

TOKYO MOM-AND-POP

家 業

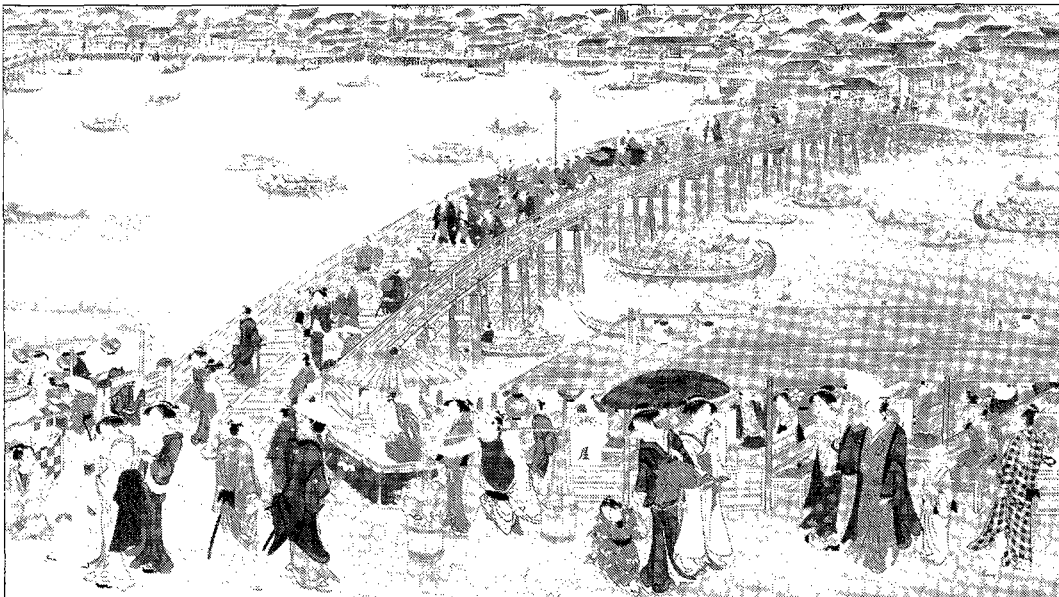
by Theodore C. Bestor

The American bestiary identifies two sub-species of the Japanese economic animal. The more familiar is the company employee, recognizable by its collar (white or blue) connected by a short leash to its employer, Japan, Inc. The second sub-species, only recently discovered, is the small shopkeeper. Its haunts are marked by the little non-tariff trade barriers that these creatures erect around their abodes, the hundreds of thousands of mom-and-pop stores that dot the Japanese landscape. The first species is predatory and most fearsome when, in herds, it stampedes through foreign marketplaces or burrows under otherwise level playing fields; the second is protectionistic and most dangerous when confronted by large stores or foreign products.

To most Americans, the company-employee variant of the economic animal seems familiar in broad outline, if puzzling in behavioral detail. Our society, too, has its large organizations, and the organization man (now joined by woman) is a fixture in our image of modern society. While it may be hard for most Americans to comprehend the docile diligence of the Japanese employee, we still broadly understand what the company employee is about.

The shopkeeper, the proprietor of a family business, is another story. Gone are the days when the family enterprise was a reliable part of the American scene. To most American consumers, particularly those living in or around cities, small shops are increasingly marginal to the business of daily life. They are convenience stores for the occasional last-minute purchase, or they are

Painting of an Edo marketplace at the Ryugoku bridge, by Utagawa Toyoharu (1735-1814).



quaintly ethnic or highly specialized. Most serious retailing takes place in national or regional chains, where consumers deal with branch managers and employees, almost never with proprietors or their kin.

But in Japan, this is not the case. More than in any other advanced industrial society, consumers are likely to do their shopping in tiny, family-run stores, and the proprietors and family workers who operate those businesses constitute a large segment of society. According to one recent analysis, self-employed entrepreneurs and family members who work with them make up almost 20 percent of Japan's urban, private-sector labor force. In 1988, Tokyo had some 178,000 retail and wholesale establishments, of which 117,000—a shade under two-thirds—were tiny shops with four or fewer employees, almost all of them family members. Tokyo, moreover, averages 767 shops per square mile (without counting bars and restaurants), or one shop for every 47 residents of the city.

But Japan's small businesses are significant not simply because there are so many of them. Americans may view small shops as further evidence that Japan is a society organized against consumption. After all, we quickly surmise, they hold that small businesses have on the Japanese economy forces most consumers to forego the conveniences and economies of scale provided by large retail chains and shopping centers.

But the Japanese don't see things this way. Shopkeepers, for one, perceive themselves as upholders of a traditional way of life. At the same time, their existence profoundly affects the quality of life of all Japanese, particularly those living in cities. The social patterns and cultural values that sus-

tain small businesses are deeply woven into the fabric of Japanese life. Indeed a Japan without such firms would be a radically different society.

