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Identity Politics and Organized Crime in Japan:

The Impact of Targeted Subsidies on Burakumin Communities\*

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*Abstract:* In 1969, Japan launched a massive subsidy program for the "burakumin" outcastes. The subsidies attracted the members of the mob, who diverted much of the funds. This diversion attracted young burakumin away from the legal sector and gave new support to the tendency many Japanese already had to equate the burakumin with the mob.

The government terminated the subsidy program in 2002. We explore the effect of the termination by making 30 years of municipality data commensurable with a long-suppressed 1936 census of burakumin neighborhoods. We find that outmigration from municipalities with more burakumin increased after the end of the program. Apparently, the opportunities for illegal income created by subsidies had restrained burakumin from joining mainstream society. We also find that once the mob-tied corruption and extortion associated with the subsidies neared its end, real estate prices rose more in municipalities with burakumin neighborhoods. With the subsidies and the mob gone, other Japanese found the formerly burakumin communities increasingly attractive places to live.

\* We gratefully acknowledge the very helpful comments and suggestions of, in alphabetical order, Masayoshi Hayashi, Mathew McCubbins, Curtis Milhaupt, Yoshiro Miwa, Robert Mnookin, Gregory Noble, Alice Ramseyer, Jennifer Ramseyer, Frances Rosenbluth, Richard Samuels, Rok Spruk, Frank Upham, and Mark West, the helpful comments and suggestions of participants in presentations at the Conference on Empirical Legal Studies, the Harvard Law School, the Harvard University CFIA Japan Program, and the University of Chicago Law School, and the generous financial support of the Harvard Law School.

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## Introduction

In 2002, the Japanese Diet repealed a massive experiment in identity politics: the targeted ethnic subsidies paid under the 1969 "Special Measures Act" (SMA). The Japanese "burakumin" (a traditional outcaste group) had historically faced discrimination. Through the SMA program, the national and local governments began to pay them a broad range of substantial benefits.<sup>1</sup> By 2002, they had spent 15 trillion yen (\$125 billion, at the 2002 exchange rate), along with large amounts of funds outside the program.<sup>2</sup> Corruption, distorted hiring, extortion payments, and lost tax revenue tied to the program pushed its social costs higher still.

Many of the burakumin were descendants of people who had worked in ritually unclean jobs such as butchering and tanning. Some still worked in those jobs. Biologically indistinguishable from other Japanese, they were identifiable primarily by residence -- by whether they or their family lived in a "buraku," one of the 4,000 to 5,000 outcaste communities scattered across Japan. The largest of these communities (such as Osaka's Nishinari district) were famous. Most of the others were known only to long-time neighbors.

Through these targeted subsidies, the governments built community centers and public housing. Although the buildings unambiguously improved the housing stock, they also unambiguously identified the areas as burakumin neighborhoods. Worse, the large revenue at stake attracted the organized crime syndicates, colloquially called the "yakuza". Burakumin in the criminal syndicates took prominent posts in the Burakumin Liberation League (BLL), the best-known of the group's self-styled civil rights organizations. There, they masterminded policy, intimidated government officials, barred rival claimants to the funds, and paid subsidies to themselves.

The result, largely acknowledged by the BLL itself<sup>3</sup>, was the diversion of substantial government funds to selected burakumin leaders and the criminal syndicates. Construction contracts went to favored companies. City governments bought land for the buildings at inflated prices from powerful burakumin. Local tax officials promised not to audit tax returns of companies certified by the BLL. City halls agreed to hire recommended burakumin. Mainstream businesses paid money to avoid accusations of discrimination. And the syndicates themselves fought each other bitterly over control of the enormous revenue stream.

More poignantly, the program massively diverted young burakumin talent. For those young men, the targeted subsidies shifted the relative returns to legal and illegal

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<sup>1</sup> "Burakumin" is the term most commonly used in English. It was used widely in Japan during the first half of the 20th century, but the currently favored term in Japan is "dowa."

<sup>2</sup> 15 trillion yen is the figure routinely cited by authors in the field -- e.g., Kadooka (2012, 38, 69); Ichinomiya & Group K21 (2012, 126); Mori (2009, 78). We have not been able to determine the original source of this figure.. In Naikaku (1995), however, the government reports that as of 1993 the municipal governments had spent 10.3 trillion yen and the prefectural governments another 3.56 trillion yen.

<sup>3</sup> E.g., Kadooka (2004, 2005, 2009, 2012); Miyazaki (2004); Miyazaki & Otani (2000).

careers. Given the newfound source of criminal income, they increasingly chose illegal activity over the educational investments so essential to joining mainstream Japan. And as young burakumin men joined the mob, mainstream Japanese avoided the burakumin simply out of fear: the mob involvement itself now drove discrimination.

In this article, we examine the results of the government's decision to terminate the ethnic subsidy program in 2002. We identify the 4,000+ traditional burakumin communities through a long-suppressed 1936 census, and combine that information with demographic and economic data over 1980 to 2010 for the 1,700+ municipalities in Japan (this includes rural areas, since all of Japan is incorporated). We then use difference-in-differences regressions to explore the effect of the termination of the subsidy program.

The logic is simple. Young burakumin men chose between careers in the mainstream (legal) and local (often criminal) sectors. The former required heavy investment in education; the latter did not. The former lowered public animus toward the burakumin; the latter exacerbated it. Prior to 2002, the subsidies raised the returns to criminal careers, increased public hostility against the burakumin, and lowered the relative returns to leaving the buraku for careers in the Japanese mainstream. When the subsidies ended in 2002, the relative returns in the two sectors switched. Ambitious burakumin now left the buraku for university and never returned. The mob and the BLL hemorrhaged members. And other Japanese found the formerly burakumin neighborhoods increasingly attractive places to live.

This paper is in two parts. The first and longest part is non-statistical, and lays out the institutional features behind our story of the effects of the subsidy program. We describe the social context (Section I): the burakumin (Subsec. A), the organized crime syndicates (Subsec. B), and the changing ties between the two groups (Subsec. C). We discuss the targeted ethnic subsidies (Section II): their termination (Subsec. A), and the corruption they drove (Subsec. B). Then, in the statistical part of the paper we describe our data (Section IV), and use difference-in-differences regressions to look at effects on outmigration and real estate prices (Section V).

## I. The Burakumin and the Criminal Syndicates

### I.A. The Burakumin:

1. Introduction. -- Writers routinely describe the burakumin as descended from people who worked in ritually unclean or otherwise disreputable jobs: butchers, for instance, tanners, leather workers, and itinerant peddlers.<sup>4</sup> As Howell (1996, 178) put it, the forefathers of the burakumin "engaged in occupations that were considered to be unclean, especially those that entailed the pollution of death." The government had placed them below the four nominally hereditary classes: samurai, farmers, artisans, and merchants. In 1871, the new modernizing government declared the burakumin "liberated."<sup>5</sup>

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<sup>4</sup> The "paekjong" in Korea seem to have faced much the same situation. However, the massive dislocation and the destruction of family registries during the Korean War seem to have erased them (baekjong, Anon. 2012) as an identifiable group. The writers who claim that the discrimination against the Korean paekjong still exist seem mostly to be Japanese scholars associated with the BLL (Kotek 2009).

<sup>5</sup> The Eta hinin no sho wo haishi mibun shokugyo tomo heimin doyo to su [Abolishing the Categories of Eta and Hinin, and Equalizing Status and Occupation with Commoners], Dajokan fukoku of Oct. 12, 1871, informally known as the Kaiho rei [Emancipation Edict]. See Pharr (1990, 77); Hankins (2014, 21); Upham (1980, 41); Totten (1967, 34).

At roughly the same time, however, it created family registries (*koseki*) within the new municipal governments, which sometimes described the liberated burakumin as "former outcastes," as "new commoners", or as affiliated with a burakumin temple. By the most precise definition, a burakumin is anyone with an ancestor described in the 1873 registries (no longer accessible to the public) as a burakumin.

Of the current Japanese population of 127 million, the burakumin number about 1.8 million. In 1936, the government (through its "Chuo yuwa" burakumin organization) compiled a nation-wide census of the group (Chuo yuwa 1936; described in Section IV, below). It counted 999,700 burakumin.<sup>6</sup> Extrapolate 999,700 to 2010 by the Japanese population growth rate, and the 1.8 million figure follows.<sup>7</sup> The government conducted another census in 1975, and found only 1.1 million burakumin in the 4,374 communities designated under its subsidy program.<sup>8</sup> Apparently, 700,000 burakumin either lived in undesignated communities or had migrated into the public.<sup>9</sup>

Through a targeted ethnic subsidy program, in 1969 the national and local governments began paying large amounts of money to the burakumin.<sup>10</sup> The legislature set the original statute to expire in 10 years, but through a variety of extensions and substitute statutes continued the program until 2002.<sup>11</sup> By the time it ended, the government had distributed 15 trillion yen.<sup>12</sup> From 1969 to 2000, Osaka prefecture alone spent 2.9 trillion yen. Of this, it invested 35.5 percent (1,019 billion) in construction

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<sup>6</sup> The count almost certainly misses some communities, as we discuss below. In 1871, the government reported a total burakumin population of 380,000 (Kadooka 2005, 24; Price 1967, 24; Wagatsuma & De Vos 1967, 115). It reported a population of 830,000 in 1920. See Chuo yuwa (1936, 336); Price (1967, 24); Wagatsuma & De Vos (1967 115).

<sup>7</sup> Many writers suggest a higher growth rate for the burakumin than for the mainstream population. This is less because of a difference in birth rates than because of the migration into the burakumin of the poorest of the mainstream, who became treated as burakumin by association. See generally Price (1967, 13); Wagatsuma & De Vos (1967, 114).

<sup>8</sup> Asahi (1982, 81). In 1963, the government found 1.7 million people (burakumin and non-burakumin) living in the designated districts. Kadooka (2005, 29). Naikaku (1995) reports 2.16 million people (including non-burakumin) living in 4,442 of the 4,603 designated districts in 1993. The burakumin population in the districts was 892,000. For other government censuses, see Shiomi (2012, 106 [1987], 107 [1993]); Takagi (1997, 48) (1986); Yamaguchi (2004) (claiming 900,000).

<sup>9</sup> The BLL itself insists that the burakumin number 3 million -- sometimes even 6 million -- but seems to lack much evidence for the claim. See, e.g., Upham (1980, 63); Buraku discrimination (n.d.). Wagatsuma & De Vos (1967, 117) write: "The current burakumin population estimates vary from one to three million. The higher figure seems to have been used for political purposes by the leftist outcaste leadership and has worked its way into the scientific literature as an established fact without solid evidence." To the same effect, see Price (1967, 11).

<sup>10</sup> Dowa taisaku jigyo tokubetsu sochi ho [Special Measures Act for Burakumin Policy Business], Law No. 60 of 1969.

<sup>11</sup> Chiiki kaizen taisaku tokubetsu sochi ho [Special Measures Act for District Renewal Policy], Law No. 16 of 1982; Chiki kaizen taisaku jigyo ni kakaru kuni no zaiseijo no tokubetsu sochi ni kanuru horitsu [Law Regarding the Special National Public Finance Measures Relating to Specified Measures for District Renewal Policy], Law No. 22 of 1987.

<sup>12</sup> Kadooka (2012, 38, 69); Ichinomiya & Group K21 (2012, 126); Mori (2009, 78). For the source of this figure, see note x, supra. In 1969, \$1.00 equaled approximately 360 yen. By 2002 it equaled about 120 yen.

projects.<sup>13</sup> Although the program did improve the burakumin housing stock, it also attracted the organized crime syndicates. Voters pressed politicians to stop the ensuing corruption. Ultimately, they complied, and terminated the subsidies effective 2002.

2. Integration. -- In truth, the phrase “burakumin community” has always been something a misnomer. The communities have always housed others besides 1873-registry burakumin. Many residents simply moved there for the lower rent. Today, the communities remain mixed. According to a 1993 government survey, only 41.4 percent of buraku residents were themselves burakumin. The prefectural means ranged from 2.7 percent in a Kyushu prefecture to 97.9 percent in a small prefecture in central Japan. Two prefectures with large numbers of burakumin were Hyogo, where 56.9 percent of the residents of the designated buraku were burakumin, and Fukuoka, with 36.6 percent (Kadooka 2005, 57; Naikaku 1995).

Prior to the late 1960s, the burakumin who successfully left the communities and moved into mainstream society tended either to come from a community's middle class or to be the younger sons of the community's elite families. The oldest sons of the elite families did not leave (Donaghue 1967; Cornell 1967, 178). They inherited the family property and carried obligations within the community that tethered them to it.

By contrast, burakumin from the bottom of the community lacked the education and social skills necessary to blend into the mainstream. One newspaper reporter recalled a conversation with a middle-aged buraku woman in the early 1980s (Kadooka 2004, 65-66):

If you had come here 8 years ago, I probably wouldn't have served you tea. At the time, I still couldn't read. When people came from outside the buraku, I just moped around. I'd be thinking to myself, should I serve tea? Should I serve a dessert? But then I'd wonder, what do these folks usually drink? What do they usually eat? I was so scared that I just hid in the house. ...

If I could, I'd like to move into town and live there. But you know, it's just too scary. The people in town are educated. And I don't know what to talk to them about. I really can't leave this village.

3. Buraku location. -- To receive subsidies under the program, a burakumin community needed to register with the government. Not all did. The 1936 burakumin census (Chuo yuwa 1936) counted 999,700 outcastes in 5,367 communities. By 1993, the government had registered 4,603 communities (Kadooka 2005, 30-36; Naikaku 1995), 85 percent of the 1936 total.

