

English-Language Scholarship on Early Twentieth-Century Business History in Japan

—Part II: From the Late Postwar Era to the Present—

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The first part of this treatment of English-language historiography on early twentieth-century Japanese business considered how perspectives had shifted from contemporary accounts during the prewar era itself up through the emergence of postwar Japan as a global economic power. The current part takes the story up through to the contemporary era.

IV. Against the Backdrop of a Rising Phoenix (1978-1993)

English-language scholarship on Japan during the 1980s was written during a time when Japan was rapidly emerging as an economic giant seen as offering a direct challenge to the dominance of the United States. It is essential to fully grasp this context before considering the trajectory of work on the prewar era at this time. Contemporary researchers were grappling with the underpinnings of Japan's economic transformation, frequently attempting to explain the country's "miraculous" development in terms not of specific historic contingencies but rather essentialist social or cultural qualities. Copious amounts of ink were spent in the production of works on Japanese business and society that often sought to explain the former in terms of the latter. Rather than during the 1960s and 1970s, insight into Japanese society was discussed not just as an asset for American firms hoping to expand

into the Japanese market, but as essential knowledge in enabling those firms to counter Japanese incursions into the American market.

Japanese management was widely heralded as superior in character to Western models and as the key to Japanese corporate success. American writers in particular were divided between those who saw this success as heralding the emergence of a new form of business strategy that Americans could benefit from adopting, and those that saw instead the dawn of a frightening new “Yellow Peril.” The most well-known examples of the former perspective are Ezra F. Vogel’s *Japan as Number One: Lessons for America* (1979), and William G. Ouchi’s *Theory Z: How American Business Can Meet the Japanese Challenge* (1981). Both works were followed by a host of imitators praising Japanese management as the way of the future, and courses in “Japanese management” sprang up at numerous academic institutions.¹ On the other hand, Michael Montgomery’s *Imperialist Japan: The Yen to Dominate* (1987) and Robert L. Kearns’ *Zaibatsu America: How Japanese Firms are Colonizing Vital U.S. Industries* (1992) were alarmist pieces that suggested Japan’s economic expansion was not only a severe threat to America, but also constituted the continuation of Japanese imperialism by economic means. This notion of a renewed Japanese imperialist threat was not new — a work called *Japanese Imperialism Today* had made the same claim in 1973 — but previously Japan had been seen as a resurgent threat primarily to the rest of Asia,

¹ Meanwhile, “how-to” guides for businessmen entering the Japanese market continued to proliferate, such as Bradley M. Richardson and Taizo Ueda, eds., *Business and Society in Japan: Fundamentals for Businessmen* (New York: Praeger, 1981), and James C. Abegglen and George Stalk, Jr., Kaisha, *The Japanese Corporation* (New York: Basic Books, Inc., 1985), the latter featuring Abegglen outlining how American businessmen could learn from the Japanese management strategies he had first articulated nearly three decades prior.

not to the United States.² The stark division between positive and negative assessments of postwar Japan's economic success and the challenge this posed to US firms encouraged the notion that foreign writers on Japan could be neatly broken into "Japanophile" and "Japan basher" camps, a concept that endured long after the heyday of these debates in the 1980s.³

Despite their differences, these two parallel approaches nonetheless shared a common, problematic element: they were both predicated on an essential 'otherness' that continued to characterize Japanese business practices as rooted in a unique, almost timeless Japanese tradition.⁴ Works of this era also tended to be America-centric, and utilitarian, seeking to better the situation of US businesses *vis-à-vis* their Japanese competition. Generally they aimed at advising Americans how they could learn from or counter "traditional" Japanese practices, rather than attempting to explore their historical origins. The frequent use of Japanese terminology — *zaibatsu*, *kaisha*, *keizai* — served not to elucidate the topics of inquiry so much as to distinguish them from American-derived norms, marking Japanese business practices as fundamentally different from those perceived to be "Western" in character.

