

I. Introduction

The Japanese labor movement has reached a watershed. The General Council of Trade Unions (Sohyo), which has spearheaded the Japanese labor movement for the 40 years since the end of WWII, will be dissolved in the fall of 1989 and the Japanese Private Sector Trade Union Confederation (JPTUC-Rengo) which was launched in November 1987, will be reorganized as a new national center by integrating the public sector unions under its wing.

Sohyo's dissolution is not unexpected; it can be traced back to a series of negotiations toward unification initiated by major industrial unions in the 1970s. Why did these unions attempt to form a new national center transcending the one they themselves belonged to? This is a question which involves an overall evaluation of Japanese capitalism and the Japanese labor movement since WWII, and one that involves the overseas expansion of Japanese capital and that should therefore be examined as a current and global problem. The question of labor unification emerged as the Japanese industrial structure, under the influence of the soaring yen, changed from its original heavy and chemical form to an information-intensive one.

Japanese companies began transferring their plants overseas in full scale in the late 70s. The shift of production overseas was not limited to facilities but included the labor management system as well as Japanese-style 'companyist-unions'. The production facilities, the labor-management system and labor union are not separate but inseparably interlinked. In recent years Japanese-style management, labor-management and quality control campaigns (QCC) have gained strong reputations in other countries.

This reputation was acquired because of Japan's high economic growth beginning in the 60s, its success in overcoming the two oil crises in the 70s, and its fierce export drive. Japan's management methods shocked the Western nations and induced the "Look East" boom among NIEs. Japanese culture was appraised as the basis of the success. This boom is likely to continue for some time to come because Japanese companies remain powerful in spite of the continued soaring yen, and the trade union movement in western countries has not been able to find effective principles to counter it.

The problem starts here: the question of how we, Japanese workers, should react to this boom. Should we react with praise for or repulsion toward the Japanese-style management system?

The Japanese Labor Movement: Toward Total Dissolution?

by Watanabe Ben

Answering this question involves the question of why Sohyo was forced to dissolve and how Rengo was created. It also involves a process of reviewing modern capitalism and the transformation of labor.

Contemporary problems are arising all over the world: privatization, deregulation, increasing mobility of labor (creation of new-type cheap labor, i.e., creation of multi-layered discriminatory structure), degradation of labor, and so on. The mass-production system which began in the 20s (embodied in Fordism), is now being replaced by the introduction of ME and OA systems which create the possibility of simultaneous mass production of diversified goods. The work place has undergone major change, and Japanese capitalism has most effectively organized such change. It seems to me of great value for us to examine how the Japanese labor movement has reacted to this change. This article is written to elucidate this problem.

II. Post-WWII Reform and the Formation of Sohyo

The Japanese labor movement in the 40-year period after WWII is the history of conflict between Sohyo and the Japanese Confederation of Labor (Domei). The conflict was not only

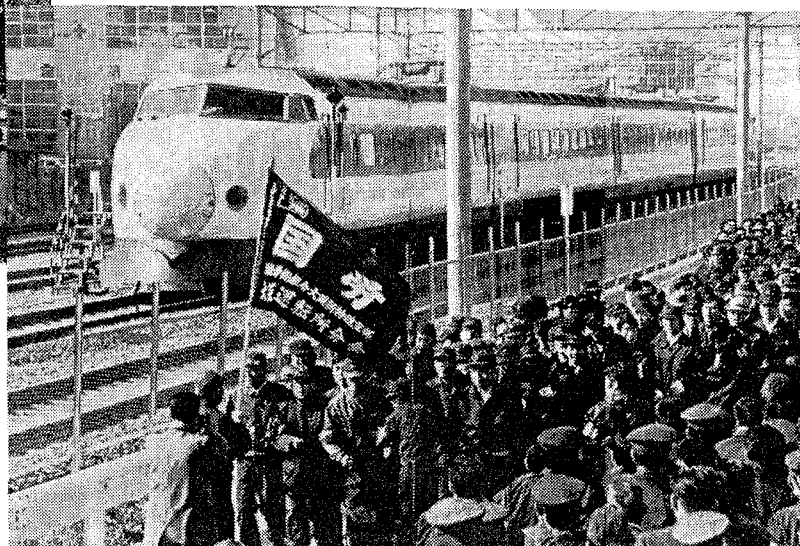
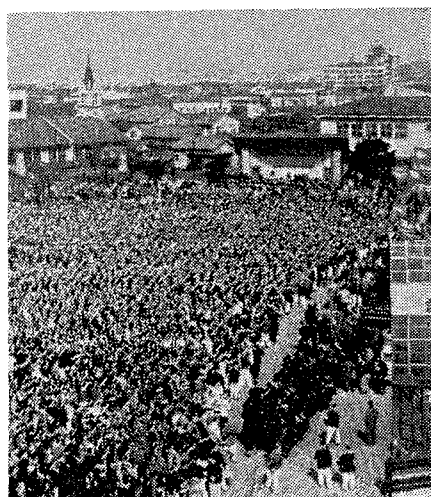
caused by their different views of the role of labor unions but also involved differences in their views of what kind of society they wanted to build.

