

REC6075 Development of Japanese Industry and Business

Spring 2018

PROFESSOR: Yoshitaka Okada
CLASS ROOM:
CLASS HOURS: 6:00 pm – 9:10 pm on Mondays
OFFICE HOURS: after the class on Mondays

COURSE DESCRIPTION:

How did Japanese business practices and industry develop from the Meiji Restoration (1868) to the present? How did government industrial and technology policies, industrial structures, industrial relations, and production technologies influence the development of industry and business practices? What is happening with these issues presently in Japan? This course tries to answer these questions by tracing historical changes and also studying some cases, including Toyota and the Japanese semiconductor industry. Class lectures will be based on the theoretical framework of institutional economics and economic sociology.

COURSE REQUIREMENTS:

1. Reading Assignments: None. Key reference in each section is * marked in this syllabus with PDF files provided in the IUJ computer system.
2. **Take-home Mid-term Examination Due: Week 7 (5/14)**
Please pick one topic out of (a) Industrial Organization, (b) Government-Business Relations, and (c) Sogo Shosha (General Trading Companies), and answer the following questions, not exceeding 15 pages (double-space).
 - (1) Please trace the historical transformation of your selected topic from the Pre-WWII period to the present. (40 pt.)
(To answer this question, you need to take a good note of my lectures.)
 - (2) Identify both persistent and changing characteristics. (20 pt.)
 - (3) How do you explain the persistence and change? (20 pt.)
 - (4) How can the topic you covered be applied to your own country? (20 pt.)
3. **Paper:** One term paper of 15-20 pages is required. Select an issue or problem related to the development of Japanese industry and business, and write a very analytical paper by reviewing books, journal articles, and/or newspaper. Please make sure that you specify a basic question that you are asking in your paper in Introduction.

Due Date: Week 11 (6/11)

4. Paper Presentation: **Week 11 (6/11)**

COURSE GRADE: : 40% on mid-term examination,
50% on term paper
10% on class participation and presentation

COURSE OUTLINE:

- I. Institutional Economics and General History of Japanese Economic Development
- II. Industrial Organization
- III. Government-Business Relations
- IV. Sogo Shosha (General Trading Companies)
- V. Japanese Management
- VI. Japanese Production System

CLASS SCHEDULE (This is a very short version. If you need full references, please request Prof. Okada.).

- I.A. Institutional Economics and General History of Japanese Economic Development
Week 1 (4/2)

- * 24. Oliver Williamson, "The Economics of Organization: The Transaction Cost Approach," American Journal of Sociology 87 (3,1981):548-577.
- * 51. Douglass C. North, Institutions, Institutional Change and Economic Performance, (Cambridge: Cambridge University Press, 1990), Ch. 1, 3, and 9.
- * 2. Yoshihara Kunio, Japanese Economic Development: A Short Introduction, (Tokyo: Oxford University Press, 1979), pp. 1-30.

II. Industrial Organizations

Week 2 (4/9)

Week 3 (4/16)

- * 2. Munemichi Inoue, "Competition and cooperation among Japanese corporations," pp. 139-159 in Lester C. Thurow (ed.) The Management Challenge: Japanese View, (Cambridge, Massachusetts: M.I.T. Press, 1985).
- 6. John G. Roberts, Mitsui: Three Centuries of Japanese Business, (N.Y.: Weatherhill, 1974).
- * 8n. Michael Gerlach, "Keiretsu Organization in the Japanese Economy: Analysis and Trade Implications," in Chalmers Johnson, Laura D'Andrea Tyson, and John Zysman (eds.), Politics and Productivity, (New York: Ballinger Publishing Co., 1989), pp. 141-174.
- *13nn.Banri Asanuma, "Manufacturer-Supplier Relationships in Japan and the Concept of Relation-Specific Skill," Journal of Japanese and International Economics 3(1989): 1-30.

III. GOVERNMENT-BUSINESS RELATIONS

Week 4 (4/23)

Week 5 (4/30)

III.A. JAPANESE MODEL

- * 1. Chalmers Johnson, MITI and the Japanese Miracle, (Stanford, Calif.: Stanford University Press, 1982), pp. 3-34 and 305-324.
- * 16n. David Freidman, The Misunderstood Miracle, (Ithaca: Cornell University Press, 1988), pp. 1-36, 201-227.
- 17n. Daniel I. Okimoto, Between MITI and the Market: Japanese Industrial Policy for High Technology, (Stanford: Stanford University Press, 1989), pp. 1-54.

