

Small Business of Buraku in Japan's Economy – Industrial economic society and human rights

Mitsuru Tanaka, Professor emeritus of Kansai University, Osaka Japan

I dedicate this article to the memory of Great Teacher
Professor Dr. Alfred Gutersohn like affectionate father.

Keywords, debating points

Industrial economy and corporate activities in “Buraku min” (discriminated community people) = “Dowa” (social integration) – Dowa measures (social integration measures to eliminate discrimination) – dual structure in the Japan’s industrial economy – internationalisation and liberalization of trade – Buraku liberation and human rights – socially reasonable division of labour.

I already referred to “Present conditions of SMEs of Buraku and Tasks”¹⁾ Therefore in this paper, I would like to report continuously some furthermore investigations for SMEs of Buraku in the Japan’s economy.

For new readers

What is Buraku?

Buraku is a Japanese word referring to village or hamlet. However, this word is usually used to refer to communities where discriminated-against Buraku people reside. Buraku people or Burakumin (“min” refers to people) are the largest discriminated-against population in Japan. They are not a racial or a national minority, but a caste-like minority among the ethnic Japanese.

They are generally recognized as descendants of outcaste populations from the feudal days. Outcastes were assigned such social functions as slaughtering animal and executing criminals, and the general public perceived these functions as “polluting acts” under Buddhists and Shintoist beliefs.

Source: Buraku Liberation and Human Rights Research Institute. “Bimonthly Buraku Liberation News” (No. 123 May and July 2002, p.4)

I. Introduction - Fundamental Understanding of Industrial Problems of Buraku

The genuine purposes of discrimination against Buraku (Dowa districts) and Buraku people in Japan are to "divide and rule" for political reasons on one hand, and 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."²⁾ 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.³⁾ These problems can be attributable to "discrimination and prejudice against Buraku."⁴⁾

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.

II Actual Economic and Industrial Conditions of Dowa Districts

A number of surveys have been conducted by a number of different organisations into the actual conditions of Dowa industries. These have included the aforementioned "Recommendations of the Cabinet Dowa Policy Council"; the "Current Status of Dowa Measures" of the Office of the Prime Minister; the "Basic Investigation into Employment Structure", which was prepared by the Management and Coordination Agency for the purpose of reviewing Dowa measures programmes every five years after the enforcement of "the Law on Special Measures for Dowa Projects" and for promoting wider public recognition and understanding of the Dowa issue; those conducted by local governments; those conducted by Buraku-related organisations and institutions, especially industrial associations; and those conducted by researchers and research institutions. It is clear that these surveys have had a common ultimate goal: to advocate policies and programmes for the development and maintenance of Buraku industries and enterprises through conduction of surveys and analysis of the associated findings. There is a common problem with the findings, however, in that the analysis used is very limited and there has been overdependence on the statistics collected by these surveys. Tachibanaki questions whether or not we can actually understand the actual conditions of Dowa areas through this data. He states that the data is "usually collected by government agencies or independent researchers [so the question must be asked:] do collected samples appropriately represent the entire community?"⁵⁾

It is also true that there have been fundamental problems with the basic methodology used in conducting these kinds of surveys. Tachibanaki says, "To solve this, the samples must be collected in such a way that the whole can be evenly and precisely represented without any partiality."⁶⁾

I would now like to examine some of the challenges that Buraku industries and enterprises face with respect to their survival and development by referring to a number of significant surveys.

1. Large Cities – Osaka

There are a number of different indications that suggest that conditions of Dowa districts are getting worse. The following is an outline of some of the major difficulties.¹⁾

1) Industrial Structure

Dowa district large-scale industrial structure mainly comprises of wholesale/retail and restaurant businesses. This is a similar kind of structure to the overall large-scale industrial structure of Osaka prefecture. Under other industrial classifications, however, Dowa districts display their own unique characteristics with a higher proportion of real estate and construction industries on one hand, and a lower proportion of service industries on the other. In comparison with the previous survey of fiscal year 1997, while the percentage of total industry that the real estate industry accounts for has increased, that of the manufacturing industry has decreased. This suggests that Dowa industries are

undergoing a large change. Dowa districts account for a large proportion of the following medium-sized industries real-estate agents and care-takers (real estate industry); job classification, facility installation work (construction industry); tanning, tanned-leather goods and leather production (manufacturing); wholesale of food and beverage, construction material and mineral/metal materials (wholesaling, retailing and food catering); disposal of industrial waste (service industry); and track transportation (transportation and communication industry).

