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The Yakuza: Organized Crime in Japan

Cover Page Footnote

This paper was written for PSC394: Global Organized Crime and Corruption, a course taught by Dr. Todd Nelson.

The Japanese yakuza, officially *bōryokudan*, are the organized crime groups of Japan. The Japanese National Police Agency (NPA) defined *bōryokudan* in a 1992 law as "any organization likely to facilitate its members to collectively or habitually commit illegal acts of violence" (NPA, 2018, para. 1). Beyond this legal definition, yakuza represents an influential subculture as a social organization rather than simply a form of an illegal enterprise.

The yakuza included more than 80,000 members that were part of around 3,000 different groups at one point (Gragert, 1997). The largest syndicates include Yamaguchi-gumi, Inagawa-kai, and the Sumiyoshi-kai, which encompass over 70% of the membership (Hill 2014). As of 2017, however, police estimated that only around 35,000 were in membership (NPA, 2018b), and a continued decline in membership over 13 years has been reported (Ryall, 2018). As brought up by Adelstein, however, to a degree members are also less visible and as said by one boss, "We're not vanishing. We're restructuring" (2017, para. 7). Although membership has overall seen a decline, in many ways the yakuza are still very present, although they have transformed over time in response to a changing relationship with the government and even Japanese society itself. Even if the organization were to magically disappear today, it would permanently leave an influential cultural trail through films, magazines, and more.

The yakuza, beyond their common ties to organized crime, also share cultural values, social norms, and general history. The culture behind yakuza has ties from the 17th century and historically was preceded by groups of *bakuto* and *tekiya*, or gamblers and traveling peddlers (Hill 2014). Members identify with the history of *machi-yakko*, or of "servants of the town" that resisted the pillaging and harassment of the unemployed samurai of *hatamoto-yakko* (Kaplan & Dubro, 2012; Gragert, 1997; Fisher, 2012). The ethos of resisting the oppression of powerful elites as folk heroes resonates through the values and sense of identity in yakuza, for instance through the emphasis on chivalry or *ninkyō* (Hill 2014). Indeed, Hill noted, descendants of historical outcasts *burakumin* are perceived to be more likely to join yakuza (2014). This ethos has played an important role in how the yakuza frame themselves and their activity.

Internal Structure

For the yakuza, the internal structure can be characterized particularly by hierarchical relations and familial ties. Indeed, being organized hierarchically is also specified as an essential feature of a *boryokudan* group by the Japanese government in article 3 of the original Anti-Boryokudan law (Reilly, 2014). These central elements are critical in why members are initially attracted and find themselves loyal in the long-term to the yakuza. Gragert (1997) listed three main reasons someone might join the yakuza: "(1) the offering of a surrogate family; (2) provision of a vehicle for upward social mobility; and (3) the sense of belonging to

a group” (p. 167). The hierarchical structure is integral to the inner organization of yakuza, involving the division between “young men” (or *wakashu* subordinates) and their underlings (“children” *kobun* or “enlisted men” *kumi-in*) (Hill, 2014; Gragert, 1997). At the same time, like many other organized crime groups (von Lampe, 2016), a sense of family and loyalty is emphasized. In the yakuza, this is seen through *oyabun-kobun* and *kyōdai* relationships (father-son and brotherhood, respectively).

Yakuza is made up of separate syndicate groups that exhibit, as explained by Gragert (1997), either a “pyramidal power structure” (e.g. Yamaguchi-gumi) or “federation or conglomerate structure” (e.g. Sumiyoshi-rengo) (p. 165). For the former, this entails a leadership hierarchy of a head *kumicho*, four *shatei*, and eight *wakashira-hosa*. In the “head family” of the Yamaguchi-gumi group, there was one central gang leader and around 90 leadership positions, such as senior executives that would meet monthly (Hill, 2014, p. 236). In contrast, in the other structure, a *kumicho* is chosen among gang bosses to represent the organization as a whole. In other words, the primary difference between these two structures is that in the federation one, gangs within the syndicate hold more individual autonomy (Gragert, 1997).

Money-Making

Most yakuza activity occurs at the sub-group level in which members are expected to create *shinogi* sources of income to pay monthly dues—or *jōnokin*—to the organization (Hill, 2014). The total income of yakuza as calculated by the police, in what Hill calls an over-conservative estimate, was once 1.3 trillion yen, or 11.8 billion USD (2014). Hill estimated the annual income of Yamaguchi-gumi alone in 2004 to be 1.27 billion yen or 11.5 million USD (2014). For such vast profits, there have been different avenues for yakuza to generate such earnings.

