

# THE DEVELOPMENT OF JAPANESE LABOUR-RELATIONS

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## INTRODUCTION

The characteristic of lifetime employment (*Shūshinkoyō* 終身雇傭), which distinguishes Japanese labour-relations—setting them somewhat apart from the situations prevailing in the various European countries—is fairly well known. However, there seems to be not a little misunderstanding as to how and under what conditions it originally came to take shape.

To give an example of this, Professor J.G. Abegglen, who has made an interesting and perceptive analysis of the Japanese labour-relations, in *The Japanese Factory* singles out “lifetime commitment” as “the critical difference,” and after an examination of the various factory organizations in their relation to the “lifetime” element, states in the concluding part of the book: “the factory organization seems a constituent and logical outgrowth of the lines of relations existing in Japan prior to its industrial organization.”<sup>1</sup> This manner of interpretation has considerable support even among Japanese scholars. Or rather it would be more accurate to say that it *once* was a predominant view. Professor Ōkōchi Kazuo 大河内一男, who has played a leading role in this field, wrote:

“The feudal characteristic present in Japanese family life, whereby stress is laid upon one’s status within the community, has been carried over in its entirety into labour-relations in industrial regions. And this gave rise to a tendency to interpret the capitalist labour-relations as a form of family relations, and to explain the work life within the framework of the “*ie*” 家 (traditional house community) life.”<sup>2</sup>

<sup>1</sup> J. G. Abegglen, *The Japanese Factory*, New York, McGrawhill, 1945, p. 130. A similar view is given in Professor S.B. Levine, *Industrial Relations in Postwar Japan* (Urbana, University of Illinois Press, 1958), which is a penetrating study of the Japanese labour-relations. Particularly see Chapter II, “The Japanese Management System.”

<sup>2</sup> Ōkōchi Kazuo 大河内一男, *Shakai Seisaku no Keizairiron* 社會政策の經濟理論 (Economic Theory of Social Policy), Tokyo, Nihonhyōron-sha, 1952, p. 218. Professor Ōkōchi observed the Japanese labourer to be essentially a “*dekasegi* 出稼 worker”—one who works away from home—and, therefore, had to interpret the relations implicit in lifetime employment as a concept having little to do with tradition. Although, for a

But the results of the recent historical research into labour-relations, which underwent rapid development in the last ten years or so, can no longer lend support to this kind of theory. The purpose of this paper is to clarify the historical context in which the Japanese labour-relations developed.

### I. LABOUR-RELATIONS AT THE TAKE-OFF STAGE

In considering the labour-relations in the period following the Sino-Japanese War—the period when Japan's industrialization took off in real earnest—the first thing that draws one's attention is the extremely high rate of labour mobility at that time.

One cannot deny that this high rate of mobility was due in part to the fact that many of the labourers were *dekasegi* 出稼 people from farm villages, having temporarily left their homes and families to work in factories or mines for short terms. But another contributing factor was that, in the case of skilled workers in factories and mines, the supply of labour was limited in relation to the progress of industrialization, and that therefore these workers could find new employment rather easily. Also, in order to become really skilled workers, it was to their advantage to move from factory to factory and to accumulate a variety of experiences, and with the accumulation of experience went the possibility of increasingly higher wages.

The outstanding study of labour situations at the beginning of the twentieth century, *Shokkō Jijō* 職事情 (The Condition of Factory Workers),<sup>3</sup> reports the following about ironworkers :

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period of some ten years after the Second World War, the clarification of the "feudal aspects" in Japanese labour-relations was the central task imposed on Japanese scholars, in the last ten years the interest has shifted to a consideration of how the labour-relations as seen in present-day Japan came to be formed, and underwent changes, during the process of industrialization. For a general survey of this, see the present writer's *Social Impact of Industrialization in Japan*, Tokyo, Japanese National Commission for UNESCO, 1963.

<sup>3</sup> In the examination of the labour situation in the early 1900's, *Shokkō Jijō* is a document which one cannot afford to overlook. In such titles as *Menshibōseki Shokkō Jijō* 綿糸紡績職事情 (The Condition of Cotton Spinning Workers), *Kiito Shokkō Jijō* 生絲職事情 (The Condition of Raw Silk Workers), *Orimono Shokkō Jijō* 織物職事情 (The Condition of Textile Workers), *Tekkō Jijō* 鐵工事情 (The Condition of Ironworkers), and *Zakkōgyō Shokkō Jijō* 雜工業職事情 (The Condition of Workers in Other Miscellaneous Industries), the results of government surveys over a period of a few years are gathered together.