Firm as Family

Scholarly studies and even popular-culture imports such as Yoshimitsu Morita's film, *The Family Game*, have provided Westerners with the outlines of the stereotypical Japanese family. It is, first of all, a middle-class professional household. The father, a white-collar managerial type, is generally absent; the mother, attentive to the point of monomania on issues of education and domestic management, is always present; the children, well-behaved and obedient, are always in school.

But this compartmentalized life does not characterize the entrepreneurial family. The Onuma household, pseudonymous but real, is a case in point. The Onumas run a small Tokyo textile company that specializes in preparing fabrics for formal kimono. As kimono have become less and less a part of daily life for most Japanese, their business has prospered by handling the brocades that go into the most expensive wedding kimono, some of which rent for thousands of dollars a day.

Their business employs about a dozen people, five of them Onumas. These five represent three of the four generations of Onumas who live together a few steps from the workshop. As with most such household firms, it is difficult to separate family and business, home and workplace. Masao and Chieko Onuma, husband and wife both in their fifties, work together most of the day alongside their 30-year-old son and his

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wife. Grandmother Onuma, in her eighties, packs boxes, answers telephones, cooks meals, and keeps an eye on her two great-granddaughters, the younger Onuma's toddlers who scamper around the bolts of exquisite, expensive silk. The younger Mr. Onuma's day seldom ends before nine or 10 o'clock, when he finally finishes making deliveries in his expensive 4-wheel drive RV. The elder Mr. Onuma's days often last longer, ending



In a Tokyo kimono shop, a customer casts an appraising eye.

with extended drinking bouts with the many suppliers and clients whom he must entertain almost daily.

Theirs is a volatile business. The long period of public restraint that preceded the death of the Shōwa Emperor in January 1989 was a bleak time for the Onumas. Weddings, festivals, and other celebrations were canceled or curtailed. Fortunately, the Imperial wedding in June 1990 set off a minor boom in the kimono business, and the Onumas found themselves busier than ever. But despite their long hours and the uncertainties of their business, the Onumas are almost smug in their feeling of superiority toward the salaried middle classes. They regard company employees as drudges and prize the flexibility and autonomy that comes with running their own business. They smile over the tax breaks self-employment offers. And they take quiet pride in their knowledge of themselves as a special kind of family.

The family of the family firm doesn't figure very prominently in Western images of Japanese life, but it comes closest to fulfilling the ideal of the traditional Japanese family. According to this ideal, young and old live and work together, caring for one another across generations. And for tradi-

tional families, whether the urban mercantile family of today or the peasant family of pre-modern Japan, the business of the family is the family business. Fundamental issues of kinship—marriage, inheritance, succession—are inextricably linked to economic issues of property, capital, and labor.

The matter of inheritance is particularly important because the heir sees to it that the family, its enterprise, and its property are transmitted intact to later generations. Japanese kinship provides several means of ensuring an heir besides the obvious one. For example, the present Onuma line was secured by adoption. Masao, the patriarch of the family, is a *mukoyōshi*, an adopted son-in-law. The eighth of nine children from a poor farm family far to the north of Tokyo, he met Chieko, herself an only child, when he came to Tokyo for college (remarkably enough, on a basketball scholarship). They fell in love and Chieko's parents, recognizing the need for an heir to carry on the family and its business, adopted him. Thus, old grandmother Onuma is, to an American way of thinking, his mother-in-law; in Japanese terms, she is his adoptive mother.

The practice of adopting a son-in-law, old-fashioned but by no means moribund,

is most common today (at least in urban areas) among entrepreneurial households like that of the Onumas. Conventional wisdom is divided on the subject of *mukoyōshi*. Proverbial advice to young men contemplating an adoptive marriage tells them, "If you have even a cup of rice to your name, don't become a *mukoyōshi*." On the benefits to a family, however, the proverb is positive: "Three generations of *mukoyōshi* ensure a family's fortune." The case of the Onumas would seem to confirm this part of the proverb.

Community as Market

Neighborhoods organized as discrete social and economic units date back to pre-industrial Edo (as Tokyo was called before 1868) and to the feudal regulations that kept samurai and craftspeople separate and segregated in distinct areas. A few mercantile districts still retain an identity from Edo: Kiba, the old lumber district, or Tsukudajima, where delicacies of salted, smoked, and pickled fish have been made for centuries. Other areas, whether venerable or not, are known for their contemporary commercial specialities: Jimbo-chō, full of bookshops; Inari-chō, known for Buddhist altars; Akihabara, with its wall-to-wall electronics stores.

