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**THE RISE
DEVELOPMENT
AND INTERNATIONALIZATION
OF
JAPAN'S MOTOR INDUSTRY**

A thesis presented in partial fulfilment of
the requirements for the degree of
Master of Philosophy
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ABSTRACT

The rise of Japan's motor industry to world prominence has been one of the most spectacular developments of modern times and has come to epitomize Japan's 'economic miracle' in the postwar era. The industry's phenomenal growth was the result of various factors. During its infant and developing phases these included: a legacy in terms of industrial expertise from before the War; a much improved labour relations climate; and the favourable economic conditions that prevailed both at home and abroad that provided the framework for an era of high-speed growth. The most significant factor though, was the support given by the government which considered the industry as economically 'strategic' and 'nurtured' it to growth — along with many of its supporting industries — with a wide range of industrial policies.

Notwithstanding the contribution of these factors, however, the industry showed a remarkable resourcefulness and creativity of its own. Borrowing engineering and management techniques from abroad such as Quality Control, and experimenting with new indigenous concepts such as Just-in-Time, the industry was able to dramatically raise the quality of its products and its levels of productivity. Based on these strengths the Japanese automakers became, during the 1970s, major exporters of motor vehicles and were able to capture ever larger shares of foreign markets. In recent years, however, confronted with increased international trade friction, the erection of trade barriers in its major foreign markets, and the rising value of the yen, the industry has increasingly sought to move operations abroad. These moves to overseas locations are on such an unprecedented scale that they are contributing to create a new international geography of motor vehicle production.

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