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# STRUCTURE AND FUNCTION OF THE WORKER'S FAMILY LIVING

MASAYOSHI CHŪBACHI

## 1. THE STRUCTURE OF FAMILY LIVING

By the structure of worker's family living is meant the process by which consumed labor power is reproduced either in an individual or in a household member, through the human relations or the attitudes formed in a family under given living conditions including income and living hours, as well the influence of social facilities and institutions reflected in family life.

Expressed differently, this process is a regular manner by which family members consume a certain amount of goods to satisfy their wants. These wants have different elasticity in their intensity according to whether they are essential for the reproduction of their labor power, or they are required only indirectly or desired as luxuries. The wants as such determine the amount and the variety of the consumer goods demanded by a family, and the total amount of consumer goods to be produced by a society as a whole.

These wants are often interchangeable each other, but originally must be combined for an effective reproduction of labor power, in other words, they, in a way, complement each other. The fact is plainly seen in the itemized family expenditure accounts, each holding a definite ratio apportioned according to the level of family income. This is the point which Engel's living expenditure law or any other similar law aims at clarifying.

Needless to say, these expenditure ratios are determined not only by the level of income but by factors such as the constitution of income, the size of family, and other environmental conditions that are important in the making of an efficient household economy and in its maintenance.

No matter how important these factors are, it is after all the economic condition, that is, the level of income, that primarily determines the course of a family economy. In other words, the total demand for consumer goods of a nation can be seen by looking into its component families as classified by their income levels.

From this brief discussion of family expenditure, we now proceed to the question of the structure of the labor power reproduction process. Mr. Takashi Kagoyama defines it as a scheme of family living, consisting of the relationships among such factors as the construction of

the family members, their living level and their attained cultural standard, which regulate the choice of the goods to be consumed by them.<sup>1</sup>

The expression, living structure, came into use rather widely in our country about 1955<sup>2</sup>, but it has so far acquired no uniform meaning. For example, it is defined in *The Living Standard of Japan* published by the Labor Science Study Institute as the "percentage of living expenses" apportioned among the household expenditure items, in contrast to the "mode of living" which is designated as the type of consumption habits prevalent in a specific place at a specific time.<sup>3</sup> Mr. Tetsuro Kida's essay on the "Structure of Living" in the *Poverty of Japan, a Study of the Borderline Class* published by the Japan Social Welfare Academy, defines the "structure of living" as a "system which more or less segregates certain classes from other classes, and lets them effectually maintain this state of relative segmentation"; and socially considered this is "a set of social relations and a process of their transformations, as well as a psychological system of the people who compose those classes".<sup>4</sup> Mr. Eitaro Suzuki, while defining in his *Principles of Urban Sociology* the "social structures" as a combination of the social elements which make a composite unit, considers the combination of the recurring orders, temporal or spatial, of the social phenomena in this composite unit, as the "structure of living".

In other words, in a regional society the family and the occupational group form the basis of the "social structure", while to understand the "living structure" it is necessary to look into the range and width of the periodic movements recurring in the perpetuating process of a regional society. So, in spite of the close relationship which the "living structure" has with the concept of "social change", it is distinguished from the latter by its periodic recurrence.<sup>5</sup>

<sup>1</sup> Kazuo Ōkouchi and Takashi Kagoyama: *Family Economy*, 1960, p. 147.

<sup>2</sup> Refer to Chapter 6, *The Living Structure of the "Composition Class (Tsuzurikata Kyoshitsu)"*, a comprehensive study of living based on "records of living as a whole, as organically related to the worker's life as productive living" in the *Analysis of National Living*, published by Junzo Nagano, 1938.

Also to the *Theory and Technique of Community Approach*, a detailed criticism on the prevalent thoughts on the structure of living, jointly published by Aoi, Ogura, Kashiwaguma and Miyasaka, November 1963.

<sup>3</sup> The Labor Science Study Institute: *The Living Standard of Japan*, August 1960, p. 60.

<sup>4</sup> Tetsuro Kida: *The Structure of Living of the Income Class in Cities in the Poverty of Japan, a Study of the Borderline Class*, 1958, edited by the Japan Social Welfare Academy, p. 182.

<sup>5</sup> Eitaro Suzuki: *Principles of Urban Sociology*, 1957, pp. 379-382.

