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POST-FORDIST 'IDEAL TYPE' ? - THE LABOUR PROCESS IN
THE JAPANESE MANUFACTURING SECTOR, 1967 - 1990

DAVID TILEY

INSTITUTE OF POLITICAL ECONOMY
CARLETON UNIVERSITY

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POST-FORDIST 'IDEAL TYPE'? -
THE LABOUR PROCESS IN THE JAPANESE
MANUFACTURING SECTOR, 1967-1990

submitted by David Tiley, B.A. Hons.
in partial fulfilment of the requirements for
the degree of Master of Arts

Thesis Supervisor

Director, Institute of Political Economy

Carleton University
18 April 1997

Abstract

Within the Western left, recent attention has focused on the notion that the labour process in Japan might possibly be a successor model to the allegedly moribund 'Fordist' phase of capitalist development. Our central hypothesis is that the organization of work in Japan cannot be considered the 'post-Fordist' ideal-type, as it promotes a quality of working life no more empowering for workers than that of other advanced capitalist economies.

Indeed, this thesis finds that the method and evidence provided by post-Fordists, specific to their assertions regarding Japan, has been dubious. In order to refute the overly optimistic post-Fordist claims, we offer supporting evidence on three fronts: quality of working life; work within the peripheral labour force; and gender segmentation. Finally, in each instance, the evidence suggests that Japan's manufacturing sector cannot be considered a labour process model.

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Completion of this work was realized only with the help of many patient, thoughtful, and inspiring individuals, to whom I offer my sincerest thanks. First of all, my deepest gratitude must go to Fred Bienefeld, for his diligence, his flexibility in adapting to a rather unorthodox thesis schedule, and his wholehearted commitment to making the project as effective a contribution to the study of the labour process as was possible. My thanks to Tulio Caputo, for challenging my preconceptions, for creating a truly rewarding environment in which to discuss labour process innovation, and for guiding the project through its final stages. For their tireless efforts in making the Institute of Political Economy a first-class research environment, yet one that remains progressive, flexible and student-oriented, I wish to thank Wally Clement, Rianne Mahon, and Michael Dolan. To Elaine Rouleau, for her guidance, forbearance, and good humour, many thanks.

Furthermore, I wish to applaud the hard working women and men of Japan, whose commitment to higher productivity remains firm, in spite of often intense work environments. Their efforts and their endurance provide the real inspiration for this project. And finally, to my wife Chris, who put up with the late nights, mealtime interruptions, and lost weekends with the grace and mild manner that make her so special - simple words of thanks are not nearly enough. To each and everyone mentioned here, as well as to the many whose assistance I have neglected to cite, may I offer my unconditional thanks, but complete absolution from any errors that are of no fault but my own.

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CHAPTER ONE: INTRODUCTION

We contend that Japanese industrial organization has reached a level of development that is post-Fordist. This replaces the specialization and deskilling of the Fordist model with a new industrial organization based upon integrative and flexible work organization, shopfloor learning, and networked production complexes.

Martin Kenney and Richard Florida, 1989¹

Research Question

In the wake of a series of conjunctural crises in international production regimes, recent attention among the Western left has turned to alternate forms of production, work organization, and capital-labour relations. At the forefront of this discussion has been the search for a 'post-Fordist' development mode that supposedly transcends the Fordist phase of capitalist development. Because of its relatively rapid economic growth and its alleged non-Fordist production relations, Japan has become an increasingly central focus in the ensuing debate over post-Fordist forms of work organization. Unfortunately, this debate has had many shortcomings. In particular, it has suffered from a considerable degree of methodological incoherence, has relied upon questionable source material, and has neglected crucial considerations, such as gender, as certain protagonists have sought to show that work in Japan is, broadly speaking, 'post-Fordist' and is a model to which others should aspire.

Indeed, the most common basis of this claim has been the reputedly harmonious aspect of the organization of work in Japan. Many academics, otherwise skeptical of the scope for pro-labour innovations within the capitalist labour process, have heralded Japanese production management as being more harmonious, empowering, and worker-sensitive than

Fordist organization. Moreover, with research in the labour process field centered on Harry Braverman's notions of deskilling and 'control', some have argued that because deskilling and disempowerment do not appear prominent in Japan, this economy points to the new Jerusalem. This study rejects such a contention.

In reality, evidence suggests that a growing intensification of work, an increasing gender segmentation of employment, and a widening gulf between core and peripheral workers developed during the mid-to-late 1960s, so that the touting of Japan as a model of 'post-Fordism' appears premature. Further, whilst it is universally acknowledged among the Western left that the state plays a vital role in structuring capital-labour relations, sufficient attention has not always been given to the relation between the state and the development of the capitalist labour process in Japan. That is the context within which this thesis will examine the claim that Japan's labour process could serve as a post-Fordist model. It will proceed by discussing the theoretical underpinnings of the major strands of post-Fordist discourse, evaluating the evidence on which they draw, and highlighting any inherent contradiction.

Specifically, this thesis will question the belief that the Taylorist labour process has been eclipsed in a 'post-Fordist' Japan. Also, the related claim that labour process innovation in Japan has created an environment that facilitates solidaristic work practises, will be contested. As to the question of skill, where post-Fordist discourse maintains that work in the manufacturing sector has been reskilled, evidence will be presented to show that workers, if not deskilled, have become multi-tasked, with implications toward increased labour intensity. Further, in considering the perception of the Regulationist and Fujitsuist approaches that lifetime employment and seniority-based wages might be considered empowering, albeit

for a minority, recent studies will be cited to show that both these 'pillars' of work in Japan have been in jeopardy for some time. Thus, without completely discarding the possibility that the early postwar labour process, within certain manufacturing firms, had the potential to be both efficient and humanizing, my task will be to show that by the late 1960s, moves aimed at industrial restructuring pre-empted any association between the notion of industrial democracy and work in Japan's factories.

On the basis of data collected for this thesis, I will examine changes in the labour process in Japan's manufacturing sector, and summarize their collective impact upon workers, between 1967 and 1990. Manufacturing has been selected as the focus of this investigation, since it is the sector from which most post-Fordist interpretations of 'work in Japan' have been drawn. The year, 1967, was chosen as the starting point of the study because it was during the mid-to-late 1960s that a number of factors began to threaten post-war net profit levels in Japan, and it is my thesis that Japan's accelerated rate of labour process innovation was largely motivated by the decline in profitability.

Theoretical Approach

Simply stated, my own understanding of the organization of work in Japan is based on Marxist labour process theory. Since the pioneering work of Harry Braverman, Marxist studies of work and industrial sociology have been reinvigorated. Due to the valuable insights provided in his ground-breaking work, *Labor and Monopoly Capital*, Braverman's thesis has encouraged a series of macro-historical analyses to explore the question of agency more fully, as in the work of Richard Edwards, Andrew Freeman, and the Brighton Labour Process Group. Furthermore, in their attempt to delineate the key variables associated with the

organization of work in all kinds of social formations, the proponents of contemporary labour process theory have increasingly turned to aspects of work in Japan. However, even though studies of the labour process in specific firms or industries have become more reflexive, there remains a tendency to ignore those relations that extend beyond the point of production. Even so, the various approaches to the study of work organization can be distinguished by the extent to which they link 'macro' issues to the 'micro' issues, a process to which Michael Burawoy refers as the *politics of production*.

Among post-Braverman labour process theorists, Burawoy has been most adamant in defining the labour process as a composite outcome of both the *relations of production* and *relations in production*. His definition of the relations of production differs little from Marx's, in that it focuses on the extraction and distribution of economic surplus. However, for Burawoy, the relations *in* production contain that element of the labour process which was largely overlooked by Braverman, namely the day-to-day interaction among workers, and between workers and management.²

It is at this micro level that Burawoy identifies the potential for political struggle within the workplace and beyond. This is not to say that Burawoy alone recognizes the potential of work-place struggle, but merely to highlight his tendency to integrate both elements of production politics. His approach seeks to transcend the structure-agency question that has preoccupied Marxist studies of the working classes, by affirming the significance of production politics, but without disregarding the structural imperatives of the labour process under capitalism.

Based upon his approach to the labour process, Burawoy has recently noted that the

level of state action in advanced capitalist societies has had a direct bearing upon the exercise of control in work organization. Regarding the politics of production, Burawoy has argued that the labour process develops in conjunction with "distinctive political and ideological *apparatuses of production* which regulate production relations."³ Both elements are united (as the politics of production) within the abstraction of a *factory* or *production regime*, a term Burawoy applies to the periodization of production relations within capitalist social formations.⁴ Additionally, based upon a comparative historical analysis of the development of such production regimes, Burawoy has characterized the labour process in Japan as the embodiment of a pattern that he distinguishes as *hegemonic despotism*.

Put simply, *hegemonic despotism* describes the calculated attempt of the state to minimize its role in welfare provision, so that industrial capital becomes the only source of worker subsistence. Clearly, the devolution of any possibility for social welfare to the level of the firm, suggests that a worker may become more beholden to an employer than ever before. Under such conditions, high rates of labour productivity might be more a reflection of the resulting broader managerial prerogatives than of labour process humanization. Given the historical development of welfare policy in Japan, hegemonic despotism thus appears an apt way of describing that model. Thus, Burawoy's production politics framework, with its central concept of hegemonic despotism, seems a useful point of departure for a case study of the labour process in Japan's manufacturing sector, since it recognizes the importance of spheres beyond the point of production. This is why Burawoy's production politics framework will serve as a point of departure for this discussion.

In order to add credence to Burawoy's claim that the labour process in Japanese

manufacturing is best understood as a mode of hegemonic despotism, it is necessary to make some further observations concerning his *production politics* schema. First of all, given the general, macro-analytical nature of Burawoy's perspective, it is necessary to isolate those factors that are directly pertinent to our study. In essence, we need to accommodate his broad framework to our narrower case study of work in Japan. In this context, we will focus on the impact of hegemonic despotism on the labour process in the manufacturing sector. Clearly, it is essential that we sketch out the relation between neo-Taylorism and hegemonic despotism, but before this, we need to understand the derivative nature of the former term.

Taylorism refers to the series of management techniques developed by Frederick W. Taylor in the early twentieth century and described in his 1911 publication, *The Principles of Scientific Management*. Taylor's primary goal was to achieve increased efficiency through a reorganization of work that would disempower labour. He believed that wherever workers maintained control over the labour process, resistance to management prerogatives, and consequently, inefficient work practices, would result. Thus, in an endeavor to remove such threats to efficiency, he argued that a narrow skills component for each respective occupation would suppress the margin for worker discretion. With increased productivity as his overriding objective, Taylor advocated the timed study of work, so that employers could expect each individual task to be completed within a specified period of time.⁵

Taylor also believed that, in addition to timing workers, management should document all observed work practices so that knowledge might be transferred systematically from labour to capital. Indeed, for Taylor, it should be management's ultimate objective to ensure that:

"All possible brain work should be removed from the shop and centered

in the planning or laying-out department... "6

With knowledge finally in the hands of the employer, Taylor believed that a firm could become more efficient as management studied, planned, and compartmentalized all tasks. Indeed, the hallmark of Taylorism soon came to be rationalization, piecework, and detailed task reorganization. However, while organizational efficiency remained paramount, to achieve labour efficiency (as measured by task efficiency and productivity) one also had to attain worker compliance. For this purpose, incentive schemes were introduced, as part of a hegemonic project. Thus, Taylor contended that it was only with the complete analysis and consequent reorganization of the labour process that organizational efficiency could be maximized.

Taylorism, then, refers to the adoption of Taylorist techniques in response to profitability crises within firms. Neo-Taylorism, on the other hand, refers to a process in which the minimization of down-time, the highly segmented task orientation, and the propensity to increase the intensity of labour (all associated with Taylorist management) is combined with Computer-Aided Manufacture (CAM), robotics, and the computerized surveillance of workers. Further, neo-Taylorism includes certain organizational transformations, like the team concept, the quality control circle, and the notion that workers, and not management, must strive for constant innovation.

In contrast to Taylorism, which required the disempowering of the manufacturing sector worker by restricting his mental input, the technological and organizational characteristics of neo-Taylorism actually demanded greater worker input to achieve the same objective. Indeed, a familiarity with computer-simulated manufacturing, multiple-craft

training (a multi-skilled electrician, fitter-and-turner, and mechanical engineer as one), and continuous electronic surveillance of worker productivity are all examples of the greater input required of the worker in a neo-Taylorist labour process. It shall be made clear, later, that while positive assessments of work in Japan tend to focus upon the alleged 'humanizing' capacity of the resulting 'post-Fordist' labour process, the most portentous outcome of neo-Taylorism was the psychological empowerment of workers in a context that would ensure that the quality of their working life would be steadily diminished by increasing work intensity, by the progressive elimination of individual skills, and by the gradual removal of all opportunities for organically determined (as opposed to management-led) strategies of industrial democracy. Indeed, whilst Japan's postwar experience of rising industrial sector wages and a steady expansion of social overhead capital paralleled similar developments in France, Great Britain and Canada (albeit from different starting points), this process soon came to threaten its accumulation strategy, and that, in turn, precipitated the development of hegemonic despotism during the late 1960s and early 1970s.

In this context, the concept of *unprotected flexibility* has been derived in opposition to that of *structured flexibility*; developed by Martin Kenney and Richard Florida, the most enthusiastic proponents of Japan as a 'post-Fordist' model. Fundamentally, where Kenney and Florida employ the term *structured flexibility* in order to describe the set of "relatively stable social institutions that bind production and innovation together...", the term *unprotected flexibility* refers to a situation in which institutions undermine the position of labour within a capital-labour relation that induces constant transformation in the organization of work.⁷

Specifically, Kenney and Florida are correct in assuming that flexibility cannot be discussed

in isolation, yet they fail to perceive that the philosophies of efficiency and austerity, commonplace within Japan's federally-administered public institutions, undermine the social, economic, and political position of workers. Therefore, while Kenney and Florida employ *Fujitsuism* to describe their own technologically-determined vision of the labour process in Japan, I hope to show that *neo-Taylorism*, as defined above, is a more appropriate way of describing the organization of work in Japan's manufacturing sector. Thus, for the period under examination, this thesis asserts that the labour process within Japan's factories was based upon the *neo-Taylorist* component of *hegemonic despotism*, due to the existence of a phenomenon that is referred to as *unprotected flexibility*.

Hegemonic despotism has developed in Japan due to the role of the state, and in order to clearly distinguish the nature of its role, the concept of *unprotected flexibility* is required. The term refers to the extreme dependence of workers on capital in the absence of state welfare provisions under hegemonic despotism. As a matter of context, while Japan's development of social infrastructure was comparatively lower than that of either Western Europe or North America by the late 1960s, due to postwar reconstruction, the unanimity of Keynesian welfarism within the OECD failed to permeate Japan's policy community, to the extent that Japan entered such ranks in terms of both economic status, and breadth of state welfare provision.

This thesis maintains that the underdeveloped nature of Japan's welfare policy can be attributed to a neoconservative 'workfare' philosophy that was prevalent among Japan's bureaucratic elite and the long-ruling Liberal Democratic party (LDP). The most aggressive strain of this neoconservatism was demonstrated by Prime Minister Nakasone Yasuhiro

(1982-1987), who spearheaded 'administrative reform' as a justification for weakening the social position of Japanese workers.⁸ Accordingly, *unprotected flexibility* can be considered indicative of the specific temporal, spatial, political and ideological context of labour process innovation in Japan.

Research Approach

Having asserted that Japan's factories, for the period under study, can only be understood within the context of *hegemonic despotism*, an outline of the thesis and the argument is required. Chapter Two maintains that post-Fordist representations of the 'Japanese model' are inappropriate, on the basis of a review and critique of the post-Fordist discourse. The discussion begins with a brief schematic of the main components of post-Fordism, as perceived by its key proponents, who see this 'reality' as consumption-led, culturally fragmented, highly flexible, constantly innovative, and technologically advanced.

Following this attempt to define the essence of post-Fordism, we shall delineate the *five* main strands of the broader post-Fordist discourse namely: (i) French Regulationist; (ii) Flexible Specialization; (iii) Disorganized Capitalism; (iv) New Times/Marxism Today; and (v) Fujitsuism. Chapter Three will then critically assess the claims derived from this post-Fordist discourse with reference to the labour process in Japan. This will serve to highlight both the context within which various claims about the organization of work in Japan are made, and draw attention to the supporting evidence, or lack thereof, in an attempt to ascertain why Japan has become and still remains, a model for many analysts of the labour process. In this context, I shall seek to show that the post-Fordist discourse has tended to blur the reality of the Japanese production politics that has actually developed in its

manufacturing sector.

The next section of the thesis will address some of the more salient issues in recent labour process theory, in order to establish a sound theoretical basis for a more concrete analysis. Chapter Four will be devoted to a discussion of mutations in the conceptualization of 'control' in Marxist labour process theory, with specific reference to the Japanese production model. It will focus on the issue of control, which was, until the mid-1980s, the most central notion in such labour process analyses. Indeed, the various dimensions of control, the specific impulsion to control, and the various devices of control, were the main subjects of this Marxian debate. Accordingly, a discussion of the origin of 'control' as a conceptual tool, its transformation, and its supposed transcendence will lead to the conclusion that a realistic conception of this notion must also consider factors beyond the work place. Hence, prior to our examination of the labour process in Japan's manufacturing sector, this concept will be defined in a way that allows it be applied to the Japanese situation.

Chapter Five will explore the sources of labour process innovation that are evident in the Japanese manufacturing sector. Three main factors will be shown to underlie the move toward its constant adjustment. First, a labour shortage, which was particularly acute in the manufacturing sector and which had driven wages up by 25% to 50% by the mid to late 1960s. Second, the *shunto*, or Spring Labour Offensive, which became far more institutionalized in the late 1960s, and which threatened profit margins by seeking to narrow the wage-productivity gap. Third, the widespread reaction against the unchecked growth of heavy industry, which became prominent in the late 1960s, and which seemed to presage electoral disaster for the ruling LDP. leading to the passage of a series of environmental

protection statutes which further threatened profitability. It shall be argued that it was in reaction to these pressures, that firms in the manufacturing sector intensified the reorganization of work in order to maintain profitability.

Having dealt with the main theoretical and conceptual inconsistencies of the post-Fordist discourse as applied to Japan, Chapter Six will embark on a socio-historical analysis of the labour process in Japanese manufacturing, by addressing the issue of the quality of working life. Specifically, statistical evidence shall be marshaled, showing that profit maximization has had a dramatic impact on the quality of working life via 'Just-In-Time' (JIT) production, total quality control and *kaizen*, as well as 'waste reduction', multi-tasking, and the reduction of down-times due to increased mechanization. Primarily, it will be shown that (i) worker productivity has increased dramatically over the period of 1967 to 1990, while the wage-productivity gap has not narrowed, (ii) investments in labour-saving capital stock have increased, (iii) hours of work, particularly the proportion of over-time, have steadily risen, and (iv) the percentage of performance-based wage systems has escalated as a result of labour efficiency schemes that were first initiated in the late 1960s, by *Nikkeiren*, the Japan Federation of Employers'. Moreover, it will be shown that due to this intensification of labour, health and safety concerns have grown, as have worker reports of increased stress and *karoshi*, or death from overwork.

Chapter Seven will focus on the issue of labour market duality by showing that the separation of core and peripheral workers has increased over time. Due to an increase in the prevalence of subcontracting, a growing proportion of the manufacturing sector work force has been denied employment security (due to the increased practice of transferring employees)

and full-time status, and this has sharply reduced a worker's chances of receiving bonus payments, corporate welfare benefits, and union membership. Concerning the issue of gender and work, Chapter Eight will seek to show that segmentation by gender has intensified since 1967. As a result, income equality and employment equity have been further eroded, despite the growing proportion of females entering the labour force.

Finally, Chapter Nine will draw upon the preceding discussion, in order to assess the possibility of a labour process in which pressures to intensify the exploitation of labour might be mitigated or controlled.

1. Martin Kenney and Richard Florida, "Japan's Role in a Post-Fordist Age," Futures, (April 1989), 136-151: 137.
2. Michael Burawoy, The Politics of Production. (London: Verso, 1985), 13.
3. Ibid., 8.
4. Ibid., 7-8.
5. Frederick W. Taylor, The Principles of Scientific Management. (New York: W.W. Norton and Co., 1911), 55.
6. Frederick W. Taylor, "Shop Management," Scientific Management. (New York: Harper and Bros., 1947), 98-99.
7. Martin Kenney and Richard Florida, "Beyond Mass Production: Production and the Labor Process in Japan," Politics and Society. (16:1) 1988, 122.
8. Makoto Itoh, The World Economic Crisis and Japanese Capitalism. (New York: St. Martin's, 1990), 188-189.

CHAPTER TWO: THE POST-FORDISM DEBATE

The secret is out! Work need no longer be performed in conditions of anger frustration, alienation. Jobs need no longer be fragmented into meaningless, boring, repetitive tasks.

John Mathews, 1989¹

Since the economic downturn of the late 1960's and early 1970's and capital's subsequent search for new sources of profit, the various attempts to theorize the causes of economic decline have increasingly settled upon a single definition of the current phase of capitalism, namely, *post-Fordism*. Unfortunately, the notion, (developed within the confines of left-wing political economy) has been used to describe so many different political and economic situations in all manner of social formations, and often in ways that contradict each other, that post-Fordism as an analytical concept has become amorphous and overburdened. Moreover, it has also suffered from a temporal and spatial dislocation, since several of its adherents view post-Fordism as an expression of late-twentieth century 'reality', while others simply see post-Fordism as an evolving model of the next phase of capitalist development. Implicit in these discussions is a past-march in the name of the departed Fordism, and the mass production with which it is generally equated. Hence, given the level of confusion and divergence over the characteristics that constitute post-Fordism, it seems crucial to delineate its key components, prior to assessing its meaning and legitimacy.

In this chapter, I will endeavor to explain both how and why post-Fordist discourse incorrectly characterizes the current conjunctural crisis as an entirely new epoch within capitalism. In this context, I propose to examine the concept of post-Fordism by exploring

its derivation, its politico-economic basis, its temporal origin, and the extent to which this model differs significantly from previous models, or patterns of capitalism. It should be noted at the outset that this discussion begins by subsuming disparate theoretical standpoints within a single concept, but an introduction to a field of discourse must choose some point of entry. In the ensuing discussion of post-Fordism, I will endeavor to take account of the several variations.

This review of the major strands of post-Fordist discourse will show that its key exponents have misjudged the extent of change in late-twentieth century capitalism. Thus, although post-Fordists have rightly identified certain significant transformations in capitalist economic relations, particularly as regards patterns of consumption and production, their claim that this represents a new era, and a new form of capitalist development, is an overstatement. Indeed, the various views that will be discussed below are 'post-Fordist' in a substantive sense, though not always in a formal sense. Substantively, post-Fordism is defined as a theory which argues that we have recently entered a new phase of capitalism in which the organization of work is fundamentally different, and in which the relations between capital and labour will be less antagonistic. Finally, since it is important to establish the extent to which various post-Fordist approaches perceive a positive future for labour, the following chapter will examine this post-Fordist view of the prospects of labour under capitalism more fully.

Fordism: where it all begins

Post-Fordism is clearly a concept derived from **Fordism**, which refers to the system of mass production that emerged in the first decades of the twentieth century and that was

epitomized by Ford's assembly lines. In its broadest sense, the concept is used to describe the macro-economic development of a mass consumption society based on the mass production of goods and services. Indeed, Harvey captures Fordism's ultimate essence when he notes:

"What was special about Ford (and what ultimately separates Fordism for Taylorism), was his vision, his explicit recognition that mass production meant mass consumption, a new system of the reproduction of labour power, a new politics of labour control and management, a new aesthetics and psychology, in short, a new kind of rationalized, modernist, and populist democratic society."²

From a micro standpoint, Fordism is generally associated with mass production, using factories with dedicated plant and equipment, a low skills base (partly due to the widespread use of the 'scientific management' principles of Frederick Taylor), the primacy of the manufacturing sector in both industrial output and employment, the mass worker, and a slow response to innovation; a pattern that Cox argues became dominant in large-scale American industry by the interwar period.³

At a macro-level, Fordism tended to involve the following elements; (i) a direct link between labour and capital, (ii) an acceptance of collective bargaining between labour and capital, and (iii) revenue redistribution via a Keynesian welfare state.⁴ Although this description is very general, rather ambiguous, and even lacking in substance, it approximates that which is used by some of the key figures in post-Fordist discourse. Nonetheless, although post-Fordism may appear a vague concept, its increasing acceptance (within the confines of the Western left) as a tool for theorizing the 'break' in capitalism, justifies its being used as the point of departure for this discussion. To unearth the conceptual origins of Fordism, we must turn to Antonio Gramsci's notes on "Americanism and Fordism".

Gramsci's Fordism

Within the Western left, Gramsci's attempt to assess both the impact and the potential of the new productive forces in the first decades of twentieth century Europe, yielded the first systematic statement of the Fordist model. While still uncertain whether such changes were merely conjunctural, or more substantial, Gramsci sought to examine the production politics of the new 'rationalized' factories, whose emergence he associated closely with Henry Ford. His tentative conclusions provided both a much-needed socialist analysis of the new system's impact on the physical and mental conditions of workers, as well as a basis for reflecting on the consequences of the new "Fordian ideology".⁵ Moreover, the conclusions that he drew from his dialectical examination of the Taylorized worker have greatly influenced post-Fordist theorization of the 'empowered' worker.⁶ If we are to deepen our understanding of the conceptual origins of Fordism, we need to assess these factors more fully.

Gramsci was quite clear that Fordism's most likely effect on workers' physical and mental condition would be to denigrate their human potential. He believed that the increased intensity of work, together with the introduction of more "rationalized" production methods and the more detailed division of labour, would prove both detrimental and unnatural.⁷ Indeed, he argued that industrialists like Ford were sufficiently aware of this problem that they took steps to incorporate workers into a "Fordian ideology" through relatively high wages and social benefits.⁸ According to Gramsci, Fordism would have such a dramatic impact on humanity that it would require the elaboration of "a new type of man suited to the new type of work and productive process", and for this one would need coercion and subtle propaganda.⁹ However, despite the fact that Gramsci saw Fordism primarily as a new form

of surplus extraction which fundamentally altered the nature of work, he did also observe certain 'progressive' tendencies within it.

Adopting the dialectical method, Gramsci argued that the very dehumanizing elements of Fordism, and in particular its Taylorist practices, held out the possibilities for working class resistance. Initially, Gramsci noted that the introduction of Taylorist work organization reduced worker-specific inputs into separate tasks: "breaking up the old psycho-physical nexus of qualified professional work, which demands a certain active participation of intelligence, fantasy and initiative on the part of the worker..."¹⁰ Nonetheless, he contended that the elimination of thought from one's occupation left the mind free to contemplate other concerns:

"...once he has overcome the crisis of adaptation without being eliminated: and not only does the worker think, but the fact that he gets no immediate satisfaction from his work and realizes that they are trying to reduce him to a trained gorilla, can lead him to a train of thought that is far from conformist."¹¹

It is doubtful, however, that Gramsci saw the possibility of the realization of the worker's potential through any other form than the attainment of socialist relations of production, given his involvement in the Second International with its interest in scientific management. However, several post-Fordist theorists (particularly the French Regulationists, Lipietz and Coriat) have seized upon this apparent Taylorist paradox in Gramsci to draw a parallel with post-Fordist labour process models like the so-called Swedish 'Kalmar' model, and the Japanese 'Toyotist' form, which extract higher productivity from workers, while 'empowering' them at the same time. We shall return to this issue later. For now, it should be noted that the roots of Fordism are found in the work of Gramsci, who used the concept to describe the

changes then occurring and who was among the first to examine its implications in depth. Against this background we can now turn to an examination of the origins of the concept of post-Fordism.

Post-Fordism: Fact or Fiction ?

In essence, post-Fordist discourse focuses on a supposed revolution in the nature of international economic relations that has been propelled by several long-term trends, but was sharply accelerated by the rapid slow down of economic growth in most OECD economies during the 1970's. A sense of dislocation, due largely to an atmosphere of crisis within capitalism, seems to typify most strands of this debate. Thus some of the key triggers of change identified in post-Fordist analysis include: the fracturing of state structures; the alleged transcendence of the capital-labour relationship as the core of capitalist social relations; and the end of a 'Golden Age' of mass production and full employment.¹² Since these were generally regarded as key characteristics of Fordism, post-Fordism implicitly juxtaposes the Fordist past to 'the other', namely the post-Fordist present.

In fact, the use of such binary concepts is very common within the post-Fordist debate, making it all too easy to dramatize gradual mutations in international production relations. Thus, during the late 1980's, the British journal, *Marxism Today*, published several lists that contrasted 'old' forms of consumption, work organization, and technology with their 'New Times' variants.¹³ While only limited empirical evidence was marshaled to substantiate these claims (perhaps related to a postmodern disavowal of rational empiricism), the intent was to assert that these transformations were both far reaching and substantial, not merely semantic. Indeed, post-Fordist discourse is permeated with such "simple polemical

contrasts", as Sayer has aptly described them. These often involve the construction of false dichotomies that then become the basis of theorizing change, in place of substantive socio-historical analyses.¹⁴

Turning to temporal issues, the choice of 1973 as the point at which the 'post-Fordist age' began is crucial to the analyses of several post-Fordist theorists. These generally contend that the late 1960's signaled labour's finest hour in that wages and work-related benefits in the OECD states were at an all time high, although the situation was widely regarded as untenable, due to the lackluster performance of several key economic indicators between 1967 and 1972-73, notably, manufacturing output.¹⁵ The resulting profit squeeze led to an attempt to reduce labour costs that resulted in rising unemployment, particularly in France, Italy, and the UK.¹⁶ Furthermore, the regulatory power of states, whose significance in the post-war era was highlighted by post-Fordist theorists, was now threatened by a breakdown in international regulatory coordination, which is generally considered a major contributing factor to the decline of Fordism.

The relative decline in the competitive position of the United States and the resulting collapse of the Bretton Woods regime with its managed exchange rates, is regarded as crucial in the post-Fordist debate. These events signaled the fragility of the international Fordist system and paved the way for its eventual disintegration. Within post-Fordist discourse, the French Regulationist school has attached particular significance to the decline of American hegemony, which it largely attributes to a fiscal crisis of the state. The Regulationists note that the US's decision to suspend the convertibility of the dollar into gold led to a floating exchange-rate system that increased global economic volatility and an absence of cooperative

leadership within the OECD.¹⁷ As the high GNP growth rates of the postwar era began to decline, and as inflationary pressures mounted, following the rapid oil price increases of 1973, the Fordist system of economic relations progressively collapsed, according to this post-Fordist view.¹⁸ In considering the twilight of Fordism, the post-Fordist discourse is richly detailed in its claims that a new epoch in the global political economy began with its demise.

Post-Fordism: what's new?

In asserting that post-Fordism differs significantly and fundamentally from the previous Fordist model, post-Fordist theorists point to a myriad of changes, particularly in the sphere of production. Depending on the particular theorist, certain changes are accorded greater or lesser importance. Thus, the 'flexible specialization' that Piore and Sabel perceive to be developing in the 'Third Italy', Lyon, and the Jutland peninsula, focuses attention on the innovative potential of these new productive forces.¹⁹ While the *Marxism Today*/New Times argument accords the greatest significance to new consumption patterns, niche marketing, and product differentiation, which, according to Stuart Hall, "... characterize post-Fordist production."²⁰ Finally, the French Regulationists, especially Coriat, Leborgne, and Lipietz, locate the arrival of the post-Fordist era in the emergence of new industrial relations systems, labour processes, and forms of industrial organization, as well as new technologies like Computer Aided Design (CAD) and Computer-Aided Manufacturing (CAM).²¹

The most notable post-Fordist claim is that the new era has signaled the alleged eclipse of mass production. Generally speaking, this is said to have resulted from a shift in consumption patterns, the emergence of new technologies and changes in international capital movements. Mass production is said to have been surpassed by various evolving forms of

neo-craft production. The editors of *Marxism Today*, for example, have stated that the low skills basis of mass production is being replaced with "a new, more flexible, post-Fordist order based upon computers, information technology, and robotics."²² Hand in hand with the emergence of this new post-industrial age, we witness the decline of the 'core' working class, primarily defined as those employed in manufacturing. According to John Urry, employment in the service sector continues to increase substantially, alongside "a sizeable decline in the numbers of people employed in the average manufacturing plant even in the very large multi-plant, multinational enterprises..."²³ And several theorists associated with *Marxism Today*, have argued that the declining importance of manufacturing and its "mass workforce" will undermine the industrial district and the metropolitan industrial city, along with the Taylorist labour processes.²⁴

Since a central part of post-Fordist discourse is the claim that the supposed twilight of Fordism closes a stage of capitalist development, this issue requires further discussion. In fact, several examples will show that although substantial change has occurred in the international economy over the past two decades, capitalism has not mutated to an extent that would allow one to herald a new phase of capitalism, post-Fordist or otherwise.

