

Title	COMPARATIVE INDUSTRIAL RELATIONS, : EAST AND SOUTH ASIAN COUNTRIES AND JAPAN
Sub Title	
Author	KAWADA, HISASHI
Publisher	Keio Economic Society, Keio University
Publication year	1969
Jtitle	Keio economic studies Vol.6, No.1 (1969.) ,p.41- 54
JaLC DOI	
Abstract	
Notes	
Genre	Journal Article
URL	https://koara.lib.keio.ac.jp/xoonips/modules/xoonips/detail.php?koara_id=AA00260492-19690001-0041

慶應義塾大学学術情報リポジトリ(KOARA)に掲載されているコンテンツの著作権は、それぞれの著作者、学会または出版社/発行者に帰属し、その権利は著作権法によって保護されています。引用にあたっては、著作権法を遵守してご利用ください。

The copyrights of content available on the KeiO Associated Repository of Academic resources (KOARA) belong to the respective authors, academic societies, or publishers/issuers, and these rights are protected by the Japanese Copyright Act. When quoting the content, please follow the Japanese copyright act.

COMPARATIVE INDUSTRIAL RELATIONS, —EAST AND SOUTH ASIAN COUNTRIES AND JAPAN.—

BY HISASHI KAWADA

INTRODUCTORY

The industrial relations system is comprised of three groups of actors,—workers and their organizations, managers and their organizations, and special government agencies concerned with the work place and work community. These groups interact within specific environment which is composed of interrelated contexts such as technology, market or budgetary constraints, power structure and historical cultural factors of the country. Industrial relations system is a subsystem of the social system on the same line as an economic system. Although the two are partially overlapping, they are not identical. Some parameters that are given in economics, are variables in industrial relations. Industrial relations centers its attention on the rules of the system and their variations over time.

Comparative studies of industrial relations of many societies disclose variety of rules which are determined by many sets of interactions among actors within each specific environments. They display wide variety of efficiency. Even under the same given technology, the performance may not be the same, depending on the web of rules of work place in the society. Both developing and developed nations desiring to achieve the progress of industrialization, as their imperative, may find some measure to improve their industrial relations system by comparative studies of the system.

This paper tries to present the frame of comparative studies, and is composed of three sections,—structure of the system, rules of work shop, and workers protests and the industrial elite. It deals conventionally general features of developing nations which must be analysed individually.

I. STRUCTURE OF THE INDUSTRIAL RELATIONS SYSTEM

The structure of the industrial relations system is defined as a power relations to determine the web of rules on behavior among three actors involved in the system. Within this frame the interaction among actors and characteristics of the system are discussed.

(1) the Industrializing Elites and Their View of Workers:

In Japan, the character of industrial elite changed during the course of development. In early stage, government leaders who came out of SAMURAI ranks took the leadership. In second stages, many private entrepreneurs emerged to develop highly centralised power in business. Those industrializing elites sought to stimulate the national spirit of self-sacrifice and devotion, for “enriching and strengthen-

ing the country". They tried hard to adopt Western science and technology and to establish educational system of all levels for the entire nation. Then, the elites opened the annex to them through competition among university graduates. The elites viewed industrial workers as attached to obey and to be taken cared. Workers protest is likely regarded a treason and their leaders were often discharged.

But after the World War II, entire picture changed drastically. The right of labor to organize and to act collectively has been authorised as the primary importance. Collective bargaining became the rule making machinery between workers and management. However long established rules and ideas are not so easily disappearing. In reality, conflicts between continuity from past and post war change are going on, producing synthesis of the two.

In developing countries, the workers and their union organizations are regarded as an important industrializing group, and the industrializing elites seem to gain considerable cooperation from them through the common struggle for liberation and national independence. Most of the national leaders come from the former upper class, and they tend to wish to preserve the traditional social structure, which often hampers industrial development. In these cases, contrary to their expectations, the industrializing process often comes to a standstill. To escape this deadlock, national leaders attempt to develop general education for workers and higher education for high talent manpower. However, these efforts often are not closely related to the particular industrializing process, so that in spite of the investment in education, industrialization is not achieved and serious unemployment problems arise among those who have been educated. This is the result of policy decisions derived from purely political considerations which neglect the economic phase of development. Therefore, it seems quite important for leaders of a developing country to allocate the limited capital and manpower to the modern sector and at the same time to consider the development of work force in indigeneous industries.