Gambling has historically been a key element of yakuza, but the yakuza have changed over time in this regard. Yamaguchi-gumi casinos were found to have once earned monthly some 100 million yen or 900,000 USD (Hill, 2014). It is estimated that in 1989, over 20% of yakuza revenue came from gambling; this was only 7% eleven years later (Hill, 2014). Nonetheless, gambling has not altogether been replaced, and sports/racing betting, electronic pinball, and dice games hosted by yakuza have persisted.

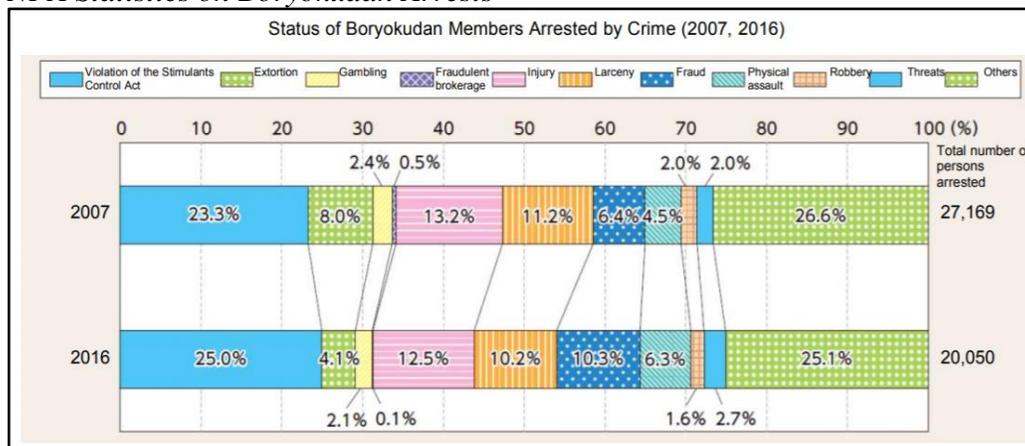
Tied to gambling appears another potential avenue of money-making: although many modern businesses are actively unfriendly to yakuza, some pachinko parlors (for electronic pinball) still rely upon yakuza for protection services (Hill, 2014). Protection has proved an unreliable means of revenue, however, because legislation (such as one passed in 2011) has illegalized otherwise law-abiding businesses from paying for a gang service (Ryall, 2018).

The yakuza has also had involvement in construction as a middleman broker for workers. In the past, this has sometimes meant stifling public resistance over environmental issues, as was seen in the case in Minamata in the '60s concerning mercury poisoning. This also helped set the foreground for *sōkaiya* scams to take place throughout the 70s and early 80s in which professional scammers (almost a third of which were found to be yakuza members) blackmailed corporations that they would leak compromising information at annual general meetings, or, for a protective fee, help prevent such leaks (Hill, 2014).

Many yakuza members do not see drug-dealing as a moral avenue for money-making. Indeed, in 2011 the leader of Yamaguchi-gumi Tsukasa Shinobu indicated that his organization had forbidden it (Adelstein, 2017). Nonetheless, the involvement of yakuza in drug-dealing shows that it has, however, still become a significant part of yakuza activity. Around 50% of the amphetamine-related arrests in 2009 were yakuza affiliates, and, according to the police at the end of the '80s, 85% of the yakuza were involved in the drug trade (Hill, 2014). Even by 2014, still over half (55%) of stimulant-related arrests were yakuza members, and around 45% of them were Yamaguchi-gumi members alone (NPA, 2015).

Continuing on, extortion and fraud are a significant method of money-making for the yakuza. Indeed, the police called the yakuza “a particularly ingenious money launderer” (NPA, 2015), and in 2016, around one-fifth of cleared money laundering cases were attributed to yakuza members (NPA, 2018a). They also have traditionally had a role in the hospitality industry, or *mizushōbai* (Hill, 2014, p. 240). Additionally, Adelstein suggested, cybercrime is an emerging area of profit (2017), as well as involvement in the sex trade, drug/weapon selling, and the entertainment industry (Ryall 2017; 2018). The diversity of money-making activity is illustrated in the figure below, which shows the different areas in which yakuza members are most often arrested.

Figure 1.
NPA Statistics on Boryokudan Arrests



Note. Reprinted from “White paper on police 2017,” by National Police Agency, 2018, p. 30.

Culture

As established by von Lampe, shared norms and values of a crime group are advantageous as a way to establish and foster trustful and “criminally exploitable ties” between members (2016, p. 107). Yakuza culture—which involves certain symbols, rituals, rules, and values—plays a role in maintaining the organization’s sense of family and its sense of trust. Furthermore, being a recognizable yakuza, Hill noted, made it easier to find willing business partners (2014). On a similar note, language, particularly using “Archaic Japanese or heavy slang,” is a cultural feature used as a practical instrument of maintaining secrecy (Gragert, 2017, p. 164). Consequently, it can be noted that there are often ways certain cultural attributes also hold some type of strategic value.

