
Industrial economy and human rights problems – present conditions of small and medium sized enterprises of Buraku and tasks through investigations into the actual conditions

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1 Introduction – Fundamental understanding of industrial problems of Buraku

The genuine purpose of discrimination against Buraku (Dowa district) and Buraku people in Japan are to *divide and rule* for political reasons on one hand, an to *exploit* for economic reasons on the other. The latter are demonstrated in industrial, labour and employment practices. *Recommendations of the Cabinet Dowa Policy Council* of August 1965 recognised economic problems of Buraku in the context of *Dual Structure* of the Japan's unique industrial structure (the modernised and developed sectors on the top, and the least modernised and underdeveloped sectors on the bottom). It stated, "Industries in Dowa districts constitute the very bottom of such a structure. They are found in old sectors which are left far behind the economic development of our country.¹ The recommendations defined "weak operation in agriculture, trade and manufacturing", "unstable employment" and "unsecured traditional industries in the urban area" as industrial and occupational problems of Buraku, while listing up the butchery, leather processing, shoe-making, sundries, peddlers and brokerage as lines of businesses.² These problems can be attributable to discrimination and prejudice against Buraku."³

While the recommendations stated that economic aspects of Buraku issue, especially the industrial problems, constituted the bottom of the dual structure of industrial economy of Japan⁴, I argue that as a result of historical discrimination against Buraku they have had to accept such a position.⁵

Power holders in the feudal times intentionally set up the oppressed class, so that the above-mentioned jobs could be assigned to them. Given a humiliating social status, people in Buraku had to engage in disposal of dead cattle or other jobs as mentioned above. As a result, these industries were developed within Buraku communities.

When Japan started to walk towards a modern state, the government proclaimed the *Emancipation Edict* in 1871 to liberate the oppressed class under the feudal class system. However, at the same time, it also took away jobs from the oppressed class. With the

1 Cabinet Dowa Policy Council, 1974, p. 32

2 Op. Cit., p. 52

3 Ibid., p. 32

4 Ibid., p. 52

5 Thanaka, M.: *Nihon Keizai to Buraku Sangyo – Chushokigyo Mondai no Ichisokumen (Japan's economy and Buraku Industry – one aspect of Small Business problem)*. Kaiho (Liberation) Press (in Japanese), 1992. Tanaka M., (Ed.): *Nihon no Keizai Kozo to Buraku Sangyo – Kokuzaika no Shiten to Chushokigyo no Kadai (Japanese Economic Structure and Buraku Industry – Development of internationalisation and pressing problems for Small Business)*. Kansai University Press (in Japanese), 1996.

movement of non-Buraku big capital (factories with modern manufacturing systems supported by the government into the Buraku traditional industries which were specific and native to Buraku (small and petty industries), Buraku industries were gradually becoming less competitive, accelerating the chronic poverty in Buraku.

Participation of non-Buraku capital demonstrated how important these Buraku industries could be for the national economy. Today, the participation of foreign capital in the Buraku industries (industrial liberalisation) is getting more intense coupled with the international call for the liberation of Japan's economy.

At the same time, the essence of *Law on Special Measures for Dowa* has been set back. Buraku people engaged in these industries have been struggling and overcoming such handicaps and difficulties through different approaches. In the leather industry, for example, such approaches include self-help by transforming itself into a *cultural industry as part of the total-fashion industry*, exchange and networking with the related industries such as the apparel industry, and involvement of the government and academic circles in R&D efforts.⁶

With the opening of the 21st century, prejudice against the Buraku industries should be eliminated, and people in the country are urged to understand the Buraku industries from the international perspective.

2 Buraku industries and business enterprises

Buraku industries should consider themselves as well-established small and medium industries in production areas (SMIs). Despite the fact that they have played an important role by engaging in production of the necessities for consumers inside/outside the country and supporting their modern life, they have been looked down and placed at the very bottom of the industrial structure of the country.

2.1 Problems as small and medium enterprises (SMEs)/petty enterprises

Buraku industries generally belong to the group of SMEs/petty enterprises in terms of their sizes and types. They share the same characteristics and problems as all the other SMEs in the country have. These problems include: smallness in the size of production system, organisation and management; production of various kinds in small quantities; labour intensiveness; difficulties in financing; subcontracting, cottage industries and family businesses; dependency on wholesalers; too many participants – excessive competition leading to poverty; cooperative, organisational and industrial reorganisation.

