The Changing Face of the Yakuza

Peter Hill

To cite this article: Peter Hill (2004) The Changing Face of the Yakuza, Global Crime, 6:1, 97-116, DOI: 10.1080/1744057042000297007

To link to this article: https://doi.org/10.1080/1744057042000297007

Submitted by: Peter Hill

Published online: 08 Sep 2010.

Article views: 1912

View related articles

Citing articles: 3

View citing articles
The Changing Face of the Yakuza
Peter Hill

Over the last half century, Japan has undergone considerable political, economic and social change. In response to these changes, Japan's criminal organisations, collectively known as yakuza, have themselves rapidly adapted. This chapter explores these developments. The two main factors driving the yakuza's historical development are first, changing market opportunities and secondly, vagaries in the legal and law-enforcement environment in which these groups operate. During the last decade these two factors have had a serious impact on the yakuza fortunes; the 1992 boryokudan (yakuza) countermeasures law and Japan's protracted economic woes following the collapse of the bubble economy in 1990 have made their lives considerably harder. Since then, legal and social developments have further undermined these groups. While the yakuza have attempted to reduce the impact of these developments by adopting a lower profile and strengthening the mechanisms by which inter-syndicate disputes are resolved peacefully, there is inevitably a tension here with their members' needs to make money. The continued existence of illegal markets, and the lack of political will to seriously tackle these groups, makes the survival of these groups a certainty. However, the space within which they can operate has diminished and is diminishing.

Keywords: Organised Crime; Japan; Yakuza; Boryokudan

The modern yakuza are derived from two distinct antecedents, gamblers (bakuto) and itinerant peddlers (tekiya) though the etymology of the generic term yakuza referring to a losing hand (ya ku sa—eight, nine, three) in a Japanese card game has an obvious gambling derivation. During the Tokugawa period (1600–1867) these groups suffered periodic bouts of persecution though more typically the authorities adopted a pragmatic attitude, seeing them as useful agents of social control and sources of intelligence. Gambling bosses frequently also operated as labour brokers to the central government's ambitious construction projects while local tekiya bosses were responsible for the organisation of stall-holders at festivals within their territory [1].

Dr Peter Hill is a British Academy Postdoctoral Fellow at the department of Sociology, University of Oxford.
With the gradual withering away of the power of the Tokugawa state and the emergence of a rich merchant class with money to waste, gambling groups enjoyed a period of dynamic growth and in the military and political turmoil surrounding the Meiji restoration, gambling bosses were able to deploy significant numbers of fighting men in support of either new or old regimes. For example, Shimizu Jirōchō with nearly five hundred armed gamblers captured a provincial city for the Meiji cause [2].

With the re-establishment of strong central government following the Meiji restoration, gambling groups once more experienced a period of government repression and their numbers declined temporarily. However, with the development of modern industry in the early 20th century, the Russian Revolution of 1917 and Japanese Rice Riots in 1918, industrialists and political leaders attempted to utilise these groups to counter labour unrest and the threat of political radicalism. In 1919 the Interior Minister set up the Dai-Nippon Kokusui-kai, a pan-Japan organisation comprising yakuza groups, to break strikes and left wing protests. Ultimately this alliance broke up due to internal squabbles and did not effectively meet its creator’s aspirations [3].

Although many yakuza played an active role in extreme right-wing movements during the 1930s, once strong authoritarian government had been established, these groups were again subjected to renewed crackdowns. Following Japan’s defeat in 1945, there was a near-total collapse in the formal economy, a discredited and disempowered police force and a large pool of unemployed and desperate men trained in the effective use of violence and brutalized by war. There consequently arose a flourishing black-market run under the auspices of neighbourhood bosses and their demobbed followers [4]. Black-market groups were typically referred to as gurentai (racketeer or hoodlum). Although they were not necessarily traditional yakuza groups, the more powerful gurentai groups either absorbed yakuza gangs or adopted many of their cultural symbols and norms (such as distinctive full body tattoos and the use of finger amputation, either as a punishment or a show of contrition). At the same time, due to the lack of economic alternatives, many gambling groups were forced to adopt (hitherto disparaged) gurentai business activities.

As Japan’s economy recovered, the prime economic focus of these groups changed. The growing hospitality business, encompassing bars, clubs, restaurants and sexual service establishments, provided a new source of protection money. At the same time, many yakuza groups operated as labour brokers (tehaishi) providing day-labourers to the construction and docking industries, giving gangs considerable power over these sectors. Attempts to control these expanding and lucrative market opportunities led to widespread inter-gang conflict during what the police chronology refers to as the ‘gang-war period’ (1950–1963).

Although laws were enacted to more effectively counter this gang violence, the yakuza were broadly tolerated during this period, due to the combined effects of police weakness, links between politicians and yakuza at both local and national levels, a widespread fear of left-wing, student and labour agitation amongst elite groups and a belief that yakuza groups were an effective tool in the fight against radicalism.
Gangs also assisted the police by providing them intelligence and, once a territorial monopoly had been established, keeping their patches quiet.

In 1963, in response to widespread public criticism of yakuza violence and the ineffectiveness of police countermeasures, the authorities launched the first ‘summit strategy’ involving the mass arrests of yakuza members, in particular the top personnel. This operation was facilitated by a change in the gambling laws whereby individuals could be prosecuted merely on the basis of witness testimony. While this was effective in reducing the number of identified gang members from the 1963 peak of roughly 180,000 to 120,000 at the end of the decade, and led to the disbandment of various prominent gangs, it had the unintended consequence of consolidating the position of the larger, more sophisticated, syndicates with their diversified business interests, at the expense of the small, locally-based traditional gambling groups.

