

- (2) The empirical studies also show that the extent and speed of change differs considerably between and within industries, also between companies. Evidently, Japanese firms adjusting to a changing environment are more diverse and heterogeneous than the conventional, but certainly always inaccurate, image of a homogeneous Japanese corporate sector would suggest.
- (3) From the empirical observation that Japanese companies are adjusting proactively to a changing environment and are consciously orienting themselves on Anglo-Saxon models it would still be false to argue that a convergence process is taking place. On the contrary, analyses in the areas of corporate governance, internationalization, industrial organization, human resources, and innovation management demonstrate the continuity of differences between Western and Japanese management.

This volume provides a good and differentiated overview of recent developments in Japanese management in light of the numerous domestic and global economic challenges, and it provides interesting conclusions. At the same time, numerous overarching questions in the current Japanese situation remain unanswered:

- Are the adjustment measures that have been identified in the individual studies all of equal value or – which is more likely – are there certain critical factors that are decisive for success? And if so, what are they?
- Is the change that is taking place in Japanese companies fast and comprehensive enough for Japan to hold its own in the international markets of a newly globalizing world?

Admittedly, these are far-reaching questions. They are not intended as criticism but as suggestions for a future research program.

*Hanns Günther Hilpert*

ANDREW GORDON, *The Wages of Affluence. Labour and Management in Postwar Japan*. London/Cambridge, Mass.: Harvard University Press, 1999. 288 pages, £ 21.95. ISBN 0-674-80577-1

Medium-sized libraries have already been written about labour relations in Japan, representing all shades of opinion ranging from hypercritical to brainlessly apologetic. Andrew Gordon, a Harvard professor of Japanese history, attempts to give a more balanced assessment. He also tries to shed new light on the origins of that fairly familiar transformation of widespread labour union militancy in Japan in the late 40s and 50s towards ultra-conformist and co-operative ways since the 1960s and subsequent societal and political marginalisation.

Gordon adopts four levels in his narrative: He covers Japan's post-war economic history, the story of Japanese unionism, for which he takes the development of the company union of the steel giant Nippon Kokan (NKK) as a paradigm. He also blends in short biographic sketches of key union activists which gives his story a personalising journalistic touch. The economic and technological evolution of Japan's steel industry in general and the fortunes of NKK in particular are also

covered, often in great detail as regards their effects on work processes and the organisation of corporate labour.

All these endeavours are laudable and sensible in themselves. The author, unfortunately however, is not a very disciplined writer. In his attempt to please his assumed generalist reader he does not keep his thematic strands apart and the historical sequences in their proper order. Repetitions and unexplained gaps – notably in the history of Japan's unionism up to the (overlooked) formation of Rengo – abound. The interesting evolution of unionism in post-bubble recession Japan is only covered in a fairly superficial essayist final chapter. In fact the book focuses essentially on labour militancy in NKK from 1945 to 1959 and on its erosion in the early 60s. Later periods remain essentially sketchy and are covered only in passing. The need to refer continuously to these well-researched reference periods, for which all interviewing work was already done in 1991/92, explains the poor organisation of the book.

These weaknesses do not invalidate Gordon's research nor his conclusions, but they should help to put the advertising hyperbole of professorial colleagues on the flap cover ("the best analysis yet written", "the best kind of research and writing", "an authoritative history", "lucid", "masterful", "a must read", "our most incisive and imaginative scholar", etc.) into proper perspective.

Gordon's basic tale of the post-war fate of the NKK steel workers' union and the improving economic fortunes of its members is indeed interesting. First there were the happy days of labour militancy. Encouraged by the leftist US occupation forces, which for example expropriated the Asano Zaibatsu family from the NKK, the union took over the production facilities which had escaped the US fire bombing of Kawasaki and established a primitive barter economy. Union rights were defended in two strikes in 1946, and on the shop floor co-decision rights were institutionalised in work councils in 1948.

When the US occupation powers changed course in November 1948 towards anti-Communism and a more constructive attitude to the recovery and reconstruction of Japan which they had destroyed so thoroughly earlier, the management at NKK no longer had to fear purges and confiscation and gradually began to regain power from the leftist union dominated work and management councils. Even after the 'Red purge' which the occupation authorities now instigated, the private sector unions tried to pursue their ideals of equality and participation at the work place.

As an alternative to crude "union-bashing" pursued elsewhere in Japan the NKK management sought to establish paternalist labour relations, avoiding the "human relations" approach of US sociologists by inventing lifelong employment patterns relying on job rotation, quality control, seniority and merit based wages, and the formal abolition of status differences between blue and white collar employees. This allowed management to tighten work place supervision, to enhance productivity pressures and to increase working hours notably during the 1960s (p. 52/3). The Korean war boom and favourable industrial policies organised by MITI facilitated a new profitability of the steel industry which allowed increased recruitment, new



career prospects through expanded operations and the set-up of extensive corporate leisure facilities – a series of “circles” covering sports, culture and middle class oriented “scientific” household management for the wives of the employees. Participation was almost obligatory.

The great steelstrikes of 1957 and 1959 were the last manifestations of Japan’s industrial union militancy. With only limited successes for their wage based demands, it became ever more difficult for the unions to resist the trend towards “ultra-co-operative unionism” (p. 122), as conformist middle class patterns of life became more and more accepted amongst their members. It was also aided by the gradual take-over of union institutions by management-assisted “informal groups”. In the 1960s the result was already a bureaucratised ossification of the labour movement run by autocratic “bosses”, and the expanding “hegemony of corporate values” (p. 131). By the late 1960s Japan’s steel unions were extremely cooperative and began to issue only moderate wage demands which had been coordinated with the government (p. 136/7). By then their federation, Tekko Roren, also had been taken over by the right wing union factions. Their industrial relations were supposed to be based on trust, not on conflict.

The annual wage rounds (“spring offensive”) degenerated into empty rituals of slogan shouting. When labour accidents were reduced, work places were modernised and working hours slightly cut, this was hardly attributable to union activity, which seemed to limit itself to exercising moderation towards the management’s restructuring plans (p. 153). While unions disappeared from the real life of factory workers, they were at least effective in keeping potential, organised worker discontent at bay, thus allowing the management’s “coercive consensus” (p. 156) for rationalised operations to remain effective.

In consequence, from the 1960s onwards Gordon already observes a gradual alienation of workers both from their union and their company (!) (p. 154).

As time went by, it even worried management that it had tamed its unions so much that, by the early 1990s, workers found them “useless” (p. 189). With Japan in a recession since 1992 and with life employment and seniority-based pay eroding, there is no longer any talk of exporting the miracles of Japan’s labour relations to the rest of the world.

Gordon has investigated an interesting phase in the change of an industrial union from confrontation to co-operation. This made Japan’s companies and most of its workers more prosperous. However, it led in Gordon’s view also to losses in industrial democracy, in autonomy at the work place and to the marginalisation of unions in Japan. These conclusions are surely valid and not exclusive to Japan, as the working classes and their unions shrink rapidly in all post-industrial societies.

*Albrecht Rothacher*