Most importantly, it is clear that mass markets have not been eliminated. Indeed, apart from the constant need for certain established consumer durables, such as televisions, microwave ovens, and VCRs (Sony Corp produces more than one million new Walkman cassette players every month), new mass market and mass produced items, such as fax machines, cellular phones, and notebook computers are constantly emerging.²⁵ In fact, mass consumption has begun to expand into emerging markets from Hungary to China, and from

Mexico to India, with East and South-east Asia leading the way.²⁶ Moreover, the empirical evidence shows that while employment in manufacturing has decreased almost everywhere in the OECD countries, the manufacturing sector's contribution to GDP has fallen by a much smaller percentage, especially in the stronger economies like Japan and Germany.²⁷ Finally, it must be remembered that a great deal of economic activity, once counted as manufacturing, is now classified as service sector activity: a Japanese example of this phenomenon centers on the rationalization that followed the privatization of the Nippon Telegraph and Telephone Corporation (NTT) in 1985. In a move to streamline its manufacturing activities, NTT reduced its overall work force by 100,000, concluded an agreement to manufacture telephones in Thailand, but then rehired many former production process workers as administrative personnel, while maintaining the level of its manufacturing output.²⁸

In fact, from a global perspective the issue of post-industrialism appears little more than a case of eurocentrism. Indeed, if one's periodization of economic history is based solely on evidence from Western Europe and North America, then the argument regarding 'de-industrialization' would seem legitimate. However, such a perspective ignores the rapid industrialization of more peripheral countries. Indeed, since 1973, the year most often equated with post-Fordism, industrialization (measured in terms of manufacturing sector contributions to the GDP) has increased in many developing states, particularly the NICs of South Korea, Taiwan, Mexico, and Hungary. Specifically, Barrett and Chin note that between 1950 and 1982-83, industry's share of GDP (industrial sector includes manufacturing mining, and construction) increased in all the East Asian NICs (except Hong Kong).²⁹ The eurocentric claim of post-industrialism, thus, obscures the global expansion of industrial

activity.

Another significant aspect of the post-Fordist attempt to demonstrate the existence of a fundamental shift in the nature of capitalism is highlighted by the way in which several theorists seek to make a link between post-Fordism and postmodernism. Indeed, there appears an affinity between the social changes emphasized by postmodernists and those at the centre of post-Fordist discourse. Due perhaps to subjective preoccupations with the nature of civil society or cultural politics, several authors, in attempting to theorize a transition, have signaled the emergence of a postmodern condition. Broadly, such a phenomenon seems to describe the growing importance of a politics of identity, a disavowal of the Enlightenment principles of 'progress' and 'rationality', and a growing awareness of new forms of social relations. Most significant, however, to some of postmodernism's key adherents (Lyotard, Derrida, and Baudrillard) is the transcendence of class as the vehicle of history.³⁰ Nonetheless, the advent of a postmodern age is as premature as earlier post-Fordist claims. The fact is that there is insufficient evidence to support the conceptualization of a fundamental break with modernity.

Thus, although the existence of a postmodern epoch may well be as contentious as that of a post-Fordist era, several post-Fordists have adopted postmodern terminology to discuss changes in production relations. Thus, Lash and Urry, as well as a number of writers in *Marxism Today*, have asserted that as a result of widespread economic restructuring, shifting employment patterns, heightened capital mobility, and the spatial dislocations associated with international capitalism, civil society and cultural norms have become increasingly 'fragmented', so that a "postmodern condition" is the most likely consequence of

this process.³¹ In this way, certain post-Fordist theorists have sought to use the postmodernist concepts to support their claims that post-Fordism represents a distinctly new era in the development of capitalism. Within this general post-Fordist discourse, we can now examine several separate strands in greater detail, beginning with the French Regulationists.

I. The Regulation School

Perhaps no other strand of post-Fordism has gained such widespread acceptance as that of the Regulation School. Owing to its sophisticated conceptual framework, Regulation Theory has become the dominant medium of post-Fordist discourse. Developed by Aglietta in the mid 1970s, the Regulation perspective emerged from a circle of French radical economists who were generally inspired by the structuralist Marxism of Louis Althusser. Principally, the main Regulation theorists (Aglietta, Boyer, Coriat, Mistral, Lipietz, and De Vroey) sought to examine changes in the key structural components of the Fordist model of economic development, or, as they would put it, the Fordist paradigm.³² However, although macroeconomic concerns served as their point of departure, their conclusions pointed to the emergence of new paths to productivity growth which were essentially microeconomic in nature.

Several key concepts which served as heuristic devices, were developed by Boyer, Mistral, and Lipietz and have become the hallmark of this approach. Foremost among them is the *regime of accumulation*, which "describes the fairly long-term stabilization of the allocation of social production between consumption and accumulation."³³ Under the Fordist regime, this was based on the coordination of wage and productivity growth, such that all productivity gains were accompanied by commensurate wage increases.³⁴ Moreover,

according to the Regulationists, a set of rules of coordination, or a *mode of regulation*, was necessary to ensure the reproduction of this regime of accumulation. Under Fordism, this included the development of the welfare state and a bargaining process that ensured the close link between wages and productivity. Finally, the third central concept of the Regulation School is that of the 'technological paradigm' which is associated with, and defined by, the dominant labour process 'model' of a particular regime of accumulation. According to the Regulationists, Fordism was typified by the fusion of Taylorism and mechanization.³⁵ The Regulationists' special emphasis on the labour process reflected their belief that the observed decline in the rate of productivity growth was the central cause of the collapse of the Fordist model as a whole.

However, since Aglietta's initial attempt to chart the development of 'neo-Fordism' in the 1970s, a more 'evolutionary' post-Fordism has emerged as dominant. This has sought to incorporate all of the afore-mentioned conceptual tools in an endeavor to describe the development of a break in capitalism. Given their acknowledgment that no new regime of accumulation, nor mode of regulation, has become hegemonic, Regulationists generally discuss post-Fordist scenarios in terms of several ideal-type models.³⁶ One of these is based on the Swedish Volvo plant in Kalmar, where a negotiated involvement of auto workers (including women) in work organization is often described as the archetypal model of post-Fordist industrial organization and industrial relations.³⁷ Similarly, the Saturnian model, is said to depict a system of negotiated agreements that involves workers in the decision making process dealing with work practices within a vertically disintegrated firm that allegedly avoids many of the pitfalls of labour market dualism. On the other hand, Leborgne and Lipietz refer

to a Californian model in which involvement in work organization is negotiated individually by skilled workers; ultimately, they perceive this as detrimental to all workers, yet foresee its dominance in North American manufacturing via a concerted, state-sponsored process of 'restructuring'.³⁸ The final model discussed by Regulationists is Toyotism which, as broadly defined by its key theorists, describes a labour process which is structured upon a regional, and firm-specific labour market duality.³⁹ Substantively, Leborgne, Lipietz, Boyer, and Coriat acknowledge that this system is inequitable. They see practical advantages to the organization of its core workforce, but without questioning the significance of the underlying conditioning factors, such as *shukko* (or the transferring of core workers to subcontractors), the long working hours, the serious health and safety concerns, etc. Several Regulationists see in these models the beginnings of a new *mode of development*.⁴⁰ However, while these ideal-types can provide a useful basis for a discussion of post-Fordist scenarios, the positions of the Regulation School remain problematic.

Despite the various interesting features of these new 'models', one could argue that they merely represent new techniques for pursuing the essential objectives of Taylorism. It is noteworthy that virtually all of these allegedly post-Fordist models (Kalmarism, Toyotism, Saturnism, and the California model) are based on labour process experiments conducted in a single industry - automobile parts supply and assembly.⁴¹ The common thread that unites them all, according to the Regulation School, is worker empowerment. Indeed, it is clear that the French Regulation School tends to regard the post-Fordist future that is reflected in these models, as one that holds out some real possibility of significant gains for labour. Specifically, the Volvo factories of Uddevalla and Kalmar, and the core plants of Toyota Motors are

considered potential models for a new form of industrial democracy. The Regulationists thus perceive in these models the seeds of a potentially rosy future for labour, such that:

"The 'Kalmarian model' represents a major step forward. It is the heir to a whole social democratic tradition."⁴²

Nevertheless, where the Regulationists perceive greater worker input, knowledge acquisition, and task variety as positive developments, Parker and Slaughter's analysis of the 'Californian' model shows that this empowerment is often rather more apparent than real. Indeed, Parker and Slaughter argue that the intensity and harshness of Just-in-Time (JIT), or 'lean', production, sets very narrow limits to any possibility of worker empowerment.⁴³ Hence, according to this view, the Regulation School's analysis of these new forms of production have led them to exaggerate the extent of worker empowerment.

Additionally, in the absence of an appropriate macro level analysis, a point clearly stated and restated by Lipietz, Boyer, and others, it is imprudent for the Regulation School to pronounce such micro level developments as the foundations of a progressive future. However the Regulation School's tendency to clarify macro-historical periods by using such broad and encompassing concepts as 'hegemonic regimes of accumulation' and 'modes of regulation', is also evident at the micro level, where their attempts to classify post-Fordist models reveal a tendency to subsume all diversity within such encompassing concepts. In the process, diversity is collapsed into the whole; complexity and detail is sacrificed and we are left with such concepts as 'the Saturn model'; a stylized model which is then characterized and generalized as potentially progressive. As a result, the attempt by General Motors (Saturn's parent firm) to create an enterprise union culture with individually negotiated wages in the

Saturn experiment tends to get lost in the Regulationist assessment. This dubious methodology leads the Regulation School to suffer from a tendency to use even the smallest changes in production relations as a basis for broad, totalizing assessments of an entire post-Fordist reality; a tendency that is shared by the flexible specialization approach.

II. Flexible Specialization

Founded almost exclusively on the single notion of *flexibility*, the Flexible Specialization approach is similar to Regulation theory in that it heralds the emergence of a post-Fordist existence as undeniable. The appearance of small, firm-based industrial districts, the increased importance of niche marketing, the re-organization of the labour process based upon certain technological innovations, are all said to signal the emergence of the age of flexible specialization. This new epoch is said to be epitomized by a mode of neo-craft production, in which workers adapt quickly to frequent changes in demand, due to their high degree of flexibility, and this flexibility is further enhanced by intense competition between work sites. The era of flexible specialization is regarded by its advocates as a direct result of more freely functioning markets and, like the Regulationists, they see its emergence as proof of the diminished utility of Fordist state intervention.

According to the advocates of flexible specialization, when firms and their employees are able to adapt quickly to market pressures, the outcomes are generally positive-sum games. Piore and Sabel have suggested that when these developments are complemented by certain structural changes associated with this 'new stage of capitalism', this new model bodes well for labour. In fact, they argue that the era of flexibility will afford labour potentially greater advantages than mass production ever could:

"... flexible specialization is predicated on collaboration. And the frequent changes in the production process put a premium on craft skills. Thus the production worker's intellectual participation in the work process is enhanced - and his or her role revitalized. Moreover, craft production depends on solidarity and communitarianism. Given these conditions of working life in craft production, there is a case for preferring it to mass production, regardless of the place accorded to unions within craft production." ⁴⁴

Evidently, Piore and Sabel fully believe labour is well placed to make large future gains in this emergent neo-craft environment. ⁴⁵

The crucial element of the flexible specialization thesis is also its fatal flaw. This is its claim to have 'discovered' a new form of capitalism on the basis of a micro level analysis, that allegedly shows a new form of capitalism arising out of changes at the micro level. However, as Piore and Sabel are ultimately forced to acknowledge, this flexibly specialized vision cannot remain stable, or deliver the promised benefits, without some regulation of the potentially destructive, unfettered competition that would threaten to reign among such neo-craft workers. ⁴⁶ Hence, in order for their new capitalist ideal, the *yeoman democracy*, to avoid such a detrimental outcome for labour, the state "must guarantee that market transactions do not permanently advantage one group of traders" in some way. Ironically, this would seem to differ little from the 'intervention' that was the precondition for the stability and the redistribution associated with Fordism. ⁴⁷

As with Regulation theory, the flexible specialization approach derives its explanatory power from the juxtaposition of two idealized 'models', namely, craft and mass production. In *The Second Industrial Divide*, (the *magnum opus* of this school), Piore and Sabel employ these models to reinterpret twentieth century economic history and the early development of the Fordist mass production model. ⁴⁸ The authors show that craft production did not

disappear altogether, although it was superseded by the development of mass markets, the semi-skilled mass worker, and the assembly line. Moreover, they argue that mass production did not displace craft production because it was more efficient, but largely because it was backed by more powerful interests.⁴⁹ The resulting *technological paradigm* is said to have reached its limits during the 1970s recessionary crises, so that the resulting crisis of production heralds a *second industrial divide*, in which market fragmentation will transcend the 'market distortions' associated with mass production.

Generally exhibiting a profoundly optimistic tone, flexible specialization theorists emphasize the degree to which the alleged break up of mass markets will create 'possibilities for prosperity', while downplaying other possible consequences, like increasing market instability, employment insecurity, and interest rate volatility. Indeed, in some cases, such problems are turned into advantages, as when Sabel asserts that increased market volatility will compel firms to reassess more carefully the marginal utility of devoted, single-purpose machines that cannot be adapted rapidly to demand shifts.⁵⁰ Hence, advances in CAD/CAM that can adapt more 'flexibly' to change will become more important, which will accelerate their more widespread adoption. While market forces are the single most important factor for Piore and Sabel in shaping the post-Fordist future, the new technologies are also critically important to their analysis, especially in shaping the relationship between technology and workers. Thus, it is technical change that will ensure that the deskilled worker of the Fordist/mass production era is to be replaced by the development of a new multi-skilled worker, capable of performing a myriad of tasks quickly and in a sequence that depends on his or her skill and discretion. In situations where firms are more dependent on constant

innovation, their profit margins and their survival will depend more heavily on such flexible and commensurately renumerated workers.

In attempting to substantiate this thesis, Sabel *et al* have turned to certain industrial districts of Western Europe, Southern California and Japan, which are held up as examples of flexibly specialized regional economies. The 'Third Italy', and in particular the small firm textile producers of Emilia-Romagna, are taken to constitute an archetypal model in which a high degree of inter-firm coordination, and the use of "flexible machines and [multi-] skilled workers to make semi-custom goods that command an affordable premium in the market", have led to highly desirable outcomes.⁵¹ The flexible specialization theorists maintain that this model is almost invariably validated by the competitive process, as indicated by the success of these industrial districts over their globalized corporate competitors. And it is true that, from the perspective of the metalworking firms of the Swedish Smaland, or the textile producers of Prato or Baden-Wurttemberg, the flexible specialization perspective does hold out great hope for craft-oriented firms and their workers. However, once we step outside of the narrow, micro perspective of the flexible specialization model, it is immediately clear that Sabel *et al* fail to give adequate emphasis to certain factors that will tend to destabilize their post-Fordist vision.

In particular, Piore and Sabel appear to underestimate the significance of labour market segmentation and instability. Specifically, in depicting changes in industrial organization and the labour process primarily as opportunities for the creation of new patterns of flexible employment, the authors exhibit a highly visible 'value bias' which neglects other aspects of the concept of flexibility. Moreover, the successes of these regions cannot be

clearly or simply linked to flexible specialization, since as Cox has reminded us, the textile producers of Prato achieved much of their success due to the widespread practice of employing illegal workers.⁵² And the growth of Emilia-Romagna has been linked to the contracting out of much of the labour intensive work to less developed regions of Italy, like Apulia, the Marches, and Basilicata.⁵³ Indeed, once we take account of the use of immigrant workers, and of regional segmentation, we begin to understand that labour market segmentation has been pivotal in underpinning the apparent success of Italian flex-spec. Moreover, this means that flexible specialization in the Third Italy has been closely associated with the creation of a marginalized stratum of workers of its own, i.e. a periphery of the periphery.

The fact that Piore and Sabel gloss over such matters is surprising, especially since Piore was a leading exponent of dual labour market theory in the early 1970s, a point that is made clearly by Pollert in a review of the political dimension of Piore and Sabel's flexible specialization thesis. She sees it as ironic that Piore ...

"should recast his perspective in a reversed form, the 'secondary' industrial sector becoming the beacon of progress, the ills of 'secondary' labour market conditions finding a cure."⁵⁴

Hence, Piore and Sabel's belief in the ability of the niche market to create more favourable work conditions, fails to examine the downside of labour dualism in its fascination with the possibilities inherent in the new technologies.

Indeed, the new technologies are handled with the same value bias as the concept of 'flexibility', so that their proponents can completely circumvent the issue of technologically driven labour intensification. Thus, when Piore and Sabel consider the introduction of

CAD/CAM technologies into a particular firm, they conclude too readily that the resulting flexibility destroys the value of a detailed division of labour and leads directly to the empowerment of workers.⁵⁵

Other, more labour-oriented and more value neutral studies of the impact of these new technologies on labour, often yield less optimistic scenarios. Jurgens *et al*, commenting upon the use of these new technologies in the West German auto industry, noted that, as well as increasing the number of productive tasks completed per hour, the electronic monitoring of assembly lines allowed management to oversee the individual productivity of each worker in much greater detail.⁵⁶ Similarly, in a study of labour process innovation in Canadian hospitals, White found that the greatest impact of technology in the past ten years has been in the intensification of cost-efficiency measurement vis-a-vis patient care, not in the re-skilling of nurses.⁵⁷ Specifically, he found that the new technologies generally focus on more 'efficient' patient care via the computerized classification of daily tasks, and a prioritization of specific care giving activities.⁵⁸ Accordingly, he argues that this technology tends to make task execution (such as bathing a patient) faster, and thereby, more 'efficient'. Yet at the same time, it removes the nurse from the traditional role of holistic care.⁵⁹ What these two studies show in other words, is that these new technologies are not 'necessarily' liberating. And that the flexible specialization approach cannot assume that there will always be gains when it considers the potential impact on workers of recent technological innovation, and this is what it has tended to do.

III. Disorganized Capitalism

In sharp contrast to the flexible specialization approach's bottom-up, micro-level

analysis, Lash and Urry have constructed a multi-dimensional analysis of change as it occurs in the course of capitalist development. In doing so, the authors focus their discussion on the creation and eventual transcendence of *organized capitalism*; a 'unique' phase in which institutional structures temporarily resolve the contradictions within capitalism. Influenced by the work of Hilferding and Kocka, Lash and Urry have applied a similar multi-causal approach to their examination of the life cycle of organized capitalism in five nations: France, Germany, Sweden, the U.S., and the U.K.⁶⁰ According to them, it was the collapse of this organized capitalism that ushered in the new post-Fordist age, which they call *disorganized capitalism*.

Combining both macro and micro-level analyses of the trajectory of global capitalism, they have constructed a sophisticated typology of disorganized capitalism's main constituent elements. Ultimately, the problems arose because of the appearance of a set of *interdependent processes* within the Fordist era, including: (i) the development of globalization, (ii) the twilight of mass production, (iii) a reconfiguration of the spatial organization of production, (iv) the simultaneous development of worker conservatism and employer innovation, (v) the transcendence of class as a central unit of analysis, and (vi) the fragmentation and transformation of culture.⁶¹ Although formally absent from this list, the collapse of Keynesianism is crucial to their account of the demise of organized capitalism, since they virtually equate Keynesianism with the former, so that, once Keynesian capitalism is undermined, capitalism becomes *disorganized*.

In addition, whereas the Regulation and the Flexible Specialization Schools chose to examine the development of post-Fordism predominantly through the lens of production

relations, Lash and Urry also focus on changes on the demand side and in the cultural sphere as reflected in the postmodernist debates. Thus, while they agree that Taylorist labour processes are being superseded, and that the current phase of capitalist development does represent a new epoch, they see this also as integrally related to the equally profound changes occurring in civil society; changes that are subsumed under the concept of a postmodern condition. Since postmodern theory tends to exhibit an implicit bias toward culturally-driven explanations of capitalism, issues such as class and labour process innovation are therefore often marginalized. Indeed, it is only because Lash and Urry largely fail to address issues like work intensification and labour market segmentation, that they can view the arrival of disorganized capitalism (the decline of large cities, the rise of 'new social movements', the liberating potential of postmodern culture) so optimistically. Ultimately, it appears that Lash and Urry employ postmodernism largely in order to accentuate the idea that there has been a major break in capitalism.

As for the national case studies that were chosen by the authors to illustrate their argument, the decision to omit cases like Italy or Japan exposes the limitations of their concept of disorganized capitalism. As Hirst and Zeitlin have noted, Italy has had a procession of weak national governments in the postwar period, yet the level of firm-state coordination within the Third Italy exhibits many of the characteristics common to organized capitalism.⁶² On the other hand, there is no doubt that the exclusion of Japan allows Lash and Urry to avoid the need to reconcile the relative success of its organized 'mass' capitalism with the alleged transcendence of mass production and mass markets, which is the claim that is common to all post-Fordist theorists.

Lash and Urry claim that disorganized capitalism weakens regional economies, i.e. industrial de-concentration.⁶³ However, the Toyota industrial complex that surrounds Nagoya and eastern Aichi prefecture, the Suzuki and Mazda developments in Kanagawa prefecture (bordering metropolitan Tokyo), and the diverse heavy industries of northern Kyushu, are all thriving regional concentrations that are also highly vertically disintegrated.⁶⁴ Clearly, in theorizing the supposed transition from organized to disorganized capitalism, Lash and Urry have not only failed to consider the experience of Japanese capitalism, but they have also failed to heed Sayer's warning that

"... it is likely that some of the changes in the west have not been independent of Japanese competition but have occurred because of it."⁶⁵

Thus, by excluding Italy, and even more surprisingly Japan, from their analysis, Lash and Urry have weakened the plausibility of their disorganized capitalism thesis. Indeed, when these two national examples are included, as they are in this discussion, it becomes clear that the authors' attempt to theorize a break from an earlier form of capitalism may have been premature.

IV. *Marxism Today*/New Times

Intended as a programmatic update of British eurocommunism, *New Times* sought to encapsulate and summarize the alleged sea change occurring in late-twentieth century capitalism. Beginning as a venue for innovative socialist discussion, *Marxism Today* spawned *New Times*, which is best regarded as a response to the political economic challenge of Thatcherism. From their inception, the *New Times* debates involved several of Britain's most respected socialist theorists, including Stuart Hall and Robin Murray. What sets the *New*

Times approach apart from most neo-Marxist theses, is that it regards culture (and postmodernism), as the 'vanguard' of societal change. Hence, the primary significance of the New Times approach to the post-Fordist discourse lies in its conscious attempt to theorize change by focusing on hegemonic cultural developments, as opposed to more traditional Marxist analyses that tend to focus more on 'the material base' and the production process.

In sharp contrast to the multi-causal, carefully constructed examination undertaken by Lash and Urry, New Times writers adopted a very broad interpretation of post-Fordism. Their basic claim is that capitalism has undergone a profound but, as yet, undetermined change of direction in the past decade or two, but this claim is backed by very little empirical analysis.⁶⁶ New Times is thus a broad-ranging discourse that avoids precise definitions in its attempt to map the parameters of post-Fordism.

The New Times attempt to theorize change via a primary focus on culture has not been able to substantiate their claim that we are now in a post-Fordist epoch. The position's earliest definitive statement, *The Manifesto for New Times* of the Communist Party of Great Britain, clearly indicated that it considered economism, productivism, and classism as obstacles to the emergence of a new socialist alternative.⁶⁷ Accordingly, the New Times theorists have emphasized issues like the 'new' social movements and have argue that, in order to destabilize the dominant hegemonic ideology of liberal democracy, culture must become a serious focus of analysis.⁶⁸ In this context, the rift in capitalism, that has led to post-Fordism according to the New Times theorists, is primarily derived from a cultural transformation, rather than class struggle.⁶⁹ Moreover, although one should not discount the analytical significance of culture in a political economy of capitalism, the New Times

approach has not developed a convincing case as to why the current phase of capitalism is distinct enough to be called 'post-Fordism'.⁷⁰

While the relatively open-ended nature of this approach has allowed its adherents to apply many of the Regulation School's concepts, as well as those of flexible specialization, the heavy influence of the postmodern discourse has led to the marginalization of class analysis and class politics within this debate. In fact, the idea that the current conjunctural mutations of capitalism are linked to the development, or the partial resolution, of new manifestations of class conflict, is largely absent from the New Times characterization of post-Fordism. Instead, subjective considerations have been given pride of place, including the politics of identity as linked to changing consumption patterns. Thus, Stuart Hall argues that collective images of social change have declined:

"'Post-Fordism' is also associated with broader social and cultural changes. For example, greater fragmentation and pluralism, the weakening of older collective solidarities and block identities and the emergence of new identities associated with greater work flexibility, the maximization of individual choices through personal consumption."⁷¹

Although the subjective factors outlined by Hall, including changes in consumption patterns may be important for theorizing the scope for political action, the underlying reality of continuous labour intensification in the workplace is likely to remain more important for some time to come. Accordingly, a more traditional focus on political mobilization around the production process may not be so outdated.

In fairness, the New Times approach does not confine itself to an analysis of culture and identity, but does pay explicit and detailed attention to changes in the labour process. Indeed, several New Times theorists, including Murray, Campbell, and Mulgan, have devoted

specific attention to the diffusion of new technologies, labour processes, and management techniques in their efforts to define what is 'new' in New Times. And Hall and Hebdige, have drawn on examples from the sphere of production to add credibility to their concept of 'New Times'.⁷²

Nonetheless, in spite of the stated intention of the New Times *Manifesto* to avoid the use of economistic labels, semantic issues have hindered their challenge to traditional approaches to theorizing change. Indeed, Hirst, in an endeavor to substantiate the flexible specialization thesis, elaborates that:

"[t]echnological determinism is passe' to modern marxists, but its consequences persist in seeing broad processes of social change in terms of a metaphor taken from industrial production like post-Fordism."⁷³

While it is true that the term, 'post-Fordism' could imply a technologically reductionist core, it should be clear that this is not the meaning attached to the term by most New Times advocates. Moreover, if this were the case, then such an analysis of change in capitalism would seem much like old times. Indeed, this raises an interesting observation, that while the various post-Fordist approaches utilize similar language, their respective interpretations of the meaning of post-Fordism can be diverse. Moreover, as each of the approaches outlined has tended to focus upon the relations of production, their vantage points have differed; the regional specificity of Fujitsuism being a primary example.

V. Fujitsuism

None of the post-Fordist approaches that have been examined thus far is more optimistic about the implications of post-Fordism for labour than the Fujitsuist perspective of Kenney and Florida, who are in no doubt as to its significance. Indeed, with reference to

the relationship between the new technologies and organizational change, Florida even speaks of a "new industrial revolution."⁷⁴ Named in honour of *Fujitsu*, the highly profitable Japanese electronics conglomerate, this approach presents the Fujitsuist labour process as the most advanced stage of beyond-Fordist production. Kenney and Florida define Fujitsuism as follows:

" ... The integration of innovation and production, the establishment of new organizational environments to incubate new innovations, and the diffusion of technological innovations into manufacturing processes."⁷⁵

Further, while Kenney and Florida employ Regulationist concepts in making their case for post-Fordism, their perspective should be considered distinct for several reasons.

First of all, whereas the Regulation School has attempted to marry macro and microeconomic factors, in theorizing the transition to post-Fordism, Kenney and Florida are primarily concerned with micro-level issues, particularly, industrial and work organization. Moreover, the authors have tended to focus their analysis on changes in the industrial organization of firms in specific industrial sectors, including the automotive, steel, chemical and plastics, and semiconductor industries, and have paid scant attention to changes occurring in economies at a national, or even, global level.⁷⁶ Moreover, their discussion of changes in the labour process is less concerned with delineating the link between specific regimes of accumulation, than with identifying the characteristics of successful, competitive forms of industrial structure and labour process patterns.

Secondly, Kenney and Florida place even greater emphasis on technology than does the French Regulationist School, in their analysis of the emergence of post-Fordism. Specifically, in their discussion of changes in the organization of industry and work, Kenney

and Florida see these primarily as functionalist adaptations aimed at the achievement of greater efficiency through the application of new technologies. The possibility that these are also new strategies of valorization is hardly mentioned. In this sense, their approach is closer to the micro and technology focused theories of Piore and Sabel, rather than those of Boyer, Lipietz, or Leborgne.⁷⁷ In fact, Kenney and Florida seem to subscribe to a view that is largely technological determinist; a view in which certain 'post-Fordist' changes in the organization of work appear as the necessary result of certain new information technologies.⁷⁸

And, it is within this context that the authors contend that these new manufacturing technologies also possess the ability to empower workers, by encouraging more diverse and more intellectual inputs.

Thirdly, in addition to changes in the labour process due to technological innovation, Kenney and Florida also place considerable emphasis on organizational innovation. Thus, in their discussion of the Japanese computer industry, they argue that the success of Fujitsu is closely related to its ability to integrate Research and Development (generally separate branches) organically into the entire production process.⁷⁹ In this context, the authors make extensive use of the concept of 'flexibility', both in regard to labour process innovation and to new productive technologies, but they assert that the key to this flexibility is organizational innovation. Unfortunately, they do so without clearly contextualizing the former, or validating their preoccupation with the latter. Where the French Regulationists have sought to assess the significance of flexibility, not least for its impact on workers, Kenney and Florida use the concept in a relatively uncritical and unsophisticated manner.

Kenney and Florida argue that Japan has led the way to the post-Fordist era, and that

its advances in industrial and work organization are not culturally contingent, so that the adoption of such practices is theoretically unlimited across space and time. However, they clearly lack the requisite comparative data, and the diverse national studies on which such a reductionist contention might be founded.⁸⁰ Indeed, their argument that post-Fordist adaptation began in, and has continued to be led by, Japan, has led them to concentrate almost exclusively on the study of Japan, apart from some discussion of the extent to which aspects of this model have diffused to certain leading sectors of the U.S. economy.

The claim that mass markets are becoming fragmented in a post-Fordist world is common to most post-Fordist positions and Kenney and Florida have also argued that "Japan is also witnessing the fragmentation of mass consumption."⁸¹ However, while their earlier work included some limited evidence to support this contention, their most recent study, *Beyond Mass Production*, treats market fragmentation simply as an implicit assumption that needs no further support. However, as Sayer has argued, it is entirely possible that the fragmentation of mass markets has been confused with increased product differentiation. In any case, without much stronger empirical support, the case for the fragmentation thesis remains weak.⁸²

In the absence of the necessary empirical evidence, it seems that market fragmentation remains an illegitimate claim that has been widely adopted by technology-inspired post-Fordist theorists like Kenney and Florida, to justify the claim that the nature of capitalism has changed. The authors appear to attach such great importance to market fragmentation because they believe that it changes the nature of the competitive process by inviting a strategic response by capital to maintain market share; and they see this as the central driving

force behind the new technological innovations and management techniques that define the new labour process. Moreover, it is this alleged causal link between the nature of the competitive process, the new technologies and the labour process, that leads the authors to the conclusion that labour stands to benefit from this process. However, this conclusion would remain doubtful even if the claim that the mass market has been superseded was fully substantiated. So long as that is not the case, even greater scepticism seems warranted.

Finally, Kenney and Florida's argument that institutions are actively shaping demand so as to adapt consumption patterns to the new forms of industrial organization, seems a curious argument to justify their wider claim that the world has entered a new post-Fordist age. Thus, although the authors may be right to argue that the coming of the 'home information revolution', the spread of fibre-optic systems, and the creation of 'teletopias', is significantly altering Japanese consumption patterns so as to make these compatible with Fujitsuist/post-Fordist forms of industrial organization, they do not seem to realize that there is nothing new in this.⁸³ Capitalist firms have *always* endeavored to shape and channel consumption patterns to suit their needs. And in the same way, they have shaped the technologies to suit those needs. And those needs have not changed fundamentally, namely to increase their power, their profit and their capacity to extract surplus value from their labour force.