The proportion that the above industries account for is greater in Dowa districts than it is for Osaka overall. Examination of small-sized industries reveals that many people in Dowa districts are engaged in renting house/rooms and running meat retail businesses. In comparison with the entire prefecture of Osaka in terms of percentage, Dowa districts have more ten times more people engaged in the following businesses: production of leather shoes and related accessories, truck transportation businesses, wholesale of agricultural products, wholesale of meat, fish and recycled materials, meat retail, household waste disposal, and tanned leather good production.⁸⁾

2) Results and Evaluations of the Qualitative Research

Most business operators in Dowa districts (47.5%) indicate that business conditions are “getting worse” according to the Diffusion Index (DI: showing the judgement of business conditions by business operators). They feel that they are in an unfavourable business environment. Those engaged in manufacturing, wholesale/retail, restaurants, finance and insurance face especially difficult conditions.

In response to the question about the future of their business operations, nearly 75% of respondents answered that they would continue working in the same business. There were only a small number of business operators who planned to review their current business and consider restructuring or participating in new businesses. There appears to be a problem of an overall lack of innovation. Less than 10% of Dowa businesses have introduced computers into their operations. This shows no improvement from past conditions according to the 1995 survey. Dowa businesses lag far behind the general trend towards the introduction of information technology.

These results indicate that business owners in Dowa districts face many problems in their business operations.⁹⁾

The survey reinforces the fact that that eradication of the continuing social discrimination against Buraku is an important prerequisite for the promotion and development of industries in Dowa districts.¹⁰⁾

2. Rural Area – Sakurai-city, Nara Prefecture

The conditions in Sakurai-city, Nara Prefecture, will now be briefly examined.¹¹⁾

Nara prefecture is the oldest metropolis of Japan. It is a hometown of many traditional localized industries, some of which can be identified as the origin of many modern Buraku industries. Dowa districts in Nara prefecture have a long history. Even prior to the modern age, Nara had more than 80 Buraku communities. Today, Nara stands at the top of the country in terms of proportion of Buraku households and population against the total number of households and population per prefecture.

According to the survey to examine the actual conditions of Dowa areas, conducted by the Office of the Prime Minister in 1975, there were then 82 Dowa districts, 18,353 households and 62,175 Buraku people in Nara prefecture. The Buraku population accounted for 5.7% of the total population of the prefecture, which placed Nara at the top of the country in terms of Buraku population percentage.

About 60% of the prefecture’s Dowa districts had more than 100 households each, which indicated a different kind of pattern of Buraku distribution than in other prefectures, including the Kinki area, as well as for the whole country. The progress of Buraku industries in Nara prefecture can be explained as one of factors that have contributed to the uniqueness of the prefecture.

Having developed over time, Buraku industries in the prefecture currently engage¹¹⁾ in the manufacture of ski-shoes, sport-shoes, men’s shoes, baseball gloves and mitts, sandals, fur and leather goods and leather buttons. Except for a few companies, they are all small enterprises. They used to hold a large portion of the market share in their respective domestic markets in terms of production output, but, as seen in the drop out from the American baseball glove and mitt market, they have been driven into danger of collapse by increased competition from developing countries, backed by leading Japanese trading companies.¹²⁾

The issue of the elimination of employment discrimination does not only mean promoting employment of Buraku people in companies, but also encouraging the invitation of specialists and general workers with special skills into Buraku communities in order to modernize, streamline and

develop Buraku industries. While the exchange of technology, knowledge and experience among different lines of businesses has been called for, it is strongly urged that efforts should also be concentrated on the elimination of “bias and prejudice” and discrimination against Buraku (which is the national objective) in order to encourage the invitation of human resources into Buraku areas and to simultaneously take the necessary steps for building infrastructure within Buraku industries (which is the obligation of the state).

In Summary, it can be concluded that the general nature of Buraku businesses as petty or family-businesses has made it difficult for them to manage employment from a perspective of maintaining good employment relations.

They have had no other way to procure workers but to rely on such traditional and customary ways as asking family members, relatives, friends in the same district, or friends outside their districts to find prospective employees for them.