(2) Management Views of Employees:

As is usually pointed out, the Japanese employer tends to emphasize a premodern status relationship (the master-servant relationship) or paternalism. In small firms, the employer works along with his family and other employees to a much larger extent than in western countries. In such a firm, where management is not separated from the household in many cases, an extreme form of paternalism is often created in the firm. Also in the large company, the employer has attempted to develop management paternalism providing many types of benefits in order to retain and commit modern industrial workers to the firm and to prevent the development of workers' collective resistance which might lead toward a class struggle. It tends to stress employees' loyalty to the company and to discourage competition among workers and between labor and management. This has been made possible in part because there generally has been a surplus of labor in Japan and therefore wages have been low; at the same time, employers have been forced to train the type of employees required for modern technology and have established an employment policy to compartmentalize them in the company. This situation is now

changing, however, as workers are in short supply and their wages are rising. In reality, in many industries there is a mixture of a rational view of the employment system and the traditional system of paternalism.

In developing nations, management views of labor do not seem to be universal. In firms with foreign capital, the manager's view often reflects the practice of the country from which the capital comes. Nationalistic leaders are often inclined to base their labor policy on Western industrial relations system. In firms using indigeneous or domestic capital, however, many managers seem to have paternalistic views toward their employees, and sometimes kinship relations are regarded as more important than an employee's ability to perform. This practice tends to permit lower productivity of employees and avoid or ignore the possibility for rational industrial management. If public education and training, housing, health and medical care, and other public services are not sufficiently developed in the country, private managers tend to assume the responsibility for providing employees with these services, which enable them to control their employees easily and unilaterally. Furthermore, if the people are of heterogeneous racial backgrounds, labor and management are likely to come from different language and racial groups and social classes. In these cases, the workers are considered lower class and often are treated harshly by management.

(3) Workers' Views of Employers:

Japanese workers, at least organized workers, increasingly tend to view their relationship with their employer simply as an employment relationship. Regular workers in large enterprise, however, still seem to regard the company as a community of identical interests because they are carefully protected by an employment system consisting of overcommitment and various kinds of welfare benefits. Consequently, they tend to be loyal to their company as well as to their labor union whose activities are often confined within the enterprise.

Japanese workers in the small firms are not as committed to their enterprise as those in large industry, because of the instability of the small firms. As a result, these workers are quite different in nature from those employed by large industry. As they work along side the employers, who are often experienced and in a position to train the employees, these workers are often caught in a paternalistic family system where working conditions are poor. Under such circumstances, many of them desire to become independent and are eager to master their trades. Naturally, as the number of workers in anyone of these firms is small, they can hardly organize a labor union, and often the only way they can express their complaints to the employer is to change jobs.

Workers' views in developing countries again vary, depending on the stage of industrialization as well as historical or cultured factors. If most workers come from farm villages, they tend to seek a communal social relationship, and paternalistic management policies tend to be attractive to them. In this case, if the employer forces them to accept rational management principles and strict working rules, they often will resist. This is a significant factor, especially in the initial

stage of industrialization when the continuous production operation often breaks down or product finishing is not of high quality, etc. Meanwhile, workers in the modern industrial sector tend to cooperate with the industrializing elite as they take pride in working toward the industrialization of their nation. Their wage level, however, is often influenced by subsistence level of the indigenous industrial sector, and a great deal of conflict tends to appear during the transition period. In an effort to moderate the conflict, the employers try to encourage employee loyalty to large enterprise. Consequently, an industrializing elite in a developing country faces many serious problems and often needs to modify its goal of rapid industrialization.

(4) Power to Make Rules:

The Japanese government, as an employer of a large number of workers often took the initiative in formulating work rules required by modern technology. Similarly, large private industry developed elaborate bureaucratic organizations with functions and mechanisms structured by a complex web of rules. The web of rules used to be unilaterally determined by the employers. After World War II, however, the labor unions, developed on a democratic basis, began to participate more in the rule-making process. The Japanese Government also increased its influence on the rule-making process in private industrial relations systems by enunciating policies in the public interest and enacting legislation concerning industrial relations.