Considering characteristics of the geographical distribution of the industries, they are also identified as traditional SMIs in production area.

With the shifts of the industrial structure, small and medium industry was also compelled to change structurally, and the conditions supporting its existence or the factors causing changes themselves were subject to variations. These factors of change are:

6 Tanaka, M.: Buraku Sangyo no Genjo to Kadai (Reality and pressing problems of Buraku industries), in: Kenkyusyo, T.: Newsletter of the Buraku Liberation Institute of Nara Prefecture. No. 31. Buraku Liberation Institute of Nara Prefecture, 1998.

- a) Technical innovation
- b) Structure of demand
- c) Labour force
- d) Progress of internationalisation, etc.

They have operated in the following manner:

- a) Due to the progress and general diffusion of technological innovation, new materials and substitutes were developed, and the mechanisation of work and, consequently, mass-production of standardised articles were made possible.
- b) Living standards were elevated with the high-pitched growth of the economy, and changes in the composition of demand took place due to the changing way of life.
- c) As the labour shortage became apparent, small and medium industry was losing its basis of low-wage employment structure and labour intensive method and means of production. Above all, it was subject to the influences from the tendency of a young labour force fresh from school to concentrate into the rapidly growing types of large enterprises.
- d) With the intensifying international exchanges, foreign products have been entering domestic market, for instance. In particular, the products of developing countries are catching up with those of Japan with accelerating pace by taking advantage of a cheap and abundant labour force which itself has been hitherto the characteristic merit of Japan's small and medium industry.

To be sure, these factors of change have also a favourable side for small and medium industry. Some instances might be cited as follows:

1. Technological innovation promotes the mechanisation of production techniques, modernisation and realisation in small and medium industry.
2. As for changes in the demand structure, the rise of living standards stimulates the expansion of small and medium industry by way of increasing demand for high-grade articles.
3. With the increasing international exchange, raw materials for instance can be more readily obtained.

Moreover, the development of transporting machinery and progress of the so-called distribution revolution reduce the cost of transportation and make it easy to connect producers with consumers.

However, the possibility of survival and growth is opened up only for those among small and medium enterprises, which can adapt themselves skilfully to and cope positively with the changes in the social and economic environment.

The above observations are also true for the Buraku industries.

2.2 Problems of enterprises in production areas as typical SMEs

Many Buraku industries are identified as typical enterprises in production areas, or SMIs in production areas. Generally speaking, enterprises in production areas are gaining more focus as the *White Paper on Small and Medium Enterprises* defined it as "one of the typical forms of existence of SMEs in Japan".

When classifying by the category of production area, there are about 3 000 and 5 000 production areas throughout the country. According to the MITI/Small and Medium

Enterprise Agency, those production areas which have annual output in an amount of more than 50 billion Yen are considered to be major production areas.⁷

SMEs in production areas can be defined with the following characteristics:

- Concentration of those having the same physical conditions in a certain geographic area
- Production of the same products, mainly consuming goods as local specialities
- Dependency on local communities in procuring raw materials and labour force
- Traditional production skills, and labour intensiveness
- Relevance to a local agricultural structure
- Smallness and pettiness in business size
- A wide market
- Historical and traditional grounds.⁸

It should be noted that typical Buraku industries bear all the above requirements.

Development of Buraku industries to be *SMEs in production area* has taken one of the following paths:

- Growing on the basis of traditional technologies and/or skills
- Shifting products along with changes in available raw materials and life style of consumers
- With participation of new entrepreneurs who previously worked in the same industry and mastered skills.⁹

In addition, figure 1 shows industrial and economic results of the *Survey on Actual Conditions* of Dowa districts recently done by the government.

As a classical interpretation/definition of SMEs in production areas, I am quoting the following description of A. Marshall about the origins of “localised industry”:

- Physical conditions such as the character of the climate and soil etc.
- The patronage of courts
- The deliberate invitation of rulers.¹⁰

Here, the third condition of Marshall’s definition should be noted. To apply it to the Buraku context, most of Buraku industries as *SMEs in production areas* were deliberately introduced into Buraku by the feudal government during the Edo era for the purpose of dividing and ruling the people and exploiting them economically under the humiliating class system.