Implications

On the basis of this overview of the major variants of the post-Fordist discourse, some brief concluding comments are in order, before we turn to a more detailed review of post-Fordist claims regarding the labour process in Japan. Post-Fordism has developed as a

theoretical explanandum of changes that have occurred within capitalism since the recessionary crises of the 1970s. Ultimately, it sought to explain and to understand the widespread transformations that have taken place in production and in social and political relations since that time. In past, its popularity and influence was a reaction to the pessimism and the allegedly 'outdated' methodology of the traditional Marxist analysis of economic crisis. But given that the parameters of the new post-Fordist condition remain contested and uncertain, both optimism and caution prevail. Ultimately, it is a recognition of change, an invitation to comprehend the opportunities of capitalist innovation, potentially for both workers and employers. And because capitalism has yet to fully incorporate the human potential of production, post-Fordists have turned to Japan as a potentially progressive model.

1. John Mathews, Tools of Change: New Technology and the Democratization of Work. (Sydney: Pluto Press, 1989), 1.
2. David Harvey, The Condition of Postmodernity. (Cambridge, Mass: Blackwell, 1990), 125-126.
3. Robert W. Cox, Production, Power, and World Order: Social Forces in the Making of History. (New York: Columbia University Press, 1987), 316.
4. Robert Boyer, "The Capital Labour Relations in OECD Countries: From the Fordist 'Golden Age' to Contrasted National Trajectories," (mimeo), September, 1990, 7-12.
5. Antonio Gramsci, "Americanism and Fordism," Selections from the Prison Notebooks trans. and eds., Quintin Hoare and Geoffrey Nowell Smith, (New York: International Publishers, 1971), 311.
6. Essentially, while most proponents of labour process theory have, in some form or another, sought to examine the extent to which innovations within the organization of work have increased managerial control over workers (Littler, Edwards, Friedman, Burawoy, Marglin), the advocates of post-Fordism (drawing nourishment from Gramsci's method) have endeavored to discover the 'humanizing' potential of labour process mutation. See Raphael Kaplinsky, "Post-Fordist Restructuring," Production, Space, Identity. eds., Jane Jenson, Rianne Mahon, and Manfred Bienefeld, (Toronto: Scholars Press, 1993).
7. Gramsci, op. cit., 285-286.
8. Ibid.
9. Ibid, 300.
10. Ibid, 302.
11. Ibid, 310.
12. Space does not permit me to list all relevant analyses here. However, the following authors have all taken a sense of rupture as their points of departure: Claus Offe, Disorganized Capitalism. (Cambridge: Polity, 1985); Scott Lash and John Urry, The End of Organized Capitalism. (Cambridge: Polity, 1987); Robin Murray, "Benetton Britain," Marxism Today (November 1985); Fred Block, Postindustrial Possibilities: A Critique of Economic Discourse. (Berkeley: University of California Press, 1990).
13. Martin Jacques, (Editor), "Fundamental-List," Marxism Today (October 1988), 5.
14. Andrew Sayer, "Postfordism in question," International Journal of Urban and Regional Research 13:4, (December, 1989), 666.
15. Andrew Glyn, Alan Hughes, Alain Lipietz, and Ajit Singh, "The Rise and Fall of the Golden Age," The Golden Age of Capitalism: Reinterpreting the Postwar Experience. eds., Stephen A. Marglin and Juliet B. Schor, (Oxford: Clarendon Press, 1990), 81-82.

16. Alain Lipietz, Mirages and Miracles. (London: Verso, 1987), 43.
17. Alain Lipietz, Towards a New Economic Order: Postfordism, Ecology and Democracy. (New York: Oxford University Press, 1992), 17-18.
18. Ibid; Lash and Urry, op. cit.; Michael Piore and Charles Sabel, The Second Industrial Divide: Possibilities for Prosperity. (New York: Basic Books, 1984), 189-193.
19. Charles Sabel, "Flexible Specialization and the Re-emergence of Regional Economies," Reversing Industrial Decline?: Industrial Structure and Policy in Britain and her Competitors. eds., Paul Hirst and Jonathan Zeitlin, (New York: St. Martin's Press, 1989), 25-27.
20. Stuart Hall, "Brave New World," Socialist Review 21: 1, (January/March 1991), 57-64.
21. Benjamin Coriat, La robotique. (Paris: La Decouverte/Maspero, 1983), 20.
22. The editors, "New Times," Marxism Today (October 1988), 3.
23. John Urry, "Disorganized Capitalism," Marxism Today (October 1988), 31.
24. John Urry (1988), 21; The editors (1988), 3-5.
25. Richard J. Barnet and John Cavanagh, Global Dreams: Imperial Corporations and the New World Order. (New York: Simon and Schuster, 1994), 49.
26. Ibid.
27. Alex Callinicos, Against Postmodernism: A Marxist Critique. (New York: St. Martin's Press, 1990), 123.
28. Iwasaki Takeshi, "Against 10,000 Workers Dismissals by NTT," Workers' Rights, Human Rights and the Democratic Control of Multinational: Asia-Pacific Trade Union Symposium - Zenroren. (Tokyo: Zenroren, 1994), 124-125.
29. Richard E. Barrett and Soomi Chin, "Export-oriented industrializing states in the capitalist world system: similarities and differences," The Political Economy of the New Asian Industrialism. ed. Frederic C. Deyo, (Ithaca: Cornell University Press, 1987), 28.
30. J. Lyotard, The Postmodern Condition. (Manchester: Harvester, 1984), 66.
31. Lash and Urry, op. cit.; Dick Hebdige, "After the Masses," Marxism Today (January 1989), 48-53.
32. Michel Aglietta, A Theory of Capitalist Regulation: The US Experience. (London: Verso, 1979); Robert Boyer, "Technical change and the Theory of 'Regulation'," Technical Change and Economic Theory. eds., Giovanni Dosi, Christopher Freeman, Richard Nelson, Gerald Silverberg, and Luc

Soete, (London: Pinter, 1988); Michel De Vroey, "A Regulation Approach to Contemporary Crisis," Capital and Class 23, (1984); Robert Boyer and J. Mistral, Accumulation, inflation et crise. (Paris: Universitaires de France, 1978).

33. Alain Lipietz (1987), 14.

34. Alain Lipietz (1992), 6.

35. Daniele Leborgne and Alain Lipietz, "Conceptual Fallacies and Open questions on Post-Fordism," Pathways to Industrialization and Regional Development. eds., Michael Storper and Allen J. Scott, (London: Routledge, 1992), 334.

36. Ibid, 338-339; Boyer, op. cit., 42.

37. Lipietz (1992), 66; Leborgne and Lipietz (1992), 339. N.B. despite the positive aspects of the Kalmar model as indicated by the Regulationists, Volvo's November 1992 decision to close the plant ended the experiment.

38. Lipietz (1992), 64-65.

39. Leborgne and Lipietz (1992), ???

40. Boyer, op. cit., 45; Daniele Leborgne and Alain Lipietz, "New Technologies, New Modes of Regulation: Some Spatial Implications," Environment and Planning D: Society and Space (6: 3, September 1988), 277.

41. Mike Parker and Jane Slaughter, Choosing Sides: Unions and the Team Concept. (Boston: South End Press, 1988).

42. Lipietz (1992), 66.

43. Parker and Slaughter, op cit.

44. Piore and Sabel, 278.

45. Charles Sabel (1987), 28.

46. Piore and Sabel (1984), 305.

47. Ibid.

48. Piore and Sabel (1984), 19-48.

49. Ibid, 49-50.

50. Sabel (1989), 32-33.

51. Ibid, 22.
52. Robert W. Cox, Production, Power and World Order: Social Forces in the Making of History. (New York: Columbia University Press, 1987), 325.
53. Ibid, 334.
54. Anna Pollert, "Dismantling Flexibility," Capital and Class 34 (Spring 1988), 63.
55. Whilst maintaining a slightly different theoretical apparatus, Kern and Schumann have reached similar conclusions vis a vis the division of labour in the German automotive, chemical and machine tool sectors, see Horst Kern and Michael Schumann, Das Ende der Arbeitsteilung? Rationalisierung in der industriellen production [End of the Division of Labour?]. (Munich: Verlag C.H. Beck, 1985).
56. Ulrich Jurgens, Knuth Dohse, and Thomas Malsch, "New production and employment concepts in West German car plants," The automotive industry and its workers. eds., S. Tolliday and J. Zeitlin, (Oxford: Polity Press, 1988).
57. Jerry White, "Changing Labour Process and the Nursing Crisis in Canadian Hospitals," Studies in Political Economy 40, (Spring 1993), 109.
58. Ibid.
59. Ibid, 110.
60. Lash and Urry (1987), 3.
61. Ibid, 5-7; John Urry, "The End of Organized Capitalism," New Times: The Changing Face of Politics in the 1990s. eds., Stuart Hall and Martin Jacques, (London: Lawrence and Wishart/Marxism Today, 1989), 97-101.
62. Paul Hirst and Jonathan Zeitlin, "Flexible Specialization versus post-Fordism: theory, evidence and policy implications," Economy and Society 20: 1, (February, 1991), 14. Nevertheless, one should bear in mind that Hirst and Zeitlin utilize this example as evidence in support of their own predilection for the flexible specialization thesis.
63. Lash and Urry (1987) 15; 300; and 306.
64. James R. Lincoln and Arne L. Kalleberg, Culture, Control and Commitment: A study of work organization and work attitudes in the United States and Japan. (Cambridge: Cambridge University Press, 1990), 36; Yasuo Miyakawa, "Nagoya: The core of Japan's global manufacturing industries," Japanese Cities in the World Economy. eds., Fujita Kuniko and Richard Hill, (Philadelphia: Temple University Press, 1993).
65. Sayer (1989), 670.

66. It should be noted, however, that several New Times supporters, such as Robin Murray, are sensitive to such criticism. Significantly, Murray argues that whilst the New Times terrain is largely determined by questions of culture, any attempt to define post-Fordism must remain attentive to production relations. See Robin Murray, "Post-Fordism and New Times," (mimeo), paper presented to conference on "Technology, Labour Enterprise and Region in the 21st century from Perspectives of Flexibility," Nihon Fukushi University, Nagoya, June 1990.
67. Communist Party of Great Britain, "The Manifesto for New Times," Marxism Today (October, 1988).
68. In a criticism of the New Times disavowal of classism, Michael Rustin notes:
" ... priority is given to emergent social strata in constructing an oppositional force, as if conflicts of an earlier phase between industrial labour and capital were about to disappear forever." (p.69);
see Rustin, "The Politics of Post-Fordism: or, The Trouble with 'New Times'," New Left Review 175, (May/June, 1989).
69. Charlie Leadbeater, "Power to the Person," Marxism Today (October 1988): 14-19; Dick Hebdige, "After the Masses," Marxism Today (January 1989): 48-53; Frank Mort, "The Politics of Consumption," In Hall and Jacques (1989).
70. Perhaps the most compelling yet concise criticism of New Times comes from Ellen Meiksins Wood; see Wood, "The Vision Thing," Marxism Today (August 1989), 31.
71. Stuart Hall (1991), 58.
72. Robin Murray, "Life After Henry," Marxism Today (October 1988); Geoff Mulgan, "The Changing Shape of the City," Marxism Today (March 1989); and Beatrix Campbell, "New Times Towns," In Hall and Jacques (1989).
73. Paul Hirst, "After Henry," in Hall and Jacques (1989), 322.
74. Richard Florida, "The New Industrial Revolution," Futures (July/August 1991), 564.
75. Martin Kenney and Richard Florida, "Beyond Mass Production: Production and the Labour Process in Japan," Politics and Society 16: 1, (1988), 138.
76. Richard Florida and Martin Kenney, The Breakthrough Illusion: Corporate America's Failure to Move from Innovation to Mass Production. (New York: Basic Books, 1990).
77. Florida, op. cit., 560.
78. Martin Kenney and Richard Florida, "Japan's Role in a post-Fordist Age," Futures (April 1989), 145.
79. Ibid, 146.

80. Martin Kenney and Richard Florida, Beyond Mass Production: The Japanese System and Its Transfer to the U.S. (New York: Oxford University Press, 1993). Given the clarity with which Kenney and Florida dispel cultural interpretations of Japan's success (pp.7-8), their assertions as to universal applicability are troubling (pp.314-315).

81. Kenney and Florida, op. cit., 147.

82. Sayer (1989) 674.

83. Loc. cit.

CHAPTER THREE: JAPAN, THE POST-FORDIST MODEL ?

Despite the economic crises endemic to capitalism during the past two decades, the relative ease with which Japanese capitalism overcame these difficulties for many years has drawn many within the Left to an optimistic assessment of the Japanese production paradigm. And this has included some leading protagonists of post-Fordism who have examined Japan's relative success from this perspective. Whenever such post-Fordist observers of the Japanese economy have 'discovered' industries or firms that do not have the characteristics of Fordist mass production (i.e. 'appearing' to serve mass markets; or deskilling of work), they have used this as evidence to declare Japan a post-Fordist model. Although such post-Fordist analysts are often correct in many of their specific observations of workplace change, the fundamental issue is one of 'balance' in their assessment. It is a question of whether they are justified in using these cases to label Japan as a 'model' within the specific temporal and spatial dimensions under examination. The following review of such arguments will suggest that such conclusions are unwarranted, because they pay too little attention to the counter examples, and the 'downside' of the 'model'. Thus, although many of these authors have noted that the situation in Japan is far from idyllic, they have tended to downplay certain negative aspects of the Japanese labour process, and have therefore portrayed it as more reasonable and desirable than it really is.

Four major claims are made by post-Fordists to justify the idea of 'a Japanese model'. The primary claim is that the labour process in Japanese manufacturing can be, and often is, both efficient and progressive, from the viewpoint of the worker. The argument is that

efficiency, measured in terms of *productivity* (including quality control and waste reduction) or in terms of *the ability to compete*, and favourable working conditions, need not be considered elements of a zero-sum game. The second claim made by various post-Fordists argues that Taylorist labour processes have been transcended in many Japanese factories because they have 'discovered' that deskilling is obsolete, and that a division of labour based on the fragmentation of tasks is now often inefficient. Indeed, under these 'new' circumstances, efficiency is thought to demand that the mental and manual aspects of work be re-united.

The *third* major claim made by post-Fordists regarding the labour process in Japan focuses on the alleged merger of production and innovation at the point of production. This integration of research and development on the shop floor is said to have allowed the labour process in Japan's factories to be more conducive to the diffusion of new technologies. Finally, the *fourth* claim concerns the alleged emergence of more solidaristic work practices. Specifically, it suggests that the work teams that are prevalent in Japanese manufacturing facilitate and promote industrial democracy.

Claim I. Work in Japan can be both efficient and progressive

In the search for mutually beneficial production paradigms, no model could seem more attractive to both workers and employers than one which achieves high efficiency in conjunction with high worker satisfaction. And many of the post-Fordists who have sought to identify a 'beyond-Fordist' labour process believe they have found just such a model in Japan. In particular, where the 1970s were characterized by neo-Marxist case studies of super-exploitation, alienation, and 'making out' in Japan, post-Fordist characterizations of that

country have focused on the potential for efficiency, progress, empowerment, and multiple skills development.¹ Simply put, various post-Fordist theorists (particularly, Kenney, Florida, Lipietz, and Sabel) hold that once the postwar conflicts between capital and labour were resolved, Japanese manufacturing had been able to achieve internationally renowned levels of efficiency, while offering core workers a relatively positive working environment.²

In order to assess these claims, it is first necessary to assess the adequacy of the concept of efficiency that is employed by these authors as they discuss Japan's economic competitiveness. We can define efficiency, arguably, as *the minimization of cost (or waste) in the performance of a task*. The most contentious aspect of the most widely used concept of efficiency is the extent to which it focuses on quantitative considerations, while neglecting qualitative concerns. For Taylor, a task performed by fewer workers, in a shorter timespan, with less inputs would most likely be considered more efficient than any prior example. Nonetheless, efficiency is a highly qualitative notion. Hence, Taylor's task may have become more efficient, yet is it a better product? For better or worse, efficiency is judged, by modern management, on quantitative factors. Thus, a task may appear efficient by such quantitative measurement at a single point in time, yet over an extended period, various qualitative issues (the role of the state, worker dissatisfaction, etc.) may lead to costs that undermine and reverse that initial net benefit.

Kenney and Florida seem to gauge efficiency by a firm's ability to maximize workplace flexibility and capacity utilization. In their sophisticated formulation of the Fujitsuist argument, they portray *innovation-mediated production* as the embodiment of efficiency, which is based on a reorganized shop floor, self-managing work teams, and in particular,

continuous process improvement.³ Ultimately, the importance of *flexibility* in achieving this level of efficiency is linked to its alleged capacity to reduce cost while, at the same time, increasing quality. Taking Kenney and Florida's point to its logical conclusion, a Fujitsu FANUC factory, in which industrial robots manufacture other robots in an unlit complex, might be taken to exemplify extreme efficiency, in the sense that costs are steadily reduced (electricity requirements being limited) by flexible automatons.⁴

Piore and Sabel also argue that flexibility is an important contributor to efficiency. The point is a fairly simple one, in that flexibility (generally defined) is the ability to take advantage of more options and to respond to more stimuli in a given space of time. Of course, this is potentially conducive to the notion of efficiency. And the authors distinguish the ability to maintain a relatively low cost workplace in line with a predictable supply of labour as an example of a flexible, and efficient organization.⁵ Moreover, the extent to which they perceive efficiency and flexibility as synonymous can be obtained from the following quote:

"It [the theory of flexible specialization] draws on evidence of the use of technologies other than the computer to support the claim that under appropriate conditions of competition, increased efficiency occurs with flexibility at *every* level of technological development." ⁶

Nonetheless, if the authors were forced to examine the sorts of stimuli to which Japan's factory workers have been asked to respond, a different picture might have emerged from their analysis. Specifically, there is the possibility that the increased efficiency which appears to be associated with increased flexibility, has actually been obtained at a very high price (in terms of work-related stress); or that more stimuli eventually produce an inefficient response,

such as injury, alienation, etc. Moreover, in a style similar to Kenney and Florida, Piore and Sabel have attached a highly quantitative slant to their understanding of efficiency. As such, qualitative concerns (human, social, personal, long term, etc.) have been subsumed under the measurement of responses to increased stimuli. Having isolated elements of the definition of efficiency as used in the post-Fordist discourse about the labour process in Japan, we can begin to understand why the labour process in Japan can be considered *both* efficient and amenable to labour.

Of the major theoretical strands of post-Fordism, the Fujitsuist perspective is the most emphatic in its praise of the positive-sum nature of work organization in Japan. In study after study, Kenney and Florida have drawn invidious comparisons between mass production in the United States and post-Fordist production in Japan. While noting that Japan has been relatively very successful in international competition, they have also shown that in every case study that they have done, Japan's factories are seen to maintain smaller stock inventories, and to have more highly skilled employees (be they executive or line personnel), more rapid product innovation, and higher levels of quality control than their U.S. counterparts. Moreover, they have also shown that the ability to maintain such high levels of efficiency is not related to firm size in Japan, although the potential to absorb new technologies does appear to be greatest in the peak *keiretsu*, or network firms. On this basis, they have argued that the key to Japanese industrial success is their organizational efficiency, and the favourable working conditions that are an essential ingredient of those organizational structures.

More specifically, Kenney and Florida regard three 'pillars' of Japanese capital-labour relations as the ultimate basis of this efficiency. Long the subject of studies of 'Japanese-style'

management, these three 'pillars' consist of the following: lifetime employment, *nenko* (or seniority-based wages) and enterprise unionism. Their significance is said to lie in the fact that they create a secure working environment that empowers labour and eliminates (or minimizes) animosity toward management. Further, although these pillars have undergone extensive transformation since the late 1960s, and now have an uncertain future, Kenney and Florida maintain that their existence is both crucial and ever present. Indeed, they describe their alleged advantages as follows:

"Development of these methods was facilitated by the terms of the Japanese accord, which made it possible for experiments with flexible and interactive production to occur. ... Tenure guarantees reduce incentives for workers to resist automation or work redesign."⁷

Drawing upon a selective history of capital-labour relations in Japan, they note that the practice of offering 'employment for life' grew out of the social unrest of the immediate post-war period.

According to them, lifetime employment guarantees quickly became fashionable after the war, among those remnants of the *zaibatsu* (or monopoly capital holding companies) that had survived the war. Indeed, their ability to attract good workers depended on it. Furthermore, they argue that it was the high level of labour militancy between 1946 and 1948, which made it necessary to introduce *nenko* as a necessary concession to workers, thereby giving recognition to worker seniority by means of a system of wages and promotion that was largely based on tenure.⁸ Finally, they acknowledge that enterprise unionism was introduced as the result of a capitalist-led assault on radical union leaders which led to the imposition of conservative, company appointees in their place.

It is on the basis of this historical evidence that Kenney and Florida base their claim that Japanese capitalism's success rests on these three 'pillars' of capital-labour relations. Moreover, they go on to argue that these arrangements have not only been very efficient, and competitive, but that they have also resulted in very favourable working environments for core workers in Japan's large manufacturing firms. This synergy is partly due to the fact that the guarantee of lifetime employment reduces insecurity to such a degree that it "minimizes many of the organizational rigidities endemic to Fordism."⁹ Thus, Kenney and Florida have variously argued that the guarantee of tenure (i) reduces the potential for high labour turnover (thereby making it easier for firms to make long-term investments in plant and equipment); (ii) diminishes the likelihood of resistance to work reorganization; and (iii) encourages firms to invest in training and skills development.¹⁰ The authors are aware that these benefits are not available to the smaller firms, but they have argued that although this *innovation-mediated production* model is primarily associated with the large firms, the gap between these and others "may be narrowing somewhat."¹¹

Generally speaking, Kenney and Florida see the practice of lifetime employment as a boon to all parties concerned, and this critique of their highly optimistic interpretation of the 'pillars' is not meant to question the value of job security to working people. Indeed, it accepts that Japan's three-tiered approach to capital-labour harmony is a creative response to the central problem of capitalism. But in order to reach a balanced judgement regarding the value of these arrangements to working people, various other considerations must also be taken into account. And, when this is done, Kenney and Florida's interpretation of Japan as a highly desirable model promoting both workplace efficiency and worker welfare, is seen

to be in need of some modification.

So what is the 'other side' of this model ? To understand these matters better, it is first necessary to challenge the version of Japan's postwar labour history from which Kenney and Florida derive their 'story'. They have argued that class accommodation has been the main driving force behind the Japanese production model, claiming that it was capital's acquiescence to workers' demands in the face of widespread labour shortages, that gave rise to the present system. However, many Japanese theorists subscribe to an alternative version of Japan's postwar industrial relations experience or to its class struggles. And this alternative version is irreconcilable with Kenney and Florida's 'story'.

Most notably, Itoh Makoto has argued persuasively that the demobilization of military personnel in the immediate postwar years created "an enormous relative surplus population."¹² Indeed, he has shown that Japan's total working population reached 34.8 million in 1948, which included a previously latent reserve army of 13.1 million workers (consisting of 7.6 million demobilized soldiers, 4 million demobilized munitions workers, and 1.5 million repatriates). The sudden entry of this large 'reserve army' into the job market sharply intensified competition for employment and although the official rate of unemployment was only 1.3% in 1950, near-subsistence level occupations were the norm for many people.¹³ Hence, as with the above critique of the authors' discussion of the three pillars, the point of contention is not necessarily related to the history of Japan's postwar labour market, but to the extent that such elements of Japan's postwar labour market history have not been fully examined. Surprisingly, this oversight has not been addressed in their interpretation of recent industrial relations practices in Japan.

In any event, these alleged pillars of the Fujitsuist model have been gradually eroding for some time, which becomes significant if one recalls that even at the best of times, its direct benefits accrued only to a minority of workers in the manufacturing sector, as most post-Fordists would agree. In fact, Kenney and Florida estimate the percentage of core workers at just 30% of the labour force.¹⁴ Meanwhile, the model has long been under siege, embattled by the inflationary pressures of the late 1970s, increasing competition from the East Asian NICs (the 'Newly Industrializing Countries' of Taiwan, Singapore, Hong Kong, and South Korea), and *endaka fukyo*, the steady appreciation of the yen. And within this context, the three pillars have come to be regarded as too costly by many, including many of Japan's larger manufacturers.¹⁵

However, the pillars appear to have been little more than a brief experiment, as they only began in the early postwar era. Specifically, enterprise unionism, which developed from an attempt by industrial capital, and supported by the SCAP Occupation administration, to break the increasing radicalization of postwar organized labour. Moore has argued that by 1947, they had successfully destabilized the major labour federations by introducing enterprise (company) unions.¹⁶ Similarly, *nenko* wages and lifetime employment (with limited prewar examples) became the preserve of the core workforce of large firms between 1945 and 1947, in an attempt to reduce capital-labour animosity. The issue is that the pillars were not necessarily introduced to create efficiency, indeed they were introduced as 'perks' to labour, yet perks that became too costly. Indeed, Watanabe argues that the collapse of the bubble economy, *endaka fukyo*, and decreasing domestic demand have all dramatically impacted on leading manufacturers, particularly the trend-setting auto industry.¹⁷

Regardless, Morishima has argued that these pillars had already begun to undergo gradual erosion from the late 1960s onwards, which is the point of departure for this thesis.¹⁸ As regards lifetime employment, he has argued that although an increase in the incidence of both early retirement and mid-career hiring was, initially, the result of industrial capital's attempt to facilitate the introduction of new micro-electronic technologies, it has served an additional purpose by further destabilizing the pillar of lifetime employment.¹⁹ Additionally, drawing on the work of Koshiro Kazutoshi, Morishima has shown that between 1972 and 1989, the proportion of manufacturing sector workers under lifetime employment agreements fell from 33 to 23%.²⁰ In short, despite arguments to the contrary, not only was lifetime employment never a pervasive element of the labour process in Japan's factories, but it has also been in significant decline over a long period.

As regards *nenko* wages, it seems that this practice too declined dramatically during the 1960s and 1970s, when the proportion of wage contracts governed by it fell sharply. Mroczkowski and Hanaoka, in a review of the evolution of Japanese management techniques, show that merit-based increases had increasingly displaced *nenko* wages by the 1980s.²¹ And Morishima has argued that task (as the basis of merit recognition) and status (as a measure of seniority) became increasingly separated during the 1980s.²² Finally, regarding to the third pillar, enterprise unionism, Seifert has shown that company unions have tended to mirror the corporate structure in their organization, i.e. only full-time employees could achieve union membership. Accordingly, as structural changes have reduced the share of the *seishian*, or core workforce, throughout the Japanese manufacturing sector, there has been an absolute decline in company union membership.²³ Thus, while Kenney and Florida treat the three

pillars as the ubiquitous foundation of a post-Fordist model of work organization, their continuing significance appears increasingly doubtful.

Several key members of the Regulation School have similarly argued that work practices in Japan's factories are both efficient and humanizing. Although the French Regulationists (in particular Leborgne, Lipietz, and Boyer) acknowledge that the benefits derived from the Japanese system (such as relatively secure tenure) are empowering only for a minority, the labour process in Japan's manufacturing sector remains a key reference point in their discussions. However, theory and reality are not always clearly distinguished in their discussions of this labour process. Perhaps it is the post-Fordist predilection for binary juxtapositions that has led the French Regulationists to compare Japanese labour process innovations favourably to the failed Auroux reforms of 1980s France; a series of reforms introduced to promote greater industrial democracy. While these shortcomings of the socialist-led French labour reforms led many to question the possibility of achieving significant labour gains in France, the 'apparent existence' of a placid and efficient core workforce in Japan's factories led Lipietz, Boyer and Leborgne to turn to Japan for a potentially successful model of labour organization.

Thus, in the international comparisons favoured by Regulationists, work in Japan clearly appears to enjoy the best of both worlds: combining efficiency with the potential, of favourable conditions of work, albeit for only a third of the male manufacturing workforce. For example, in reference to the movement of various economies toward a *Kalmarian* pattern of post-Fordist capital-labour relations, Leborgne and Lipietz suggest that:

"... Scandinavia, Germany, *Japan* [my italics], and even Korea (which is developing

specific forms of "involvement" in the male sector of its labour force), may be considered to be marching toward the twenty-first century in a good position."²⁴

This clearly reflects the tendency of the French Regulation School to perceive efficiency and favorable working conditions as being closely related aspects of the labour process in Japan. Indeed, in a later discussion of the Japanese model of *Toyotism*, Leborgne and Lipietz refer to it as "a more advanced social compromise" in a post-Fordist sense, than those existing in either the United States or Great Britain.²⁵ And in a discussion of so-called "anti-Taylorist" labour processes, Lipietz claims that Japan's factories are predominantly characterized by a system of work organization that is both efficient and conducive to worker satisfaction (and hence evidently, post-Fordist).²⁶ Thus, although their claims are broader and less theoretically assertive than those of Kenney and Florida, the Regulationists clearly also take the view that the organization of work in Japan represents a post-Fordist model for workers and employers alike.

Claim II. Work in Japan transcends Taylorism

Turning to the issue of skills development in Japan's manufacturing sector, several post-Fordist theorists hold that a transcendence of Taylorist production relations is taking place internationally, and that Japan is in the vanguard of this process. The contention that Taylorism is no longer important in Japan is generally based on the claim that the Japanese labour process no longer puts primary emphasis on a Taylorist division of labour that is based on the fragmentation of tasks and designed to disempower labour by deskilling it. Instead, the post-Fordist Japanese labour process seeks to promote efficiency by re-uniting mental and manual labour, thereby allowing each worker to be more flexible and creative.

In its discussion of the transcendence of deskilling, the Regulation School goes so far as to speak of an "anti-Taylorist revolution" based on the changes occurring in the organization of work in Japan's factories. While Coriat has made a substantive investigation of the labour process in Japanese manufacturing, Lipietz has been most assertive in challenging the notion that Taylorist practices remain in Japan's factories. In a critique of Taylorist management techniques as they continue to be employed in France, Great Britain and the United States, Lipietz points to the superior alternatives to be found in Japan - as well as in Sweden and Germany:

"The only argument capable of urging higher management down the anti-Taylorist path is the success of the Japanese, German or Swedish competitors who have gone down it themselves."²⁷

For Lipietz, the perils of Taylorist management are identical to those that had earlier been detailed by Braverman - namely, the fact that the fragmentation of tasks and the resulting process of deskilling deny a worker any significant degree of job satisfaction or any possibility of intellectual input. Based upon such a definition, any form of work organization that allows (or compels) workers to make some creative input into their work will be considered to have surpassed Taylorism. Lipietz clearly feels that work in Japan fits this description, for he notes that:

"Japanese capitalism did not simply catch up with the USA; it overtook it by discovering a new post-Fordist way of translating the skill[s] of its producers, both manual and intellectual, into productivity."²⁸

Thus, Lipietz is arguing that the success of Japanese exporters in the 1970s and 1980s was primarily due to productivity gains linked to the transcendence of Taylorist production relations although he provides no specific references for this claim. Elsewhere, Lipietz

broadens this claim in asserting that:

"Japanese and Swedish experience shows that it is *possible* to have a labour process which is at the same time more intelligent, more efficient economically and potentially more attractive to workers."²⁹

Unfortunately, Lipietz never discusses or identifies the specific characteristics of the Japanese labour process that might support his repeated contention that its manufacturing sector has transcended Taylorist deskilling. The key issue here is not whether Lipietz is correct about the transcendence of deskilling in Japan's factories, but that his strong conclusions are based almost entirely on evidence provided by the likes of Kenney, Florida, Sabel and others.

In sharp contrast, Kenney and Florida have conducted detailed analyses to support their claims that a 'beyond-Taylorist' labour process has emerged in Japan. Indeed, their contention that the Japanese production model is more successful than its American counterpart is largely based on their historical interpretation of evidence supporting the arrival and subsequent 'transcendence' of Taylorism in Japan. Thus, they suggest that Japanese managers no longer consider deskilling based on task fragmentation to be productive by quoting industry leaders like Taiichi Ohno, the founder of Toyota's JIT system of production and assembly, to the effect that "multi-skilled" as opposed to "single-skilled" workers were essential to his model of "time-equalized production."³⁰

Similarly, other Japanese managers, including the Presidents of Kao Soap and Fujitsu, are quoted to the effect that worker participation and innovation are crucial to modern Japanese production management.³¹ Such statements are consistent with the evidence collected by the authors from Japanese factories. Evidence which has led them to conclude that multi-skilling is "absolutely essential" to the system of *innovation-mediated production*

in which:

"Blue-collar workers are *allowed* [my italics] to do routine computer programming. Managers concentrate on harnessing worker's technical skills and intellectual capabilities in ways that can create an effective organizational context for FMS [Flexible Manufacturing Systems] technology. The existing framework of Japanese industrial organization provides the context in which shopfloor workers are transformed into "think-workers" rather than simply being displaced."³²

However, although these 'facts' are now widely accepted, their interpretation remains a matter of dispute. Ultimately, the question is whether Japanese workers have been allowed to acquire multiple skills, or whether they have been effectively coerced into multi-tasking as a method of intensifying labour and increasing labour productivity. This question is the main focus of this thesis, and it has been raised by others who have earlier responded to Kenney and Florida's 'discovery' of the eclipse of deskilling in Japan. Looking at much the same evidence, they have drawn strikingly different conclusions.