In many industrializing countries, although there are labor unions, the real power is held by the employers, and workers' participation in the rule-making process seems to be infrequent. This unilateral power of the employer is sometimes supported by Government action, but in some cases the Government acts to protect the workers. In the modern industrial sector, there are cases in which collective agreements between labor and management are concluded and observed, but on the whole these instances are rare. As a result, workers and their organizations tend to take a passive attitude toward industrial development, which sometimes results in high absenteeism among them and causes production to stagnate.

(5) The Nature of Rules:

In Japan, most of the rules are very crude and general; therefore details are often determined at the employer's discretion. This happens most frequently when the labor union is weak in its power relationship with the employer. As union power grows, this pattern of unilateral rule-making may cause a great deal of conflict between the union and management, and frequently disputes are solved by government mediation body or court decision.

Japanese labor and management tend to prefer a loose web of rules because they are reluctant to trespass on the discretion of, or fear being restrained by, the other party. As a result, many rules are often only a restatement and reassurance of rights of labor and management established by law. In this sense, it is understood that they will be interpreted flexibly, reflecting the power relations between labor and

management.

The practice is similar in developing countries. The Government usually established general industrial relations rules by legislative action, but leaves detailed rules to the employer's discretion. This often leads to the power of the employer overwhelming that of the workers. Workers in these countries are often restricted in terms of economic activities, although political action is sometimes permitted or encouraged. In this situation, they can hardly realize substantial gains in working conditions in the long run, regardless of whether they might be able to win short-run improvement in rules.

II. RULES AT THE WORKSHOP LEVEL

The workshop level is extremely important in industrial relations because it is a place where the employer actually manages the employees who perform productive work. If labor-management rules at this level have the effect of encouraging workers to higher productivity, the industrial relations may be regarded as most desirable for industrialization. This point will be discussed more in detail in this section.

(1) Recruitment of New Workers:

The most difficult problem that Japan faced in the early stage of industrialization was how to recruit workers who were adaptable to modern industrial technology. Many girls were even lured from farming villages to work in the cotton mills where they were housed in company dormitories. A variety of forced labor was widespread in the mines, the workers being confined in a company residence called the "prison cell." In the period of industrial expansion, employers competed with each other to recruit skilled workers, and in the prewar days, workers were usually recruited through company employment agencies or personal connections. Their educational background was primarily elementary schooling.

In the postwar period, the recruiting system has changed increasingly to dependence upon the public employment service which was developed during the War or upon referrals from public and private schools. Employment through personal connections, however, still persists to some extent even in the postwar period. The recent economic growth in Japan has increased the demand for young persons who have completed school, and the labor shortage has become a serious problem, especially in terms of these younger workers. In the course of economic growth, as the general income level has also increased, nearly 70 per cent of those who complete compulsory education (9 years) receive a secondary school education (12 years). As a result, most large industries limit this recruitment of factory workers to secondary school graduates. The shortage of young labor has raised the beginning wage level and thereby narrowed wage differentials between workers in large industry and in smaller firm.

In developing countries where, without exception, there is surplus labor, the method of recruitment is to post advertisements at the factory gate; numerous

applicants respond, and the firm is able to choose the best of them for employees. Most of those who are employed are persons who meet the company requirements and are highly adaptable, although inexperienced. As there is a shortage of high talent manpower for positions as managers and engineers in these developing countries, the industrializing elite tends to come from the ranks of Government bureaucrats or military personnel who can administer modern industrial firms. These situations seem to call for more thorough training programs within the industrial enterprises.

(2) Industrial Training:

An abundance of population may be one of the advantageous conditions for industrialization if it is properly handled. First, the existence of an excessive number of job seekers tends to lower the general wage level and hence reduce the labor cost in a company. Second, if employees are guaranteed employment security for a long period, there will be less worker discontent in the workshop.