Varied as the definitions of the "living structure" by scholars are, they seem more or less to share the view that the "living structure" is a complex of the life-elements, in which the family expenditure repeat the set mode of their allocation. This complex is a unique system composed of the mutually related family members. At the same time it develops a corresponding psychology among them, which further will help develop the control of a future relationship among family members. Also, this process, based on the life-elements and human relationship, tends to gain a repeating rhythmical steadiness, manifesting itself as a daily, yearly or even life-long cycle.

Now, looking at the people consume things, we often get the impression that they are entirely free or arbitrary in their choices. Upon closer observation, however, we find that they are inevitably under the control of some physiological and psychological laws. Similarly, the average consumption of a society conditions its general economic living as it makes the primary agent in the reproduction process of labor power.

Further, it is important to note that this natural want-and satisfaction-process, and the social labor power consumption-and its reproduction-process, can be accomplished only through the structure of family living, turning the natural satisfaction of wants into something which is socially significant.

By way of explanation, we take up the simplest form of the cycle: the directly linked course between the want-and satisfaction-process and the socially significant labor power consumption-and its reproduction-process. While this cycle continues repeatedly through human relations fostered among family members, there is produced surplus energy which develops the habitual mode of living called the structure of living. This is the first law of the structure of living in general.

The thought which forms the foundation of Engel's law: that human beings tend to create social and cultural values with the surplus energy remaining after their physical or essential needs have been duly met, amounts exactly to this. Engel's law primarily describes the relation between the structure of family expenditure and income. Naturally we conceive that there ought to be a law which will rule another aspect of life: the relation between the living hours and the working hours, that is, the longer the working hours, the greater the percentage of the remaining living hours allotted for rest or sleep.

On the contrary, the investigation made by Professor Kagoyama during the war revealed: During the war when the day and night shift system was adopted in factories, persons who worked during the night had

less sleeping hours on account of their leisure hours being taken up with various family duties which require a fixed amount of time, in spite of the fact that the night workers often worked longer hours and thus need a longer sleeping time.

Now, we go back to our subject, the family expenditure, and will find what was discovered in connection with living hours can equally be said of the family expenditure. The post-war inflation in Japan hit the low income classes badly. With their family economies being crippled and their expenses for things other than food becoming inflexible it was found that Engel's law ceased to function or exhibited its effect reversed. A study by Mr. Yūzō Morita and a joint work by Mr. Krgoyama and myself come up with the same result. In other words, when a basic social element as income or working hours, which is related to such a vital affair as the labor consumption-and its reproduction-process, suffers beyond a certain limit, the established structure of living shows resistance instead of adapting its life cycle to the change in question. This is the second law of the structure of living.

This resistance, often concerned with such matters as the increase of rest hours, the shortening of working hours or the acquisition of an holiday, will presently take the form of some sort of behavioristic step by the head or other members of family. If this resistance develops into a group action such as negotiation of workers with employers on various work conditions, especially on wages or working hours, in an open labor market, and such a negotiation is held repeatedly, the participant workers will obtain a subjective, new perspective of the confronting situation and will tend to look for a fresh expectation for future. If successful in this undertaking, the workers will be elated and raise their objective a step higher while at the same time their social outlook will be broadened. But if unsuccessful, they will reduce their claim and try to hold their stand as it is. No matter how these situations may turn out, their newly acquired perspective and expectation will serve as an incentive for the reorganization of their structure of living, launching out on the adaptation of their life cycles to the new situation. Meanwhile, their behaviors work as patterns for the establishment of the employer and employee negotiating act, as a social, organized movement. This is the third law of the structure of living.

While discussing the problem of living structure, it is important that we pay attention to behavioral science, which, developed after the war steadily gained in weight as the basis of social science study.

We must pay attention especially to the economic psychology, which was derived mainly from the Gestalt theory. It is significant that Gestalt psychology is closely related to the first and the second law on the structure of living.

The gist of Engel's law is, as was stated before, that the expenditure for cultural needs can be provided only when there is a surplus after physical needs that are indispensable for the maintenance of life have been properly met.

On the other hand, the basic idea of the first law on living structure is: The physical existence maintenance expenditure is in principle the payment for the goods that are daily purchased and consumed, while the cultural or the social expenditure is the money paid for the purchase of the durable goods that are required and used at home in the satisfaction of daily needs in a specified mode of execution, or the payment made for the use of the facilities or the institutions that are provided for social life.