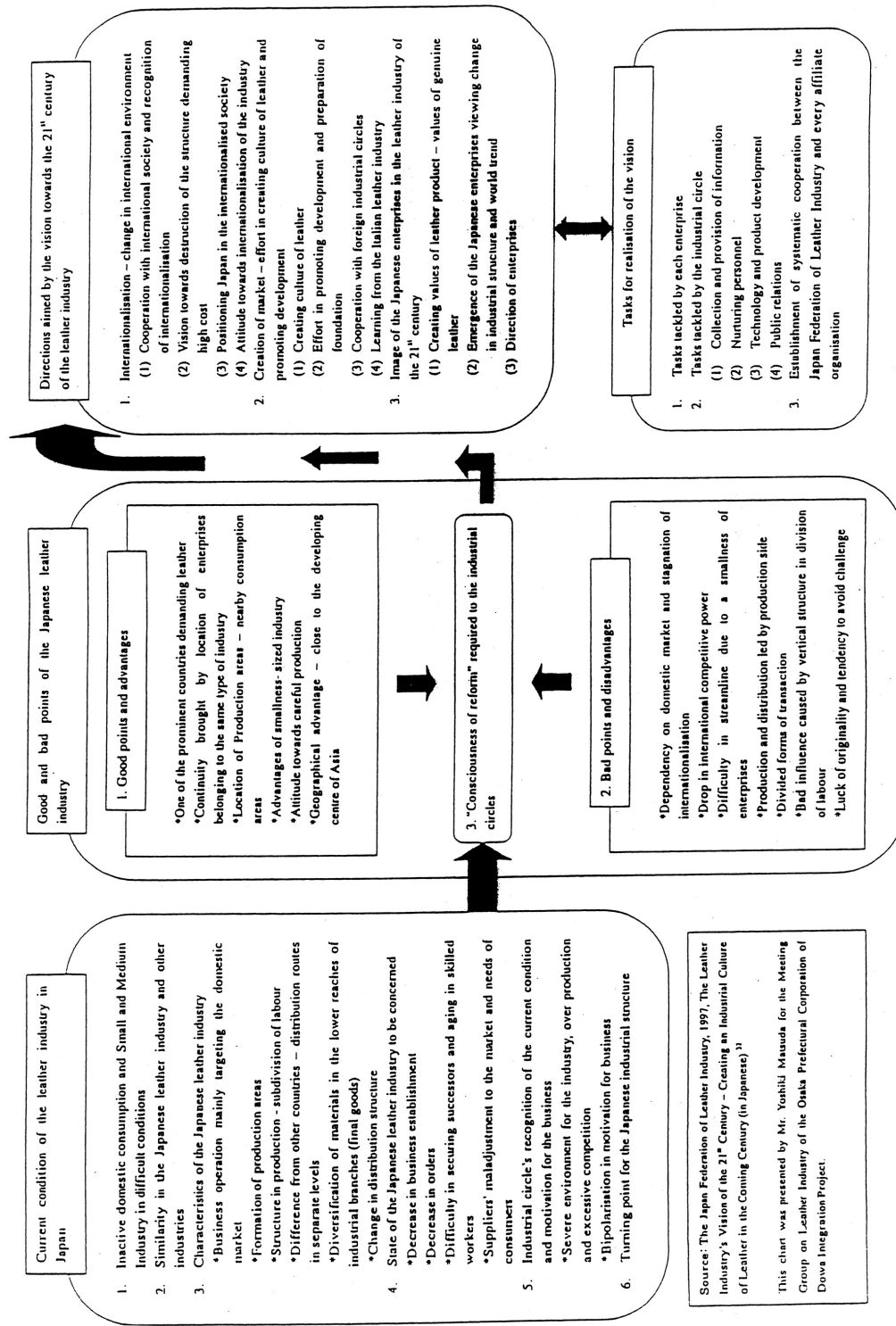
III. Traditional and Representative Buraku Industries

Case study – Leather Industry in Osaka.

In Osaka, many surveys have been conducted to find the actual conditions of the leather industry. The Osaka Prefectural Corporation for Promotion of Dowa Integration Projects Meeting Group on the Leather Industry also meets on regular basis to facilitate fact-finding research.

The Osaka Prefectural Corporation for Promotion of Dowa Integration Projects produced a report in 1991 as a result of this research. The report focused on the “tariff quota system” or “liberalisation of the leather industry”, being an urgent issue for the local leather industry, which is in the midst of increasingly difficult environmental conditions. Pressure from other countries means that the leather industry of Japan needs to change from being a traditional household industry to what is known as a “total fashion industry”.

