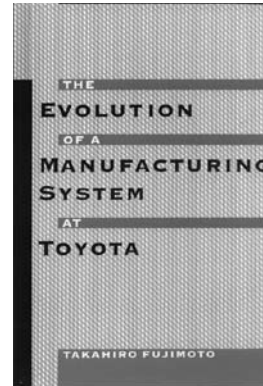
Permanent employment is examined through a comparison with such activities abroad. The procedures of dismissal between Japan and other countries are compared, as is the role of labor unions.

It is concluded that the skill at the source of Japan's competitiveness is the ability to deal effectively with problems and changes. Efficiency does not increase merely because of the sophistication of equipment and machinery. How well an enterprise responds to qualitative and quantitative change has a major effect on efficiency.

# The Evolution of a Manufacturing System at Toyota

*Takahiro Fujimoto*

(Oxford University Press, 1999)



**T**oyota's place in Japan's manufacturing economy is assured. In particular, since the 1980s its production efficiency has attracted those wondering just how the firm has managed to achieve such a startling competitive advantage.

In this volume the author writes that Toyota was able to develop and sustain competitive advance by combining an orderly organization with a willingness to change. And by avoiding temptations to grow obese, but rather to stay fit and lean.

Accordingly, his book is divided into two parts. In the first the author presents an evolutionary framework using Toyota as an example. In the second he examines what he calls the three key elements in the manufacturing procedure.

It has been said that Toyota has never been too interested in theory, only practice. It views manufacturing as product flow. It knew Henry Ford's saying that the longer anything is in the factory or on the shelf, the more it costs.

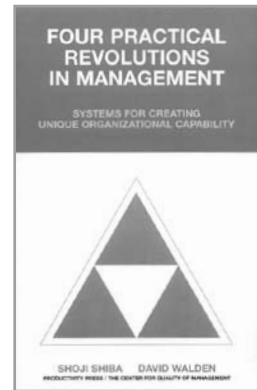
Though it is commonly thought that the Toyota method was the result of some kind of spontaneous generation, this volume shows that the Toyota system is the result of much thought and many experiences, and that it continues to evolve to this day.

# Four Practical Revolutions in Management:

## Systems for Creating Unique Organizational Capability

*Shoji Shiba / Dave Walden*

(Productivity Press, 1993)



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In this important and influential book, Shiba and Walden describe and summarize an integrated set of management practices for improving overall business efficiency. Among the desired results are ways in which businesses can increase their ability to seek breakthrough opportunities.

This is to be accomplished through transforming company-thought to opportunity-recognition, since opportunities always favor a prepared mind. At the same time new relationships with business competitors should be fostered to create beneficial situations.

During this, businesses should focus on opening new activities elsewhere—for the Japanese this would mean China, India, and other parts of Asia. In all, it is important that businesses maintain a good balance between looking after internal efficiency and seeking out external opportunity.

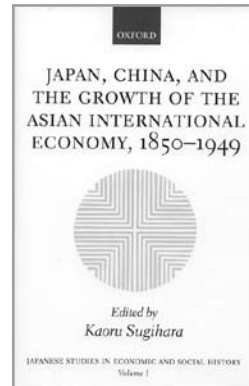
“In a globalized business environment, one should think radically and be willing to take risks,” Shiba once said. And indeed, breakthrough management is a radically new paradigm for exponential growth.

The revolutions having proved practical, Shiba and Walden published a second volume (2006) which emphasized the changing economic conditions in 21st-century Japan: *Breakthrough Management: Principles, Skills and Patterns for Transformational Leadership*.

# Japan, China, and the Growth of the Asian International Economy, 1850-1949

*Kaoru Sugihara* (ed.)

(Oxford University Press, 2005)



**E**conomic history in modern Asia is commonly written in terms of its impact on the West. This book, the result of a 1993 workshop held in Osaka on the role of China in the Asian economy, argues that the growth of trade and the migration of capital itself has been a strong factor in determining East Asian development.

The twelve papers in this volume (the first in a proposed series, “Japanese Studies in Economic and Social History,”) concern themselves with three major themes. The first is the importance of economic interactions between Japan and China, how—for example—Japan’s industrialization took advantage of the Chinese merchant networks in Asia. And how Chinese competition was a critical factor in Japanese organizational and technological upgrading in the periods in between.