"The number is not few of those *totei* 徒弟 (apprentices) who, after they have acquired some skill in one factory, rather than remain there as mere apprentices choose to move to another factory in the hope of obtaining higher salary, even before their terms are completed, and finally to become the so-called migratory factory hands."<sup>4</sup>

The high mobility rate was seen not only among the apprentices, but also among the regular workers :

"Though the rate of mobility among ironworkers is somewhat lower than among workers in cotton spinning, weaving, and silk-reeling, still it seems extremely high in comparison to that of ironworkers in America and Europe. Especially, in such work areas as are in dire need of skilled workers as the result of lively demand situations, there are many who lightly move to other factories on the promise of the slightest pay increase, and who, then, once the business has slackened at their new place of employment, again move to the larger factories. And there were a very few workers who, from the beginning, settled upon this particular job with an intent to stay with it for life. Instead, the number was large of those who gave up their job in mid-career, either because of boredom or on the strength of minor savings."<sup>5</sup>

The situation was much the same among other groups of workers also. For example, the following is written about workers in the printing industry :

"In printing shops, too, a scramble for skilled workers seemed unavoidable. During periods of brisk business in the printing industry itself or with the rise of industry in general creating the need for workers in other sectors, not a small number of apprentices as well as skilled workers—for the former their employer had labouriously trained them over a period of years—availed themselves of any number of pretexts to leave their factories."<sup>6</sup>

However, the leading industry at this time was neither the machinery industry nor the printing industry, but rather the textile industry. Here the majority of the workers were women. The rate of mobility among female workers was even higher than among male skilled workers. It is written about these female textile workers :

"The mobility of workers is astoundingly high. In any spinning mill, the average number of those hired or quitting in a given year was equal to, or higher than, that of those currently working in the factory."<sup>7</sup>

There were two reasons for this. The female workers were recruited from rural families as *dekasegi* workers ; and in the process of drawing out this work force from the conservative rural families, there was a certain amount of friction. *Shokkō Jijō* gives a vivid description :

4 *Shokkō Jijō*, Seikatsu-sha edition, Vol. II, Tokyo, 1948, p. 38.

5 *Shokkō Jijō*, Vol. II, p. 12.

6 *Shokkō Jijō*, Vol. II, p. 223.

7 *Shokkō Jijō*, Vol. I, 1947, p. 66.

"Prospective female workers are approached by recruiters strategically placed in different areas. In inducing the women to work, the recruiters present only the pleasant sides of the factory life, saying nothing about its hardships. Female workers recruited in this way, once they have entered the factory, find that things are quite otherwise than they have been led to believe. When they encounter severe hardships, they perceive for the first time the duplicity of the recruiters and lodged complaints with the factory managers, who disregard them.

Those who are resolved to leave the factory generally lack money for the trip home; and the company itself used various means to prevent the workers' escape. For example, for a period of some months after their starting at the factory, no permission is granted to go outside the factory grounds even on holidays. Then, for a period of some days after payday, guards patrol the area around the workers' dormitories. In these circumstances, those who were weak-willed choke on their tears and stay at the factory for the duration of their contract period, while those who had some daring set about planning escape."<sup>8</sup>

Another factor inducing the high mobility rate among female workers was the demand-and-supply situation peculiar to this stage of rapid industrialization, which, as has been seen already, had likewise affected the male labour market:

"In regard to the recruitment of spinning workers, attention should be given to the factor of scramble for workers. With the recent expansion of the spinning industry, the demand for workers has increased markedly, with the supply inevitably falling much behind. Newly established factories, rather than hiring those totally inexperienced and lacking of skill and training them step by step, often resort to the expedient of snatching experienced female workers from already established factories."<sup>9</sup>

Such being the situation, the duration of a worker's continuous service was naturally short. The accompanying table is based upon the government survey of the continuous service period which appears in *Shokkō Jijō*. There is some variation according to industries, but half of all the workers have a continuous work period of less than a year. *Bōseki Shokkō Jijō* 紡績職工事情 (The Condition of Workers in the Spinning Industry) describes the situation in the following words: "The turnover rate of workers in each factory in the course of a year is

Table 1. WORKERS' PERIOD OF CONTINUOUS SERVICE

	Sex	Number Surveyed	6 months or less	6 months to a year	1-2 years	2-3 years	3-5 years	more than 5 years	Total
Ironworkers	Male	9,733	12.9	39.6	6.6	17.8	11.4	11.7	100.0
Printers	Male	2,725	23.8	18.3	18.8	11.8	11.4	15.9	100.0
Textile workers	Male	5,368	29.2	19.7	17.6	12.0	12.7	8.9	100.0
	Female	19,344	27.3	20.4	18.3	11.9	13.6	8.6	100.0

Source: *Shokkō Jijō*, Vol. I, p. 70; Vol. II, pp. 11, 223.