Industrial workers were abundant in Japan except during the initial stage of industrialization, in wartime, and in recent years. Each year a company would employ young people who had just finished school and assign them as apprentices under experienced workers. In this way, those young workers were trained in practical skills and technical knowledge they needed to become key workers in the company. This type of internal training was developed by many industries over a long period, partly because the recruits were mostly untrained in any industrial skill and partly because new technology was continuously being introduced from abroad and thereby changing the company's manpower requirements which, in turn, constantly changed training needs. Also the workers were likely to prefer the private internal training system, because of its employment security and guaranteed income, rather than training in public centers where they would not have such security and benefits.* Contrarily technical secondary school produced many lower level engineers for modern sector and management forces for medium-small business.

As public training and educational institutions have improved after the war, some sector of private industry is becoming more inclined to rely on institutions outside the company for worker training. However, still much greater sector depends on internal programs. If this trend continues, the compartmentalized Japanese labor market will not easily become an open labor market.

In developing nations, the industrializing elites are also keenly concerned with the development of skilled manpower. In some countries, manpower training is, by law, a duty of private companies, and those firms which cannot train their workers are required to pay a special tax. Their most serious problems may be how to discipline indigenous people to work long hours in a modern factory, dislocated from their traditional way of life, culture, values, etc., and how to increase capital

* Even after World War II, this kind of internal training has been maintained and improved by private and public industries for management personnel as well as for production workers.

formation enough so that they can afford more rigorous manpower training and development programs. For the skilled worker development, training on the job or in the institute attached to work shop is proved to be the most efficient and waste-saving method, compared with any other education scheme, at least in the period of early phase of industrialization.

(3) Commitment:

Japanese employers in the modern industrial sector have made an investment in training and developing skills of their employees. Since the employers have assumed the burden of this way within their own enterprises by means of some sort of commitment. To accomplish this end for their key workers, they have developed the unique NENKO system of wages, life-time employment, allowances, etc., all of which are based on length of service. As a result, they have been able to commit workers quite effectively for productive work in the enterprises. To further protect the permanent work force, temporary workers and sub-contracting systems have been utilized to take care of the needed adjustments in the labor force in response to market and other conditions.

As technological innovations were introduced which required different types of worker skills, the traditional employment system has become incompatible with skill performance in production. Furthermore, the wage level of younger workers has risen more than that of other workers in recent years, and under these circumstances, the Japanese employer seems to be seeking a change in the established system. The labor unions generally oppose any change because the unions desire to protect the interests of middle-aged and older workers who receive benefit from the system. Notwithstanding, this kind of over-commitment employment system still persists in Japanese large private industry and in Government employment.

In developing countries, it is often pointed out that industry has a serious problem of high absenteeism. In an effort to solve this problem, welfare programs for employees in large modern industry and public services are developed to encourage commitment to the enterprises. These programs may alleviate the problem of absenteeism to some extent. People in tropical regions, however, are inclined to an easy-going life, so that the problem of incentives and motivation to work in modern industry should be handled most carefully. To improve workers' motivation, it may be necessary to stimulate their desire for consumption of industrial products and to instill in them a sense of nationalism so that they will want to discipline themselves and sacrifice to further their country's industrialization.

(4) Wage Level:

Japanese wage level was internationally criticized for many years in the pre-war period, when Japan was accused of "social dumping" on the international market. Though industrialization developed greatly after World War I, per capita income remained as low as that of an underdeveloped country at that time. This was based on low subsistence standard of living, partly because the Government absorbed the surplus in agriculture and indigenous industries to invest in the modern industrial development, and partly because the burgeoning war industries demanded a great

share of the capital available for investment. In the postwar period on the other hand, the Japanese economy has developed without promoting military industries, and economic growth has come to be reflected immediately in wage increases. As a matter of fact, the average annual rate of wage increase since 1955 is more than 4 per cent in real terms. Thus, per capita income has steadily risen, and so have living standards. If this trend continues, the Japanese wage level will soon reach the level of Western European countries, and Japan will free itself of the "cheap labor" charge. Japanese unions have been quite effective in raising wage level, in spite of the structural handicap represented by enterprise unionism.