Let us briefly review the history of the post-war Japanese labor movement. The defeat of Japanese imperialism in WWII brought with it fundamental changes in the political, economic and social structure. The changes started with a series of post-war reforms introduced by the allied forces, mainly by the United States. The post-war reforms were aimed at completely overturning the structure of Japanese militaristic society which had triggered the war of aggression. Partly because there had been no opposition forces against the 15-year aggressive war in Asian countries, particularly China, except for a handful of communists (most of whom were jailed and separated from ordinary people), the post-war reforms were regretfully not initiated by the people. The major characteristics of the reforms include the liquidation of the *zaibatsu* (financial combines) and military, agrarian reform, a change in Tennoism (emperor system) from an absolute to a symbolic one, abolition of pre-modern laws, creation of a democratic educational system, and development of labor unions. The changes brought by these reforms in Japan were probably greater than those made in the United States and Britain, the victors, and even greater

than those carried out in defeated Germany and Italy. No such reforms have been introduced in Third World countries which attained independence after the war.

These post-war reforms released an inherent peoples' power and led to the rise of labor, student and farmers' movements. Labor unions which had been annihilated by the end of the war, spread like wildfire; in 1949 the rate of organizing rose as high as 55.8 percent. (For reference, the highest organizing ratio before the war was 7.9 percent in 1931.) It was the communists who had been released and some socialists who had barely continued resistance after all the communists were arrested that organized the power of the people. One national center, formed mainly by the former was the Congress of Industrial Unions of Japan (Sanbetsu Kaigi), and another, formed mainly by the latter, was the Japanese Confederation of Labor (Sodomei). Some socialists who had taken part in the war effort were also involved in Sodomei.

The post-war reforms faced another major change three years after the war. The cold war centered around East and West Germany, tension in the Korean Peninsula and the victory of the Communist Party in the Chinese Civil War forced the U.S. to drastically change its world strategy. The progressive faction in the occupation forces



Shinkansen brought to a halt by the JNR labor strike in October, 1974

which had been eager to rebuild Japan as a democratic and progressive country was driven out, and the anti-communist faction came to the fore, shaping Japan as an anti-communist stronghold. Naturally this change of policy greatly affected the labor movement. Attacks on Sanbetsu Kaigi increased daily, and full-scale support was given to its anti-communist faction. Around the time the Korean War broke out, hundreds of thousands of communist party members and democrats were ousted from their work places in a Red purge. When a faction seeking "democratization" emerged within Sanbetsu Kaigi, it collapsed at once. The democratic forces in Sanbetsu Kaigi consisted of two groups, strong anti-communists and conscientious labor activists who were opposed to the manipulation of the Communist Party. Neither of these groups, however, could resist U.S. forces' intervention into the Korean War, thus, lending their hands to the liquidation of Sanbetsu Kaigi.

Meanwhile, the conflict inside Sodomei between those who had supported Japanese militarism during WWII and conscientious socialists became more severe, moving toward a split. The U.S. occupation forces pressed the Japanese labor movement to form a new national center excluding communists, intending to make Japan a supply base for the Korean War and a stronghold of anti-communism in Asia. The democratic forces in Sanbetsu Kaigi and the leftist faction of Sodomei merged to form Sohyo. The right-wing faction of Sodomei did not join in Sohyo.

It is true that the creation of Sohyo was achieved with the backing of the U.S. occupation forces. As stated above, however, there were two trends within the democratic forces of Sanbetsu Kaigi. Neither the conscientious socialists nor the leftist leaders of Sodomei were anti-communists. Many of them decided to form Sohyo against JCP's high-handed control and manipulation. In spite of the fact that Sohyo was created with the support of the U.S. occupation forces, the leadership of Sohyo was held by socialists. The newly-born Sohyo began to change its line in less than a year, with a move toward closer ties with the leftist faction of the JSP. With slogans calling for an overall peace treaty and neutrality, opposing the use by the U.S. of Japanese land for their military bases and Japan's remilitarization (four principles for peace), they clashed head-on with the policy of the U.S. occupation forces.

Sohyo, inaugurated in 1950, began to actively involve itself in social and political issues as well as problems peculiar to the labor movement. The 40-year history of Sohyo was that of an organizer of the mass movement in Japan: the movement to

promote the above-mentioned four principles for peace, the movement against atomic and hydrogen bombs, the movement against the Japan-U.S. security pact, and the anti-Vietnam war struggle are just a few of their diversified activities.

Why then is Sohyo being dissolved? Why does it have to surrender to Rengo? In one sense the 40-years of Sohyo constituted Japan's post-war labor movement. With the dissolution of this unique national center in the world, how will the map of the Japanese labor movement be changed?

III. The Foundation of Rengo

In November 1987 Rengo was inaugurated as a merger of major industrial organizations affiliated with Sohyo and Domei. These industrial organizations consisted of the unions of big enterprises. The newly launched Rengo is not of an entirely different nature but is a mosaic of various elements of Sohyo and Domei. I don't think, however, that this will be the final form of Rengo.

I would define it as a federation of "pro-management unions." This is a relatively different concept from the so-called "companyist unions" which are considered peculiar to Japan. This indicates a national center of labor unions which would put primary value on the interests of company and corporate activities, organizing society with corporate activities as its axis. This is a labor movement which aims to reorganize the whole society into a highly company-oriented one.