III.B1. GOVERNMENT INDUSTRIAL POLICIES

- * 8n. Daniel I. Okimoto, Between MITI and the Market: Japanese Industrial Policy for High Technology, (Stanford: Stanford University Press, 1989), pp. 55-111.
- 11n. Ryutaro Komiya, et. al. (ed.), Industrial Policy of Japan, (Tokyo: Academic Press, 1988), pp. 307-332, 475-496.

III.B2. GOVERNMENT TECHNOLOGY POLICIES

- * 20nn.Kenichi Imai, "Japan's Industrial Policy for High Technology Industry," pp. 137-169 in Hugh Patrick (ed.), Japan's High Technology Industries, (Seattle: University of Washington Press, 1990).
- 23nn "Japan's Unique Capability to Innovate: Technology Fusion and Its International Implications," pp. 147-164 in Thomas S. Arrison, C. Fred Begesten, Edward M. Graham, and Martha Caldwell Haradis (eds.), Japan's Growing Technological Capability, (Washington, D.C.: National Academy Press, 1992).

IV. SOGO SHOSHA

Week 6 (5/7)

IV.A. WHAT ARE SOGO SHOSHA?

- * 2. Kunio Yoshihara, Sogo Shosha: The Vanguard of the Japanese Economy, (Tokyo: Oxford University Press, 1982), pp. 6-13.

IV.B. HISTORICAL EVOLUTION

- 3. A. K. Young, pp. 31-56.
- 4. K. Yoshihara, pp. 14-168.
- *18nn. Tsuneo Suzuki, "Post-War Development of General Trading Companies," pp. 111-169 Sinichi Yonekawa (ed.), General Trading Companies: A Comparative and Historical Study, (Tokyo: United Nations University Press, 1990).
- *19nn. Hiroaki Yamazaki, "The Logic of the Formation of General Trading Companies in Japan," pp. 21-64 in Shinichi Yonekawa and Hideki Yoshihara (eds.), Business History of General Trading Companies, (Tokyo: University of Tokyo Press, 1987).

IV.C. SERVICE AND RESOURCES

- 13n. Yoshi Tsurumi, Sogoshosha: Engine of Export-based Growth, (Montreal: The Institute for Research on Public Policy, 1984), pp. 23-58.
- *14n. M. Y. Yoshino and Thomas B. Lifson, The Invisible Link, (Cambridge, Mass.: MIT Press, 1986), pp. 37-78, 199-243.

IV.D. ROLES IN INDUSTRIALIZATION

- 9. A. K. Young, pp. 119-144.
- 10. K. Yoshihara, pp. 204-228.

VI. JAPANESE MANAGEMENT (Mid-term Examination Due)

VI.A1. GENERAL CHARACTERISTICS

- Week 7(5/14)** 3. James C. Abegglen, The Japanese Factory, (Glencoe, Ill.: The Free Press, 1958);
- Week 8(5/21)** Management and Worker, (Tokyo: Kodansha International Ltd., 1973; The Strategy of
- Week 9(5/28)** Japanese Business, (Cambridge, Mass.: Ballinger Publishing Co., 1984).

- 7. William G. Ouchi, Theory Z: How American Business Can Meet the Japanese Challenge, (New York: Avon Books, 1981), pp. 3-79.
- 22n. Hideo Inohara, Human Resource Development in Japanese Companies, (Tokyo: Asian Productivity Organization, 1990), pp. 40-123.
- 23n. Masahiko Aoki, "The Japanese Firm in Transition," Kozo Yamamura and Yasukichi Yasuba (eds.), The Political Economy of Japan, (Stanford: Stanford University Press, 1987), pp. 277-290.

VI.A2. Historical Development

- 3nn. J. Hirschmeier & T. Yui, The Development of Japanese Business, (London: George Allen & Unwin, 1981), pp. 91-132, 165-223, 245-260.
- * 4nn. Mark Fruin, The Japanese Enterprise System: Competitive Strategies and Cooperative Structures, (Oxford: Clarendon Press, 1992), pp. 126-209.