Developing countries may have to follow the same path that Japan did for many years. Unless they introduce some way to make surplus, they can hardly develop their industries on their own, and their per capita income remain still low. Consequently, their only way will be to concentrate nationalistic efforts on industrial development with the political cooperation of labor unions. Otherwise, there is no chance for them to raise wage level and to gain living standard for working people.

(5) Wage Structure:

Wide wage differentials exist between large and small industry. Furthermore, there are usually wage differentials by education, sex, length of service, and age. Therefore, the wage structure in Japan is extremely complex both in terms of the size of companies and in terms of the structure of the internal work force, and differentials in terms of these criteria are more notable than differentials according to occupation and skill. Of course, there are some wage differentials by region, but they are negligible among large industries and in the public sector; the more modernized the industry, the less may be the regional wage differential.

Changes in skill level brought about by technological innovations call for some adjustment in the wage structure. A wage structure which emphasizes length of service thus presents a contradiction. The present shortage of young workers also exerts pressure to raise wages at this level; the result is a narrowing of wage differentials by age in both large and smaller industries. As the need for high talent manpower becomes greater in the wake of technological developments, salaries for this type of personnel are increasing more than those for other types of employees. Though it is a fact that the wage structure is changing in Japan, these changes are proceeding slowly. The established wage system and allowances for personal needs persist, and a new wage system completely based on individual performance will not be completely adopted in the very near future.

In developing countries, employers also seem to be attempting to eliminate from the wage structure those features which have been inherited from the colonial period. They are trying to discard the wide gap in remuneration between foreign managers or engineers and domestic workers. It should be remembered, however, that a too much of egalitarian wage system may destroy the incentives for people to work to advance to more productive and well-paying jobs, or they may remain in traditional sector. Therefore, the wage structure should be egalitarian but of such

a nature that it can provide incentives for high talent manpower to remain in the country to work. These incentives may be carefully built into the wage structure, depending on the particular stage of industrialization and the degree of demand for specific types of manpower. They will insure that ambitious, bright students who have been trained and educated abroad will come back to these countries to work for further industrial development.

(6) Dispute Settlement:

Under the Trade Union Law and the Labor Relations Adjustment Law enacted in Japan after World War II, labor-management disputes have come to be settled through collective bargaining. The bargaining unit of a union is limited to the enterprise in most cases, and a union's bargaining power often turns out to be relatively weak compared with that of the employer. For this reason, the unions tend to resort to "demand bargaining" rather than reasonable negotiation with the employer and to use the short strike as a weapon from the very beginning of negotiations. In an attempt to gain additional group strength, unions have developed a "spring offensive" technique, in which unions join together in their wage negotiations for millions of workers on an industry basis at a particular time. In response, competitive companies in the same industry have tended to equalize their base-up, not only as a strategy for bargaining with the labor unions but also as an acknowledgment of the management view that equalization of the labor costs increase among competitive firms may be desirable rather than harmful to their interests. Joint wage determination is usually only a general rough scheme, and a substantial part of negotiations still takes place on the enterprise level.

Aside from the collective bargaining system, a joint consultation system is quite common in large enterprises. This is a system in which representatives of the employer and the employee negotiate jointly on such issues as working conditions, production schedules, safety, hygiene, employee's welfare benefits, etc. In some cases, this system takes the place of collective bargaining, and in such cases bargaining is no longer effective because when employees are more oriented toward enterprise-consciousness, conflicts of interest dissipate. At least one-fifth of the organized workers are now improving their employment conditions through joint consultation, without any influence from other unions or federations outside the company.

The grievance machinery is only poorly developed in Japan, because most workers' grievances are handled informally by the first-line supervisors, and workers are reluctant to press their complaints as is required in a formal procedure.

In addition, arbitration is very rarely used in settling labor-management disputes. This is primarily because both labor and management dislike to have third parties involved in decision making of their disputes. As a consequence, both parties seem to spend a great deal of time and energy on trivial matters in the process of labor-management negotiations.

Deadlocks on wage negotiations can be resolved, but it is often difficult for the parties to reach an agreement in negotiations over massive discharges. Of course,

discharge is a serious problem for workers, and the union often strikes over the issue. Actually many cases occur in which the parties resort to violence, and the police and public agents are called upon to intervene during a long strike.