I should describe briefly the Japanese-style labor union which is organized for only one company. It is well known that labor unions in Japan have been organized in each company unlike those in Western nations where they are organized industry-wide or occupation-wide. The origin of Japanese-style labor unions, now drawing keen interest worldwide, can be traced back to right after WWII. During the period when the Japanese economy was in disorder after its defeat in the war, the mushrooming labor unions' primary efforts were to restore their own companies' bases to meet their immediate need to overcome starvation. With inflation skyrocketing, the capitalists were trying to survive by dismissing workers and disposing of idle assets rather than by production. Resisting such management moves, the company-based labor unions in which all employees joined (with no distinction between white-collar and blue-collar workers), made reconstruction plans, took over management's decision-making authority, and expanded union's functions and power. In this way the company-based union was established. The intra-factory committee of Italy and the

amalgamated shop steward committee of Britain may be considered to be Japanese union counterparts, but their basic nature is completely different. In the Japanese-style labor unionism negotiations, disputes and settlement are all made by a company-based union. Industrial unions (merely a loose coalition of unions organized by company, with the sole exception of the All Japan Seamen's Union) have no such functions. Although the company-based unions demonstrated their effectiveness during the period of economic disorder, they were gradually subsumed under the

Automobile Workers' Unions, the Japanese Confederation of Shipbuilding and Engineering Workers' Unions, and the Japanese Federation of Electrical Machinery Workers' Unions, the Federation of Information Workers' Unions, the Federation of Electric Workers' Unions of Japan, and the Japanese Federation of Textile, Garment, Chemical, Distributive and Allied Industry Workers' Unions. The first four named are more closely linked through their membership in the International Metalworkers Federation Japan Council (IMF-JC).



The banner reads, "Public workers" wage drive for 7 thousand yen monthly

policy and decisions of the company.

As mentioned earlier, Rengo is a pro-management union, which differs from the traditional company-based union. To elaborate more, it is a developed form of the company-based union in an imperialistic stage. It may be no exaggeration to say that it is a labor movement whose primary role is to defend the Japanese corporations which have grown to be monopolistic and multinational. Its behavior can be best demonstrated in its effort to protect companies' continuation and interests. The interest of individual workers and that of the union as a group is secondary.

Let us examine some of the characteristics of Rengo which make its character sharply different from those of the national federations of trade unions that have existed in the past. First of all, there is an extremely marked concentration of large industrial unions in Rengo, and an effective hegemony exercised by the company-based unions of gigantic oligopolistic corporations. Specifically, the seven large industrial unions call the shots at Rengo: the Japanese Federation of Iron and Steel Workers' Unions, the Confederation of Japan

In turn, the power within each industrial union is concentrated in the hands of the company-based unions of giant corporations. For example, within the Confederation of Japan Automobile Workers' Unions, the unions of the five biggest automobile makers, namely Toyota, Nissan, Honda, Mitsubishi Motor, and Mazda, make up 75 percent of the total membership; similarly, in the Electrical Machinery Workers' Unions, workers of the 11 biggest companies such as Hitachi, Toshiba, Fujitsu and Matsushita, comprise 72 percent; in the Japanese Federation of Iron and Steel Workers' Unions, the unions

of the five biggest companies including Japan Steel, Nippon Kokan, Kawasaki Steel make up 75 percent; and in the Japanese Confederation of Shipbuilding and Engineering Workers' Unions, unions of the seven leading companies such as IHI and Hitachi Shipbuilding comprise over 70 percent. As for the Federation of Information Workers' Unions, the membership consists of the unions of NTT and NTT's affiliated unions, and over 90 percent belong to the Japan Telecommunications Workers' Union (Zendentsu), while the Electric Workers' Unions of Japan is a federation of the unions of regional electric power monopolies. And so on. The control of the federations by the major unions has been strengthening each year with the rise of the yen and further rationalization of corporations, and practically all the leadership posts of these industrial unions are now occupied by officers of the unions of giant corporations.

A second feature of the unions within Rengo is the improved access to promotion within the company to workers who have served a term as union officer. This longstanding characteristic of company-based unions, aimed at turning union

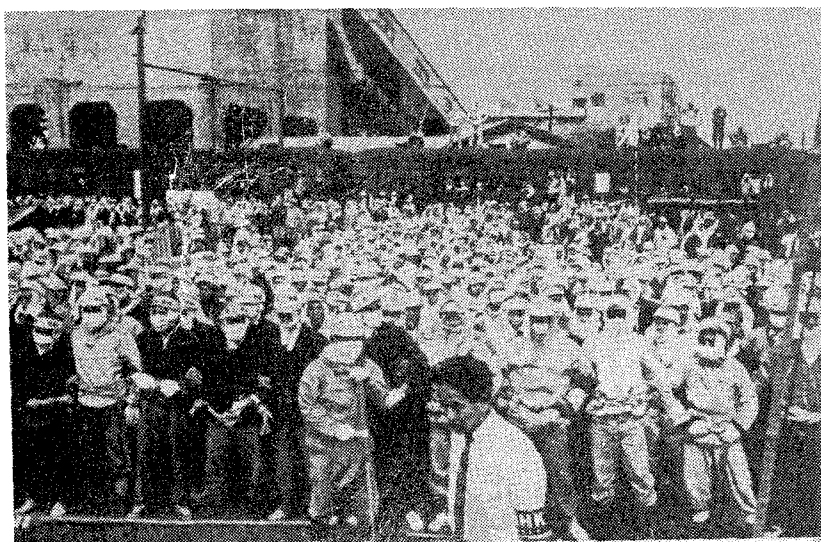
officers into management stooges, has been developed to perfection in the unions of giant oligopolistic corporations. These company unions have become subordinated to the needs of their respective corporations to the degree that inevitably calls into question their independence as unions. A specific example: the union of Nippon Steel is one of the main component units of the Japanese Federation of Iron and Steel Workers' Unions; 65 percent of its branch officers are foremen, the highest position that union members are allowed to reach. Since branch officers at Nippon Steel automatically become members of the union's Central Committee, the union's policy is effectively in the hands of lower-level supervisors of the company, who stand in the grey area between labor and management. Their position is further compromised by the fact that when Central Committee members complete their term, most of them are immediately promoted to the position of senior, or general foreman.