During the early 1970s, many of the yakuza members arrested under the summit strategy were released from prison and re-established their organisations. In order to insulate their leadership cadres from criminal prosecution, a system of tribute payments (jōnokin) was introduced whereby lower ranking members paid membership fees to their boss every month. During the 1970s, the yakuza also developed new sources of income in response to increased police pressure on gambling. These included an expansion in amphetamine dealing and the creation of groups spuriously advocating right wing political views (ese uyoku) or social issues—most usually burakumin [5] emancipation (ese Dōwa).

During this period the yakuza also became systematically involved in sōkaiya activities. The sōkaiya are effectively either corporate blackmailers who receive payoffs for not asking embarrassing questions at company annual general meetings (a practice which in other countries might be considered normal shareholder behaviour) or protective sōkaiya who protect companies from the activities of such predatory sōkaiya [6]. While not all sōkaiya were themselves yakuza (police estimates for the early 1980s suggest a figure of about one third), most of the rest were reliant on yakuza protection. If they lacked such protection, sōkaiya would be easily countered; the intended victim could simply employ yakuza to deter unprotected sōkaiya. We can see clearly the way in which yakuza operate as providers of protection or, as defined by Gambetta [7], a mafia.

In 1982, the commercial code was reformed to combat rampant sōkaiya activity, resulting in a decline of sōkaiya identified by the police from 6,738 in 1982 to 1,682 the following year. The decline was largely an accounting effect (the new law created a stockholding threshold below which shareholders were shorn of full shareholders’ rights (crucially that of attending annual general meetings) and many lower level sōkaiya continued as corporate extortionists but as rogue journalists (shinbun goro) or ‘company ruffians’ (kaisha goro).

The 1982 reforms also resulted in an increase in corporate extortion from spurious right-wing and dōwa activists seeking contributions or purchases of their publications. Failure to comply would result in either right-wing armoured loudspeaker cars parked outside the company’s offices and broadcasting old military songs and propaganda at high volume or denunciation by angry and violent burakumin.
A further consequence of the anti-sôkaiya provisions was the increase in minbô. Minbô, literally the violent intervention in civil affairs (minji kainyu bôryoku), refers to the set of activities engaged in by yakuza in which they make use of their group's reputation for violence to gain some financial advantage usually in civil disputes. A frequently cited example of minbô is yakuza involvement in traffic dispute settlements. Because the legal machinery for the resolution of civil dispute (such as traffic accidents) is slow and expensive in Japan, injured parties might find it expedient to engage yakuza to negotiate a settlement out of court. Of course, any settlement thus reached would reflect less the merits of the case than who had employed yakuza (and in cases where both parties had done so, who had employed the stronger). Other types of minbô include debt collection, financial and corporate racketeering, and 'crisis management' [8]. While in many cases the yakuza are providing a genuine service for which there is consumer demand, inevitably there are also cases in which the yakuza engineer a pretext for claiming compensation. Examples include yakuza deliberately crashing cars and then claiming damages from the other driver (in one case a sex worker was hired by yakuza to engage the victim in distracting activities while driving in order to reduce his ability to claim innocence) and yakuza claiming that expensive suits have been ruined by a laundry. Even when minbô is a genuine protection, it is highly likely to be protection afforded to 'the wrong people'[9].

For the authorities, minbô is problematic for two key reasons. Firstly it directly impinges on members of the public in ways that more traditional yakuza business does not. When organized criminal activity is restricted to governance of illegal markets and involvement in what are perceived as 'victimless crimes', tolerance of such groups is politically acceptable. Although this is not a strictly accurate reflection of all traditional yakuza activities, groups hitherto victimized by them had generally been politically marginal or antithetical to business and political elites. With the yakuza now adversely impinging directly on the lives of ordinary members of the public, there was an increasing perception of them not so much as romantic rough diamonds with their own moral code and fierce loyalty, but bôryokudan (violent pathological groups), resulting in increased pressure on the authorities to take more proactive steps against them.

At the same time, minbô is a difficult category of yakuza activity for the authorities to deal with under criminal law (given that yakuza membership is not itself a criminal offence) because typically the perpetrators deliberately steer clear of criminal intimidation as defined by law. Because the shared identifiers of yakuza membership, such as amputated fingers, tattoos, particular patterns of speech and dress, are readily understood by ordinary Japanese, and yakuza name-cards and lapel-badges baldly demonstrate gang membership, explicit intimidation is not necessary; the intimidation is implicit in yakuza/bôryokudan membership and their universally recognized reputation for violence. Therefore, when a driver is handed a name-card bearing a yakuza crest and the suggestion made that he pay compensation for the damage caused by his reckless driving, there is no doubt what is going on, but no direct threat has been made. During the 1980s a significant proportion of yakuza
Income was therefore derived from activities that, though clearly intimidatory, were not easily dealt with by the existing legal framework.

Keizai Yakuza

Perhaps the most lucrative type of minbō for the yakuza over the 1980s was jiage (land sharking). Japan’s land laws impose a number of barriers to a free market in real estate. In particular it is extremely difficult to evict tenants, which can present major time- and financial costs to real-estate development. To circumvent these costs, real estate firms would engage yakuza to encourage tenants to relinquish their leases and/or small landholders to sell their property. Jiage operations would typically earn a 3% commission for the yakuza although on a particularly large or expensive site this might be less. Given the real estate bubble during the 1980s, the amount of money involved was massive. With the wealth generated from jiage operations, yakuza joined the rest of Japan in speculative investment in Japan’s supposedly ever-rising real estate and equities markets. This was the heyday of the keizai (economic) yakuza.

The most notable of these were Ishii Susumu, the underboss (wakagashira) and then Boss of the Inagawa-kai syndicate, and Takumi Masaru, wakagashira of the Yamaguchi-gumi. Ishii, released from prison in 1985, set up a number of real-estate businesses just one of which, Hokusho Sangyō, increased its turnover from $1.48 million in 1986 to $84.1 million the following year. Ishii was also active in stock market speculation though as one of the country’s most influential yakuza, he enjoyed advantages unavailable to other investors; a close relationship with two of the Japan’s largest brokerages enabled him to have the value of his shares ramped as the brokers advised other clients to invest too. During this period yakuza frequently demanded to engage in speculation on credit or demand compensation when their shares underperformed [10].