This context had a significant impact on the English-language

² Jon Halliday and Gavan McCormack, *Japanese Imperialism Today: 'Co-Prosperity in Greater East Asia'* (New York: Monthly Review Press, 1973).

³ The tendency to separate non-Japanese writers on Japan into would-be allies or foes of the nation itself was also commonplace in Japan itself. Concerns about Japanese "soft power" prompted some popular writers of English works on Japan to posit the existence of conspiracies whereby overseas academics were essentially bribed with research funds by the Japanese government in exchange for supporting its policies. See, for example, Patrick Smith, *Japan: A Reinterpretation* (New York: Vintage, 1998).

⁴ *The Art of Japanese Management: Applications for American Executives* (New York: Simon and Schuster, 1981) by Richard Tanner Pascale and Anthony G. Athos, for example, contains a chapter addressing the value of vagueness, indirection, and implicitness in managing, colorfully titled "Zen and the Art of Management" (85-115).

historiography of Japanese business, as it contributed to the popular diffusion of conceptions of Japanese business practices that critics of Abegglen (since *The Japanese Factory* in 1958) had long sought to discredit.⁵ Andrew Gordon, in *The Evolution of Labor Relations in Japan* (1985), one of the most important works of the decade on matters pertaining to Japanese economic history, directly responds to this problem. He takes issue with both the notion of unique “Japanese” business practices and the idea that postwar Japanese economic success was due to “Japanese tradition.” In tracing the trajectory of labor relations during the late nineteenth and early twentieth centuries, Gordon shatters the myth of persistent, intrinsically “Japanese” business practices, but he also flatly rejects the popular convergence thesis that held that eventually Japanese practices would come to resemble Western ones. From a historical perspective, he explains, in many ways early management practices in Japan more closely resembled their Western counterparts than did later Japanese practices. Such practices need to be understood not as steps in a movement towards an ideal convergence, but rather as products of specific historical circumstances.

Gordon’s approach dovetails with that of another key work of the era, Sheldon Garon’s *The State and Labor in Modern Japan* (1987). Garon too emphasizes the comparatively recent vintage of Japanese business practices that were popularly celebrated as very old or even ancient in origin. He focuses on the relationship between the state and labor from the late nineteenth through late

⁵ The influence of Abegglen and popular works with similar arguments resulted in researchers as well as a popular audience often acquiring their knowledge about Japanese business through these works, frustrating scholars of Japanese business. Robert E. Cole, for example, states that it was mainly through Abegglen that American social scientists came to learn about ‘permanent employment’ in Japan (Cole, “Permanent Employment in Japan: Facts and Fantasies,” 616).

twentieth centuries, but rather than positing a single ongoing form of relationship, he restores complexity to the picture by stressing, as Yamamura's articles had done for the *zaiatsu*, the extent to which these relations were historically conditioned, dynamic entities that changed over time.⁶

Gordon and Garon both demonstrate that Japanese labor relations and other business practices were not a constant rooted in some vague "tradition" that resulted in them being intrinsically different from Western models, but instead, like the Western models that were often assumed to be world standards, were merely the product of particular historical conditions. Worker mobility, acquisition of capital, and the financing of industrial development — these were the sort of key issues to be concerned with in the historical context, for it was these factors and people's cognizance of them that caused Japanese business practices to develop as they did. Thus, while Gordon and Garon were to some extent picking up studies of labor where scholars like Ayuzawa and Yoshino had left off, their significance at the time greatly transcends this.

Recognition that Japanese business practices and economic institutions were the products of specific historical circumstances had slowly been spreading into other types of studies on Japan beyond those specifically concerned with business history. During the course of the 1980s, in contrast to the trend in popular writing, more academic studies began to incorporate elements of a historical — rather than essentialist — treatment of Japanese

⁶ Gordon's later *Labor and Imperial Democracy in Prewar Japan* (Berkeley: University of California Press, 1991) was also significant in addressing the state's role *vis-à-vis* labor relations, although Gordon focuses on political activity by the workers, thereby stressing not only their agency in the general sense, but also their power as a political force.

business.