The above statement is based on Kurt Lewin's "Field Theory" that has distinguished the satisfaction process of needs itself from the habitual patterns of living through which the need satisfaction is carried; the idea is a modification of the "association theory" in psychology.<sup>6</sup>

The framework of these habitual patterns of living consists of the social culture reflected in private group life; more practically expressed, it consists of the various factors for living born out of the human relations centering around home, especially the durable goods within a home, as well as the projected influence of the facilities and the institutions that are utilized for social life.

The scheme of these patterns, once formed, happily maintains its existence through adaptation even when it is forced to make a change in the process of need satisfaction, say, because of some trouble in family accounts. To cope with a lowered income, for example, it may postpone the purchase of a durable good so as to pay for pressing daily necessities. In other words, Engel's law is quite efficacious both statically and dynamically.

However, if income lowering should go on beyond the above mentioned limit, the existing structure of living will have to be given up and reorganized into one which is capable of managing with the lowered level of family accounts. Or, if the existing structure of living should

<sup>6</sup> Takashi Kagoyama: *Structure of National Living*, 1943, pp. 119-32.

<sup>7</sup> Masayoshi Chūbachi: "Problem of Subjective Value in the Dynamics of Living". *A Labor Problem Study*, May 1950.

<sup>8</sup> Kurt Lewin: *Field Theory in Social Science*, 1951, p. 5.

try to persist, the family accounts will become unbalanced, causing to keep in the need satisfaction of family members.

This menace of a lowered family income to physical existence incites a practical resistance in the family members towards the existing situations of living. The living level where this resistance occurs, is the one which is generally called the minimum level of living. This is the idea standing behind the second law of the theory on the structure of living: a continued past stimulus and response causes a variation in the medium of the sensory process, which exerts an after-effect on the resistance to a succeeding stimulus. The situation may be said to be in the "isomorphism" relation to what W. Köhler mentions in the "Figural After-effect".<sup>9</sup>

## 2. PSYCHOLOGICAL ANALYSIS OF CONSUMER BEHAVIOR

An attempt to measure the minimum level of living was initiated quite independently by the author and others under the impoverished conditions of post war Japan. About the same time as we started our work, an analytical study of consumption, how the impact of the upward trend of income on the structure of living affected the economic behaviors of the people, especially with reference to the "demonstration effects", was begun in the United States where economic conditions stood in sharp contrast to ours.

Work of this sort seems to have encouraged the sociological and psychological investigation of the economic behavior of consumers. A noteworthy project in this line was the series of studies made by Professor George Katona of the Survey Research Center, University of Michigan. This work seems also to be dealing with the subjects that are basically the same as those of the third law of the living structure. The Survey Research Center is a component part of the Institute for Social Research set up at the University of Michigan after the war. It has been entrusted with the analysis of the studies of consumer finance made by the Federal Reserve Board since 1946. While engaged in this task, Professor Katona also made a study and analysis of durable goods, the automobiles purchased and the insurance contracts entered into by consumers, as well as of the various behaviors of enterprisers.

Putting all these studies together, Professor Katona published the book *Psychological Analysis of Economic Behaviors* in 1951, and another work *Powerful Consumer* in 1960.

<sup>9</sup> Wolfgang Köhler: *Dynamics in Psychology*, 1940, p. 109.

The author explained the reason why he has titled it *Powerful Consumer* as follows: in the past, the economic influence of consumer behavior was considered passive in contrast to statesmen and enterprisers, for it was generally considered that the expenditure of consumers was dependent on income, and this again on the activities of the government and the enterprisers. This, the author thinks, is true when the people are generally poor. But in a rich country like the United States after the war where (1) the mass of consumers has the income over above the subsistence level requisite for the purchase of life's necessities, (2) liquid assets, which serve as the reserve fund for expenditure, are largely available, (3) a credit purchase system and consumer financing are widely utilized, (4) purchase of the articles which would be purchased if not restricted by some pressing need as in the case of durable goods is gaining weight, (5) with simultaneous propagation of economic information through mass communication, a great number of consumers moves at the same time and in the same direction, exerting a "powerful" influence over economic trends.