<sup>8</sup> *Shokkō Jijō*, Vol. I, p. 52.

<sup>9</sup> *Shokkō Jijō*, Vol. I, p. 53.

practically one hundred per cent.”

The above numerous quotations were given to present a concrete picture of the employment situation at the take-off stage of industrialization in the period following the war with China, and to make it a basis for the analysis that is to follow. In the quoted passages, no trace of “lifetime commitment” or “familial relations between labour and management” is to be found. Even the workers’ housing system, as described above, rather than being a welfare institution, was designed primarily as a facility of confinement to prevent the escape of workers and to bind them to the factory. Meanwhile, the factory owners opened their mouths only to complain of the slackness in the observance of the rules of the apprentice system and of the fact that it was impossible to retain good skilled workers because of the high mobility rate among them.

Under the conditions of this situation in the labour market there emerged two remarkable phenomena which might be considered determinants of Japanese labour-relations following that period. The first is that in Japan there had not developed the social classification of skilled workers comparable to that existing in western nations. To put it differently, no definite apprentice system was established in Japan. There were apprentices, but there never was a system to give them systematic training. They merely worked as assistants to skilled workers, and from them they gradually learned their crafts. In Japan, therefore, the skilled worker was the experienced worker, and his degree of skill was considered correlative to the length of his experience. This of course did nothing to help the establishment of distinct wage rates for each craft, and the result was that, even in the same craft, there would be a wide margin of difference in wages according to the skill of individual workers.

The second point to be noted is that the labour organizations which appeared in those days of high labour mobility—which had led to the formation of a national labour market for each craft category—were formed as craft unions such as the printers’ union and the ironworkers’ union.<sup>10</sup> The formation of the national labour market had resulted in the emergence of “job consciousness” among workers of the same trade, which in its turn provided a foundation for craft unionism.

Thus, as has been made clear, both the labour market and the labour-relations in Japan, at this take-off stage, bore close resemblance to those existing in the European society of that stage, despite some characteristics of a late-starting capitalist nation.

<sup>10</sup> With regard to these labour unions, see Sumiya Mikio, pp. 95-98.

## II. INDUSTRIALIZATION AND TURMOIL IN LABOUR-RELATIONS

Industrialization in Japan reached a second stage of development about the time of the Russo-Japanese War (1904–1905). Mechanization achieved a significant gain both quantitatively and qualitatively. And in keeping with this, manufacturing techniques became more sophisticated, and the work process more specialized. As work became more specialized, the demand grew for a greater degree of precision. Ordnance factories, to take one example, which then had the largest scale among the machinery industries, had up to that time had a strong tint of a relief work for the dispossessed *samurai* class; but after the Russo-Japanese War these factories took on an entirely new character, with their operations solidly based on precision techniques, while far greater emphasis came to be placed on the technical training of the workers.

In shipbuilding the all-round technicians of earlier days now gave way to such specialized workers as metal/wood workers, drillers, riveters, and caulkers. And as the building process became more specialized, higher accuracy came to be demanded in each branch of work.

In response to these developments, serious measures were now taken by large factories to train and develop skilled workers. The able workers were selected by management and sent to public technical schools or mechanics' institutes, where they received special training—a practice which rapidly became widespread. An official in charge of implementing the government's commercial and industrial policies at the time stated about the matter as follows:

“The present age no longer permits our country to remain in the state of primitive industrial development; competition in business and industry has outgrown the slackness of other days. The variety of industries has become far more complex, and the specialization of workers has advanced several times over the old days. In such a climate, the enterprisers who plan to build factories requiring the so-called ‘skilled labour force,’ or those who plan to expand into such factories, in recent years have come to complain more and more about the shortage, not so much of appropriate engineers or assistant engineers, but of good workers with sufficient skill and experience. In my view, it has become imperative for vocational schools in each prefecture to answer the needs of each prefecture and set up new courses for the training of skilled factory workers, as well as to promote the establishment of as many apprentice schools and institutes of industrial training as possible.”<sup>11</sup>

Parallel with this advance in industrialization there had occurred a change in the character of the workers. Yokoyama Gennosuke 横山源之助

<sup>11</sup> *Tokyo Keizai Zasshi* 東京經濟雜誌, Nov. 16, 1907.

who was an outstanding field researcher in the field of labour problems, made the following observation about this change :

“In the period following the Sino-Japanese War, the majority of the workers—in the iron factories, glass factories, printing shops—were the artisan type who ‘earned money and wasted all of it in a day.’ Although they were dressed such apparel as the tight-collared jacket and the hunting cap, and were entirely different in appearance from the city artisans, they still had much of the quality of the typical artisan of the day. Today, however, the workers in ordnance and other factories have gradually come to assume a character like that of the student, a phenomenon which has been observed by many.”<sup>12</sup>