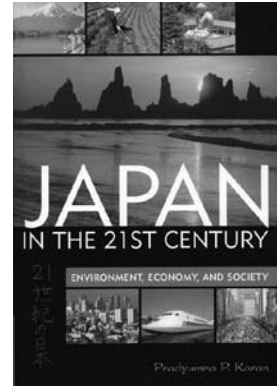
The second theme shows just how China’s entry into the international economy was shaped by the growth of intra-Asian trade, by migration, and by capital flows and remittances. The third theme is how intra-Asian trade enables us to understand the nature of colonialism and the climate of imperialism.

One review called this book “an important corrective to traditional accounts in its clear picture of how and why interactions between East Asian economies shaped the region’s economic development.”

# Japan in the 21st Century: Environment, Economy, and Society

*Pradyumna P. Karan*

(University Press of Kentucky, 2005)



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This is the first full-length English-language textbook on Japan's geography, culture, politics, and economy to appear in almost four decades. It offers insights into the current realities of the country. It also investigates the political, economic, demographic and environmental challenges that face Japan.

In so doing, the author explores the opportunities that will shape Japan and consequently affect the world. He indicates strategies and policies that will make economic and political change desirable, and that will stimulate long-term prosperity and economic vitality.

Japan has become the world's second largest economy, something to emulate, to fear, a power without arms. The subject, volatile and changing, offers opportunities for important research and important ways through which to understand the singularities of this country. Japan shows old ways shaken and new ones developing at a hectic, sometimes heedless race.

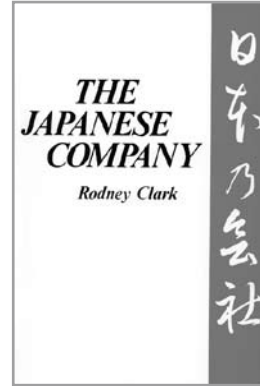
The author's interest is in the application of geographic theories and methodologies to analyze problems of environment, development and social change. He is here joined by Dick A. Gilbreath, the cartographer whose work illuminates this text.

The result is a combination of text, maps and photographs that provide an understanding of Japan's geography, culture, and economic and political development issues.

# The Japanese Company

*Rodney Clark*

(Yale University Press, 1979)



**T**he author has said that the aim of his book is to explain how the Japanese company is run and how its workings affect those associated with it.

Companies are, in his view, themselves political institutions and within them employees are subordinated to each other and to their common goals.

Indeed, within a given country, the company is second only to the state itself among its many institutions. But companies are not everywhere the same. Each has its own legal elaborations based on the nearly universal principle of incorporation. This means that each company has been shaped by varied circumstances but share certain similarities.

Such Japanese companies then organize the greater part of manufacture and commerce; they employ much of the population, distributing wealth and making some people rich and some people poor.

Companies are commonly incorporated and this is seen as necessary to success. Indeed the company is itself so thoroughly the most convenient form of commercial cooperation that, apart from the bureaucracy of the state itself, there is no alternative to it.

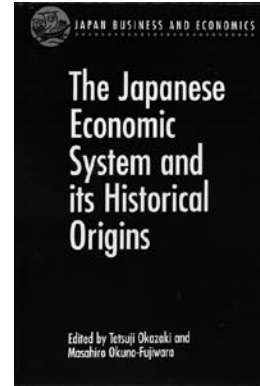
It is for this reason that Japanese companies have political significance in the sense that they are often engaged, as it were, in national politics.

# The Japanese Economic System and its Historical Origins

*Tetsuji Okazaki /*

*Masahiro Okuno-Fujiwara (eds.)*

(Oxford University Press, 1999)



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When this book appeared in Japanese in 1993, it attracted a good deal of attention from the scholarly community because of its openness and accuracy, and also because it offered new ideas, all based on careful research.

It consists of nine chapters by eight Japanese economic historians, and is the result of joint research examining the historical forces that created the present Japanese economic system.

The theory advanced is that the major elements of this system were due not to cultural or historical differences but were deliberately created during the years 1930-45 as a part of the wartime effort.

It is argued that until the 1930s Japan had had “an Anglo-Saxon economic model,” something that answered the economic wishes of England. In wartime Japan, however, something much different was required during militarization, something which much more efficiently answered their demands.

This included an employee-based corporate governance, a bank-controlled financial system, and the principle of “administrative guidance.” Though many postwar factors have become more focused, the system would not exist without the changes introduced during the wartime years. The extent to which this system continues is also explained in this multi-authored volume.