Such being the situation, the psychological analysis of consumer behavior is now an urgent necessity. The primary point in this analysis is to set a distinction in consumer expenditure according to whether it is made by contract or custom, or by the consumer's own decision. Psychologically, the former is a case of the learning by repetition or custom formation, while the latter hinges on the problem-solving-process. The majority of cases of economic behavior which apparently look rational are of the former, that is, habitual behavior. With a change of situation, however, the habitual patterns of behavior are found inadequate in adapting, and their reorganization is called for, allowing the latter, that is, the process by "genuine decision" take their place. This reorganization of behavior pattern is an intellectual exhibition of the creative adaptation of human beings, for the execution of which a well-established prospect and expectation for future economic trends is essential.

A biological need, once fulfilled, becomes saturated. But a social motive is different; its perspective is opened afresh and its expectation is enhanced, when it is attained. Such being the case, the immediate end of our behavior is set just above or below the accomplished level, observes Lewin. He calls it the "level of aspiration". A social motive is, for example, a desire for a durable good. When its fulfillment is impeded and the level of aspiration is lowered, this rather brings about a state of saturation. This fact helps us to know, on one hand, that the increase of income does not necessarily weaken the motive for



consumption, and on the other, that a decrease of income, which forces one to lower his level of aspiration, often hampers the intellectual creativeness of a human being and brings him into a state of frustration.

This is the poverty now existing in the present society. In the flourishing society we have now, one feels miserable when he is lacking in such a good or service, without which the members of a poorer society would never consider themselves impoverished. The poverty is the existing world should be defined not in terms of the absolute level of one's income, but be determined by whether he falls in the ten or five percentage of an income scale of a society.<sup>1</sup>

### 3. TYPES OF POVERTY

In the preceding chapter was summarized the part of Professor Katona's work, which deals with the structure of living in resistance and its reorganization. The discussion may also be taken as presenting the ways the natural sense of self-preservation asserts itself in the labor power reproduction process, trying to continue in the past patterns that are menaced by a change in income or other economic conditions. This disturbance in the labor power reproduction process caused by a change in economic conditions, that is, the unbalance as shown in the daily, yearly, or even life-long cycle is nothing but poverty.

The balance of family living in such a case may somehow be kept up, but the family in question should be designated as impoverished, as its scale of living rests on a lowered level in the light of the customary plane of living; being out of keeping with the surrounding social agencies and institutions, it should after all be considered in a critical situation.

This low state of living is the first form of poverty which will visibly attract the attention of people, while the unbalanced state of living caused by the efforts of family members not to be reduced to want is the second form of poverty. Whereas the unbalanced condition of living brought about as a result of the struggle by the family members not to be left behind the mode of living that has been newly set by the rapid transition of society is the third form of poverty.

In other words, the poverty which exists at the bottom of a stagnant society is what is mentioned in the preceding paragraph as the first form of poverty, an outcome of the differentiating social stratification corresponding to the process as set forth by the first law on the struc-

<sup>1</sup> George Katona: *Powerful Consumer, Psychological Studies of the American Economy*, 1960, pp. 8-9, 11-13, 130-131, 139-141, 164.

ture of living. Whereas, the poverty caused by unemployment due to a depression or the substantial reduction of income resulting from inflation is the second form of poverty; it is a manifestation of the second law on the structure of living, a phenomenal exhibition of the structural resistance against an environmental change.

This resistance calls for behavior making for the security of an increase in income and rest, and further, through this behavior, an insight into a possible fresh condition dawns on the subject in action. There follows the practical movement for the reorganization of the living structure, and a balanced life-cycle is resumed. This is where the third law on the structure of living operates. In order, however, to effect a smooth process in this case, some personal or social conditions are required; for example, a certain amount of living experience ranging over a period of time, and the established institutions and facilities which will serve as the social frames for the new structure of living. In case, however, such conditions are not provided, the second type of poverty will work destructively on the physical and spiritual lives of family members, causing them to fall into the first type of poverty.

Suppose, the impoverishment described above should happen as a result of a general increase in income due to a rapid economic growth of a society, but the family is not favored with the income or intelligence which will enable them to launch out on the required reorganization of living, or with some other environment conditions which will support them in their venture on the newly evolved scale of living. They will merely fall prey to the consumption programme prescribed by productive industries with no design of living of their own. This is indeed the third type of poverty.

To overcome these poverties, an organized movement with the object of presenting demands to regional cooperative unions for consumers and the national or the local government the establishment of some living conditions betterment agencies and an enlarged consumer protection administration, should be made. Such a movement will in turn promote the social security system as it will inevitably stimulate purchasing power in the home market.