In summary, unions and management tend to have strong distrust of and antagonism toward each other (at least superficially) in Japan. This may be deeply rooted to the long history of Government and employers' policies toward labor. As a result, many industrial disputes take the form of labor-management confrontation. When the two parties are unable to settle a dispute, they rely on the adjustment procedures of the public labor relations committees. If the union is relatively weak, it tends to rely on the public commission for a solution more advantageous to its position. If the union is relatively strong, it tends to continue its own negotiations with the employer. However, if the union continues its struggle with the employer for a prolonged period, the result often is a union split, with members who are loyal to the company withdrawing to organize a separate union.

In developing countries, labor-management disputes tend to be controlled as much as possible under the imperative of industrialization. Workers in these countries appear to be educated and disciplined to be a cooperative nucleus for industrialization. They have experience in fighting for independence together with nationalist leaders, so that the Government often turns out to be quite sympathetic to their demands. It does not necessarily follow, however, that the Government can effectively handle labor disputes. Rather, it often takes coercive action to settle them, if deadlocks occur. Furthermore, labor and management are in many cases incapable of settling their disputes by themselves, and they tend to depend heavily on public machinery for settlement. The labor movement itself in these countries tends to be quite immature and it depends on outside professionals or politicians for administration and leadership. Therefore, autonomous dispute settlement will not be possible until the unions become more strongly established, and for this purpose, it is desirable that more competent union leaders emerge from the rank and file and that the organizations become financially strong. This can also be said in the case of Japanese labor unions.

What is most important is to seek conditions in which the labor union is solidly established, is viewed as a constructive force for industrial development, and is committed to the national interest. If the labor organization is firmly established, labor and management may be able to establish their own dispute-settlement machinery, though its particular form may vary among countries.

III. WORKERS' PROTEST AND THE INDUSTRIALIZING ELITES

Although labor protest in Japan differs markedly from that in other developing countries, a surprising number of similar features become apparent when both are compared with the Euro-American type. These similarities are derived from common factors based on the collective and status nature of their societies. A few examples will be dealt with under the following headings: (1) ideology of workers'

organization, (2) types of protest, and (3) attitudes of the industrializing elites toward workers' protest.

(1) Ideology of Workers's Organization:

Japanese workers made excessive sacrifices for the cause of industrialization. This type of experience over a period of many years and the oppressive labor policies of the Government and employers drove workers and their organizations to persist in the ideology of class struggle. Thus, both of the moderate and radical groups in Japanese unions are critical of capitalism and inclined to support a socialistic system. Both groups tend to have a revisionist's idea of gradual reform of the economic system. Both have representatives in the Diet or support reformist parties' representatives who insist on moving slowly toward a socialistic society. As a result, conflicts among Japanese unions often reflect political disagreements.

This seemingly revolutionary class-consciousness, however, is confined to the union leadership and is not developed fully among rank-and-file members and unorganized workers. Yet it often coexists with enterprise-consciousness, as union members are inclined to regard themselves as heavily committed to their companies and identify with their employers. Under these circumstances, an industrial union or a national federation meets with little success in any efforts it might make to control its unions at the enterprise level, and gaps often appear in the union power structure. As a result, Japanese unions are often confined within an enterprise and are reduced to an ineffective organization controlled unilaterally by the employer, creating a serious imbalance in union functions between the political or ideological class struggle on the one hand and ineffective protection of workers' interests on the other. Active cooperation of rank-and-file members with the employer at the enterprise level is one of the reasons why Japan has succeeded in such rapid industrial development in recent years, in spite of the union leadership's strong inclination toward a seemingly radical political and ideological struggle. This kind of dualism in the union organization tends to cause a separation of its function, which is indeed an indication of the immaturity of the Japanese labor movement. Unless the key factors underlying this dualism are identified and analyzed, there will be no possibility for Japanese unions to adopt industrial or craft unionism rather than enterprise unionism.

