

World Business History Conference 2013
"State of the Art in World Business History - a first review"
17 March 2014, Johann Wolfgang Goethe-Universität,
Frankfurt am Main

***Authorized Cartels in Post-War Japan:
Cartel Registration and Business Structure
from an International Comparison***

Takahiro Ohata

(Kyoto University, Japan)

and

Takafumi Kurosawa

(Kyoto University, Japan)

kurosawa.takafumi.6e@kyoto-u.ac.jp

Introduction

This paper aims to reposition Japanese authorized cartels from a new perspective. Recent developments on cartel studies, especially the ones in Europe and Australia [Barjot and Schröter, 2013], emphasized that cartels have multi-faceted functions and are not necessarily regarded as “devilish”. The case of Japan provides the most convincing example to this new interpretation. In post-war Japan, cartels were legally banned but many of them were officially exempted by the special legislation of the government (authorized cartel). In addition, this paper attempts to analyze cartels from the standpoint of industrial organizations and industrial history.

Here are the fundamental questions that this research work shall deal with. To what extent does the case of Japan differ from the one of other nations? What was the feature of Japanese antimonopoly policy? And, what kind of function did this authorized cartel have?

This paper is thus composed of five sections. In the first part, we provide basic arguments and evidences to above-mentioned view on cartels in Japan. Then, from second through the fourth

part, we analyze the historical development of cartels in Japan and their background.

Periodization to be applied is as follows: 1) Pre-history of the authorized cartel [1872-1945], 2) "Formative Period" under the US occupation [1945-1952], 3) Age of "Post-War Regime" [1953-1993], 4) Age of "Post-War Regime" [1953-1993] and 5) The Age of Globalization [1993 onward].

The first period, 1872-1945 can be further divided into three periods (1-1: "liberal" age [1872-1923/4], 1-2: Promotion of cartels [1924-1937] and 1-3: War Economy Era [1938-1945]. Age of "Post-War Economy" can be also divided into three parts, namely, 3-1: Age of Backrush and Industrial Policy [1952-1959], 3-2: Age of Trade and Capital liberalization [1960-1970], and 3-3: Age of "adjustment policy" [1971-1993].

The fifth period shall be briefly touched upon in conclusion, as one of the authors has previously published an analysis of it (Kurosawa [2004]).

1. Cartels in Japan and Japanese Capitalism

Cartels in Japan have been intensively studied, thus facts and data are available not only in Japanese-, but also in English literature. However, this does not leave out some room for new interpretation. While recent works on cartels in Japanese language may provide new evidence for the recent argument in English literature, they are unknown outside Japan. Intensive studies in US were influenced by strong assumption or suspicion: fear against rebuilding of notorious and mighty *Zaibatsu*, namely family owned business groups. Since 1970s, this suspicion was replaced by the motivation to seek the basis of "aggressive" Japanese export to US and the "closed" Japanese market.

With a certain distance from those views, the following reasons indicate the importance of the case of Japan in the studies on cartels and cartel registration.

1. Americanization. As above-mentioned recent studies emphasized, global intensification of anti-cartel policy in the second half of the 20th century can be interpreted as an aspect of the Americanization. The antimonopoly policy in Japan is the most prominent example in this respect, because the transfer of institution took place directly under the US occupation. Moreover, this Americanization was full of ironical development and context; the partial "Japanization" immediately after Japan's independence, the sharp contrast between US anti-cartel policy and Japanese anti-trust policy, and unintentionally extended authorized cartels by the diplomatic pressure from US.
2. Cartel vs. M&A or Trust. The view to position cartels as an alternative to many forms

of economic cooperation, especially M&A also suggests the importance of Japanese case. Antimonopoly policy has two elements: Anti cartel policy and antitrust one. After the end of the US occupation, Japanese government eased its anti-cartel policy and increased “exemptions” through legislation and so-called “administrative guidance”. This is a well-known fact that is emphasized in most of the English literature. However, another important fact is forgotten. The core of anti-trust legislation, i.e. the ban on establishment of pure holding companies, was maintained through the mid 1990s. In this context, merger and acquisition (M&A) have been less frequent than in US. Horizontal business group (*Keiretsu*), which appeared partially as transformation of former family-owned conglomerate *Zaibatsu*, increased the number of players in many markets. Thus, typically “Japanese” business structure created a non-oligopoly market, in which many players competed against one another as if they were running a goalless, eternal marathon.

3. Industrial structure, competition and cartels. Post-war Japan was one of very few nations, where almost all industries existed. This is so-called “*full-set*” (full-line) type of industrial structure and is an ideal for cross-industrial comparison. Each industry has its own historical dynamics. Therefore, by observing cartels in Japan, not only the age-specific and nation-specific features of cartels, but also industry-specific characteristics (or their absence) can be captured. Cartels in the material and parts industries affect their user industry. The former may induce cartels among their buyers. Difference in interests among industries and power balance among related industries may determine the forms and intensity of cartel-related policies. In this respect, Japan with its low dependency on both export and import provides a favorable example.
4. Authorized Cartels in Japan. In the new trend of cartel studies, an international project is trying to draw a full picture of cartels by summing them up globally. In a nation in which cartel is *per se* illegal, all cartels in narrow definition (cartel with clear agreement) are quite difficult to capture, while investigations and verdicts by judicial authority provide indirect and non-systematic information. On the other hand, in a nation where cartel is legal, it is not easy to assess the number either, because the concerned authority often had no intention or power to collect information systematically.

Japan is a special case that falls between these two models, and therefore provides advantage for researchers. It is because two types of cartels were authorized as

important policy tools; one is “exempted cartel”, which are officially “cartel” but legitimized by a series of special legislation.

Since 1953, the amendments of antimonopoly law made a room for a series of legislations to exempt specific cartel types from the ban. These cartels were set up by using the law and received official sanction of the government, thus are countable. In this paper, we position this “exempted cartel” as a core of “authorized cartels” which could also include semi-official ones.

Another core of “authorized cartel” is “concerted action” through “administrative guidance. It was officially not cartel, “because it is state-led and not a voluntary action by businesses”. The most typical ones were concerted curtailment of production. In the case of these “administrative guidance”, legal effectiveness was obscure and they were contested not only by JFTC, but also by some businesses. While many of “administrative guidance” were transmitted via verbal communications, the ones for such *de-facto* cartels were officially documented, because private companies had to appear that they were “state-led”. This research positions these two types of cartels (*de jure* and *de-facto* ones) as “authorized cartels”. It is quite straightforward to follow their development and the political and economic background of the applied legislation for each.

In addition, there are purely illegal cartels (“Shadow-cartel”), of course. Some of them received tacit approval of the government, but the rest simply evaded detection or it is hard to gather enough evidence to prove.

5. Cartel studies in the context of Variety of Capitalism (VoC) and Japan Studies

The aforementioned issues illustrate the significance of Japan for cartel studies. At the same time, we can also stress the importance of cartels for the view of Japanese economic development. As widely known, Japan has been regarded as the “champion” of coordinated market economy (CME). Though analytical concepts implemented thus far are quite wide-ranging, a certain non-Anglo-american type of coordination is assumed in each, such as “Rhine Model”[Albert M. 1993], “coordinated market economy” (Hall, P. and Soskice D. [2001]), communitarian [Anchordogy 2005], and “Self Regulation” [Schaede, U.2000]. These studies do hold true to some extent, as long as their typology pays due attention to historical stages and changes in international economic environment. However, it cannot be overemphasized that the coordination is NOT an antonym of competition. Coordination and competition often co-exist. The

coordination often sets the rule of the game and provides a basis for competition. Certain types of coordination may create cutthroat competition. Though cartels do prevent some form of competition, it is often the case that they create competition in another harsher form, as Harm Schröter suggested earlier. If the long-established negative concept of cartel were to be revised, the view on “coordinated” Japan should be modified as well.