During the mid 1980s, the yakuza attracted nationwide attention (and considerable opprobrium) when the Yamaguchi-gumi, the country’s largest syndicate, split in two following a dispute over the leadership succession following the death of the third generation boss, Taoka Kazuo. The subsequent five-year conflict resulted in twenty-five deaths, seventy injuries (four of whom were ordinary members of the public), and over five hundred arrests [11]. By the standards of gang wars in more trigger-happy jurisdictions this may be slight but in Japan this was a major event. Ishii Susumu of the Tokyo-based Sumiyoshi-kai, recognising the negative repercussions this event would have on the yakuza collectively, urged the warring parties to find a peaceful solution as the police were considering new anti-yakuza laws [12].

The Bōtaihō

This was indeed the case. However, there were a number of reasons for the changed police position other than the Yamaguchi-gumi’s civil war: pressure from the United States at both political and law-enforcement levels; public disgust at the corruption-ridden ruling Liberal Democratic Party (LDP), a number of yakuza conflicts involving
the deaths of police officers and innocent members of the public; the inadequacy of the
criminal law to deal with minbō style activities directly victimizing ordinary members
of the public; all these played a part in forcing the authorities to draft a new anti-
yakuza law [13]. In 1991 the bōryokudan countermeasures law (bōryokudan taisaku hō
or, more simply, bōtaihō) was passed unanimously by the Diet and came into effect the
following year.

It is by no means clear that the political elite’s support for this law was anything other
than a piece of window dressing. Although the scandal was yet to break, during the late
1980s, Liberal Democrat Party (LDP) godfather Kanemaru Shin called upon Ishii
Susumu to silence a group of right-wing extremists who were trying to sabotage
Takeshita Noboru’s attempt to become Prime Minister. In 1988, Kanemaru personally
thanked and praised Ishii at a traditional restaurant; they both offered the other the seat
of honour [14]. Two years later, Kanemaru also made use of Ishii to silence extremist
criticism of his trip to North Korea. As more recent events suggest [15], LDP/yakuza
links are neither confined to Kanemaru nor have they been ended following the
introduction of the bōtaihō.

By the standards of the US RICO statutes or European anti-organised crime laws,
the bōtaihō adopts a mild regulatory approach concentrating on closing the legal
loophole abused by yakuza minbō. Under the provisions of the bōtaihō, the regional
Public Safety Commissions [16] are empowered to designate a group as a ‘designated
bōryokudan’ provided that (a) over a certain proportion of its members have a
criminal record, (b) the group is organized hierarchically and (c) the organisation’s
members make use of the group’s reputation to make money. Once a group has been
designated, its members are prohibited from making ‘violent demands’, which the law
defines as demand or request made while exploiting the yakuza’s reputation for
violence (Bōtaihō, article 9). This effectively covers the gamut of minbō activities [17].

A party subject to such a yakuza demand is then able under the provisions of the
bōtaihō to appeal the police or the Public Safety Commission (PSC) which then issues
an administrative order to the perpetrator ordering them to desist. Should this
injunction be broken, the perpetrator in question is then liable to a fine of up to a
million yen (almost $10,000), up to a year’s imprisonment, or a combination of both.

The law also empowers PSCs to order the closure of gang offices at times of inter-gang
(and following revision in 1997, intra-gang) conflict for up to three months, an order
that can be extended for a further three months. PSCs can also issue injunctions
prohibiting the public display of gang insignia on gang offices and behaviour in the
vicinity of gang offices which the PSC judges likely to cause anxiety to the general public.

In addition the bōtaihō provides for the establishment of regional centres
for ‘promoting the eradication of bōryokudan’. The duties of these centres include
running public awareness campaigns, training individuals at risk from yakuza
predation in ways to deal with ‘violent demands’ and encouraging yakuza
members to secede from their gangs and return to mainstream society. As these
centres are set up under the aegis of the Public Safety Commissions, it should come as
no surprise that they are closely linked to the prefectural police forces and many of their staff are retired police officers.

It is difficult to gauge accurately the impact on the yakuza of this new law as its introduction coincided with another event of colossal significance for the yakuza: the collapse in 1999 of speculative bubble in Japan’s real estate and equities markets. The yakuza themselves refer to these two events as a ‘double punch’.

It is however clear that the law has not been neutral. Even before the law came into effect the leaders of the top syndicates were meeting to discuss ways in which they could limit inter-gang conflict and there was a noticeable increase in brotherhood ceremonies between senior personnel in the big syndicates which came to be known as sakazuke diplomacy referring to the traditional sake-drinking rites cementing such relationships. Following the establishment of such bonds, subgroup members would be firmly instructed to avoid conflict with subgroups belonging to the boss’s new brother.

The Yamaguchi-gumi, which accurately saw that it was the main target of the bōtaihō, took particularly active steps to avoid the new law’s effects. Subgroups were ordered to remove gang insignia from outside gang offices; set up groups to study the law’s provisions; establish better relations with neighbouring groups; establish a front company. Groups were also instructed to cease all cooperation with the police, and to deny them access to gang offices without a warrant. Although the Yamaguchi-gumi has traditionally had far worse relations with the police than the big Tokyo groups, there had been a degree of behind-the-scenes give and take, which now dramatically declined.

Once the law came into effect and the major groups had been designated, a number of groups, including the Yamaguchi-gumi and the Kyōto-based Aizu-kotetsu launched legal suits against the new law arguing, inter alia, that it violated their constitutionally guaranteed freedom of association and undermined the principle of equality before the law. These appeals were all rejected.