In developing countries, a central ideology of labor organizations is nationalism, the same nationalism supported by the industrializing elite. Therefore, the industrializing elite often recognizes and supports the labor unions and their national organization. However, if efforts at industrialization stagnate, as is often the case, the nationalistic government can readily convert itself into a dictatorship to control the labor unions, and the unions lose their freedom and autonomy. In this threatening situation, if union leaders have the ability to participate and have influence in the political process of industrialization, they will be able to retain privileges as part of the industrializing elite. Here, the unions' power and ability to act may be of more substantial importance in developing its strength than any supportive legal arrangements. In fact, however, union leaders seldom have such ability, and

most of them are subordinate to the industrializing elite. Within this framework, the industrializing elite grants the unions a certain position in the society and some protection. Thus, it may be said that the labor movement can survive only if it cooperates with policies of the industrializing elite. In a stagnant economic situation, rank-and-file members sometimes become critical of a union organization which is closely tied to the industrializing elite, and they may become involved in a revolutionary mass movement or an anti-elite movement rather than seeking help from their union organization. Therefore, the industrializing elite may have to depend upon careful policies and strategies as the only means of getting constructive cooperation from labor unions whose structure and function at the initial stage of industrialization, in part, determines the later direction of industrialization.

(2) Type of Workers Protest:

The inevitable conflict between the old and the new cultures at the initial stage of industrialization tends to heighten social tension and workers' protest. Thus, creation of a certain set of conditions to ease the transition is very important.

In the case of Japan, the previous culture was maintained to the fullest extent, as the first step toward industrialization was taken. Consequently, although tensions arose during the process of introducing modern technology, they were mostly unorganized riots or strikes; this type of worker resistance was unmercifully suppressed by the industrializing elite. Labor unions gradually emerged in the later period, but their organized activities were again eliminated in most cases. Thus, it was extremely difficult for them to sustain organization over a long period. Meanwhile, the entrepreneurs were protected by the Government throughout the transition period, and in this situation, the labor union could hardly grow except by being highly cooperative with the employers. The cooperative union often took the form of a committee for employee representatives who negotiated on employment conditions. As industrialization proceeded further, and as the repressive policies against labor unions were continued, workers' protests tended to grow more intense. The unions often assumed a radical posture, and as they became oriented more toward a political struggle, they frequently supported opposition parties to represent their demands. Before World War II, their activities were finally smothered by even more suppressive labor policies of the industrializing elite.

The political inclination of workers' protest was revived in the postwar union movement, and it seems to have been strengthened by the increased unionization of public employees after the war. The latter have to exert political pressure to support their economic demands because their employment conditions are inseparable from the decisions made by the central and local Governments. As a consequence, they tend to take firm and active policy positions on various political issues, ranging from foreign policy to specific legislation, in order to be successful in their bargaining. It is also common for public employee unions to select members to run for public office, and these unions are usually more skillful in making politicians out of their members than are unions in private industry. However, as conflicts of interest persist among unions, results of their political activities have been limited,

and socialist representatives occupy only one-third of the total seats in the Diet. In industrial towns or large cities, union representatives sometimes win the majority of seats in the municipal assemblies, but such cases are still very rare. Therefore, it may be said that in spite of their active political movement, the unions are far from achieving the power to carry out their own political programs.

As a result of rigorous industrialization in recent years, the agricultural population has been reduced to less than 20 per cent of the total labor force, and this trend is expected to continue. In other words, more and more people have migrated into cities to become blue- and white-collar workers. They are potential members or supporters of the labor union, and in a sense this tendency to migrate will favor the extension of the political and economic power of labor unions. If this power is to become a reality, the labor organizations as well as the extremely diversified union finances will need to be more centralized. It also will be necessary for unions to generate more able leadership. If unions meet these requirements, they will surely have a more substantial influence on decisions which will benefit workers than they have been able to achieve with their protests or confrontations with each level of the industrializing elite.

In developing countries, economic demands of labor unions are necessarily limited because of insufficient economic development. However, workers' protest and their union's demands are not necessarily limited in nature but are rather strong in many cases because of poor employment conditions. In this situation, the industrializing elite often directs their dissatisfaction to an anti-colonialism movement or to political tension toward foreign countries, which also serves to arouse more nationalism among the people and thus utilizes this fervor in the direction of industrialization. This kind of policy is quite understandable because workers' protests, if uncontrolled, may become a source of serious internal strife and obstruct the industrialization process. National leaders feel that they must avoid such obstructions. In some cases, economic strikes of workers are prohibited by law.