The same dynamic can be found at Nissan, where union officers are routinely promoted to assistant section manager. Two-term union officers are promoted to even higher management positions when they leave their union post. This kind of systems is in effect in other industries such as shipbuilding. In recent years, the stooge system has become so thoroughly institutionalized that union members who object to it have little hope of being elected as union officers.

A third fatal weakness of Rengo is its susceptibility to the lure of involvement in such bodies as the Labor Conference for Policy Promotion (LCPP), started in 1976 by large industrial unions linked to giant corporations in order to draw up policy proposals and present them to the government. As such, the LCPP corresponds to the various advisory councils of the executive branch of the national government. With the strengthened domination of the work place by capital since then, the role and capabilities of the labor unions in collective bargaining have steadily declined, and conversely, the involvement of labor unions in LCPP and other advisory councils to the national government has expanded. Deliberations

between the government, labor unions, and big business in these advisory councils has brought about enormous changes in the relationship between the unions and capital. It has become customary for government legislation to be previewed in these advisory councils and a consensus reached among the representatives of government, labor, and business. The independence of labor unions has been dramatically eroded in the process.

The implications of this trend are ominous indeed. In the industry-based trade union movements of Western countries, it is the specific role of the unions' representative body to draw up policy proposals, and these policies directly reflect the interests of the workers in the member unions.



The militant strike of Mitsui Miike miners rejecting retrenchment by the Management (Dec. 1959 - Jul. 1960)

In Japan, by contrast, policies discussed and agreed upon at these advisory councils are generally excluded from the scope of negotiations at individual enterprises and at industry-level organizations. Consequently the imperative of not undermining the interests of business corporations and industries takes precedence over all other considerations. Rengo's membership on these advisory councils substantially restricts the scope of independent negotiations between labor and management. The fourth characteristic of Rengo, and one which clearly differentiates from its predecessors, Sohyo and Domei, is that its fundamental policy line implicitly accepts the logic of capital. Rengo is committed to supporting the activity of capital, even where such activity runs clearly counter to the workers' interests. Nowadays

Rengo's policy line is almost indistinguishable from that of Keidanren (the Federation of Economic Organizations). Just look at Rengo's farm policy: supporting liberalization of agricultural imports for the sake of easing trade friction, and never mind what happens to the farmers. Rengo's energy policy calls for nuclear power plants, and the federation also supports the government's "administrative and fiscal reform," privatization of public enterprises and all forms of deregulation. Even Domei, an organization imbued with anti-communism stood for "social and industrial democracy," and sought to "restrict the power of capital and strengthen the functions of trade unions." Even this mild dose of Japanese-style Fabianism is too much for Rengo. It sticks like glue to the position and interests of capital, and willingly serves as a faithful watch dog for the bosses. How on earth did such a strange labor organization come into being? Some history seems in order.

IV. Development of the "Pro-company Trade Union Movement"

1. The Year 1964

The road to Rengo started back in the early 1960s, when the labor movement suffered two great defeats in its mass opposition to the revision and extension of the U.S.-Japan Security Treaty (where several millions took to the streets in waves) and the Mitsui Miike Coal Mine Strike, the biggest and most bitter labor struggle in the post-war period. With labor on the defensive, capital seized the opportunity to put out a series of "innovative policies," which by 1964 had begun to gain considerable legitimacy. Here in the somewhat neglected period around 1964, we can find the seeds of the "pro-company trade unionism" prevalent today.

What was Japan like in 1964? 1964 was the year Japan was recognized in Article 8 of the IMF and joined the OECD. Twenty years after the utter destruction of the Second World War, Japan had set up a more or less open economic system and become a member of the club of developed countries. Demand generated by the Korean War had gotten the economy pumping vigorously. Helped by a government investment and loan program, the industrial structure was shifting its center of gravity toward the heavy and chemical industries. During this period, too, the trade unions of the major industries that would lead the economy in the years to come, such as steel, automobile, shipbuilding, and electrical machinery,

formed the International Metalworkers Federation Japan Council (IMF-JC). It was a step in time with the shift in the industrial structure, and the new industrial colossus began to guide the trade union movement toward closer cooperation with the company management, a clear departure from the direction followed by Sohyo and even Domei up to that time. The spring labor offensive launched by the five industrial unions of Sohyo in 1955 was now in its tenth year, and a cyclic structure was emerging where wage negotiations in vast private corporations influenced the whole industry including the public sector, the multitude of small manufacturers, and even the rice price negotiations between the government and farmers.

It was a time of huge investments in the economic infrastructure. The first Shinkansen line (bullet train) opened, followed by the Meishin Expressway, a national micro circuit communication network was set up, and there was a drive nationwide to modernize ports and harbor facilities. In short, mass transport and communications were being built to service mass production. Consolidation and mergers of large corporations in the heavy manufacturing and chemical sectors began in the same year. Starting with the reconsolidation of Mitsubishi Heavy Industries, which had been broken up after the war with the dissolution of zaibatsu, there were a whole series of mergers and group formations involving Nissan Motors and Prince, Kawasaki Heavy Industries, Sumitomo Heavy Industries, Mitsui Toatsu, Nippon Steel and others. With the formation of these giant monopolistic bodies, then, the trumpeted postwar goal of democratization of the economic structure rapidly took a back seat.