Most burakumin communities are small. Of the neighborhoods reported in 1936, 2,067 (38.5 percent) had 10 or fewer households. Of the eight prefectures where no burakumin neighborhood had chosen to take the SMA funds as of 1993, three had no burakumin neighborhoods at all in 1936.<sup>14</sup> The other five prefectures did have 309 communities in 1936, but they were small. Of the total, 246 of them (79.6 percent) had housed only 10 or fewer households in 1936.

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<sup>13</sup> Kadooka (2012, 38, 69, 96); Ichinomiya & Group K21 (2012, 25, 126); Mori (2009, 78).

<sup>14</sup> Some of this confusion reflects communities missing from the 1936 census, as discussed below.

The neighborhoods are not randomly distributed across Japan. In Table 1 we include the prefectural level distribution of burakumin in the 1936 census. By standard Japanese practice, we group the prefectures by region and order them roughly from the northeast to the southwest. In Figure 1, we illustrate this distribution on a map of Japan. The darkest areas are the prefectures with the highest density of burakumin (we use the "*Burakumin*" variable described in Section IV below). The seven prefectures other than Tokyo without designated buraku in 1993 were from the northeast or the Japan Sea shore. The burakumin live mainly in central-western Japan: around Osaka, Kyoto, and Kobe, in the prefectures facing the Inland Sea, and in northern Kyushu.

[Insert Table 1 about here.]

[Insert Figure 1 about here.]

The buraku in Osaka and Kyoto are massive. In 1936, Kyoto, Osaka, Hyogo, Nara, Mie, Wakayama and Hiroshima had 1,401 burakumin districts. Of these, only 159 (11.3 percent) had 10 or fewer households. The three largest districts in 1936 Kyoto had 653, 955, and 1,815 households each. The three largest in Osaka had 881, 1,017, and 2,683 households. The 2,683-household district had a burakumin population of 17,435. In 1936, only seven other prefectures had a total burakumin population as large as this single district in Osaka (Chuo yuwa 1936).

4. Identifying burakumin. -- American observers puzzle over how anyone could identify a burakumin. Subtle ethnic and cultural differences do exist (Tomotsune 2012, ch. 4). Within Buddhism, the burakumin more often align themselves with the Jodo shin denomination than other Japanese (Kadooka 2005, 65-70; Wagatsuma 1967, 89). Within Shinto, they more often worship at Shirayama shrines (Maeda 2013). They more often work in the beef industry (Pharr 1990, 79). Via the connection with tanning, they tended to manufacture the traditional Japanese drum. They sang distinctive ballads and songs. Some of the poorer burakumin spoke a slightly idiosyncratic dialect (Sasaki & De Vos 1967, 135; Donaghue 1967, 149). Beyond that, any differences were minor.

To identify burakumin most precisely, an investigator needed to check whether the 1873 government registry identified an ancestor as a "new commoner." To many Japanese, these registries made the government complicit in discrimination, and in the late 1960s the Diet ended public access to them. Media continue to report occasional cases of people who fraudulently check another person's registry. Legally, however, only family members and a few specified others may now examine someone's registry entry.<sup>15</sup>

With the registries off-limits, someone who wants to identify a burakumin looks to where he or his parents live.<sup>16</sup> To check a prospective son- or daughter-in-law's background, he himself might try to trace it, or he might hire a detective agency (koshinsho). If he is an employer, he might keep a detective agency on retainer to check

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<sup>15</sup> Tomonaga (2015, 27-28); Kadooka (2016, 15); Koseki ho [Family Registry Act], Law No. 224 of 1947, Secs. 10, 10-2.

<sup>16</sup> To some extent this happened before as well, of course. See Wagatsuma & De Vos (1967, 118); De Vos & Wagatsuma (1967, 246).

the backgrounds of job applicants (Tominaga 2015, 57). Detectives cannot do this openly everywhere. Osaka banned this detective service in 1985 and Kumamoto, Fukuoka, Kagawa, and Tokushima soon followed (Kadooka 2005, 43-44; Tominaga 2015, 55). In any case, the service is not cheap. To one reporter, a detective quoted a price of 500,000 yen (about \$5,000) for a background check (Tominaga 2015, 36).

When the government closed the family registries in the 1960s, it set in motion two crosscutting phenomena. On the one hand, the government made it easier for an enterprising burakumin to leave the buraku and slip into the Japanese mainstream. On the other hand, it increased the odds that non-burakumin living in buraku would face discrimination. Recall that fewer than half of a buraku's residents are themselves outcasts. So long as a would-be discriminator could check family registries, he could distinguish the burakumin from the non-burakumin. After the closing of the registries, he had little choice but to use residence and parental residence as proxies for burakumin status.

News reports and surveys confirm this second effect. One journalist asked a detective how he decided whether someone was a burakumin. They are burakumin "if their parents were burakumin," he replied, "or if they came from a buraku." After all, he explained, "if they're currently living in a buraku, then they're burakumin" (Kadooka 2005, 50; 2016, 50). A 2005 Osaka survey asked the same question. Of the respondents, 50.3 percent replied that they looked at a person's address, 38.3 percent that they looked at the person's recorded home (i.e., registry) address, and others looked at the address of a person's parents or grandparents (Tominaga 2015 35).

5. English-language scholarship on the buraku. SHOULD WE DROP THIS SECTION COMPLETELY? -- Most western observers of the BLL focus almost entirely on what they consider its role in championing burakumin rights, ignoring the more dysfunctional aspects of the buraku. As this article makes obvious, most Japanese writers do exactly the opposite (Tsutsui 2017 is an prominent exception). Other than those who choose to publish through the BLL's in-house press, most Japanese observers have virtually nothing positive to say about the League.

Of the English-language studies of the buraku, take just the book-length analyses. Hankins (2014) interned for many months with the BLL's human rights wing. He studied at length and with great care its work to integrate the burakumin cause into the international human rights movement. He noted in particular its efforts to shift Japanese toward a more "multi-cultural" vision.

Bayliss (2013, 1) told of "the exploitation, prejudice, and marginalization that [burakumin] have suffered." The BLL members engage in "struggles to combat [their] treatment," he wrote. When they "denounce" people they consider discriminators, (Bayliss 2013, 2 n.2), they do so to incorporate policies that will "work for both the buraku communities and the wider political aims of the movement."

Bondy (2015, 3) wrote that the BLL "encourages burakumin pride and is determined to challenge discrimination wherever and whenever it is found." He discussed how the mainstream news outlets often avoid reporting on the burakumin, concluding (Bondy 2015, 6) that the "media are agents that silence public exposure to buraku issues."

McLauchlan (2003) interviewed 21 burakumin selected for him by the BLL. After detailing their stories, he (2003, 113) described the BLL as "the champion of the residents

of Buraku." It has, he continued, "unquestionably worked tirelessly to improve the circumstances of buraku residents."

In his biography of the effective founder of the BLL, Jiichiro Matsumoto, Neary (2010) minimized buraku violence, but could not eliminate it. Before the Second World War, Matsumoto built a profitable construction empire in Fukuoka. He kept a solid grip on the market for railroad construction by cultivating a reputation as a man rivals challenged at their peril. It was a bloody reputation to cultivate. When one rival firm threatened his profitability, his workers waylaid the firm's owner and beat him to death (Ichinomiya & Group K21 2012, 22-24, 54-58; Tottori Loop & Mishima 2012). Neary (2010, 1) largely dismisses the incident, and assures his readers that Matsumoto "campaigns against the prejudice and discrimination that he and his fellow Burakumin encountered in their daily lives."

English-language exceptions to this slant are few. A half-century after publication, the most balanced English-language study of the buraku remains the 1967 ethnographic classic by George De Vos and Hiroshi Wagatsuma (1967a). To this day, they and their contributors remain nearly the only authors in English to discuss forthrightly the higher rates of serious juvenile delinquency, domestic violence, and precarious family ties in the buraku (De Vos & Wagatsuma 1967, 229, 231, 265-70; Donaghue 1967, 140; Sasaki & De Vos 1967, 130-34).

#### I.B. The Criminal Syndicates:

As of 2014, Japanese police counted 21 organized crime syndicates, the largest ones constituting federations of smaller units. The three largest account for over 70 percent of the members and affiliates. The very largest was for decades the infamous Yamaguchi-gumi. Until it split in 2015, it controlled over 40 percent of the total mob manpower (Keisatsu hakusho 2013, fig. 3-13; 2015, 2-3; Boryoku josei 2009, 6).

CUT THIS PARAGRAPH. By most accounts, police and prosecutors fight the syndicates aggressively. Even the most cynical journalists and scholars do not suggest that the syndicates successfully bribe either group very often. Police arrested 22,000 members or affiliates in 2014, including 5,000 on amphetamine-related crimes (55 percent of all amphetamine arrests). Of the 5,200 people they arrested for extortion (kyohaku and kyokatsu) in 2014, 1,700 came from the mob (Keisatsu hakusho 2015, 4, app. tabs. 1, 2-4). Of the defendants tried, judges apparently punish mob defendants more severely than others: among defendants tried for violence, they sentenced 31 percent to deferred sentences, but only 7 percent of the mob defendants (Hanzai hakusho 1985, tab. I-27).

Milhaupt & West (2000; see Hill 2003) rightly identify several ways in which the mob helps unwind dysfunctional government policy. Japanese tenant protection law stops developers from evicting tenants, for example, and the mob helps them evict the tenants anyway. Bankruptcy law introduces some inefficiencies, and the mob streamlines the process. That the mob sometimes remedies poor policy, however, should not distract from the violent and predatory nature of most of what it does.

#### I.C. The Ties Between the Two Groups:

1. The buraku and the mob. -- During the period of the targeted subsidies, the crime syndicates constituted a prominent part of the buraku. Journalist Nobuhiko Kadooka (2012, 28), himself from a Hyogo burakumin community and the most perceptive and

balanced writer in the field, noted the overlap between the two groups. "The great majority of the minority groups earn an honest living," noted Kadooka. "But most men in the organized crime syndicates are indeed members of minorities like the Koreans or the burakumin."

Observers consistently report that burakumin men comprise a large fraction of the syndicates. These observers are not biased members of the general public. Instead they are themselves either members of the burakumin community or the syndicates, or the police. A senior member of the Fukuoka-based Kudokai (as of 2017, the most violent of the Japanese syndicates) noted in a documentary that 70 percent of the group's members were either burakumin or Koreans.<sup>17</sup> Kadooka himself cited the don of the Kyoto-based Aizu-kotetsu-kai mob for the estimate that as of 1996 half of its 1,300 members were from the buraku (Kadooka 2009, 115; 2005, 82-83). Burakumin poet Yasutaro Uematsu (1977, 166-67) noted that 70 percent of Yamaguchi-gumi were burakumin. And burakumin journalist Manabu Miyazaki (Miyazaki & Otani (2000, 162) wrote that 90 percent of the mob were "minorities" (which would include Koreans too).<sup>18</sup> The police confirm these observations. In 1986, two American journalists reported that the police told them that 70 percent of the Yamaguchi-gumi came from the burakumin.<sup>19</sup> And in 2006, a former official of the Public Security Intelligence bureau gave the Foreign Correspondent's Club a figure of 60 percent.<sup>20</sup>

An especially unfortunate illustration of the ties between the burakumin and the mob comes from a small town in northern Kyushu. According to the BLL (Noguchi 1997, 31), the place has the second-highest concentration of burakumin in the country: 61 percent of its residents live in a buraku. People from elsewhere in Japan call it "gang town." On Internet sites, they warn people to stay away. In 1986, someone shot the mayor in his office. In 2002, someone shot the chairman of the city council. In 2003, the police arrested the council chairman on weapons charges. Later the same year they arrested his replacement for his role in a car-theft ring. In 2005, someone firebombed the mayor's office.<sup>21</sup>

The most troubling aspect of the overlap between the burakumin and the criminal syndicates lies in the fraction of burakumin men who chose to join the mob. The size of that fraction during the years of the targeted subsidies discloses an enormous diversion of young talent -- a diversion out of preparation for life in the legal sector, and instead into fundamentally criminal behavior. To calculate the lower bound of the fraction of young buraku men in organized crime during these years, suppose the burakumin comprised only half of the mob and that the crime syndicates recruited randomly from the total burakumin

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<sup>17</sup> See <http://blog.livedoor.jp/takeru25-6911/archives/2057059.html>

<sup>18</sup> Rankin (2012) describes Miyazaki as someone who "knows the situation well," but apparently misses Miyazaki's statement that the mob is composed overwhelmingly of "minorities."

<sup>19</sup> Kaplan & Dubro (1986, 145). The Japanese Wikipedia entry for the two authors notes that the discussion was excised from the Japanese translation, presumably because the publisher feared BLL attacks.

<sup>20</sup> Lecture by Mitsuhiro Suganuma. In 2014, the lecture was available at: <http://www.youtube.com/watch?v=wNAJVNjIR2g>. It has since been taken down, nominally over "copyright" concerns, though it was still available elsewhere on Youtube as of 2016. The statement comes from a senior member of the Yamaguchi-gumi. Rankin (2012) dismisses Suganuma's account as "distasteful insinuation" -- but see note xx, *supra*.