Thus, in most of the developing countries, workers' protests tend to take the form of peaceful demonstrations rather than violent struggle against the employer or the Government. If a radical workers' protest movement appears, it tends to be used as a pawn in the power struggle among industrializing elites. In a country where an unstable government is in power, change-over of the government sometimes means a change in the unions' power relationship.

(3) Attitudes of the Elite Towards Workers' Protest:

The Japanese industrializing elite has traditionally had a view that workers protest not because they are dissatisfied, but because they are agitated by outside union activists. Therefore, in the prewar days when a strike agitated by outside union activists was settled, the employer always discharged those employees who were influenced by the activists. As a consequence, though the Trade Union Law of an American "New Deal" type (Wagner Act) was put into effect after World War II and labor unions were legally approved, most labor contracts contained the provision that union members should be regular employees in good standing. In

other words, once an employee is discharged by a company, he is no longer a union member. Therefore, the union is strictly compartmentalized within the enterprise, and it becomes more politically oriented because of this organizational weakness. Unorganized workers in unstable employment, however, are not inclined toward radical political movements but tend to support such as natural political party of the newly emerging religious organization, SOKA GAKKAI.

Whatever the pattern of workers' protest, the position and power of the industrializing elites are guaranteed so long as industrialization proceeds steadily. What is important for them is how to improve the present situation from their point of view and how to react to workers' protests, depending on their changing nature.

In this connection, the industrializing elites in developing countries try to meet workers' demands as much as possible. For example, they attempt to provide employees with better housing, better administration, more social security, etc. At the same time, they give high priority to the need for consensus on national goals and attempt to rally support for these goals as much as they possibly can. If they are able to develop industrialization in such a way as to satisfy the societal consensus, workers' protest will dissolve. During difficult periods of industrialization, they can allow labor unions to participate in working out solutions. In this process, they can share both the profits and problems with workers, and both proceed together on the path toward industrialization.

- Myron Weiner, ed. *Modernization—The Dynamics of Growth*, (Chapt. 20–21) Basic Books, Inc. New York, 1966.
- C. Kerr, J. Dunlop, F. Harbison and C. Myers, *Industrialism and Industrial Man, The Problems of Labor and Management in Economic Growth*, Harvard University Press, 1960.
- J. Dunlop, *Industrial Relations Systems*, A Holt-Dryden Book, 1958.
- F. Harbison, C. Myers, *Management in The Industrial World*, McGraw-Hill Book Company, 1959.
- F. Harbison and C. Myers, *Education, Manpower and Economic Growth*, 1964.
- A. M. Ross, ed. *Industrial Relations and Economic Development*, Mcmillan, 1966.
- W. Moore and A. Feldman ed., *Labor Commitment and Social Change in Developing Areas*, Social Science Research Council, 1960.
- S. M. Lipset and R. Bendix, *Social Mobility in Industrial Society*, 1966.
- W. Galenson, *Labor and Economic Development*, 1959.
- W. E. Chalmers, *Crucial Issues in Industrial Relations in Singapore*, 1967.
- A. M. Ross and P. T. Hartman, *Changing Patterns of Industrial Conflict.*, John Wiley & Sons, 1960.
- K. N. Vaid, *State and Labour in India*, 1965.
- E. M. Kassalow, ed. *National Labor Movements in The Post War World*. 1963.
- S. D. Punekar, *Trade Union Leadership in India*, 1967.
- IILS, *Bulletin 3*, Geneva, 1967.
- The Japan Institute of Labour, *Labour Relations in the Asian Countries*, 1967.
- Many articles of *International Labour Review*, ILO, Geneva.
- ASIA KEZAI KENKYUSHO, *PHILIPPINE NO RODOJIJYO*, (Institute of Asian Economic Research, Labor in Philippine) (Other volumes by the Institute on India, Burma, Pakistan, Ceylon, and Indonesia—Malaysia—Singapore—Korea—Taiwan—Hongkong)