In a recent study of the postwar development of the Suzuki and Toyota production systems, John Price concluded that Taylorist deskilling was integral to the labour process in both firms. Interestingly, whereas Kenney and Florida had cited Ohno of Toyota in support of the claim that these models were primarily characterized by the emergence of "think-workers", Price shows that Ohno had made deskilling an explicit element of the JIT system that he had helped to develop; and that this was a major reason why he also saw enterprise unionism as being a crucial element of his new 'system'.³³ Thus, Ohno realized that once the militancy of the early 1950s had been quashed in the auto sector, the dominance of 'craftsmen's pride' had been weakened and, in order to consolidate this gain, he reorganized the Toyota machine shopfloor at the Koromo factory, in such a way that formerly single-

skilled workers would be required to operate three to four machines according to a pre-determined processing route.³⁴ Moreover, the urgency to introduce such changes was intensified by the very different economic climate in which these changes in the labour process were being introduced, a climate in which growth was sluggish, especially for Japan's fledgling auto manufacturers. Thus, as Price notes, " ... even innovations such as flexible manufacturing, just-in-time and *kanban* were not so much deviations from Taylorism as they were *ways of implementing Taylorist work methods when production volumes were relatively low* [my emphasis]."³⁵ In short, Ohno's primary aim was to reduce costs by overcoming worker resistance in a difficult environment in which low inventories were vital and in which labour had to be used to the full when production volumes were highly unpredictable.

The crucial point made by Price, is that Japanese management was not concerned with the relative merits of deskilling versus reskilling as sources of efficiency. They simply sought to adjust the pace and nature of skills deployment by their workers, to the circumstances that they faced. The central issue remained worker disempowerment, and the tight control exercised over the pace of work, which are the essence of Taylorism. The difference was, that in this case, Japanese industrial capital was able to gain such control by removing 'worker discretion', mainly because it was assumed that the worker could not be depended upon to exercise that discretion 'responsibly' i.e. in the interests of efficiency and profit. The primary (although not the only) resolution, then, became the fragmentation of tasks.

Generally, the work of Kenney and Florida, Lipietz and others suggests that task fragmentation has been substantially reduced in Japan's factories, and that this phenomenon has been translated into tangible gains for labour and capital. However, even if one were to

accept that task fragmentation had been reversed, the question remains whether this has brought significant, sustainable benefits to workers (including their empowerment, in the sense that they will have a greater ability to have their needs and priorities considered as the labour process evolves), or whether such benefits were fleeting and temporary, so that in the longer run, it was only the means of labour's disempowerment that had changed. For Kato and Steven, the nominal reversal of task fragmentation raises new questions :

“ ... the real meaning of multi-skilled is being willing to be pushed about for the entirety of one's working life.”³⁶

Further, they argue that task fragmentation remained dominant in the steel, aluminum and shipbuilding industries. In this context, Lipietz, and Kenney and Florida are incorrect in assuming that Taylorist task fragmentation has been transcended in Japan, for although core workers, in certain instances, may have made short term gains (e.g. tenure, limited intellectual input, wage seniority), such gains have come at a high, long term cost. Specifically, that cost was the eventual structure of the postwar industrial relations system - in which temporary gains were distributed to a few, the male members of company-run enterprise unions, while the vast majority of workers remained non-unionized, and with scant benefit from the postwar success of Japan's factories.

Claim III. Work organization in Japan improves the link between production and innovation

Closely related to the arguments concerning re-skilling and the twilight of Taylorism is the claim that work in Japan's factories involves an organic fusion between production and innovation. Indeed, serious discussion has taken place over the close integration of design

and production departments, and its impact on firm-wide efficiency. Furthermore, the attempt by Japanese manufacturers to increase efficiency by encouraging worker suggestions (known as *teian*) has become a key topic of post-Fordist discussion concerning Japan. However, despite this wide ranging discussion, it actually remains unclear whether the organization of work in Japan's factories has necessarily improved the link between production and innovation. Clearly, the evolution of the Japanese production model has yielded export success for large manufacturers. The world's steel, automotive and electronics industries have seen a dramatic evolution over the past two and a half decades as Japanese firms emerged from the aftermath of the second World War. Much has been made of Japan's labour process innovations in facilitating such global economic competitiveness. Nonetheless, work organization in Japan's factories has not organically linked production and innovation.

One of the ways in which several post-Fordists believe that the Japanese labour process has affected the diffusion of innovation is through the use of more flexible labour. Generally, one could argue that any factory worker who was invited to make suggestions regarding ways in which the labour process could be improved might contribute to workplace efficiency. Moreover, if such a worker was both flexible and multi-skilled, he or she could ostensibly facilitate efficient production to an even greater degree. This issue is emphasized by Piore and Sabel, who have been primarily interested in the development of industrial districts, and the clustering of activities, as production and innovation are linked in Japanese labour processes. Moreover, much of their argument unfortunately draws upon the success of the machine tools industry in rural Japan.³⁷ This is unfortunate, since this industry is a small, highly specialized element of Japan's manufacturing sector from which broad

extrapolation is difficult.

Indeed, throughout much of *The Second Industrial Divide*, Piore and Sabel are wont to point out that the proliferation of industrial districts and the widespread use of multi-purpose equipment, particularly NC machine tools, signals the emergence of a flexibly specialized manufacturing sector in Japan.³⁸ Nonetheless, although the skilled worker is a fundamental criterion in the model of Flexible Specialization, Piore and Sabel fail to elucidate whether or not workers have gained skills via the 'integrated' process of production and innovation. They appear to imply that the diffusion of NC machinery typifies skills formation, yet the link is never substantiated. In more recent work, Sabel has continued to assert that work in Japan incorporates an organic link between conception and production. Specifically, he has referred to the Japanese variant of 'flexible specialization' as a system in which workers are given "the knowledge and autonomy necessary to operate just-in-time delivery systems ...".³⁹ Theoretical significance notwithstanding, Piore and Sabel are as yet unable to add Japan to their list of flexibly specialized economies, due to a lack of evidence.

Turning to the comments of Kenney and Florida regarding the flexible worker and production and innovation, it is clear that the authors perceive worker involvement as the cause, and the consequence, of a process of 'continuous improvement'. Hence, they see the flexible worker and the involved worker, within the Japanese organization of work, as one and the same. As the core notion of their theory of *Innovation-Mediated Production*, Kenney and Florida perceive *continuous process improvement* as the refinement of manufacturing processes on the factory floor, by line employees.⁴⁰ Indeed, via the process of *kaizen*, Kenney and Florida believe that production and innovation are congruent, since the supposed

transcendence of Taylorism allows workers to make job-related decisions freely. Specifically, the authors see continuous process improvement as a very organic process, and not one in which workers feel compelled to provide input. As a matter of context, Di Martino argues that the objective of a stronger link between production and innovation does not necessarily mean that the results will benefit labour. Indeed, he suggests that:

“workers participate by giving ideas, but they have no real influence on wage levels and working conditions. The result is an income distribution as measured by the ratio of real wages to productivity, which is worse than the fordist [sic] one.”⁴¹

Kenney and Florida, however, fail to address the likelihood that capital is the ultimate winner in *innovation-mediated production*.

Moreover, the authors, in making a similar contention that production and innovation are organically linked in Japan's factories, have claimed that in the most advanced spheres of manufacturing (presumably computers and consumer electronic), innovations are "diffused readily" and that there exists a "transcendence of traditional industrial boundaries".⁴² Nonetheless, in bearing a similarity to the Flex-Spec approach, Kenney and Florida fail to descend from the upper levels of abstraction, in order to substantiate their claim. Significantly, they rely upon a misinterpreted conceptualization of the notion of *perpetual innovation* (first devised by Tessa Morris-Suzuki) to give credence to the assertion that synthesis exists between production and innovation in Japan.

Specifically, whereas Morris-Suzuki mentions perpetual innovation as a new form of capitalist exploitation in the age of high technology, Kenney and Florida have surprisingly taken the concept as a label for worker involvement in process innovation. Morris-Suzuki, in an ongoing study of the consequences of increased automation upon democracy in Japan,

has argued that the traditional Marxist interpretation of exploitation (ie. the surplus produced by one class is extracted and valorized by another) is not redundant in the era of high technology innovation.⁴³ At a higher level of abstraction, she believes that the intangible nature of innovation means that exploitation, if not control, is greatly personified in Japanese production management.⁴⁴ Nevertheless, whilst the level of integration between production and innovation in Japanese manufacturing has not been an explicit element of Morris-Suzuki's research, Kenney and Florida have appropriated the concept, in order to assert that a management-sponsored process of knowledge acquisition has given rise to the synthesis of production and innovation in Japan.

A closely related issue to the way in which several post-Fordists see the fusion of production and innovation in Japan's factories is the value-added potential of the suggestion system. The *teian* system of worker suggestion has flourished in Japan's manufacturing sector since its introduction by the Toyota Motor Company in 1964. The *Toyota suggestion system*, as it is alternatively known, has produced an estimated 10 million ideas concerning ways to increase productivity since initiation. All suggestions are reviewed by management, those deemed significant are implemented, and the initiating worker rewarded, although no objective measure of compensation exists. Effectively, the *teian* system has been tremendously successful at raising productivity, whilst reducing expenditure on a substantial scale. Indeed, estimates by Toyota put corporate savings, since implementation, in the billions of Yen.

Kenney and Florida firmly believe that the Japanese suggestion system is an integrally successful aspect of *innovation-mediated production*. The authors place great emphasis upon

the notion of *kaizen*, or continuous improvement, as the *raison d'être* of the Japanese organization of work. Indeed, Kenney and Florida believe that the ongoing improvement of each employee's work cycle is the success of postwar Japanese industry. Accordingly, they see the suggestion system as "a more or less formal mechanism for harnessing workers' knowledge."⁴⁵ Moreover, the authors argue that as workers are given the opportunity to utilize their own knowledge to critique work flow, "direct value creation and productivity improvement" will become organic.⁴⁶ Regardless, despite the positive-sum relation perceived by Kenney and Florida, a closer examination reveals a more complicated set of issues.

Firstly, the *teian* system is closely related to the wage structure of Japanese manufacturing firms. For the period under examination, remuneration has been typically composed in the following manner: *incentive pay* (which is based upon the collective performance of a work area, is calculated either on a monthly or annual basis, and tends to range between 40 to 50% of one's wage), and *basic pay* (which is based upon individual performance, determined by an evaluation procedure, and directed by a superior, and comprising up to 50% of a wage).⁴⁷ Dohse *et al* have gone even further to argue that the *nenko* system is an erroneous conceptualization, given the highly performance-oriented (and individualized) system of wage determination. Hence, the question remains, what is the relationship between *teian* and wages?

Although it cannot be disputed that the *teian* system has been effective in improving the link between production and innovation, it is unclear as to why Kenney and Florida would see the means of its achievement as advantageous to labour. Moreover, the *teian* system, as a composite of the production-innovation relation, is difficult to consider as worker-oriented,

since the primary managerial criterion for suggestions is cost reduction, and not worker empowerment. In short, many Japanese manufacturing firms, particularly those following the Toyota suggestion system, require employees to submit a pre-determined number of *teians* per month.⁴⁸ It is difficult to ascertain as to whether or not the quality of every respective suggestion determines basic pay evaluation, yet it is certain that the submission of *teians* is compulsory. Thus, it can be asserted that production and innovation *are* closely related in workplaces that employ a *teian* system, given that all employees, be they industrial engineers or line workers, *must* submit production-related suggestions. However, such a phenomenon can hardly be labeled organic, since the basic pay/*teian* relationship implies a subtle form of coercion.

Claim IV. Work in Japan's factories is solidaristic

Where the three preceding claims are made by most of the main post-Fordist theorists that were examined in Chapter Two, only a few have ventured to claim that solidaristic work (practices that create the potential for collective identity) is an expected outcome of work reorganization in Japan's factories. While Sabel does say, somewhat speculatively, that work teams are not likely to be detrimental to Japan's union structure, and while Lipietz does tentatively suggest that work in a 'post-Fordist' Japan may lead to greater industrial democracy, only Kenney and Florida argue that work in Japan's factories clearly supports and builds worker solidarity, where solidarity implies a form of working class unity - a recognition of shared goals and interests.⁴⁹ Within that framework, it is necessary to review the claims made by Kenney and Florida concerning the merits of work teams in Japan's factories.

Initially, it is evident that the authors perceive work teams to be fundamentally

collaborative, interactive, and exhibiting a free-flow of information and skills between workers. Part of the reason for such an assertion lies in the conceptual apparatus designed by the authors. Clearly, for Kenney and Florida, work teams are a cog in the integrated mechanism of *innovation-mediated production*.⁵⁰ Essentially, where skills are acquired on the shopfloor, they are retained and passed on between workers. Accordingly, whereas a Taylorist shopfloor might limit an individual's participation to a highly specific set of procedures, the production model outlined by Kenney and Florida, gives a larger set of tasks to work teams who then, collectively carry out those tasks.

Further, where task execution is only, or primarily, measured as the work of a team, rather than a individual contributions, information transfer between co-workers becomes immediate and organic. Hence, the authors reach the following conclusion:

"the team makes the extraction of intellectual (and manual labor) a quintessentially social, intersubjective, and collective process."⁵¹

Nonetheless, only limited evidence is submitted in support of this contention. Moreover, Kenney and Florida perceive team organization as a means of reducing and ending worker dissatisfaction, but they do so without examining the possibility that the team could also be a medium of control which might lead to new grievances. On the subject of alienation, Kenney and Florida note that

"team organization and increased worker input not only increase productivity but also reduce certain aspects of worker alienation, which resulted in high rates of sabotage and absenteeism under [sic] fordism."⁵²

Such comments, although qualified, follow a theme within the authors' work, in that they occasionally claim that these practices are good for 'labour in general', not only for the labour

in Japan's factories. Further, the framework adopted by the authors, in which continued reference to a "collective process" and the reduction of "worker alienation" is made without developing a link between their definition of worker solidarity and class identity, implies a tangled methodology. Stated differently, the fact that some degree of class association is a necessary pretext for worker solidarity is left unexplored by Kenney and Florida.

However, an increasing number of authors have shown that work teams in Japan are not only a dubious source of worker empowerment but that teamwork, as it exists in Japan's factories, raises two serious impediments to class solidarity in that work is increasingly individualized, which contributes to alienation, and work supervision is simplified, which makes control easier to achieve. On the first point, Dohse *et al* have noted that whilst team work was designed to increase worker integration, the result has been the complete opposite. Essentially, they assert that since the previously mentioned wage system is heavily biased toward individual performance, worker participation in teams has become no less important, yet subjective motivations have depleted the scope of solidarity.⁵³

As regards stress and dissatisfaction at work, Parker and Slaughter have written extensively on the threats to solidarity posed by the Japanese team concept. Where Kenney and Florida note that team work 'allows' workers to attain more responsibility, Parker and Slaughter argue that "stress serves as the force that drives and regulates the production system"; a system they have labeled *Management-by-Stress*.⁵⁴ In a study of the transfer of work teams to a G.M.-Toyota joint venture (NUMMI- New United Motors Manufacturing, Inc.), the authors note that assembly line speed-ups, the JIT inventory system, and the increased use of technology to eliminate indirect labour, all tend to contribute to increased

worker alienation.⁵⁵ Furthermore, as to the issue of alienation, Parker and Slaughter note that since increased productivity is one of the primary goals of work teams/*MBS*, absenteeism increases the work load of the remaining team members, and this therefore creates discord among the group.⁵⁶ Finally, the authors refer to the importance of *control* in team organization; an issue to which other theorists have referred.

On the subject of increased managerial control in team organization, Dassbach has noted that although work team leaders are ostensibly the worker's link to management, and the mechanism for grievance articulation, the reality is very different.⁵⁷ Specifically he suggests that since a team leader's primary task is generally the transmission of managerial decisions downward, team leaders tend to become the most "direct representatives of management and perform the daily, detailed supervision of workers".⁵⁸ Similarly, Tokunaga has argued that in places where enterprise unions exist, the union representative (presumably the facilitator of solidaristic goals) can often be a team leader who has been recommended by management, and who directs his (other) loyalties accordingly - and not primarily toward other team and union members.⁵⁹ Thus, it is evident that while Kenney and Florida see worker solidarity as a theoretical consequence of the model of *IMP*, other researchers have found the opposite to be true, particularly on the issue of control and work satisfaction.

Having made several references to the issue of control as it arises in the study of capital-labour relations in Japan's factories, it is necessary to examine this concept within the context of labour process studies more generally. Hence, the next chapter will seek to examine the mutation of *control*, as a theoretical device, as one of the major developments of Marxist labour process theory. Within this context, we shall also examine the Japanese

production model more closely and seek to develop the notion of *hegemonic despotism* as the appropriate context within which to assess the implications of Japan's new labour process for its workers.

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2. Kenney and Florida (1987); Lipietz (1992); Sabel (1989).
3. Martin Kenney and Richard Florida, Beyond Mass Production. (New York: Oxford University Press, 1993), 14-16.
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CHAPTER FOUR: 'CONTROL' AND LABOUR PROCESS THEORY - THE JAPANESE PRODUCTION MODEL EXAMINED

Few approaches to the study of work, within recent decades, have simultaneously examined both the positive and negative aspects of work organization, i.e. worker empowerment, worker alienation, and solidarity. One such approach has been labour process theory, which developed primarily from critical industrial sociology and which, for the most part, employs a Marxist methodology. Since the mid-1980s, an increasing number of labour process analyses have focused either on the so-called 'Japanese management' model or, to a lesser extent, upon actual case studies of work in Japan. Concepts such as Taylorism, deskilling, formal and real subordination of labour, and labour market duality have all been applied to studies of the 'Japanization' of work. However, it is the issue of 'control' that has gained pre-eminence in the labour process debates, since the publication of Braverman's *Labor and Monopoly Capital* in 1974.¹ And it is that issue which most concerns us here. Specifically, it will be argued in this thesis that, in isolation, a narrow conceptualization of control "in and of itself" has limited applicability. Hence, a more precise understanding of the Japanese labour process experience can be only obtained by combining a narrow 'shopfloor' analysis with a wider perspective that incorporates factors beyond the workplace, including the role of the state in structuring the parameters within which the labour process evolves.

First, however it is necessary to define both control and *exploitation*, since control over the capitalist labour process, and exploitation, in terms of surplus value extraction, have been primary to labour process debates since Marx's first volume of *Capital*. There are the three divergent conceptions of 'control' that have dominated the labour process literature since

Labor and Monopoly Capital, and these will form the basis for our discussion. First, it is necessary to begin with Braverman (and his endeavor to reinterpret Marx), since subsequent formulations of the question of control have generally been direct or indirect responses to his work. Second, we will examine *typologies* of control, which attempt to define the concept within historically-specific social contexts. By drawing on the work of Andrew Friedman and Richard Edwards, we will develop a conceptualization of control that is based on the historical record and that recognizes the importance of worker resistance.

Third, we will show why *exploitation* and *profit maximization* remain key explanatory variables in any study of the labour process and worker solidarity under capitalism. Indeed, in this context, we will examine the work of Sheila Cohen and Tony Elger, who argue that any discussion of the control of labour that is not embedded in some conception of the larger economic process within which it is located, is ultimately misleading. Such an embedded analysis can be found in Burawoy's attempt to show that the development of the labour process within specific sectors of specific social formations must be understood as the result of a complex *politics of production*, rather than merely as a hierarchical power relation of capital over labour. Substantively, Burawoy's separation of *political apparatuses* from the labour process, allows us to demystify the evolution of the labour process in Japan by locating the Japanese factory floor within a wider political economy of Japan. In assessing each of these three approaches to the study of the control of labour, references will be made to the reality of the Japanese production model, in order to explore the various dimensions of capital's control over labour. In so doing, we will begin to see that it is difficult for one to think about controlling labour on the factory floor without seeing that process within the

broader context of a particular capitalist economy.

The scope of the debate over control in Marxist labour process literature has often lacked complexity because it was based on a narrow definition. In order to avoid that problem, a wider definition must be used. Thus, I will define the *control* that capital exercises over labour as encompassing the entire regulation and reproduction of production relations within the labour process, as it is implemented by agents of capital (management) in the interests of capital (accumulation). Control, then, is relational. Its source is the ownership of the means of production, and when that ownership is divorced from the worker, it is the individual's participation in the labour process that is effectively being 'controlled'. Using such a definition, Michael Burawoy has suggested that control involves the entire process of "obscuring and securing surplus value."² In this spirit, and in order to link contemporary debates among labour process theorists to the work of Marx, I will define control as the means of *ensuring* exploitation and *securing* profit maximization.

Exploitation comprises several dimensions. First of all, as a literal definition embedded in Marxian economics, *exploitation* is the extraction of surplus value by one set of class forces from another.³ It is, therefore, also a relational expression. Moreover, *exploitation* is a dynamic, historically-specific notion which ultimately begins with achieving compliance on the factory floor through a mixture of coercion and consent. And the struggle that determines this mixture can only be understood within the broader context of capitalist exploitation, so that the struggle on the factory floor must be located within the struggle over profit and surplus value.

In order to understand the forces that impinge on capital as it shapes its relations with

labour on the factory floor, it is useful to begin with the concept of profit maximization under competitive conditions. Profit maximization drives the process of creating surplus value which reflects that element of the process of commodity production in which exploitation (expressed as the realization of surplus value) induces labour power to produce a value that is greater than its own value, as based on its cost of reproduction.⁴ Ultimately, it is important to see that the forces impinging on the labour process are shaped by competitive pressures that are ultimately open ended, i.e. never 'satisfied' and unconstrained by sentiment or custom. This is why profit maximization and the extraction of surplus value must define the context within which control over the labour process serves to regulate and increase the proportion of surplus value. Such a definition invites a wider analysis of the process through which that control is exercised, including the socio-economic realities control; (e.g. the lack of a social safety net) that condition capital's exercise of control over the labour process. But before considering such a comprehensive definition of control, we return first to the earlier formulations of the concept as used by Harry Braverman in his seminal work on the labour process.

Braverman and 'control': unexplored dimensions

In his attempt to re-examine the organization of work through the lens of class analysis, Braverman defined control as the capitalist's assertion of authority over the labour process, as 'determined' by the inherent laws of capital. Control played a central role in his analysis because he saw uncertainty as the greatest threat to capital accumulation, and that control exercised through the labour process was an important mechanism to reduce that uncertainty.⁵ Such issues were particularly important to Braverman because his main

objective was to provide a deeper understanding of changes occurring in the labour process as a consequence of the shift to monopoly capitalism.

In particular, Braverman was concerned with the growing prominence of Taylorist scientific management, and its effort to facilitate the exercise of control over labour by separating conception and execution via the decomposition of jobs.⁶ His central concern was the fact that these scientific management practices had finally ended the era of the craft worker, as *deskilling* became monopoly capital's primary method of labour control. For Braverman, the achievement of this control was management's main objective in this reconstruction of the labour process. Theoretically, his argument was based on Marx's concepts of the 'formal' (FSL), and the 'real' subordination of labour (RSL), within the capitalist labour process.

Marx believed that labour's subordination to capital was likely to occur through a three stage process: simple cooperation, manufacture, and machinofacture, representing an increasingly severe form of labour's subordination.⁷ The contrast between 'formal' and 'real' subordination centered on the extent of labour's remaining access to the means of production. Thus, according to Marx, formal subordination existed when the means of production had been largely alienated from labour, but their skill and expertise still gave workers some real leverage over the labour process. Real subordination became a reality when the introduction of machinery-driven production regimes had diminished the significance of these residual craft skills to such a degree that workers could no longer mount significant resistance to the demands of capital.⁸ While this distinction has been widely accepted, the debate about when the actual transition from formal to real subordination took place historically has been extremely contentious. Dobb believed that the transition to RSL had occurred in the

nineteenth century, whereas Sweezy, like Braverman, argued that this shift had occurred in the first decade and a half of the twentieth century.⁹ A better understanding of Braverman's conception of control can now be derived from his discussion of RSL, with which he was centrally concerned.

First of all, Braverman followed Baran and Sweezy in identifying the transition to RSL with the rise of the modern corporation, which implies that the degree of control associated with real subordination can only be achieved by modern management techniques, (i.e. through hierarchical control), and not simply through the existence of owner-management relations. Given the socio-historical nature of his thesis, Braverman should really have marshaled some empirical evidence in support of this contention (as was later done by some adherents, like Zimbalist), yet he chose not to do so.¹⁰ In fact, the limited historical evidence that was discussed, was effectively used in a functionalist manner to 'explain' outcomes as the necessary, and pre-determined, result of certain circumstances. Furthermore, the concept of control that served as the fundamental idea in *Labor and Monopoly Capital*, was based on a particular reading of Marx, that perceived control as the resolution of an idealized notion of class conflict.¹¹ But this concept of control was unilinear and (despite claims to the contrary) non-dialectical, and it underestimated the capacity for worker resistance.

Braverman and Japan

One could attempt to analyze the Japanese transition from FSL to RSL by using Braverman's notion of control, but the nature of modern Japanese history would make this difficult. This is because the growth of the *zaibatsu* (diversified industrial conglomerates), which were first established during the Meiji Restoration in the late-nineteenth century,

accelerated the real subordination of labour in these organizations (akin to Braverman's periodization), at the same time as the dualist structure of the Japanese production system ensured that a relatively high share of output continued to be produced by craft workers in small and medium enterprises (SMEs).¹² Indeed, the state-assisted rise of the *zaibatsu* was facilitated by this industrial dualism, because the craft production that continued to dominate in the labour-intensive, textiles and clothing sectors helped pave the way for the modern corporations in which the transition to RSL was occurring. This phenomenon took the form of exceptionally low wages paid to SME workers, and such wage restraint acted as a 'shock-absorber' during recessions.¹³

Moreover, craft production during Japan's formative period of industrialization was not the idealized situation of Braverman's pre-monopoly capitalism. *Direct coercion*, as opposed to Taylorist deskilling, was regularly used to secure profitability in Meiji Japan, during this period of absolute surplus extraction.¹⁴ Thus, the FSL based on coercion remained dominant in the peripheral industrial sectors and sub-contractor firms while the RSL was occurring in the *zaibatsu* throughout the period of the early 1880s to the mid-1920s.¹⁵ However, the simple point about the FSL of Japan's factories is that no amount of direct coercion could accomplish the results that can be achieved when the labour process is driven by the machine and the assembly line.

Further, the role played by scientific management in the transition to RSL in Japan's larger factories had certain peculiar features. In Japan, the promotion of *Kigyoshugi*, or the belief in the intrinsic value of the firm, was given heavy emphasis in seeking to achieve the consent of workers in the *zaibatsu*. And this was done under the tutelage of a repressive

state in which, prior to Japan's defeat in World War II, the Emperor's supremacy was thought 'divine' and respect for the Emperor was deeply entrenched in daily cultural patterns, that predated capitalism.¹⁶ But, as RSL spread throughout Japan's factories, the kind of veneration once reserved for the Emperor was also to be transferred to the *kaisha* (or company), under the guise of *Kigyoshugi*. Indeed, this cooptation of a particular cultural tradition was facilitated by a clique of nobles that had begun to assume greater control of the Japanese state and heavy industry. As a result, Taylorism, at least as a means of labour process control, was not as important a tool as the state-sponsored *Kigyoshugi* in this early period of Japan's industrialization.¹⁷ Therefore, control based primarily on the devaluation of skill, has relatively limited applicability to Japan's factories when assessing the very period analyzed by Braverman.

Friedman: 'Managerial Strategies'

In an attempt to build upon the framework established by Braverman, Andrew Friedman developed a 'managerial strategies' approach to conceptualize the process through which 'control' is exercised more realistically. Since Friedman was primarily concerned with the impact of worker resistance on the strategic options open to management, his theoretical framework was very sensitive to the issue of agency.¹⁸ Friedman identified two basic strategies that management could employ to gain greater control of the shop floor, through the reorganization of work, namely, "Responsible Autonomy" and "Direct Control." Moreover, these two broad approaches draw attention to the fact that managers always have a range of choices involving different degrees of consent and coercion.

"Responsible Autonomy" means that management empowers labour and makes

responsibility and status recognition key elements of its control strategy. According to Friedman, this generally requires the granting of extensive employee benefits to achieve greater compliance, and he argues that RA developed together with the transition to monopoly capitalism as organized worker resistance became stronger.¹⁹ This would explain why RA tends to be mainly applicable to core employees, but may be extended to a firm's entire workforce, during periods of substantial unrest. In Gramscian terms, the main objective of the RA strategy thus appears to be the maintenance of a high degree of control through a hegemonic ideology that allows management to pursue its main objective of generating profit in a competitive capitalist economy.

In sharp contrast, Friedman's discussion of "Direct Control" implies a highly structurally determined relation between employer and worker in which close supervision, the separation of conception and execution, are mechanisms driving the extraction of surplus value. However, while claiming to accept the complexity and the contradictions inherent in a strategy relying primarily on "Direct Control", Friedman fails to show how consent can ultimately be assured under such a system. And, in order to address that question, one must consider the impact of wider social relations upon the labour process, specifically the role of the state in creating a framework that is conducive to such an outcome.²⁰

Managerial Strategies and Japanese workers

As an attempt to refine the concept of control in labour process theory, Friedman's approach, particularly the notion of RA, seems, at first glance, to be readily applicable to a study of the organization of work in Japan's factories. As noted, *Kigyoshugi* (or at least, hierarchical deference) was the dominant ideological means of controlling the core workforce

of the early *zaibatsu*, during the Meiji era, and the discourse of paternalism has remained the defining characteristic of capital-labour relations in Japan. Moreover, the three 'pillars' of Japanese management (life-time employment, *nenko* wages, and enterprise unionism) did - and do - depend to a degree on the 'relative autonomy' of the Japanese state, economy, and society.²¹ Therefore, if one were to consider corporate paternalism as an example of "Responsible Autonomy", then this variant of the concept of control would seem germane to the case of Japan.

Friedman's concept of an RA strategy always implies a degree of ideological manipulation, and this is also true of the phenomenon of enterprise unionism that is so central to the Japanese model and that represents a management-sponsored reaction to the violent labour unrest of the immediate post-war period (1945-47).²² Moore has argued that the SCAP administration under MacArthur had helped to elect the conservative Yoshida government, partly in order to introduce democratic, economistic unionism.²³ And during this administration, Japan's larger firms restricted membership of enterprise unions (as is still the case) to core employees. Moreover, since unionized core employees enjoyed preferable working conditions, union membership rose quickly as Japan's economy expanded in the early postwar period. The consequence of this expanded enterprise, economistic union structure was a gradual reduction of industrial conflict, and a situation in which control was increasingly based on consent.²⁴ Within this environment, production-related concerns became secondary to wage issues, and organized labour's role as arbiter rarely moved beyond the level of the individual firm. Indeed, the conduit for such a relatively peaceful phase of industrial relations was - and is - the foreman, who acts as both union representative and

lower level manager.²⁵

The foreman's power rested in part on the fact that his evaluation of worker performance was pivotal to each worker's wage, as discussed in the previous chapter. To understand that, we must examine the role of the state in creating conditions that constrained individual workers' rights and that made little or no provision for public welfare services, so that a worker's survival depended almost exclusively on his (or her) attachment to the company.²⁶ Thus, the ability to achieve the cooperation of core employees through *Kigyoshugi* and enterprise unionism can be regarded as a successful example of the use of "Responsible Autonomy", but its success cannot be understood apart from that larger context, namely the political economy of Japan's industrial system.

Thus, although Friedman's managerial strategies framework is a more nuanced way of analyzing 'control', and although it is very useful in studying the Japanese labour process, the approach is limited, since its preoccupation with the dynamics of individual firms tends to ignore the often-pivotal role of the state in the development of historically specific labour regimes. Thus, Friedman's more comprehensive concept of control is a valuable advance, but neglects the macro, or systemic, dimension of achieving worker compliance.