But even where a particular occupational or commercial coloration does not exist, Tokyo neighborhoods are economic zones of considerable importance. Unlike most American cities, Tokyo has few exclusively residential areas. Most neighborhoods mix housing with commerce, and what largely distinguishes richer and poorer neighborhoods is the intensity of local industrial activity. This intermingling of commerce and community, however, is less a legacy of pre-industrial guild mercantilism than a reflection of the fact that Tokyo is built on top of a pre-industrial city

that functioned largely without wheels. Most pre-industrial Japanese walked; only an elite few rode horseback or were carried in palanquins. The distances covered in daily life were necessarily short. The narrow, disjointed, suddenly twisting and turning remnants of the Edo street plan give ample evidence of a city based on pedestrian life, and as Tokyo developed in the 20th century, cars never fully demolished this orientation. Streetcars, then trains and subways, became the favored means of public transportation. As a result, Tokyo remains focused on its 500-odd stations and the pedestrian corridors—the shopping arcades—that lead to them.

Even now, with Tokyo's streets clogged to near paralysis with cars, the automobile and the culture of commerce have not merged as they have in much of American life. Car culture exists for the young who consider a trip to Denny's, or to one of its Japanese imitators, a *naoii* ("now-y") experience; for the James Dean look-alikes who cruise in souped-up Mazdas sporting window decals with slogans like "Lonesome Car-Boy"; for the professional truckers who festoon their gleaming chrome rigs with colored lights and hang their cabs with brocade drapes; or for yuppies who buy BMWs and Mercedes with savings that a family of an earlier generation would have spent on buying a house. But for daily life in Tokyo, the car is practically useless. Housewives and other shoppers rely on the neighborhood stores and the local *shotengai*, or shopping arcade. Market researchers report that the average housewife goes shopping at least once a day, on foot or bicycle, and it is a rare neighborhood that cannot provide all daily necessities.

The cluster of shops and arcades around major stations—anchored by one or two large department stores or major discount supermarkets, surrounded by swirls of boutiques, bars, and charge-by-the-hour love

hotels—taper off into tendril-like shopping streets that stretch across the residential landscape of the city. Brightly lit streets and alleys beckon with ornate neon arches, garish cubist street lights, plastic decorations keyed to seasonal motifs, or loudspeakers booming out popular songs and shopping jingles. Sunday excursions to major department stores and trendy boutiques notwithstanding, these shopping arcades are where Japanese consumers consume. One shopping street runs into the next, the only distinction between neighborhoods being the styles of lampposts or arches erected by local merchants.

Subtle though the boundaries are, they are still significant. Within them, local merchants act decisively to protect both their own interests and those of the community. They may oppose or force modifications of plans for a nearby supermarket or discount store. They may assist a neighborhood noodle manufacturer who has fallen on hard times (and count on being repaid in years and years of free noodles). They may match up a local businessman who has been forced out by a *jiageya* (a real-estate speculator) with another family firm located a few blocks away.

In addition to tending to business matters, merchants form the backbone of local community activities, participating in everything from political clubs to volunteer fire brigades, from shrine parish boards to Little League teams. The self-employed entrepreneurs, working according to their own schedules, are always present in their communities—something factory or office workers can never be. Merchants clearly have ulterior motives behind their good works, but as Adam Smith suggested, it is not the butcher's benevolence but his self-interest that makes the world go around, in Tokyo as elsewhere.

With their claims to represent the legacy of Japan's pre-industrial merchant class,

the neighborhood shopkeeper is the bulwark of tradition and the sustainer of cultural identity. His or her presence assures that the communal traditions of the past will continue to give some order and meaning to what often seems a chaotic urban existence. And while there may be some nostalgic myth-making at work here, the myth is still a real force affecting the lives of all local residents, shopkeepers or not.

Market as Community

Throughout Japan, Tsukiji—Tokyo's vast wholesale fish market—conjures up the same images: frenetic morning auctions where the price of a single gigantic tuna may exceed \$10,000; endless sheds housing hundreds of tiny wholesale stalls hawking every conceivable kind of seafood; bustling crowds of fishmongers and sushi chefs carrying off a day's supply of fish. Each year, the market's seven large brokerage houses sell almost 450 varieties of fresh and processed marine products worth over \$5 billion. But despite the scale of the market as a whole, it is a bastion of small family firms. The engines of the market are its dozens of morning auctions, where throngs of wholesalers bid intensely against one another. In turn, the wholesalers—1,100 strong, operators of tiny, family-run stalls in the marketplace—compete fiercely for the patronage of some 14,000 restaurateurs, sushi chefs, and retail fishmongers who purchase their day's supplies at one or another of Tsukiji's 1,677 stalls.

The transactions that make the market—from the bluntly competitive bidding of the auctions to the more subtle haggling that keeps customers returning to the same stalls year after year—are part of the complex social fabric of the marketplace: elaborate rules governing auctions, systems of stall rotations, minutely wrought agreements on credit and settlement, carefully

tended patterns of long-term reciprocation among trading partners, and hundreds of other understandings and agreements.