In addition, the persistent view that emphasizes the leading role of the state in Japan, especially in its “catch-up” phase, has to be reviewed carefully. Though the famous “developmentalism” certainly existed, it is not to be forgotten that Japan had very few state-owned enterprises throughout its history, except in a short period of 1870-1880. Nobody can argue that cartelized private sector is more state-led or coordinated than SOE sector.

2. Pre-history of the authorized cartel [1872-1945]

1-1: “Liberal” Age [1872-1923/4]

In 1872, soon after the *Meiji Restoration*, the new government abolished all guild-like associations. They were classified as feudal and anti-modern bodies. A decade later, in 1884, the Ministry of Agriculture and Commerce promulgated the rule on trade association. In 1891, prefectures were given the right to give sanctions to local trade associations. Newly founded local associations intensively worked to set the quality standard for products for export (i.e. raw silk), and they helped create and improve local brands. This process was similar to developments in many of European industrial regions (Hashino and Kurosawa [2012]).

Before WWI, most of industries, especially export-oriented ones, were labor-intensive light industries. Series of the waves of new entry created an industrial landscape of Manchester liberalism.

In this general trend, “the first cartel in Japan” was introduced in Western paper industry in 1884, by the newly established association. It was an agreement on price that lasted for three years. An American tradesman brought up the idea whose model was the *Papers Makers Association* in US founded in 1878. The industry was a typical “modern” industry, which was transplanted in the course of Westernization.

However, the cartel was instable because of competition from imports products, and

the association soon gave up this activity. Without a legal framework to exclude outsiders (at that time, Japan had no sovereignty over import custom), the cartel agreement could not be sustainable.

1-2: Promotion of cartels [1924-1937]

The WWI opened a new opportunity for heavy and chemical industries in Japan, which were still on the fledgling stage of development. During the Inter-War Period, in the course of rapid expansion of new capital and knowledge intensive industries, new conglomerate emerged. At the same time, in the established capital-intensive process industries, the trend for formation of monopoly appeared.

However, in comparison with the big businesses in America and Europe, most industries in Japan were still fragmented. With this notion, a law to facilitate formation of trade association and export was legislated in 1924. This was the first national law to promote cartels, aiming at further M&As. The next step was the Strategic Industry Control Act of 1931. It was the first legislation with effective outsider control, and accelerated the already existing trend for cartelization. Meanwhile, a series of economic crisis since 1927/30 triggered waves of M&A.

The decisive step was the National Mobilization Act of 1938. This law re-organized the existing trade associations as bodies for War-economy. Due to the worsened war situation, there was a forced shift from civilian industries to military ones. Not a few M&A cases took place by businesses themselves to avoid state-forced mergers. The rationing also made use of the compulsory trade associations. Cartels covered 90 per cent of production and sales in the country at its peak. The war economy newly formed coordination among government officials, academics and business people. However, the principle of private ownership was maintained until the end of the war.

3. "Formative Period" under the US occupation [1945-1952],

The age from 1945 to 1952 is positioned as "formative period" for the post-war antimonopoly system. There are three reasons behind it: 1) The system after 1945 is marked by a fundamental break with prewar- and wartime system, though a lots of "legacy" of wartime coordination remained. 2) In this period, with a significant swing, a system of perception, institution and practices was formed. 3) The system continued for four decades.

The occupation of Germany and Japan after WWII was an unprecedented event in the World

history, because it aimed not only at disarmament and reparation, but also profound restructuring of economy and economic thought. While the occupation authority on site considered the necessity of economic recovery of Japan more than US government, the implemented antimonopoly policy was far more radical than the original ones in US. It was free from the pressure by local businesses, and in the first phase of the occupation, main staff members were radical New Dealers who marked the peak of American anti-trust movement. In addition, what was contrary to the case in Germany is that the occupation authority did not have to coordinate with other Allied powers. Consequently, the transplanted anti-monopoly policy was far harsher than the original one in US. While there was significant easing since the break of Cold War, that of the anti-cartel policy was limited.

The occupation changed the Japanese industrial structure in two ways. The first was one-time-only measure to eliminate “excessive concentration of economic power. The *Zaibatsu* was its most important object. Any other forms of oligopoly body and Japanese War machines were also targeted. A series of actions for “economic-democratization” was the part of this measure. The second was a set of policies (mainly in the form of legislations), which had long-lasting impacts.

The concept of “excessive concentration of economic power” was all-embracing: both anti-trust and anti-cartel policies were included. Dismantlement of specified companies, elimination of control of *Zaibatsu* families, holding company liquidation, purge of individuals, dissolution of trade associations.

The outcome of the dismantlement of specified companies was two-fold. On the one hand, it divided former oligopolies into plural companies. 18 companies were eventually divided (11/18), or were forced to destitute a part of their business (7/18). It created a competitive structure in the formerly most monopolistic industries. Here are some examples: steel (Japan Iron & Steel divided into two), pulp & paper (Oji Paper into three) and beer (Dainippon Beer into two). The division formed a partial competition structure in the Post-War Japan. On the other hand, even by the measure, a significant number of merged companies, which had been created in the waves of M&A during 1930s, retained the core of their business. Therefore, total retreat to fragmented pre-war-economy (before 1937) or “pre-rationalization” age (before 1929/31) did not occur. All in all, industrial organization under the US occupation appeared more concentrated than that in early 1930s, but less concentrated than that of war-economy (Table 1).

Table 1: The Number of Companies and Shares of top three and ten companies in Japan