The postwar creation of the *Nihon Deisansei Honbu* (or Japan Productivity Center - JPC) provides a clear example of the way in which the structural basis of Japan's successful RA strategy was shaped by forces lying outside of firms, or beyond the shop floor. Thus, a recent study of Japan's technological development from the 17th century to the present by Morris-Suzuki, has identified the problem of worker motivation as a matter of growing concern in the early postwar period; a concern that led to a state-private sector alliance that

culminated in the creation of the JPC.²⁷ Morris-Suzuki shows that since, its formation in 1953, the JPC has been the main avenue for the dissemination of managerial innovations, and notes that throughout its existence, the Japanese state has provided financial assistance to the JPC in order to raise worker productivity and to minimize alienation.²⁸ As a method of highlighting the significance of external factors, the example of the JPC is but one attempt to show that the RA approach lacks complexity.

Secondly, although Friedman's attempt to differentiate strategies of 'control' is useful for understanding labour market duality, his failure to address the construction of consent under DC casts no light on the worker docility observed in Japan's peripheral workforce. Thus, although the RA/DC approach is worthwhile in differentiating the modes of control in Japanese capitalism, it lacks a macro-perspective, or an explanation for how consent is achieved in those areas where "direct control" is the main mechanism for ensuring compliance.

Edwards: A Typology of 'control'

Using a technique similar to that of Friedman's, Richard Edwards has sought to develop a typology of the forms of labour control under capitalism. Acknowledging that control can take many forms, Edwards has developed a historically-derived classification in which the various forms are limited to the following key factors: the size of firm, and the degree of demarcation between management and worker. He uses "simple control" to describe the organization of work in small firms, in which the owner is also the manager, and may even participate in the production process.²⁹ Under monopoly capitalism, these relations are structurally defined, and termed either "technical" and "bureaucratic" control.

"Technical control" has many similarities with Taylorism, in that it is closely linked to technology and job design and involves an attempt by management to dominate the social relations of production via the means of production. Thus, under it, specific production methods are adopted so that technological innovation, and the progressive fragmentation of tasks can diminish skill, as due to, as technical control seeks to "maximize the purely physically based possibilities for achieving efficiencies."³⁰ Accordingly, one could argue that the concept of technical control embodies many characteristics of Braverman's definition, but accounts more effectively for the possibility of class resistance.

Edwards' concept of "bureaucratic control" refers to situations in which the control process has become institutionalized. It is similar to Friedman's RA, but goes further. Essentially, it involves a structural imperative that compresses all social and productive activity into formal regulations and procedures; it "establishes the impersonal force of "company rules" or "company policy" as the basis for control,"³¹ and establishes hierarchies of reward and sanction to encourage consent.³² Thus, unlike technical control, which focuses specifically on the production process, bureaucratic control is derived from the entire corporate structure as a whole.

The "contested terrain" of the Japanese labour process

In seeking to probe the applicability of Edwards' typology of control to Japan's factories, one is confronted with problems similar to those encountered in our examination of the RA/DC approach. Firstly, examples of technical control can be found in the manufacturing sector, where JIT and FMS determine the amount of time allotted to specific tasks, the level of skills required, and the length of shifts.³³ Similarly, highly developed instances of

bureaucratic control that fit Edwards' definition can be found in most of the larger corporations, epitomized in practices such as the daily singing of the company song (implying ideological conditioning) and policies of constant job rotation.

Nonetheless, it is important to remember that such classifications are constantly subject to change as reality evolves, so that extrapolations based on them are always risky. Indeed, attempts to identify and catalogue specific strategies of control in any given place must accept that the contradictory nature of capitalist expansion will ensure that class conflict will periodically rise and decline, so that managerial strategies will be needed to counteract such tendencies.³⁴ Furthermore, issues of time and space can also complicate any precise classification of labour process types due to historical specificity. Regardless, Edwards' attempt at periodization is useful for seeking to grasp the essential dimensions of the problem of control. But, although his concepts are applicable to Japan, the evolution of work organization in Japan (as in every capitalist social formation), will always involve the simultaneous existence of complex combinations of, often contradictory, labour control strategies.

Beyond control - a return to valorization

During the mid-1980s, analyses within Marxist political economy began to herald the declining importance of the labour process debate, but it was only with Sheila Cohen's 'critique from within' that the centrality of control was finally questioned. In a response to the labour process eulogies of Analytical Marxists like Roemer and Elster, Cohen argued that the debate over control had become a "diversion" that misrepresented the significance of the labour process within the work of Marx.³⁵ In response, Cohen identified exploitation and

valorization, both general concepts relating to systemic aspects of capitalism, as highly relevant to the labour process under capitalism. And in so doing, she asserted that a theory of the labour process based on these concepts would adequately problematize the issue of worker resistance, by choosing not to focus on micro-level aspects of work organization.

Essentially, Cohen argued that the labour process debate was not over, but that its excessive fixation with control had produced a narrow, limited and overly specific discourse in which micro issues such as job design and the technical division of labour had obscured the central importance of the main objective of the capitalist labour process, i.e. the extraction and regeneration of surplus value.³⁶ According to Cohen, a preoccupation with micro-level concerns, like job classifications (and deskilling) had led to an excessive preoccupation with the very narrow conception of control.³⁷ Indeed, in the resulting academic discussions, control had become an issue 'in itself', as opposed to being a means of extracting surplus value and an inherent component of the logic of capitalism itself.

Cohen's argument is rooted in a structural interpretation of Marx's work on the capitalist labour process. Her injunction that labour process theorists must ultimately remember that exploitation and valorization constitute the defining imperatives of the capitalist labour process, highlights her attention to the long-term structural imperatives of accumulation. From such a perspective, the recent emphasis on 'flexibility' in work organization (from both the left and the right) only exemplifies the perils of choosing to focus theoretical investigations solely on specific, concrete and micro issues. Essentially, Cohen's questioning of the current excessive emphasis on control highlights the virtues of both the subjective and the objective elements of the analysis of the capitalist labour process. This ensures that she

does not undervalue the politics of worker resistance, in that her examination of exploitation unites the macro and micro levels of the debate.

Nonetheless, by appearing to completely discard the idea of control, Cohen has, herself, failed to adequately conceptualize how exploitation and valorization manifest themselves in the workplace. On the factory floor, there is a struggle for profit, and for control over the pace of work, but the intensity of the pressure under which employers and workers engage in that shopfloor struggle is ultimately determined by competitive forces as shaped by the process of accumulation, and based on exploitation and valorization. As previously noted, that struggle over control has many dimensions and is always historically specific, reflecting the particular nature of the class struggle and the hegemonic ideology in a social formation. Cohen, however, views exploitation, which she defines solely as surplus value extraction, as "the central dynamic" of the labour process, which leads her to assert that worker resistance to exploitation ensures that all worker struggles are ultimately economic.³⁸ Moreover, she asserts that these economic struggles will 'inevitably' become political, thereby paving the road to potential transformation. It seems then, that by promoting exploitation and valorization as the only legitimate foundation for labour process theory, Cohen has exchanged one simplistic conceptualization for another, and has therefore failed to integrate the political and economic moments of the organization of work under capitalism. However, in the final analysis, Cohen has advanced the debate by reminding us that the labour process debate must not lose sight of Marx's central point, namely that the structural imperatives of the logic of capitalism ultimately shape the forces that impact upon the organization of work.

In this respect, Cohen's argument bears a strong resemblance to the work of Tony Elger, who had argued earlier that one of the major deficiencies of Braverman's analysis was "the inadequately located character of the impulsion to control imputed to capital ..." ³⁹

According to Elger, a more appropriate assessment should include

" a commitment to the specification of the relationship between forms of the extraction of surplus value in the process of capital accumulation and phases in the organization of the capitalist labour process. " ⁴⁰

In this way, Elger had also reasserted the significance of valorization and exploitation as critical contextual variables for a Marxian analysis of the labour process.

Moreover, unlike Cohen, Elger was able to unite both levels of analysis within his elaboration of the concept of control, so that he was able to integrate the impact of valorization and exploitation on the development of capitalism with a highly detailed and dialectical study of control and resistance on the factory floor. His resulting contention is that strategies of valorization and accumulation evolve in response to worker resistance on the shopfloor and elsewhere, but that this process is conditioned by the forces that shape "class relations beyond production." ⁴¹ In this way, his approach has explicitly embedded the organization of work and the struggle on the shop floor within a wider social and political context, i.e. the system of industrial relations and the political economy of the state. As such, his argument is similar to that implicit in Burawoy's concept of the *politics of production*. Both Elger and Burawoy are useful for an analysis of the labour process in Japan's factories, since their methodology attempts to locate the labour process within the dynamic of the economic system as a whole. Indeed, Burawoy's specific attention to the ideological dimensions of labour control adds further credibility to this broader, systemic approach to the

study of the labour process.

Burawoy and valorization

In a similar vein, Michael Burawoy has also challenged labour process theorists to transcend their fixation with control by reintegrating the issue of valorization into their analysis. However, Burawoy's contribution to the debate initially began with a narrow, concrete focus on the factory floor. Indeed, in *Manufacturing Consent*, he goes well beyond Cohen in questioning the relevance of the concept of control altogether, arguing that Braverman, as the progenitor of recent Marxist labour process debate, failed to fully define the development, extent, and implementation of capitalist control over the labour process.⁴²

According to Burawoy's earlier work, the deficiency of this approach becomes apparent once one understands that the main objective of management in the capitalist labour process was both the *securing* and *obscuring* of surplus value.⁴³ To comprehend how this goal is attained, one has to make reference to the "subjective aspects of work" and to the ideological processes that condition them.⁴⁴

Foremost among the ideological considerations that must be assessed in any study of the labour process is the 'manufacture of consent'. According to Burawoy, the securing of consent is primarily achieved at the point of production. After a series of studies based on participant observation, Burawoy essentially focused attention on the practice of 'making out', as defined in the pioneering work of Donald Roy.⁴⁵ Briefly, 'making out' refers to a 'game' played by certain production line workers when they attempt to exceed production levels in order to generate opportunities for incentive pay. Burawoy argues that, although workers may appear to determine their own pace of work in such a situation, since peer pressure from

other workers is often substantial, their actions can also be viewed as a form of consent to the rules of the larger game, namely capitalist accumulation.⁴⁶ Finally, in attempting to explain why workers might accept such a form of work organization, i.e. incentive-oriented, Burawoy appropriates Gramsci's concept of *hegemony*.

For Gramsci, *hegemony* was achieved when one class could dominate all others by securing their consent, via the generation of a societal paradigm that obliges them to view their interests and opportunities at the macro-societal level, through a distorted and narrow lens that restricts their vision and their choices to the narrow range constructed by the existing system. Burawoy projects this form of analysis on to the workplace and, in so doing, augments Gramsci's analysis of the creation of hegemony at the level of civil society, with a parallel discussion of the struggle to secure consent within the *internal state* that exists within the firm.⁴⁷ That *internal state* corresponds to the institutions that exist within the firm, including the unions, which are involved in the production of consent, by shaping workers' impressions of their real options for resistance. Although Gramsci's notion of hegemony was designed to describe society as a whole, Burawoy's interpretation is effective in its focus on how workers view the reality of the workplace.

The main criticism of *Manufacturing Consent* has focussed on its implication that *capitalist* hegemony takes a singular form, so that hegemony is essentially characterized by workers' acceptance of unions as agents of their interests and their relative progress.⁴⁸ Critics have argued that this non-dialectical approach may add some valuable complexity to the notion of control, but that its singular focus on 'obscuring and securing' is also ahistorical and stagnant, in that capital always appears to prevail. In this model, hegemony ensures

valorization via worker consent to the dictates of management, so that the notion of control takes on greater complexity while the labour process dialectic is sacrificed.

Consent and the Japanese labour process

Burawoy's conceptualization of consent and its close link to exploitation and valorization appears to be empirically validated by aspects of the 'Japanese system' of control over the labour process, which includes the system of *nenko* wages, enterprise unionism, and JIT production methods. As a package, this system combines economic pressures; the absence of a social safety net; and a certain organization of work, to create a situation in which 'hegemony' is comprehensively established, such that workers can be given a greater range of discretion, without management's loss of 'control'. Concerning *nenko* wages, due to the historic lack of a comprehensive welfare state in the Western European sense, core workers came to rely upon wages, and thus paid labour, as the only means of subsistence. Hence, the formation and subsequent evolution of the *nenko* wage system (as a core component of the 'Japanese system') has worked to ensure acceptance of management prerogative within the labour processes of the *sogo shosha* (the post-war analogue of the *zaibatsu*), as witnessed by the comparatively low instances of work stoppage in the post-war period.⁴⁹

While enterprise unionism has provided an institutional foundation for hegemony, as Burawoy implies, the recent appearance of more radical minority unions challenges his implicit assumption that capital will always prevail. Certainly, the nurturing of a strong identification with the firm (as noted by Friedman) has, generally made it easier to win the consent of core workers to the existing labour process. Nonetheless, there are limits to this

process. Thus, as a consequence of further labour process innovations adopted in response to the pressures resulting from the appreciation of the yen after 1985, the traditional unanimity of many company unions has been shattered by internal conflict centered around disputes over work intensification and giving rise to the creation of minority unions.⁵⁰ Burawoy's implication that capital will always win, is thus being put to the test and may turn out to be is overly deterministic and insufficiently dialectical.⁵¹

Burawoy's analysis is also helpful in explaining JIT production methods, core labour's tacit acceptance of JIT production methods and the multiple-skills development associated with it. This legitimation of the rules of a 'game' that has led to an acute intensification of labour epitomized in the *kanban* efforts to reduce downtime that is now so prevalent, suggests that hegemony is an important concept.

Since, in *Manufacturing Consent* Burawoy argues that the labour process is not conditioned by external factors, this initial phase of his argument effectively denies the explanatory potential of one potentially key factor, namely the role of the state. Others have argued that the Japanese state has played a major role. Thus, Woodiwiss has suggested that enterprise unionism, *Kigyoshugi*, and the famous 'diligence' of the Japanese worker, all stem largely from the state's historical ambivalence or hostility to workers' rights.⁵² However, Burawoy's 'obscuring and securing' approach, despite its neglect of external factors, is, in the final analysis, a useful attempt to transcend more simplistic conceptualizations of control. Indeed, it effectively illustrates that capital is able to ensure consent via the notion of hegemony, or consent to the rules of the game.

In more recent work, Burawoy has attempted to answer the charges that his previous

work on the labour process was ahistorical, lacked dialectics, and ignored external factors, by developing a framework that centers on the concept of a *politics of production*. By doing so, he has implicitly contextualized the concept of 'control' and contributed to an illumination of its wider dimensions by exploring the implications of state action for the development of the labour process in advanced capitalist societies. The result is a highly elaborate and useful framework that can be applied to the study of control in the Japanese labour process.

The concept of *production apparatus* implicitly sees the state as playing a significant role in determining how control is manifested in within the labour process. Moreover, Burawoy's study of sectoral and regional differences between different production systems has led him to conclude that the nature of the state's action with respect to welfare provision and the regulation of production, often plays a pivotal role.⁵³ As a result, this more recent work of Burawoy's has now accorded *the state* a primary role in establishing the patterns of control mechanisms found within the labour process under capitalism. And his comparative historical analysis of the development of *production regimes* in a number of advanced capitalist societies, has led him to characterize Japan's regime as the embodiment of hegemonic despotism. Essentially, the lack of effective labour legislation and a negligible welfare state in Japan are taken by Burawoy as evidence of a despotic *production regime*. From this perspective, it is the Japanese state's inability - or unwillingness - to adopt "extensive state regulation of production apparatuses" that has allowed the development of such control methods in large firms.⁵⁴

In particular, by integrating the labour process and the *production apparatus* within a specific historic context, Burawoy has clearly extended the concept of control beyond the

sphere of production. Notably, in an important study of the labour process in the Japanese automotive industry, Dohse, Jurgens and Malsch adopted an approach, based on a concept similar to Burawoy's *politics of production*.⁵⁵ They concluded that Japanese workers were highly productive primarily due to the combination of work intensification strategies, the lack of public welfare and negligible labour relations legislation, and not primarily because of 'empowering' work organization techniques such as learning-by-doing and multi-skilling.⁵⁶ Indeed, they found evidence that the system of wage determination, by emphasizing minimal down times and individual performance appraisal, worked to secure compliance. Thus, a combination of economic pressures, such the wage system and the lack of a public safety net, ensured that workers 'became' reliable. Therefore, the conclusion reached by Burawoy, in addition to that of Dohse *et al*, suggests that a delineation of the dimensions of control, be it in Japan or any other capitalist social formation, is susceptible to error, when and where the labour process is examined in isolation.

In sum, this chapter intended to deal with two interrelated issues - (i) an analysis of the concept of control in Marxist labour process theory, and (ii) an application of the different approaches that were identified to the labour process in Japan's large manufacturing factories. The argument suggests a conceptualization of control in Marxist labour process theory should not simply focus on a narrow interpretation, but must also attempt to locate the issue of control within a wider context that focuses on the significance of profit maximization and exploitation as structurally located imperatives within capitalism. It must also accept that phases of valorization and exploitation and their impact on the labour process are related to worker resistance. Finally, it is clear that the analysis must not be restricted to the point of

production or the factory floor, but must consider the role of external forces, most precisely, the role of the state. Indeed, both conceptualizations are important, as they address different issues at different levels of abstraction.

1. Sheila Cohen, "Labour Process to Nowhere?" New Left Review. (165, September-October, 1987), 35.
2. Michael Burawoy, The Politics of Production. (London: Verso, 1985), 32.
3. Literally, classes could be defined by their relation to ownership of the means of production. That said, class is a relational concept; 'pure' only in its most abstract form. Moreover, class in a Marxian context, is a dynamic notion; its observable form constitutes variable realities according to the historical development of the relations of production.
Thus, usage of the terms, *bourgeoisie* and *proletariat* (whilst capturing the relational connection to ownership of the means of production) fails to fully encompass the diversity of class fractions under late twentieth-century capitalism. That said, recent innovations in class conceptualization (e.g. the work of Giddens, Poulantzas, and Wright, respectively) still maintain, despite wide divergence, a link between class identity and ownership of the means of production; a link which I would consider to be valid.
4. Ernest Mandel, Late Capitalism. (London: Verso, 1983), 598.
5. Harry Braverman, Labor and Monopoly Capital: The Degradation of Work in the Twentieth Century. (New York: Monthly Review Press, 1974), 57-58.
6. Ibid., 87.
7. Karl Marx, Capital: Volume 1. (London: Penguin/NLB, 1976), 517; Karl Marx, Grundrisse. (London: Penguin, 1973), 693.
8. Craig Littler and Graeme Salaman, "Bravermania and Beyond: Recent Theories of the Labour Process," Sociology. (16, 2, May 1982), 253-255.
9. Maurice Dobb, Studies in the Development of Capitalism. (New York: International Publishers, 1947); Paul M. Sweezy, The Theory of Capitalist Development. (New York: Monthly Review, 1942); Paul A. Baran and Paul M. Sweezy, Monopoly Capital: An Essay on the American Economic and Social Order. (New York: Monthly Review Press, 1966).
10. My point is merely a reiteration of a common critique, i.e. that Braverman conducted a largely theoretical and ahistorical examination. As to the attempt to empirically assess Braverman's contentions, see Andrew Zimbalist, ed., Case Studies on the Labor Process. (New York: Monthly Review Press, 1979).
11. Littler and Salaman, op. cit., 252.
12. Tom Kemp, Industrialization in the Non-Western World. (London: Longman, 1983), 21.

13. Sato Yoshio, Small Business in the Japanese Economy: Orientation Seminars on Japan #6. (Tokyo: The Japan Foundation, 1982), 5.
14. E. Patricia Tsurumi, "Old Wine in New Bottles: Management Practices in Contemporary Japan," Journal of Contemporary Asia. (21, 3, 1991), 372.
15. Andrew Gordon, The Evolution of Labor Relations in Japan - Heavy Industry, 1853-1955. (Cambridge, Mass.: Harvard University Press, 1988), 54-55.
16. Richard Storry, A History of Modern Japan. (London: Penguin, 1960), 27.
17. Tsurumi, op. cit., 375.
18. Andrew L. Friedman(a), Industry and Labour: Class Struggle at Work and Monopoly Capitalism. (London: Macmillan, 1977), 56.; Andrew L. Friedman(b), "Developing the managerial strategies approach to the labour process," Capital and Class. (30, Winter 1986), 98.
19. Ibid., 79.
20. Astoundingly, Friedman(a) makes a single reference to the "welfare state", on p.65.
21. John Price, "Lean Production at Suzuki and Toyota: A Historical Perspective," Studies in Political Economy: A Socialist Review. (forthcoming), 5-6.
22. A full account of the suppression of left-wing union activity and the resulting pre-eminence of docile enterprise unionism can be found in Joe Moore, Japanese Workers and the Struggle for Power, 1945-47. (Madison: University of Wisconsin Press, 1983).
23. Ibid, 30.
24. Shigeyoshi Tokunaga, "A Marxist Interpretation of Japanese Industrial Relations, with Special Reference to Large Private Enterprises," Contemporary Industrial Relations in Japan. ed. Taishiro Shirai, (Madison: University of Wisconsin Press, 1983), 316.
25. Lowell Turner, Democracy at Work: Changing World Markets and the Future of Labor Unions. (Ithaca: Cornell University Press, 1991), 218.
26. Hiroshi Hazama, "Historical Changes in the Life Style of Industrial Workers," Japanese Industrialization and Its Social Consequences. ed. Hugh Patrick. (Berkeley: University of California Press, 1976), 48.
27. Tessa Morris-Suzuki, The Technological Transformation of Japan: From the Seventeenth to the Twenty - first Century. (Cambridge: Cambridge University Press, 1994), 175.
28. Ibid.

29. Richard Edwards, Contested Terrain: The Transformation of the Workplace in the Twentieth Century. (New York: Basic Books, 1979), 19.
30. Ibid., 112.
31. Edwards, op. cit., 131.
32. Loc. cit.
33. Makoto Itoh, "Japan in a New World Order," The Socialist Register 1992. (London: Merlin, 1992), 201.
34. Littler and Salaman, op. cit., 264-265.
35. Cohen, op. cit., 36.
36. Ibid., 37-38.
37. Ibid., 37.
38. Ibid., 46.
39. Tony Elger, "Valorization and 'Deskilling': A Critique of Braverman," Capital and Class. (7, Spring, 1979), 63.
40. Ibid.
41. Ibid., 88.
42. Michael Burawoy(b), "Towards a Marxist Theory of the Labor Process: Braverman and Beyond," Politics and Society. (8, 3-4, 1978), 253-254.
43. Ibid., 261.
44. Ibid., 266.
45. Michael Burawoy(c), Manufacturing Consent: Changes in the Labor Process under Monopoly Capitalism. (Chicago: University of Chicago Press, 1979), 51-52.
46. Ibid., 82.
47. Ibid., 110.; Antonio Gramsci, Selections from the Prison Notebooks. (New York: International Publishers, 1971), 168.
48. Burawoy(c), 113.

49. Akira Takanashi, Shunto Wage Offensive: Historical Overview and Prospects. (Tokyo: The Japan Institute of Labour, 1989), 16-18.
50. Wolfgang Seifert, "Some Thoughts on the Problem of Internal Union Democracy in Japan," Economic and Industrial Democracy. (9, 1988), 390-391.
51. Dan Clawson and Richard Fantasia, "Beyond Burawoy: The Dialectics of Conflict and Consent on the Shop Floor," Theory and Society. (12, 5, September 1983), 676.
52. Woodiwiss, 87.
53. Burawoy(a), 138.
54. Ibid., 144.
55. Dohse, Jurgens, and Malsch, 138.
56. Ibid., 135-136.

CHAPTER FIVE: SOME HISTORICAL CONSIDERATIONS ON LABOUR PROCESS CHANGE IN JAPAN'S FACTORIES

Much of the most recent discussion of Japan's successes in export growth and labour productivity has taken place within a vacuum, as if the sources of such innovation were without historical context. It is evident that the system developed by both capital and labour was a considerable achievement, yet the micro level success of the system was always threatened by the macro level realities of capitalist competition. Thus, the roots of the labour process innovations that did occur cannot be found simply in the evolution of certain management techniques. Indeed, the contemporary examples of the organization of work in Japan's factories are the direct result of a vigorous process of profit maximization that became pronounced during the 1960s, heightened throughout the 1970s, and intensified further during the 1980s, under the guidance of Prime Minister Nakasone's government.

Hence, this chapter seeks to examine the nature of those competitive conditions which prompted drastic steps in the pursuit of sustainable profitability, with such steps revealed as extensive labour process innovation. We must begin, however, by establishing that an intensive process of change in the conditions under which profit maximization occurred during the later half of the 1960s. Having established that such was the case, it will be necessary to highlight the three factors which accelerated the introduction of labour process innovations in Japan's factories, beginning in the late sixties. Specifically: (i) the development of a labour shortage; (ii) the growing importance of the *shunto* wage offensive; and (iii) the spread of environmental consciousness. These had a major impact on the decision-making process in industry, especially in the automotive, iron and steel, and chemical

industries, which all saw dramatic changes, in factory work patterns as a result.

But first we must establish that a significant degree of labour process innovation began in Japan's factories in the mid-to-late 1960s. One such innovation is said to be the use of group-related productivity initiatives, or as they have become popularly known, *Quality Control Circles*. Quality control, as a measure of performance and developed through process control and inspection, was introduced to Japan by the Occupation administration.¹ Its focus, simultaneously, was the quick recovery of the Japanese economy as a whole, while laying the foundation for sustainable, long term, firm-specific growth. Notwithstanding, as Cusumano has noted, when the challenge to adjust to those conditions that threatened profitability became the key objective of Japanese automakers throughout the 1960s, the Japanese interpretation of QC began to differ in essence from the U.S. approach, and in so doing it began to dominate management thinking in heavy industry.²

Total Quality Control was able to expand, principally in Japan's heavy industries, because in moving beyond the simple elimination of faults to shop-floor trouble shooting and product development, steady increases in the value-added component of labour productivity were possible. Notably, where workers were asked (or compelled) to initiate process-level innovations as groups, quality control spread beyond the traditional manufacturing areas of the firm, such as Research and Development and Engineering, to every dimension. As a result, productivity increases, depending on firm size and industry, proved dramatic. For example, Nissan has reported that approximately US\$ 5,000 per QCC was saved between 1978 and 1984, due to the introduction of such groups.³ Thus, the clue to the development of QCCs in Japanese industry can be found in its purported savings in lost earnings.

As a result, QCC diffused rapidly between 1965 and 1968, after a few individual firms had blazed the trail in the early 1960s. At the time, Toyota had followed Matsushita's lead, by introducing QCCs in 1963, and its experience was so favourable that the group system had become firm-wide by 1968.⁴ More generally, the number of QCCs registered with the Japan Union of Scientists and Engineers (JUSE) grew from 215 in 1963 to 3702 by 1965, and the movement was not specific to the auto industry.⁵ Indeed, key electrical machinery producers, Hitachi and Fuji Electric, introduced TQC throughout their respective supplier networks,⁶ and Nippon Steel (formerly Yawata steel) adopted the system in the mid 1960s.⁷ Hence, what had begun as a measure of defect rates quickly spread throughout Japan's heavy industries during the 1960s as an effective method of increasing surplus value extraction.

Closely related to the expansion of the QCC movement was the growth in importance of the *teian* system. Indeed, in the leading firms, a crucial element of QCC was the obligation to provide a prescribed minimum of suggestions (*teians*) per worker. The development of worker suggestion systems had a long history, with Nissan having adopted such a system as early as 1955.⁸ However, unlike QCC, the success of the *teian* approach was not immediate. Indeed, the oft-quoted archetype of 'Japanese-style management', the Toyota Motor Company, allowed its system to languish in the late 1950s, due to limited worker involvement.⁹ However, due to a combination of conditions that threatened existing rates of profitability, the *teian* system rapidly increased in importance in the late 1960s, and continued to grow throughout the 1970s, when it was incorporated directly into the QCC system. Nonetheless, while benefits from the *teian* system were discernable, any positive impact was felt by employers, in terms of reduced production costs, rather than specific gains

to labour.

As can be witnessed by developments in the automotive industry, the *teian* system became increasingly important during the late 1960s. Moreover, the various auto manufacturers competed with each other by experimenting with such systems, but with variable success. Nissan, in contrast to its main competitor, Toyota, sought to reinvigorate its suggestion system in the late 1960s, yet its growth was limited, at best.¹⁰ Further, under the personal leadership of founders Honda Shoichiro, Fujisawa Takeo, and Kawashima Kiyoshi, Honda Motors extended its suggestion system during the late 1960s and early 1970s.¹¹ Additionally, Price notes that, having observed the many changes in the auto industry, Toyota eventually began to revive its *teian* system during the 1968-1971 period by integrating it with QCCs.¹²

Another labour process innovation developed in the mid-to-late 1960s and copied, to varying degrees, throughout the manufacturing sector was the *Toyota Production System*. In fact, the Toyota Motor Company had been at the forefront of labour process innovation since the early 1950s. The *Andon* board (a system of flashing lights, designed to increase worker productivity through better performance surveillance) was first used by Toyota in 1950. Similarly, the JIT (Just-In-Time) production system became a prominent Toyota innovation. JIT production was developed as a way of streamlining shopfloor efficiency via intensive inventory control. As a result, the essential inputs of the production process were kept in low inventories, so that fixed costs were reduced, and when the need arose, items could be delivered 'just in time'. Although the JIT production system had had its origins during WW II, it was put into operation in all Toyota plants in 1963.¹³ Nevertheless, due to various

competitive pressures that developed during the 1960s, Toyota set about incorporating the various innovations developed at its Toyota City head office throughout its entire Aichi prefecture network i.e. surrounding metropolitan Nagoya. In 1965, Toyota won the coveted Deming Prize (a highly prestigious award for industrial efficiency) and on the basis of such success Toyota management sought to routinize the productivity achievements of the previous year.¹⁴ In 1966, Toyota Motor Company managing director, Toyoda Shoichiro instituted a secretariat that would receive input from all firm-wide QCCs, and he sought to intensify Toyota-supplier links via an annual "All-Toyota QC Conference."¹⁵ These measures reflected the accelerated reorganization of work that occurred at Toyota throughout the mid-to-late 1960s, and that culminated in the "Toyota Production System," as these changes came to be known by 1970.

Where such examples are not enough to establish that labour process innovation had begun in earnest by 1967, the substantial investments in 'labour saving capital' made at the same time serve to add credence to the assertion. Initially, we can classify 'labour saving capital' as *those investments in capital stock which facilitate profit maximization as an end in itself*, i.e. technical innovation which seeks to derive greater value from expended labour. Tokunaga has suggested that as a result of the recessionary pressures of 1965, "the former fairly simple use of labour power became much more intensive and elaborate."¹⁶ Moreover, developments in NC technology were the direct response to the need to maintain profitability under increasingly adverse circumstances. Fortuitously, the JIT system, considered so effective in reducing buffer stocks, was only considered feasible after certain advances had been made in the production of multi-purpose tools. Hence, it was no accident that FANUC

became the first producer of NC tools using integrated circuits in 1966, leading to the rapid diffusion of NC technology, which proved cost-effective from the start.¹⁷ Clearly, necessity became the mother of invention.

The link between increased labour intensity and these technological changes becomes clear when one examines the reduction in down-times achieved in automobile assembly after their introduction. Thus, whereas in 1965, it had taken 68 total man-hours (including all production processes) to produce a Japanese compact car, by 1973, this had been reduced to just 28.12 man-hours.¹⁸ Indeed, whereas the metal stamping process took three hours in the mid-1950s, it was reduced to just three minutes by the early 1970s, and to a few seconds by the beginning of the 1990s.¹⁹ This process automation led to ever faster production cycles and substantially increased the number of vehicles produced per worker, or per work group, each day. Moreover, even a study of the history of Nissan shows that, between 1965 and 1970, management's primary focus of technological innovation, in responses to competitive conditions, was increased shopfloor automation.²⁰ As such, it can be observed that investments in labour saving capital, particularly in the automotive industry, rose at the outset of our period of study.

I. The development of the Labour shortage

Turning to the first reason as to why such an intensive process of work reorganization began, the development of an acute labour shortage in the manufacturing sector during the 1960s saw labour become an increasingly expensive economic input. Prior to the mid 1960s, the manufacturing sector, typical of the Japanese economy as a whole, was adept at incorporating any additions to the labour force. Actually, a virtuous relationship developed

between a rapidly expanding industrial sector much in need of inexpensive labour, and a primary sector that no longer required an extensive workforce. Indeed, the primary sector, which employed 54.2% of the working population in 1947 was able to function with only 12.7% by 1975.²¹ Throughout such a transformation of Japan's sectoral employment, the manufacturing sector reaped the benefits of cheap labour. However, as the employment situation in the primary sector began to stabilize, Japan's factories began to experience a serious labour shortage.