The student-like character was a result of the spread of education. Up until 1907, Japan had a four-year period of compulsory education. Its diffusion rate had risen from 50% in 1891 to over 80% in 1900, and to 97% in 1907. Then in the following year, 1908, the term of compulsory education was extended to six years. Yokoyama, in a passage which follows that quoted above, states :

“The number of those workers who have completed primary school education has been on the steady rise. Today the workers with such educational background probably constitute more than half of the entire labour force. Labour statistics show that large numbers of today’s workers are aged between twenty-five and thirty; this means that they were at school age around 1890. So the inference that more than half of the workers have at least the primary school education is hardly a groundless speculation.”

The percentage of workers having such a degree of education was proportionately higher according to the scale of the factories. And it was only a natural outcome that “with the spread of education, the level of workers’ knowledge rose, and their awareness of their own economic status became stronger.” And this created the need for a new, more rational form of labour-relations.

In addition to the changes in the technical structure of the factory and also in the quality of the workers, there now occurred a third change: the expansion of the production scale of industry. In order to obtain efficient supervision of this developed production system, it was no longer wise to leave the task of on-the-spot work supervision solely in the hands of *oyakata* 親方 (master) worker who only had his experience—even years’ experience—to count on. In such circumstances, a lower-grade technician who previously stayed in the office handling production-related office work went into the work field as a direct supervisor. The figure of the master worker with his supreme workshop authority disappeared from the scene, and in his place appeared the

<sup>12</sup> Yokoyama Gennosuke 横山源之助, “Tokyo no Kōjō-chi oyobi Kōjō-seikatsu no Panorama 東京の工場地及工場生活のパノラマ (The Panorama of Tokyo’s Factory Areas and Factory Life),” *Shin Kōron* 新公論, Sept., 1910.

foreman with a limited authority working under the direction of the plant superintendent. Yokoyama analyses this change in the following way:

“About the time of the war with China, the traditional “boss worker” ruled as cock of the walk in virtually every iron factory in Tokyo. But today this type of boss worker is hardly ever to be encountered, whether in ordnance factories or in any other iron factories. As a result of the decrease in the number of boss workers, the previous double employment relationships of factory owner to boss worker and of boss worker to worker have disappeared almost entirely, and been replaced by a new, direct relationship of factory owner.”<sup>18</sup>

This ruptured the mutual understanding that had existed until then between labour and management through the medium of the “boss worker”; and, in the midst of the changed economic condition following the Russo-Japanese War, it caused the workers’ discontent to build up dangerously high, finally making it break out in action.

The worker’s discontent, and the subsequent outburst, was touched off directly by the rise of prices in the postwar period, the reduction in overtime and night duty allowances following the war’s ending, and a general cutdown in wages. There also was the factor of discharge of labour necessitated by the scale-down of enterprise. Against these backgrounds, closely following the war’s end there occurred in succession violent labour disputes in such places as shipyards and the Army and Navy arsenals. These disputes were no longer of an accidental nature, and while being a natural outburst of popular resentment, were to a certain degree organized. And in their scope and constituent elements, they exercised a powerful influence on society:

“That the problem of labour is a problem of Europe and has not yet become a matter of concern for Japan is an opinion which ten years ago was in vogue among our intellectual people both in and outside government. But, in these days, such a simple view cannot command the least credence.

In the last ten years, our industry has made great strides; and in keeping with it there has been a large-scale alteration in the distribution of wealth among various social groups. On the one hand, there is now a vast multitude of workers who labour in dark factories barely earning a day’s sustenance out of a grinding day’s toil. On the other, there exists a minority of people in managerial ranks who pick the fruit of the workers’ labour, turning it into their own income. In the course of time, the exploited naturally come to harbour resentment against the exploiting class, the resentment some day turning into a fury of resistance. Already ample testimony of this has been given by the recent riot at Ashio 足尾, and by the violent disputes at the Mitsubishi Shipyards. Even as such large-scale eruption of organized resistance appears as yet limited to these few instances, when one looks deeper into the situation, there are myriad clear symptoms of the same dark current spreading into every factory in the land, forming a torrential, uncheckable force. The labour problem, in short, is no longer a dreamy story of a few romantists, but a life-and-

<sup>18</sup> G. Yokoyama, “Tokyo no Kōjō-chi . . .”



death problem of business society for which solution must be sought urgently and with a forward outlook."<sup>14</sup>

