

Student's Name

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Course

Date

Yakuza Gang

There is no single theory regarding their origins, as the yakuza consists of many groups, some of which claim to be the original organization. The yakuza today do not agree concerning their origins: some believe they originated in groups of gamblers, while others believe scam artists were their predecessors. Others believe that out-of-work samurai were the ancestors of their group, and some of them believe their ancestry was a bit more noble, originating with groups of people that defended towns against these unemployed samurai. Many of the yakuza trace their roots back to Ronin (masterless samurai) and often adopt samurai-like rituals (Merriam-Webster, Gragert, 1997: 147). Another possible origin for the yakuza is seen in bands of good Samaritans who defended villages against the Ronin, who had turned into bandits.

The origins of the Yakuza are not entirely known, but it is believed that they formed around the mid-Tokugawa period (1603-1868). They might have emerged from shady merchant groups (yashi or tekiya), or gambling gangs (bakuto). The word yakuza is thought to have been derived from gambling: ya, ku and za standing for the numbers 8, 9 and 3 respectively, which add up to 20, a score that was no good in a game called hanafuda, where a player is dealt 3 cards, and his score is the last number in the sum of those 3 cards, so if you got 20 your score would be 0, and the winner was the one who got 19 or closest to 19. The word later took on a new meaning outside the gambling world: people who were no good or useless were called yakuza (De Vos, 1973: 282-283, Kaplan & Dubro, 1986: 36).

The important role played by the yakuza in Japan's postwar economic rise is well documented.⁷ But in the late 1980s, when it became clear that the gangs had progressed far beyond their traditional rackets into real estate development, stock market speculation and full-fledged corporate management, the tide turned against them. For the past two decades, the yakuza have faced stricter anti-organized crime laws, more aggressive law enforcement, and rising intolerance toward their presence from the Japanese public.

Organized crime has a unique place in Japanese history and society. For more than a hundred years, Yakuza groups cultivated an image as a protector of deeply held Japanese values such as respect for authority and the elderly. Recently, their groups received credit for helping victims of the 2011 earthquake and tsunami (while profiting from the construction work that followed, infiltrating legitimate businesses and supplying illegal labour). But most important, crime groups have a history of having a close relationship with the government. After World War II, for example, the ruling Liberal Democratic Party used crime groups to bust unions and harass left-wing demonstrators. Today, Yakuza groups are involved in everything from the entertainment business to gambling to funeral homes. And they continue to be monitored by the government. In a society that places an enormous value on peace and order, many Japanese see the Yakuza as the lesser of two evils, preferring crime organized under the watchful eye of the government to cope with criminals roaming freely, invisible to the authorities.

Western business leaders commonly think of doing business in Japan as they would any developed country — and with good reason. Japan is modern, industrialized and highly organized, and the rule of law is strong. Western businesses rarely think about crime and corruption as a risk in Japan as they would in a developing economy. But Yakuza groups are real, and they are a fact of life and business in Japan. Companies not diligently on the lookout for

Yakuza influenced and/or owned businesses can find themselves at severe reputational risk, as well as vulnerable to fraud and even extortion.

The original yakuza were gamblers, and the modern yakuza continue this tradition. While old-style yakuza gambling games are not extinct, baccarat and other casino-style games have become the norm. A dice game called tabu is currently very popular with gamblers in the Kansai area. Unlicensed slot machine arcades, where the machines offer payouts many times the legal limit, are hidden away in the back streets of most entertainment districts; yakuza gangs run the arcades directly or control them with protection rackets. Yakuza bookmakers take the majority of the bets on horseracing, bicycle racing, and speedboat racing.

On a busy night, a yakuza gambling pit can take total bets exceeding ¥100 million, with 5% of each bet going to the gang: an easy profit of ¥5 million. With Japan mired in the economic doldrums, however, the gambling pits are suffering. Moreover, while police used to turn a blind eye to yakuza-run casinos and betting rings in return for underworld information, recently they have been cracking down heavily. A standard yakuza countermeasure is to hire a civilian as a ‘fake’ manager, to be sacrificed to the police in the event of a raid; the gang pays the fine incurred and, if necessary, pays the man to do jail time. Due to this practice, the police crackdown on yakuza gambling pits has not substantially increased the number of yakuza arrested for gambling offences; the damage done to the yakuza is in the loss of revenue and the rise in running costs. Some of the smaller gangs have simply gone bust. The Nibiki-kai, a gang of notoriously pugnacious gamblers based in Hachiōji, disbanded for lack of funds in 2001 after more than thirty years in business.

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