The bōtaihō has been effective in various respects. In particular, it has plugged the legal loophole of minbō activities. Naturally, the fact that a law exists does not ipso facto prevent yakuza participation in activities that the law prohibits. In a 2003 nationwide postal survey of 3,000 companies [18], just under 30% of respondents (response rate 63%) had received demands for money or contracts from yakuza or front groups in the last year. Most (83.8%) respondents that had been targeted in the past claimed that they had refused such demands outright while 8.7% confessed they had acceded in some way to these demands (and one assumes the remaining 7.5% had too). The dark figures for the non-respondents (37% of the total) and the veracity of respondents are open to question.

However, individuals who are subjected to purely predatory yakuza demands now have the option of seeking an injunction. Of course this is an option denied individuals who are themselves operating at the margins of or outside the law, such as illegal immigrants, prostitutes, companies cutting legal corners in some area of their business or other (though in this latter case, it seems that many such firms are willing consumers of yakuza protection).
Like the earlier legal changes, the bōtaihō has had unintended consequence for the authorities. Not only have the yakuza largely ceased whatever cooperation they formerly extended to the police, they have also become harder to identify. In order to evade the provisions of the law, many groups formally expelled some of their members. These individuals then set up as political groups or businessmen but operating with the muscle of their former groups still backing them up. At the same time, many members who were not pulling their weight under the harsh post-double punch environment either fled or were expelled. Given the dearth of alternative sources of legitimate employment, these individuals still remained within the criminal sphere but free from any restraining influence their groups might earlier have had.

The increase in criminal activities not traditionally associated with the yakuza (such as organized theft of automobiles and construction equipment for export), or crimes formally forbidden by the large yakuza syndicates (most notably dealing in amphetamines), is not entirely a yakuza affair. Ex-yakuza are also involved. Yakuza interviewees often complain that they are unfairly blamed for these trends but such assertions are not entirely supported by arrest data.

**Economic Downturn**

Japan's economic troubles have obviously had a major impact on the yakuza in a number of ways. The most obvious of these is that those yakuza who had acquired extensive real-estate and equity portfolios using overvalued assets as collateral to finance these investments were left with massive debts. Of course many other Japanese were in the same position but for banks recovering debts from yakuza presented particular problems. Some of the financial institutions that were most proactive in their recovery efforts (sometimes making use of yakuza to do so) found their executives subjects to attack [19].

The area of Japanese bad-debt crisis that attracted most public attention was the jūsen [20] debacle in which Ministry of Finance (MOF) officials left a loophole in their restrictions on lending to real-estate speculators. According to MOF officials, at least $50 billion of this unregulated lending made after the bursting of the bubble went to front companies of yakuza [21]. Estimates of the total extent of Japan’s bad debt range from $420 billion (Financial Services Agency) to $2.37 trillion (Goldman Sachs) [22]. Miyawaki Raisuke, a widely cited authority on yakuza affairs, suggests that 10% of this is directly related to the yakuza and a further 30% has some indirect yakuza link [23].

This does not of course mean that the yakuza have profited by (using the lower range of estimates) $4.2 billion; the value of the assets they hold is now a fraction of what it was when they were purchased. To this extent they are losers like the rest of Japan’s eager investors of the bubble years. However, clever yakuza have managed to find ways of making money from the recession.

As providers of private protection, the yakuza are in a position to protect debtors from creditors (and as debtors themselves they protected themselves in this way too)
and creditors from debtors. When both parties were protected by yakuza groups, the result could be violent conflict but more typically the groups would negotiate a deal reflecting the relative strengths of the protective groups.

Another area in which the yakuza could extract profit was by obstructing the disposal of property held as collateral. This would typically take the form of auction obstruction (kyōbai bōgai), usually achieved by occupying part of the building in question (usually legally through a sublet) and then making sure that potential purchasers would realize that they were yakuza (by displaying gang signs from windows, parking right-wing propaganda trucks outside and so on). By deterring other potential investors from purchasing, yakuza could then either purchase the building cheaply themselves or extract money from the owner to vacate the property and relinquish their leaseholder’s rights. While legal machinery exists to resolve problems of this kind, they are typically slow and uncertain so paying off yakuza in this way is frequently a more cost-effective strategy.

Those yakuza that did have money were also able to consolidate their position by lending it to those who had found themselves financially embarrassed. Although Japan currently has a large number of legitimate firms offering easy loans to people, those that end up in a trap of debt and with no alternative sources of credit, find themselves relying on yakuza or yakuza-related sources of funds. In cases where rich yakuza are lending to poor ones this can cause all sorts of problems and in the interests of intra-group harmony, the main syndicates have instructed their sub-group members not to lend to fellow syndicate members. When a yakuza member defaults on his debts then his boss can be held responsible for them so bosses also have a financial interest in the borrowing patterns of their members as well as a desire to reduce the likelihood of conflict with creditor groups.

Most of the lower-ranking yakuza are weathering the recession badly. Many have switched to amphetamine dealing though this is an activity formally prohibited by the larger syndicates. Members of large syndicates found to be involved in amphetamine dealing are typically expelled. While some observers, most notably the widely cited Miyawaki, identify Japan’s decade-long slump as a ‘yakuza recession’, this is an overstatement. The existence of the yakuza has exacerbated a bad situation but the origins and persistence of Japan’s economic woes are to be found in the short-sighted arrogance and entrenched vested interests of its business, bureaucratic and political elites (and ultimately the preparedness of the Japanese electorate to put up with them).

The Death of Takumi

An event of considerable significance in the yakuza world of the late 1990s was the killing of Takumi Masaru in 1997. Takumi was the Yamaguchi-gumi waka-gashira (number two), and arguably its most important figure. He was killed by members of one of the same syndicate’s biggest groups, the Nakano-kai. After some hesitation, the Nakano-kai was formally expelled from the syndicate.
Despite orders from the syndicate’s leadership forbidding Takumi-gumi members from making revenge attacks against the Nakano-kai, such activity continued. Police action in the aftermath of this event resulted in three top executives either in custody or on the run, and the leadership core of the Yamaguchi-gumi was left in a state of paralysis. As of September 2003, the leadership crisis continues with the important waka-gashira post vacant and police contacts suggest informally that the current boss is ill-equipped to provide clear direction without an able waka-gashira [24].