At Tsukiji, the buying and selling does not pit all 1,100 wholesalers against one another. More limited trading communities exist among the wholesalers and buyers of particular kinds of seafood, whether tuna or shrimp or salted fish or *sushi no tane*, the highest quality products destined for



Selling squid in Tokyo's busy seafood market.

sushi bars. Within these specialized groups of traders, the character of social ties becomes most visible.

For example, the trading communities are organized around the auction arena for a particular commodity—fresh salmon or *kamaboko* fish pâté or live eels—and the rules and techniques for each auction have over time been delicately hammered out by the parties to those auctions. For some

commodities, buyers are expected to top a stated asking price; for others, the auctioneer lowers the price every second or so until a willing buyer is found. Some auctions involve open bidding, verbal or hand signals, while others use secret written bids. The varying forms of auction clearly create different kinds of competitive relationships among rival buyers and different kinds of relationships between auctioneers and buyers. Through adjustment and calibration of the auction rules over time, buyers and sellers are able to maintain stable long-term ties with preferred trade partners and to minimize the tensions that result from competition among buyers to purchase at the lowest prices.

And, indeed, this careful concern to dampen the negative consequences of competition is one hallmark of the market's operations. Almost all wholesalers come away from the day's auctions with something. Few are driven out of the market. Like New York City taxi medallions or seats on the stock exchange, the wholesale licenses required for trading in the market are limited in number and intrinsically valuable. No new slots have been created since the late 1940s. Yet there is little demand for them outside the marketplace. And within the market there has been little competitive pressure leading to concentration; the 1,677 licenses issued to 1,677 firms in the late 1940s still remain in the hands of 1,101 firms, only a handful of which control more than three licenses (and hence three stalls).

The survival of all traders is ensured through a number of mechanisms. For example, at four-year intervals, all 1,677 stall locations are reassigned through a complex system of lotteries. This eventually corrects inequalities resulting from a stall's location in the huge fan-shaped sheds that house the wholesalers. Even to a casual observer, there are clear differences among the stalls.

Those on the narrow front edge of the fan attract buyers making daily visits for small quantities of high-quality, sushi-grade fish. But wholesalers whose business is based on bulk sales to supermarkets find that the back edge of the sheds—farthest from the market entrance for walk-in customers but most convenient to loading docks—is the ideal location. Regardless of specialty, a location at the intersection of two aisles in the market is preferable to a mid-block location, which can be reached only by passing many other stalls.

The quadrennial stall lotteries correct long-term locational inequities, but they also create shorter-term inequalities. To limit those effects, the wholesalers' guild has devised a system of rents and rebates apart from the flat rents charged by the municipal government. The wholesalers' federation grades each stall on its location and assigns each stall-holder a monthly assessment or credit. This amount is paid to (or received from) the association as tax upon (or compensation for) a stall's location. Against a base rent of about \$100 a month, a wholesaler with a good location may pay a surcharge of around \$100 per month for his stall, while the worst situated stall-holder may receive \$600 a month in compensation.

What holds for the wholesalers also holds for the auctioneers. To ensure that monopolies will not accrue to particular auctioneers, the sites and sequencing of the various auctions are also rotated. For example, the stretches of quayside where frozen tuna are auctioned each morning are rotated every few months among the seven auction houses, and the sequence of auctions changes on a daily basis, so that of four auction houses offering the same products for sale, each will sell first once in ev-

ery four days.

The exquisite care with which the rules, alliances, and institutions of the marketplace seek to protect all participants must of course be seen against the fact that the market is a closed system. Insiders are ensured survival; outsiders are denied access. Within the closed system of the Tsukiji marketplace, business is never a zero-sum game. All players go away with something; no one is forced to leave the game.

American trade officials who have been pressing the Japanese to correct "structural impediments" to free trade point to the distribution system, with its multifarious layers of small family firms, as the prime offender. Not only does such a system effectively impede the sale of foreign goods on the Japanese market, it also limits the choice of goods to Japanese consumers and thus keeps prices needlessly high. To date, however, most Japanese consumers have been more willing to put up with higher costs of goods and services than to threaten the institutional and social patterns that sustain the present system. What and how much this social compact gives them in return may at times be unclear, but apparently it is enough.

It is apparent, too, that despite the ferocious competitive strengths of the Japanese economy and its ability to exploit minute increments of efficiency, economics to most Japanese is not ultimately the measure of all things. Rather, as is the case with the survival of the small family business, economic behavior can be understood only within a larger framework of social relationships and obligations, and patterns of reciprocity whose demands are just as telling and just as intractable as the cold logic of economic calculation.