By the later half of the 1960s, a confluence of events related to the labour shortage saw wages rise sharply over the short-term. Firstly, the main aim of organized labour, whose respective confederations, *Domei* (private-sector) and *Sohyo* (public-sector) had undergone significant internal changes in the immediately preceding years, was to preserve new membership by pressuring major employers for wage increases. Furthermore, both skilled, mature workers and school leavers were able to achieve favourable salary increases, given the acute shortage in the manufacturing sector.²² Such a phenomenon contributed to a 5.2% increase in real hourly wages in manufacturing between 1960 and 1968; a dramatic rise as compared to Canada (2.3%), and the UK and US (both at 1.6%) over the same period.²³ In terms of nominal wages, the increase was three-fold between 1965 and 1973.²⁴ The wage increase was exacerbated by the actions of numerous mid-size manufacturers, who lacked the comprehensive employment incentives offered by the larger firms.²⁵ Such firms were, accordingly, under a greater pressure to increase benefits, in order to attract sufficient labour.²⁶ Hence, during the period in which Japanese industrial capital sought to expand both domestically and internationally, Japanese workers were able to extract a greater share of the

value of their labour.

Nonetheless, as a result of labour's short-term gains, a serious profit squeeze developed in the manufacturing sector. Whereas real capital accumulation began to stagnate in the U.S. by the mid 1960s, the decline in profit-share for Japanese manufacturers occurred somewhat later, in the late 1960s, but at a much faster pace. Specifically, as the increase in product wages began to overhaul any gains in productivity, Itoh has shown that profit-share declined by 20% in only four years, 1969 to 1973.²⁷ It should be noted that the prices of many primary products increased during the late 1960s and early 1970s; thus, where raw inputs for manufacturing became more expensive, the profit squeeze was compounded on another front. Clearly, with the development of the labour shortage in the 1960s, the threat to profitability prompted strategic decision-making by Japan's manufacturers. For the larger firms, such as the *sogo shosha*, increased wage costs could be passed on to either consumers or smaller subcontractors. Given that the electrical machinery, chemical, auto, and steel industries were expanding into international markets, it became difficult to divest the price burden onto foreign consumers, although some costs were passed along to an increasingly affluent middle class. Regardless, during the period under which rationalization occurred within the *sogo shosha*, the brunt of Japan's labour shortage was placed, both directly and indirectly, upon the numerous small and medium enterprises (SMEs), and accordingly, upon its workforce. The resultant pressures placed upon the SME manufacturers saw two main consequences: firm liquidation and closure, and significant labour process innovation.

II. The institutionalization of the Shunto

It is evident that whilst the labour shortage allowed a sharp increase in wages,

increased labour militancy also exerted upward pressure on wages. Developed in the 1950s as a way of presenting industry-wide wage proposals to employer organizations, the *shunto* served to unite most of the largest union federations in seeking their share of respective industrial productivity gains. At the outset in 1954, roughly three million workers were united by the joint *shunto* struggle.²⁸ Furthermore, the *shunto* also strengthened solidaristic links at the grass-roots level, as regional spring offensives developed in major industrial cities, including Nagoya, Kitakyushu, Sendai, and Hamamatsu, in addition to Tokyo, which served as the epicenter of activity. Another aspect of the formative period of the *shunto* was that a large union federation, such as *Denkioren* (All Japan Federation of Electric Machine Workers' Unions) would traditionally take the lead in pursuing its claim for wage increases.

Given the high degree of cohesion that had begun to develop among the major participants in the *shunto*, *Nikkeiren* (Japan Federation of Employers' Associations) began to establish itself as industrial capital's spokesman on industrial relations. Among industrial capital's peak associations, a 'division of labour' developed, so that particular issues were dealt with by specific organizations. For instance, on matters pertaining to international trade policy, domestic economic policy, and relations with MITI and the Ministry of Finance, *Keidanren* became capital's key spokesman. Nevertheless, as the *shunto* began to develop further momentum to the extent that the major labour confederations sought increasingly larger wages rises (14% increase was the norm in 1961), *Nikkeiren* entrenched itself as capital's key line of defense against substantial wage increases.²⁹

By 1967, significant developments occurred in the structure of the *shunto* which served to enhance its importance in Japan's capital-labour relations. First of all, the leadership

role in the *shunto* shifted in line with developments at the national confederation level. Thus, throughout 1964, the six major metal industry federations, including *Denkiroren* and *Tekkororen* (Federation of Iron and Steel Workers' Unions) had begun a move to unite under a super-federation affiliated with the International Metalworkers' Federation, to be called the IMF-Japan Council (IMF-JC).³⁰ This move was crucial, since the IMF-JC became one of the leading forces in the *shunto*, simply by virtue of the size of its constituent membership. A measure of the clout wielded by the IMF-JC can be gauged from the fact that by 1967, it established its own *shunto* liaison council, and was able to conduct negotiations with *Nikkeiren* directly.³¹

The second major development in the institutionalization of the *shunto* was the amalgamation of most private sector unions under the banner of *Domei*. Since the split of many of these unions from *Sohyo* (the leading public sector confederation) in 1954, *Domei* had sought to unite them sufficiently to allow it to challenge the former in both membership and political influence.³² In 1964, *Zenro* (Trade Union Congress) joined *Sodomei* (Japanese Federation of Trade Unions) in forming *Domei* (Japanese Federation of Labour).³³ Ultimately, this unification of the private sector unions allowed them to exercise more influence, as they sought to outdo the public sector unions in the struggle with employers. While such an occurrence might appear to accentuate the division between both spheres of national leadership, the end result was that *Sohyo* and *Domei* worked so diligently to counter each other's leadership role in the *shunto* that organized labour successfully defeated industrial capital in negotiations over profit-share.

The success of the *shunto* as a very effective bargaining strategy, which yielded large

gains for Japan's working people, is confirmed by the increasing number of participants and the extent of wage rises throughout the manufacturing sector during the latter half of the 1960s. By 1966, nearly seven million workers were involved in the annual struggle, with *Shunto Kyoto Kaigi* (the *Sohyo*-led front) alone accounting for 5.6 million workers.³⁴ Further, most of the lead federations, throughout the period, were from the manufacturing sector, such as *Gokaroren* (Chemical workers) in 1966, and *Tekkororen* (Iron and Steel workers) from 1967 through to 1970.³⁵ Due to the increasing success of the manufacturing sector in both domestic and international markets, these federations were able to achieve substantial wage rises in the late 1960s and early 1970s. Specifically, whereas the annual rate of increase had begun to stabilize at around 10% following the peak of 1961, *Tekkororen* achieved increases of 12.5% in 1966, 15.8% in 1969, and 18.5% in 1970.³⁶ Hence, as the *shunto* became more and more a part of Japanese industrial relations, workers increasingly began to assert their influence in the distribution of income.

Nevertheless, although the increased significance of the *shunto* had several positive effects on organized labour, ultimately, along with the wage increase, it served to accelerate labour process innovation within Japan's factories. Firstly, The organization of joint union struggles managed to unite many previously disparate voices in organized labour. After the immediate postwar strength of the union movement was broken by the Japanese bureaucracy and the U.S. Occupation administration, organized labour in Japan found itself evoking a single, anti-solidaristic model, the enterprise union.³⁷ Further, after the tumultuous period of labour unrest that characterized the 1950s, culminating in the infamous Miike mine strike, many companies, using the promise of temporary real wage increases and the adoption of

benefits packages, concluded conciliation agreements, such as the "Asahi Glass Six Principles" of 1951 and the "Toyota statement of commitment and mutual trust" of February 1962.³⁸

Such agreements served as virtual limited liability clauses in the event that an enterprise union might attempt to seek changes in work rules or wage determination. The *shunto*, then served as a 'leavening agent' in that the bargaining power became centralized at the national level. In essence, the *shunto* emerged as a unifying process, which re-established a greater degree of solidarity. To the extent that organized labour had slowly begun to recapture the class unity that had been fragmented in the immediate postwar period, the *shunto* had become a threat, real or potential, to profitability.

The second positive effect for labour, that resulted from the strengthening of the *shunto*, was the spill-over effect that it generated, as the deals struck in the leading sectors were extended to other manufacturing firms, often regardless of size. Since the *shunto* tended to set an annual model wage increase for workers in both the public and the private sectors, this annual increment became the key bargaining objective at the enterprise level throughout the economy. Moreover, it is evident that regardless of the presence of a union, firms were often forced to accept (within a narrow band) the annual *shunto* rate. Thus, for workers in SMEs throughout Japan, the maturation of the *shunto* came to serve as the main avenue for a share in the benefits of their own productivity. However, it was also true that as these wage increases did not reflect differing rates of corporate performance across industries and firms, this process also threatened profit-share, particularly that of smaller firms during the later half of the 1960s.

III. Environmental awareness and the costs to capital

To address the third major reason for the turn toward rapid labour process innovation in the manufacturing sector, we must assess the growth of environmental awareness and the extent of public reaction against the excesses of heavy industry. Throughout the high growth period that followed WW II, personal savings and income, as well as the vast proliferation of consumer goods and services, grew along with the existence of various environmental 'externalities', to use the language of mainstream economics. However, the unchecked growth of many adverse externalities (pollution, infrastructure deterioration) can, in the long term, detrimentally affect the viability of economic growth. Seemingly unconcerned about such possibilities, the Japanese government failed to hold industrial capital adequately responsible for various social and environmental spill-over effects that affected Japanese society as a whole.³⁹ In time, the consequences of this neglect would soon haunt the ruling LDP, and even the manufacturing sector itself, because it eventually gave rise to a spirited grass-roots political movement.

Whereas many issues contributed to the growth of Japan's citizen politics, no other factor was as prominent nationally as that of environmental pollution. Although, in the early postwar years, pollution had seemed a relatively insignificant issue, given the relative lack of urbanization and the overriding need for growth and recovery, the discovery of several industrially-generated diseases during the 1960s, especially *Minamata disease*, propelled the issue to the centre of the national stage.⁴⁰ Between 1960 and 1964, a series of citizen-led protests led to the discovery that the Chisso company's dumping of waste had caused widespread mercury poisoning, for a period dating back to the mid 1950s.⁴¹ And between 1966 and 1968, in Niigata prefecture, a public outcry revealed a similarly deliberate case of

dumping by another manufacturer, Showa Denko.⁴² A tremendous public reaction against the hundreds of deaths that resulted from these two incidents led to the development of a concerted and rapidly expanding environmental movement.

Throughout the late 1960s and early 1970s, these environmental protests soon went beyond the simple issue of pollution and began to address such issues as industrial safety and hygiene. Indeed, Ono and Mouer have suggested that several forces combined to "produce a new consciousness."⁴³ That recognized the potential danger associated with the unchecked growth of industry:

"The anti-pollution movement accompanied a broadly based questioning of economic goals, which tended to make workers more aware of various pollutants within the firm - such as noise (so-on and ko-on), dust (funjin), high pressure gases (koatsu-gasu) - and of the general atmosphere."⁴⁴

Thus, even as workers pushed for 'European level' wages in the *shunto*, this quest for more broadly improved living standards became a powerful political issue.

The climax of these environmental protests took the form of an electoral backlash against the ruling LDP. Since its ascent to government in 1955, the LDP's share of the national vote had been in steady decline (from a high of 57.8% in 1958, to a low of 47.6% in 1969), and environmental issues were a key factor in this shift.⁴⁵ The LDP's embarrassment in failing to deal with environmental concerns was compounded by the election of opposition mayors and prefectural governors, many of whom had campaigned on such grass-roots issues.⁴⁶ Many within the LDP feared ensuing electoral defeat, considering the rising tide of the fortunes of organized labour, in conjunction with the omnipotence of environmental awareness. As a result, the manufacturing sector suffered several setbacks,

both financial and political, as the LDP sought to re-establish itself electorally.

These setbacks took several forms. The first (and most indirect) centered around the passage of a series of laws designed to limit environmental degradation by commercial activities. Thus, the *Basic Law for Environmental Pollution Control* passed into legislation in 1967.⁴⁷ And, in 1970, an extraordinary session of the legislature (the 'Pollution Diet') passed *fourteen* laws regulating various specific types of pollution.⁴⁸ Moreover, concerning work safety, the *Labour Safety and Hygiene Act* of 1972, called for strict controls and the eradication of the most apparent sources of industrial accidents.⁴⁹ Finally, with the addition of several new clauses in the *Labour Standards Law*, the state had significantly increased the cost of doing business in Japan:

"... in response to the 1965 recession, *pressure to minimize pollution*, and the rising cost of labour, plant and equipment investment expanded by more than 20% per year, for 4 consecutive years from 1966." (my emphasis)⁵⁰

The passage of legislation to reduce pollution played some role in leading manufacturers to consider more rapid labour process innovations partly because these laws actually mandated some of these changes, and because the additional costs imposed by these laws needed to be recouped.

The second (and more direct) impact of the environmental crisis on industry, was due to the financial burden that was imposed on industrial capital by the cost of the fines and restitutions awarded by the courts after various legal cases. For example, on June 30, 1971, one of the largest *sogo shosha*, Mitsui Corp, was ordered to pay 57 million Yen in damages to the victims of *itai-itai* disease, which is caused by cadmium poisoning.⁵¹ And, the legal battles over the impact of *Minamata* disease continued until the late 1970s, by which time

they had cost the industry millions in legal fees, loss of revenue, and in punitive damages.⁵² The staggering costs of the environmental pollution generated in recent decades can be gauged by the fact that, nationwide, nearly 14 billion Yen was awarded in damages related to pollution, between June 1971 and February 1979. The short term economic impact of such fines, coupled with the medium-to-long term impact of the loss of public confidence and respect has forced many firms to restructure their operations.

A final aspect of the costs arising and of the growth of Japan's environmental politics, was related to the emergence of a stronger consciousness of the particular problems faced by Japan's SMEs. As has been shown in the discussion of the *shunto*, issues pertinent to, and wages appropriate to, the workforce of Japan's larger firms, often spilled over to its smaller firms, even when they were less appropriate there. Moreover, the growing practice of *shukko*, or transfer out of a firm (itself an example of labour process change), ensured that there would be more contact between the workplace culture of firms of different sizes.⁵³ Given that, traditionally, more than 70% of the total manufacturing workforce has been employed in Japan's SMEs, and given the growing environmental consciousness of Japan's civil society, this increased labour mobility ensured that this consciousness was soon reflected in most workplaces.⁵⁴ Thus, while Japan's factories had attained a comparatively high level of environmental efficiency by the late 1970s, the costs imposed on industry as a result had been considerable.

Thus, having noted that Japanese industrial profitability was fiercely squeezed from three directions (a labour shortage, labour militancy, and environmental awareness), we must turn to the empirical evidence of labour process mutation in Japan's factories.

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CHAPTER SIX: QUALITY OF WORKING LIFE

Given the assertions of those who might consider Japan a labour process model, the capacity to measure various aspects of work organization, beginning with the relative quality of working life, takes on vital importance. Thus, in an attempt to adequately interpret the extent of the changes that have occurred in Japan, we shall draw on various sources of primary research, in particular, Government of Japan statistics (primarily, those of the Ministry of Labour) and selected non-governmental studies, such as the *Denkiroren* 1986 study of electrical workers' responses to workplace innovation. Among other things, this evidence will show that changes in the organization of work occurred during clearly identifiable phases.

The evidence shows that *three* distinct phases of labour process change occurred between 1967 and 1990. Ultimately, several indicators suggest that throughout this period, the relative quality of working life in Japan's factories was no better than that in other industrialized nations, so that it is not evident on what basis it might be considered a post-Fordist model. And, although wages and labour productivity increased sharply in the manufacturing sector throughout the period under assessment, the gap between wage and productivity growth failed to narrow. Moreover, while working hours decreased in most OECD economies during the later 1970s and throughout the 1980s, evidence shows that hours of work *rose* in Japan's factories, as the imposition of effectively compulsory overtime spread throughout the manufacturing sector. Finally, the generally uncertain picture regarding quality of working life in Japan is corroborated by the increasing concern for the health and safety problems afflicting factory workers.

Turning to the first part of our analysis, *three* clearly distinct phases of labour process change can be identified in the study of work organization in Japan's factories: (i) 1967-1973/74, (ii) 1973/74-1980, and (iii) 1981-1990. The first phase, beginning in the late sixties, took shape in response to the confluence of events that began to threaten profitability at this time and that were the focus of the previous chapter. Most significant were the growing labour shortage and the institutionalization of the *shunto*, which combined to increase relative labour costs in manufacturing. Furthermore, the more stringent regulatory environment with which Japanese manufacturers were forced to comply during this time, as a result of increased environmental awareness, raised costs to the firms and turned some variable costs into fixed costs.

Throughout this phase, international competitive pressures had intensified, and by 1972 a serious world-wide problem of over-accumulation had developed.¹ Added to this was the fact that, between 1970 and 1974, Japan's terms of trade deteriorated by 32% as the prices of various primary products (such as timber, cotton, oil, and wool) escalated.² Meanwhile, real wages in manufacturing had also risen by 31% between 1970 and 1973.³ The cumulative effect of these cost pressures was the development of an intense phase of labour process innovation, which included the widespread introduction of QCs, increased mechanization and automation, and the rapid diffusion of JIT. These changes are well known in that they have become emblematic of Japan's particular experience with change in the organizational change of work.

Phase two was triggered by an equally dramatic commodity price shock which served as the catalyst for renewed labour process change. When the global problem of over-

accumulation was exacerbated by the oil price shock of 1973, the effect on profitability was almost immediate. As the oil crisis drove up the price of this key sectoral input, inflation increased dramatically. Indeed, it is argued that of the decline in GNP growth between 1973 and 1974, 3.8% of the backslide can be directly attributed to the crude oil price increase.⁴ The effect on profit share in Japanese industry was remarkable (the manufacturing sector's profit rate fell from 38.8% in 1973 to 15% in 1975), leading directly to a renewed effort of rationalization through labour process innovation. In this second phase, Japan's efforts to regain pre-crisis levels of profitability saw the diffusion of *kaizen* and *shukko*, an increasing emphasis upon performance-based wages, and further mechanization. Once again, labour productivity increased sharply without commensurate rises in wages; real labour productivity rose by a 9.2% annual average between 1975 and 1980, whereas as real wages rose by only 1.7% annually, over the same period.⁵

By 1981, several factors combined to lay the basis for the third and most detrimental (for labour) phase of organizational change. Most important was Nakasone's ascendancy to the premiership, which consolidated a climate of hawkish neo-conservatism in Japan's political culture and eliminated any possibility that manufacturers might be more conciliatory towards labour.⁶ Under Nakasone, the state developed a decidedly 'hands off' approach to the legal framework governing capital-labour relations, and this hawkish mood of conservative rationalization was given added momentum by the need to adapt to the rapid appreciation of the yen in the context of the growing trade friction between Japan and the US.⁷ Hence, the consequences of this third phase appeared primarily in the form of increased *shukko*, lengthened working hours, including extended overtime, and a growing concern in the

incidence of work-related diseases, up to and including *karoshi*, or death from overwork.

I. Increased labour productivity without related wage gains

To address the first consideration, it appears that, based upon the evidence, worker productivity increased throughout the period under examination, although the gap between wages and productivity was not closed. By observing both Tables 6.1 and 6.2, it is clear that for the entire period, labour process innovation was highly successful in productivity terms, as labour productivity grew rapidly during Phase one; stagnated in the immediate post-oil crisis years of 1974 and 1975, yet showed renewed strength during the later years of Phase two; and finally, exhibited steady growth in Phase three. Many have marvelled at the ability of Japanese manufacturers to remain competitive after the oil crisis, yet one of the more interesting aspects of Japan's postwar growth story was its ability to remain competitive in spite of a rapidly appreciating currency. To illustrate, Table 6.2 shows that despite the intense pressures associated with the *endaka* (rising Yen) phenomenon of the mid-1980s, and the intense pressure to maintain international competitiveness, the heavily export-oriented manufacturing sector was able to achieve a 20% increase in labour productivity between 1985 and 1989.

Thus, the evidence shows that Japanese manufacturers achieved dramatic and sustained productivity increases throughout the entire period, with the sharpest gains coming in the first phase from 1972 to 1973, when productivity grew by an astonishing 20.7%. One half of the post-Fordist view of Japan's industrial development thus appears to be confirmed. The system did, indeed, generate a remarkable rate of productivity growth, and this allowed it to remain competitive in a difficult and turbulent global economy. However, the second

Table 6.1 "Changes in Labour Productivity (Manufacturing) - Phases one & two"
 (Source: Bureau of Statistics, Office of the Prime Minister, Statistical Handbook of Japan: 1981., 110.)

Year (1975=100)	Labour Productivity	Year to year percentage change
1970	78	...
1971	81	3.8
1972	87	7.4
1973	105	20.7
1974	102	-2.9
1975	100	-2.0
1976	116	16.0
1977	120	3.4
1978	134	11.7
1979	140	4.5
1980	140	0.0

Table 6.2 "Changes in Labour Productivity (Manufacturing) - Phase three"
 (Source: Bureau of Statistics, Office of the Prime Minister, Statistical Handbook of Japan: 1990., 110.)

Year (1975=100)	Labour Productivity	Year to year percentage change
1981	82	...
1982	84	2.4
1983	86	2.4
1984	95	10.5
1985	100	5.3
1986	102	2.0
1987	110	7.8
1988	115	4.5
1989	120	4.3

Table 6.3 "Real hourly earnings in Manufacturing - Year to year percentage changes"
 (Source: Statistics Directorate, OECD, Historical Statistics: 1960 - 1993. Paris: OECD, 1995, 99).

YEAR	Japan	United States	Fed. Republic of Germany	France	United Kingdom	Canada
1967	8.8	1.2	2.6	3.2	1.8	2.9
1968	9.1	2.1	1.4	7.5	3.0	3.3
1969	10.6	0.6	7.0	4.5	0.2	3.5
1970	9.4	-0.6	9.9	5.1	3.5	4.4
1971	7.3	1.9	5.4	5.4	2.8	6.0
1972	10.6	3.6	3.1	4.9	6.2	3.0
1973	10.5	0.8	3.5	6.7	3.4	1.1
1974	1.3	-2.4	3.3	4.9	1.0	2.4
1975	-0.2	-0.2	2.1	4.9	4.7	4.5
1976	2.7	2.2	1.9	4.1	2.8	5.7
1977	0.5	2.2	3.7	3.0	-9.6	2.7
1978	2.0	1.0	2.3	3.6	9.2	-1.6
1979	3.5	-2.5	1.3	2.1	1.4	-0.3
1980	-0.3	-4.3	0.7	1.4	-0.1	-0.1
1981	0.6	-0.5	-1.0	0.9	1.2	-0.6
1982	1.8	0.2	-0.3	3.1	2.4	1.1
1983	1.1	0.6	0.1	1.4	4.2	-2.2
1984	1.5	-0.2	0.0	0.3	3.6	2.2
1985	1.1	0.3	2.2	-0.1	2.9	-0.2
1986	0.8	0.2	3.7	1.2	4.1	-1.2
1987	1.6	-1.8	3.9	0.0	3.7	-1.0
1988	3.8	-1.2	3.0	0.4	3.4	-0.1
1989	3.4	-1.8	1.2	0.2	0.9	0.3
1990	2.2	-2.0	2.7	1.1	-0.1	0.0

half of the post-Fordist interpretation of Japan does not fare nearly so well when confronted with the evidence: namely, the claim that those productivity increases were not primarily achieved by the intensification of labour, but were based on changes that simultaneously improved the conditions of labour, delivering great job security, rapidly increasing wages, and greater job satisfaction due to increased autonomy and a wider range of discretion on the shop floor. Moreover, it is this second claim that is crucial to the argument which contends that Japan could be regarded as a post-Fordist 'model'.

As for the relation between wages and productivity, it can be shown that increases in labour productivity consistently and substantially outpaced the increases in real wages. Specifically, the period 1970-1973 indicates an annual productivity growth rate in excess of 34%; whereas both of the next two phases indicate rates of roughly 33% for Phase two, and 46.3% for the period of Phase three. Indeed, if one observes the relationship during Phase two, it is clear that the wage-productivity gap widened considerably, where real wages increased by 1.6% from 1973 to 1979, labour productivity rose by one-third (see Tables 6.1, 6.2, and 6.3). Indeed, the evidence shows a similar imbalance in the third phase of our study, as real hourly wages in manufacturing increased by only 1.5% (Table 6.3).

Turning to the issue of wage increases, as compared to other OECD states, the relative wage gains made by Japanese factory workers have not been exceptional. Even so, several post-Fordist theorists who consider Japan a desirable model have highlighted the large wage increases achieved by core workers in Japan's larger firms (see Leborgne and Lipietz).⁸ Although one cannot dispute the fact that it was a considerable achievement for Japanese manufacturers to attain a rate of productivity growth that could allow real wages to rise

substantially at a time when they were first entering fiercely competitive global markets. Nevertheless, Table 6.3 shows that whilst real hourly earnings increased substantially in Japan during Phase one of our study (such wage growth being a stimulant for intensive labour process innovation), growth over the remaining period of analysis was moderate. Indeed, as a sobering corrective to those post-Fordists that see Japan as a 'model' of real wage bargaining, one need only compare its real wage growth with that of the French manufacturing sector, considered by some as an example of labour process stagnation. Specifically, from 1973 onwards (excepting the immediate post-oil crisis years), real hourly earnings in France eclipsed those of Japan in virtually every year-on-year change (see Table 6.3). Moreover, if we were to compare Japan and the United Kingdom in a like fashion, a similar picture emerges. Evidently, although wages have risen in Japan over the period of assessment, two points are clear: (i) wages have not kept pace with related increases in labour productivity, and (ii) those wage increases have not been unusually large compared to those in the industrial sectors of other OECD countries, despite post-Fordist assertions to the contrary.

II. Working Hours have risen

As we turn to the issue of working hours, two observations are immediately apparent. First of all, it is evident that apart from a temporary decline in actual weekly working hours between 1974 and 1978, time spent by Japanese factory workers on site, from 1967 to 1990, has not decreased to the extent of several other OECD economies. Table 6.4 shows that in 1967, as economic growth continued within the largest OECD economies, hours of work within the core European economies (France, Germany, and the UK) remained relatively

Table 6.4 "Weekly hours of work in Manufacturing: all industries"

(Source: International Labour Organization, Yearbook of Labour Statistics. Geneva: ILO, various years.)

YEAR	Japan	United States	Fed. Republic of Germany	France	United Kingdom	Canada
1967	44.8	40.6	42.0	45.4	45.3	40.3
1968	44.6	40.7	43.0	45.3	45.8	40.3
1969	43.9	40.6	43.8	45.4	45.7	40.0
1970	43.3	39.8	43.8	44.8	44.9	39.7
1971	42.6	39.9	43.0	44.5	43.6	39.7
1972	42.3	40.5	42.7	44.0	44.1	40.0
1973	42.0	40.7	42.8	43.6	44.7	39.6
1974	40.0	40.0	41.9	42.9	44.0	38.9
1975	38.8	39.5	40.4	41.7	42.7	38.6
1976	40.2	40.1	41.4	41.6	43.5	38.7
1977	40.3	40.3	41.7	41.3	43.6	38.7
1978	40.6	40.4	41.6	41.0	43.5	38.8
1979	40.6	40.2	41.8	40.8	43.2	38.8
1980	46.0	39.7	41.6	40.7	41.9	38.5
1981	41.0	39.8	41.7	40.3	42.0	38.5
1982	40.9	38.9	40.7	39.3	41.0	37.7
1983	41.1	40.1	40.5	38.9	41.5	38.4
1984	41.7	40.7	41.0	38.7	41.7	38.5
1985	41.5	40.5	40.7	38.6	41.8	38.8
1986	41.1	40.7	40.4	38.7	41.6	38.7
1987	41.3	41.0	40.1	38.7	42.2	38.8
1988	41.8	41.1	40.0	38.8	42.4	38.8
1989	41.4	41.0	39.9	38.8	42.2	38.6
1990	40.8	40.8	39.5	38.8	41.6	38.2

high. Moreover, with the slowdown in world economic growth after the oil shock, Japanese factory workers saw an actual decline in hours of work per week, although the decrease was relative to other OECD economies. Notwithstanding, Table 6.4 shows that whilst actual hours of work in Canada, Germany, and France have been in constant decline since 1973, such has not been the case in Japan.

Indeed, this point leads to our second observation - working hours *increased* in Japan's factories during Phase three. Further, when one broadens the scope of the analysis to the entire workforce of Japan, some interesting additional points arise. Specifically, Table 6.5 shows that the Japanese working population as a whole, has seen only a 12% decrease in real annual working hours between 1965 and 1990. This statistic is even more significant when we compare the *annual* hours worked in Japan's factories to those in other OECD economies in the late 1980s. This shows (see Table 6.6) Japanese hours to be 11% higher than those in the US, and a dramatic 32% higher than those worked in West Germany's strongly export-oriented, highly successful manufacturing sector.

Table 6.5 "Trends in Annual Working Hours in Japan"
(Source: Ministry of Labour, Monthly Labour Survey., various years).

Year	Regular working hours	Real working hours (including non-scheduled hours)
1965	2,115 + (197)	2,312
1970	2,042 + (197)	2,239
1975	1,947 + (60)	2,077
1980	1,943 + (161)	2,104
1985	1,933 + (179)	2,112
1990	1,859 + (185)	2,044

Table 6.6 "International Comparison of Annual Real Working Hours, 1987 (mainly manufacturing industries)"

(Source: Ministry of Labour, Monthly Labour Survey, 1987).

Japan	2,168
United States	1,949
UK	1,947
West Germany	1,642
France	1,645

In addition, it is evident that high levels of non-scheduled work (or overtime) hours are commonplace in Japan, not just in the manufacturing sector, but throughout the working population. To this extent, Japan is not a 'model' with regard to overtime work, in that Japanese manufacturers (like their foreign counterparts) often find overtime more attractive and cheaper because it reduces various indirect contributions and payments; and because it reduces hiring and training costs. Returning to Table 6.5, we can see that for the period between 1965 and 1970, Japanese workers put in an extra 197 hours of work a year, on average. Moreover, these levels of overtime increased in Phases two and three, with the biggest single increase occurring between 1975 and 1980, when the renewed drive toward increased productivity was hit with a prolonged labour shortage.⁹

To understand why Japanese workers have endured such long overtime working hours, we must address the legal framework governing non-scheduled work. For this, we turn to the Labour Standards Administration of the Ministry of Labour, which has been the primary regulatory body in establishing workplace standards. It has been responsible for protecting the interests of all Japanese workers, via the *Minimum Wage Law*, the *Industrial*

Safety and Health Law, the *Workmens' Accident Compensation Insurance Law*, and most importantly, the *Labour Standards Law*.¹⁰

While the *Labour Standards Law* has been supplemented by a number of guidelines addressing issues such as labour contracts, wages, the provision of proper dormitory facilities, and the rules of employment, the Ministry has been relatively inactive in the areas of working hours, recess, rest days, and annual vacation with pay.¹¹ Specifically, under the provisions of Article 36 of the *Labour Standards Law*, once an agreement between an employer and staff representative had been signed, the amount of overtime demanded by an employer can be unlimited.¹² Essentially, Japan's system of works rules ensures that, as long as a single worker signs a binding work rules agreement with their employer, then the entire workforce is obliged to work as many non-scheduled hours as asked, without the opportunity for legal recourse.¹³

Throughout the early 1980s, the Ministry of Labour issued a series of *meyasu* (or guidelines) concerning the regulation of overtime work. Nonetheless, within the context of Japanese government and politics, such guidelines were never more than goals and objectives, without legal sanction. Indeed, the Ministry's traditional role has been "promotional", stressing the need for consensus building between capital and labour, as Yamada notes:

"[t]he Ministry of Labour gives administrative guidance designed to promote an understanding of the guide-lines and to encourage their application by enterprises."¹⁴

Regardless, its efforts on this score were met with consistently vocal criticism by *Nikkeiren*, industrial capital's spokesman for capital-labour relations.¹⁵ By 1982, the Ministry had set a medium-term target maximum of 15 hours per week, 50 hours per month, and 450 hours

per year.¹⁶ Then, in 1989, the *Labour Standards Law* was revised to set an annual limit of 450 hours of overtime. However, the Ministry of Labour's lack of sincerity in reducing total working hours is evident when we observe that this 450 hours per year was double the annual average of 212 overtime hours worked in the manufacturing sector as a whole in 1986.¹⁷ Thus, given the Japanese state's inability to reduce the level of non-scheduled working hours, no immediate decrease has occurred, nor is any anticipated.

