

Competition in Japan occurs within the framework of these relationships. These have three effects on the intensity, directness and results of competition:⁶²

- First, competition takes place between groups, rather than between, or against, individuals. Competition between groups of merchants, or *za*, has been going on for centuries. Group competition may be intense, but it is not cut-throat and never escalates to the point where it would kill the relationship.

The Japanese merchant class had its origins...at least 1000 years ago...business men were organized in groupings that took their name, *za*, from the seat or place where the commercial business was transacted....⁶³

- Second, competition is less direct and less confrontational. Even the vanquished remain part of the group. Even the most successful merchants remained bound by a class structure that kept them subordinate to the Emperor and his samurai.⁶⁴

The merchants' position continued to strengthen till the beginning of the Tokugawa era in 1603. Society then became much more rigidly stratified on Confucian lines than it had been, and of the four classes of persons in society the merchants were the lowest.⁶⁵

- Third, the competitive ethic does not tolerate ostentation. Since ostentatious display of the spoils of commercial success was rewarded by confiscation, profits had to be recycled into the group to be retained.

The merchants with their tightly controlled monopolies prospered financially, but status-wise, they remained oppressed...if they evidenced any excesses their property was confiscated... The merchants,

⁶²Iyori, "Antitrust and Industrial Policy in Japan: Competition and Cooperation", in Saxonhouse and Yamamura, eds., **Law and Trade Issues of the Japanese Industry**, Seattle: University of Washington Press, 1986, p. 61.

⁶³Angelo, "Big Business and the Law in Japan - An Historical and Contemporary Conspectus", *Victoria: University of Wellington Law Review*, 1975/6, No. 8, 115.

⁶⁴Ruth Benedict, **The Chrysanthemum and the Sword**, Tokyo: Tuttle, 1954, p. 154.

⁶⁵Angelo, *op.cit.*, p. 116.