To accelerate the purchasing power of a society as a whole, the first type of poverty should be well attended to through mass wants satisfaction measures like food rationing for the poor, so that the general level of living will be raised; the second type of poverty should be relieved by the security of wages and social insurance benefits large enough to maintain balanced minimum family accounts; and the third

type of poverty should be remedied by such a policy as the adjustment of inequality in income for the purpose of realizing uniformity in living mode, as well as establishing improved living environment facilities.

But very often the natural sense of self-preservation will work only to such an extent: in case of the first type of poverty, to provide public relief and sanitation for the suffering class so that disease may not be passed from it to other classes; for the second type, to supplement the traditional family mutual aid; and for the third type, to prepare for quieting social unrest which may arise from poverty.

What was practised in Japan before the war was generally nothing but the family living security measure and the paternalistic distribution of benefit.

#### 4. THE POVERTY-COMBAT AND THE WELFARE POLICIES OF POST-WAR JAPAN

Immediately after the war, the Labor Union Law (1945) and the Labor Standard Law (1947) were enacted. Encouraged by such a turn of events, the organization of labor unions made rapid progress, and the resistance movement in the structure of living showed promising prospects for systematization and socialization. In the poverty combatting campaign also, with the passage of the destitute relief emergency programme in December 1945, and the enactment of the Living Protection Law in September, 1947, the way for the establishment of a modern public aid law aiming at the enforcement of the indiscriminate relief for the entire nation, seemed to make steady progress.

The period from about this time to 1948 was the time when a strong request for the living wage was made through the labor union movement, in order to sustain the minimum level of living for the banquished, impoverished nation. The movement was started in October 1946 by the Electric Industry Workers Dispute which calculated the minimum living expense by the Engel coefficient formula. But in the subsequent labor disputes, the so-called theoretical living expenses, which contained all the physical requirements for living, came to be largely applied, the measurement being later called the Market-Basket-Formula when such matters as the socially recognized custom and the worker's own living requirements came to be added to their physical requirements.

With the coming of deflation, however, in 1949 and the outbreak of the Korean War in 1950, the Japanese economy gradually was re-

stored to its pre-war state, and further with the enlargement of general production, the problem of income distribution came forward, resulting in the elevation of the general consumption expenditure level and the development of a gradual but noticeable discrepancy in distribution among the people. The Living Aid Standard was revised for the eighth and the ninth times in 1948, adopting the physical requirements reckoning formula. When the Living Protection Law was revised in 1950, it clearly mentioned that the Living Aid Standard should be one which is capable of meeting the minimum standard for health and culture as guaranteed by the new Japanese Constitution.

Here are the two questions raised. In the first place, it is true that the minimum living level is now guaranteed legally by the Living Aid Standard but examining its contents, we find that it is highly condensed as compared with the requested basic standard for the living wage previously made by unions. One of the reasons for this abridgment is the shortening of the food ration for the "unengaged". But the main agency which brought about this contraction is the reduced allowance for items other than food, especially allow no define or standardized treatment. In the second place, the physical requirements mentioned in the Living Aid Standard, once defined, would fail to catch up with the improved living of the people resulting from the general economic growth of a nation, although they may be adjusted to meet the occasional rise of price level.

This is the reason why even the people who can just manage their living without receiving aid under the Living Aid Standard, or whose income is too large for receive such aid are often exposed to insecurity, or considered the people of levels of living. People of this sort were brought to public discussion since about 1952 or 53 as the so-called borderline class.

In computing minimum physical requirements expenditure, the different individual items are analytically studied, taking into consideration their nutritive value or sanitary effect, and their sum is totaled. The result thus obtained, however, is not necessarily in accord with the practical living programme of a family. This very fact, however, is often considered the reason why the officially set standard is a rational guide for the living of a people. This may be true with reference to such a tangible matter as the nutritive value of a food. Concerning, however, an intangible matter like a cultural or social need, it is very difficult to set a uniform standard. Especially in a case where the computer's subjective judgment counts much, we find ourselves crowded with a number of such standards. In deciding which of

the possible standards to take as the suitable one, we should consider, on one hand, the total production of a nation, more practically put-the financing capacity of the government and on the other, its relative situation to the customary structure of people's living and its changing trends.