The Number of Companies in each segment and the Share of top three and ten companies 1939-1966															
	The Number of Companies					Total Share of Top 3 Companies (%)					Total Share of Top 10 Companies (%)				
	Ass.Mem.=The Number of Trade Association Members														
	1939 (-43)	1949	1955	1963	1966	1939 (-43)	1949	1955	1963	1966	1939 (-43)	1949	1955	1963	1966
Cotton Weaving	ca.45000	ca.5000	16449	unknown	unknown	16.5	20.1	8.1	6.8	8.8	30.6	48.3	18.6	18.2	18.5
Match production	ca.140	95	113	84	83	38.7	33.2	21.2	18.4	17.7	60.5	60.5	47.8	45.6	43.5
Banking	471	74	86	88	86	25.8	22.8	20.8	20.3	19.1	61.1	59.2	55.4	54.3	53.1
Warehouse	170	209	1248	1167	1354	37.8	30.9	20.9	21	19.2	61.4	47.3	33	31.3	28.9
Caustic Soda Production	29	25	28	31	32	55.1	38.9	41.8	23.3	19.8	86.5	74.9	76.6	60.3	56.9
Cotton Spinning	82	34	132	135(Ass. M)	117	33.9	38.5	20.4	15.7	20.4	59.1	93.7	54.6	44.8	46.9
Sulfuric Acid Production	unknown	39	41	49	48	unknown	30.1	29.2	21.2	21.2	unknown	61.7	61.9	50.7	50.9
Silk Yarn	ca.1800	296	174	139	129	18.4(Top 2)	30	29.1	24.9	23.1	unknown	43.2	44.6	42.5	41.2
Suger Production	7	9	27	68	61	75.6	50.2	33.3	30.9	27.2	*a	*a	76	69.3	70
Soy Source Production	ca.7000	ca.7000	ca.6500	5023	unknown	20.1	18.3	17.9	26.8	28.8	28.2	24.7	25.2	36.9	39
Superphosphate of Lime	22	14	16	23	24	46.6	47.6	43.9	32.2	30.6	80.6	89.8	85	71	68.6
Coal Mining	ca.500	ca.550	742	ca.350	ca.180	35.4	35.6	32.2	30.2	32.2	60.6	58.9	56.1	56.4	59.6
Shipping	176	253	162	1847	2596	29.8	20.5	17.5	22.5	32.9	46.8	36.7	39.4	53.9	63.1
Pulp Production	85	165	207	103	96	65.2	43.4	29.3	33.2	32.9	85.3	76.4	62.6	62.2	60.7
Property Insurance	49	17	20	20	21	31.1	35.3	33.4	33.7	33.9	62	83.6	75	78	75.6
Ammonium Sulfate	11 or more	18	14	19	22	60	39.3	41.1	36.8	35.4	93.5	87.3	87.8	86	79.9
Sawing Machine Production	ca.10	40	ca.200	58	61	52.5	32.4	25.1	34.6	35.7	unknown	72.5	49.7	60.9	65.3
Oil Refining	n.a.	n.a.	n.a.	15	19	n.a.	n.a.	n.a.	35.6	36	n.a.	n.a.	n.a.	80.5	79.4
Zinc and Iron Plate Production	17	21	30	28	29	48.1	45.7	32.7	35.1	36	85.5	87.2	65.5	73.2	77.8
Stapel Fiber Production	31	12	15	15	15	41	40	33.3	32.6	36.3	73.4	94.2	84.8	81.5	82.1
Cooking Oil Production	unknown	22(1950)	33	39	34	unknown	62.5(1950)	42.6	40.8	36.6	unknown	76.7(1950)	78.9	84.2	85.4
Electric & Electronic Cable Procution	unknown	ca.220	185	174(Ass. M)	175	unknown	51.4	40.7	41.4	39.7	unknown	79.4	78.9	75	76.2
Paper Production	17	85	88	86	83	83.1	62.4	41.8	40.5	40.7	99.3	85.5	65	66.4	65.5
Cement Production	28	15	18	21	22	40.1	52.3	52.4	47.5	43.6	73.5	90.1	85.2	82	79.2
Steel Production	ca.30	72	92	193	195	56.2	58.3	51.1	45.3	43.7	81.3	79.4	77.3	75.8	79.7
Camera Production	unknown	ca.40(1950)	ca.50	30	23	unknown	53.6(1950)	35	41.8	45.5	unknown	84.4(1950)	73.8	82.7	90.3
Life Insurance	32	20	20	20	20	41.4	46.6	43.4	44.4	46.1	81.6	82.8	81.3	85.6	86.7
Electric Moteer Production	7	39	n.a.	18 or more	18	72.7	52.6	n.a.	49.7	47.9	*a	87.9	n.a.	81.4	77.3
Ethylene Production	n.a.	n.a.	n.a.	6	9	n.a.	n.a.	n.a.	67.6	48.5	n.a.	n.a.	n.a.	*a	*a
TV Set Production	n.a.	23(1953年)	25	17	18	n.a.	60.9(1953)	56.3	46.7	49.4	n.a.	88.8(1953)	94.1	95.5	93.5
Internal Combustion Engine	n.a.	unknown	111	45(Ass. M)	29	n.a.	45.5	38.9	45.6	50.1	n.a.	63.6	73.8	63.5	66.6

	The Number of Companies					Total Share of Top 3 Companies (%)					Total Share of Top 10 Companies (%)				
	Ass.Mem.=The Number of Trade Association Members														
	1939 (-43)	1949	1955	1963	1966	1939 (-43)	1949	1955	1963	1966	1939 (-43)	1949	1955	1963	1966
Shipbuilding (Seel Sthip only)	24	49	47	ca.130	ca.130	35.4	38.9	41.5	44.8	50.5	96.7	83.5	81.4	83	84
Powerplant (Electricity Supply)	611	32	9	61	58	21.2	84.6	56.4	55.8	55.4	42.7	97	*a	92.2	90.6
Iron Production	ca.20	53	48	33	27	97.8	89.8	80.7	63.3	56.6	unknown	93.6	98	97	98.2
Flour Milling	ca.700	ca.3500	ca.1090	487(Ass. M)	460	71.7	40.3	54.7	57.1	56.9	unknown	48.6	66.4	70.1	70.3
Dystuffs Production	94	48	49	58	53	56.3	74.4	71.1	61	59.2	70.1	93	91.9	89.1	90.2
Railway Wagon (freight)	8	17	13	15	15	71	56.3	69.8	60.4	62	*a	95.9	98.5	98.1	96.5
Electric Copper Production	6	7	8	10	12	74.9	70.3	70.4	63.7	65.3	*a	*a	*a	100	99.7
Locomotive Production	9	4	5	6	6	71.6	90	74.4	68.3	66.3	*a	*a	*a	*a	*a
Bearing Production	3	30	29	24(Ass. Me)	24	100	55.5	73	70.2	77.1	*a	68.1	97.2	93.4	96.4
Tyre and Tyre-Tube Procution	3	5	6	38	40	100	89.8	81.6	76.2	77.2	*a	*a	*a	98.1	98.4
Nitrogenous Lime Production	7	9	9	7	7	86	75.6	72.6	81.1	78.3	*a	*a	*a	*a	*a
Automobile (normal)	3	7(1950)	7	10	11	100	90.4(1950)	79.8	83.8	79.2	*a	*a	*a	100	99.8
Artificial Fiber Production	21	8	8	7	5	36.5	66.8	69.2	68.2	79.6	76.1	*a	*a	*a	*a
Butter Production	53	110	ca.50	166(Factory)	145	90.8	85.3	70	83.5	80.6	unknown	91.1	85.9	92	92.5
Aluminium Production	4	3	3	4	4	91.8	100	100	93.9	84.5	*a	*a	*a	*a	*a
Light Bulb	unknown	ca.150	55	10 or more	10	unknown	47.2	50.9	87.7	84.6	unknown	67.2	71.8	100	100
Celluloid	ca.60	ca.50	39	10	9	77.7	68	67.8	82.7	88.7	unknown	87.2	90.2	100	*a
Casted Pipe Production	ca.10	13	10	19	20	90	93.6	97.7	96	91.6	unknown	99.6	100	99.1	99.2
Watchmaking	unknown	52	31	4	4	unknown	44.3	65.1	93.3	94.4	unknown	60.5	89.2	*a	*a
Automobile (light vehicle)	n.a.	3	8	4	5	n.a.	100	98.3	97	95.8	n.a.	*a	*a	*a	*a
Beer Brewery	4	3	3	5	6	99.4	100	100	97	96	*a	*a	*a	*a	*a
Photo Film Production	3	3	3	3	3	100	100	100	100	100	*a	*a	*a	*a	*a
Glass (Panel and Sheet)	3	2	2	3	3	100	85.8(Top1)	57.1(Top1)	100	100	*a	*a	*a	*a	*a
Oil Mining	ca.100	ca.60	ca.50	n.a.	n.a.	91.1	97.8	97.8(Top1)	n.a.	n.a.	unknown	unknown	unknown	n.a.	n.a.
Radio Receiver Production	unknown	18(1950年)	26	n.a.	n.a.	unknown	58.2(1950)	50.4	n.a.	n.a.	unknown	85.9(1950)	84.8	n.a.	n.a.
Laundry Machine Production	n.a.	ca.20(1953)	ca.20	n.a.	n.a.	n.a.	76(1953)	77.3	n.a.	n.a.	n.a.	unknown	unknown	n.a.	n.a.
Railway Wagon (passenger)	7	22	13	n.a.	n.a.	77.7	56.9	52.6	n.a.	n.a.	*a	92.4	99.2	n.a.	n.a.
Bycycple Production	unknown	60	70	n.a.	n.a.	unknown	26	31.5	n.a.	n.a.	unknown	49.4	58.7	n.a.	n.a.
Trading House	4838	2056(1951)	3165	n.a.	n.a.	35.1	13	20.4	n.a.	n.a.	51.7	30.5	43.7	n.a.	n.a.
Transportation	3564	486	802	n.a.	n.a.	51.2(1社)	78(Top1)	65.7(Top1)	n.a.	n.a.	unknown	unknown	unknown	n.a.	n.a.