The Ashio Copper Mine riot of February, 1907, referred to above, gave a specially severe shock to industrial society. The Ashio Copper Mine at that time was one of the largest copper mines in Japan. At the mines there were bosses called *hamba-gashira* 飯場頭, who served as labour supply functionaries to the mines. The workers' barracks, the *hamba*, was in his charge; and at his own responsibility he recruited miners, supplied them with meals, and furnished this labour force to the mining company. Placed above *hamba-gashira* were supervisory staff of the company, who supervised the miners and the *hamba-gashira* himself. As mining and transportation methods became more technically advanced, and direct control from the company strengthened, the discontent of the workers gradually became directed towards the company management. Ordinarily the workers were submissive enough under this twofold supervisory system, but once the spark was struck, and explosion set off, there was no one restraining them. They smashed machinery, burnt offices, and injured the supervisors, reducing the whole mine to a state of total anarchy and causing a huge loss to the company. An account is given of the riot in the Text of the decision of the Ashio Case:

"There were few officials who did not wield their authority in arbitrary fashion, and lead lives of mounting luxury, always greedy for bribe money. All the worse were those among them who went out and actively sought bribes and, on the strength of the money received, altered a worker's pay or the degree of ease or hardship of his job. If, unable to bear the injustice, a worker refused an official's order, he would be dismissed from work on the spot, sent away from the mine, and so at once lose his means of livelihood. The workers had no choice but to submit to the hard labour, wiping their tears and choking back their voices. This they did for these long years—which had pushed their bitter resentment, for which they had no outlet, almost to breaking point.

The climax came on the 4th of February, 1907. A large mob of miners gathered some time after eight o'clock in the morning, and started to smash the guard stands and other structures in the mining pits, continuing the rampage until about eight at night. On the sixth they rushed out of the pits to destroy the buildings; after drinking some *sake* (wine) brought out by chance from the warehouse, their spirits rose to a higher pitch, and they invaded the house of the manager of the mines and hunted for all the officials. They captured a number of them, beating them and inflicting wounds upon them. Then they destroyed the ore separating plant, the warehouses, the offices, the officials' houses, the dispensary, the ore refinery, and other auxiliary facilities—totally destroying sixty-five buildings, forty-eight of which they burnt. Such was the extent of the violence done by the irate miners."<sup>15</sup>

<sup>14</sup> *Tōyōkeizai Shimpō* 東洋經濟新報, Apr., 5, 1907.

<sup>15</sup> *Nihon Rōdōundō Shiryō* 日本勞働運動史料 (Documentary History of Japanese Labour Movement), Vol. II, Tokyo, 1963, p. 228.

The police were unable to do anything, and order was restored finally by calling in the army.

Riots of the same nature occurred some months after in the large Besshi 別子 Copper Mine in western Japan and also Horonai 幌内 Coal Mine in Hokkaidō. Both the disputes in large factories and the riots in the large mines had as their cause the growing sophistication of the production structure and the alteration of labour-relations which were described earlier. Large-scale enterprise had run into a serious labour problem.

### III. THE DEVELOPMENT OF "FAMILY-ISM"<sup>16</sup> IN MANAGEMENT

As is evident from the above analysis, the labour disputes which followed the war with Russia were by no means accidental. The advanced production structure, the altered character of the workers, the modernization of the supervision of workers—all these admitted of no retrogression. And the crisis in labour-relations had these circumstances as its point of origin.

Even in the face of realities such as these, there is a segment of opinion, deep-rooted in Japanese society, which tries to ignore the very existence of such a problem. This comes from a peculiar outlook giving importance to the traditional master-servant relationship, or that of "family-ism." However, as large-scale management became more widespread, this had already become an excuse of the preservation of the *status quo* entirely devoid of content. This can be seen in the words of a government official concerned with labour in the period following the war with China :

"There is an opinion that employer-employee relations in our country follow the pattern of family-like relations—the old and the young, the fortunate and the unfortunate, those rejoicing and those mourning all supporting one another—so that there is a deep feeling of good will and that cases of workers resisting employers because of ill treatment are extremely rare; but I cannot but suspect the truth of this. I cannot lend immediate support to the assertion that in today's factories employing hundreds of workers and apprentices there exists between the workers and the employer any family-like relationship. In any factory employing more than fifty workers, the family relationship almost disappears, to be replaced by a money relationship; that is, by one based upon contract. Once a stable wage has been set, the employer has nothing more to do except to see that profits will not suffer."<sup>17</sup>

<sup>16</sup> *Paternalism* may be used to translate *Kazoku-shugi* 家族主義 but this word describes a similar but in many respects different situation which occurs in American labour relation. Therefore my choice is *family-ism*, sacrificing smoothness of expression to accuracy.