When the ban on admitting Nakano-kai members into other Yamaguchi-gumi sub-groups was lifted in October 1997, most of the Nakano-kai fled and joined the biggest Yamaguchi-gumi sub-group, the Yamaken-gumi. As of 2002, only a rump of 170 members remains of the once formidable Nakano-kai.

The Takumi killing and its aftermath demonstrate a number of problems within the Yamaguchi-gumi: strict orders were issued by the senior executive group, which were promptly broken; supposedly sacrosanct oyabun-kobun (‘father-son’) loyalty was ignored by the Nakano-kai subgroups deserting their boss for the security of the Yamakeni-gumi; syndicate leadership has been seriously weakened and has vacillated over the appropriate punishment of Nakano; intra-group harmony is fragile. All these bode ill for a supposedly imposing organisation.

21st-Century Yakuza

According to the police statistics for 2002, the number of boryokudan members in Japan stood at 84,400. Of these roughly half (43,100) were seen as full members (kōsei-in) and the remainder associate members (junkōsei-in). Slightly over 90% are members of designated boryokudan groups under the provisions of the bōtaihō. Although the yakuza population is now considerably below its 1963 peak of over 184,000, it has been growing slowly from its 1995 low of 79,300 [25]. Until the introduction of the bōtaihō, it was fairly straightforward for the police to compile these statistics as gang offices would have membership details displayed on the walls of gang offices. After 1992, this became much harder due to the steady increase in hidden members and the restricted access to gang offices.

To compound problems there seems to be a discrepancy in the ways in which individual police forces collect their data. For example between 2001 and 2002 the Okayama prefectural police recorded a 33% rise in the number of boryokudan members while the number of gangs more than doubled. This was purely due to a change in accounting practices to account for ‘hidden’ yakuza such as political front groups and individuals who were resident elsewhere but came back to staff gang offices. Okayama police assert that other prefectures would also show a similar shift if they were to apply the same recording practices [26]. If we confine ourselves to the designated boryokudan groups, these vary in size from the 17,900-man Yamaguchi-gumi to the Shinwa-kai, which comprises just 70. Three-quarters of yakuza are members of the large national syndicates the Yamaguchi-gumi, the Inagawa-kai and the Sumiyoshi-kai [27].
Organisational Structure

Yakuza syndicates are composed of groups tiered in a pyramidal structure. In the case of the Yamaguchi-gumi, the head family is comprised of men who are themselves bosses of second-level groups. The senior executives of second-level groups will in turn be bosses of third-level groups and so on. The Sumiyoshi-kai has traditionally had a flatter federal organisational structure (and consequently lower membership dues) but has recently moved towards a centralised pyramidal hierarchy.

The hierarchical relationships within these groups are cemented by the creation of father-son (oyabun-kobun) and brother (kyōdaibun) relationships at ceremonies centred on the ritual exchange of sake. It is unusual for these to be based on actual family ties [28]. The boss of a group will have an oyabun-kobun relationship with all but the most senior executives of his group who will be his ‘younger brothers’. If the gang is a syndicate subgroup then the boss will, in turn, be kobun of the superior group’s boss.

Important ceremonies, such as those marking a group’s leadership succession are ornate affairs. The ceremony marking the transfer of power from Ishii Susumu to Inagawa Yuiko, the video of which I have been shown, went on for several hours (reminiscent of a Japanese wedding and about as boring to anyone without a direct interest). Those in attendance included the leaders of all Japan’s main yakuza groups, dressed up in traditional Japanese hakama, and the officiating Shinto priest.

As mentioned above, gang members typically pay a monthly membership fee. Due to the recent financial problems facing many yakuza this has been declining in recent years. Members are also expected to periodically staff the gang office, three times a month in the case of one interviewee, as well as attend various yakuza ceremonies (girikake) at which presents of money are expected. Membership therefore imposes very real financial costs on yakuza.

In addition gang members are subject to a code of discipline imposed both by the senior leadership cadre of the head family and their immediate boss, backed up by a punishments ranging from fines and confinement to the office to beatings, finger amputation, expulsion and, in extreme cases, death. Finger amputation, perhaps one of the most famous aspect of yakuza life, still exists though is more common in western Japan than in Tokyo. To avoid embarrassment while videoing his children’s school sports day, one yakuza I know has an artificial finger while others keep their hands out of view when possible.

The benefits are of course that membership grants one the right to engage in certain (but not all) criminal activities with an established support network and brand image to protect the member and his clients from the criminal predation of others. The question remains: do the benefits outweigh the costs? It seems that many lower-ranking yakuza make a very precarious living often supplemented by the earnings of their wives and girlfriends. We might hypothesize therefore that these individuals are staying in the yakuza in the hope that they may reap future
benefits as a boss with a number of kobun bringing in monthly tribute payments. An alternative explanation may be that the barriers to exit compounded by the lack of attractive alternatives in the legitimate labour market for ex-yakuza keep them locked in. This merits future research.

Recruitment and Training

Traditionally the key pool of yakuza recruits comprised juvenile delinquent groups and bōsōzoku youth biker gangs. However, at least within Tokyo, it is not uncommon to find graduates of Tokyo's less illustrious universities (Kokushikan and Takushoku being notable in this respect). In the Tokyo group with which I am most familiar there are also a significant proportion of boxers and martial artists. I do not know of any cases of forcible recruitment (although these are reported in police data) and in one case the aspiring member was so keen to join that he actually chopped off his finger beforehand to demonstrate his strength of commitment.