There were naturally sharp changes too, in labor management relations. In the steel workers' federation, where there had been a persistent struggle between the left-wing and right-wing factions since 1957, the left suffered a complete defeat. A new system of pay based on job description and ability replaced the traditional seniority-based system in the electrical machinery and steel industries. At about the same time there came to pass the foreman system whereby management would impose its rule on the shop floor by making lower supervisory positions non-union. This period also saw the birth of Quality Control circles and the Zero Defect movement which symbolizes the Japanese style of management today. Then, too, the plant-based union which had been the basic unit of the company-based union in the earlier postwar years became gradually subordinated to company-based federation, in step with greater concentration of capital. Effectively, the power to negotiate was

removed from the point of production and shifted to higher echelons within the company, noticeably weakening the union's power at the production line. The company-based union which had helped both workers and lower level supervisors to restrict the arbitrary rule of capital was being transformed into a simple instrument of capital.

Once the bosses had put down the Mitsui Miike coal miners, who ever since the war had consistently fought hardest over control of the production line, they tackled the transition to oil as the nation's principal energy source with redoubled vigor. The new stress on heavy and chemical industries entailed efforts to strengthen higher vocational schools and industrial high schools in order to secure the new kind of labor power required. Japan's distinctive in-house system of intra-company training, in which companies would enroll outstanding junior high school graduates in their own schools and train them as skilled workers, was now increasingly replaced by a system of training workers through higher vocational schools and industrial high schools. At the same time, skilled job categories were being eliminated at a frightening speed, and a large number of once-skilled jobs came to be done by unskilled workers. The agricultural and forestry population fell below 30 percent in 1961, the ratio of full-time farming households declined even further, and farming rapidly became a part-time business. This in turn unleashed a flood of surplus labor from the farming villages. In 1964, demand for major crops outstripped supply, and the ratio of dependence on imports began to rise rapidly. And of course, 1964 saw the onset of rapid economic growth, with the Ikeda cabinet policy of doubling the national income. It was a great turning point in Japan's economic history, and it is no exaggeration to say that the shape of the present-day Japanese economy — docile unions and all — could already be discerned in that year.

2. The Productivity Movement

The trends of 1964 didn't appear from nowhere, of course. Let us now focus on another important year nearly a decade earlier — the year 1955. It witnessed a number of key political developments, which would eventually lead to the economic phenomena of the early 60s. The period around 1955 was marked by mounting confusion over the political vacuum created by the end of the United States occupation. The Self-Defense Forces had been created to take the place of the Japanese Army and Navy dissolved as part of the postwar reform, and prewar politicians who had been purged from public offices as war criminals began to come back to the forefront of politics. Revision

of the postwar reforms in all areas including education, police, labor, and government administration, as well as the related legal systems, began to be undertaken quite openly.

The completion of these moves was the reorganization of the political parties. This period saw the merger and consolidation of several conservative currents to form the Liberal Democratic Party, reunification of the Japan Socialist Party which had been split over the question of Japan's Peace Treaty, and the Japan Communist Party's abandonment of its ultraleft line in favor of open legal struggle. Also, the annual spring labor offensive was launched, the Japan Productivity Center was established, and the start toward rapid economic growth was made, all in this year of 1955.

As for the unions, Sohyo underwent a shift from the prewar leadership focused on Takano Minoru to the postwar leadership of Ota Kaoru and Iwai Akira, while the leadership of the employers' associations came under the sway of companies affiliated with the former zaibatsu. The economy had been recovering from the devastation of the war through the "special procurements" boom of the Korean War, so that by 1955 there was a popular catch phrase introduced in the government's Economic White Paper: "We are no longer in the postwar period." In a nutshell, the political prerequisites for a take-off to rapid economic growth were being prepared.

The struggle for the leadership of Sohyo broke out in this period as well. The winners, Ota and Iwata, represented the interests of the old breed of skilled workers who were threatened by the emergence of new kinds of workers with the introduction of mass production and automation. No less significant was the foundation of the Japan Productivity Center. The JPC was to supply much of the theoretical and ideological fiber behind the subsequent rapid growth of the Japanese economy. In postwar Japan, a number of organizations were established to promote innovation in management and technology, such as the Japanese Union of Scientists and Engineers (JUSE) and the Japan Management Association (JMA). All of these groups made significant contributions in introducing management techniques and quality control methods developed mainly in the United States. However, these organizations tended to steer clear of labor-management relations, whereas the JPC was committed to that contentious field. Admittedly, it did a lot of other work on innovative management techniques as well, but the primary concern of the Japan Productivity Center was how to tame the then-powerful trade unions and bring them under the control of management, safely

absorbed into a framework of labor-management cooperation — all in the name of improved productivity. Because of this emphasis, those running the Center were decidedly ideological and polemical from the outset. The process of struggling and dealing with the Japan Productivity Center was to end in the creation of what we call "pro-company trade unionism" in Japan.

At the time of the JPC's founding, there was not a single union which expressed approval for the Center's aim of upgrading productivity. Even in Zenro (which later became Domei), there was strong opposition from the textile workers' federation, while Sohyo pointed to the fact that the JPC was established as a part of the agreement on GARIOA loans, and launched a nationwide campaign to oppose it as an economic support for the Mutual Security Assistance agreement with the US.