<sup>21</sup> See, e.g., Fukuoka no oogun (n.d.); Boryokudan no machi (2011); Nottorareta machi (2015).

population of 1.8 million. When the mob was at its height in the late 1980s, police reported that 23,000 men in their 20s and 27,000 men in their 30s were part of one of the gangs (Keisatsu hakusho, 1989). If the age composition of the burakumin tracked the general population,<sup>22</sup> 9.4 percent of the burakumin men in their 20s were part of the mob. Of those in their 30s, 11.1 percent were.

To calculate the upper bound, suppose that 70 percent of the mob came from the burakumin. Suppose further that the mob did not recruit its members from the 700,000 burakumin who had faded into the general population. Instead, it focused on the 1.1 million living in the communities that chose to take the targeted subsidies. By the same calculation, 21.4 percent of the 20-29 year old burakumin men in these designated communities would have been part of the mob, and 25.2 percent of men in their 30s. As burakumin journalist Kadooka (2012, 20) put it, "for a long time, the buraku was the hotbed of the mob."

The resulting stigma was self-reinforcing. If only a small proportion of a group chooses to engage in anti-social behavior (such as joining a gang), someone who is caught engaging in the behavior shows an unusual tendency to be anti-social. If a large proportion of the group is anti-social, however, the entire group is stigmatized, since it becomes rational for an outsider to suspect that even if someone was not caught, he was guilty anyway. In turn, this discrimination reduces the value of a clean record versus a stained one, since someone in the group faces suspicion even if he behaves impeccably (Rasmusen 1996). If enough people from a given neighborhood engage in crime, all will be suspect -- which in turn reduces the penalty to any one person from turning criminal. The self-reinforcing feedback continues because it becomes rational for outsiders to be suspicious of everyone in the neighborhood.

2. The BLL. -- The BLL split the buraku. Elite burakumin families formed the core of the groups working to improve community welfare (Donaghue 1967, 150-51). During the 1960s, they were the burakumin segment most concerned about the League's violent tactics (Cornell 1967, 160, 175). A "common complaint" in the buraku, noted John Cornell (1967, 174) was that the BLL was "too much given to violence." Burakumin leaders worried "that the very aggressiveness of the [BLL] tends to heighten discrimination by publicizing and reviving hostility." Given that the BLL's founder Matsumoto had run a crew that beat to death the owner of his closest business competitor, they had reason to worry.

During the same period, the BLL leadership was itself split. BLL leaders came to their posts from a variety of motives. Kadooka (2009, 313) recounts a conversation with a now-senior BLL official who was recalling the time he applied to join a BLL branch office in the 1980s. He had asked a BLL leader, who responded:

"You. We'll let you in the branch. What are your demands?"

"What do you mean, 'demands'?" asked the applicant.

"Housing, job, taxes." The BLL leader continued. "Could be lots of things, right?"

"I have a house," the applicant replied, "and I have a job."

"Then why do you want to join the branch?"

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<sup>22</sup> In fact, the 1993 government survey indicated that the burakumin were older than the general population. Of the burakumin living in the designated districts, 15.5 percent were 65 or older. Of the general Japanese population, 13.5 percent were 65 or older. See Naikaku (1995).

"Because I want to work for liberation."

"Huh? Now?" the leader quizzically replied.

In effect, the subsidy-era BLL included two distinct groups. The committed idealists and intellectuals wrote the books, collected the statistics, and -- judging from Western accounts of the League -- explained the League's work to visiting foreign scholars. The mob-affiliated entrepreneurs manipulated the subsidy programs for private gain. "There was a time," burakumin journalist Kadooka (2012, 53-54) recalled, "when the historic anti-discrimination group [i.e., the BLL] had current or former members of the mob holding important positions." After all, he continued:

It wasn't unusual for BLL members to be current or former members [of the mob.] Some people marched into battle under the crown of thorns [i.e., the BLL symbol] out of anger against the discrimination. Others marched with plans to make their fortune through the [SMA-funded] buraku projects.

3. The violence. -- The violent reputation of the modern BLL dates in part from its highly visible break with the Japan Communist Party (JCP) a half-century ago. Coincident with the enactment of the SMA in 1969, the BLL split with the Party. The League had long allied itself with both the Japan Socialist Party and the JCP, but in the late 1960s it split decisively with the Communists. Most western scholars have accepted the BLL's claim that it expelled the communists for ideological reasons (Upham 1980; Neary 1997, 67; Ruyle 1979).

Yet the BLL and the JCP had more to fight about than simple ideology. They saw substantial money at stake -- the SMA subsidies. To bar the JCP from access to that money, the BLL organized a several-hundred strong brigade. And to run the brigade, they named two men who both brought dual roles: as BLL branch office heads and as members of the mob.<sup>23</sup>

The BLL hit the JCP loyalists hard. They euphemistically called their tactics "denunciation sessions" (kyudan). Best-known in the West were the April 1969 attacks on JCP-affiliated teachers in the Osaka neighborhood of Yata. A JCP middle-school teacher had complained of extra work tied to buraku-related tasks. The BLL declared him a "discriminator" (sabetsusha), and dragged him and other JCP teachers to a local community hall. There, they harangued them in front of 200 burakumin for over 12 hours.<sup>24</sup>

Against JCP teachers in Yoka, the BLL was apparently far more violent. The JCP reported brutal attacks, but Japanese readers do not turn to the JCP for journalistic accuracy.<sup>25</sup> Stanford anthropologist Thomas Rohlen (1976, 685-86) was in the area doing fieldwork at the time:

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<sup>23</sup> Mori (2009, 33); Kadooka (2012, 52; 2009, 268-69); Ichinomiya (2013, 96-97).

<sup>24</sup> See *Japan v. [parties omitted]*, 782 Hanrei jiho 22 (Osaka D. Ct. June 3, 1975) (acquitting BLL leaders of illegal arrest), rev'd, 996 Hanrei jiho 34 (Osaka High Ct. Mar. 10, 1981); *Kinoshita v. Osaka*, 693 Hanrei jiho 111 (Osaka D. Ct. Oct. 30, 1979) (awarding denounced teachers damages against the Osaka city); translations by Frank Upham of all three opinions available in Milhaupt, et al. (2012).

<sup>25</sup> The events were not well-reported in the news media. Years later, burakumin writer Uehara (2014, ch. 3) travelled to Yoka to speak to those involved in the event. He tends to corroborate the reports of extensive violence. For judicial opinions relating to the incident, see *Japan v. Maruo*, 523 Hanrei taimuzu 109 (Kobe D. Ct. Dec. 14, 1983)(convicting BLL leaders of false imprisonment), aff'd, 1309 Hanrei jiho 43 (Osaka High Ct. Mar. 29, 1988), aff'd (Sup. Ct. Nov. 28, 1990); [No names given], 1350 Hanrei jiho 107

Inside the school the beatings continued relentlessly. ... One teacher was burned with a lighted cigarette, another was picked up by his hands and legs and dropped on the floor repeatedly. ... The violence lasted into the night .... Of the fifty-two teachers that left the school that morning, twelve were listed with broken ribs, vertebrae or tibia. Some of them had many broken bones. Thirteen, including the twelve just mentioned, required at least six weeks of hospitalization. Five more were hospitalized for a month, 15 for from two to three weeks, and 15 more for over a week.

5. The "one window" policy. -- BLL leaders sought exclusive control over the SMA targeted subsidies. In their own words, they sought a "one window" policy: all funds would arrive through "one window," and it would be a window they controlled.

BLL leaders first imposed the one-window policy on the city of Suita in Osaka prefecture. In June of 1969, they demanded that the Suita government accept the policy. When the city government balked, they sent 300 BLL members. For three days, report BLL critics, they surrounded the mayor's house. They banged drums through the night. They cut his gas, water, and telephone lines. They scaled his wall and climbed onto his grounds. Eventually, the mayor acquiesced (Nakahara 1988, 128-29; Ichinomiya & Group K21 2013, 270).

The BLL moved from city to city. As necessary -- again, according to its critics -- it repeated the tactics. When it faced the Habikino city government (in Osaka prefecture), for example, BLL members occupied city hall for 122 hours, and confined the mayor for 22 (Nakahara 1988, 128-29; Ichinomiya & Group K21 2013, 96-97, 270). They did not obtain control everywhere, and when challenged they could lose in court.<sup>26</sup> In time, most (not all) cities dismantled the one-window policies, but the BLL continued to push for the control.

Given the early one-window policy, if a community wanted a share of the SMA subsidies, it needed a BLL branch office. Predictably enough given the money involved, formerly reluctant burakumin communities across the country rushed to establish branches. In time, BLL membership soared past 200,000 (Kadooka 2012, 36, 65, 304; Kobayashi 2015, 12).

6. Predictable consequences. -- (a) Exogamy. Several consequences followed from the subsidy-driven association with organized crime and violence. Obviously, the association contributed to the continued reluctance of many mainstream Japanese to let their children marry into the group. Most modern Japanese will evaluate potential sons-and daughters-in-law as individuals. They will not care whether someone's grandfather worked as a butcher. They will care whether their child marries someone from a family with ties to an organized crime syndicate.

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(Kobe D. Ct. Mar. 28, 1990); Morimoto v. [No name given], 1273 Hanrei jiho 38 (Kobe D. Ct. Sept. 28, 1987), aff'd, 696 Hanrei taimuzu 100 (Osaka High Ct. Feb. 15, 1989).

<sup>26</sup> E.g., Maeda v. Nishiwaki shi, 887 Hanrei jiho 66 (Kobe D. Ct. Dec. 19, 1977); Fukuoka shi v. Matsuoka, 870 Hanrei jiho 61 (Fukuoka High Ct. Sept. 13, 1977); see generally Upham (1980, 54-62).

(b) Employment. For similar reasons, some mainstream employers continued to avoid hiring applicants from the community. Firms want employees who are honest, who work hard, who give and take as necessary to further the firm's goals. Again, many (perhaps even most) firms will evaluate potential applicants as individuals. Others, however, will see a background in a community known for extortion and mob violence as a risk they cannot afford.

When the BLL decided to declare a firm "discriminatory" it threatened its "denunciation" sessions unless the firm showed good faith. The easiest way to show good faith was to pay money. In 1975, the BLL attacked firms that bought books identifying the location of traditional burakumin communities. According to the BLL's most severe critics, it then formed a political arm that it funded through "contributions" from the firms it had just attacked. The "donations" ranged from 100,000 yen from the Rikkar sewing machine firm, to 3 million yen from Mitsubishi Real Estate (Terazono, et al. 2004, 298-99).

According to its critics, the practice generalized. When the league accused an Osaka firm of "discrimination," reports one such critic, the firm could avoid the "denunciation" sessions by joining a "study group." Study groups were not free. Asserted one BLL critic, the League charged a sliding scale -- from 190,000 yen per year for firms with 101-500 employees, to 230,000 yen per year for those with 3001 employees or more (Tottori 2011, 60).

(c) Silence. Because of the extortion tied to accusations of "discrimination," mainstream media avoided saying anything about the community. The BLL routinely declared statements "discriminatory," and threatened denunciation. Two of the numerous episodes will illustrate. In 1981, the University of Tokyo Press published a Japanese translation of a book by Margaret Mead. In it, she used the traditional but derogatory and by-then politically incorrect term for the outcastes. The press withdrew the book, but the BLL continued its pressure anyway (Kobayashi 2015, 74-75). In 1982, a professor in a University of Tokyo workshop asserted that "there's no buraku problem in eastern Japan. It's just an issue for western Japan," he explained. "Even there, it's a financial dispute between the BLL and the JCP over the burakumin budget [the SMA subsidies]." For this, the BLL subjected the professor to "denunciation" (Kobayashi 2015, 76-77). With their barely disguised threats of violence, these "denunciations" turn the entire field of burakumin scholarship high-risk. Most social scientists respond by staying away.

## II. Terminating the Subsidies

### II.A. Early Targets:

As the 21st century opened, the Japanese government did not just end the subsidies; it sent in the police and prosecutors. For decades, police and prosecutors had tended to leave the BLL leadership alone. In 2004, however, they arrested Mitsuru Asada and ten other senior managers in the Hannan corporate group for defrauding the government of 5 billion yen. Asada had figured importantly in his local BLL branch office and had hired into the Hannan group two brothers with prominent positions in the Yamaguchi-gumi

syndicate. The District Court sentenced Asada to 7 years in prison. The High Court reduced the sentence and affirmed.<sup>27</sup>

In 2005, police arrested landscapers in the burakumin trade association for rigging the bidding on Osaka city contracts. They arrested city officials too, catching them off-guard. "But we've been doing this for thirty years," one exclaimed. The court convicted them anyway (Kadooka 2012, 187; "Kaido" kei 2006).

News broke about the Ashihara Hospital. The hospital had served the burakumin community in Osaka and sported the BLL insignia proudly on its walls. It had also borrowed from the city 1.3 billion yen that it had not repaid. One nurse, herself a BLL member, complained:<sup>28</sup>

The nurses and office workers are mostly local hires from the neighborhood. The hospital has half again as many workers as a normal hospital. You'd think that'd make the work easier, right? Not a chance. Too many of them are just loafing off ... The office workers watch TV during overtime. Some nurses can't even calculate how long they should run an IV. This stuff has implications for lives.