Yakuza training typically lasts for a period of six months to two years. Trainees are expected to 'see with their eyes, hear with their ears and keep their mouth shut'. When they make a mistake, they are hit. By avoiding acts or omissions that incur beatings they gradually learn appropriate yakuza behaviour. Because it is now easier for trainees to flee and get by as drifters (freeter) doing odd jobs, beatings have become less severe and yakuza now complain that trainees are now becoming full members without their physical and mental toughness sufficiently proven.

Sources of Income

As the historical section hopefully shows, yakuza business activities change rapidly to reflect developments both in market opportunity and, more importantly, levels of law enforcement. Although many of the businesses outlined above have suffered as a consequence of legal and economic changes, they still exist. A good example of this is the traditional outdoor stall business of the tekiya. Due to the current ubiquity of convenience stores selling beer, ice cream, snacks and so on, these stalls are seriously undercut. At the same time, efforts by some prefectural police forces to drive yakuza out of the festival stall market has marginalized the tekiya further. However tekiya manage to retain a foothold within shrine precincts where the police seem more reluctant to exercise control [29].

Japan's vast hospitality industry (including its highly developed sexual services industry) is highly regulated by the police, who continually pressure bars, clubs and soapland (massage baths) establishments to sever all links with the yakuza, a pressure that has become particularly intense following the revision of the public morals law (jieiho) in 1997. Whereas twenty years ago yakuza protection would be the norm for such establishments, this is no longer the case. One of my research sites in Kabukichō, a large hostess club, receives several phone calls a week from yakuza enquiring who 'looks after them'. Although the club does not pay protection money to anyone (police
officers drink at a discount), the club is able to firmly refuse such advances as the manager is well connected to both yakuza and police [30].

The experience of less well-connected places which do try and sever links with yakuza is not always happy. In one recent case in Kitakyushû, a club that was playing a prominent role in an anti-yakuza campaign was subject to a succession of retaliatory actions including the stabbing of the manager, glue in the locks, excrement smeared on the walls and most recently, in August 2003, a grenade attack that injured seven (the damage would have been more had the grenade not bounced off the head of a hostess and back towards the yakuza assailant) [31].

Other yakuza sources of income include illegal disposal of industrial waste, construction, bankruptcy management, real estate, money-lending, amphetamine dealing (disparaged by all yakuza I have discussed this with), ‘crisis management’ (typically resolving disputes out of court) and protecting companies involved in these various industries [32]. Recently some yakuza have attempted to ride the dot.com wave thorough involvement in Osaka’s NASDAQ Japan and Tokyo’s Mothers (venture capital) markets [33]. Though it is naïve to assume that such activities have ceased completely, these markets are now more tightly regulated and the dot.com mania has subsided. Another hi-tech innovation is yakuza involvement in internet scams imposing spurious or excessive charges on visitors to pornographic and other sites. It seems that in these cases, yakuza are not directly operating the sites themselves but protecting those that do [34].

Any estimates as to the scale of yakuza income must be treated with extreme caution. During the peak bubble year of 1989, the police estimated total gang income at 1.3 trillion yen. Mizoguchi, a highly respected journalist, suggests a figure of seven trillion gross annual income during the mid 1980s, of which just over five trillion would be profit [35]. More recent estimates for the early 21st century suggest a figure of one trillion yen, though it is by no means clear how this figure is derived. What is clear is that the majority of yakuza are currently suffering financially.

Conflict and Conflict Resolution

By the standards of organised crime in other jurisdictions, in recent decades yakuza inter-gang warfare has been remarkably limited; between 1992 and 2001 the average number of fatalities and injuries due to yakuza inter-gang conflict were 3.1 and 11.5 respectively. Over the same period, gang conflicts averaged 8.6 [36]. Typically a few shots will be fired at a rival group’s office door or a stolen dump-truck crashed into the office, the rivals will retaliate in kind. This will be repeated several times before the combatants are pushed into some sort of peaceful settlement (usually involving the payment of money) by their superior groups. Settlement is much harder if members have been killed but in most cases conflict is resolved within one week [37].

This comparative pacificity is due to a number of factors: the mature state of Japanese organised crime; the low background levels of violence in Japanese society; and recently, more robust legal measures and judicial interpretation concerning such activities.
The vast majority of yakuza are now members of large syndicates with a reasonably well-established equilibrium. They act as a restraining influence on these groups as the leadership elites have more to lose than gain from the open display of violence (which may not be the case for a young gangster who has yet to establish his reputation). The Tokyo yakuza have long been aware of the costs of inter-group violence and since 1972 have run a pan-Tokyo association, the Kantō Hatsuka-kai comprising all of the bakuto groups in the capital. The purpose of this organisation is to provide a mechanism for the speedy resolution of conflict and the prevention of misunderstanding. The members of all groups are prohibited from using firearms against each other. As a consequence of the bōtaiho and its provisions for the closure of gang offices during periods of conflict, the traditionally more combative western syndicates (such as the Yamaguchi-gumi) have also increased their efforts to minimise warfare.

For example, in a conflict centred on Tochigi prefecture (April-June 2003) involving the Kōdō-kai (a Yamaguchi-gumi sub-group) and the Shinwa-kai (a Sumiyoshi-kai sub-group), both parent organisations supported peaceful resolution and publicly distanced themselves from the conflict stressing that it was problem between the two subgroups alone. The main reason for their distancing was that they did not want gang-office closure orders extended to their headquarters.

In addition, gang bosses are also aware that currently they now run the risk of being sued personally. In recent years there have been a number of cases of civil litigation against bosses for employer responsibility (shiyōsha sekinin) when a subordinate has mistakenly killed a member of the public or police during inter-gang conflict. [38] This not only encourages parent groups to impose stricter control on subgroups and, when this is not possible, to wash their hands of involvement, thereby undermining one advantage in belonging to a large syndicate: the military back-up it implies in times of trouble.