Some examples help to convey this transition. *The Economic Analysis of the Japanese Firm* (1984; edited by Masahiko Aoki) is of the old model, harkening back to the work of the previous decade. It deploys a contemporary view of Japanese business practices and takes this as a given across time and industry. Despite ostensibly being concerned with Japanese firms, it actually focuses more on economic trends and structural elements in the Japanese economy, with only one piece being primarily concerned with a particular industry.⁷ By contrast, Takatoshi Ito's *The Japanese Economy* (1992) is clearly of the newer form, incorporating a historical perspective not only as a context at the beginning of the work, but also in its treatment of particular policies and institutions as dynamic in character, rather than seeing these as contemporary givens or as characterizing the Japanese economy in perpetuity.

The early 1980s also witnessed several English-language works specifically on modern Japanese economic history that will be of interest to students of the prewar era. One was by G. C. Allen, known for his 1939 book *Japanese Industry* and his 1945 text *A Short Economic History of Modern Japan* (which went through numerous revisions), both previously discussed. The work, *Japan's Economic Policy* (1980), like his *Short Economic History*, moves from the historical background into a study of various facets of the economy, although here the focus is much more on the 1930s.

⁷ That an essentialist model of Japanese business practice dominated until the 1980s did not mean that no scholars writing on Japanese business included any historical perspective before this time. For instance, see Kazuo Sato, ed., *Industry and Business in Japan* (1980), which incorporates several such pieces (albeit only from the immediate postwar era). Japanese scholars who engaged with the English-reading world during the high-growth years at times sided with an essentialist perspective and at other times with a historically-informed model, with the latter gaining traction over time.

This is not surprising given that some parts of the book emerged from papers written before the war. This temporal difference, however, results in something of an uneven impression. For instance, Allen moves from an insightful study of the organizational structure of the cotton industry in the 1930s to a range of looser considerations of Japanese economic progress, including the role of the state, social institutions, and so on. Taken as a whole, the text tends towards what Yamamura might critique as an excessive preoccupation with economic growth, but as a collection of papers by an eminent scholar with several decades' worth of experience the work deserves a look. The aforementioned study of the cotton industry serves as something of an exemplar of the previous generation's approaches to particular aspects of an industry.

Another important work was by that of the leading Japanese scholar Nakamura Takafusa, whose work had previously appeared in English only in articles. Nakamura's *Senzenki Nihon Keizai Seichō no Bunseki* (1971) was made available to an English-language readership with Robert Feldman's translation, *Economic Growth in Prewar Japan* in 1983. The study is divided into two main parts, the first concerned with growth from the Meiji Restoration to the First World War (an era that Nakamura characterizes as exhibiting "balanced growth") and the second, twice the size of the first, concerned with growth from the First World War to the eve of the Pacific War (an era that Nakamura characterizes as, by contrast, exhibiting "unbalanced growth"). Although displaying the economist's privileging of continual "balanced growth" as the ideal form of economic development, Nakamura's thorough economic analysis of the prewar era is impressive. While undertaking a broader survey of the development of the economic system

than would have been attempted by prewar Japanese economic scholars with their singular focus on the state, he employs just as many graphs and statistical data sets, making the work helpful not only for insight into a body of classic Japanese economic scholarship but also for providing a wealth of data on the prewar era.

Three other historical works of the 1980s, none of which was specifically concerned with business history *per se*, had significant implications for the historiography of the field. These were Chalmers Johnson's *MITI and the Japanese Miracle* (1982), Michael A. Barnhart's *Japan Prepares for Total War* (1987), and Thomas C. Smith's *Native Sources of Japanese Industrialization* (1988). At first glance the three do not appear to share much in common: Johnson analyzes the Japanese bureaucracy and the role that the state played in directing economic development from 1925 to 1975; Barnhart is concerned with Japanese preparations for war in the 1920s and 1930s, in which economics feature but are not the only focus; while Smith's analysis is centered on the late Edo and Meiji periods and ends in 1920.