Source: Publications by JFTC [1951/1957]

The main actors for the competition policy were also formed during this period. The (Japan) Fair Trade Commission (JFTC) was newly founded in June 1947. JFTC had more concentrated power on anti-cartel policy than that of their American counterpart, because it was mandated the combined capacities of Federal Trade Commission and Antitrust Division of Department of Justice in US. JFTC is an administrative commission, which was fairly new to Japan. It was presumed to be independent from the Cabinet. Another main actor for the post-war cartel-related policy, the Ministry of International Trade and Industry (MITI), was established in 1949, by restructuring the Ministry of Commerce and Industry. Under the occupation, while mighty support by SCAP (Supreme Commander for the Allied Power) existed, it was not presumed that MITI would intrude into the anti-monopoly policy.

The newly enacted Antimonopoly Law in 1947 was the strongest anti-trust and anti-cartel law in the World. It combined the functions of three American counterparts (Sherman act [1890], Clayton antitrust act [1914] and Federal Trade Commission Act [1914]). Its content was more radical than that of the equivalent American acts, and there were many rules not observed in US. Thus, Japanese perceived the Antimonopoly law as irrational. In 1949, some rules of the law were abolished to facilitate inward FDI to Japan from US, by the request of American businesses. The discussion on the bill sought easing of it to the level of American ones but most attempts failed.

In 1951, Treaty of Peace with Japan was signed, which marked a clear turning point. With the end of occupation in prospect, Japanese government prepared easing of the Antimonopoly law. At its core was introduction of “exempted cartels”. At the same time, prior to the amendment, MITI initiated above-mentioned *de facto* cartel, i.e., state-led coordinated curtailment of operation in cotton spinning.

There was a case of “irony of Americanization. As very few officially introduced exception to the antimonopoly policy, occupation army permitted cartels in canned seafood. It was formed under the pressure of American competitor, who suffered rush re-increase of import from Japan. After all, SCAP was mighty in Japan but vulnerable to political pressures from its home country, US.

4. Age of “Post-War Regime” [1953-1993]

Generally, the age of “Post-War Regime” of Japan can be divided into two parts, marked by a turning point in 1973. The first two decades were the age of high growth (ca.10% per year). The

trade balance was in the deficit, and the balance of payments constraint was the most serious concern for the policy makers. For this reason, facilitation of catch-up with developed countries by promotion of export and improve of industrial competitiveness were the supreme national targets.

The second half of the “Post-War” era saw three challenges: 1) oil crisis and appreciation of currency, 2) “adjustment” of matured industries, 3) trade frictions with US.

From the perspective of cartel policy, these four decades can be divided into three parts, namely, 3-1: Age of Backrush and Industrial Policy [1952-1959], 3-2: Age of Trade and Capital liberalization [1960-1970], and 3-3: Age of “adjustment policy” [1971-1993].

4-1: Age of Backrush and Industrial Policy [1952-1959],

As mentioned above, the amendment of Antitrust law in 1952/53 was a tuning point. Concerning anti-trust policy, holding of shares by companies was legalized. The ban on interlocking directorate was mostly lifted. These measures paved the way for the formation of horizontal business group centered on banks. However, the ban on pure-holding company was still retained. Most of industrial enterprises kept their independence. Former owners did not make a comeback, so pure managerial enterprise appeared with young managers through internal promotion. The prime targets, four big *Zaibatsu*, were no longer under the enclosed family ownership, and transformed to horizontal *Keiretsu*. Two banking *Keiretsu* joined the competition. Formation of the horizontal business groups entailed M&As of many affiliated trading companies. However, the growth of business was mainly achieved through organic growth, not through M&As. In almost all industries, each horizontal business group tried to have their own business. Thus, even under the “retreat” of the antimonopoly policy, the degree of concentration lowered or maintained in most industries. (Table1).

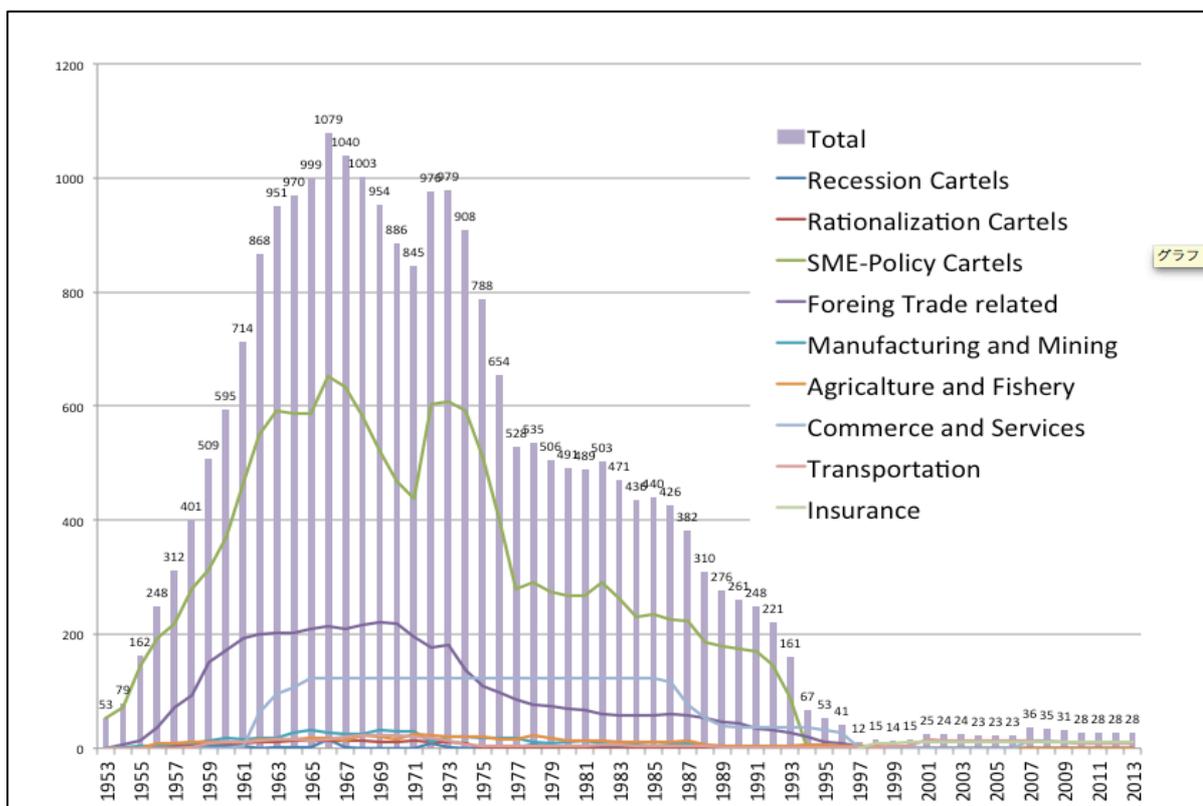
As previously mentioned, the principle of “per se illegal” cartel was abandoned in the amended Antimonopoly law. FTC, now deprived of the support by invincible occupation authority, volunteered to concede to MITI and other ministries. Its most eminent result was the introduction of “recession cartels” and “rationalization cartels” as the first categories of “exempted cartels”.