Visibility is one reason why tattoos or *irezumi* have historically become so important to yakuza members. In the 1970s, around 70% of the yakuza were tattooed. Back in the 17th century, in the birth of yakuza, tattooing in Japan had been tied to criminality. Yakuza portrayal in ‘70s film helped reaffirm this association (Fifield, 2017). Tattooing, however, is relatively less common today, due to the cost, pain, and discrimination associated with getting tattoos (Fifield, 2017; Hill, 2014).

Also associated with the yakuza is the practice of *yubitsume*, or cutting off a finger; this has become increasingly less common as an effort to decrease visibility but also sometimes due to the associated health risks (Hill, 2014; Bosmia et al., 2014). In 1993, however, over 40% of yakuza members were reported to have participated in this practice (Bosmia et al., 2014). According to Fisher (2012), this practice is emblematic of a larger culture of violence. Other perspectives focus on

the sentiment of loyalty and dispute resolution (or atoning for one's mistake) that is tied to *yubitsume* (Bosmia et al., 2014).

Alcohol is also important culturally to yakuza. In fact, one former member, as reported by Hill, tied liver disease for the cause of death for around a third of yakuza members (2014). Drinking is also key as a device for socialization and bonding.

Relationship with the Government

From the standpoint of the government, in addition to challenging the state's monopoly on gambling services and the carrying out of other illegal economic crimes, divisional yakuza disputes and resulting conflicts have become a major point of concern (NPA, 2018b; Adelstein 2015). Over 17,000 arrests were made in 2017 alone (NPA, 2018b). The relationship of the yakuza with the government is especially important to consider since both the size of yakuza groups and the type of activity they pursue are highly influenced by the state.

How the State has Benefited Yakuza

The formation and growth of the yakuza is tightly intertwined with the capabilities of the Japanese government. "According to Gambetta," von Lampe explained, "a demand for protection" arises when "[market participants'] interests are not sufficiently safeguarded by the state" (2016, pp. 46-47). The Japanese yakuza is such a case.

In the early 1800s, under a weak government, yakuza bosses were relied upon to resolve local disputes. Continuing on, early in the Meiji restoration, yakuza paramilitaries, such as the one led by Shimizu no Jirōchō with almost 500 people, played a militaristic role (Hill, 2014). Also during this time, the yakuza was an instrument for the state for suppressing labor organizing and resistance (Gragert, 1997). Post-WW2 saw a growth in the yakuza as a result of the costs of war (weakened state role, for instance). In the Korean War, the yakuza played a role as labor brokers for construction and shipping, particularly important industries at the time (Hill, 2014). In more recent contexts of the '80s, yakuza's involvement in dispute resolution in civil affairs or *minbō* has been considered a "necessary evil" when legal channels were seen as inactive or inefficient through, for instance, debt collection or traffic dispute settlements (Galeotti, 2014). In these cases over time, the role or more accurately lacking role of a state directly and indirectly benefited organized crime groups.

How the State Has Hindered Yakuza

Although the yakuza have "demonstrated an affinity to political groups" (von Lampe, 262) through, for instance, its right-wing and ultranationalist political

ties in the 1890s and 1930s (Gragert, 1997; Galeotti, 2014), its relationship with the government has also been an antagonistic one in many regards. The government can have a powerful impact on organized crime groups. Early on, the state targeted gambling in the Meiji era (Hill, 2014). Similarly, in the '60s, illegal gambling ventures were further pursued by government forces. Another source of criminal activity, *sōkaiya* scams were addressed in the '80s and paying them became illegal (Hill, 2014). Indeed, from 1982 to 1983, according to the police, cases of *sōkaiya* scams decreased from 6,738 to 1,682 (Galeotti, 2014).

Japan's 1991/1992 Anti-gang law is one of the more important laws in targeting yakuza that successfully dramatically harmed yakuza membership (Gragert, 1997; Reilly, 2014). Initially passed in 1992, over twenty years the law would be adjusted five times to better target the yakuza (NPA, 2015). For instance, a 2007 revision targeted the cultural practices of finger-cutting and tattooing as well as purported programs and policies to help and encourage members to leave the yakuza. Additionally, the expanded "damage liability provision" of this revision meant leaders could be held culpable for the cost of destruction caused by underlings (Reilly, 2014, p. 814), which meant leaders could no longer escape culpability through the division of labor and separation of tasks. By 2011, substantial changes were put into action which criminalized yakuza interaction and prodded business contracts to specifically alienate and exclude yakuza (Adelstein, 2017). In 2012, a new revision made it easier for police to arrest extorters, not needing to carry out a cease-and-desist order as a warning first (Reilly, 2014).