# The Japanese Firm: The Sources of Competitive Strength

*Masahiko Aoki / Ronald Dore (eds.)*

(Oxford University Press, 1994)



**T**his volume is comprised of a group of papers written by experts in their various fields, all deeply concerned with Japanese companies, their structures, their purposes.

The editors of this collection direct the reader's attention to four qualities which distinguish it. First is that the papers are interdisciplinary and catholic in their approach, relating the author's interpretation to those deriving from other disciplines.

A second distinction of the collection is that no one claims to have discovered the secret of the Japanese firm—some autonomous factor that would explain its competitive strength. Rather the rich complexity of the Japanese firm is comprehensively acknowledged.

It follows that the third distinction is the diversity of structure, particularly in the large corporation whose difference from its competitors in other countries is most marked.

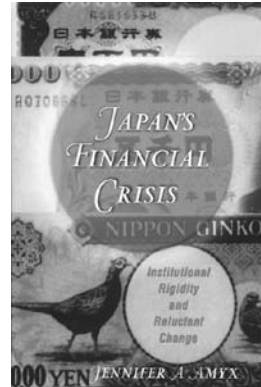
Thus (the fourth quality), the comparative perspective adopted, the issue of the transferability and adaptability of Japanese practices, whether they are even practical elsewhere.

Provided here, then, is an overview of the Japanese firm in all of its protean forms. A definition is provided and a question is asked: what sort of society will this sort of economy sustain and be sustained by?

# Japan's Financial Crisis: Institutional Rigidity and Reluctant Change

*Jennifer A. Amyx*

(Princeton University Press, 2004)



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**F**inancial supervision in Japan, so successful in the 1970s, became dysfunctional from the 1990s. What had occurred and how it happened is detailed by the author.

The speculative asset bubble which had supported economic Japan burst, leaving the banks with the burden of non-performing loans. Such burdens are not rare in the world's banking centers, but what was unusual was the delay the Japanese government allowed itself before intervening to address the bad-debt problem.

What is here fully displayed is just how deeply Japan's Finance Ministry had penetrated political and financial circles, how the structure of Japan's ministries made this possible, and how the nature of Japan's institutional arrangements affected the government's capacity to manage change at all.

The author calls attention to two variables that brought about a shift in the Finance Ministry's policy networks: domestic political change under a coalition government, and a rise in information requirements for effective results.

One outcome was a move by the national legislature to dismantle the ministry, something unimaginable a decade earlier. The question that appeared was "how could institutional arrangements for financial policy making and regulation work so well for so long and yet also be guilty of leading Japan into such an economic abyss?"

# Japan's Lost Decade

*Hiroshi Yoshikawa*

(I-House Publishing, 2000)



During the height of its prosperity in the late 1980s, Japan was “number one.” Yet only a few years later, at the beginning of the 1990s Japan’s economy suddenly reversed itself and fell into its longest-lasting and most severe recession since World War II. Thus began Japan’s “lost” decade.

The author—in his *Tenkanki no Nihon*, of which this volume is a translation—asked if Japan’s protracted slump can be attributed to a decline in the nation’s growth rate. Though this theory has gained acceptance since Japan’s labor force is certain to decrease with the aging of its population, the author maintains a different viewpoint.

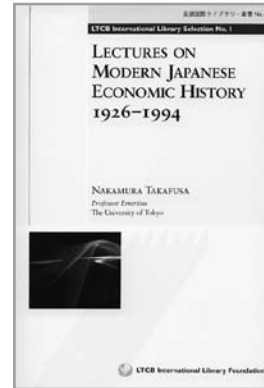
The real culprit is not insufficient demand, nor a decline in the potential growth rate. Rather, it is a combination of causes coinciding with the most decisive turning point—the end of the high-growth era.

Japan’s manufacturing industries continued to prop up the economy, using export as a means. Nevertheless, the economy failed to develop steady domestic demands. That is, domestic demand linked with improvement in the people’s standard of living, failed to rise—and this resulted in the excesses of the ten-year-long “bubble” and the lost decade that followed it.

# Lectures on Modern Japanese Economic History, 1926-1994

*Takafusa Nakamura*

(LTCB International Library Foundation, 1994)



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This is a translation of the influential 1986 *Showa Keizai Shi* (Economic History of the Showa Era). In it the author recounts Japan's economic history from the 1920s until now.

The era began when Hirohito, the Showa Emperor, came to the throne in 1926 and it lasted until 1989. This period thus began in recession and saw Japan embark on the path of recovery, only to have these gains destroyed by eight years of war.