<sup>17</sup> Nōshōmu-shō 農商務省, *Dai-san-kai Nō-Shō-Kō Kōtōkaigi Gijiroku* 第三回農商工高等

To preach to the workers of that period, with their high rate of mobility, a family-like relationship with their employers would be utterly meaningless.

However, as a means of dealing with the turmoil in labour-relations which resulted after the Russo-Japanese War, this relation of family was put forth. Naturally enough, it differed in two important respects from the family-ism in vogue up to that time. The first point was that though it was supposed to be the same family-ism, its nuance was different, with the aspect of parent-child affection given the greatest importance. The second point was that this new family-ism was not something urged as a mere preaching but rather was embodied in the concrete institutional facilities.

To begin the discussion with the first of the two points, the time of the war with Russia was a period in which the traditional family-ism was in crisis and on the brink of dissolution. In the traditional family-ism, what was stressed most fundamentally was the parental authority. Above all else there was instilled into the members of the family the virtue of submission. But during the period of industrial development after the Sino-Japanese War, a modern consciousness of citizenship took a large stride. Individuality became stronger both in society and in family. Furthermore, in city life, the mode of family business was altered, and it became common for individuals to gain their own incomes in independent fashion. The family members' independence from the control of the family-head thus gradually became pronounced. In this situation, the government, which perceived a crisis in the national spirit, after the Russo-Japanese War, bent all its efforts to reorganize and revive family-ism.

In this new endeavour the factor most emphasized was the sense of gratitude towards the parent (*on* 恩), and the feeling of warm intimacy within a family. The parent no longer represented simply authority, but their existence was to be recognized as being imbued with affection. In this way the sympathetic father image was created, providing relation by which family-ism could be successfully reconciled with even the individuality asserted by sons and daughters.

This kind of change of attitude in the official family-istic ideology crucially influenced management policy in Japan. The type of family-ism in management in vogue up to then was more or less a master-servant relationship. From here on, however, the employer's warm

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會議事錄 (Proceedings of the Third Top-level Conference on Agriculture, Commerce, and Industry), Tokyo, 1898.

feeling was to be stressed. For example, when the greater part of the major railways were nationalized in 1906 and organized into a vast single railway system, President Gotō Shimpei 後藤新平 declared :

“The principles of family life should be realized fully by the member of the Railway ; and the idea of affectionate esteem, whereby loyalty and kindness are put before all else, shall be thoroughly instilled.”

And this was to be the fundamental policy for those who were given the task of directly supervising the workers.

The second new aspect had its manifestation in the new labour control policy of the National Railways. This was the establishment of the mutual aid system, a project in which the management side took the initiative. No one can say of course that prior to this in Japan there had been nothing in the nature of the workers' benefit programme. There were, for instance, experiments made by various labour organizations after the war with China ; but all these had ended in failure because of the high disease incidence rate among Japanese workers. Those set up by the management side were more a measure to cope with accidents occurring on work sites than a relief programme for the workers.

In this context the establishment in 1907 of the mutual relief programme for National Railways workers, which was based upon a German model, has an epochal significance. The reasons for its establishment were given as follows :

“Recently in our country there have been many cases of labour violence, on both a large and small scale, including those at the Ashio and Besshi copper mines—with the outbreaks often ending in tragedy. This is a lamentable situation indeed. The general run of workers commonly lack foresight, their pay is low, and their living but a daily struggle for survival ; with nothing left to set aside for rainy days, and with no prospect of ever escaping this hand-to-mouth existence, the day seems far indeed when any permanent property will be in their hands.

In its practical aspect, the mutual relief programme is nothing other than a compulsory savings system, which will help accumulate wealth gradually ; it will at the same time train the workers to be firm of principles, eliminating the evils of unjustified complaints about adverse circumstance and of the disturbance of order through reckless participation in such hostile activities as strikes. It will in fine improve the living conditions of the workers, and foster a spirit of honest sincerity and moderation.”<sup>18</sup>

This mutual relief programme operated on a fund created by contribution of the workers to the extent of 3% of their wages, to which the government added an amount equivalent to 2% of the wages. Relief money was paid out of the fund in cases of death, injury, and old age.

<sup>18</sup> *Tetsudōin Shokuin Kyūsai-kumiai Shōsetsu* 鐵道院職員救濟組合詳説 (Detail of the Mutual Relief Programme for the National Railways Workers), Tokyo, 1909.

In a short time the workers' mutual relief system quickly spread throughout the country to many factories and shops. As can be seen from the accompanying table, its rate of establishment from 1907 on increased rapidly. And through this mutual relief system there came into being the relationship in which the employer looked after his workers.