Although certain action has targeted organized crime in general, law enforcement also has sometimes targeted certain groups as well as certain activity (such as gambling, *sōkaiya* scams, and extortion). For instance, in 2009, the National Police Agency notably targeted the Yamaguchi-gumi faction Kodo-kai (Adelstein, 2017). Moreover, the 2016 conflict between Rokudaime Yamaguchi-gumi and Kobe Yamaguchi-gumi has been cited as a motive for the Japanese government to intensify measures against firearms (NPA, 2018a). With these several approaches through legislation and law enforcement, yakuza activity to generate profits was stifled and accountability for crimes was heightened.

Involvement of other Governments

Although yakuza are Japanese-based crime groups, they can lead to transnational implications, and nondomestic governments also may play significant roles. In the battle against *bōryokudan*, the government's efforts also extend beyond the domestic area; for instance, the National Police Agency's 2015 white paper listed border control as one area in which yakuza activity was targeted. Moreover, as an organized crime group, the yakuza have been actively deterred by foreign governments such as the United States. The US. froze assets belonging to two Yamaguchi-gumi members in 2012 (Reilly, 2014), and in 2016, the U.S. put

sanctions against the Kobe Yamaguchi-gumi syndicate (U.S. Department of the Treasury, 2016; Adelstein, 2017).

The prosecution of organized crime by the U.S. has also influenced the Japanese government in certain regards in combatting the yakuza. For instance, as noted by Reilly (2014), the Anti-Boryokudan law was influenced by RICO in the U.S. Also, according to Reilly (2014), the political movement of a ‘War on Drugs’ in the United States also influenced Japan in constructing the Anti-Boryokudan Law.

Survival of Yakuza

The yakuza response in the early 90s to the Anti-Boryokudan Law was largely of resistance then reorganization (Reilly, 2014). Even in the aftermath of the passing of this law, Reilly (2014) implied the existence of a sometimes cooperative relationship between yakuza and police, based in bribery and corruption. Over time, membership has grown and waned. Indeed, in 1963 there were more than 184,000 members, and the police reported only around 78,600 members in late 2010 (Hill, 2014; NPA, 2018b).

The activity and functions of yakuza groups have also adapted and been reconfigured over time as a result of government prosecution. For instance, *sōkaiya* scammers shifted to other areas, repurposing themselves as “analysts, fake political groups, or *burakumin*-liberation movements” and found new inventive ways to hide illegal payments (italics in original, Hill, 2014, p. 241). On a similar note, Reilly (2014) noted a responsive shift from mostly involving “regular” to “associate” participants in the yakuza. Even for those surviving regular members, training is generally much shorter (they used to be trained for around 6 to 36 months) (Hill, 2014). In general, yakuza organizations have moved away from gambling to other activities such as drug dealing, corporate extortion, and so forth. The role of the government and its relationship to the yakuza has been multi-layered--- the state has pursued significant efforts in persecuting and stifling the crime group but the state’s moments of weaknesses have created the climates under which new yakuza schemes have unfolded.

Relationship with Society

There is mixed literature concerning the relationship of the yakuza with Japanese society, which in part can be explained by a more recent shift of unfriendliness toward the criminal group and an “anti-Yakuza movement” (Reilly, 2014, p. 806). According to Fisher (2012), yakuza life is often romanticized and they have achieved some sense of mainstream legitimacy. This can be seen in “fan magazines” which portray yakuza activity and culture (Reilly, 2014, p. 805). More conservatively, Gragert (1997) noted that the yakuza have achieved “some degree

of public acceptance” (p. 163); this is reflected by how members, although this largely fell out of practice following 1992 legislation, openly mentioned yakuza involvement on business cards and signs. On the other hand, the Yamaguchi-gumi’s code of conduct of 2009 explicitly instilled a more secretive approach, including not using the syndicate’s crest on business cards (Reilly, 2014).

Although visibility has decreased in the rise of new legislation against organized crime, yakuza have not necessarily gone under the public radar. When the yakuza does draw public attention, they place a lot of effort into promoting a certain narrative and aim for positive publicity. This is done, for instance, with the ethos connected with *machi-yakko* as a way to frame itself in social contexts in a positive light (Reilly, 2014). Similarly, the yakuza has a history of doing outreach during natural disasters such as in the 1995 Great Hanshin Earthquake or the 2011 Great Tohoku Earthquake (Reilly, 2014).

Conclusion

The yakuza, like many organized crime groups, are not simply ad hoc, purely economic groupings. They create a social community and a specific subculture. They have their own ideology and set of values that lead them to avoid certain crimes and embrace others more fully. It is also because of these underlying social contexts that yakuza members cannot be fully made obsolete regardless of police efforts and that yakuza membership has not been completely outlawed in the nation. Although law enforcement efforts and new legislation has clearly hindered yakuza activity, they have also adapted and restructured alongside these changes.

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