The argument over productivity found a focus in a series of four debates on the subject carried in the journal "Chuo Koron" in 1955-6. The JPE was represented by its vice-president Nakayama Ichiro, Professor of Economics at Hitotsubashi University and chairman of the Central Labor Relations Committee; its opponents by Horie Masanori, a Marxist economist from the World Economic Research Center. The debate was inconclusive, but the arguments of the two economists came to represent the positions of the two camps. Nakayama's argument was particularly important, for it came to define the contours of the Japanese economy and labor-management relations for years after.

According to Nakayama, productivity is "a concept which combines production and efficiency"; it has been "valid throughout the history of economic development," and is "a concept which has a level of generality which transcends differences in economic systems." In dealing with it, we "need to grasp the question of productivity as a problem in the process of industrialization." "Industrialization," he goes on, "characterizes one stage in economic development, and it is a situation in which a production method (mainly involving organization) makes possible mass production of products with a uniform quality." In short, "industrialization is a far

broader concept than the term capitalism."

Next, Nakayama speaks of the "entrepreneur function." "If we define productivity improvement as making more effective use of production elements, then the next question is who will initiate this improvement, and what kind of process will bring about that result. Let us simply call this the process of innovation. Now, one might argue that the main aspect of innovation is technological innovation. But progress of technology is not in itself the decisive factor. Rather, the entrepreneur function which incorporates such technological progress is what really matters.

Now, the entrepreneur function that Nakayama speaks of does not refer to capitalists in general, but to a professional group — implementors of the innovative function. The Nakayama line gave confidence to a generation of younger managers who had taken leading positions to replace prewar top management had been purged from public office and failed to make it back even after the lifting of the purge. This role of these younger managers who were running much of the postwar Japanese economy was now given a public character as well as an ideological certitude.

With regard to fair allocation of the fruits of productivity improvements, Nakayama held that the benefits "should be distributed fairly among business ownership/management, workers, and consumers, in accordance with the specific circumstances of the national economy." The distribution would reward the "productivity of capital" as well as the "productivity of labor." Now,



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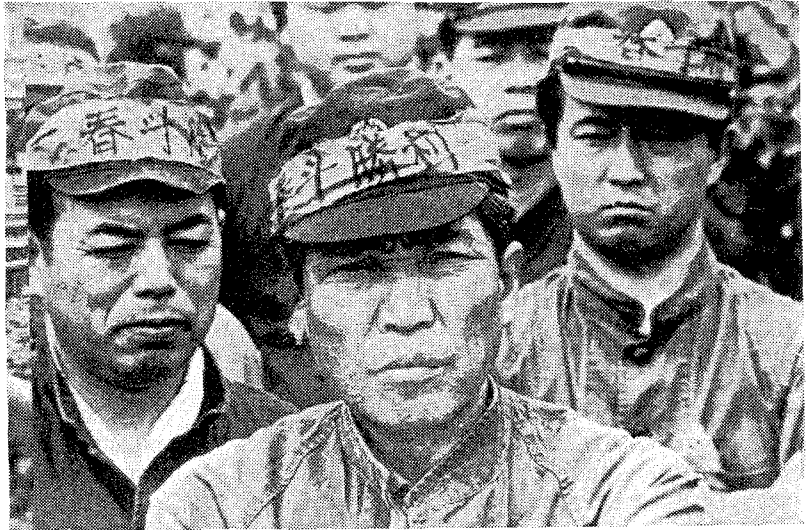
it is highly unclear just what "productivity of capital" means, but Nakayama tried to explain it by reference to Ricardo. He appears to have been speaking of a reward due to invested capital. In doing so, he was paving the way to capital accumulation. Five years after the birth of the movement to improve productivity the Ikeda cabinet's income-doubling plan laid a particular emphasis on rapid economic growth, a policy which handed the lion's share of productivity benefits to capital to ensure a high rate of capital accumulation.

The movement to improve productivity had been introduced earlier in European countries as part of the postwar economic recovery operation embodied in of the Marshall Plan. In the United Kingdom and West Germany, in particular, the movement had the support of the trade unions, and was introduced far more smoothly than in Japan. In terms of results, the movement tended toward a more balanced allocation of income rather than toward accumulation of capital. In my view the big difference lay more with the unions than the capitalists. In other developed countries, unions are organized by industry rather than by company, and negotiations over allocation of profits is carried out between employers' organizations and industrial unions in accordance with perceived overall social standards. It is a process which leaves very little room for arbitrary allocation by management and high accumulation of capital. In Japan, however, because company-based unions are the direct party to this kind of negotiation, the standards for allocation of income and accumulation of capital are poorly defined and the way left open for the acceptance of the logic of high accumulation — a logic founded on management's perception of competition among rival enterprises.

But that's not all. The process did not narrow, but actually served to widen, gaps in the multi-layered structure of discrimination: wage differentials between women and men, gaps between big enterprises and smaller enterprises, between parent companies and subcontracting companies, and so on.

The last segment of Nakayama's argument deals with the formation of consensus, that is, the area of "joint labor management council." Since "the movement to improve productivity is to be

organized as a national people's movement," an "arena for forming consensus" must be built, one which is "based upon a perspective that encompasses not only consultation between individual trade union and employer, but also the standpoint of the national economy," maintained Nakayama. In fact, it was precisely this field to which the Japan Productivity Center devoted its greatest efforts from about 1955 to 1960. A number of the center's key objectives were attained: labor-management relations were defined strictly in terms of conditions at the given business enterprise; the scope of items subject to



negotiations was restricted; a number of items were handed over to the joint labor-management council system; and powers were concentrated in the business enterprise. The militant character of the company-based trade unions formed in the postwar period vanished practically overnight.