In 2006, police turned to the former head of the BLL branch office in the Osaka suburb of Yao. The man also worked as consultant to the Yamaguchi-gumi. Apparently, he had demanded benefits from city hall, and payoffs from firms that won public construction contracts. The police charged him with extortion and the court sent him to prison. His sentence was not long, however, and by 2014 the police had re-arrested him on new fraud charges.<sup>29</sup>

The media also began to report on Kyoto city workers. From 1996 to 2001, police arrested 16 city workers on amphetamine charges -- this in a country where voters expect (or at least hope for) immaculate lives of their government bureaucrats. Upon their arrest, police discovered histories of mob membership, cocaine use, paint-thinner abuse, and violence. Most of these workers had worked in departments where Kyoto ran preferential burakumin hiring programs (Terazono, et al. 2004, 47). Over the course of 2003-2006, Kyoto would discipline 70 employees for offenses ranging from battery and theft to absenteeism (Kadooka 2012, 191).

The bad news continued. From April 2006 to July 2007, police arrested another 15 city officials. This time their crimes again included using and selling amphetamines, but also involved destroying an ATM with a golf club, battery, and hit-and-run (Nakamura 2007, 4, 11-12).

By the end of 2006, the media reported that a BLL branch-office head employed by Nara city had reported for work just 8 days over the last 5-1/2 years. The rest of the time, he had called in sick and collected full pay. The media gleefully noted his white Porsche and the city's contracts with a construction firm owned by his wife. The city duly fired him, and the police arrested him on extortion charges relating to the construction work (Kadooka 2012, 191; Narashi 2006).

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<sup>27</sup> [Unnamed parties], 1918 Hanrei jiho 126 (Osaka D.Ct. May 27, 2005); see Kadooka (2012, 187); Ichinomiya, et al. (2012, 258-64); Ban (2016) (entry of July 24, 2010).

<sup>28</sup> Kadooka (2009, 271; 2012, 188-89). See generally Tomotsune (2012, ch. 3).

<sup>29</sup> Kadooka (2012, 190); Maruo (2006); Ichinomiya, et al. (2012, 150-51).

## II.B. Legal Measures:

As the government moved to terminate the burakumin subsidies, so it began to restructure the law to facilitate prosecution. In 1991, it authorized prefectural governments to designate the mobs as organized crime syndicates based on factors like the number of members with criminal records.<sup>30</sup> Once they did so, police faced fewer procedural steps in moving against mob members. In 2011, it amended the statute to let them take additional steps against syndicates designated as especially dangerous (Kudo kai 2013; Ichinomiya, et al. 2016, 2). And through other legislation in 2000 and 2007, it facilitated police attacks against financial fraud and money laundering (Rankin 2012).

By 2010-2011, prefectural governments were passing their own anti-mob ordinances.<sup>31</sup> They typically left the wording ambiguous, but pressured ordinary firms to shun a wide variety of otherwise routine business with mob members. Usually, they banned local governments from contracting with mob entities. They encouraged firms to include in all contracts a clause that let them cancel a contract if a counter-party had mob connections. And they banned firms from investing in (or otherwise providing money to) mob affiliates.

Cumulatively, the statutes and prefectural ordinances put substantial pressure on the mob. Rankin (2012) reported "campaigns to prevent yakuza from participating in public auctions, to stop them from receiving welfare benefits, and to expel them from public housing projects." The Fukuoka police "cautioned a printing firm that had made business cards for a yakuza boss" (id.). And an Osaka court "sentenced a yakuza boss to ten months in jail for offering financial aid to the family of an incarcerated subordinate, an act of charity made unlawful" by the recent legal changes (id.).

## II.C. Kunihiko Konishi:<sup>32</sup>

Yet the most headline-grabbing news involved BLL branch office head, Kunihiko Konishi. In 2006, police arrested the 72-year-old in his 30-something mistress's condominium. He had become an enormously rich man. His banker estimated that over the course of his life he had earned 10 billion yen (Kadooka 2012, 101). He earned much of this money from loansharking and SMA-related kickbacks, but police also suspected him of laundering funds for the Yamaguchi-gumi. They tailed him for a year to identify the laundering (Mori 2015, 190-228). In turn, this led them to evidence of embezzlement, and they arrested him on those charges in May of 2006.

Born in 1933 into a burakumin community between Osaka and Kyoto, Konishi dropped out after middle school. He spent multiple stints in prison for battery and

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<sup>30</sup> Boryoku dan in ni yoru futo na koi no boshi ni kansuru horitsu [Law Relating to the prevention of Improper Activity by Members of Organized Crime Syndicates]. Law No. 77 of 1991; see generally Hill (2003).

<sup>31</sup> E.g., Tokyo to boryokudan haijo jorei [Tokyo Ordinance for the Exclusion of Organized Crime Syndicates], Jorei No. 54, Mar. 18, 2011; Aomori ken boryoku dan haijo jorei [Aomori Prefecture Ordinance for the Exclusion of Organized Crime Syndicates], Jorei 9 of Mar. 25, 2011; Iwate ken boryoku dan haijo jorei [Iwate Prefecture Ordinance for the Exclusion of Organized Crime Syndicates], Jorei 35 of Mar. 16, 2011; see generally Boryokudan (2012).

<sup>32</sup> See generally Kadooka (2012); Mori (2009); Ichinomiya & Group K21 (2012, 64-147).

extortion. He took up heroin. In due course he joined a branch of the Yamaguchi-gumi.<sup>33</sup> And in 1969, at the age of 35, he became head of the BLL branch office in the Asuka neighborhood of Osaka.

Konishi then convinced the city to let him turn a nearby lot into a parking facility. Nominally, he ran the lot through a neighborhood public service organization. In fact, he ran it fraudulently from the start. He told the city it held 90 cars; it actually held 200 to 400. Accounts vary, but at least by one of them he told the city it generated 70 million yen when it actually earned 200 million. In 2004, the city reported parking lot revenues over the first 30 years of 1.8 billion. Konishi had actually collected 5.0 billion, and forwarded the money, at least initially, to his syndicate.<sup>34</sup>

Konishi lived extravagantly. He owned a mansion in Nara (subletting his government-subsidized burakumin apartment in Asuka). He housed a succession of mistresses in assorted condominiums. He spent his evenings in lavish nightclubs, running bar tabs of 10 million yen per month (Kadooka 2012, 124). He rode a chauffeured Lincoln, and bought a Mercedes for his daughter (Ichinomiya & Group K21 2012, 79, 83; Mori 2009, 68). He entertained policemen at bars (Mori 2009, 128-30). He maintained close enough ties to the top leadership of the Yamaguchi-gumi that when rivals gunned down the reigning don, they hit him in the lobby of a condominium held in Konishi's name (Kadooka 2012, 108).

Perhaps it was the scale of his corruption, or perhaps it was his prominence within the BLL. Prosecutors charged Konishi with embezzling 130 million yen from the parking lot (Kadooka 2012, 23). His earlier handler at the Mitsubishi UFJ (formerly Sanwa) bank killed himself before the police could move in. His current handler found himself arrested for aiding and abetting fraud (Mori 2009, 18-19; Ichinomiya & Group K21 2012, 68). The District Court convicted Konishi in 2007 and sentenced him to six years. He died later that year.

### III. The Patterns of Corruption

#### III.A. Introduction:

During the three decades of the targeted subsidies, most corruption in the burakumin community occurred in one of five categories:

- (1) Government contracts for infrastructural construction;
- (2) Land sales to the government, primarily for infrastructure;
- (3) Tax fraud;
- (4) Accusations of "discrimination," after which a group would cancel denunciation sessions if a firm paid enough money; and
- (5) Control over the distribution of burakumin perquisites, including municipal government jobs.

The five tactics did not all follow directly from the SMA targeted subsidy program. They followed indirectly, however, by a straightforward logic: the subsidies drew large numbers of burakumin men into the organized crime syndicates; the syndicates raised the level of fear among mainstream Japanese; and that fear increased the money some

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<sup>33</sup> Kadooka (2012, 26, 29, 41); Ichinomiya & Group K21 (2012, 80); Mori (2015, 123).

<sup>34</sup> Kadooka (2012, 22, 60-63); Mori (2009, 22); Ichinomiya & Group K21 (2012, 71-76).

burakumin could extract from private firms or the government. Let us take each of the five in turn.

### III.B. Construction Contracts:

Over the course of the SMA's targeted subsidy program, Japanese governments lavished 15 trillion on burakumin neighborhoods, much of it on construction. In just the single year of 1973, Osaka prefecture spent 66 billion yen, 75.9 percent on construction (Nakahara 1988, 132).

Because of the BLL's "one window policy," in most though not all areas the BLL could assign the construction contracts to firms that joined its Buraku Construction Association (BCA; the Dowa kensetsu kyokai). These firms paid the BCA 0.7 percent of the contract amount. According to one set of BLL critics, the practice earned the BCA 7 billion yen over about three decades.<sup>35</sup>

Nominally, only burakumin firms joined the BCA. In practice, mainstream firms sometimes joined too. Profits on SMA-funded construction contracts were high enough, that is, that mainstream firms tried to become burakumin firms. To maintain appearances, the firm might name a prominent burakumin leader as its president, but a bribe could also suffice (Mori 2009, 180-83).

Some of the burakumin leaders who selected the winning bids apparently demanded tribute beyond the 0.7 percent BCA fee. Take Konishi. A businessman who handled the bidding for a mainstream construction firm explained (Mori 2009, 78, 180):

If we were about to bid on an Osaka project, we usually visited Mr. Konishi first. After all, he ran the bidding. So if it looked as though the city were about to put a project out for bids, we'd visit him. We'd assemble a joint venture [with a BCA member firm], present it to him, and win his approval.

Once the firm won the bid, it paid 3 to 5 percent of the contract to Konishi personally (Kadooka 2012, 96).

Prominent burakumin could also divert subsidies to themselves through shell companies. To do so, they first formed a corporation. The corporation joined the BCA and partnered with a mainstream construction firm (like the one that visited Konishi). They bid on the government contract together, and on winning the bid the shell corporation took its cut and left the mainstream firm to do the work.<sup>36</sup>

According to its critics, some aggressive burakumin did not even limit SMA projects to buraku. Instead, at times they claimed to have found a burakumin community where none had existed before. They arrived at an unsuspecting city hall with a large entourage and insisted that city officials designate a given area a buraku. They then demanded that the officials entertain bids for burakumin housing construction. If residents

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<sup>35</sup> Nakahara (1988, 132); Mori (2009, 77, 180); Ichinomiya & Group K21 (2013, 108-11, 268); Ichinomiya & Group K21 (2012, 127).

<sup>36</sup> Konishi himself owned the Noma komuten firm. It had very little equipment but won massive numbers of bids. Over one 5 year period, it captured over 2.1 billion yen's worth of city contracts. Ichinomiya & Group K21 (2012, 83-84, 125, 238-39; 2013, 271-72).

in the targeted area complained, they accused them of discrimination (Nakahara 1988, 28-44, 106-08; Ichinomiya & Group K21 2013, 267-68).

Because the construction projects involved such vast resources, they generated tensions within the criminal syndicates as well. The bloodiest period in the history of Japanese organized crime occurred in the mid-1980s, when war broke out between rival factions of Yamaguchi-gumi. It was not a simple succession fight, explains burakumin writer Manabu Miyazaki (Miyazaki & Otani 2000, 73). It was a fight for control over the massive revenue from the targeted subsidies.

### III.C. Land Transactions:

Sometimes, well-connected burakumin sold the government the land to use in the construction projects at inflated prices. Critics report examples from a wide variety of locations. When the government redeveloped Asuka, Konishi himself pocketed enormous gains (Kadooka 2012, 86). He bought land low, reported burakumin journalist Kadooka, and resold it to the government high. For a fee, he also negotiated high-priced sales of other people's land to the government.

One Osaka real estate agent observed (Kadooka 2012, 85-86): "Once Konishi became branch office head, I learned how to tell where a road was going to go in, and where housing would soon be built." He watched what Konishi bought, he told Kadooka. "Konishi once acquired a plot of district land for 17 million," he recalled. "He then sold it to the government for 30 million."

Consider several transactions between the Kita-Kyushu city government and BLL leaders in the 1970's. The Asahi newspaper initially broke the story, but it is not a story the BLL denies. The League disciplined the individuals involved, and Kadooka (2004, 63-64) candidly discusses (and criticizes) the corruption in a volume published by the BLL itself. The newspaper staff noted (Asahi 1982, 11):

Purchase by seller	Transfer to city	Intervening time	Price Multiple
9/24/1973	10/26/1973	1 mo.	1.7
9/28/1978	5/26/1979	7 mo.	1.8
12/17/1974	12/17/1974	0	2
2/17/1977	5/12/1977	3 mo.	3.5
12/_/1977	6/_/1978	6 mo.	3
7/2/1980	2/23/1981	8 mo.	2
4/24/1980	3/3/1981	10 mo.	3.2
11/14/1978	11/24/1978	10 days	3
8/3/1978	12/13/1978	4 mo.	7.3

The first line, for example, indicates that one burakumin bought land on September 24, 1973 and resold it to the city on October 26 for 1.7 times the amount he paid. The BLL official who conducted the second of the nine transactions made a 290 million yen profit on it, and he sold several other parcels to the city as well. All told, he earned 1.3 billion yen from land he sold to the government (Kadooka 2004, 63).

Problematic land transactions could also involve rentals. Ryu Matsumoto, grandson to mid-century burakumin leader (and effective BLL founder) Jiichiro

Matsumoto, made a fortune renting land to the government. He represented a northern Kyushu district in the national Diet and has served in the cabinet. He has also chaired the Fukuoka prefectural BLL and served as vice chair of the national BLL.<sup>37</sup> As cabinet minister in 2010, he was the wealthiest of all government bureaucrats. As a Diet member in 2011, he had the fifth highest income of all national legislators.