As to the matter of overtime per month in Japan's factories, it is evident that the inadequacy of the *Labour Standards Law* has failed to reduce overtime, for the period under examination. Specifically, although overtime decreased slightly in the transition from Phase one to Phase two, the decade and a half of Phases two and three saw overtime steadily increase. Indeed, as Table 6.7 shows, in the ten years since 1974, overtime per month in Japan's factories increased by nearly 75%. To understand why the prevalence of overtime has increased, we must observe the minimum payment regulations concerning overtime.

According to Article 37 of the *Labour Standards Law*, the premium for overtime pay need not be more than 25% of the normal wage. However, the 'normal wage' in question can exclude bonuses, family allowances, and any additional stipends beyond normal pay. Thus, the fallacy of 'overtime pay' is made clear by the following 1984 Ministry of Labour estimate, which found that

"it would cost employers in the manufacturing industries 24.1% less to depend on overtime labour than to hire additional labour, and that the cost of additional employment would not equal that of overtime labour unless the overtime premium were raised by 62.5% (*Nihon Keizai Shimbun*, July 9, 1988)."¹⁸

Therefore, while overtime in most OECD countries is paid at a rate well beyond full pay

(often being 1.5 to 2 times the average hourly real wage), Japanese firms have actually found it less expensive to make workers do overtime, rather than hire additional labour. Indeed, the

Table 6.7 "Trends in Overtime per month (Manufacturing)
(Source: Ministry of Labour, White Paper on Labour, 1986).

Year	Hours
1968	20
1970	21
1972	16
1974	11
1976	14
1978	15
1980	17
1982	16
1984	19

Table 6.8 "International Comparison of Overtime per Month"
(Source: *Denki Roren*, Survey of Labour Research, 1986).

Country	TOTAL		MALE		FEMALE	
	Average # of Hours	No O T %	Average # of Hours	No O T %	Average # of Hours	No O T %
Japan	35.8	3.3	39.1	2.1	12.6	12.1
West Germany	6.2	60.5	7.9	51.0	1.9	86.0
France	5.1	69.7	7.5	60.4	1.5	83.7
UK	6.1	68.5	9.4	52.0	2.9	84.3
Italy	3.1	76.9	4.2	71.6	1.2	86.5
Sweden	5.5	44.4	6.6	34.9	3.2	62.2
Hungary	4.6	72.9	5.7	71.8	3.9	73.7
Yugoslavia	8.4	59.6	9.7	55.4	6.3	67.2
Poland	6.4	72.1	8.3	66.8	3.7	79.6
Hong Kong	11.9	46.7	19.5	43.1	6.6	51.6

problem of overtime exists in most other OECD countries, since overtime is generally an inexpensive way of meeting an intermittent demand for labour because of the savings on ancillary costs, despite the higher hourly rate of pay. However, the crucial point is that Japan's full-time workers, at least in reference to non-scheduled work, do not labour in an environment that could be considered a model.

Given the prevailing legal framework governing overtime, it is not difficult to imagine that Japanese factory workers perform more non-scheduled work than their most of their OECD colleagues. In Table 6.8, Japanese electrical industry employees put in more than five times the number of non-scheduled hours than most of their European counterparts, as of 1986. Indeed, the difference is even more staggering when one considers the variance of no overtime performed on any given month. Clearly, for male factory employees, virtually no one is exempted from performing overtime (3.3%). Moreover, of the nine additional countries surveyed, only Sweden had a majority of male factory workers performing overtime; even so, the disparity in hours between Japanese workers and their Swedish counterparts, is almost six to one. Thus, concerning the reality of overtime, Japan is clearly no model for workers.

Moreover, evidence suggests that since reduced overtime hours have not been an explicit objective of the Ministry of Labour, effective workplace inspection has been historically lacking. Indeed, even in those workplaces where works rules did not allow unlimited overtime, many employers were still able to compel workers to stay, due to the negligible number of workplace inspectors. One direct result of this under staffing of the inspectorate was that the vast majority of works rules violations by employers were not

investigated. Thus:

" ... of some 84,836 offenses brought to the attention of the [Labour Standards] Inspectors in the year 1982, they referred only 1,025 offenders (1.5%) to public prosecutors, and of these cases only 741 were indicted."¹⁹

Finally, for the progressive elements of organized labour, the Ministry of Labour's lack of attention to workplace inspection is a major bone of contention. Sasaki Shozo, a leading academic on labour issues specific to central Japan, has noted that many of the innovations associated with the *Toyota Production System* were introduced during an era of dubious inspection standards. Nonetheless, he argues the fact that western Aichi prefecture (specifically, Toyota City) receives 50% of its tax base from Toyota Motor Corporation, which must have played on the minds of the Aichi prefectural government.²⁰

III. Health and Safety concerns have increased

Finally, it is necessary to discern to what extent personal health and welfare have become more prominent concerns for Japan's factory workers. It is this element of the organization of work in Japan that has been most often ignored by post-Fordists. Although these authors, such as Kenney and Florida, do not dispute that there can be negative aspects to the 'model', they spend surprisingly little time on the issue of health and safety. Nonetheless, within Japanese society, increasing attention has been paid to health concerns in Japan's factories, as the following quote suggests:

" ... of all occupational diseases caused by forms of work, the proportion of diseases resulting from injuries, such as hip pain, is soaring. Furthermore, the percentage of those workers who feel mental and physical fatigue and stress, due to work in rising."²¹

Further, even in the 1994 edition of its periodical, *Labour Administration*, the Ministry of

Labour cited that the number of occupational diseases, such as “vibration-caused health hazards remains large.”²² Indeed, such comments from the Ministry itself suggest that health and safety concerns with Japan’s factories cannot suitably be considered a ‘model’.

As an attempt to gain some insight into the health and safety of workers in Japan's factories, it is perhaps useful to turn to an occupational disease that has become emblematic of the Japanese state's need to address health and safety concerns. The disease is known as *karoshi*, or death from overwork. Indeed, in Japan (if not in mainstream Japan studies), *karoshi* has become increasingly linked to the idea of a deleterious work ethic, and some estimates place it in the range of 10,000 fatalities per year.²³ From a medical standpoint, *karoshi* is a condition caused by "psychologically unsound work processes" which when allowed to continue unaltered, result in abnormally high blood pressure, clogged arteries, and eventual breakdown.²⁴ The major contributors to *karoshi* are extended overtime, *shukko*, shift work (particularly late night work), and strenuous physical labour, according to the *National Defence Counsel for victims of Karoshi* (NDCVK).

The *National Defence Counsel* is the most visible advocacy group within Japan on the subject of *karoshi*. Founded in Tokyo in 1988, the NDCVK has sought to create a greater public awareness of the issue of ‘death from overwork’ through a series of ongoing research projects, each culminating with publication.²⁵ Within two years of its formation, the group comprised over three hundred full-time members, drawing on backgrounds such as lawyers, doctors, academics, and spouses of victims, and its growth has continued. Further, it has attempted to develop its public stature via ongoing associations with key progressive elements within Japanese society, such as the Japanese Communist Party (JCP) and *Zenroren*,

the largest labour confederation not affiliated with Japan's mainstream Social Democratic Party (SDPJ). Nonetheless, even though *Zenroren* has staged many protests and held several symposiums dealing specifically with the phenomenon of *karoshi*, only limited official recognition has been granted.²⁶

The Government of Japan, most notably under the guise of the Ministries of Labour, and Health and Welfare, has been relatively silent on the issue of death from overwork. The publication, *Health and Welfare Statistics in Japan* is an example. Notably, in the various annual editions of this publication, no mention is made of *karoshi*'s existence, its symptoms, or within the distribution of major causes of death by sex and age group, nor the number of reported deaths.²⁷ Indeed, this is in spite of evidence showing that *karoshi* is the second leading cause of death in Japan, after cancer.²⁸ Uehata Tetsunojo, who coined the phrase *karoshi*, defines it as follows:

“a permanent disability or death brought on by worsening high blood pressure or arteriosclerosis resulting in diseases of the blood vessels in the brain such as cerebral haemorrhage, subarachnoidal haemorrhage and cerebral infarction and acute heart failure and myocardial infarction induced by conditions such as ischemic heart disease (IHD).”²⁹

However, the relative ignorance surrounding *karoshi* has extended to the mainstream labour movement. Specifically, *Rengo* no longer monitors the impact of *karoshi* among its members. Surprisingly, when the ICFTU once initiated a study of *karoshi*, *Rengo* officially protested.³⁰ Nevertheless, *Zenroren* has, since the late 1980s, tried to re-establish a Health and Safety Council which could monitor incidences of *karoshi* among confederation members.³¹

Before we turn to the evidence concerning compensation for *karoshi*, it is clear that whilst the disease is not recent, its official recognition has been in dispute. Within Japanese

society, there is a general perception that the majority of deaths related to *karoshi* occurred during Phases one and two.³² Nonetheless, there is the problem of the 'reporting effect'. Simply stated, when an ailment becomes a public issue, its 'reporting' usually increases sharply as a result, and this can easily create the illusion that there is an epidemic, even though the actual incidence may have remained unchanged. In addition, the problem is further complicated by the fact that although public perception increased throughout the 1980s and a single victims' group, *Karoshi Hotline*, was receiving over 2500 calls annually by 1988, the Ministry of Labour has failed to officially recognize *karoshi*.³³

Table 6.9 "Number of Claims filed and Cases of compensation awarded for death from overwork"

(Source: National Defence Counsel for victims of Karoshi, *Karoshi: When the "Corporate Warrior" Dies.*, xv).

Year	1982	1983	1984	1985	1986	1987	1988
A. *	963,496	929,841	921,400	901,855	859,220	NA	Na
B. *	NA	NA	438	441	506	499	67
C. *	35	19	54	39	63	49	81
D. *	NA	NA	NA	NA	NA	21	29

- A. * = All cases of compensation awarded.
 B. * = Claims filed for cerebral and cardiac diseases.
 C. * = Cases for cerebral and cardiac diseases awarded compensation.
 D. * = Cases of death from overwork awarded compensation.

If we observe the figures for 1987, in which well over 800,00 cases for compensation were still pending, the number of awards specifically recognized as *karoshi*-related was 21, or roughly 4% of cases filed for cerebral and cardiac-related diseases. Indeed, further insight can be gained from the fact that figures detailing cases of *karoshi* awarded compensation were

not made public prior to 1990.³⁴ Hence, although the number of cases publicly attributed to *karoshi* increased during Phase three, the Japanese state remained consistently inactive, despite vocal opposition from progressive labour (*Zenroren* and its affiliates), victims groups (*Karoshi Hotline* and the *NDCVK*), and the Japanese Communist Party.

Based upon the evidence presented, one could suggest that the relative quality of working life in Japan's factories, as a result of labour process innovation, is not so much better than that in other OECD countries, that it could be considered a 'model'. First of all, the statistics show that the benefits of the relatively rapid increase in productivity were not passed on to workers in the form of commensurate wage increases. Secondly, in spite of the continued success of the Japanese economy, manufacturers have not reduced the average annual working hours of their employees. Third, the length of overtime performed by workers rose, and in the case of the electrical industry, Japanese workers put in five times the number of overtime hours as their European counterparts. Fourth, Japan's factory workers have laboured in an increasingly unhealthy environment. Thus, in addressing the quality of working life, one must ask - for whom does Japan represent a model ?

1. By way of example, even prior to the major impact of the oil crisis, the rate of profit in manufacturing declined by 26% between 1970 and 1973: see Makoto Itoh (1994), 33.
2. Itoh (1994), 33.
3. Ibid.
4. Ibid, 35.
5. Ibid, 36-37.
6. Sakaguchi Akira, International Department, Central Committee, Japanese Communist Party, "Interview." Tokyo: 29th August, 1995.
7. Kato Masuo, International Bureau, National Confederation of Trade Unions (Zenroren), "Interview." Tokyo: August 31st, 1995.
8. Leborgne and Lipietz (1988).
9. Itoh, 1990.
10. Ministry of Labour, Labour Administration in Japan, (Tokyo: Ministry of Labour, 1976), 8.
11. See Women's Bureau, Ministry of Labour, Working Women in Japan. (Tokyo: Japan Institute of Women's Employment, 1989).
12. Ueyanagi, Toshiro, "Laws Concerning Karoshi - Working Hours Law and Workers' Compensation" Karoshi: When the "Corporate Warrior" Dies. eds., National Defence Counsel for Victims of Karoshi, (Tokyo: Mado-sha, 1990), 85.
13. Ohta Toshi, "Works rules in Japan," International Labour Review. (127: 5, 1988), 638.
14. Yamada Narumi, "Working time in Japan: Recent trends and issues," International Labour Review (124: 6, Nov.-Dec. 1985), 711.
15. Makino, Tomio, and Kamijo Sadao (1995), Rodo-Soken, 3.
16. Ueyanagi, 86.
17. Ibid.
18. Ibid, 87.
19. Ibid.
20. Sasaki Shozo, "Struggles against Toyotism" Zenroren symposium, 129.

21. Japan Institute of International Affairs, White Papers of Japan: 1989-1990. (Tokyo: Japan Institute of International Affairs, 1991), 133.
22. Ministry of Labour, Labour Administration: Seeking a more comfortable Life for Workers. (Tokyo: Ministry of Labour, 1994).
23. Interview with Kato, August 31st, 1995.
24. Kawahito, Karoshi, 8.
25. Edith Terry, "Karoshi: The workplace as killing field," The Globe and Mail (September 21, 1991), E3.
26. Interview with Kato, August 31st, 1995.
27. Ministry of Health and Welfare, Health and Welfare Statistics in Japan. (Tokyo: MHW, various years). The most recent version viewed by this author was 1994.
28. Kim Bush, "Work Time, Free Time," In Context (Winter 1994), 42.
29. Uehata Tetsunojo, "A Medical Study of Karoshi," Karoshi: When the "Corporate Warrior" Dies. eds., National Defence Counsel for Victims of Karoshi, (Tokyo: Mado-sha, 1990), 98.
30. Interview with Kato, August 31st, 1995.
31. Ibid.
32. Lian Ming, Foreman, Tohken Jitsugyo Co., Ltd., "Interview." August 26th, 1995.
33. Edith Terry, "Karoshi ...", E3.
34. Shibutani Rie, International Labour Affairs Division, Ministry of Labour, "Interview." September 1st, 1995.

CHAPTER SEVEN: LABOUR PROCESS DISPARITIES BETWEEN CORE AND PERIPHERAL WORKERS

As we attempt to discuss the quality of working life in Japan's factories, one aspect that cannot be ignored is that of the role of **peripheral** employees: comprising part-time workers, day labourers, and those employed in Japan's manufacturing small and medium enterprises (SMEs). The significance of these workers to our study cannot be underestimated for a number of reasons. First of all, for some theorists (primarily, Florida, Kenney, and Lipietz), the potential contained in a Japanese labour process model has been perceived through the looking glass of the core workforce of the *sogo sosha*.¹ However, given that the vast majority of manufacturing workers are not part of this core, the authors' hypotheses concerning Japan's 'model' status are likely inhibited by their narrow field of reference.

This leads to our second reason, namely, the sheer number of workers constituting what we have called the **periphery** necessitates observation in the interests of analytic comprehensiveness. A third reason relates to an assessment of the assertions of theorists, such as Piore and Sabel, who see small enterprises as post-Fordist vanguards, with open, challenging work organization.² Further, as our evidence will attempt to show, the working conditions and benefits accrued to the periphery, for the period under study, appear less favourable than those of the core labour force, and as we shall see, Japan's dualistic industrial has been a key factor in this situation.

Nevertheless, in order to fully illustrate the employment situation of those on the margins, we must attempt to contextualize the notion of a **periphery**. Historically, since the modern development of Japanese capitalism in the years immediately following the Meiji

Restoration of 1878, Japanese industry had developed upon the basis of a dualist yet co-operative structure of large, industry-leading firms and smaller, specialized firms, often comprised of a single family. Over time, this structure became fully institutionalized, and comprised of a *core* firm and *peripheral* subcontractor, the later being numerous in quantity but small in firm size. More recently, as "Japanese management" styles became *en vogue* within the annals of management science, this structure has been seen as a key contributor to the success of Japan's large exporters, based upon the assumption that costs can be minimized via a competitive system of multiple subcontractors. Wherever the truth may lie, Japanese industry, in particular the manufacturing sector, has developed a structure that relies upon a small, select core workforce in Japan's large firms, and a much greater, multi-tiered periphery, consisting of part-time employees in such large firms, workers in SME subcontractors, and down to the marginalized and under-researched *dekasegi*, or seasonal workforce. Thus, it is to the margins of Japan's working population that we turn our attention.

In absolute terms, non-agricultural part-time employment increased dramatically between 1965 and 1990. Notably, Table 7.1 shows that part-time employment, as a percentage of total employment, more than doubled in the 25 years of our study. Such an increase has been the result of a number of factors that have influenced the labour market within Japan's manufacturing sector. Firstly, the evolution of the 'three pillars' has had some impact on the number of those workers who have, involuntarily, become classified as part-time. As a specific example, in the late 1980s, Hitachi transferred 250 full-time workers from its Yokohama plant to part-time status at its Gifu (central Honshu) plant, due to increased *kaizen*.³ Indeed, the twilight of another 'pillar', life-time employment, has meant that many

workers who involuntarily retired from core firms have re-entered the workforce as part-time workers.⁴

Secondly, the ongoing labour shortage that has jolted all Japanese industries since the early 1960s saw increased demand for any employee, be they full-time or otherwise, who might help fill the void. Partly-related to the persistent labour shortage, and in addition to developments in the post-war Japanese family system, women have entered the labour force in large numbers; most of whom have been employed on a part-time basis. Hence, given that, by 1990, more than seven million workers were employed on a part-time basis in non-agricultural industries, part-time employment has become a crucial issue to any discussion of the labour process in Japan.

Table 7.1 "Part-time Employment (Non-agricultural)"
(Source: Management and Coordination Agency, Ministry of Labour, Labour Force Survey 1993)

Year	Total Part-time Employees (1000)	Share of Total Employment (%)
1965	1680	6.2
1970	2160	6.7
1975	3530	9.9
1980	3900	10.0
1985	4710	11.1
1990	7220	15.2

In contrast to the stratum of part-time workers in Japan's factories, workers in SMEs are considered peripheral due to the longstanding perception of less favourable employment conditions than those of the core of Japan's large manufacturers. For several decades, authors have argued that manufacturing sector workers in Japanese SMEs have never enjoyed the

benefits of the three pillars.⁵ Nonetheless, SMEs in manufacturing far outweighed larger firms in terms of the number of establishments, as well as persons employed. Indeed, for 1975, 98% of establishments in the manufacturing sector employed less than 100 workers per firm (see Table 7.2). Moreover, for the same year, 55.4% of workers in the manufacturing sector worked in such firms. Furthermore, closely linked to the dualistic industrial structure of the manufacturing sector, the employment situation, for the vast majority of such workers, has been dependent upon the managerial prerogative of larger firms. Specifically, the reaction of large firms to business cycles has traditionally had a direct bearing on their reliance upon SMEs, particularly in the area of inventory control.⁶ Accordingly, workers in SMEs comprise an important section of our study of the peripheral workforce.

Table 7.2 "Number of Business Establishments & Number of Employees by Size of Business - Manufacturing Sector"

(Source: General Affairs Agency, Bureau of Statistics, Census of Business Establishments, in Nakamura Takafusa, The Postwar Japanese Economy: Its Development and Structure, 1937-1994. Tokyo: University of Tokyo Press, 1995, 163-164).

Year	Number of establishments (1000)					Number of employees (1000)				
	Total	1-29	30-99	100-299	over 300	Total	1-29	30-99	100-299	over 300
1954*	528	499	22	5	2	6,196	2,704	1,087	740	1,665
1975*	814	747	51	12	4	12,699	4,513	2,521	1,901	3,764
1991*	857	857	61	14	5	14,096	5,001	3,074	2,323	3,698
1954^	100	94.5	4.2	0.9	0.4	100	43.6	17.5	12.0	26.9
1975^	100	91.8	6.2	1.5	0.5	100	35.5	19.9	14.9	29.6
1991^	100	90.7	7.1	1.7	0.5	100	35.5	21.8	16.5	26.2

N.B. * - Total Numbers;
 ^ - Composition Ratio.

As for the most insecure sector of the manufacturing labour force periphery, *dekasegi* workers constitute the least researched element of Japan's labour market. Although official statistics are difficult to substantiate, the Tokyo Metropolitan Government's Bureau of Social Welfare estimates that approximately 8,000 day labourers live in Tokyo.⁷ The majority of such workers are employed in the manufacturing and construction sectors; for Tokyo, at least, the majority work in textiles, food and ceramics.⁸ Further, again specific to Tokyo, the majority of *dekasegi* workers are employed in the *Sanya* district, i.e. the northeast wards of Taito and Arakawa; an area which supports numerous small, under-developed workshops along the Sumida river. The inclusion of *dekasegi* workers into our study serves to highlight that the peripheral workforce in Japan's manufacturing sector is multi-tiered in structure.

To effectively measure the economic importance of part-time workers in Japan's factories (and to justify their inclusion in this study), it is necessary to briefly discuss the distribution of part-time workers by economic activity. By utilizing comparative data drawn from several national examples, certain insights into the structure of the Japanese manufacturing sector's dependence upon part-time workers can be derived. If we turn to Table 7.3, we can see that in 1983, more than one in five part-time workers in Japan were employed in the manufacturing sector (21.2%). Moreover, of all the national examples studied, only two other nations (Italy and U.K.) had comparable numbers in double digits (16.9% and 13.0% respectively). The evidence suggests that the production process in Japan's manufacturing sector, far more so than any other national example, has been focused on the utilization of a substantial part-time labour force. Moreover, this phenomenon appears to have remained constant, in line with mutations in the dualist structure.

Interestingly, if we turn to more recent evidence, the fundamental importance of part-time work to factory production remained integral throughout the mid-to-later 1980s. Specifically, by incorporating a similar comparison for 1986, we can observe that the distribution of part-time workers in Japan's manufacturing sector actually increased (see Table 7.4). Indeed, almost one in three manufacturing sector labourers worked part-time (32.3%), a ratio of nearly four to one as compared to the U.K. (8.5%), which had the second-highest distribution. Seemingly, due to historical developments within Japanese capitalism, Japan's factories have found a highly structured application of part-time human resource practises very successful. Notably, such data tells us that at the very temporal point in which post-Fordist theorists began to discuss the labour process virtues of Japan's core workforce, the efficiency of Japan's factories was increasingly attributable to the periphery.

Table 7.3 "Distribution of Part-time workers by economic activity (both sexes)
(Source: OECD, *Employment Outlook*, 1983, 51).

Nation	Year	A	B	C	D	E	F	G	H	I
Canada	1981	6.3	...	4.8	b	2.6	28.2	3.2	3.8	51.0
France	1981	13.6	0.8	8.4	0.4	3.6	19.0	2.9	6.9	44.4
Italy	1981	24.6	1.2	16.9	0.2	4.0	19.6	1.8	1.5	30.2
U.K.	1981	1.0	1.5	13.0	0.6	1.4	29.8	1.9	5.6	45.0
U.S.	1981	...	...	5.6	...	1.7	38.3	3.3	4.6	46.3
Japan	1980	22.2	0.1	21.2	0.4	6.5	20.4	3.0	2.7	22.7

** A. Agriculture, Fishing and Forestry
B. Mining
C. Manufacturing
D. Electricity
E. Construction

F. Wholesale and Retail Trade
G. Transportation, Storage and Communications
H. Finance, Insurance, and Real Estate
I. Community and Social Services

Table 7.4 "Distribution of Part-time workers in Manufacturing"
(Source: OECD, *Employment Outlook*, 1993, 36.)

Year	Nation	%
1986	Australia	6.8
1986	Canada	4.0
1985	France	8.8
1987	Japan	32.3
1987	U.K.	8.5
1987	U.S.	5.5
1986	New Zealand	7.7

Differentials in Working Conditions

A. Wages and Benefits

Accepting the tremendous expansion of Japan's economy during the period of study, its successes in achieving export growth, and the record profits of its largest corporations, it seems appropriate to find an explanation for such efficiency. Indeed, several of the authors discussed thus far have attempted an explanation. Whilst acknowledging that the conditions of the peripheral labour force are inferior to those of the core (although deferring elaboration), Leborgne and Lipietz see the labour process in Japan's large manufacturers as the key to economic efficiency.⁹ Specifically, within it, they see the seeds of progress. Further, Piore and Sabel rely upon the example of the Japanese machine tool industry as an example of an efficient, yet challenging environment for work.¹⁰

Nonetheless, when one turns to the work of several Japanese theorists, it seems that the benefits accrued and productivity of the small core are predicated upon the persistence

of several factors, among them, inferior working conditions in the much larger peripheral workforce. Notably, in an analysis of Japan's automotive industry, Sumiya has argued that Japan's competitiveness has resulted from the utilization of subcontractors "as a buffer against economic fluctuations."¹¹ Further, Sano has asserted that the ineffectiveness of Japan's *Labour Standards Law* has offered limited protection from inadequate working conditions in Japan's peripheral workforce.¹²

Although core workers have, over time, lacked sufficient remuneration for rising productivity, they have, nevertheless, received a greater share of profit than peripheral workers. Specifically, if we turn to Table 7.5, several points concerning wage differentials need to be covered. Firstly, as a general observation, we can see that, over time, considerable wage disparities have existed between firms of differing labour size. Notably, for 1970, the wages of workers in firms employing less than 30 was 71.4% of wages paid to workers in core firms (more than 300 employees). Moreover, over the next 15 years, the disparity remained. Indeed, the situation changed little for firms employing between 30 and 99 workers, in which such workers made 75.8% of compensation paid to their core counterparts in 1975. Secondly, it is evident that during the very period in which Japan's manufacturing sector sought to develop greater efficiency, the wage disparity between large firms and each specific sub-strata of SME *increased* over the period of examination.

If we turn to the smallest firms under examination, it is evident that whilst the differential decreased between 1960 and 1965, it was dramatically exacerbated between 1967 and 1985, when the percentage decreased from nearly three-quarters to less than two-thirds of core employee wages. Table 7.5 shows that whilst employees in firms with 30 - 99

workers received remuneration equivalent to 78.3% of their core counterparts in 1965, by 1980, the figure had fallen to 70% of core wages. Similarly, for firms employing between 100 - 499 employees, their workers received 83.7% of core employee wages in 1965, but by 1985, the percentage had decreased to 79.4%. Bearing in mind the institutional nature of the dualist structure in Japan's factories, it appears that the drive toward greater efficiency with the large firms was, to some degree, given added support by the increased wage disparity between core and peripheral workers.

Table 7.5 "Wage disparities between different sizes of manufacturing enterprises"
(Source: Ministry of Labour, Monthly Statistical Research of Labour, various years.)

ENTERPRISE SIZE (EMPLOYEES)				
Year	Over 500	100 - 499	30 - 99	5 - 29
1960	100	73.6	65.8	54.2
1965	100	83.7	78.3	72.6
1970	100	83.4	76.2	71.4
1975	100	85.7	75.8	70.3
1980	100	81.9	70.5	67.6
1985	100	79.4	68.7	64.7

Moreover, it is evident that any wage gains made during the key drive toward efficiency (1973-1978) were largely derived by core workers. Table 7.6 shows that at Nippon Steel, during 1975, the wages of subcontract workers were only 79% of their core counterparts, in spite of the fact that the average level of experience was virtually identical (see Table 7.6). Further, Kumazawa and Yamada found that in 1976, the number of peripheral "outside hands" brought into the largest five iron and steel firms was 156,068 from 1824 different subcontractors, as opposed to the total of 148,067 "inside regular

employees."¹³ Given the steel industry's heavy reliance upon lower paid, peripheral workers during the drive toward increased efficiency of the 1970s, it is not difficult to see how profitability was maintained despite serious inflationary pressure. Further, the example illustrates the point that the success attributed to the work organization of core employees in Japan's manufacturing sector must be tempered by an awareness of the other side of the dualist structure.

Table 7.6 "Wage differentials between regular and seasonal workers, Nippon Steel, 1975" (Source: Makoto Kumazawa and Jun Yamada, "Jobs and skills under lifelong nenko employment practise" in The Transformation of Work? Skill, flexibility and the labour process, ed. Stephen Wood, (London: Routledge, 1989), 113).

Type Of Employee	Average earnings (Yen)	Average Wage rate (Yen)	Average Age	Average Length of Service
Subcontract	146.837	114.814	330.5	3.96
Core	165.086	144.329	30.7	10.8

A key element in the extension of benefits to any workforce can be the presence of a union, and by observing the distribution of union membership in Japan, we can find further explanation as to the disparity in quality of working life. First of all, evidence has shown that in comparison to other industrial sectors, manufacturing has had a lower percentage of union density. Specifically, Table 7.7 shows that while two-thirds of transportation, communication and utilities workers were union members in 1975, the figure for manufacturing was only 40%. Further, by 1986, and in step with a general downward trend union density, the proportion of unionized factory workers similarly declined. However, more specifically related to peripheral workers, Table 7.8 shows a positive relationship between firm size and

union density per firm. In addition, evidence has shown that in the plethora of firms employing less than 30 workers, union membership is virtually non-existent. Hence, where a union's potential in extracting benefits may be crucial (as was witnessed by the *shunto* labour militancy), the relative invisibility of organized labour in Japan's small firm sector is a telling factor in the wage and benefit differential between core and peripheral workers.

Table 7.7 "Union membership by Industrial Sector (as a percentage)"
(Source: R. Freeman and M.E. Rebick, "Crumbling Pillar ? Declining union density in Japan" Journal of the Japanese and Industrial Economies 1989: 1, 168-194).

	1975	1986
Manufacturing	40	35
Construction	18	19
Transport/ Comm/ Utilities	66	56
Service	26	19
Mining	41	43
Trade	11	11
Finance/ Insurance/ Real Estate	20	18
Government	67	69

Table 7.8 "Union membership in Japan by firm size, 1979"
(Source: Rob Steven, Contemporary Classes in Japan. Cambridge: Cambridge University Press, 1983, 199).

Firm Size (# of persons)	% of Union membership
1000 +	78
300-999	50
100-299	30
30-99	10
less than 30	2

B. Working hours

Turning to the issue of working hours, it can be asserted that a disparity in working hours developed between small and large firms, during the period of analysis. The results of a long-term study of working hours, conducted by the Ministry of Labour, found that *firm size* largely determined the length of working hours. In particular, for firms with 30-99 employees, 57.4% maintained a six day work week, with working hours in excess of forty-five. Nevertheless, for firms employing 100-999, the proportion declined to 33.5%, and for firms employing more than 1,000, the figure fell to less than one in ten (7.1%).¹⁴ Moreover, several researchers have found that the disparity in working hours actually increased during the period under examination. With specific reference to the iron and steel industry, Eccleston found that a gap in working hours between core and peripheral workers increased from 2% to 14% between 1960 and 1978. In addition, he highlighted a pattern in working hours where one in twenty-five small firms adopted a five day work week, although the ratio for large firms was one in three.¹⁵ Nonetheless, although Eccleston's findings add credence to the assertion that a wage gap existed between small and large firms, reference to a more specific example is necessary.

Therefore, we can turn to the results of a survey of small firms in the Osaka area (a region well known for the proliferation of SMEs) for an assessment of working hours among peripheral employees. The study, initiated by Tamai Kingo, examined working conditions at 1,424 work sites, selected at random from members of the *Osaka Federation of SMEs for the Improvement of Personnel Management*.¹⁶ Of note, almost half of the firms examined (675) were in the manufacturing sector.¹⁷ Regarding hours of work, Tamai found that in

manufacturing sector SMEs, 75.8% employed workers for more than 40 hours per week. However, the author also discovered that nearly one in three (28.7%) worked 48 hours or more per week in the manufacturing sector.¹⁸ In reference to annual working days, Tamai noted that the average number of annual working days for manufacturing sector SMEs was 276.3; more specifically, in the sub-strata of machinery and metals, the figure was 280 days per year (virtually equivalent to a six day annual work week).¹⁹ It seems apparent, based upon this study of the small firm sector in Japan's second largest city, that peripheral employees have borne the brunt of adverse working conditions, in pursuit of industrial efficiency.