As the great productivity drive rolled on, a pattern began to emerge: indoctrination of the concepts of "productivity" and "industrialization"; a change of objective from establishment of an "entrepreneur-type professional group"; "distribution of fruits" (of increased productivity) to "accumulation of capital"; emasculation of trade unions by pushing them joint labor-management councils system"; and finally, formation of the "pro-company trade union movement."

As for the position put forward by Horie against Nakayama, it was a clear reflection of the general theoretical level and character of the leftist movement at that time. In response to Nakayama's views on "the problem of innovation" and the "entrepreneur's job function," Horie put forward the view that "no matter how creatively a capitalist may carry out his activity, he cannot be any other than a capitalist." Leaving aside for now the

question of whether this criticism is valid or not, we can at least say that it reflected the stance of Japanese Marxism at that time. Labor literature of the time makes it clear that Horie and many labor activists saw the productivity movement as identical in character to the industrial rationalization movement which swept through Germany in the 1930's: it would generate a large number of redundant workers, intensify the workload for those in employment, and would work with the MSA (Mutual Security Act) to militarize the economy.

The arguments were there, but the catchphrases were lacking. While the capitalist camp spoke of "industrialization," "the entrepreneur's job function," and "distribution and accumulation," the workers lacked a competing vocabulary. And to be fair, it wasn't just a matter of words. The productivity movement's vocabulary reflected a radical vision of a new social structure, and the workers had no convincing alternative to offer. In retrospect, the error seems one that could have been avoided. At the time, the movement for a national uniform minimum wage was just getting off the ground, and should have offered opportunities to put a brake on arbitrary distribution and accumulation by the capitalists.

Sadly, however, the unions never really came to terms with the productivity movement. The community-based resistance to the despotic actions of capital which Takano had advocated was too oblivious to technological changes in the work place, and the wresting away of the unions' shopfloor power within large enterprises. The new position of "united struggle for each industry" advocated by the Ota-Iwata leadership was far more sensitive to those changes, but eventually handed ideological victory to the productivity movement: for the spring labor offensive was a struggle for "distribution" that lacked social standards itself.

V. The Sohyo years

1. The trouble with the Spring Labor Offensive

It was Sohyo which consistently organized opposition to the productivity movement, while Zenro's initial opposition soon wilted and Zenro ended up actually joining the Discussion Group on Productivity and Labor Management Relations. Zenro hoped that in doing so it could not only make demands for fair distribution, but move some way toward "industrial democracy," the holy grail of the prewar Sodomei which was heavily

influenced by the Webbs and other Fabian thinkers. Sohyo's annual spring labor offensives certainly served to raise the income level of workers in a big way, but in their obsession with pay, the early campaigns lacked any social standard: far from narrowing the gaps among different social groups, this actually widened the gaps, and gradually ceded the fundamental ideological issues to capital.

For years the spring labor offensives achieved annual wage increases of about 10%. Over the years, a knock-on effect developed: the increases won by Sohyo circulated through the economy, bringing increases for various other strata among the population (and thereby contributing to the achievement of rapid economic growth). The fact is that the rapid growth only became possible the spring labor offensive met up with the productivity movement. Paradoxically, it was Sohyo's militancy and dynamism, rather than Zenro's (and later, Domei's) static organization, which was the vital ingredient in Japan's rapid economic growth.

In the spring labor offensive in the early 1960s most of the Domei-affiliated unions joined the Sohyo unions. In 1964, wage levels for public sector workers were legally linked to those of private sector workers, and gains won in the offensive came to spread like ripples in the form of enhanced income for small producers and better settlements for farmers in rice-price negotiations. Here were the foundations for rapid economic growth.

However, the early 1970's brought a series of setbacks, and with the onset of a series of popular struggles that appeared after the oil crisis of 1973, its end as a dynamic movement was declared. The Vietnam War lasted for more than ten years from the early 1960's and resulted in a sharp decline in the value of the dollar, which led to ending gold standard in 1971 — the so-called "Nixon Shock". In 1973, Japan, too, was induced to shift to a floating exchange rate system. Then in 1974, came the oil crisis with times getting harder. (the Japan Federation of Employers' Associations) introduced principle of holding wage increases within the scope of gains in productivity. It was the cue for a management crackdown on big wage increase; from here on, the spring labor offensive would meet altogether tougher opposition, a series of popular struggles indicated that the knock-on effect was no longer spreading the gains won by organized labor to the rest of society as effectively as it had. In 1974, Sohyo organized the offensive under the new name of "the people's spring offensive." It was an ironic choice of words. In the high growth era, the spring offensive really had been an event for the "whole people," even if not in name. But when the knock-on effect stopped

working, Sohyo was shocked at how isolated its position could become, and felt impelled to formally recognize the need for ties with the workforce at large. Thus, the naming of the "people's spring offensive" actually heralded its demise as a dynamic movement. This also meant the beginning of the collapse of Sohyo's overall leadership, which was tacitly recognized by other union groups. The stage was set for the radical realignment of the labor movement that faces us today as an accomplished reality.