Taking up the question of the criticism of the Living Aid Standard, we find that it was at first mainly concentrated on its lowness in an absolute sense. Finding, however, that the standard expenditure for cultural or social elements can never be ascertained except through the actual spending tendencies of the persons concerned, we shifted the emphasis of criticism to the relative difference in their aspiration for the improvement of their living. This is the reason why the new Engel's formula on the computation of the Living Protection Standard was applied when the 17th revision was made in 1961.<sup>10</sup>

The Engel coefficient formula mentioned before calculates the total amount of family accounts, multiplying the food expenses calculated on the basis of a scientific nutritive standard by the previously established food expense percentages indicative of the gradation of living levels. Engel's formula here cited is different. Granting Engel's family expenditure distribution theory as a premise, it computes the total family accounts through the selected existing families that can barely afford the scientifically ascertained nutritions food standard. After all, the Engel coefficient formula may be taken as a technical expedient for the computation of family accounts.

In other words, in contrast to the physical requirements reckoning formula which analyzes the family accounts into separate items, this method basically assumes a unitary nature of family accounts and a regularity in the allocation of its consumption expenditure. Suppose an expense allocation standard is set for one of the items, we gather a number of families that are in line with this standard, and conclude that their expenditures for other items are in a definite proportional relationship. This is a clever way to look into the general existing trend of cultural or social aspirations, but so far no positive attempt has been made to examine the principal elements in such a trend.

This method also assume in principle the existence of a series of lineal interrelationships between income and expenditures of different consumption items, as was indicated by Allen and Bowley regarding

<sup>10</sup> Junzo Nagano, *Nutrition and the Required Minimum Wage*, a worthy work on the computation of the pre-war minimum living expense by worthy work on the computation of the pre-war minimum living expense by Engel's Formula, published in the *Social Policy Review*, April 1937. See also pp. 103-06 of the *Analysis of the National Living* published by the same author in 1939.

Engel's law. This relationship, however, often proves ineffective as was evidenced by the cessation or the reversion of Engel's law which happened in the low income class during the post-war inflation in Japan. However, as Allen and Bowley pointed out, perhaps Engel's Law wouldn't be nonexistent or reversed if we considered different cultural trends among the different social classes. This fact can also be seen through such possible but unforeseeable events as the discrepancy in the mode of living among different classes that has rapidly developed since about 1955, especially in their capacity of purchasing durable goods or in utilizing various social facilities or institutions.

In order to clarify such a situation, therefore, it is necessary to have a law which will regulate the allocation of family expenditure in regard not only to food but to the entire programme of family expenditure. It is to meet this necessity that the analytical method for the study of the family living structure in its spending aspect has been contrived.

After having surveyed the changing process of national living after the war, it seems possible to consider it as divided into four periods. The first period covers the time from the end of war to about 1948 when Engel's law ceased to function or reversed its operation; it was characterized by the general impoverishment of the nation which was reflected in the living of the people. During this period, the natural sense of self-preservation was roused into various forms of labor movements resisting the existing situations of living, and succeeded in setting up all kinds of labor laws and social security agencies aiming at the establishment of a comprehensive system of basic rules for the entire nation. Such being the situation, the Engel coefficient formula, which is rather simple, was accepted as a workable scheme in overcoming the impoverished condition of the people in general.

The second period, 1949-1953, is the time when Engel's law was given a chance to work in normalcy, and the efforts to restore the pre-war structure of living were continued. In this period, the living expense computation gradually began to show a tendency toward adopting the physical requirements reckoning method in the workers' negotiations with enterprisers about wages. But what was actually established was the Total Sum Payment, agreed on, according to the "Base" Formula, through the mediation of the Central Labor Commission. This Payment, however, tended to widen the differential in wage distribution within an enterprise.

<sup>11</sup> *Wage and Minimum Wage*, by Shinzo Shimizu, Junzo Nagano and Hitoshi Matsuo, 1953, pp. 182-83, 190-91.

On the other hand, the physical requirements reckoning method, that is, the so-called theoretical living expense formula, was utilized as the living protection standard computation technique after 1948, and further in the demands as presented in the Sōhyō programme in 1952, for the purpose of restoring the pre-war wage level of ¥25,000 and the national uniform enforcement of the minimum wage standard of ¥8,000 on the basis of the Market-Basket Formula. The Market-Basket Formula holds that it expresses the substance of the wage as determined by open discussion among the union people, in terms of the actually purchasable amount of requirements for living, in contrast to the theoretical formula which sets the living expenses according to the scientifically established standard of nutrition and sanitation.<sup>11</sup>

Another point. The issue of raising the wage level of the low income class which is often disregarded in the movement for the restoration of the pre-war wage level, introduced in 1953 a formula representing a "uniform rate with some allowance" in wages. This attempt to rectify the differential in wages within an enterprise or among various enterprises, should rather belong to the third period of the living expense adjustment process later than 1954, when the Minimum Wage Act was enacted.