It is interesting that big-business circles campaigned for cartel-friendly policy by referring to the antimonopoly practices in Europe. Actually, one of the bases of

amended antitrust law was a draft of German government for its *Gesetz gegen Wettbewerbsbeschränkungen* in addition (draft in 1957, legislation in 1958). In addition, elements of American law (Miller-Tydings Act [1937] and McGuire Act [1952]) were integrated into the so-called resale price contract system (Misonou [1989]). In addition in 1958, steel industry requested vain for further shift toward general liberalization of “British type” of concerted action.

As graph 1 clearly shows, “exempted cartels” mushroomed in 1950s.

Graph 1: “Exempted-Cartels” in Japan



Data Sources: FTC Annual Report (1954-2012)

Two cores of the “exempted cartels” were SME-related cartels and foreign trade ones. SME cartels were often a political compensation for some other authorized cartels in the upstream sector, which were more dominated by bigger companies. However, it was considered a tool to overcome “backwardness” of SME sectors. Export cartels were often criticized as hotbed for dumping export. Yet, it is undeniable that parts of them contributed to the maintenance of product quality and “orderly export”, which was demanded by the trade partners. As Donzé and

Nishimura argued ([2013]), cartels were often important channels for technology transfer. Also in Japan, it was used to introduce foreign patent, and their business partners from US and Europe welcomed it.

More importantly, the second category of authorized cartels, i.e. state-led concerted actions by the “administrative guidance”, also rapidly increased. In the case of material producing process industry, it was used more frequently. Allocation of foreign exchange was utilized to eliminate possible outsiders.

Those “exempted cartels” were based on special legislation, but they usually had specified duration (of 1-5 years). For an extension of the law, proceedings in the Diet were necessary.

As another category of officially permitted cartel-like organization, centralized sales of steel for fixed official prices is worthy of mentioning. Yet, it did not mean that the system eliminated the competition. Once sales prices were fixed, difference in production cost became the major ground for competition. In 1950s and 1960s, main arena for competition was new investment for facilities and plants.

To cater to the surging demand, cartels functioned mostly as temporal adjustment vehicle of demand. The competition continued in not-concerted fields (quality, cost-reduction, capacity, and sometimes also prices). After a short interval, competition in the concerted field often re-started.

4-2: Age of Trade and Capital liberalization [1960-1970],

The 1960s was the “Golden Age” for the authorized cartels in Japan. The number of “exempted cartels” peaked in 1966 and remained pretty much so throughout the decade. The high-growth (around 10%) of economy continued in the period. It was the age of trade and capital liberalization. In 1964, Japan became an OECD member. In the same year, the article XI of the GATT (the ban on import restriction for favorable balance of payment) and the article VIII (the maintenance of currency convertibility) was applied to Japan.

Throughout this period, the above-mentioned non-oligopolic market structure did not change in most of the industries. This was due to the intensive new entries in the midst of rapid market growth. Compared to well-established counterparts in US and Europe, major players in Japan were still far smaller in most of the segments. On the industry level, Japan was still considered a country of industrial Lilliputs.

This notion was the driving force of Japan's industry policy as well as its lenient anti-cartel policy at the time. MITI diagnosis was clear. Problems to overcome were: 1) excessive smallness of the size of companies, 2) excessive competition, and 3) excessive fluctuation in the market. The necessity of further concentration in each industry was a commonly shared perception among policy makers in Europe where the threat by "American Challenge" was feared. As for the third point, MITI believed that the repression of violent ups and downs of the market could reduce risks in investments so that enterprises could achieve enough level of economy of scale. Cartels were naturally positioned as an ideal tool to realize this goal.

As a result of capital liberalization, allocation of foreign exchange was no longer an option, which used to have been the most powerful tool for MITI to force private companies to follow its "administrative guidance". In this context, in 1963, MITI attempted to legislate a new law for the promotion of cartels and M&As. It was a typical strategic targeting policy to improve international competitiveness by the state-led concentration, which was named as the "new industrial order". However, major banks and most of business leaders in manufacturing industries strongly opposed the bill. Big banks were already forming their horizontal business groups ("banking *Keiretsu*) and did not want to be disturbed. Not a few manufacturers that were building self-confidence in the international competition resented the intervention by the state in their business. As a consequence, the bill was scrapped. However, in the course of the battle on the policy, FTC had to concede and became more lenient toward cartels.

The rapid growth of the economy and its expected continuation escalated the competition among fragmented players for investment in new plants. Process industries were especially vulnerable to cyclical recession by nature. In the midst of the short depression in 1964, the oil chemical industry introduced a production capacity cartel for new investment on ethylene plants, guided by a shared expectation of future demand produced by discussion between the government and the business leaders [Hirano 200*]. This state-led investment cartel was adopted also by pulp and ferro-alloy producers. In case of the self-confident steel industry, business leaders disliked state intervention and introduced self-regulated capacity cartel with ex-post approval by MITI. However, capacity cartel was a short-lived counter cyclical reaction.

The liberalization brought about a shift from administrative guidance cartels to the "exempted cartel", especially to the "recession cartel" and "rationalization cartel". The

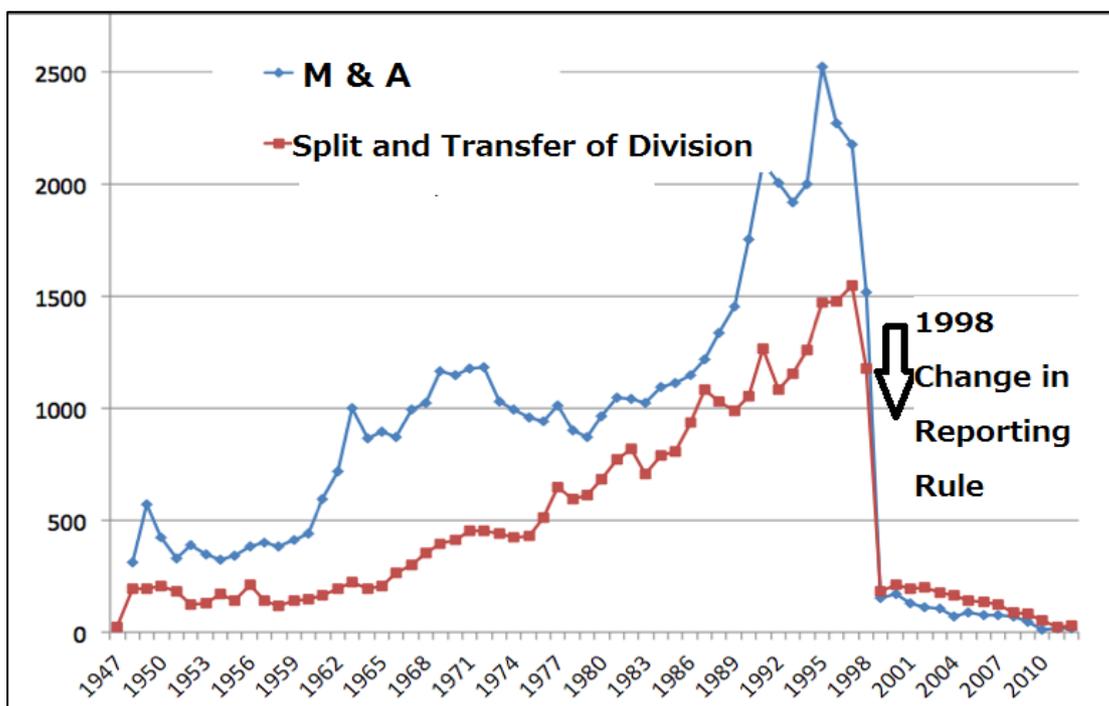
legal basis of the administrative guidance was obscure, so it had to be supported by other elements. The most powerful element, the control of foreign exchange, was removed from the state by the liberalization of capital flow. In addition, price of materials converged increasingly to the international price, as the result of trade liberalization. Domestic state-led or state-sanctioned cartels significantly decreased their effectiveness. Not only JFTC, but also the cabinet declared a phaseout of administrative guidance cartels, especially the “operation cut-down on government advice” (*Kankoku-Sotan*).