Yet these three works were significant in prompting a rethinking of Japanese economic history, and re-conceptualized how Japan's business practices were approached. Johnson is concerned with seeking the roots of the postwar "economic miracle"; he provides an excellent survey of the various approaches to Japanese postwar development and business practice — both academic and popular — but his broader contribution lies in how he locates the beginnings of postwar economic development in the prewar era itself. Many older works attributed postwar economic growth to latent capitalist forces (supposedly kept under wraps by the military, in some accounts) being released upon the conclusion of the war, or to just the mass imitation of Western

models. Johnson, however, assesses the role of prewar bureaucrats in starting to set in motion a system that would eventually come to flourish after the war. Johnson's identification of historically-situated continuities (rather than culturalist-essentialist ones) mirrors Smith's work, which asserts that Japan was able to industrialize quickly because so many elements of its society and economy were already suitable for this transformation. The emphasis is thus shifted from Western arrivals industrializing the "feudal" Japanese and onto the Japanese themselves, restoring thereby agency to political and economic figures, who, confronted with Western arrivals, realized that with effort they could catch up fairly quickly.

In Johnson, much of the groundwork for the postwar economic expansion was laid in the prewar era; in Smith, much of the groundwork for the Meiji economic expansion was laid in the pre-Meiji era. Both scholars thus emphasize not disjunctures brought on by Western-induced change, but rather continuities in Japanese economic development.

Barnhart's contribution comes from his argument that the conventional portrayal of Japanese prewar politics and diplomacy as irrational is incorrect; rather, he asserts, it was logical given the circumstances and Japanese perception of those at the time. This is the point at which all three works intersect: each suggests that Japanese development, both up to and through the twentieth century, was not a random or miraculous occurrence, but was instead intrinsically *rational* in character. Japanese policies worked, or failed to work, because they did or did not accurately reflect and suit the conditions of the times, not because the Japanese had some particular trait that inherently predisposed them towards success or failure. Neither were results predestined; shortcomings

and triumphs were largely the result of Japanese actions, at both the individual level and the level of government policy, and of the conditions in which such actions were taken. Developments could just as easily have turned out quite differently had individuals pursued different courses of action or had conditions been but slightly different. All three authors thus focus on Japanese institutions directly, rather than viewing them through the lens of a Western system presumed to be normative, while similarly rejecting the old essentialist arguments about a fundamental “Japanese” way of doing things. As a counterargument to the Orientalist assumptions underlying much of the popular perception of Japanese business at the time, these three works, along with Andrew Gordon as discussed above, offer a powerful standpoint in spite of their different subjects.

Two particular volumes, both from 1989, stand out as landmark works of business history. The first is William Miles Fletcher III's *The Japanese Business Community and National Trade Policy, 1920-1942*. Considering how studies of the prewar period had long stressed the state's role in directing economic development, comparatively little had been written on the business community itself. While Tiedemann and Yamamura both had articles on aspects of the prewar business community, and Marshall's monograph had considered the ideological frameworks in which it had operated, there remained no full-length study of the business community's relations with the government until Fletcher. He notes that while the *postwar* relationship of the business community and the government had been well-studied, the prewar era remained neglected, a problematic state of affairs given the importance of that relationship at the time.⁸ Prewar Japanese business leaders had been either blamed for fascism or portrayed

as passive victims of the militarists; however, such simplistic generalizations did not hold water, for “A careful analysis of important issues related to trade...yields an intricate mosaic of business attitudes and influence.”⁸ Fletcher treats the business community largely as a cohesive unit in his study, but he is aware of the limitations of this approach and acknowledges varying viewpoints and backgrounds amongst business leaders. Through showing how the business community emerged as a political force, the forms and extent of influence that it came to wield, and the development of a multifaceted relationship with the government, Fletcher makes a significant contribution to the historiography of the prewar period.