VI.B. CULTURAL EXPLANATIONS

- 24. Ryushi Iwata, Japanese Style Management: Its Foundations and Prospects, (Tokyo: Asian Productivity Organizations, 1982), pp. 21-46.
- 25. Masumi Tsuda, Nihonteki Keiei no Daiza, (Tokyo: Cyuuou Keizai Sha, 1980).
- 26. Hiroshi Hazama, Nihon Roumu Kannri Shi Kennkyuu: Keiei Kazokushugi no Keisei to Tenkai, (Tokyo: Ochanomizu Shobou, 1978).

27. Hironshi Hazama, Nihonteki Keiei: Syuudan-shugi no Kouzai, (Tokyo: Nikkei Shinsho, 1971).

VI.C1. Universalistic Explanations

29. Robert E. Cole, Work, Mobility, and Participation, (Berkeley: University of California Press, 1979), pp. 1-32.

30. Ronald Dore, British Factory-Japanese Factory: the Origins of National Diversity in Industrial Relations, (Berkeley: University of California Press, 1973), pp. 338-371 and 404-420.

33. Kazuo Koike, "Skill formation systems in the U.S. and Japan: a comparative study," in M. Aoki (ed.), The Economic Analysis of the Japanese Firm, (North-Holland: Elsevier Science Publishers, B.V., 1984).

36n. James Abbeglen, Kaisha, (Tokyo: Charles E. Tuttle, Co., 1985), pp. 3-90, 119-147.

37nn. Masahiko Aoki, Information, Incentives, and Bargaining in the Japanese Economy, (Cambridge: Cambridge University Press, 1988), pp. 7-98.

VI. D. Recent Changes in Japanese Management

350. Kazuo Yanagihara and Takahiro Okubo, Saikyo no Japan Moderu: Chie to Wa de Kizuku Zettai Yuui no Keiei (Strongest Japan Model: Constructing Absolute Advantages with Wisdom and Harmony), (Tokyo: Diamond Publisher, 2002).

351. Tom Roehl and Allan Bird, Japanese Firms in Transition: Responding to the Global Challenge (N.Y.: Elsevier, 2005).

352. Norio Kobayashi, Henbosuru Nihongata Keiei: Gurohbaru Sijyo Shugi no Shinten to Nihon Kigyou (Changing Japanese-style Management: Croaching Global Marketism and Japanese Companies), (Tokyo: Chuo Keizaisha, 2013).

353. Arjan B. Keizer, Changes in Japanese Employment Practices, (New York: Routledge, 2010).

354. Ross Mouer and Hirosuke Kawanishi, A Sociology of Work in Japan, (Cambridge: Cambridge University Press, 2005)

355. Hiromasa Suzuki, "The changing models of human resource management in Japanese firms: A long-term view," in Rene Haak, ed., The Changing Structure of Labour in Japan (New York: Palgrave Macmillan, 2006), pp. 18-30.

356. Philippe Debroux, "The shift towards a performance-based management system: From noryokushugi to seikashugi," in Rene Haak, ed., The Changing Structure of Labour in Japan (New York: Palgrave Macmillan, 2006), pp. 122-139.

357. Mitsuo Ishida and Atsushi Sato, "The evolution of Japan's human-resource management," in Hiroyuki Miyoshi and Yoshifumi Nakata (eds.), Have Japanese Firms Changed? (New York: Palgrave Macmillan, 2011), pp. 70-87.

358. Akihiko Kawamura and Dai Miyamoto, "R&D management in Japanese manufacturing firms: Technology trade, R&D outsourcing, and joint R&D," in Hiroyuki Miyoshi and Yoshifumi Nakata (eds.), Have Japanese Firms Changed? (New York: Palgrave Macmillan, 2011), pp. 137-160

359. Jun Ma, "Foreign direct investment and management in Japan: The impact of Japanese corporations' foreign direct investment strategies on managerial decisions and corporate performance in Japan (An analysis based on corporate-level microdata)," in Hiroyuki Miyoshi and Yoshifumi Nakata (eds.), Have Japanese Firms Changed? (New York: Palgrave Macmillan, 2011), pp. 161-190.