Matsumoto earned much of this income from renting land to the government. A former military airbase, the Fukuoka airport was located in a heavily residential area. Jiichiro Matsumoto had maintained good military connections, and had bought the land as it became a Japanese military base. The Japanese base turned into an American base and eventually into a civilian airport. Throughout, Jiichiro and eventually grandson Ryu had rented the land to the government. When the civilian airport needed to expand, the government suggested relocating it outside the city. Matsumoto vehemently and successfully fought the move, and preserved his income stream (Ichinomiya & Group K21 2010, 24; 2012, 50).

### III.D. Tax Fraud.<sup>38</sup>

Over the course of the three SMA-subsidy decades, many burakumin firms demanded -- and successfully extracted -- special tax privileges. In one of its official histories, the BLL recounts with pride how this came to be (Buraku 1978, 106-26). In December 1967, forty members of the Osaka BLL and its new subsidiary organization, the Osaka Burakumin Business Federation (OBBF; Osaka fu dowa chiku kigyo rengo kai) marched into the local office of the National Tax Administration (NTA). They accused the staff of "discriminatory" taxation, and vowed to fight them with (their word) "aggressive" tactics (Buraku 1978, 109). A burakumin had sold a piece of land, they explained, and his auditor had refused to believe he could have sold it for so little. The forty BLL and OBBF members "denounced" the tax staff for five hours (id.).

The OBBF entourage reappeared in the tax office the next month, the official history continues, this time with 400 burakumin. "The national tax office had refused to learn the reality of the buraku and its discrimination," it explained. So they pursued the tax agency staff for another five hours and scored (again, their words) "a knock-out."<sup>39</sup> The tax office agreed to seven principles, which included:

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<sup>37</sup> Ichinomiya & Group K21 (2012, 44). Matsumoto's wife's sister was for a time married to a senior member of the Fukuoka mob (id., at 60).

<sup>38</sup> This account is available from a wide variety of sources. For relatively balanced versions, see Kadooka (2002, 88-92); Mori (2009, 115-20). For the BLL's own account, see Buraku (1978, ch. 9-2). For sources highly critical of the BLL, see Hira (1991, 53-74); Terazono, et al. (2004, 122-200); Ichinomiya, et al. (2004, 33-44); Nakahara, et al. (1988, 146-52).

<sup>39</sup> Buraku (1978, 109). The agreement was apparently renewed in 1978. See Ichinomiya, et al. (2004, 34). Both the BLL itself (Buraku 1978, 111) and its critics (Ichinomiya, et al. (2004, 34); Nakahara (1988, 147)) claim that the NTA agreed to adopt the same approach nationally. That said, the courts have adamantly (and very plausibly) denied that the national government would ever have agreed to such terms. E.g., *Koku v. Sakamoto*, 226 Zeishi 3337 (Osaka High Ct. June 15, 1995), *aff'd* on other grounds 226 Zeishi 3316 (Sup. Ct. Nov. 14, 1997)(appeal brief quoting lower court).

3. Returns ... that are submitted through the OBBF and under its supervision shall be accepted in full. Should there be a need to audit the content, the audit shall be conducted through the OBBF with its cooperation.

4. Burakumin business [dowa jigyo; i.e., business related to SMA projects] shall not be taxed.

In effect, the local branch of the National Tax Office apparently agreed to let the OBBF distribute tax cuts as it pleased. "An NTA official explained that income of 10 million yen would be reduced to 3 or 4 million," wrote one journalist (Kadooka 2012, 92). "Income of 20 million would be reduced to 5 or 6 million. In effect, two-thirds of income would be treated as tax-exempt."

Eyeing the prospect of a two-thirds tax discount, firms fought for the privilege of joining the buraku. Again, BLL officials in positions of power made that possible. According to one 1997 survey, 15 of the 52 Asuka OBBF firms had offices and owners outside of Asuka (Kadooka 2012, 92). Someone who knew Konishi well explained (Kadooka 2012, 92):

It must have been sometime in the mid-1970s. I was asked by someone to give Mr. Konishi 6 million yen. It was in gratitude for letting him join the OBBF. ... You really were supposed to be burakumin. But other people were members too. In their cases, they had to pay money.

What was true for Osaka and Konishi generalized: mainstream firms bribed their way into the OBBF burakumin organization. Nationally, critics estimated that about one-fifth of OBBF members were not burakumin firms. They joined by paying someone to introduce them to the organization. Once members, they paid the OBBF for the qualified tax exemption -- typically, a price of about 20 percent of the tax avoided.<sup>40</sup>

OBBF membership did not provide total tax immunity, especially since the courts were not willing to enforce the policy.<sup>41</sup> There were limits, and already in 1989 the Osaka District Court declared 37 billion yen over the limit. The Diet had not yet discontinued the SMA subsidy programs, and the prosecutors had not yet moved on Konishi. Nonetheless, in 1986 prosecutors filed charges against Tokyo Pabuko (and related entities), the largest manufacturer of Japanese slot machines, and against the advisor who helped file its tax returns.<sup>42</sup> The firm had joined the OBBF and under-reported its income by 37 billion yen, some 98.5 to 99.9 percent. To enable it to join, an OBBF leader had put his mother on the firm's board. With its new burakumin status secure, the firm thought it could safely under-

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<sup>40</sup> See Ichinomiya, et al. (2004, 39, 43-44); Nakahara (1988, 152); Hira (1991, 64-66); Terazono, et al. (2004, 122-36, 200).

<sup>41</sup> Prosecutors could be particularly hard on burakumin groups that sponsored tax evasion in exchange for fees. See *Koku v. Sakamoto*, 226 Zeishi 3337 (Osaka High Ct. June 15, 1995), *aff'd* on other grounds 226 Zeishi 3316 (Sup. Ct. Nov. 14, 1997).

<sup>42</sup> The case was widely reported. *Koku v. Nakatani*, 197 Zeishi 2713, 1989 WLJPCA 07066001 (Osaka D. Ct. July 6, 1989), modified 197 Zeishi 2670, 1992 WLJPCA 08266004 (Osaka High Ct. Aug. 26, 1992). See also, e.g., Hira (1991, 58-65); Ichinomiya, et al. (2004, 39-44).

report its income. For the privilege, it paid the adviser 700 million yen. The adviser then transferred 500 million to the OBBF, and kept 200 million as his personal fee.

The District Court sentenced the advisor to 2 years and 8 months in prison and a 200 million yen fine.<sup>43</sup> It was not pleased with how the Osaka tax office handled OBBF returns: "The burakumin organization was used for tax evasion, and it cannot be said that the response of the local tax office was unproblematic." On appeal, the advisor's lawyers stressed the OBBF's special arrangement with the tax office. They quoted the third of the seven principles and argued that in the wake of the principles the tax office had never required any of the OBBF's other 9,000 members to amend a return. On the impropriety of it all, however, the High Court agreed with court below. It cut the advisor's sentence to two years, and affirmed.<sup>44</sup>

### III.E. Extortion:

As the targeted subsidy programs began to shift resources into burakumin-controlled criminal groups, some of those groups coupled accusations of "discrimination" with extortion. Firms responded by paying them to go away.<sup>45</sup>

Observers date the phenomenon to the 1980s. Freelance journalist Manabu Miyazaki was himself burakumin, the son of a mob leader. He (Miyazaki & Otani 2000, 73) reports:

This period [in the mid-1980s] was the time when outcaste extortion was at its peak. ... During this period, the sheer scale of revenue coming into the mob changed. Earlier, the mob had done things like sell amphetamines. But compared to these traditional activities, the amount that the mob could obtain through outcaste extortion was vastly higher.

By the time the Ministry of Justice surveyed the problem in 1989, the extortion had turned epidemic. The Ministry contacted 5,906 firms, of which 4,097 responded. Of the respondents, 17.5 percent reported they had been targeted by at least one burakumin group for extortion within the course of 1988. Typically, group members would shout at firm employees over the telephone, and accuse them of not understanding the burakumin problem. Sometimes they boasted about their ties to politicians, and sometimes they threatened to cause regulators to investigate the firm (Homu sho 1989, 33).

The groups did not leave firms alone after only one call. They approached the firms they targeted 3.2 times on average, 8.8 times within Osaka. From most firms, they demanded money -- cash, subscription to over-priced publications, loans. From construction firms, they demanded a cut of the contracts (Homu sho, 1989, 11, 33-37). One third of the attacked firms agreed to at least some of their demands. The smaller firms

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<sup>43</sup> Koku v. Nakatani, 197 Zeishi 2713, 1989 WLJPCA 07066001 (Osaka D. Ct. July 6, 1989).

<sup>44</sup> Koku v. Nakatani, 197 Zeishi 2670, 1992 WLJPCA 08266004 (Osaka High Ct. Aug. 26, 1992).

<sup>45</sup> The "politically correct" term for these extortion attempts is "fake burakumin actions," or "ese dowa koi." The BLL uses the term for extortion attempts it has not authorized ex ante and for behavior it decides to renounce after the fact (e.g., Konishi's; see Kadooka 2012, 208). Apparently following this logic, Rankin (2012) writes that the "yakuza themselves exploit the situation by posing as Burakumin rights groups and pressuring businesses to pay them compensation."

were the most likely to succumb. Among firms with 1,000 or more employees, 25.0 percent acceded to at least one demand. Among those with fewer than 50 employees, 38.8 percent agreed (Homu sho 1989, 50).

### III.F. Perquisites.

1. Financial perquisites. -- Under the SMA, the national and local governments did not just pay contractors to build community centers; they also provided burakumin families with a long list of other benefits.<sup>46</sup> In cities where the local government had accepted the BLL's one window policy, the League dictated who would or would not receive these benefits. When the BLL excluded its rivals (e.g., burakumin affiliated with the JCP), the excluded families sometimes sued. The families generally won, and over time the local governments did eventually dismantle the one-window policies in most areas.<sup>47</sup>

2. Housing. -- The government built public housing specifically for burakumin families. Because it heavily subsidized the rent, people already in the neighborhoods found the units desirable. Through its one-window policy, the local BLL elite could decide which families obtained the subsidized apartments. In 1980s Asuka, claims burakumin journalist Kadooka, some League leaders extracted as much as 700,000 yen from families for access to these units (Kadooka 2012, 86-87; see also Nakahara 1988, 78).

With their newfound private wealth, some BLL leaders left the community and built themselves nice homes elsewhere. Some of them kept their subsidized public housing units anyway, and sublet them to other families -- sometimes to non-burakumin families (Kadooka 2012, 153-54). With housing as with construction and tax benefits, mainstream Japanese could and did bid for admittance to burakumin status.

3. Jobs. -- Soon after the SMA took effect, the BLL sought preferential hiring policies from local city halls. The SMA statute itself did not mandate this preferential hiring any more than it mandated the one window policy. Shortly after its enactment, however, burakumin began "denouncing" city governments and extracting promises to hire more outcastes (Nakahara 1988, 86). Several city governments acquiesced. By the early 2000s, men and women hired under these promises would form the bulk of the Kyoto employees arrested on amphetamine and other criminal charges (Nakamura 2007, 22).

The city of Kyoto delegated hiring in several municipal departments. Formally, it used an exam, but only formally. Substantively, it gave burakumin "a free pass." Because of the split between the BLL and the JCP, it allocated hiring quotas to both the League and a JCP-affiliated burakumin group. These organizations nominated candidates for

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<sup>46</sup> Lists of these benefits appear at, e.g., Terazono (2005, 37-40), Terazono (2004, 292-93); Upham (1980, 49).

<sup>47</sup> E.g., Higashi v. Osaka shicho, 30 Gyoshu 1352 (Osaka High Ct. July 30, 1977)(school expenses); Fukuoka shicho v. Matsuoka, 870 Hanrei jiho 61 (Fukuoka High Ct. Sept. 13, 1977)(housing loan); Maeda v. Nishiwaki shi, 887 Hanrei jiho 66 (Kobe D. Ct. Dec. 19, 1977) (housing loans); Boryoku ni hantai shi, etc. v. Ashiya shi, 979 Hanrei jiho 107 (Kobe D. Ct. Apr. 25, 1980)(meeting space access); Nagai v. Osaka-shi shokuin rodo kumiai, 987 Hanrei jiho 112 (Osaka D. Ct. June 25, 1980) (union member meeting); Kono v. Kita-kyushu shi, 1005 Hanrei jiho 150 (Fukuoka High Ct. July 8, 1980) (nursery school access). See generally Upham (1980); Terazono 2004, 203-04, 287); Ichinomiya, et al. (2013, 264-65); Asahi (1982, 52-55, 60-69).

employment, and the city hired as they specified. Naturally, the burakumin groups nominated on the basis of "how much the person had contributed to the movement" (Nakamura 2007, 18-19; Terazono 2004, 56).

### III.G. Effects on Resentment and Education:

1. Resentment. -- The program directly drove resentment against the burakumin. Non-burakumin resented the targeted perquisites. "As long as we have these special facilities [provided by the SMA], our neighbors will think we enjoy special favors," complained one burakumin (Terazono 2005, 46). "The hostility against us is bound to continue."

And the mob-tied scandals raised resentment higher still. "These scandals involving the BLL," complained burakumin journalist Kadooka (2004, 48), "reproduced and expanded the negative image of... buraku residents themselves. I can't be the only one who thought, hey BLL, what in the world did you think you were doing?"