Chart The Leather Industry's Vision of the 21st Century – Creating an Industrial Culture of Leather in the Coming Century



Source : Illustrate based on Matsumaga Yoshiaki

from The Japan Federation of Leather Industry, 1997, "The Leather Industry's Vision of the Century - Creating an Industrial Culture of Leather in the Coming Century" (in Japanese)

IV. CONCLUSION

I have referred to recent research and discussed the actual conditions of the industrial economy of Buraku, especially from the viewpoint of small and medium sized enterprises (hereinafter SMEs). I have done so because I understand that making people aware of the real conditions of Buraku and promoting genuine understanding of the Buraku issue is the first step towards achieving a complete solution to the Buraku problem and the liberation of Buraku, for which the Japanese Government and people are responsible.

1) Past Measures taken for Buraku Industries

The nature of Buraku industry is such that “it exists in Buraku, and is determined by the relationship between capitalists and labourers within a Buraku context.”¹³⁾ Thus, any measures to improve Buraku industries should not be considered simply as part of the conventional measures for SMEs in general. In other words, measures for protection and development of Buraku industries should be designed within a comprehensive programme for Buraku liberation. These measures should facilitate the realisation of economic aspects of the fundamental rights of Buraku people that they have long been deprived of.

The Japanese economic environment is currently undergoing drastic change. This is causing anxiety among Buraku people by taking industries and jobs away from them. In other words, the economic and social instability is substantially reinforcing existing discrimination as well as encouraging conceptual discrimination. This is causing the emergence of a reproductive structure in discrimination. These are serious phenomena that relate to the structural contradiction of contemporary capitalism and state policies that intensify such contradictions. In addition, under current circumstances where the idea that economic efficiency comes first is prevalent and permeating, the basic attitude that places Buraku industries within the perspective of “the dual structural problem” is no longer valid. In reality, however, the dual and differential structure has undoubtedly grown in industrial society. This is also true for “Dowa” measures and policies for Buraku industries, as they have been changing their nature from “special industries” to “regional industries”, finally being incorporated into general policies. Today, the world has already entered into the law of the jungle under the name of “mega competition”. The weak are being victimised and weeded out naturally or even intentionally.

2) Changes in SME Policies and the Buraku Industrial Economy – Problems in the New “Small and Medium Sized Enterprise Basic Law”

The 21st century is said to be the century of “harmony” and “co-existence” or “symbiosis” in which people respect human rights of others. Nevertheless, industrial economic society is categorising people into “the strong” or “winners” and the “weak” or “losers”, encouraging them to be the former in order to win the game. The new “Small and Medium Sized Enterprise Basic Law (SME Basic Law)”, taking over from the former law, was introduced in order to put this theory into practice. Although the Government states that the law has just been “amended”, the new law is actually worse as it promotes “the law of the jungle”. It works especially adversely with regard to the Buraku industrial economy and Buraku enterprises.

As was pointed out earlier, solutions to the problems of “dual structure” and “differentials” laid in the Japanese economy have been an essential and noble proposition as well as an ultimate goal for the “former law,” or “Proposals for the Dowa Measures.” Has the problem of dual structure been resolved? Did the introduction of the “new law” mean that the “former law” had done its job to correct the differentials? The answer is “no”. The dual structure and differentials have not been corrected. As discussed above, polarisation has been advancing in the structure of industrial economic society, dividing it into the “bright side” and the “dark side,” while expanding the differentials.

Facing such a tendency, the Diet session had a heated discussion on the enactment of the “new law”. After all, the new “SME Basic Law” passed by the Diet is based on the principles that encourage and nurture only stronger SMEs.

I have repeatedly pointed out that the “reproductive structure of discrimination” has been constructed in the course of the development of the Japanese capitalistic economy since the Meiji era. That structure is now being reinforced. In the midst of current circumstances where the dark side of the law that neglects fundamental rights is becoming apparent, it will be a challenge for the Buraku industrial economy and Buraku enterprises to take advantage of the new “SME Basic Law” and to modify problematic aspects within it.

3) The Future of Buraku Industrial Measures

In discussing Buraku industries in relation to the problems of SMEs, it should be reiterated that the survival and prosperity of SMEs truly depends on their own untiring efforts in harmony with drastic policies implemented by the state and local governments.¹⁴⁾

Problems that Buraku industries face should be viewed in the context of the industrial and economic structure of Japan, especially in the modern capitalistic structure, and from that viewpoint they should be solved with correct decisions. The problems cannot simply be solved with financial assistance. The solution requires, amongst other things, education and training in the fields of business management and skill development since human resources hold the key to successful business operation. Needless to say, Japan's economic society is a competitive economic society that rests on capitalism.