On the other hand, the recession cartels, a category of “exempted cartels” increased between 1964-1966. 18 products (four digit classification of products or narrower) were officially sanctioned as the object of “exempted cartels”. However, the most of them were tiny industries with small markets.

A fundamental strategy to cope with ongoing liberalization was M&A. In the second half of 1960s, the reported number of M&A doubled from ca. 500/year to ca. 1000/year (Graph 2). Some “big deals” attracted attention of the public. In 1964, three *Mitsubishi Heavy Industries* re-merged. Another re-merger of prewar dominant player *Japan Steel*, namely *Fuji* and *Yawata* was announced in 1968. The latter triggered huge debate among economists, and met with some resentment in the public opinion. JFTC rejected the original plan. Eventually, after the divestiture and transfer of some business segments to their rival, JFTC eventually permitted the merger and establishment of *Nippon Steel*. Another merger plan was affected by this debate. A plan to re-merge three companies, successors of pre-war dominant player *Oji Paper*, was withdrawn in the above-mentioned harsh anti-monopoly campaign by the major media, the users of newsprint.

Although these were called “big-mergers”, except for *Nippon Steel*, merged companies were still relatively small in international comparison. In addition, the overwhelming number of M&A cases was the ones among SMEs. M&As between large companies remained as sheer exceptions in Japan until mid 1990s.

Graph 2: Number of M & As and transfer of business divisions



Data Sources: FTC Annual Report (2012)

How did this industrial organization affected competitiveness? Some studies focused on certain relationships between international competitiveness and the number of major players. In case of chemical and oil refinery, multitude of the number (a dozen or more) permanently harmed their competitiveness. (Itami, [1997] and Kikkswa [2012]). Comparing chemical (with 10-12 major players) and steel (5-6) industries, Itami concluded that the existence of an outstanding but still comparable top company with enough scale by the international comparison, strengthened the competitiveness of the industry (e.g. “benchmark effect” of Nippon Steel).

On the contrary, in case of assembly industries, typically with Automobile and electronics, multitude of the number of players did contribute to competitiveness and innovation. Or, the situation pressed the companies concerned to create a flexible system to overcome the economy of scale. In these cases, intra-industry horizontal cartel was not needed. Instead, a vertical network of companies was formed, as many of existing studies have proven. Not a few anti-trust specialists and foreign observers (e.g. Misonou [197*] and Schaede, U. [2000]) negatively positioned such vertical system as a sort of construction trust or cartel-like organization. Today, however, they are treated as examples to prove the effectiveness of the network in promoting innovation.

4-3: Age of crisis, “adjustment policy” and trade frictions [1971-1993]

Since early 1970s, the growth rate of the Japanese economy dropped from ca. 10% to ca. 4-5%. Economic environment in this period is characterized by three elements. First, it was the age of periodical “crisis” which was overcome in a relatively short period. Rapid appreciation of the Yen (1971-73, 1977-79, 1985-1988) and two Oil Crises (1973, 1978) shocked the economy, but contrary to major European countries, difficulties were overcome rapidly. Second, as the economy matured, decline of some old industries became eminent. The problems of “structurally depressed industry” (e.g., textile) gave the industrial policy further legitimacy, though the form of intervention needed to change. Third, as Japan’s international competitiveness improved, the outside political intensified. This period can be named as the age of trade frictions.

While there was some policy change already in mid 1960s, the move to tighten up the anti-cartel policy was halted and even reversed temporarily. In the persistently fragmented process industries, operation cut-down on government advice, a form of administrative guidance and de facto state-driven cartel, was re-introduced in mid-1970s as a sort of emergency measure.

In the inflation caused by high energy prices and diminished purchasing power of consumers, SME sector had difficulty passing on the cost hike to their buyers. In addition, most of structurally depressed industries, typically textile (mid- and downstream), were mainly composed of SMEs. In this context, SME-related “exempted cartels” re-increased (Graph 1).

With respect to “structurally depressed industry”, the concept of “adjustment policy” played an important role. The term was invented by OECD and adopted both in Europe and Japan [Watanabe, J. [2010]]. The policy aimed at the soft-landing of matured industry. By supporting actors in declining industries by a series of social measures, it facilitated also the “smooth” exit of low-productivity players. While some types of cartels certainly slowed down the process of exit, state-monitored cartels with some subvention for the facilitation of exit were regarded as useful tools of this adjustment policy. By definition, these types of cartels planned its phase-out. Actually, after the drop of SME cartels in the second half of 1970s, the number declined gradually in 1980s. The composition of applied industry changed gradually, as more and more industries matured or their markets disappeared. Eventual withdraw took place in 1993-1994.

Early 1970s was the turning point of the Japanese post-war society. In 1969, Japan’s GNP surpassed that of West Germany, and became the world’s second largest one. A few years later, the high-inflation caused by oil crisis triggered a grass-root anti-cartel movement by consumers for the first time in Japan. In face of pollutions, criticism on economic growth-oriented policy

intensified. A series of special article under the title “Go to hell GDP” made a buzzword in 1970/71. In 1980s, the “developmentalism” was criticized intensely. The cartel policy reflected these changes. The Depressed Industries Stabilization Law (1978-1983) was for exempted cartels to scrap their production facilities and to promote consolidation in specified industries suffering depression. The aim of the law was the same as the concerted actions by administrative guidance in the earlier period, but to give clarity and to limit the target and duration of the policy, the government adopted exempted cartels by special legislation. Upon its expiry, a bill for a successor law was debated, when Yamanaka, the Minister of MITI made it clear that the new law, The Industry Structure Law [1983-1987] should become the final law of this kind. Since then, MITI promoted outward FDI to address the decline of matured industries. Actually, in the second half of 1980s, the number of manufacturing-related exempted cartels was halved. In early 1990s, SME-related exempted cartels disappeared.

After mid 1990s, only a few categories of exempted cartels remained. They were based on five laws in the following fields: 1) insurance [8-9], 2) shipping [5-10], 3) road transportation [3], 4) earthquake insurance [2], and 5) domestic shipping [1]. Contents of those rules show significant homogeneity with practices in US and Europe.

Trade frictions with US during 1970s and 1980s were also very important reasons for authorized cartels. Massive amount of studies, especially literature in English focused on Japanese cartels, attempting to disclose the reasons behind Japan’s trade surplus.

Here, we focus on the opposite side of the coin. Actually, the causal relationship was often reverse. The diplomatic pressure from US, which hoisted the ideal of fair trade, was the cause of authorized cartels in Japan, and it prolonged their lives even against Japanese policy makers’ will (Odaka, [2012]).

Its origin dates back to 1967. Facing rush increase in import, especially textile products from Japan, US Congress deliberated over 15 bills to promote “fair trade”. The Japanese government conceded to the American pressure, and the so-called “Voluntary Export Restraints” agreement was made between the two governments. The Japanese government implemented a concerted scrap of production facilities to curtail export, and compensated the losses of produces using the state budget. This deal was regarded as an exchange of textile export and returning of Okinawa Islands to Japan (1972).