**Table 2. THE ESTABLISHMENT OF MUTUAL RELIEF PROGRAMME**

	1890-1906	1907-1910	1911-1914	1915-1917
Number Established	46	54	111	175
Yearly Average	2.7	13.5	27.8	58.3

Another institution which served the purpose, together with the workers' mutual benefit programme, of stabilizing the labour relations in this period was the system of worker training by business enterprises. Originally, of course, the training of workers was not aimed at achieving such stability. In the initial stage, as mentioned above, such training was even relegated to public organizations. But soon industries began to do more and more of the worker training by themselves.

There were two main reasons for this. The first was that workers who had received two or three years of systematic training were not content to remain long in the status of a mere factory hand. The *Tōyōkeizai Shimpō* 東洋經濟新報 describes the situation well:

"Those who have graduated [from a workers' school or the like], after spending some ten years as common workers, one by one leave their menial jobs and move seeking a higher status, such as a technician, an assistant technician, or even a superintendent, which is occupied by human resources for management."<sup>19</sup>

The second reason was that the graduates of workers' schools aspired to become all-round skilled workers of the traditional model, and consequently desired to move from factory to factory. In other words, they would not stay long at the factory that had taken such pains to give them the required training, even with financial assistance:

"[Graduates of workers' schools] for the most part desire to get employment at such factories as would provide them with ample opportunity for improving their technical skill and gaining experience in various types of work so that they could equip themselves with an ability to earn a livelihood wherever they went afterwards. However, the employer wants the type of worker who would stay at his factory permanently and become a good worker under his care. In our personal opinion, if a man is to become a really good worker or a foreman, it is essential for him to stay at one factory for a long time."<sup>20</sup>

In these circumstances industry came to keenly feel the need of having its own training system. In 1909, the National Railways set up

<sup>19</sup> *Tōyōkeizai Shimpō*, Aug. 5, 1911.

<sup>20</sup> *Tōyōkeizai Shimpō*, Aug. 5, 1911.

both central and local training centres. In 1910 the government-owned Yawata Iron Works opened a training school for juvenile workers, while in the same year Hitachi, the electric work, opened an apprentice training centre. After this each large plant at its own expense established worker training institutions, and so they became widespread.

Thus came into being in Japan a system whereby young workers were given technical training by industry management, with their clothes, room and board, together with an allowance, also provided by the employers. And for these employers who undertook the worker education at their own expenses, it was but a natural policy to instill into the trainees, insofar as possible, a feeling of deep loyalty towards them so that they would be willing to work permanently at their factories. From the middle of 1910's, this type of "reared-from-juvenile" (*kogai* 子飼) workers grew steadily in number, often constituting a significant proportion of a factory's work force. It is hardly necessary to point out that between these "reared-from-juvenile" workers and their employers, there developed a strong familial relationship.

Besides the institutions described above, it is necessary to point out that the dormitory system was firmly established in those days in such industries as textiles. As mentioned before, at about the time of the war with China, dormitories were rather an institution of detention, designed to prevent the escape of female workers. And about half of all female workers lived in such dormitories. However, after the end of the Russo-Japanese War, the content of the dormitory system was improved. Although the repressive nature did not disappear, there was now a welfare aspect present also. It was the set policy of the employers to house all the female workers recruited from farm villages in the new dormitories, where the worker supervision took on a kindlier nature based on the concept of family-ism.

Thus, an entirely new form of labour-relations—represented by such terms as family-ism in management (*Keiei Kazoku-shugi* 經營家族主義) and the principle of warm-heartedness (*Onjō-shugi* 恩情主義)—rapidly came to take shape; with its coming the workers' mobility rate dropped, their period of continuous service lengthened, and labour-relations in general became stabilized. This of course does not imply that there no longer existed any frictions between labour and management. On the contrary, as a reverse side of family-ism, it was common practice to exert relentless pressure on anyone who resisted the employer. And in such a climate of warm kindness at one extreme and oppression

at the other, the labour movement lost its impetus and, for some years after this period, was to cease its activity fairly thoroughly.

#### IV. THE ESTABLISHMENT OF THE LIFETIME EMPLOYMENT SYSTEM

This article is to be completed by describing in simple terms the labour-relations of subsequent years, giving a general view of the process by which "lifetime employment" came into practice.

Family-ism in management got underway around 1910 with all necessary conditions in its favour. But it was soon plunged in disorder, owing to the sudden expansion of the economy resulting from the First World War, and the accompanying upheaval of the labour market. The shortage of labour, especially of skilled labour, powerfully stimulated labour mobility. Even workers who had been trained at great costs by a particular enterprise were often lured away to other factories by higher salaries. The mobility rate, which before the war had sunk to 60% to 70%—partly affected by the depression—now climbed back to above 100%.