The late 1940s then brought economic recovery, followed by over a decade of growth that lasted into the 1970s and completely changed Japan's society as well as its economy.

The oil crisis of 1973-74 put an end to the era of rapid economic expansion and was followed by a period of more stable growth in which Japan found itself having to meet the new responsibilities of a global economy.

The author, regarded as one of Japan's foremost economists of his day, here gives a complete account of the economics of the Showa era, which began with the bank panic of the 1920s, passed through depression and war, and led to Japan's becoming the world's largest net asset holder.

# Manufacturing Ideology:

## Scientific Management in Twentieth-Century Japan

*William M. Tsutsui*

(Princeton University Press, 1998)



Japan is widely admired for its efficient yet humane management practices. These are widely thought to be the result of Japanese communitarianism, Japanese paternalism, and Japanese culture. Tsutsui's study of such workplace ideologies, however, finds that these acclaimed strategies are not all that novel, are not even especially Japanese.

The model for the ideology is American, a methodology that is known as "scientific management" or, more colloquially as "Taylorism," named after its originator. It was dubbed an "efficiency movement" and was introduced into Japan at the beginning of the 20th century.

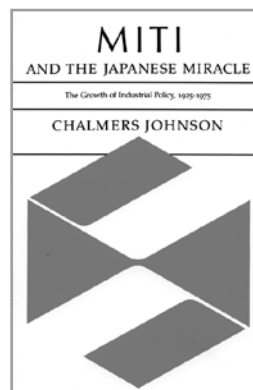
Since Japan could not afford an alternate American methodology, "Fordism," full assembly lines being too expensive, it remodeled Taylorism into something that eventually fit the country perfectly. Japanese managers founded a "revised" Taylorism that combined a respect for labor with mechanistic efficiency.

Much the same kind of tweaking occurred elsewhere, in the US, for example, but the Japanese version included a standardization in which the Japanese government played an active role in reducing competition, lowering costs, and injecting "Japanese spirit." In presenting this history of a constructed ideology, the author questions much of the mythology that has surrounded the West's idea of "Japanese" management.

# MITI and the Japanese Miracle: The Growth of Industrial Policy, 1925-1975

*Chalmers Johnson*

(Stanford University Press, 1982)



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**I**n this seminal study the author posits the relationship between governmental institutions and economic activity. In it he sees not only free trade vs. mercantilism, but also socialism vs. capitalism, and ultimately a concern with procedures, which is liberty, vs. a concern with outcomes, which is equality.

Japan's postwar achievements—becoming the world's second most productive open economy—is seen as a successful example of a state-guided economic system. The Japanese economic bureaucracy, particularly MITI (the Ministry of International Trade and Industry) has been the leading player in the performance of the Japanese economy.

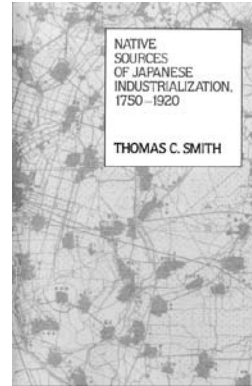
Indeed, the form and consequences, as well as the speed, of Japanese economic growth cannot be understood without an admission of the contributions of the MITI. Its achievements are central to the debate continuing between advocates of command economies of the communist type, and those favoring mixed market economies of the Western persuasion.

Among the many differences between the means of Japan and the means of the West, is that in Japan the state's role in the economy is shared with the private sector, and that both the public and private sectors have made the market work for developmental goals. This pattern has proved a most successful strategy.

# Native Sources of Japanese Industrialization, 1750-1920

*Thomas C. Smith*

(University of California Press, 1988)



**H**ere is a collection of important essays on the demographic, economic, and social history of both the Tokugawa period and the modern era by one of Japan's most eminent historians.

Gathered together for the first time, these ten essays provide an introduction to the modernization of the country and, as one critic has said "reflect both a sensitivity to Japanese social character and a sophisticated challenge to universal truths about modern industrial societies and human relations."

As in earlier works, the author here ascribes a major role in the formation of Japan's modernization to the evolution of an agrarian economy during the Tokugawa period, noting the change in the village from subsistence production to market production, and the consequent transformation of family farming.

Crucial to the author's historiography is his willingness to write as a comparative historian. Often his views of Japanese history stress the necessity of questioning the assumed universality of the Western mode of industrialization.