7 Small and Medium Enterprise Agency of MITI: *Small Business in Japan – White paper on Small and Medium enterprise in Japan*. 1994, p. 92

8 Tanaka, M.: *Chiiki Sangyo to Chushokigyo* (Local industry and small and medium enterprises), in: Fujita, K., Tekeuchi, M. (Eds.): *Chushokigyo ron* (Theories of small and medium enterprises industries, new edition). Yuhikaku (in Japanese), 1972, p. 146

9 Prime Minister’s Office: *Dowa Taisaku no Genjo* (Reality of Measures for Dowa). 1973, p. 143

10 Marshall, A.: *Principles of Economics*, 9th (Variorum) ed. With Annotations by Guillebaud, C.W., Vol. 1, Text, Macmillan and Co. Limited for the Royal Economic Society, 1961, p.268–273

Categories	male		female	
	Dowa district	National	Dowa district	National
Total number of employees	47.613	28.776	34.783	26.980
Agriculture, forestry and fishery	7.8%	5.9%	7.4%	7.3%
Mining	0.5	0.1	0.1	0.0
Construction	24.8	13.3	6.5	4.0
Manufacturing	18.5	24.7	24.6	22.3
Electricity, gas, fuel, and water works	3.9	0.9	1.9	0.2
Transport and telecommunication	8.7	8.5	1.5	2.4
Wholesale, retail and food services	10.4	18.8	20.5	26.9
Finance and insurance	0.7	2.5	2.4	4.0
Real estate brokers	0.6	1.1	0.4	1.2
Services	12.8	19.1	22.3	29.5
Public service	10.6	4.2	11.2	1.5
Unidentified	0.7	0.7	1.1	0.7

Source: Ishimoto, K.: *Outline of Buraku Survey Findings and Changes in Buraku Life: Analysis of Government Survey of Buraku Life in 1993*, in: *Buaku Kaiho Kaikyū (The Bulletin of Buraku Liberation)*. Buraku Liberation Research Institute. No. 104, June 1995.

Figure 1: Number of employees by industry (% of total)

2.3 Characteristics and problems specific to Buraku industries

Buraku industries are marginalised from the basic social systems of the today's capitalist society, and based on contradictions caused by the marginalisation.¹¹

Here, typical and traditional Buraku industries include glove-mitt making, shoe-making, and meat industry. Dr. Ueda points out the apprenticeship or the disciplinary relationship between masters and disciples lying in Buraku industries. He notes that such an apprenticeship was originated from discriminatory conditions that Buraku industries have been placed under. He then suggests that Buraku industries can sustain and develop themselves while overcoming difficulties brought about by the discriminatory conditions through modernisation of industries, and raising awareness and organisation among Buraku labourers, or residents. Based on these analyses, he raises specific proposals and recommendations for administrative measures.

Meanwhile, Buraku industries have made progress in improving the old-fashioned apprenticeship and modernising the operation through continued efforts.

In short, Buraku industries are not merely SMEs/petty enterprises, nor SMIs in production areas. Rather, they should be identified as SMEs/petty enterprises in Buraku, a community under many years' discrimination, or as industries closely connected to the Buraku problem. Buraku industries are typically SMIs in production areas including leather processing, meat-packing, processing of waste articles such as automobiles, production of footwear such as leather shoes and chemical/vinyl sandals, production of leather sport goods such as gloves and mitts for baseball, bamboo crafts, and production of artificial pearls. Each industry has a production relationship consisting of sub-contracted workers manufacturers, waged workers, and side-workers. They sometimes

11 Ueda, K.: *Buraku Sangyo no Shakaigakuteki Kenkyū (Sociological Study of Buraku Industries)*. Akashi shoten (in Japanese). 1885, p. 3–6

take the form of company or union. Blood relationship, marital relationship or sharing same villages as home-towns have played an important role in forming such production relationships. These have contributed to build communal foundations among Buraku communities.

It is also typical among Buraku industries that both managers and employees did not actively choose their current occupations. Rather, they have been excluded from the mainstream of production activities of the country because of discrimination, thus having no other options. It is also one of characteristics of Buraku industries that they are subject to influx of major capital and commercial capital, and vulnerable to economic fluctuations, thus being unable to make long-term prospects in unstable positions.¹²

It should be reiterated that Buraku industries are not merely SMEs/petty enterprises nor SMIs in production areas, but they are SMEs/petty enterprises in Buraku which have been placed under “ideological discrimination” and “practical discrimination”.

¹² Akisada, Y., Katsura, M., Murakoshi, S. (Eds.): *Shinshu Buraku Mondai Jiten* (Concise Encyclopedia of Buraku Issues). Buraku Liberalisation Press (in Japanese). 1999, p.415