The resulting instability in employment relations, in combination with the hard living conditions caused by the steep rise in prices of commodities and especially of rice, brought the labour movement into sudden activity. Then the rising tide of democracy, which took its cue from the war, made the labour movements enthusiastic. From 1917 on, labour disputes became widespread in Japan, and the labour unionism became particularly active. In 1920, the post-war depression temporarily checked this surge; but in 1921 labour movements regained its power. During this period many large-scale, violent disturbances occurred in steel mills, shipyards, mines and other places.

The class consciousness of the workers, in comparison to the period following the Russo-Japanese war, was far stronger. Management once more was called upon to seek a new means of labour control, and made efforts to pacify labour-relations. The first measure taken by the management was to strengthen the workers' welfare facilities, whose foundations had already been set by the mutual relief programmes. Dispensaries and hospitals were set up with company funds to deal with sickness and injuries; the families of workers were also offered medical service at reduced rates. To solve the housing problem in factories, company houses were built in addition to the dormitories for single men and women. Thus the care of the labour force by management began to

extend to even facets of the workers' daily lives.

But in the labour climate after the First World War, it was not sufficient to stop at the augmentation of welfare facilities. For the sake of stability in the labour-relations, comprehensively the labour policy had to be reconsidered. In their relation to the labour market, the new policies appeared in the form of a system of hiring labour only at a fixed time, and also a system of pay raises at regular intervals. Under the hiring-at-a-fixed-time system, employees were hired only on such occasions as graduation from school or the completion of military service—and not at any other times and not men who had worked previously with other companies. Large enterprises, since they were in no need of hiring large numbers of men in the post-war depression, came in the main to adopt this new policy of labour employment. And this practically meant that a worker who had once worked with, and then quit, a large company, could not get employment in another large enterprise again.

The second system, that of pay raises at regular intervals, was an improvement on the previous system which had left the matter of pay raises entirely to the discretion of the foreman or the superintendent; this had been one of the sources of the worker discontent because it had created room for wilful arbitrariness. Because, in Japan, no fixed wage rates had developed for the different types of craft, wages were determined through the evaluation of the skill of individual workers. Accordingly, a certain degree of relationship was established between a worker's wage and his years of experience; but this still did not eliminate the margin of arbitrariness.

The new system of regular pay increases, though likewise predicated on the assumed relationship between the years of experience and the degree of skill, was introduced essentially as a means of lengthening the period of the workers' continuous service. An increase 'fund' was set up annually amounting to between 5% and 10% of the total worker wages to be paid out; and this fund was distributed on the basis of the evaluation of the service records and ability of individual workers. In the case of an average worker, if he had worked with the company for five years, he would have received an increase for five years at average rates, and for ten times at average rate if he had worked for ten years. What results from this is the form of wage system in which the duration of service becomes the greatest determining factor. Furthermore—and this is a vitally important point—if, through some necessity, a worker with ten years' experience was newly hired, his ten years of



experience would be evaluated, in terms of pay increase scale, at a rate lower than if he had served with the company from the beginning. Needless to say, this kind of wage system gives a great impetus to the workers for staying with one company for a long period of time.

Parallel with this reorganization of the labour market conditions, the labour-relations itself underwent a change at this time. As a by-product of the spread of the new labour policies tending to lengthen the term of continuous service, there occurred a rapid rise in the number of enterprise (or employee's) unionism, called the "vertical unions." The city authorities of Ōsaka, which was the centre of modern industry, reported in 1919; "We have some 130 labour organizations in our city, the majority of which are vertical unions. Horizontal unionism (industrial or craft unions) number no more than twelve or thirteen."<sup>21</sup>

Meanwhile, management tended to frown upon the very existence of labour unions, horizontal or vertical. They were particularly untenable entities when viewed from the principle that within an enterprise labour and management constituted one single body. What was urged in their place were the works councils or the friendship organizations—the latter presumably creating a bond between employer and employee.

As is evident from the above study, the leading policy in the reconstruction of labour-relations after the First World War was familyism in management. And its primary objective was the stabilization of labour-relations by means of a prolongation of the term of continuous service. And indeed, from about the middle of the 1920's, the rate of worker mobility, especially in the large-scale enterprise, rapidly declined while the period of continuous service became longer. It was thus that the prototype of "lifetime employment," covering the whole period between hiring—'at fixed time only'—and age retirement, came to take shape.

21 Ōsaka Shiyakusho 大阪市役所, *Rōdōkumiai Undō* 労働組合運動 (Labour Union Movement), Ōsaka Municipal Office, 1924, p. 63.