Attempts at conflict minimisation, however, ultimately come up against the brute fact that the central prop supporting these groups is their ability to deploy violence. Given that many sources of their income are under greater pressure due to a more hostile economic and law-enforcement environment, yakuza are continually striving to find new ways of making money and this, almost inevitably, brings them into conflict with other yakuza. Because there is less money in circulation there is also less room for compromise and for mutually beneficial outcomes for these disputants.

This has even affected the supposedly amicable Kantō Hatsuka-kai. During an internal conflict between factions of the Kokusui-kai in 2001, offers of intercession from the Kantō Hatsuka-kai were rejected by both sides. The same year, the two most powerful groups in the organisation, the Sumiyoshi-kai and the Inagawa-kai, also came to blows following the fatal shooting of two Sumiyoshi-kai members by Inagawa-kai at a Sumiyoshi-kai funeral. The inability of the Kanto Hatsuka-kai to deal with either of these problems suggests it is insufficiently robust to deal with problems in the harsher yakuza environment of recent years. One mid-ranking Sumiyoshi-kai executive, interviewed by me in 2003, dismissed the KHK as a talking shop for old men that no longer functions.
Although yakuza all possess handguns, they rarely carry them and usually they are hidden in a third party’s house or an apartment rented by a non-yakuza. Even bodyguards are typically unarmed except in times of conflict and then the bodyguard will maintain a discreet distance from their boss, because recent legal interpretation of the law means that bosses can also be prosecuted for violation of the relevant firearms law if their guards are armed. Due to Japan’s strict prohibition of weapons, firearms are expensive. A cheap Chinese Tokarev copy currently costs around $3,000 while a more exotic US machine pistol might fetch $10,000.

Yamaguchi-gumi

Perhaps the most significant recent development of recent years is the increased expansion of the Yamaguchi-gumi to the Tokyo area. Although the Yamaguchi-gumi has had a long-standing agreement with the Inagawa-kai not to establish gang offices in the capital, the agreement has become blurred with Yamaguchi-gumi members establishing front companies or operating without official gang offices. During the bubble period the syndicate was involved in real estate, loan sharking and construction in Tokyo with an estimated 200–300 members in the capital by 1990. Since then, their presence has increased at an accelerating rate and by 2002 police estimates put the total at 35 sub-groups totalling 750 members, though other sources put the figure at 3,000–4,000 [39]. Because some members shuttle back and forth between western Japan and the capital, and the fact that they do not have official offices, it is hard to say what the real figure is. The consensus is that yakuza raised in the rougher more aggressive Kansai area find it relatively easy to make money in the softer, and more wealthy, Tokyo.

In Kabukicho, the entertainment area of Tokyo where I am currently conducting most of my fieldwork, Yamaguchi-gumi members are particularly active in money-lending which can now be conducted using little more than a mobile phone. Although this might be expected to result in a backlash from incumbent groups, this does not seem to be the case. One Tokyo gang boss I know tells me that as long as they pay him a cut for the right to conduct business on his territory, he is happy. Another lower-ranking Tokyo gang member expressed the situation this way:

‘I don’t know how the guys at the top feel about it, but I think that we get along fine. I suppose that there are times when incidents lead to conflict but in those cases it can eat into our own rice as well. Live and let live guys, eh?’ [40].

Globalisation?

Another development that has attracted much media and political attention over recent years is the spectre of foreign organised crime groups (OCGs) penetrating Japan. This of course makes a good story for all concerned: xenophobic demagogues,
such as Tokyo Governor Ishihara Shintaro, the media, the police, and the yakuza themselves all have something to gain by encouraging a moral panic. While the number of foreigners in Japan has increased dramatically in recent years, as far as Kabukicho goes (and this is the area supposedly most heavily infiltrated by Chinese gangs), foreigners tend to operate in conjunction, rather than in direct competition, with the incumbent yakuza groups. As will be discussed below, the presence of non-Japanese criminals in Japan is likely to become more significant in the future.

Foreign OCGs are in a precarious position as they are frequently in Japan illegally and have a disadvantage vis-à-vis the yakuza in terms of information/distribution channels and connections with the upper-world, a disadvantage that encourages mutually profitable co-operation rather than competition. Weapons and amphetamines are both commodities that are far more readily available abroad than in Japan. Due to significant wage differentials, there are also strong economic factors encouraging foreign participation in the Japanese sexual-services industry.

There is therefore the necessity for international links with those capable of supplying these goods and workers. Such links predate the current moral panic but have changed over time to reflect the political and economic conditions of the countries concerned. For example, amphetamines currently come from North Korea though formerly South Korea and, before that, Taiwan were the main sources of amphetamines. Firearms come predominantly from four main routes: the USA, the Philippines, China and Russia. Women come primarily from other Asian countries though South Americans and blonde East Europeans and Russians are now also much in evidence.

The other aspect of globalisation that is relevant here is whether or not the yakuza themselves are expanding overseas. While cases of yakuza activity have been uncovered abroad, we should be careful in interpreting these cases. Yakuza foreign activity can generally be broken into four distinct categories: firstly, yakuza groups shaking down Japanese firms abroad; secondly, yakuza involvement in foreign clubs, bars and sexual-services establishments catering to Japanese tourists; thirdly, yakuza conspiring with local groups to smuggle illegal workers, drugs and weapons into Japan; fourthly, yakuza investment in foreign real estate. Many ‘yakuza’ in places like the Philippines, are, in fact, ex-members who have been expelled from their gangs [41]. Recently it has become difficult for yakuza with criminal records (the vast majority) to legally enter the United States due to increased vigilance and better intelligence of US immigration officials [42].