2. Education. -- Under the subsidy regime, young burakumin shifted their careers into the mob. On the one hand, the targeted programs raised the returns to mob careers. For the syndicates, the programs were easy money. Necessarily, they raised the returns to criminal employment.

On the other hand, the programs slashed the marginal returns to education. In the process, they lowered the number of young burakumin with the skills necessary for a legal career (Nakamura 2007, 20; Kadooka 2016, 199). The mob did not demand a serious education, of course. Neither did the city. Instead, the city required only a BLL nomination.

Kazuo Nakamura (2007, 21), twice an unsuccessful JCP candidate for the Kyoto mayor's office, quoted a burakumin resident: "Many of the children and young people ... could have chosen a variety of paths after they graduated from high school or university. Once this [hiring] program came into effect, though, they knew they could find a job in government whether or not they studied. It simply destroyed their ambition."

More poignantly, Kadooka (2009, 107) recalled the comments of a middle-aged burakumin:

Once summer arrives, some of the elementary and middle school students hang around in front of the cultural center and sniff paint thinner. ... By third or fourth grade, you can tell that these kids aren't keeping up in school. The other ones -- the kids who can handle the school work -- go on to good universities and get good company jobs. They leave the buraku to live their own lives.

"Talented young people and those with self-confidence leave the buraku," wrote one former activist (Ban 2016; post of 2/19/2012). "The only ones left are the old folks and the people who work in the [government] bureaucracy."

## IV. Empirics:

### IV.A. Introduction:

The targeted programs dramatically altered a young burakumin's incentives to join the Japanese mainstream. Directly, they increased his returns to identifying as burakumin: if -- but only if -- he identified as burakumin, he could enjoy the financial benefits, the subsidized housing, the job preferences, and the tax advantages. Indirectly, they increased

his incentives to specialize in criminal activities: they raised the returns to a criminal career relative to a legal career in mainstream society.

IV.B. Predictions:

1. Central tests. -- We hypothesize that the termination of the subsidies in 2002 had the following two effects.

Effect 1. Out-migration from burakumin neighborhoods increased. -- With fewer targeted perquisites and lower returns to criminal careers, the most resourceful young burakumin increasingly should have opted for legal over illegal careers. They should invest more heavily in their education, and leave the buraku.

To measure this phenomenon, the crucial variable is the rate of out-migration. We do not use the variable as a proxy for anything else. We use it to measure the effect of the 2002 program termination on the central question at stake: did ambitious young burakumin acquire the incentives and ability to jettison their burakumin status and migrate into the Japanese mainstream?

Effect 2. The attractiveness of burakumin neighborhoods increased. Secondly, we measure the extent to which non-burakumin avoid the formerly burakumin areas. As the criminal syndicates lost power, and the BLL-induced government corruption came to an end, the buraku neighborhoods should -- logically -- have become increasingly attractive places for anyone to live. To the extent that non-burakumin found these areas attractive, they would have bid up real estate prices. Accordingly, we use those prices to measure trends in the residual bias.

2. Subsidiary effects. -- (a) The power of organized crime fell. -- As the targeted subsidies disappeared, the criminal syndicates would have offered less attractive careers to young burakumin. They should have shrunk in size, recruited fewer new members, and recruited less heavily from among the burakumin. We return to this effect in Section V.D. below.

Note two corollaries: first, mob members should also withdraw from BLL affairs. Recall that the League traditionally drew leaders both from intellectuals and from the mob. With the subsidies gone, many mob members should disappear from BLL affairs and the relative influence of the intellectuals and idealists should increase.

Second, public bias against the burakumin should fall. With fewer ties between the burakumin community and the mob, those Japanese who avoided burakumin out of fear will no longer discriminate against them. In turn, young burakumin should find it easier to leave the community and join the mainstream.

(b) Investments in education rose. With emigration easier, with the mobs offering low pay, and with municipal jobs subject again to competitive hiring, young burakumin should invest more heavily in education. Over time, this should cause still higher levels of emigration.

We do not measure this effect directly. Although we have municipality-level data on education levels, those data will not measure what we want to know. When ambitious burakumin finish high school, enroll in a university, and join the Japanese mainstream,

they leave the community. Necessarily, their educational levels will not appear in any data on the burakumin community -- after all, they left it.

(c) Burakumin incomes rose. For the same reason, we do not measure the incomes in the community. If ambitious burakumin leave to pursue good jobs elsewhere, they will not appear in burakumin community income data. They have left and joined the Japanese mainstream -- and data on the burakumin community no longer reflect their incomes.

#### IV.C. Buraku Location:

1. The 1936 census. -- Our study turns on our ability to locate burakumin neighborhoods. We identify them through a 1936 government census conducted through the government-affiliated burakumin organization, the Chuo yuwa jigyo kumiai. The 342-page handwritten document gives the location of each community, the number of burakumin households in each, and the burakumin population in each. Most of the information dates from 1935.

We have taken this list and converted the 1936 locations to modern municipalities. For the most part, only the largest cities retain the names they had in 1936. The vast majority of the present-day 1,742 municipalities have split, merged, and changed names, often multiple times. For each entry in the census, we traced the 1936 community to its current location.

We obtained the 1936 census in late 2015. Writing pseudonymously as Tottori Loop, one Tatsuhiko Miyabe briefly posted the document on his Internet site. Miyabe seems to work as a free-lance writer and publisher and for several years has waged a bitter anti-corruption campaign against the BLL. He apparently identifies as a burakumin himself, but (as of early 2017) remains locked in a vicious battle against the BLL. When Miyabe announced plans to reprint the census, the BLL sued to enjoin publication. On their national website, they declared their plan to "rip the disguise off Tottori Loop, denounce him utterly, and fight until we have purged him forever from all society."<sup>48</sup>

We have no reason to doubt the general reliability of the 1936 census. Given that Chuo yuwa was more moderate than the violent Suiheisha that evolved into the post-war BLL, one might have expected the BLL to attack it. The League does not. Instead, at least one official BLL publication relies on the actual totals given in the census (Noguchi 1997, 13). Wagatsuma & De Vos (1967, 117) rely on its numbers as well.

To be sure, the census is not entirely complete. For example, though Wagatsuma (1967, 93) refers to a burakumin community in Aomori, the census includes no such area. The prefectural distributions from a 1920 government census (reproduced at Wagatsuma

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<sup>48</sup> Zenkokuren (2016). On April 18, 2016, the Yokohama District Court enjoined him from publishing the hard copies and ordered him to dismantle his website. It is not clear what the court would have done if Miyabe had simply posted the census, but he also listed the names, home addresses, and home telephone numbers of 140 BLL leaders and listed the most common burakumin family names in several communities. By late 2016, the website had reappeared, and the census was again available elsewhere on the internet. The litigation, however, was still in progress.

Out of deference to the court order, and because they contain little value to scholarly readers, we omit the identities of the 1936 communities in this article. See generally Dowa chiku (2016); Hisabetsu (2016); Kadooka (2016, 60-65)

& De Vos 1967, 116 and Chuo yuwa, 1936, 336) similarly show burakumin communities in some northeast areas not listed in the 1936 census.

Nonetheless, the 1936 census correlates closely with several post-war prefectural censuses. Despite the massive migration within Japan during the war and early post-war years, the locations of the burakumin communities have remained largely unchanged. The BLL itself published burakumin censuses for Osaka (in 1958) and Nagano (in 1963). Another group published them for Wakayama (in 1952), and still another for Tottori (in 1979). The pairwise correlation of the Tottori burakumin population (for each modern municipality) in 1979 with the population given in the 1936 census is .696, for Osaka in 1958 it is .985, for Nagano (households) in 1963 it is .987, and for Wakayama in 1952 it is .978.<sup>49</sup>

In Panel A of Table 1, we report the prefectural distribution of burakumin according to the 1936 census. As discussed earlier, very few burakumin lived in central and northeastern Japan. Instead, most were in the Kansai prefectures (Mie, Shiga, Kyoto, Osaka, Hyogo, Nara, and Wakayama), and several of the prefectures farther to the southwest. Other than Shiga, every Kansai prefecture had more burakumin than any of the 23 prefectures to the northeast. Kansai is also the focus of the BLL. And together with Fukuoka, it is the center of Japanese organized crime.

In Panel B, we give the cities (using the 2015 municipal boundaries) with the most burakumin in 1936. None of these cities lies to the northeast of Kansai. Instead, each is either in Kansai itself, or in regions further to the southwest.

2. BLL branch offices. -- For comparative purposes, we use a list of BLL branch offices. We took this list from the Internet, where it was probably posted by someone hostile to the BLL. Here too reliability is an obvious question, but note that the correlation coefficient between (a) the number of branch offices in a municipality, and (b) the 1936 burakumin population, is .570.<sup>50</sup>

#### IV.D. Variables:

1. Burakumin variables. -- We calculate the following variables for burakumin neighborhoods:

**Burakumin:** The number of burakumin living in 1936 in the area covered by the modern municipality, per 10,000 of the municipality's population in 1980.

**BLL Branch Offices:** The number of BLL branch offices in a modern municipality, per 10,000 of the municipality's population in 1980.

We include selected summary statistics in Table 2. Note that about half the Japanese municipalities (812/1742) include a burakumin community. Note too that about 100 municipalities with a burakumin community (812-701) do not have a BLL branch office.

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<sup>49</sup> Several of these post-war books are widely available from libraries. Miyabe had also posted these on his website. Out of deference to the 2016 court order against Miyabe, we omit the names of the books.

<sup>50</sup> The site uses a fictitious variation on the BLL's name. Out of deference to the 2016 court order against Miyabe, we omit the location of the site.

[Insert Table 2 about here.]

2. Panel variables. -- Our panel data derive from a wide variety of government sources. They cover all 1,742 Japanese municipalities.<sup>51</sup> There are no unincorporated areas in Japan, so this covers the entire country. These government sources treat Tokyo as a prefecture, and each ward (ku, shi) as a municipality. They treat the other large cities (e.g., Yokohama, Osaka) as single municipalities. In compiling the data from past years, the government reports that it has traced the modern municipalities back to the composite geographical areas. In other words, if a given area shifted from one municipality to another, the government followed the current geographical lines to re-calculate the values for the relevant municipalities in the years prior to the shifts. Table 2 contains summary statistics.

We calculate the following:

a. Dependent variables.

**Out-migration:** Number of Japanese citizens who leave the municipality, per 10,000 population, every year from 1996 to 2010 (not net of in-migrants; Somusho, Jumin, various years).

**Real estate prices:** mean prices of surveyed pieces of real estate, in yen per square meter times 1,000, available for every year beginning in 1993 (Kokudo, various years).

b. Control variables.

**Income:** Per capita reported taxable income (personal only) for the preceding year in millions of yen (about tens of thousands of dollars), every year from 1985 to 2010 (Somusho, Shichoson ze, various years).

**Population:** Population, divided by 1000. Because the Japanese government publishes a population census only every five years, we interpolate for the intervening years (Somusho, Kokusei, various years).

**Density:** Population, divided by area of municipality, in tens of hectares (100,000 sq. meters), every year from 1981 to 2010 (Somusho, Kokusei, various years).

**Birth rate:** Births per 10,000 population, every year from 1980 to 2010 (Kosei, Jinko, various years).

**Death rate:** Deaths per 10,000 population, every year from 1980 to 2010 (Kosei, Jinko, various years).

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<sup>51</sup> We downloaded the data for all of these variables from the central government website: <https://www.e-stat.go.jp/SG1/chiiki/CommunityProfileTopDispatchAction.do?code=2>

## V. Results

### V.A. Out-migration:

1. DID. -- With the end of the targeted subsidy program, emigration out of the burakumin neighborhoods increased. In Table 3, we use a standard difference-in-differences design to explore the effect of program termination on burakumin emigration. More specifically, we ask whether the presence of more burakumin is associated with a bigger shift in emigration after 2002. As our dependent variable, we use the out-migration rate (per capita) from each municipality. In all regressions, we use year fixed-effects. Because the number of burakumin in a municipality in 1936 does not change over the course of 1980-2010, we do not (indeed, mathematically cannot) use municipality fixed-effects. In each case, the regression is OLS.

[Insert Table 3 about here.]

We begin with the simplest design (Reg. (1)). As independent variables, we use (a) the number of burakumin in the municipality in 1936 (per capita); (b) a dummy variable equal to 1 if the year was after 2002; (c) the interaction between the number of burakumin and the post-2002 dummy; (d) population; and (e) per capita income. In later regressions, we add (f) population density (to proxy for urbanization), (g) the birth rate (to proxy for age distribution), and (h) the death rate (to proxy for age distribution). Thus, the equation we are estimating is

$$\text{Outmigration} = a*\text{Burakumin} + b*\text{After2002} + c*\text{Burakumin*After2002} + \text{control variables}$$

This is not the classic discrete-group diff-in-diffs regression, but one may look at high-burakumin and low-burakumin municipalities as being the two groups and the 2002 end of the program in high-burakumin municipalities as being the treatment. We assume that outmigration followed similar patterns in both groups before 2002 and was similarly affected by the control variables. The After2002 variable would pick up changes in 2002 that affected both groups, and the interaction term would pick up changes in the treated group.

Crucially, the coefficient on the interaction term is positive and significant: after the programs ended in 2002, out-migration increased more at the municipalities with high burakumin concentrations than elsewhere. In general, the cities with more burakumin had lower out-migration rates than other cities (as the negative coefficient on the basic *Burakumin* variable indicates). Although this remains true even after 2002, the out-migration rate from municipalities with *burakumin* begins to climb.