The second key work from 1989 is William D. Wray’s conference volume, *Managing Industrial Enterprise: Cases from Japan’s Prewar Experience*. Wray introduces the volume by discussing the emergence of business history as a separate development from the broader field of economic history, and rather than limit its scope to the history of a particular company, he stresses how labor relations, technological development, and government-business relations can all fall under this heading.¹⁰ While economic history is orientated around macro-level concerns, explains Wray, business history is fundamentally orientated around micro-level analysis.¹¹ Wray’s broad conception of business history, contextualized within developments in economic history more broadly, is an immensely beneficial approach that allows business history to develop through interaction with various fields rather than risk ghettoization within the academy.

⁸ Fletcher, 1.

⁹ Ibid., 2.

¹⁰ Wray, *Managing Industrial Enterprise*, 1-2.

¹¹ Ibid., 2-3.

The articles in the Wray volume are subdivided into two categories. The first is thematic overviews, and consists of Morikawa Hidemasa on the power of salaried managers in large corporations, and Andrew Gordon on the business lobby and bureaucrats' relations with labor in the early twentieth century (dovetailing with some of the themes that Fletcher draws out). The second category is case studies, and consists of Steven W. McCallion on the Tomioka Silk Mill, an ambitious factory instituted by the Meiji government;¹² Steven J. Ericson on railway management during the economic panic of 1890; Wray on Kagami Kenkichi (N.Y.K. president, 1929-1935) with an eye to business strategy, organization, and company autonomy; Barbara Molony on Noguchi Jun and Nitchitsu, the chemical company that he founded; and Michael A. Cusumano on the “scientific industry” in the form of the technology and entrepreneurship that developed around the Institute of Physical and Chemical Research in the early twentieth century. While the Gordon, Wray and Cusumano pieces are most relevant for a consideration of work on the first half of the twentieth century — particularly Gordon's piece that operates from what one might conceptualize as a three-pronged approach, considering the interaction between bureaucrats, businessmen, and labor — all of the pieces in the volume serve as good examples of the variety of English-language business history.

Wray himself may be most well-known for his work on the Japanese shipping industry, notably the Nippon Yūsen Kaisha (N.Y.K.), having published an exemplary piece of business history in 1984 entitled *Mitsubishi and the N.Y.K., 1870-1914: Business Strategy in the Japanese Shipping Industry*. Another scholar to produce

¹² I myself have studied Tomioka Silk Mill; see, for example, “世界遺産から見た日本3：富岡製糸場” in this current issue.

a full-length English-language business history study of a prewar corporation around this time was Yasuo Mishima, whose monograph on Mitsubishi was also published in 1989. While the work does not offer much of a sustained systemic analysis, it richly chronicles the emergence of Mitsubishi from the history of its founder through to its development as a *zaibatsu* and dissolution.

Morikawa Hidemasa, the noted authority on *zaibatsu*, also produced an English work in 1992, entitled *Zaibatsu: The Rise and Fall of Family Enterprise Groups in Japan*. While Mishima's work traced the development of a particular *zaibatsu* over time, Morikawa considers the *zaibatsu* as a set. However, he avoids the tendency of earlier scholarship to overgeneralize the *zaibatsu* experience, and invests considerable effort in covering issues with defining what constituted a *zaibatsu*, while distinguishing among them in the course of the work. He assesses them in context and delineates the strengths and weaknesses of particular strategies, policies and economic positions, serving to remind the reader that the *zaibatsu* were successful not only because of favorable economic circumstances, but also because of strategic-minded and insightful management which responded to those circumstances.

Thus, during the 1980s, widely-held and enduring essentialist views of Japanese economic and business practices were undercut by an impressive academic attack on those views. What emerged was a range of scholarship that was more conscious of Japanese business practices and economic structures as developing in specific historical contexts. At the same time, business history began to emerge as a clearly distinct field, just in time to witness the economic conditions in Japan that had made Japanese business such a popular topic, both in and outside the academy, collapse.

