

# Japanese Economy and Business (JEB) 2014

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## Course Objectives and Overview

In this course, students can obtain fundamental knowledge on stylized facts of Japanese economy and Japanese firm systems as compared with those in the US and some other countries, and understand economic theories to put profound interpretations on them. Stylized facts seem to be old and some of them may have been obsolete. They are, however, still useful for understanding Japanese economic systems, because they contain essential logical points and the current systems are rooted in them. Thus, students are required to discuss current conditions on Japanese economy and firm system, considering stylized facts and theoretical backgrounds. It is essential to distinguish between changing phenomena and unchanged principles.

Students have an opportunity to take a tour to a factory in a leading company. In the final class, students have to give team presentations and individually submit a short essay on the topics provided or the ones they come up with.

As for the structure of classes, we cover fundamental stylized facts, economic theories (or theoretical frameworks), and data analyses (historically and currently). This course is composed of three parts: (1) Japanese economic system, (2) Japanese firm system and (3) Japanese macroeconomic conditions.

## Teaching Cycle

12:50 ~ 16:00, Wednesdays. From 10 September to 10 December.

## Assessment (provisional)

| Task              | Timing of the assessment   | Contribution to the final mark |
|-------------------|--|--------------------------------|
| Quiz              | In every class (except the class for a factory tour and the final one) | 40%                            |
| Team Presentation | In the final class   | 30%                            |
| Essay             | The due date is: to be arranged  | 30%                            |

## Schedule

|    | Date    | Subject                                       | Note  |
|----|---------|---|---|
| 1  | 10 Sept | Introduction                                  | Course overview. Introduction of people. General discussion on Japanese economy and firm system.  |
| 2  | 17 Sept | Market vs. Organization                       | Fundamental theoretical backgrounds on markets and organizations are discussed.   |
| 3  | 24 Sept | Diversity of Capitalism                       | Anglo-Saxon, Alpine, Rhine, and Japanese capitalism. What objectives do firms have in each economic system? What is the corporate governance like?  |
| 4  | 1 Oct   | Human-capital Firm                            | Human resource management in Japanese firm system: life-time employment; seniority remuneration system; and intra-firm labor union.   |
| 5  | 8 Oct   | <i>Kanban</i> Production System               | <i>TOYOTA</i> 's Just-in-time production system. Bottom-up <i>sashimi</i> (sliced raw fish) method vs. Top-down <i>yakitori</i> (skewered grilled chicken) method.  |
| 6  | 15 Oct  | Subcontracting Group                          | What relationships do an assembly maker and suppliers develop? Long-term mutual committed transactions. Organizational market system (intermediate organization)  |
| 7  | 22 Oct  | Capital-keiretsu ( <i>Zaibatsu</i> )          | Japanese cross-shareholding ties and main bank system. Have they really existed? Have they had influential power?   |
| 8  | 29 Oct  | Research Method, Writing, Presentation        | Discuss research methods in general, and how to write a good essay and give a good presentation. Topics for final team presentations are considered. Guest Speaker (Professor Barradas, Guanajuato University, Mexico) will provide a special lecture on writing an academic paper. |
| 9  | 5 Nov   | Factory Tour                                  | To be arranged.   |
| 10 | 12 Nov  | Japanese Macroeconomic Conditions             | Analyses of Japanese macro economy: the ( <i>Showa</i> ) great depression; two oil shocks; the burst of bubble economy; the current depression due to the Lehman shock and the Greek crisis. What is <i>Abenomics</i> ?   |
| 11 | 19 Nov  | Overseas Transfer of Industrial Agglomeration | Why did the value of Japanese yen soar? Terms of trade have been historically deteriorating because of the increase in unit labor costs. What impact do they have on Japanese industries?   |
| 12 | 26 Nov  | Competitive Advantage of Nation               | Why is Japanese automobile industry competitive? Why not in computer software program industry? Diamond Framework.  |
| 13 | 3 Dec   | Knowledge-Creating Company                    | Explicit vs. tacit knowledge. How have Japanese successful companies managed the two types of knowledge?  |
| 14 | 10 Dec  | Team Presentation                             | Students give team presentations.   |

## Reading List

I recommend some books written both in Japanese and English. You can enjoy reading Abegglen and Stalk (1985) on typical facts of Japanese internal management system. If you prefer a sophisticated book, I recommend Aoki (1988). This includes profound and elaborate economic analyses on Japanese economic and firm systems, although it is a bit advanced. If you want to learn the diversity of capitalism, I recommend Albert (1993). Nonaka and Takeuchi (1995) is a novel book on the knowledge creation in Japanese companies, which is the original conceptual framework produced from Japan.

Abegglen JC and Stalk G (1985) KAISHA: The Japanese Corporation. Charles E. Tuttle Company, Tokyo.

[ジェームス・アベグレン, ジョージ・ストーク(1986)『カイシャ—次代を創るダイナミズム—』講談社]

Albert M (1993) Capitalism Versus Capitalism: How America's Obsession with Individual Achievement and Short-term Profit Has Led it to the Brink of Collapse. Four Walls Eight Windows. [ミシェル・アルベール(1992, 2008)『資本主義対資本主義 (新装版)』竹内書店新社]

Aoki M (1988) Information, Incentives, and Bargaining in the Japanese Economy. Cambridge University Press, Cambridge. [青木昌彦(1992)『日本経済の精度分析—情報・インセンティブ・交渉ゲーム』筑摩書房]

Aoki, M. (2001). Toward a Comparative Institutional Analysis. The MIT Press. [青木昌彦(2008)『比較制度分析序説—経済システムの進化と多元性』講談社 (講談社学術文庫) ]

Nonaka, I. and Takeuchi, H. (1995). The Knowledge-Creating Company: How Japanese Companies Create the Dynamics of Innovation. Oxford University Press, Oxford. [野中郁次郎, 竹内弘高(1996)『知識創造企業』東洋経済新報社]

## Office Hour

Email me according to your needs.

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