The 10% plus annual wage raises secured from 1955 to the late '60s represented a very high and sustained rate of gain for which there was no precedent worldwide at the time, and the initial goal of reaching parity with wage levels in Europe was achieved in the mid-70's. However, these rapid gains were accompanied by tremendous changes in the workers' environment in the workplace and elsewhere. For, the gains were made at the cost of accepting rationalization of production. In the workshop environment of gigantic enterprises in particular, the system of prior consultations between labor and management about introduction of new technology and plant layout, etc., was emasculated; the traditional job classifications and ranking system were changed with little input from labor; and a new merit-based wage system replaced the old seniority system. Then, too, since the spring offensive made it a practice to convert just about every aspect of the workers' lives into money equivalents, the workers' sensibility was gradually numbed toward such frightening developments as the rapid spread of pollution. No serious opposition to pollution created by businesses emerged from within the enterprises themselves. And in response to the anti-pollution movement that arose outside the businesses, many trade unions took a neutral or even antagonistic stand. They wanted more money; the businesses wanted more money. They got on well enough together and neither seemed to care much about anything else.

The 30-year history of the spring labor offensive is marked by a steady incorporation of workers into the business society based on the principle of competition and primacy of efficiency. It helped to reinforce and extend the varied and criss-crossing systems of discrimination and divisions between big businesses and smaller firms, parent companies and subcontractors, between regular workers and temporary part-time and agency workers, between men and women, between Japanese and foreign workers and so forth. The postwar Japanese labor movement did not have a clear or strong concept of "social standard," to begin with, largely because it was founded upon company-based unions. This tragic

lack of awareness became chronic during the thirty years of the spring offensive.

When we look at moves over the years to revise labor-related laws, we cannot help but be shocked at how thoroughgoing the process of dissolution of the power of the labor movement has been, and disgusted at the pro-company character of those unions that have given their approval to those changes. The government started meddling with the labor laws when the economy was faced with the oil crisis. The Unemployment Insurance Act, Vocational Training Act, and Employment Security Act were all revised in accordance with the demands of big business, to the point where their strict standard-setting character has been lost without trace. Then, too, the international decade for women (1975-1985) prompted demands for working women's rights — but resulted only in the so-called Equal Employment Opportunity Law, a pseudo-reform that has reinforced discrimination against women in many areas. The revision of the Labor Standards Act was undertaken simultaneously, and this law — which had set some of the strictest labor standards in the world was also stripped of its character as a standard-setting law. The gutted law stipulates that only standards agreed to by labor and management within a given enterprise will serve as social standards. In short, social standards are now to be determined within each company. A society in which the standards decided by business enterprises are the only standards — the world depicted by Marx in "Capital" — has come to pass in today's Japan, one hundred years after Marx's death.

2. Community-Based Labor Movement and Work Place Struggles

In 1958, Sohyo unveiled a "Draft Program of the Organization." In 1964, it adopted the "Second Draft of the Organization's Policy." These two documents, the former in particular, were drawn up with the cooperation of the leaders of Sohyo's member unions, but neither document was ever put into practice. The fundamental approach laid out in these documents was to reverse the unions' loss of power in the workshops through the impact of the productivity movement and technological innovation by boldly forming unified industrial unions as an antidote to the weaknesses of company-based unions. As for the "Second Draft," while it too emphasizes the necessity of doing something about the company-based union and of strengthening workshop struggle, it also manifests all too eloquently the debilitating effects of the six

intervening years since the writing of the Draft Program. Already the existence of company-based unions is accepted as a given and responses sought. The Second Draft suggests finding outlets for the energy suppressed in the workplace through community struggle and political struggle. The differences between the two drafts are precisely the differences between 1958 and 1964.

There were six years of fierce conflict between labor and capital, including the great struggles were fought and lost over the U.S.-Japan Security Treaty and the Mitsui Miike Coal Miners' Strike. The Draft Program comes out of 1956-58, when the movement was on the upswing and battles were being waged across Japan with control of the work place at stake. The Second Draft was the product of a period of decline for the union.

The defeats over the U.S.-Japan Security Treaty in 1960, and the Mitsui-Miike struggle (which was fought with the total, nationwide mobilization of all of Sohyo's power and resources) created the foundations for "Japanese-style trade unions," through acceptance of company-based unions within Sohyo as well. No matter how vocal the opposition, the productivity movement widened and deepened its penetration of the work place with every passing day ultimately engulfing the work place beneath the surface. Meanwhile the spring labor offensives unfolded with apparent vigor on the surface, creating both increases in nominal wages and new discriminatory structures along the way.

As for the "work place struggles" and "work place activists," which were given top priority in the Draft Program, they were now viewed as "obstructions to production" and as such were to be kept down and removed. The times were changing: the skilled workers who had pushed Ota and Iwata into the leadership of Sohyo were being outnumbered by workers with different skills and different attitudes, in an era of technological innovation. These new workers were beginning to assure the leadership of the movement. With all this in mind, the community and political struggles emphasized so much in the Second Draft come across as desperate measures to resist the earth-shift against the censors that occurred around 1964. The energy of the masses that were denied an outlet at the work place were to burst forth, well beyond the degree envisaged by the authors of the Second Draft and merged with the worldwide popular rebellion against the Vietnam War and the upsurge of the student movement, and manifested itself in the streets and communities of Japan until the early 1970's.

Positive though these movements were, it's hard to avoid the thought that the unions were missing

the point: the battle for the workplace was lost, and the only way to ignore the unpalatable was to find other battles to fight outside. ■

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