V. Facing a Faltering Phoenix (1993-present)

With the collapse of the bubble economy, English-language writing on Japanese business and economics took a sharp turn. Whereas before great praise had been heaped upon “Japan, Inc.,” now it was treated with scorn; American seminars on “Japanese-style management” quietly disappeared. A new theme emerged in much writing on Japan: how to repair the country’s economy.

Ironically, this turn of events did not undermine the popular notion that Japan’s economic and business world was the product of a uniquely Japanese “tradition.” The notion of a distinct system of Japanese practices rooted in an essentialist view of culture continued, but now rather than being praised for contributing to Japan’s success this was blamed for Japan’s economic collapse. This was by no means limited to popular writing: many researchers followed the same line, even attempting to salvage the peculiar notions of “Japanese management” and the like in spite of the warnings from the business historians of the 1980s that these were deeply flawed generalizations.

For example, Yoshio Ito, in *Strategy & Innovation in Japanese Business* (2003) notes of the economic situation, “Many believe that the ‘Japanese style of management’ has caused this crisis.”¹³ He goes on to argue that, in spite of this, accumulated Japanese technical knowledge represents a great wealth for Japanese firms. While he holds that a “mismatch” between quality-orientated R&D and conceptualization-orientated R&D in many firms is a large element of the problem, he never actually repudiates the idea that the nature of “Japanese management” itself has played a role in the decline.¹⁴ Toyohiro Kono and Stewart Clegg in *Trends*

¹³ Yoshio Ito, xi.

¹⁴ Ibid.

in *Japanese Management* (2001) also accentuate positive elements in “Japanese management” while suggesting possibilities for overcoming the current economic woes; they too neglect to problematize the notion of a distinct, fundamentally “Japanese management” style, instead treating it as a given and arguing that while “Japanese management is no longer the ‘flavour of the month’” it would nevertheless “be a great mistake to write off Japanese management.”¹⁵

Other works were specifically concerned with offering solutions to Japan’s economic woes, such as *Japan’s Lost Decade: Policies for Economic Revival* (2003). There was also a persistent sense that Japan had entered a state of crisis, exemplified by works such as S. Javed Maswood’s *Japan in Crisis* (2002), the title of which recalls the Silberman and Harootunian volume on the Taishō era, although the work is in fact concerned with the economic situation of the 1990s. Yet even in this situation quasi-Orientalist notions were not abandoned, persisting instead in both mild and extreme varieties. An example of the former is Milton Ezrati’s *Kawari: How Japan’s Economic and Cultural Transformation Will Alter the Balance of Power Among Nations* (1999), which rests on the idea that Japan still constitutes a “special case” exempt from normative (i.e. Western) standards. Far more disturbing is Hideo Yamashita’s *Competitiveness and the Kami Way*, a text that attempts to see Japanese management and economic policies as springing from ancient Japanese *kami* worship. Yamashita begins his work with a somewhat lengthy discussion of the ancient chronicle *Kojiki* and then utilizes this as a framework from which to interpret contemporary Japanese economic strategy and business practice!

¹⁵ Kono and Clegg, xi.

While much fewer in number, there were also still works that offered Japan as a positive model for developing countries to follow. One of note is E. Wayne Nafziger's *Learning from the Japanese* (1995), which reprises the idea that Japan's prewar economic experience could serve as a learning model for late developing countries elsewhere. Chalmers Johnson published *Japan: Who Governs?* in 1995, continuing his work on the role of bureaucrats and the state as a whole in organizing Japanese economic development, and addressing the functional components of the bureaucracy and structures of the economy.