C. Productivity

Nevertheless, when we turn to the issue of productivity among SMEs, evidence shows that the assertions of Piore and Sabel as regards the efficiency of small firms is difficult to substantiate. Specifically, in *The Second Industrial Divide*, Piore and Sabel argued that small firms in Japan's manufacturing sector were the bastion of a new period of human resources, managerial, and technological innovation.²⁰ Moreover, drawing heavily upon the research of David Friedman, Sabel has favourably compared Japan's machine tools industry to the 'Third Italy' and Germany's Baden-Wurttemberg region, in terms of productivity and innovation.²¹ Nevertheless, evidence drawn from the very period in which Friedman's study was conducted (mid-1960s to 1985) has shown that the periphery of Japan's factories have been less productive than their core counterparts.

Utilizing data compiled by the Ministry of Labour, it appears that value-added productivity within the periphery of Japan's factories was substantially less than that of core

firms, and that the proportion declined in line with firm size. Specifically, if we turn to Table 7.9, it is clear that for the period of 1974 to 1989, the upper echelon of manufacturing SMEs (employing 100-299), productivity ranged between two-thirds and 75% of core firm productivity. However, it can be observed that productivity in the smallest firms was significantly less, often below one-third of productivity levels for core firms, for the period under assessment. Secondly, we can see that the proportion of value-added productivity between core firms and each SME sub-strata varied little throughout the mid-to-later 1970s. Arguably, the limited variance from year to year was due to the historical divergences related to the dualistic industrial structure. Third, we can see that between 1974 and 1980, the difficulties associated with recessionary pressures saw productivity decline proportionally throughout the period, for all strata.

Table 7.9 "Index of value-added productivity - Manufacturing sector firms with less than 300 employees"

(Source: Small and Medium Enterprise Agency, Ministry of International Trade and Industry, Small Business in Japan 1982: White Paper on Small and Medium Enterprises in Japan. Tokyo: MITI, 1982).

** Enterprises with more than 300 employee = 100

ENTERPRISE SIZE				
Year	1-9	10-19	20-99	100-299
1974	32.6	48.5	57.8	73.7
1975	36.3	51.3	58.2	75.1
1976	33.5	47.3	53.9	70.2
1977	33.4	48.0	54.2	70.9
1978	32.6	46.9	53.5	72.1
1979	30.4	43.7	49.2	66.7
1980	30.1	44.1	50.0	68.1

Substantively, the drive toward industrial restructuring, popularized by the Japan Productivity Centre and *Nikkeiren*, appeared to contribute to the exacerbation of the productivity gap between the core and SMEs. For its part, the JPC focused upon the elimination of waste, be it spurious work practices, or simply, inventory stockpiles, as an embodiment of *kaizen*. From an industrial relations focal point, *Nikkeiren* centred upon a 'need' for meritocratic management, or individual employment contracts.²² Indeed, whilst industrial restructuring developed in full force within the largest firms, such as Toyota, Maruzen, Nippon Steel, Hitachi, and Nissho Iwai, it is evident that an associated time lag within SMEs contributed to the expansion of the productivity gap. Moreover, for 1980, the last year studied in Table 7.9, we can see that the push toward concerted restructuring in the core appeared to have increased productivity, although the disparity between the core and SMEs failed to narrow.

In sum, a contextualization of the peripheral workforce in Japan's factories has allowed us to note several factors that have contributed to the greater economic efficiency of Japan. Specifically, we noted that the peripheral workforce is not simply an amorphous fringe of non-regular workers, but consists of part-time employees of large firms, full-time workers in SMEs, and day labourers. Further, we noted that peripheral workers earn less, work longer, and are less productive than their counterparts in firms employing over 500. Additionally, we discovered that the spokesperson for wage and benefits issues in Japanese industrial relations, ie. organized labour, is virtually invisible in the peripheral workforce of Japan's factories. Most important of all, in each of the categories examined (wages, working

hours, productivity), the disparity between core and peripheral workers was accentuated between 1965 and 1990. Ultimately, we saw that much of the evidence complicates usage of the core workforce as the sole unit of analysis within post-Fordist assessments of the labour process in Japan.

1. Kenney and Florida.
2. Piore and Sabel (1984).
3. Nakamura Jiro, Struggle of Hitachi Workers - For Control of Hitachi's High-handed Operations Abroad," Asia-Pacific Trade Union Symposium, (Zenroren), 121.
4. Moriguchi Chikashi, "The Japanese Economy: The Capacity to Transform and Restructure," Japan Economic Studies (Spring, 1990: 3-34), 9-11.
5. Patrick; Chalmers; Steven; Tokunaga.
6. Sato Yoshio, Small Business in the Japanese Economy: Orientation Seminars on Japan #6. (Tokyo: The Japan Foundation, 1982), 5.
7. Bureau of Social Welfare, Tokyo Metropolitan Government. Social Welfare in Tokyo. (Tokyo: TMG, 1991), 45.
8. Akira Sakaguchi, International Department, Central Committee, Japanese Communist Party, "Interview," Tokyo, August 29th, 1995.
9. Leborgne and Lipietz (1992).
10. Piore and Sabel (1984),
11. Sumiya (1989), 120.
12. Sano (1983), 453 in Chalmers.
13. Kumazawa and Yamada, 113.
14. MOL, 1983.
15. Eccleston, 68-69.
16. Tamai Kingo, 395.
17. Ibid.
18. Ibid, 398.
19. Ibid, 399.
20. Piore and Sabel.

21. Sabel (1989).
22. Kurokawa (1989), 157.

CHAPTER EIGHT: GENDER SEGMENTATION IN JAPAN'S FACTORIES

As the final component of our analysis of the quality of working life, it is crucial that we examine a labour process concern that is often-discussed, yet rarely-investigated - gender segmentation in Japan's factories. Essentially, for any theorist to consider Japan a labour process model, the issue of gender should be overlooked with peril. Noting that even key Japanese governmental institutions tend to support the contention that the labour process in Japan's factories is less advantageous to females than males, it is important that we locate our assessment from the vantage point of women, in relation to men.¹ Specifically, we can identify *two* main factors that have intensified the gender cleavage in Japan's manufacturing sector between 1965 and 1990: occupational segmentation, and a wage differential.

In order to fully support such a contention, we need to structure our discussion in two parts. First of all, it is vital that we draw upon relevant evidence that explores the extent and nature of occupational segmentation by gender. Additionally, data that illustrates the relative wage structures for both male and female factory workers for the period under examination will be significant. Finally, having established that a degree of gender segmentation exists, it will be crucial to assess some of the leading factors that have contributed to the exacerbation of gender segmentation in Japan's factories.

I. Occupational Segmentation

To begin our assessment of occupation fragmentation by gender in Japan's factories, it is important to briefly review the history of female paid-labour in Japan's manufacturing sector. Traditionally, from the post-**Meiji** expansion of Japanese industry to the present day,

women have tended to dominate low-skilled employment in Japan's light industries, primarily textiles.² Nishinarita has suggested that the majority of working women, prior to the Second World War, were also employed in the cotton-spinning, silk-reeling, match manufacturing, and coal mining industries.³ Moreover, her evidence suggests that virtually all such women were unmarried and under the age of 20. Further, such employment was generally conducted on a part-time/cyclical basis. Culturalist explanations of this phenomenon have tended to focus upon 'family values' and 'Confucian ethics', whilst lacking any materialist basis for discussion. Indeed, the fact that most women until the past decade 'retired' after 5 to 7 years of factory employment was generally explained by a compulsion to marry and bear children.⁴ Regardless, it is evident that, historically, Japanese women derived paid employment from light industry.

More recently, however, evidence has shown that the relations of production have intensified occupational segmentation by positing more women into part-time employment. Specifically, if we turn to Table 8.1, we can see that whilst part-time employment, as a proportion of total employment, nearly doubled between 1965 and 1988, the ratio of women as part-time workers increased by 2.4 times. Moreover, the most substantial increase between any of the five-year intervals took place between 1970 and 1975; the very period during which profit margins in Japan's factories were most severely threatened by rising wages. Furthermore, if we turn to the labour market stratum known as 'temporary' employment (cyclical and day labour), we can see that whilst this rather insecure sub-section of Japan's labour market increased by nearly 50% from 1965 to 1988 (7.9% of all workers), the female contribution to such tenuous employment virtually doubled. Clearly, on the basis of such

evidence, women have increasingly moved into more precarious forms of employment during the period under assessment.

Additionally, evidence strongly supports the assertion that the increase in uncertain employment patterns for women has been primarily linked to the development of the manufacturing sector. Drawing upon OECD data of gendered employment by industry over time, we can note that in most member economies, women employed in the tertiary sector generally exceeded 75% of the total by the 1980s, while female employment in the manufacturing sector had generally fallen below 20%, by the same time frame.⁵ However, Ministry of Labour figures over the same period show female participation in the tertiary sector as only 60.8% by 1985, with more than 28% of Japanese working women employed in manufacturing.⁶ Most importantly, the figure for the manufacturing sector had *increased* from 23.1% in 1965.

Indeed, Japan appears to be the exception to the rule that female employment in manufacturing tends to decrease over time. As a result, several points can be drawn out of such evidence. Initially, it is evident that whereas in most industrialized economies, the marginal utility of increased female participation in secondary industry tends to decrease over time, the labour process in Japan's factories has appeared to capitalize upon increased female participation. Based upon the evidence, however, it appears that such participation has been predominantly part-time and/or temporary.

Although we have, thus far, tended to discuss occupational segmentation in more general terms, it seems necessary to highlight some of the forms of work more increasingly undertaken by women, between 1965 and 1990. Of note, the role of women in Japanese

industrial relations has received very limited attention in official record. For example, the Japan Institute of Labour (the MOL's own research unit) has only analysed female-specific participation in industrial relations since 1984. Hence, for much of the detailed data analysis on gendered work in Japan, we must turn to independent research. Osawa Mari, who has conducted an extensive study of the role of women in Japan's industrialization, has argued that from 1975 to 1990, work specifically considered 'production process' by the Ministry of Labour, saw the proportion of female participation *increase* by 4.6%. Further, her evidence highlighted that although light industries have tended to dominate the locale of female employment, occupational segmentation has shifted to other industries, as she notes that

"... manufacturing industries like the electrical/electronic, food & tobacco industries were among the most speedily feminized sectors between 1975 and 1984 ..."⁷

In addition, Saso has argued that the involvement of women in production process work, such as watch-making and semiconductors, has increased, although she draws upon such evidence only to support a rather sexist argument that such occupational segmentation can be related to "Japanese women's dexterity".⁸

Drawing upon two recent analyses of gendered work in Japan, we discover the prominence of a state-sponsored ideology that inhibited long-term full-time employment for women. Within the context of an anthropological study, Roberts has related the entrenchment of gender segmentation in Japan to the notion of *ryosai kenbo* (good wife, wise mother).⁹ *Ryosai kenbo* was originally a nineteenth-century definition of Japanese women as both domestic managers and child nurturers.¹⁰ Roberts, however, notes that whilst the originally Ministry of Education-inspired ideology had fallen out of favour by the outbreak of the

Second World War, a reconstructed Japanese postwar state readily employed the notion in an attempt to rebalance labour markets. According to Uno, *ryosai kenbo* proved highly successful, as women continued to work full-time for 5 to 7 years until marriage, when at such time they might return (if ever) to part-time employment.¹¹ Moreover, Roberts' study of a Kansai region lingerie factory adds credence to the assertion that *ryosai kenbo* has influenced the length and form of employment for Japanese women, and in particular, since the early 1970s.¹² In drawing upon the work of several independent researchers, it appears that occupational fragmentation has tended to increase in Japan's factories over the period under examination.

II. Wage Disparities

Turning to the issue of wage differentials between male and female employees from 1965 to 1990, it appears that the disparity had failed to evaporate, and in several instances, had become more pronounced. First of all, to address some general considerations, Table 8.2 shows that monthly *gross* wages for women changed little in proportion to male wages throughout the period. Specifically, although average earnings for women were 50.9% of the male equivalent in 1970, by 1987, the ratio was virtually identical, at 52.3%. Further, if we turn to average monthly earnings for *scheduled* employment (excluding overtime) it appears that the disparity narrowed only very slightly, from 56.1% in 1965, to 60.5% in 1987. Such broad data adds to our general assertion that the gendered wage differential in Japan's factories has changed little for the period under assessment.

Interestingly, by drawing the data from Saso's international comparison of wage disparities by gender, some comments on post-Fordist discourse are required. Although the

advocates of the "Japan-as-post-Fordist-model" thesis perceive Japan's labour process as generally beneficial to all workers, in comparison to advanced capitalist societies, such as France, the U.S., and Great Britain, it is evident that they have failed to consider the role of women. In Table 8.2, we can observe that whereas average earnings for British and Japanese women were quite similar in 1970 (54.5% and 50.9% respectively), by 1987, British women earned two-thirds of their male equivalents, while Japanese women were still at just over half the average male wage. Moreover, we can see from the data that the most significant increase in the wages of British women took place between 1975 and 1980; the late 1970s period of increased inflation coupled with rising unemployment. Nevertheless, for their Japanese counterparts, relative earnings in comparison to men actually *decreased*, be they measured by gross or scheduled wages. Hence, whilst gender segmentation has been a prominent factor in most North American and European economies, Japan has also been no stranger to gender inequality in wage structures.

Furthermore, although full-time women workers have fared much worse than men in extracting their share of corporate profits in Japan, the situation has been even less encouraging for part-time female workers. For example, Table 8.3 highlights a multi-dimensional wage disparity, beginning with female full-time wages as opposed to their male counterparts, and secondly, between female full-time and part-time workers; the period of assessment being the penultimate year of our longitudinal study, 1989. Notably, our first general observation reiterates our earlier discussion, in that, across all age groups, male full-time workers received higher wages per hour than their female cohorts. However, the second element of Table 8.3 is that female full-time employees similarly fared better than part-time

women workers in all age categories. Whilst relatively young women (18-24 years of age) received roughly similar remuneration, the bulk of the average working life (between ages 25 to 60) saw part-time women paid only two-thirds of the wages of their full-time counterparts. Furthermore, throughout the 35 most productive years of work life, part-time women earned, on average, less than half the relative earnings of male full-time workers.

Table 8.1 " Trends in ratio of part-time workers and temporary employees (percentages)"
(Source: Ministry of Labour, White Paper on Labour 1989.)

YEAR	Part-time Workers		Temporary Employees	
	FEMALES	TOTAL	FEMALES	TOTAL
1965	9.6	6.2	8.7	5.3
1970	12.2	6.7	9.4	4.9
1975	17.4	9.9	10.0	4.8
1980	19.3	10.0	13.4	6.4
1985	22.0	11.1	15.2	7.4
1988	23.6	12.0	15.6	7.9

* Total figures include male workers

Table 8.2 "Women's average earnings, as a percentage of men's"
(Source: Britain - Department of Employment, New Earnings Survey.; Japan - Ministry of Labour, Monthly Labour Statistics., in Mary Saso, Women in the Japanese Workplace., (London: Hilary Shipman, 1990.)

Year	1970	1975	1980	1985	1987
Britain -					
a. Weekly gross	54.5	61.5	64.8	65.9	66.3
b. Hourly	63.1	72.1	73.5	74.0	73.6
Japan -					
a. Monthly Gross	50.9	55.8	53.8	51.8	52.3
b. Monthly Scheduled	56.1	61.4	58.9	59.6	60.5

In order to more fully illustrate the point that Japanese female part-time workers receive insignificant earnings, as compared to men, we must turn to an OECD comparison of hourly earnings for male and female part-time workers, as a percentage of their respective full-time equivalent. The data set compares eight national examples, with the period of analysis occurring during the 1970s. Notably, in several instances (ie. Australia and the Netherlands), female part-time workers actually made *higher* hourly earnings than their full-time equivalents. Indeed, in most of the European examples (Germany, Italy, the Netherlands and Belgium), female part-time workers earned at least, if not more than 95% of their full-time equivalents. However, perhaps the most striking element of the data is that in all cases but one, female part-time workers made at least 91% of full-time workers; *the lone exception being Japan*, at 81.4%. Hence, it can be observed that a marked disparity has existed between male and female Japanese employees in relative earnings, and that the differential has been even greater when part-time female employees are added to the equation.

Table 8.3 "Wage differentials between female part-time workers and full-time workers (years old, wages per hour, Yen)

(Source: Ministry of Labour, White Paper on Labour 1989.)

Age	18-19	20-24	25-29	30-34	35-39	40-44	45-49	50-54	55-59	60-64
M.F.	698	852	1,063	1,306	1,528	1,731	1,819	1,776	1,536	1,223
F.F.	643	772	897	940	940	938	907	906	948	923
F.P.	604	671	654	625	605	614	623	634	631	634

N.B. M.F - Male full-time
 F.F. - Female full-time
 F.P. - Female part-time

Table 8.4 "Women as a percentage of all part-time workers, by country"
 (Source: International Labour Organization, Conditions of Work Digest: Part-time Work. 8:1, 1989, 35.)

Australia	78
Canada	71
Italy	62
U.S.	67
U.K.	78
France	83
Japan	72

Table 8.5 "Hourly earnings of Part-time workers"
 (Source: OECD, Employment Outlook. 1983, 51.)

Year		Men	Women
Australia	(1979)	104	103.4
Belgium	(1972)	85	99.7
France	(1972)	91.8	92.8
Germany	(1972)	81.8	95.2
Italy	(1972)	93.9	96.5
Japan	(1977)		81.4
Netherlands	(1972)	83.5	119
United Kingdom	(1981)		91.9

III. Main Factors behind Gender segmentation

(i) The Wage System

Of the major factors within Japan's factories which perpetuate a gender inequality of work, the historical irrepressibility of the *nenko* wage system is of utmost prominence. Specifically, in Japan's manufacturing sector, wage increases have traditionally focused upon years of tenure as the primary criterion, as opposed to skill.¹³ Significantly, whilst the *nenko* system is currently in the process of substantial revision within individual firms, its dominance until the 1980s contributed to the wage disparity beyond all other factors. Clearly, where a female employee failed to remain with a firm beyond the average for her gender (5 to 7 years), then commensurate wages remained comparatively lower than a male with similar (or lesser) skills, yet longer service.¹⁴ Nevertheless, evidence has shown that the small proportion of women to have remained in full-time employment on a long-term basis (20 years or more) received at most 75% of their male counterparts.¹⁵ Moreover, whilst Article Four of the *Labour Standards Law* prohibits wage discrimination against women, disparities persist despite the tendency of women to remain in the labour force for longer periods.¹⁶

A further element of Japan's wage system that inhibits gender equality of work is the allowance system. The Japanese wage system is prominent for the existence of various allowances, all of which are paid to a 'household' head.¹⁷ Moreover, according to postwar labour market data, the person in question has, in the vast majority of cases, been male. Further, in enterprises with a series of works rules (a mandatory employment contract for all firms employing 10 or more workers) in place, the tone of the works rules may defacto have negated the payment of household wages to a woman.¹⁸ Specifically, works rules cover

tenure, dismissal, the allowance system, and working conditions, and as such, reflected the norm for employees in individual firms. Hence, unless the norm was female, men, in most cases, were the only employees paid a household wage. Thus, where the length of tenure and traditional practices such as allowance benefits for the household head worked against female workers for both historical and cultural reasons, gender segmentation endured.

(ii) Lack of Union representation

An additional reason for the persistence of gender segmentation is the relative lack of union representation. Further, whilst it is true that progressive unions have existed in Japan's factories (contemporary versions being *Zenroren* and *Shinfujin*, or New Japan Women's Association), their membership as a proportion of all workers has been low, as compared to mainstream organized labour. The primary domain for Japan's leading confederations, *Sohyo* and *Domei* (now united as *Rengo*) has always been wage and benefit security for full-time (male) employees. That said, women have accordingly been under-represented in the Japanese organized labour movement. Indeed, whilst it is true that Japan's mainstream unions have supported the key tenets of the *Labour Standards Law* (and more recently, the *Equal Employment Opportunity Law*) a pro-active stance of equality for female workers has been negligent.

Moreover, the curious case of *menstrual leave* highlights the latent patriarchy of Japan's mainstream unions. Long before the recent series of pro-female legislative initiatives, menstrual leave, as a right of women workers, has reinforced the nurturing element of *ryosai kenbo*, as discussed earlier. Indeed, as Eccleston notes, by supporting the right of menstrual leave, mainstream organized labour has reinforced the idea that mothers (women) require

special rules.¹⁹ Furthermore, the issue of day care, which in the West can be pivotal to a woman's participation in full-time employment, has never received mass support from unions, in the form of pressure on corporations to provide child care facilities.

Additionally, in female-dominated fields, such as production process employment in the textiles and electronics industries, mainstream union representation has often been nonexistent. Osawa has argued (in drawing upon a study of Hitachi by Tokunaga and Sugimoto), that young women received no attention from their enterprise union since "the overwhelming majority of these young women stay in the company for only a short time."²⁰ Moreover, while the original intent of the Hitachi study was to examine the use of women as a labour market buffer, the most shocking findings related to the union's tacit approval of the use of women for menial tasks. Specifically, Tokunaga and Sugimoto found that:

"... unskilled repetitive manual work is also a feature of the factory-automated shop floor, where human beings are used as machine as a consequence of automatization. This kind of work, which is recognized as 'unbearable' even by the company's labour section, is assigned *only to young regular women employees*, who thus have no opportunities to develop skills or improve their job prospects." ²¹

Finally, one factor that we have overlooked thus far, as an explanation for the lack of union representation, is the substantial number of women workers employed in small firms, which are generally non-union in structure. This is particularly the case in the garment, electronics, and auto parts industries of Western and Southern Japan, such as Nagano prefecture (home to Hitachi, Sankyo Precision Works, and NKK).²² Accordingly, whether or not organized labour did not or could not help eliminate gender segmentation in Japan's factories, their inactivity may well have contributed to declining union membership in blue-collar Japan.

(iii) Negligible Legal Provision

Although the wage system and the conspicuous absence of mainstream unions certainly contributed to gender segmentation in Japan's factories, the general lack of equality-based workers' rights within the legal statutes allowed Japanese capital to continue to discriminate against women between 1965 and 1990. As we can see from Figure 8.1, although pro-female initiatives related to work have some history in Japan, such a legacy maintains three key characteristics. First of all, measures related to women and work only underwent substantial revision in the late 1970s and early 1980s; a period during which generational cultural trends prompted legislators to recognize the increased (but not general) desire for gender equality.²³ The second characteristic of the initiatives is the underlying preponderance of the notion of *ryosai kenbo*, primarily, in the areas of leave with pay. Of specific note, the passage of the *Employment Insurance Law* in 1975 saw the state place even greater importance upon fertility and productivity. Third, where much of the policy process had potential benefits for women, their substance (as with most state-sponsored industrial relations initiatives) was advisory in essence, with the exception in 1985 of the *Equal Employment Opportunity Law*.

The general lack of legal provision for workplace equality by gender in Japan's factories reflects the Japanese state's long-standing gender bias. Traditionally, the law has never mandated equal pay, training benefits and access to work for men and women. Indeed, even when the state has attempted to incorporate female work-oriented initiatives, it has done so through the vista of *ryosai kenbo*, such as the lengthening of pregnancy leave, rather than enhancing day care provisions. Furthermore, the most comprehensive statute, the *Labour*

Standards Law, lacks as many provisions as it purportedly contains. For instance, the *Labour Standards Law* prohibits wage discrimination, yet there were no penalties for non-compliance throughout the period under assessment.²⁴ Further, Article 7, in spite of a revision in 1987, still restricts hours of work for women.²⁵ In particular, Article 7 restricts the amount of overtime per month (extended hours are often used to supplement income) and work on statutory days-off.²⁶

A key element of the *Labour Standards Law* which has attempted to reinforce a domestic role for women has been the restriction of late evening shift work. Article 7 of the *Labour Standards Law* prohibits an employer from allowing women to work between the hours of 10 pm and 5 am.²⁷ Clearly, whilst there are certain exceptions (such as the traditionally female occupations of flight attendant, and makers of fish paste and box lunches, or *obento*), the statute effectively discriminates against shift work in the auto assembly, ship building, and mineral processing industries. In addition, although the Ministry of Labour established the *Guideline of the Items to be considered with Regard to the Treatment and Working Conditions of Part-time Workers* in June, 1989 (specifically intended to focus on women), by the end of 1990, there was no binding legislation.²⁸ Hence, the negligible legal provision for gendered work equality, coupled with the issues surrounding menstrual leave, as discussed earlier, provides crucial evidence as to why women receive lower pay, fewer benefits, and less occupational freedom than men in Japan's factories.

Figure 8.1 “Measures related to Women in Japan (recent trends)

(Source: Women’s Affairs Section, Bureau of Citizens and Cultural Affairs, Tokyo Metropolitan Government, International Comparative Survey Concerning Issues Confronting Women. TMG, 1994, 183.)

1975 - Enactment of the *Employment Insurance Law*.

- Lengthening of the term of eligibility for benefits for unemployment due to pregnancy, child birth. And child rearing, from one year to four years.

1977 - National Plan of Action formulated (concerning reforms to legislation regarding women.)

1981 - Determination of priority targets for latter phase of NPA.

1984 - Partial amendment of the *Family Registration Act*.

- Adoption of the principle of gender equality in extension of Japanese citizenship.

1985 - Elimination of the differential between gender in respect of Ministry of Health and Welfare standards for amounts of livelihood assistance.

- Enactment of *Equal Employment Opportunity Law*.

1986 - Inauguration of the system of benefits for the promotion of re-employment of women. (Ministry of Labour.)

1988 - Creation of a system of incentives for utilization of infant care leave. (Ministry of Labour.)

Thus, in this chapter, we have sought to define the extent of gender segmentation in Japan's factories, as well as the underlying factors which saw occupational segmentation and wage disparities between the sexes increase for the period of 1965 to 1990. First of all, it is evident the proportion of female workers in Japan's factories increased for the period under study. Secondly, we can observe that the primary reason for the increase in the number of part-time employees in the 1970s and 1980s can be attributed to the increased entry of women into the labour market. Third, it cannot be disputed that the wage disparity between the sexes had not narrowed; indeed, it had *increased* over the twenty-five year period. As for the contributing factors, we found that the traditional wage and allowance system, the absence of mainstream union advocacy, and the state's inability to enact enforceable work equity statutes has facilitated gender segmentation in Japan's factories. Thus, accepting that the employment situation for women is neither secure nor equitable in Japan, its candidacy as a post-Fordist model must be called into question.

1. Studies completed by both the Bureau of Statistics (Management and Coordination Agency) and the Women's Bureau (Ministry of Labour) in the late 1980s were quite open in their discussion of gender segmentation; see Working Women in Japan. (Tokyo: Japan Institute of Women's Employment, 1989).
2. Mary Saso, Women in the Japanese Workplace. (London: Hilary Shipman, 1990), 24.
3. Nishinarita Yukata, "Types of Female Labour and Changes in the Workforce, 1890-1945," Technology Change and Female Labour in Japan. ed., Nakamura Masanori, (Tokyo: United Nations University Press, 1994), 11.
4. Patrick, Lincoln, Koike, etc.
5. ILO, Economically Active Population, 1950-2025. (Geneva: ILO, 1986).
6. MOL (Saso), 45.
7. Osawa Mari, "Women and Japanese Society Today: Political Measures with respect to Marginalized Labour Force" New Impacts on Industrial Relations: Internationalization & Changing Production Strategies. eds., Tokunaga Shigeyoshi, Norbert Altmann, and Helmut Demes, (Munich: Iudicium, 1992), 419.
8. Saso, 60.
9. Glenda Roberts, Staying on the line: Blue-collar Women in Contemporary Japan. (Honolulu: University of Hawaii Press, 1994), 23.
10. Kathleen S. Uno, "The death of "Good Wife, Wise Mother"? " Postwar Japan as History. ed, Andrew Gordon, (Berkeley: University of California Press, 1993), 294.
11. Uno, 303-305.
12. Roberts documents that the average for years of service among blue-collar women within the factory she assessed was 10.1, not uncommonly low for North American workers in general, yet exceptionally lower than the average Japanese male.
13. Takezawa, 58-59.
14. Ministry of Labour, Working Women in Japan. , 24.
15. Eccleston, 180.
16. Ibid, 190.
17. Ministry of Labour, 24.

18. Ohta, 630.
19. Eccleston, 186.
20. Osawa, 424.
21. Tokunaga and Sugimoto in Osawa, 423-424.
22. Morris-Suzuki, (1994), 194.
23. Shioda Sakiko, "Innovation and Change in the Rapid Economic Growth Period," Technology Change and Female Labour in Japan. ed, Nakamura Masanori, (Tokyo:United Nations University Press, 1994), 187-188.
24. Yamagami Kenichi and Suketake Eijun, Japan's Constitution and Civil Law: "About Japan" Series #20. (Tokyo: Foreign Press Centre, 1994), 45.
25. Ibid, 46.
26. JETRO, Japanese Law Series: Labour Laws. (Tokyo: JETRO, 1993), 124.
27. Ibid.
28. Women's Bureau, Ministry of Labour, 1989, 44-46.

CHAPTER NINE: CONCLUSION

We began this study by addressing changes in the organization of work in Japan's factories during the high growth era of the 1960s. We must, therefore, end the discussion by reflecting upon the impact of such changes as we reach the last decade of the millennium. The competitive pressures placed upon manufacturers, in the form of reductions in profit, simply stirred them to regain profitability via a more efficient system of factory organization. Primary to this process was a series of innovations in the labour process. Indeed, so successful were the innovations at maintaining profitability that Western academics, from both left and right, have been drawn to the Japanese case study. Such analyses have found in Japan the seeds of new and allegedly transferable methods of industrial organization.

Indeed, it was this wholesale appreciation for work in Japan by the Western left that became a vital access point for this study. With the collapse of the Bretton Woods system, the low growth of the 1970s, and the enduring fiscal crises of North America and Western Europe, materialist academics, in increasing numbers, have lamented philosophically the end of an era - the Fordist era. Moreover, as the 1980s failed to bring a renewal of the core elements of the postwar Golden Age, several academics turned to Japan as a potential model of after-Fordist production relations. Specifically, they saw in Japan a highly successful net exporter that survived the traumatic oil crises relatively unscathed; a nation that moved from poor developed nation to economic superpower in a single generation, and a nation that was able to distribute such success to its workers in a humane and equitable fashion. Indeed, such success cannot be disputed.

The advocates of Japan 'as a model' undertook a rich and detailed exploration of the techniques employed in Japan throughout the 1960s and 1970s. They devoted extensive attention to the organization of work in Japan's large manufacturers, and in particular, they focused on full-time male employees. In such a system, they found that Taylorism and deskilling had been transcended, they found the compulsion to control absent, and most critically, they found that work had become empowering. By taking such a perception as our point of departure, we argued that whilst such analyses were critical contributions to the study of capital-labour relations, they avoided certain elements of the labour process in Japan that might otherwise have tempered their final assessments.

Accordingly, we began an examination of the labour process in Japan's factories during the period of high growth, and we focused on three telling aspects of work organization: quality of working life, the role of the peripheral workforce, and the significance of gender segmentation. The evidence we found showed a system in which workers have become more productive, yet their share of the resulting profits has not increased. Secondly, they work longer, with extensive non-scheduled hours, and their concerns for health and safety have risen. Further, we found that peripheral workers have increasingly formed a substantial part of the workforce in Japan's factories, yet with less pay and longer hours. Moreover, we found that a high degree of gender segmentation exists. From the evidence obtained, it became clearer that although workers certainly derived benefits from the system, these were for a minority core fragment. Ultimately, the evidence suggested that the labour process in Japan's factories is not exceptional, to the extent that it might be considered a model for aspiration.

As we followed mutations in the labour process through three distinct phases, we saw commensurate changes at the state and international levels also. Specifically, what we saw was that the neo-conservative agenda of Nakasone during the 1980s prompted changes in the system that may well eliminate the last elements that held promise for labour.

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In recent years, dramatic changes have taken place in the Japanese economy. Rapid growth has been replaced by stagnation, and once powerful manufacturers have begun to deindustrialize, in favour of facilities in Southeast Asia. Such a dramatic shift from the growth of the 1960s, 1970s and 1980s has caused a dramatic reassessment of what were once considered virtues of the Japanese system - QCCs, *nenko* wages, and ominously, lifetime employment. What does such a prospect hold for labour ? The success of the innovations made in the late 1960s were tremendous, and Japanese manufacturers did indeed pass on a share of such success. Yet perhaps, in looking to the end of the decade and on to the next millennium, we need remind ourselves of the very nature of capitalist production relations. Ultimately, competitive pressures will prompt reassessments of existing dynamics. In turn, whilst the labour process in Japan's factories held some potential for labour, this was never more than a by-product, and not the essential ingredient of Japan's success.

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