This case of textile set a precedence of practices. Many industries followed suit: steel (1969- and 1984-1992), special steel (1976-1980), color TV (1977), beef and oranges (1977/78-), automobile (1981-1985, and 1985-1994) and semiconductor (1986-1996). For their

implementations, in most cases, an association of Japanese exporters was formed and export quotas were allocated to its members. To avoid application of the Japanese antimonopoly law, it was made clear that Japanese government officially sanctioned it, but it was clear that those export quota were a type of cartel. In the cases of textile [1971/72], beef and oranges [1978/88], steel[1974] and special steel[1976]), the agreements were state-led. In other cases, such as in steel industry, private companies took the initiative and the government authorized their action. Semiconductor was an example where initiative shifted from the government to the business.

Why Japan, not US, had to adopt authorized cartels? After all, those long series of actions had a single aim: protection of interest of American producers (except for beef and oranges). Then, it was should have made more sense if not the Japanese side, but the American side introduced import restriction or import cartels. However, those measures were impossible both by GATT rules and US anti-cartel policy. A concept of highly political nature called “voluntary agreement” was the answer. In a word, officially “strict” anti-cartel policy in US induced a lenient anti-cartel policy in Japan.

Who were the winner and the loser of the game? Producers in Japan were the winners; they gained extra-profit from higher price in the export market. The US counterparts were also winners, but it was merely transient, because the scheme eventually eroded their competitiveness. Japanese buyers and consumers might have profited from lower prices in Japan, because of excess production capacity. Obvious losers were the consumers and buyers in US. In addition, if the protection of consumers’ interest and spirit of fair trade had been the *raison d’être* of the American Antitrust authorities, they were also losers.

These bitter experiences left a lesson for Japan. Since late 1980s, Japan shifted from bilateral negotiation to multilateral one. Counter reactions by the third party, especially by EC was one reason. In 1991, Japanese government was determined to abandon these measures, while the change in US took more time. It was not Japan, but US, who was persistent on the old-fashioned way until the last moment. In the US-Japan trade negotiation in 1993, Japan argued that the setting of target amount violated the principle of free trade. The US-Japan negotiation broke off for the first time (!) after WWII. In 1995, US-Japan trade friction ceased after the deficit to Japan peaked out in 1993. It was not a coincidence that the terminal phase of authorized cartels overlapped with this period.

Conclusion: An irony of Americanization?

The history of authorized cartel in Japan is fully covered with ironies. On the one hand

the case of Japan is NOT exceptionally special in the world's trend described by the new approaches on cartels. Under the economic liberalism since 19th Century, cartels were not regulated, with the exception of few rules on local trade associations. In line with the *Zeitgeist* of the organized capitalism in the Interwar period, especially since 1924, it was promoted for rationalization and industrial development both by private and policy initiatives. The sense of crisis and national security boosted the movement. Since late 1930s, the war economy and rationing strengthened the government intervention. Many companies were merged in almost all sectors, while the principle of private ownership was still kept. After WWII, under the US occupation, those "oligopolies" were targeted as the evil motor of the Japanese War-Machine and Imperialism. Against such a backdrop, the US occupation authority introduced the antimonopoly act, which broke off the past. In this respect, Japanese postwar anti-cartel policy is the result of Americanization, as it was in Europe.

On the other hand, Japan was a peculiar case. First, the introduction of antimonopoly act was a decade earlier than in Europe. Second, the introduced antimonopoly act was even stricter than the American counterpart. Therefore, the history of newly born antimonopoly act got a start to ease its enforcement practice, followed by the amendment of the act itself after independence. In this sense, Japanization of antimonopoly act, i.e. introduction of the exemption clause ("authorized cartel") is the second phase of the Americanization. This reactionary movement attracted attention of many including Japanese themselves, and created the image of "cartel-ridden Japan". Third, however, even by the partial "Japanization" of antimonopoly policy, anti-trust legislation and its enforcement (e.g. the ban on holding companies) were maintained through mid 1990s. Throughout post war era [1950s-1980s], competitive and non-oligopolic industrial structure was retained. (See Table 1.) The number of players in each industry was large in the international comparison, especially when the market size is considered. Contrary to the conventional view, though, the authorized cartels brought about coordinated but fierce and endless competition to most industries. The fragmented and non-oligopolic industrial structure was the reason why the cartels were needed. The opposite holds true as well. The lenient anti-cartel policy and horizontal business groups (*Keiretsu*) eventually deterred the exit of players, by which competition among many players lasted forever. *Keiretsu* and the severe anti-trust policy, especially the ban on holding companies,

prevented M&As.

While the state played a significant role in Japan and categories like “Developmentalism” holds true to a certain degree, the active role of entrepreneur and private companies should not be overlooked. Unlike Britain and France where nationalization took place under the leftist administration, and Italy with large state owned conglomerates, the private sector in Japan has underpinned vitality of industries including infrastructures. In addition, there is a clear separation between business and political elites in Japan. With a certain distance between the public and private sectors, a room for “coordination” was generated. In a word, coordinated capitalism is not a non-competitive capitalism in Japan, thus its international competitiveness showed dramatic improvement exactly in the most cartel-intensive period.

While Japan fell behind Europe to some extent, the negative view against cartel gradually intensified since the 1970s. Ironically, the diplomatic pressure from the US was an important element for the further maintenance of cartels. Many authorized cartels were introduced in order to compensate the producers for their losses incurred by “voluntary regulation” to curb trade surplus with US. Eventually in 1980s, American government started to directly demand use of cartels to reduce Japanese export to US. By the sacrifice of American consumers, Japanese exporters and new entrants from emerging economies (e.g. Korea and Taiwan) enjoyed much profit in the US market. It was direct opposite of the “dumping exporter Japan” view, which was commonly shared by Americans. One big cause of this misperception was this conventional bias against cartels.

Another irony is that the shift from anti-trust policy toward anti-cartel policy by the Japanese government preceded the change in the American trade policy. In the 1990s, the coordinated capitalism in Japan achieved a crucial turnaround. Together with its industry policies, Japanese antimonopoly policy changed significantly. Now the core of the new industry policy of Japan was “selection and focus” modeled after the dynamic strategy of American enterprises [Kurosawa, 2004]. For selection and focus, Japanese companies needed a framework to allow flexibility in sales and procurement of business. As a result, the long-banned pure holding company was finally legalized and domestic and international M&A cases shot up (Graph1 shows sharp decline after 1997/98 because the

obligation of report abolished for small- and medium sized M &A. According other sources, the number continued to grow further). Suddenly, the fragmented structure of the Japanese industry started to change. The Japanese Fair Trade Commission adopted a new rule, in which the competitive structure of the global market was considered more than the domestic market share. In this sense, not only Americanization but also globalization prompted the fundamental change of the competition policy.

The dominant outside view on the Japanese economy still tend to neglect the change of Japan. It regarded “unique” system of Japan as a source of competitiveness from 1970s through 1980s and blamed it for its more than two decades of stagnation since the year 1990. However, its decisive shift toward the so-called “Global Standard”, synonym of the American model, did not bring about improvement of its competitiveness. There is an inversion of logic here. At first, lack of change was claimed to be the reason for the stagnation, then stagnation was claimed to be the sign of lack of change.

After the economic crisis that appeared after 2008, US and especially Europe came to fear the replication of long slump that Japan has experienced. Eventually, people realized that the argument to directly link competitiveness with either the competition policy or more widely VoC did not make sense.