Dowa measures, which had been carried out for 33 years, were terminated on March 31, 2002. It should be a moment for a new step forward rather than a termination of Dowa measures.¹⁵⁾

It must be underlined that Buraku industries have been excluded from competition and have been driven into a very disadvantageous position by the "reproductive structure of discrimination" that was shaped during the course of the progress of capitalism in Japan, but that they are now very important for new business development, such as in the fields of total fashion and biotechnology, in the 21st century. It is well explained by the fact that more companies from both inside and outside the country and Buraku are participating into these business fields. Therefore, regardless of the kinds of measures that are to be taken for these industries, they should not be simply protective.

In the first place, SMEs in general are placed in an unequal and disadvantageous position in comparison with monopolies and large enterprises. It is therefore necessary for the government to create measures to provide SMEs with education and strength so that effective and reasonable competition will be realised in economic society. Aggressive and comprehensive measures will naturally be more important for Buraku industries in the path towards the "elimination of discrimination" and complete liberation of Buraku.

To reach the ultimate goal of "total liberation of Buraku," it is essential to have a government that will govern the country under a genuine democracy on the basis of full national consensus and that will fulfil state responsibilities. For the people who constitute such a basis, it is also essential to understand Buraku liberation as a national challenge as well as a challenge for every person.

In short, by improving and reinforcing the past Dowa projects, such as those carried out under the "Law on Special Measures for Dowa Projects", substantial and universal foundations should be constructed as soon as possible, and more practical measures should be developed using them as a base. The problem cannot be solved with just a five-year-extension of the law, "regional improvement" measures, or general measures. It should be reinforced bit by bit while seeking feedback from the measures already implemented. Only in this way state responsibilities can be fulfilled and the national challenge tackled. Indeed, this is the reason why an immediate enactment of the "Fundamental Law for Buraku Liberation" has long been awaited.

As the problem ultimately constitutes a problem of human rights, we should understand that it does not simply remain as a socio-economic problem of Japan, but that it needs to be seen in a global perspective. In other words, for the genuine internationalisation of the Japanese economic society, Japan should actively commit itself to human rights issues both inside and outside the country, such as the problem of migrant workers' rights, to fulfil its obligations as an industrialised country. For this, the state as well as people in Japan should begin with the tasks of the elimination of Buraku discrimination and the restoration of humanity.

In other words, if we are to ultimately aim at establishing a socially reasonable division of labour between SMEs and Large Enterprises (LEs) then we need to overcome the legitimatised and unreasonable exploitation of Buraku industries and their work force that have placed them at the bottom of the hierarchy of industrial structure. In order for SMEs to become a "vital majority" in a real sense, the old system that places SMEs at the bottom of the hierarchy should be changed, and a new system that will generate centripetal and cyclic effects and relationships should be constructed by placing SMEs in the centre. The time for this has now come. For this end, it will be important for SMEs to focus more of their efforts on business management and for the administration to implement measures to support them while creating a new role for them as a catalyst to give both sides constructive advice from an international viewpoint.¹⁶⁾

4) With focus on small enterprises

The international economic environment is undergoing increasingly dramatic changes. The globalization and simultaneous localization of economy have promoted shifts in and diversification of values themselves. Rather shifts in and diversification of values have caused changes in the world

economic environment. For entrepreneurs and companies, particularly small enterprises, it is their basic problem how to cope with changes in and diversification of, the society, ethics, and physics; sociology and political science; the legal system, ecology, politics, and economy; and in natural and cultural values. It was a main topic at the “Rencontres de St. Gall 1996 (Swiss International Small Business Society)”.¹⁷⁾

As stressed there by Prof. Dr. Alfred Guterson, founder of the Society, what is called for to solve the basic problem is “entrepreneurship and managing ability of small businesses which are confronted with drastically changing environment and changes in and diversification of values; and reeducation and training which have an accurate grasp of such motivation, concept and factors as enable them to maintain and develop their operations”.

With regard to changes in and diversification of values, economics in the U. S. shows a quick response. For instance, the “Chicago school” (which attributes importance to economies of scale) and “Reaganomics” (which can be said to be influenced by the school) have now replaced the “Harvard school” (which can be said to have supported the Anti-Trust approach). A specific example is found in the Japan-U.S. structural friction. As described earlier, it resulted in Japan being hit by the surging waves of full liberalization and deregulation, and small businesses have to bear the full brunt of the attack. It is the trials and tribulations of being small business.