**Fashion and Self-presentation**

The changing nature of the yakuza can also be seen in the way in which they present themselves. The traditional ‘yakuza style’ of permed hair, diamond rings and gold bracelets are now seen as slightly old-fashioned. Although lower-ranking yakuza on the streets of Osaka or Kabukichi-cho are still readily recognizable in their exaggerated sportswear, senior yakuza frequently look like ordinary executives. In the
Tokyo group with which I am most familiar, the boss typically wears a shell suit and
golfing cap, though he dons a suit when conducting business with non-yakuza. His
executives generally wear suits. His expelled subordinate wears jeans and sweatshirts
and, until reinstated, will not wear anything that might look yakuza-like, a trend to
more sober presentation can also be seen in the choice of yakuza cars. Although the
Mercedes-Benz remains popular, it is no longer the yakuza cliché it once was; many
non-yakuza now drive Mercedes while yakuza increasingly opt for high-class
Japanese cars.

Whither Japanese Organised Crime?

The yakuza have changed considerably over the last half-century and no doubt will
change in the decades to come. The main factors driving this change have been
changes in the legal- and law-enforcement environment, and the emergence and
disappearance of economic opportunities that can be exploited. Since the 1990s both
of these areas have generally been unfavourable to the yakuza. Although Japan's
economy may eventually recover to the advantage of the yakuza, the harsher legal
regime and now widespread antipathy to the yakuza will remain for the foreseeable
future. The yakuza are therefore likely to become progressively more isolated from
mainstream Japanese society.

Increased use of formal legal procedures for dispute resolution (already apparent)
will continue to reduce the role played by the yakuza as behind-the-scenes fixers, thereby
further encourage the marginalisation of the yakuza. Yakuza members that do operate in
close proximity to the upperworld will therefore become increasingly hard to identify.

Japan's comparative wealth will continue to make it a magnet for hungry and
ambitious individuals from other Asian countries and further afield. Barring the
ascendancy of the xenophobic right wing, Japan will increasingly have to admit such
individuals to work (and to pay taxes) to compensate for Japan's rapidly ageing
population. The flip side will be yet further penetration of Japan by foreign
criminals, which will have profound implications for the yakuza; they will either have
to co-opt these individuals to supplement their own ageing ranks, or face
competition from younger, hungrier and more aggressive foreign groups who don't
recognise the unwritten rules of the games played by police and by the various
yakuza groups. Given that yakuza syndicates and sub-groups are led by people with
widely divergent tastes, priorities and acumen, it is to be expected that both strategies
will be adopted.

One certainty is that Japan's illegal markets will not disappear therefore guaranteeing
the existence of organised crime [43]. While the yakuza will be profoundly changed by
wider social, political and economic developments, it is unlikely that they will disappear
any time soon. While recent legal developments have adversely affected the yakuza,
continued evidence of links between senior political figures and yakuza members means
we must be deeply sceptical as to the commitment of Japan's political elite to serious,
proactive organised crime countermeasures.
Notes

[1] Iwai, Byōri Shiudan no Közō, 34; DeVos, Socialisation for Achievement, 283.
[5] Burakumin (or, to use the currently accepted euphemism, dowa) refers to the descendents of Japan's outcaste communities. Although ethnically identical to mainstream Japanese society, burakumin have suffered consistently worse life chances than their compatriots and have disproportionately featured in the ranks of the yakuza.
[8] In which yakuza sort out problems behind the scenes for politicians, businessmen and ordinary members of the public.
[15] Three examples from 2003: senior LDP member Kamei Shizuka was discovered to have received (fairly small) campaign contributions from a prominent loan shark very closely connected to the Goryō-kai, a yamaguchi-gumi sub-group; Kamei denied knowing the donor's background. New Conservative Party parliamentarian Matsumani Kenshiro was discovered to be paying his aides' salaries partly with money from a yakuza front company, he did not resign (Asahi Shinbun, 22 April 2003). An interviewee working in a yakuza-related business assures me that political donations from yakuza and their front organisations are standard practice. The interviewee's boss and yakuza associates frequently attend political fund-raising parties (including those of well-known mainstream political figures) bearing substantial sums (interview, provincial city in Japan, 2003).
[16] Committees of local worthies charged with democratic oversight of the regional police forces. Despite their ostensible purpose, these groups have been captured by their respective forces and are effectively rubber stamps.
[17] Hill, 157–66 provides a more detailed coverage of this law.
[20] Housing and Loans institutions.
Formerly an elite bureaucrat at the NPA and now a yakuza countermeasures consultant, Miyawaki is a well-known yakuza expert. His contact details are on file at the Foreign Press Centre in Tokyo. Foreign journalists doing their yakuza story invariably cite him. See for example Kaplan and Dubro, 201–2; Financial Times, 12 December 1995.

Informal discussions, Tokyo, 2003.

Kōsatsu Hakusho (Police White Papers) (Okura-shō Insatsukyoku) passim.


Although the Inagawa-kai seems to be adopting dynastic leadership with the grandson of first-generation boss Inagawa Kakuji apparently being groomed for leadership after a short interregnum following the retirement of current boss Inagawa Yūko.

Interview, tekiya boss, Tokyo, 2003.

Interviews, Kabukichō club staff, 2003.


See Hill, chapters 4 and 6.


Mizoguchi interview, Tokyo, January 2003.

Mizoguchi, ‘Urashakai no Seiji-keizaigaku’, 182.

Keisatsu Hakusho (2002), 196.


While it is interesting to speculate on the demand for sexual services, amphetamines and gambling in a predominantly elderly society, the probability is that Japan will be forced to import significant amounts of foreign labour. These foreigners will in turn have implications for these markets, due to their different preferences.

References

Keisatsu Hakusho (Police White Papers) (Okura-shō Insatsukyoku) passim.
Mizoguchi, A. (1986), 'Urashakai no Seiji-keizaigaku', in Bessatsu Takarajima 56, Yakuza to Iu Ikikata (Takarajima), 182.
Shukan Jitsuwa, 26 June 2003.
South China Morning Post, 31 May 1998.