1993 saw Kyoko Sheridan assessing the role of government in the Japanese economy in *Governing the Japanese Economy*. The work is divided into several eras, with some fifty pages dedicated to the first half of the twentieth century. At first glance the work appears to be primarily a work of economic history, but Sheridan's stated purpose is to learn from the past and consider the potential role of the state in subsequent Japanese economic development. This is thus the historically-minded form of economic study of the 1980s coming to full fruition in the form of possible economic policies being suggested based upon broad analyses of economic history. While the work is not overly innovative as an example of economic history, it is novel in combining a historical perspective and contemporary economic policy formulation.

Meanwhile, Nakamura Takafusa, who offered a series of lectures at the behest of publisher Iwanami Shoten in 1986, had a translation of these lectures published in 1994 as *Lectures on Modern Japanese Economic History*. More broadly analytical than his landmark text discussed earlier, the lectures are informative and accessible. Each of the seven lectures covers approximately ten years, ranging in sum from the 1920s to the 1980s, and followed

by a post-bubble epilogue. Furthermore, they are replete with details pertaining to particular companies and anecdotes about how they succeeded, suffered, or adapted to economic circumstances: not just Mitsui and the other great *zaibatsu*, but Nisshin, Toshiba, and Suzuki Shoten (noted for its enormous borrowings from the Bank of Taiwan) all feature.

An innovative approach to the economic history of the first half of the twentieth century came in the form of Bai Gao's *Economic Ideology and Japanese Industrial Policy: Developmentalism from 1931 to 1965*, published in 1997. The most significant contribution of Gao's work is to be found in his reconceptualization of continuities from the prewar to the postwar era. He posits the existence of "Japanese developmentalism" — a form of economic development model that aims at creating wealth for a late-developed nation — that he holds emerged in the 1931-1945 era, arguing that this, combined with policy innovations by the state and institutional reforms in the same era, lead to Japanese capitalism significantly departing from its pre-1930 incarnation, while proceeding on to influence postwar developments as well.¹⁶ Gao argues for the existence of "Japanese capitalism," and more broadly, for the existence of *variance* of capitalism, rather than a single form of capitalism based on Western models to which all else is compared.¹⁷ In this regard, his argument reflects debates over modernity, and resembles Maruyama's aforementioned argument for multiple modernities. Gao is implicitly rejecting the convergence thesis, as Gordon did. Furthermore, he cautions that the differences between different "breeds" of capitalism are not permanent, as developmentalism, for instance, is dynamic and

¹⁶ Bai Gao, 2-3.

¹⁷ *Ibid.*, 4-5.

responds depending on the situation.¹⁸

For Gao, progress lies not in forcing countries to subscribe to one model of capitalism so much as learning to accommodate each other's varying systems; he further stresses that he takes the market as his focus, not the state, which immediately distinguishes him from the generations of scholarship that had difficulty moving away from focusing on the state as the prime mover in economic development and innovation. Indeed, he states that the biggest difference between liberal capitalism (e.g. the West) and developmentalism (e.g. Japan) is not how the state is restricted by the private sector, but rather how the market is organized by the state and non-market government structures.¹⁹

More problematically, he posits the existence of "fascist" economic policies which in Germany, Italy and Japan shaped their industrial development, but he cautions that he is not using the term unilaterally for political systems, but rather for a set of economic policies that emerged at the time and that these countries shared — furthermore, the economic policies introduced under fascism were not dependent only upon the political structures of that time, and could be compatible with democracy in the post-war era.²⁰ While this conceptualization may need further development, it is still an insightful consideration for discussing the impact of economic developments during the 1930s on the post-war era.

In 1998, an extensive seven-volume series entitled *Japanese Economic History, 1600-1960*, edited by Michael Smitka, was published. The seven volumes are: 1) *Japanese Prewar Growth*, 2) *The*

¹⁸ Ibid., 15.

¹⁹ Ibid., 7.

²⁰ Ibid., 12-13.