References

- Anchordoguy, M. [2005], *Reprogramming Japan: The High-tech Crisis under Communitarian Capitalism*, Cornell University Press
- Beeman, M. L. (2002), *Public Policy and Economic Competition in Japan: Change and Continuity in Antitrust Policy, 1953-1995*, London: Routledge
- Bjarnar, O. and Kipping, M. [1998]. *The Americanization of European business*. London / New York, Routledge
- Donzé, P-Y. and Nishimura (ed.) [2013], *Organizing Global Technology Flows: Institutions, Actors, and Processes*, Rutledge,
- Dore, R. [1986], *Flexible Rigidities: Industrial Policy and Structural Adjustment in the Japanese Economy 1970-1980*, London: Athlone Press
- Fear, J. R. [2008]. “Cartels.” in: Jones G. and Zeitlin J. (ed.), *The Oxford Handbook of Business History*. Oxford: Oxford University Press, 268, s
- Gao, B. [1997], *Economic Ideology and Japanese Industrial Policy: Developmentalism from*

1931 to 1965, Cambridge University Press

Hadley, E. [1970], *Antitrust in Japan*, Princeton University Press

Haley, J. [2001], *Antitrust in Germany and Japan: The First Fifty Years, 1947-1998*, University of Washington Press

Hall, P. and Soskice D. [2001], *Varieties of capitalism : institutional foundations of comparative advantage* (Oxford University Press, New York, 2001)

Hashino, T. and Kurosawa, T. [2013] "Beyond Marshallian Agglomeration Economies: The Roles of the Trade Association in a Weaving District in Meiji Japan" in: *Business History Review*.

Hirano, S. [2008], "Sekiyu Kagaku Sangyo niokeru Setsubi Tosei" (Coordination of plant investment in the petrochemical industry) in: *Japan Business History Review*, Vol.43-1

Hirano, S. [2011], "Sekiyu Kagaku Kogyo ni okeru Toshi Chosei to Setubi Kajo no Shinka (Coordination of plant investment and growing overcapacity in the petrochemical industry following the recession cartel (1972-1985))" in: *Socio- Economic History (Japan)*, Vol.77-1, p.49-70

Itami H. [1997], *Naze Sekei-ni Tachiokuretanoka :Nihon no Kagaku Sangyo (Why it Lagged behind: Chemical Industry in Japan (Japanese NTT Press)*

Itami H. [1997], *Nihonno Tekko Gyo. Naze Imamu Sekaiichi Nanoka*, (Japanese Steel Industry: Why it is still Worlds Number one), NTT Press

JFTC [1995], *Dokusen Kinshi Seisaku 30 Nen Shi (30 Years History of JFTC)*, JFTC

JFTC [1997], *Dokusen Kinshi Seisaku 50 Nen no Ayumi (50 Years History of JFTC)*, JFTC

Jensen-Eriksen, N. [2013]. "A Potentially Crucial Advantage Export Cartels as a Source of Power for Weak Nations" in: *Revue économique*. vol. 64, N° 6, novembre 2013, p. 1085-1104

Johnson. C. [1982], *MITI and the Japanese Miracle: The Growth of Industrial Policy; 1925-1975*, Stanford, CA: Stanford University Press

Kikkawa, T. [1991], "Senzen Nihon-no Karuteru (Cartels in Post War Era)" in: *Aoyama Journal of Business*, Vol.25, Nr.4

Kikkawa, T. [2012], *Nihon Sekiyu Sangyo no Kyousouryoku Kouchiku (Competitiveness build-up of Japanese Oil Business)*. Nagoya University Press.

Kosei Torihiki Iinkai, Jimukyoku, Chosaka [1951], *Nihon Ni Okeru Keizairyku Shuchu-no Jittai (Facts on Economic Concentration in Japan)*, Jitsugyo no Nihon Sha.

Kosei Torihiki Iinkai, Jimukyoku, Keizatibu Chosaka (Fair Trade Commission (of Japan), Secretary Bureau, Section for Economy, Research Division) [1957] Tokyo Keizai Shimpo

Kurosawa, T. [2009]. "Transformation of the Japanese Industrial Policy in the Age of Deregulation and Globalization" in: Wolfgang Klenner, Hisashi Watanabe (Hg.), *Neupositionierung regionaler Führungskräfte: Japan und Deutschland*. Lang, Peter, GmbH, ISBN-13: 978-3631583296, pp. 211-257

Lonny E. Carlile, E.L, and Tilton M. [1998]] (ed.), *Is Japan really Changing its Ways? : Regulatory reform and the Japanese economy* Washington, D.C. : Brookings Institution Press

Misonou, H. [1989], *Nihon-no Dokusen Kinshi Seisaku-to Sangyo Soshiki* (Antimonopoly Policy in Japan and the Industrial Organization), Kawade Shobo Shinsho

Nagahiro, T.[2009], *Senzeinki Nihon Sekitan Kogyo no Saihen to Sangyo Soshiki (Industrial Organization and Reorganization of Coal Mining Industry in Interwar Japan: An Analysis Report on the History of Cartel)*, Nihon Keizai Hyoron Sha.

Odaka, K. [2013], *Tsuho Keizai Seikaku* (International Trade Policy). Tokyo, Keiai-Sangyo-Chosakai

Ohata, T.[2012], *GHQ no Senryo Seikaku-to Keizai Fukko: Saiko Suru Nihon Boeki Gyo* (The Occupation Policy of GHQ and the Economic Recovery), Kyoto University Press

Okazaki, T. [2014], *Sangyo Seisaku* (Industrial Policy) [Originally in Japanese]. Tokyo, Keiai-Sangyo-Chosakai

Schaede, U. [2000], *Cooperative capitalism: self-regulation, trade associations, and the antimonopoly law in Japan*. Oxford University Press

Schröter, H.G.[2013] ‘Cartels revisited: An overview on fresh questions, new methods, and surprising results’ in *Revue Economique*, Vol.64 Issue 6, 2013. 989-1010

Schröter, H.[2003], Cartels Revisited, An Overview on Fresh Questions, New Methods, and Surprising Results in *Revue économique*. vol. 64, N° 6, novembre 2013, p. 989-1010

Shanahan, M., Round, D. and Round K. [2013], “Cartel Resilience in Austrian Markets, 1901-1967” in: *Revue économique*. vol. 64, N° 6, novembre 2013, p. 1011-1040

Shinomiya, Toshiyuki [1997], *Kindai Nihon Seishigyo no Kyousou to Kyouchou; Oji Seishi, Fuji Seishi Karafuto Kougyou no Seicho to Karuteru Katsudou no Hensen (Competition and Cooperation in the Paper Industry in modern Japan: The Growth of Oji Paper Co., Fuji Paper Co., and Karafuto Kogyo Co. and transitions in their cartel activities*, Nihon Keizai Hyouronsha,

The Holding Company Liquidation Commission [1949], *Laws, Rules and Regulations concerning the Reconstruction and Democratization of Japanese Economy*, Tokyo

Tilton, M.[2004] , "The Difference Government Policy Makes: The Case of Japan", in Peter Z. Grossman (ed.) *How Cartels Endure and How They Fail: Studies of Industrial Collusion*. Edward Elgar, 174-195

Watanabe. J.[2010], *Sangyo-Hatten to Suitai-no Keizaishi. “Jyudaibo” no Keisei to Suitaino Keizaishi*. (The history of Japanese industrial development and its decline, Yuhikaku)

Wells, W.[2003], *Antitrust and the formation of the Postwar World*. Columbia University Press, New York

Yonekura, S.[1994], *The Japanese Iron and Steel Industry, 1850-1990: Continuity and Discontinuity*. St. Martin's Press