Now, going back to the main subject of the second period, the computation of the minimum living expense, we seem to be right in concluding that the controlling agency in the living expense computation in this period was either the theoretical living formula derived from the pre-war living expense structure. The important legislation in this period was as follows: the Revision of the Official Workers' Law in 1949, and the Revision of the Labor Union Law and the Labor Relation Adjustment Law in 1949. These worked as a turning point in the labor movement in bringing it under stronger control. As for social security, not much progress was made as an organized agency in spite of the lively discussion made on the basis of the advice tendered by the Social Security Council.

The third period is the time when the general national production increased and the consumption level was raised by a combination of economic growth and a stabilized retail price. This period began about 1954 when a depression set in for the first time after the general pre-war production level was restored, and lasted till about 1958, the year just before the time when a high state of growth, mainly in the equipment investment, was attained. This period was characterized by a marked difference between the high income class whose living was well modernized and the low income class whose living remained

as stagnant as ever, resulting in its claim for the enactment of the law on the minimum wage system and the adoption of other wage inequality adjustment measures as mentioned before.

At the same time, with the increased inadequacy of the prevalent Living Protection Standard in relation to the changing general living level, the so-called borderline class discussion came to the fore; for example, Shigeru Asahi at the National Okayama Sanatorium made a complaint concerning the Living Protection Standard, which developed into a practical living protection claim and instituted a suit against the government. On the other hand, it is to be noticed that the various working classes, who were favored with a relatively high income, came to be protected under all sorts of mutual aid association laws and some of them withdrew from the general social insurance arrangement.

At all events, the third period was the time when the various classes exhibited a complex mode of living in pursuance of their own characteristic aspirations, and the Market-Basket form of living procedure proved most useful as a practical step to meet them, and Engel's formula came to be taken by specialists on living as a creditable device in the measurement of the worker's minimum level of living in this ever changing economic life.

Different from the third period, the fourth period, beginning with 1959, was the so-called high state of growth time, bringing about a reform in consumption which penetrated into all the classes, and especially causing confusion in the living structure of the low income populace. The rapid technical reform and the substantial transformation of the labor market largely changed the employment conditions that had been dependent on seniority or long service; the difference in the initial emolument according to the grade of school training was shortened, the social security system, especially medical treatment benefit, became universally practiced and a general elevation of social security payment, as was realized in the raise of the living protection standard, was effected. Such a trend of progress incited an upward movement of aspiration among the people in general.

On the other hand, the rapid increase in the purchase of durable goods, the development of the habit of eating away from home, the pervaded feeling of insecurity in the flow of transitory living, deprived the people of their independent outlook of life and made them the victims of the vigorous productive industries and the ever exploiting commercialism. The fact that Engel's formula was adopted in the establishment of the Living Protection Standard as 1961, the last



part of the fourth period, shows how retarded we were in realizing the significance of relativity in the computation of the minimum living expense in the change of times that we actually experienced.

Thus the Japanese economy, which is generally considered to have entered into a new period of transformation after 1963, seems to be in a new stage of national living, which may be called the fifth period. What will be the fit formula for the computation of the minimum living expense for this period awaits our further study.

## 5. CONCLUSION

The forms of poverty that have developed in the national living of Japan after the World War II, how the natural sense of preservation of the Japanese was transformed into a socially organized process in resisting these forms of poverty and what role the efforts to compute the right living level played in the above process, have been outlined in this essay.

In spite of the revision of the Living Protection Law, privented by the institution of the different forms of social insurance and the establishment of various social security agencies, the movement for socialization or systematization of resistance against poverty occurred rather late for the following reasons: a lack of regional movements weak ties among the various enterprise unions in the labor movement, the poor organization of consumer groups and the setting up of various separate agencies for social insurance.

Also, because to the post-war economic rehabilitation policies of Japan heavily fell back on the exportation of her goods abroad, the purchasing power of the people at home was not adequately fostered. Many talk about social security sometimes proved to be inane slogans only.