Interwar Economy of Japan, 3) *Historical Demography and Labor Markets in Prewar Japan*, 4) *The Textile Industry and the Rise of the Japanese Economy*, 5) *Japan's Economic Ascent*, 6) *The Japanese Economy in the Tokugawa Era, 1600-1868*, and 7) *Agricultural Growth and Japanese Economic Development*. In a consideration of Japanese business in the first half of the twentieth century, the first three volumes are most helpful. Each is a conference compilation, and many of the papers are works of business history or incorporate elements of business history into their approach. *Japanese Prewar Growth* brings together articles on technology and considers the relevance that prewar economic development can have for development theory, while *The Interwar Economy* brings together work on capital, financing, and exchange rates, amongst other topics that are relevant for business historians to consider.

The 2000s witnessed a range of studies that built on much of the foundation established in the 1980s and 1990s. One significant work was Carl Mosk's *Japanese Industrial History* (2001), which considers the dramatic change in technology, and the economic and social consequences that resulted, during the course of modern Japanese history. The work is innovative in building up a socio-economic system based on the technology of the time; the monograph reflects this by being divided into two sections that reflect the dominant technology at the time: 1) water and wood, and 2) electricity and steel. This work reflects an increasing awareness in scholarship, already manifest in several works discussed thus far, of the interconnectedness of various elements in society: economic development cannot be discussed through a consideration of the state alone (as in older scholarship), but must consider entrepreneurs (as in 1970s scholarship), and labor (as in 1980s scholarship) to build towards a cohesive analysis.

Management continued to receive attention, notably from Morikawa, who in *A History of Top Management in Japan* (2001) built upon his analysis in *Zaibatsu* but carried it through to the postwar *keiretsu* era. Labor history was still inspired by Gordon but continued to develop in new directions, such as dedicated studies of women workers, following on from Patricia Tsurumi's trailblazing *Factory Girls* (1990), and through new conceptions of the labor experience that incorporated white-collar workers, education, and other issues, as reflected in Shinji Sugayama's "Recent Developments in Japanese Labour History" (2014). For instance, Kazutoshi Kase discusses unemployment policy in prewar Japan, arguing that the conventional view of Japanese prewar social policy being backward is flawed, and in fact in many respects it was more progressive than that existing in Western countries during the same era ("Unemployment Policy in Prewar Japan," 2004).

There have also been numerous studies of specific industries that incorporated historical coverage of the early twentieth century, such as Maki Umemura's *The Japanese Pharmaceutical Industry: Its Evolution and Current Challenges* (2011), which spends a section chronicling Japan's prewar development of domestic drug-manufacturing, as well as insightful new works of business history such as Jeffrey W. Alexander's work on the motorcycle industry (*Japan's Motorcycle Wars*, 2009) and beer-brewing (*Brewed in Japan: The Evolution of the Japanese Beer Industry*, 2014).

Conclusion

To some extent this treatment has neglected close engagement with specific case studies in business history in favor of outlining broader trends in economic history as a whole that have shaped how twentieth-century Japan has been understood in the English-

language world. It is essential to consider the context in which business history emerged, and understanding the trajectory of thought concerning the prewar era requires an understanding of both the macro-level economic assessments that were the norm for many years, and the micro-level case studies that emerged to confirm or challenge older categories and conceptions of industries as monolithic entities.

Much of the historiography reveals the persistence of an idea of a unique system of Japanese business practices that was seen as the source of Japanese economic success in the 1980s, and conversely, as the source of its decline in the 1990s. Much of the business and economic history scholarship needed to engage with this issue, ultimately breaking down the presuppositions upon which the argument rested although at that point it had already become a *de facto* method of considering Japanese business in more popular writings. There has been a process whereby English-language scholars have been disabused of the notion that Japan is, or should be, on a track following Western models, although at a broader level the continuing influence of modernity theory and its attendant assumptions about economic development and social and cultural history may have detracted from some of business history's development in this regard. Generally speaking, the historiography over the last two decades in particular is characterized by a move away from essentialist explanations and towards more nuanced approaches that consider elements in business and economics in relation to each other and strive to understand such elements both as dynamic in character, and as the product of particular historical circumstances.

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