In Regression (2), we add population density and the birth and death rates, but the basic point remains unchanged: after 2002, the rate at which people began to leave burakumin areas increased more than the rates at which they left the other municipalities.

Note several other points. Richer families are more mobile than poorer: migration is positively correlated with income. Younger families are more mobile than older: migration is positively correlated with the birth rate. Urban families are more mobile than rural: migration is positively correlated with population density.

2. BLL branch offices. In Regression (3), we use the same specification as Column (2) but identify burakumin communities by the number of BLL branch offices. As noted

earlier, the correlation between the 1936 population and several post-war prefectural censuses is high. We nonetheless offer the number of BLL branch offices per capita as an additional test for how accurately the 1936 census captures the location of modern burakumin.

The results remain unchanged: with the end of the SMA targeted subsidies, the rate at which people left the cities with higher numbers of BLL branch offices increased more than it did elsewhere.

3. Year-interaction terms. To study the pace at which out-migration from burakumin communities increased after 2002, in Regressions (4) and (5) we interact our burakumin variable with the specific post-2002 years -- in Regression (4) with the 1936 burakumin population, and in Regression 5 with the BLL branch offices. The results are similar.

Consider Regression (4). The coefficient on the number of burakumin per capita in 1936 is again negative: cities and towns with more burakumin generally had lower out-migration rates than others. Starting about 2005, however, the migration-deficit in burakumin communities began to disappear. The difference in migration out of burakumin and non-burakumin areas continued to increase until 2008, by which year two-thirds of the original deficit in the out-rate from burakumin areas (.0267/.0403) had disappeared.

#### V.B. Regional Effects:

As an additional check on our exercise, turn to the regional and municipal-level regressions in Table 4. As Table 1A shows, the Kansai cities of Kobe, Osaka, and Kyoto had the largest burakumin communities in 1936. Other large communities appear on the island of Shikoku across the Inland Sea and in Okayama, Hiroshima, and Fukuoka to the west. Organized crime is also primarily a Kansai and Fukuoka urban phenomenon. Tokyo has its gangs too, but the core of the mob lies in the Kansai cities and Fukuoka (it is one of the few areas of life in Japan *not* centered in Tokyo).

[Insert Table 4 about here.]

Recall our claim: we posit that the large influx of government funds under the SMA presented the criminal syndicates with a massive source of new income. This increase in the expected revenue from criminal activity systematically diverted young burakumin away from legal businesses. Rather than invest in their education and leave the buraku, young men quit school and joined the mob. When the funds stopped in 2002, the relative expected returns from illegal and legal activity shifted back toward legitimate business. More than before, young men now invested in their education, found jobs in mainstream Japan, and left. For most practical purposes, they ceased to be burakumin.

Turn first to Table 4, Panel A. For these regressions, we partition our dataset by the median municipal population (29,200) in 1980. In Column (1), we regress out-migration per capita at the larger cities on the Table 2, Regression (2) variables. In Column (2) we do the same for the smaller municipalities. Organized crime is primarily an urban phenomenon, and the significant increase in burakumin out-migration after 2002 appears only among the larger cities.

In Panel B, we estimate the same regressions for the various geographical regions. Japanese organized crime has its core in the Kansai region, and in both Kansai (Reg. (1)) and Shikoku, (Reg. (2)) the out-migration from the buraku increases significantly after 2002. In the prefectures to the east and north, burakumin communities are smaller and fewer. The results for those areas are qualitatively similar though not significant: the coefficient on the interaction term is even larger than for Kansai and Shikoku, but the standard errors are larger too (Reg. (5)). The criminal syndicates play a smaller role in the Chugoku area (primarily Hiroshima and Okayama), and the coefficient on the interaction term there is not positive (Reg. (4)).

The Kyushu results (Reg. (3)) reflect the decimation of the coal industry. During the first-half of the 20th century, the northern Kyushu prefecture of Fukuoka served as the center of the coal industry. Most Kyushu burakumin lived in Fukuoka and many worked the mines. Japanese coal is no longer competitive and the burakumin in the former mining towns now have little work other than environmental cleanup efforts. The town described earlier as something out of the "Wild West" (Sec. I.C.1.) is one of these decimated coal-mining towns. People had been leaving these communities long before 2002. For Fukuoka itself (Panel C Reg. (5)), the coefficient on *Burakumin* is a positive .063 with a t-statistic of 3.39. Out-migration from the Fukuoka buraku did not increase for a simple reason: it was already very high.

In Panel C, we also estimate the basic regression for the four principal Kansai prefectures. We find no increase in post-2002 burakumin out-migration from the relatively rural Wakayama. The results for the region's urban core -- Hyogo, Osaka, and Kyoto -- however, are consistent: after 2002, out-migration increased. Together with Fukuoka, these three Kansai prefectures are urban; they contain most of the largest buraku in the country; they constitute the core of the BLL; and they are home to some of the principal organized crime syndicates. The coefficient on the interaction term ranges from .02 for Kyoto to .05 for Osaka to .06 for Hyogo. The coefficient for Osaka is not significant, but for Hyogo and Kyoto is significant at 1 and 5 percent.

#### V.C. Real Estate Prices:

In Table 5 we explore real estate prices. Unambiguously, as the targeted subsidies came to an end, real estate prices in cities with larger burakumin communities rose. In Regressions (1) and (2), we regress municipality-level real estate prices on the independent variables used in Table 3, Regressions (1) and (2). As one would expect, prices are higher in wealthier cities, in denser cities, and in areas with an older population. Crucially, however, the interaction term between the 1936 burakumin population and the post-2002 years is positive and significant: prices in cities with larger burakumin neighborhoods rose more than prices in other cities after 2002. In Regression (3) we identify the burakumin neighborhoods by BLL branch offices rather than the 1936 census. The results remain unchanged.

[Insert Table 5 about here.]

In Regression (4) and (5), we regress real estate prices on the specific year-interaction terms used in Table 3's Regressions (4) and (5). The subsidy program was initially limited to ten years. It continued through a series of temporary extension statutes,

but voters increasingly objected to the corruption, extortion, and mob power that ensued. Facing that voter pressure, the government signaled that it would end the subsidies several years before it actually did so. We expect that real estate professionals would impound those expectations in market prices before 2002, and so the results show.

We interpret the data as indicating that once people knew that the government would end the subsidies, they began bidding up real-estate prices in burakumin areas. With the end to the programs in sight, they expected the mob to lose power, the extortion to fall, and the burakumin themselves to turn from criminal to legal careers and join mainstream society. And so, for the most part, the burakumin did. All else equal, a typical poorer person might still prefer to live outside of a burakumin neighborhood. But all else is not equal, especially in market equilibrium. The burakumin areas offer lower rents. Many are closer to the central city and promise a shorter commute. As the general hostility toward the burakumin declined, mainstream Japanese moved to the formerly burakumin areas and bid up the price of real estate.

In Table 6, we replicate the Table 4 robustness checks using real estate prices as the dependent variable. The results suggest a phenomenon analogous to Table 4: the areas driving the positive price effect were the areas that had earlier housed the most militant BLL branches and the most organized crime syndicates. Initially, note that if we partition the database by the median municipality population, the coefficients on the interaction term are insignificant for both the large and the small municipalities. The post-2002 outmigration from burakumin communities was an urban phenomenon (Table 4 Panel A). By contrast, the post-2002 increase in real estate values for the burakumin communities does not seem limited to either rural or urban environments (Table 6 Panel A).

[Insert Table 6 about here.]

In Panel B of Table 6, we divide the panel data by region. As with the increased burakumin out-migration (Table 4 Panel B), the buraku real estate price increase is a function of the Kansai and Shikoku areas. It was in Kansai that the BLL established its reputation for militancy and violence, and it is from Kansai that the Yamaguchi gumi reaches out to the rest of Japan. It was in Kansai (along with Fukuoka) that the BLL and the mob most flagrantly corrupted the government administration behind the subsidies, and most heavily recruited young burakumin men. When the government terminated those subsidies, it was in Kansai that real estate prices in burakumin communities most clearly rose.

In Panel C of Table 6, we trace the effect of subsidy termination on real estate prices by prefecture. Again, the regressions indicate that the positive effect on real estate prices stemmed from the core urban burakumin neighborhoods. Unfortunately, the data set does not provide real estate price information for Osaka. For the two other urban Kansai prefectures of Hyogo (with the city of Kobe) and Kyoto, burakumin real estate prices rise unambiguously after 2002. In the northern Kyushu prefecture of Fukuoka (home of the hyper-violent Kudo kai mob), buraku real estate prices similarly rise after the termination of the subsidies in 2002.

V.D. Other Developments after 2002:

As Japan dismantled the targeted programs, governments shifted some burakumin community centers to other uses and opened some burakumin public housing to the general public (Kadooka 2012, 244; 2016, 276-77). Cities stopped or shrank their preferential hiring programs. In addition to the out-migration and real estate price increases, other changes followed as well.

The BLL withered. With no money to distribute, it no longer attracts young burakumin. From over 200,000 during the subsidy years, membership has fallen to 50,000. Those who remain in the group are old. More than half are over 60 (Kobayashi 2015, 12; see Kadooka 2009, 26; Kadooka 2012, 246).

The organized crime syndicates shrank. With the SMA expired, they no longer earn large revenues from targeted construction projects. With closer police attention, they do not even earn the revenue they once did through extortion and gambling. From 91,000 members and affiliates in 1991 to 85,300 in 2002, total syndicate personnel fell to 78,600 by 2010. From there, it dropped precipitously to 46,900 in 2015 (Keisatsu, Heisei 27 2015, 2).

Not only did the syndicates lose members, they lost young members. The membership decline is concentrated among younger members (Keisatsu, Hakusho 1989, fig 1-6; 2015, fig 2):

<u>Age</u>	<u>1988</u>	<u>2006</u>	<u>2010</u>	<u>2014</u>
29 & under	30%	11%	8%	5%
30s	31	29	25	21
40s	28	23	29	33
50 & over	11	37	38	41

At one time, 10-25 percent of young burakumin men joined the mob. Now, almost nobody does (see also Kadooka 2009, 113-14). The mob numbers only 47,000, and only 5 percent of those men are younger than 30 – 2,300 young men. Even if 70 percent of these men were burakumin, the number of young burakumin in the syndicates would only come to 1,600.

Extortion, too, has declined. By the time the Ministry of Justice commissioned its 10th survey of burakumin extortion in 2013, the extortion had plummeted (Jinken 2014). In 1988, 17.5 percent of the firms reported having been subject to burakumin extortion, including 16.4 percent of the construction firms, 14.5 percent of the banks, and 14.2 percent of the Osaka firms. Of the 4,398 respondents in 2013, only 5.1 percent reported extortion attempts. Those who experienced extortion included only 9.7 percent of the construction firms, 1 percent of the banks, and 3.8 percent of the Osaka firms. In 1988, the Osaka firms that had experienced extortion had suffered on average 8.8 attempts. In 2013, they received only 1.9 attempts (Jinken 2014, app. tabs. 1, 2, 6).

## VI. Conclusions

In 2002, the Japanese government repealed its three-decade-long experiment in identity politics and targeted subsidies for the burakumin outcasts. In the process, it terminated one of organized crime’s most lucrative sources of revenue. We described how the mob diverted these funds, and the effect that the funds had on young burakumin men:

by changing the relative expected returns to legal and illegal activity, the funds diverted the young into organized crime.

Quantitative study of the burakumin is hard for a simple reason: the location of burakumin communities is a closely guarded secret. We overcome this problem through the 1936 burakumin census. Having fortuitously acquired a copy of this census, we identify the 4,000+ traditional burakumin neighborhoods. We trace each community to the modern municipal boundaries used for Japanese social statistics. We then construct a municipality-level panel dataset covering a wide variety of social and economic variables.

With this dataset, we test whether program termination caused resourceful burakumin to integrate themselves into mainstream society, and other Japanese to find the burakumin neighborhoods more attractive places to live. We find evidence of both phenomena. As the program ended, burakumin increasingly left the community and faded into the Japanese mainstream. Simultaneously, the fall in the corruption and extortion, along with the decline in the mob and the BLL, caused burakumin neighborhoods themselves to become more attractive places to live. As the end of the program neared, resourceful burakumin moved out of the buraku and into the Japanese mainstream, and other Japanese bid up real estate prices in the burakumin neighborhoods.