In the circumstances, it is requested that there should be shifts in points of view on justification for the existence of small enterprises, such as their standing and role in the national economy. In order to place small businesses as the vital majority in a true sense, it is required to reform the old order in which they are strategically put at the bottom of the industrial hierarchy, to install them at the center of the industrial circle for social and reasonable purposes, and to cause a centripetal, centrifugal, or circular ripple effect on other segments of the industry.

What is the more important as another basic factor is not only corporate efforts of a small business itself, but also government policy to encourage them and the role of a leader or catalyst who makes a proposal to both of them from the international point of view. I dare to repeat the importance.

Notes

1) Tanaka, Mitsuru. (Industrial economy and human rights problems – present Conditions of small and medium sized enterprises of Buraku and tasks through investigations into the actual conditions, in: Fueglistaller, Pleitner, Volery, Weber (Eds.): Umbruch der Welt – KMU vor Höhenflug oder Absturz? / Radical change in the world – will SMEs soar or crash?, Rencontres de St-Gall 2002, IGW-HSG, Schweizerisches Institut für gewerbliche Wirtschaft an der Universität St. Gallen / Swiss Research Institute of Small Business and Entrepreneurship at the University of St. Gallen, 2002 September, pp. 535-540

2) Cabinet Dowa Policy Council, 1974, pp.32

3) Op.dt., pp.52

4) Ibid., pp.32

5) Tachibanaki Toshiaki, 1998, Nihon no Keizaikakusa – Shotoku to Shisan kara Kangaeru (Looking at Economic disparities in Japan from the perspective of Income and Property), Iwanami Shoten, (in Japanese), p.82

6): Ibid, p.83

7) The Osaka Prefectural Corporation for the Promotion of Dowa Integration Projects, 1998, Dowachiku Kigyo Jittaichosa Houkokusho (Survey Report of Fiscal Year 1997 on the Actual State of Enterprises in Dowa Districts)

7) Ibid, p.3 .

9) Ibid, p.45

10) Ibid, p.55

11) Sakurai city, 1991, Dowa-chiku Sangyo Jjttai Houkokusho (Report on the Actual Industrial State of Dowa Districts)

12) Tsujimoto Masanori, 1986, “Nara Prefecture” in Buraku Liberation Research Institute ed., Buraku Mondai Jiten (Encyclopaedia of Buraku Issues), Buraku Liberation Press (in Japanese), pp.645-646

13) Ueda Kazuo, 1972, “Buraku Sangyo no Mondaiten to Kadai (Problems and Challenges of Buraku Industries)” in: Kaiho Ririn no Sozo (Creation. of the Theory for Liberation), Vol. 6, edited by the Buraku Liberation League Headquarters, p.399

14) Tanaka Mitsuru, 1983, “Sabisukeizaika to Chushokigyo Seisaku (Service Economy and Small Business Policy)” in: Tatsumi Nobuharu and Yamamoto Junichi eds., Chushohgyo Seisaku o Minaosu

– Nihon Keizai Hyakunen no Kei (Re-evaluation of Small Business Policy – Future Prospects of Japanese Economy), Yuhikaku, p.73

15) Editorial of Asahi Shimbun (newspaper), April 1, 2002

16) Tanaka Mitsuru, 1999, Small Business in the Japanese Economy – The Position, the Role, the Present Conditions of Small Business and Future Directions – Notes and Materials, Kansai University Press, pp.34-37

17) “Topic 5 – Entrepreneur and Enterprise in The Face of Changing Values”, Edited by Hans Jobst Pleitner, “Significance and Survival of SMEs in a Different Business Environment”, Swiss Research Institute of Small Business and Entrepreneurship, University of St. Gallen (HSG), September, 1996.

Extract from Tanaka Mitsuru “Industrial Economy and Human Rights Problems – Present Conditions of Small and Medium sized Enterprises of Buraku and tasks through Investigations into the Actual Conditions, Buraku Liberation and Human Rights Research Institute, “Bimonthly Buraku Liberation News” (No. 120 May and July 2001, No. 121 September and November 2001, No. 122 January and March 2002 and No. 123 May and July 2002) and Tanaka Mitsuru “SMALL BUSINESS OF BURAKU IN JAPAN’ S ECONOMY – Industrial economic society and human rights –, Kansai University Press, 2004, September.