360. Norio Kamibayashi, "Nihon gata wahku-raifu baransu no Jitsugen e mukete - Ryou kara shitsu e, and diversity e (Working toward realizing work-life balance – Transformation from quantity to

quality and to diversity),” in Norio Kamibayashi (ed.), *Henbo suru Nihongata Keiei (Changing Japanese Style of Management)*, (Tokyo: Chuo Keizaisha, 2013), pp. 239 – 257.

361. Isao Akaoka, “Nihon kigyo no senryaku to soshikikan kannkei – Soshiki set senryaku (Strategies and inter-organizational relations – Organizational set strategies), in Norio Kamibayashi (ed.), *Henbo suru Nihongata Keiei (Changing Japanese Style of Management)*, (Tokyo: Chuo Keizaisha, 2013), pp. 125 – 141.
362. Naoto Fukui, “Tayo na seishain to koyo no kyoukai – Sanso-labor-market model karano bunseki (Diverse forms of full-timers and the boundary of employment – Analysis from the three-layer-labor-market model),” in Norio Kamibayashi (ed.), *Henbo suru Nihongata Keiei (Changing Japanese Style of Management)*, (Tokyo: Chuo Keizaisha, 2013), pp. 177-197..
363. Makoto Matsuo, “Manejah no noryoku to ridahship kaihatsu (Managerial capability and leadership development),” in Norio Kamibayashi (ed.), *Henbo suru Nihongata Keiei (Changing Japanese Style of Management)*, (Tokyo: Chuo Keizaisha, 2013), pp. 219 – 238.
364. Daisuke Okamoto, “Nihonteki keiei (Japanese style of management), in Daisuke Okamoto, Yasuhiro Furukawa, Yamato Sato, and Sugio Baba, *Shinka suru Nihon no Keiei (Deepening of Japanese Management)*, (Tokyo: Chikura Shobo, 2012), pp. 2-17.
365. Daisuke Okamoto, “Gendai no kigyo (modern corporations), in Daisuke Okamoto, Yasuhiro Furukawa, Yamato Sato, and Sugio Baba, *Shinka suru Nihon no Keiei (Deepening of Japanese Management)*, (Tokyo: Chikura Shobo, 2012), pp. 2-17.
366. Yasuhiro Furukawa, “Toppu manejimento no jittai (Facts about top management),” in Daisuke Okamoto, Yasuhiro Furukawa, Yamato Sato, and Sugio Baba, *Shinka suru Nihon no Keiei (Deepening of Japanese Management)*, (Tokyo: Chikura Shobo, 2012), pp. 56-62.

VII. Japanese Production System

Week 10(6/4) 36. Robert E. Callahan, "Quality circle: a program for productivity improvement through human resource development," in Sang M. Lee and Gary Schwendiman (eds.), *Management by Japanese System*, (New York: Praeger Publishers, 1982), 76-110.

39. Richard J. Schoenberger, *Japanese Manufacturing Techniques*, (New York: The Free Press, 1982), pp. 15-45, 47-82.
- 40n. Masaaki Imai, *Kaizen*, (New York: Random House Business Division), pp. 15-45.
44. Robert W. Hall, "The Toyota kanban system," in *ibid.*, pp. 144-151.
- 48n. James P. Womack, Daniel T. Jones and Daniel Roos, *The Machine That Changed The World*, (New York: Maxwell Macmillan International, 1990), pp. 21-103.
- * 49nn. Taiichi Ohno, *Toyota Production System: Beyond Large-Scale Production*, (Cambridge, Massachusetts: Proeductivity Press, 1988), pp. 1-74.

VI.F. Industrial Explanations

- 37nn. Michael Cusumano, *Nihon no Sofuto Uea Senryaku (Japan's Software Strategies)*, (Tokyo: Doyukan, 1993).
- 38nn. Hiroyuki Itami, *Nihon no Kagaku Sangyo: Doshite Sekai ni Tachi Okuretanoka (Japanese Chemical Industry: Why is it Behind the World)*, (Tokyo: NTT Shuppan, 1993).

Paper Presentations

Week 11 (6/11) (Term Paper Due)