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MEDIUM AND SMALL-SCALE INDUSTRY
IN THE JAPANESE ECONOMY

by

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P R E C I S

This thesis is a study of the nature, development and implications of medium and small scale industry in the Japanese economy.

Medium and small scale industry in Japan is the product of development of the native sector of industry, whereas large scale industry was introduced from the west with government assistance and with little reference to the background of development within Japan. The development of medium and small scale industry is thus the history of the adaptation of native industry to changes in Japan's economic organisation.

Corresponding to the stages of cottage industry, dispersed manufacture and small factory industry, various forms of industrial organisation have been evolved and still survive in medium and small scale industry. These forms are based on varying degrees of dependence on either commercial or industrial capital.

Although, as part of the war organisation of industry, the Japanese government tried to accelerate the formation of industrial capital by authoritarian means, absolute shortage of capital and overpopulation have resulted in relatively slow and inefficient methods of industrialisation in a large sector of Japanese industry.

So long as these factors continue to operate medium and small scale industry will remain a large part of the Japanese economy, and an intractable problem of economic policy.

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