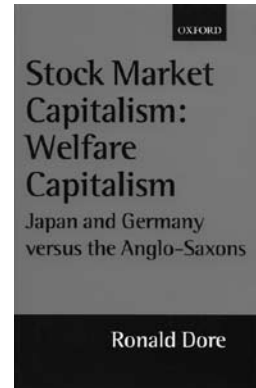
Of his work Kenneth Pyle has observed that "his research and writing are critical to our understanding of how it was that the Japanese became the first non-Western people to achieve an industrial society."

# Stock Market Capitalism:

## Welfare Capitalism: Japan and Germany versus the Anglo-Saxons

*Ronald Dore*

(Oxford University Press, 2000)



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The author here places recent developments in Japan against the broader context of changes in the modern patterns of capitalism common to all industrial societies. His focus is on the tendency of shareholder-value to be seen as the sole legitimate objective of the corporate executive, as contrasted with the traditional alignment of Japan on the employee-favoring side of the divide.

Dore begins his argument with a discussion of “the original Japanese model,” then moves on to the changes and controversies that this model has occasioned both in Japan and elsewhere.

He parallels Japan’s achievement with that of Germany and in his conclusion he writes of the effects of economic models on the identity of a country. His, then, is a story of “modern capitalism” and his book concludes with the thought that “Germany will clearly lose much of its separate identity as it is absorbed in, or absorbs, Europe. Japan will still for a long while to come remain a much more autonomous entity.”

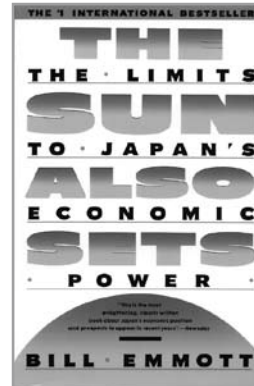
The book thus offers a guide to the changes in economic behavior experienced by two countries, Japan and Germany, and a demonstration of their differences to England and America.

# The Sun Also Sets:

## The Limits to Japan's Economic Power

*Bill Emmott*

(Touchstone, 1989)



Japan's economic ability to change has long puzzled foreign commentators. Japan's progressions and regressions seem to call for explanation.

One argument is that Japan is somehow "different" from any other nation. It is to this that the author, former Tokyo bureau chief of *The Economist*, turns his attention. He first clears the ground by demolishing the commonly held view that Japan is unchanging. Indeed, Japan's ability to adjust to new circumstances, to grasp new technology, has been seen as accountable for its economic success.

And perhaps for its economic failure as well. As one commentator suggested: "The book's title comes from the author's assertion that Japan's huge financial surpluses could shrink as rapidly as they appeared ..." During much of its existence Japan has been a debtor nation, borrowing more than it could produce. It must inevitably succumb to the laws of economics, one of which is "countries that build surpluses must eventually see them shrink."

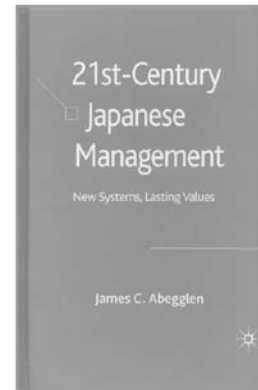
In the century and a half since Commodore Perry introduced Japan to gunboat diplomacy the country has gone through several periods of growth and matching periods of recession. Here, the author questions the international assumptions of Japanese efficiency, and assures us that the Japanese are not all that different from the peoples of the West.

# 21st-Century Japanese Management:

## New Systems, Lasting Values

*James C. Abegglen*

(Palgrave Macmillan, 2006)



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**A**s long as the high growth of Japan's economy continued, various known methods were appropriate: investing in equipment, financing through bank debt, seeking success in market shares, hiring more workers in an anticipation of growth.

When this growth suddenly stopped, as it did in the mid-1990s, major changes in industrial structure became necessary, in financial assessments, in business strategies. This meant the redesigning of Japanese industries. How this was accomplished, as well as the way in which it wasn't, is the theme of Abegglen's book.

Many changes were made but the values that shaped Japanese companies—the company as a social organization—have continued. The author offers an understanding of the financial remedies that have been advised, while at the same time considering the underlying social continuity.

Through these considerations it is possible to indicate the future directions of Japan's economy into the new era after the decade of stagnation, and the return of steady growth and a relative prosperity.

Considered and discussed are Japanese-style management, the imperatives of research, the models envisioned (U.S. model/Japan model), the role of the foreign investor, and most of all the many possibilities of Japanese companies.