**Table 1: The Geographical Distribution of Burakumin****A. Prefectural Distribution of Burakumin, 1936:**

Prefecture	Burakumin households	Burakumin population
<i>Northeast and Central</i>		
Hokkaido	0	0
Aomori	0	0
Iwate	0	0
Miyagi	0	0
Akita	16	105
Yamagata	0	0
Fukushima	173	998
Ibaragi	877	5,329
Tochigi	2,581	15,863
Gunma	4,870	30,005
Saitama	5,402	32,875
Chiba	559	3,533
Tokyo	1,378	7,248
Kanagawa	933	5,400
Niigata	787	4,363
Toyama	1,601	8,132
Ishikawa	563	2,671
Fukui	559	2,892
Yamanashi	341	1,818
Nagano	3,956	24,036
Gifu	910	4,457
Shizuoka	2,655	16,132
Aichi	2,732	13,593
<i>Kansai</i>		
Mie	8,303	41,926
Shiga	5,862	28,287
Kyoto	9,893	47,692
Osaka	19,565	104,375
Hyogo	24,043	128,963
Nara	7,399	37,444
Wakayama	9,685	48,620
<i>Chugoku</i>		
Tottori	3,835	21,999
Shimane	1,727	7,796
Okayama	9,772	48,430
Hiroshima	9,022	47,685
Yamaguchi	4,484	21,751

*(Continued on next page)*

Table 1 (Continued)

Prefecture	Burakumin households	Burakumin population
<i>Shikoku</i>		
Tokushima	4,926	25,578
Kagawa	1,701	7,384
Ehime	9,783	51,970
Kochi	7,206	37,709
<i>Kyushu</i>		
Fukuoka	15,774	71,913
Saga	454	2,366
Nagasaki	648	3,189
Kumamoto	2,690	14,612
Oita	1,770	9,559
Miyazaki	211	1,055
Kagoshima	1,908	9,934
<i>Okinawa</i>	0	0

B. Cities (2015 boundaries) with the Most Burakumin in 1936

City	Prefecture	1936 Burakumin Population	Variable "Burakumin"
Osaka	Osaka	60,882	229.9
Kobe	Hyogo	35,701	261.1
Kyoto	Kyoto	24,391	164.8
Fukuoka	Fukuoka	18,225	167.4
Wakayama	Wakayama	15,930	397.5
Hiroshima	Hiroshima	13,356	134.5
Himeji	Hyogo	12,650	255.6
Tsu	Mie	12,639	476.1
Matsuyama	Ehime	12,549	283.8
Kitakyushu	Fukuoka	11,220	105.3

Sources: See text.

Figure 1: Geographical Density of Burakumin



Notes: The figure shows the density of burakumin (using the Burakumin variable described in Section IV of the text) within Japan. The darkest areas (Osaka, Hyogo, Wakayama, Ehime, and Fukuoka) are the prefectures with the highest density.

**Table 2: Summary Statistics**

	n	Min	Median	Mean	Max
<i>Dependent variables</i>					
Out-migration	24,761	55	401	432	3,690
Real estate prices	19,953	0.54	30	63	5,180
<i>Burakumin variables</i>					
Burakumin					
<i>All</i>	1,742	0	0	115	5,008
<i>Burakumin &gt; 0</i>	812	.674	118	246	5,008
BLL Branch Off PC					
<i>All</i>	1,742	0	0	.461	13.0
<i>BLLBO &gt; 0</i>	701	.0119	.631	1.15	13.0
<i>Control variables</i>					
Income	45,290	.2	1.1	1.1	9.5
Population	54,002	.192	27	71	3,689
Density	52,260	0	22	100	2,203
Birth rate	54,000	0	92	94	390
Death rate	54,000	0	87	91	697

Sources: See text.

**Table 3: Determinants of Out-Migration Rates**

<i>Dep var: Out-migration</i>					
	(1)	(2)	(3)	(4)	(5)
Burakumin	<b>-.0479***</b> (.0116)	<b>-.0403***</b> (.0100)		<b>-.0403***</b> (.0100)	
BLL Br Off			<b>-13.7***</b> (2.44)		<b>-13.7***</b> (2.44)
Year after 2002	<b>-68.3***</b> (3.48)	<b>-60.5***</b> (5.15)	<b>-61.6***</b> (5.16)		
Burakumin*YrAft02	<b>.0145***</b> (43.2)	<b>.0127***</b> (44.1)			
BLLBrOff*YrAft02			<b>3.989***</b> (1.08)		
Burakumin*2003				-.0075 (.0048)	
Burakumin*2004				.0059 (.0049)	
Burakumin*2005				<b>.0153***</b> (.0055)	
Burakumin*2006				<b>.0178***</b> (.0071)	
Burakumin*2007				<b>.0169***</b> (.0056)	
Burakumin*2008				<b>.0267***</b> (.0070)	
Burakumin*2009				<b>.0197***</b> (.0059)	
Burakumin*2010				.0083 (.0060)	
BLLBrOff *2003					-.324 (1.380)
BLLBBrOff *2004					<b>1.969*</b> (1.119)
BLLBrOff *2005					<b>3.595**</b> (1.589)
BLLBrOff *2006					<b>7.014***</b> (1.854)
BLLBrOff*2007					<b>5.026***</b> (1.576)
BLLBrOff*2008					<b>6.924***</b> (1.763)
BLLBrOff*2009					<b>6.414***</b> (1.620)
BLLBrOff*2010					2.024 (1.343)
Population	-.0254 (.0187)	-.0389 (.0255)	-.0397 (.0256)	-.0389 (.0255)	-.0397 (.0256)
Income	<b>151***</b> (17.2)	<b>81.4***</b> (28.5)	<b>82.5***</b> (28.4)	<b>81.4***</b> (28.5)	<b>82.5***</b> (28.4)
Density		<b>.1552***</b> (.0203)	<b>.1528***</b> (.0203)	<b>.1552***</b> (.0203)	<b>.153***</b> (.0203)

(Continued on next page)

Table 3 (Continued)

Birth rate		1.883***	1.856***	1.883***	1.855***
		(.367)	(.364)	(.367)	(.364)
Death rate		.305	.321	.305	.320
		(.345)	(.344)	(.344)	(.344)
R <sup>2</sup>	.165	.245	.247	.245	.247

Notes: Coefficients, followed by robust standard errors. n = 24,760.

Regressions are OLS, with year fixed effects and clustered standard errors. \*\*\*, \*\*, \*: statistically significant at the 1, 5, and 10 percent level, respectively.

Sources: See text.

**Table 4: Determinants of Out-Migration Rates:  
Robustness Checks**

A. By Municipality Size:

*Dep var: Out-migration per capita*

	(1)	(2)
Burakumin	-.0265 (.0178)	<b>-.031***</b> (.0096)
Year after 2002	<b>-78.2***</b> (5.52)	-4.37 (9.30)
Burakumin*YrAft02	<b>.0240***</b> (.0071)	.00275 (.0051)
n	11,711	13,049
R <sup>2</sup>	.502	.209
City Size	Large	Small

B. By Region:

*Dep var: Out-migration per capita*

Region:	(1) Kansai	(2) Shikoku	(3) Kyushu	(4) Chugoku	(5) Other
Burakumin	-.0149 (.0164)	-.00516 (.0066)	<b>-.0357*</b> (.0207)	-.0242 (.0337)	<b>-.1619***</b> (.0519)
Year after 2002	<b>-96.0***</b> (7.98)	<b>-82.4***</b> (12.4)	<b>-30.9*</b> (17.4)	<b>-91.9***</b> (12.3)	<b>-48.7***</b> (7.47)
Burakumin*YrAft02	<b>.0162*</b> (.0091)	<b>.0113*</b> (.0060)	.00122 (.0104)	-.00662 (.0143)	.0215 (.0150)
n	3,246	1,375	3,493	1,605	15,041
R <sup>2</sup>	.385	.396	.156	.285	.278

C. Principal Prefectures

*Dep var: Out-migration per capita*

Prefectures:	(1) Hyogo (Kansai)	(2) Osaka (Kansai)	(3) Kyoto (Kansai)	(4) Wakayama (Kansai)	(5) Fukuoka (Kyushu)
Burakumin	<b>-.0368*</b> (.0191)	-.0291 (.0306)	-.0070 (.0162)	-.0353 (.0275)	<b>.0630***</b> (.0186)
Year after 2002	<b>-123.8***</b> (27.4)	<b>-76.9***</b> (20.3)	<b>-84.0***</b> (18.0)	<b>-79.2***</b> (17.2)	16.395 (11.086)
Burakumin*YrAft02	<b>.0628***</b> (.0175)	.0471 (.0402)	<b>.0201**</b> (.00975)	.00691 (.0100)	<b>-.0186*</b> (.0102)
n	614	632	390	450	900
R <sup>2</sup>	.757	.629	.632	.158	.615

(Continued next page)

**Table 4 (Continued)**

Notes: All regressions also include Population, Income PC, Population Density, Births PC, and Deaths PC. Coefficients, followed by robust standard errors. Regressions are OLS, with year fixed effects and clustered standard errors.

\*\*\*, \*\*, \*: statistically significant at the 1, 5, and 10 percent level, respectively.

Sources: See text.

Table 5: Determinants of Real Estate Prices

Dep var: Real estate prices	(1)	(2)	(3)	(4)	(5)
Burakumin	.003617 (.00374)	.00182 (.00241)		.00182 (.00243)	
BLL Br Off PC			-1.03 (.744)		-1.03 (.744)
Year after 2002	<b>-47.251***</b> (3.568)	<b>-53.412***</b> (10.231)	<b>-53.944***</b> (10.198)		
Buraku*YrAft02		<b>.004435**</b> (.001674)	<b>.004435***</b> (.001674)		
BLLBrOf *YrAft02			<b>2.10***</b> (.614)		
Burakumin*2003				<b>.006633***</b> (.002037)	
Burakumin*2004				<b>.004805***</b> (.001575)	
Burakumin*2005				<b>.004945**</b> (.002066)	
Burakumin*2006				<b>.004065**</b> (.002001)	
Burakumin*2007				<b>.003645**</b> (.001772)	
Burakumin*2008				.002870 (.002104)	
Burakumin*2009				<b>.004753***</b> (18,303)	
BLLBrOf*2003					<b>2.42***</b> (.560)
BLLBrOf*2004					<b>2.34***</b> (.628)
BLLBrOf*2005					<b>2.38***</b> (.693)
BLLBrOf*2006					<b>1.94***</b> (.723)
BLLBrOf*2007					<b>1.98***</b> (.653)
BLLBrOf*2008					<b>1.57**</b> (.762)
BLLBrOf*2009					<b>2.29***</b> (.633)
Population	<b>.0567*</b> (.0296)	-.0117 (.0116)	-.0117 (.0116)	-.0117 (.0116)	-.0117 (.0116)
Income	<b>214.3***</b> (33.00)	<b>160.1***</b> (54.49)	<b>160.0***</b> (54.49)	<b>160.1***</b> (54.50)	<b>160.0***</b> (54.50)
Density		<b>.214***</b> (.0309)	<b>.2139***</b> (.0309)	<b>.2140***</b> (.0306)	<b>.2139***</b> (.0309)
Birth rate		<b>-.267**</b> (.0120)	<b>-.2682**</b> (.0120)	<b>-.2669**</b> (.0120)	<b>-.2681**</b> (.0120)
Death rate		.338 (.229)	.3397 (.2295)	.3376 (.2287)	.3399 (.2296)

(Continued on next page)

**Table 5 (Continued)**

R <sup>2</sup>	0.53	0.66	0.66	0.66	0.66
----------------	------	------	------	------	------

Notes: Coefficients, followed by robust standard errors. n = 19,951 or 19,952.

Regressions are OLS, with year fixed effects and clustered standard errors. \*\*\*, \*\*, \*: statistically significant at the 1, 5, and 10 percent level, respectively.

Sources: See text.

**Table 6: Determinants of Real Estate Prices:  
Robustness Checks**

A. By Municipality Size:

*Dep var: Real estate prices*

	(1)	(2)
Burakumin	<b>.01585*</b> (.00944)	.00181 (.00173)
Year after 2002	<b>-116.440***</b> (19.845)	<b>-17.077***</b> (1.282)
Burakumin*YrAft02	-.000934 (.0110)	-.000870 (.00120)
n	7,499	12,452
R <sup>2</sup>	0.746	0.668
City Size	Large	Small

B. By Region:

*Dep var: Real estate prices*

Region:	(1) Kansai	(2) Shikoku	(3) Kyushu	(4) Chugoku	(5) Other
Burakumin	-.00695 (.00488)	.00108 (.00134)	-.00118 (.00197)	.00167 (.00533)	<b>-.0558**</b> (.0270)
Year after 2002	<b>-52.430***</b> (6.058)	<b>-12.305***</b> (3.883)	<b>-7.439***</b> (1.445)	<b>-12.307***</b> (3.711)	<b>-62.780***</b> (12.367)
Burakumin*YrAft02	<b>.01066***</b> (.00294)	<b>.00283*</b> (.00143)	-.000706 (.00191)	.000793 (.00494)	.00393 (.00748)
n	2,209	1,309	2,676	931	13,096
R <sup>2</sup>	0.800	0.694	0.801	0.800	0.670

C. Principal Prefectures

*Dep var: Real estate prices*

Prefectures:	(1) Hyogo (Kansai)	(2) Kyoto (Kansai)	(3) Wakayama (Kansai)	(4) Fukuoka (Kyushu)
Burakumin	<b>-.0430***</b> (.0108)	-.0157 (.0117)	-.00195 (.00444)	-.000789 (.00266)
Year after 2002	<b>-95.572***</b> (18.208)	<b>-55.839***</b> (12.332)	<b>14.710***</b> (4.948)	<b>-13.614***</b> (3.363)
Burakumin*YrAft02	<b>.0392***</b> (.0124)	<b>.0229**</b> (.00975)	.00316 (.00279)	<b>.00607***</b> (.00220)
n	466	349	346	779
R <sup>2</sup>	0.912	0.902	0.764	0.878

(Continued next page)

**Table 6 (Continued)**

Notes: All regressions also include Population, Income PC, Population Density, Births PC, and Deaths PC. Coefficients, followed by robust standard errors. Regressions are OLS, with year fixed effects and clustered standard errors.

\*\*\*, \*\*, \*: statistically significant at the 1, 5, and 10 percent level, respectively.

Sources: See text.

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