Politics over Cooperative Economic Unionism – An Overlooked Aspect of the Union Movement in Postwar Japan

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Introduction

Until the early 1960s, many enterprise unions and their industry-level federations were politicized due to internal policy debates between militants and moderates. However, because of changes in union leadership and union splits, those who advocated harmonious relations with management established dominance in many private-sector unions and their federations by the mid-1960s, driving militants to the minority status. Thus, internal politics within these unions were seen as being largely de-politicized under the dominance of advocates of cooperative economic unionism. In this presentation, I examine the seemingly de-politicized state of private-sector unions, and try to shed light on their internal political dynamic, i.e., the relationship between leaders, rank-and-file members, and leftist minorities. The analysis is based on the case of enterprise unions of major steel firms. I argue that the de-politicization of internal politics was not complete for two reasons. First, there existed a minority of leftist activists who criticized the policy of union leaders and tried to re-activate internal policy debate. Second, there potentially existed tensions between union leaders and rank and
file members, and leaders tried to maintain their legitimacy by defusing sources of dissatisfaction of union members.

Before going further, I would like to make clear my normative agendas in doing research on internal union politics. First, I think that labor unions, whether they are enterprise, industry, or craft-based, should represent the interests of their members in a relatively democratic process. This is not to downplay the importance of organizational unity that labor unions need to have in interacting with their bargaining partners. However, I believe that labor unions, as indispensable components of industrial democracy, should have representation functions. Second, labor unions should aggregate the interests of union members in such a way that minority opinions are respected. Union leaders may claim their legitimacy, if more than 50 percent of members vote for their slate in elections. However, a majority support (say, 60 percent) does not mean that most of union members support their policy line. And the suppression of internal debate in the name of majority support considerably undermine representation functions of labor unions. I admit that these two related normative agendas may bias my analysis of labor unions and industrial relations, but I think that any study of social science cannot avoid a bias because researchers consciously or unconsciously have normative agendas.

Critical Review of Previous Studies

Now let me review previous studies of industrial relations in postwar Japan. Many studies have seen enterprise unions as actors representing highly homogenous
interests, and as actors devoid of internal political dynamic. Why did they assume that the interests of union members at the enterprise level were largely homogenous? Those studies that assume the homogeneity of interests can be classified into three groups.

The first group of studies emphasizes values and norms of union members. For example, Ronald Dore, in his *British Factory-Japanese Factory*, argues that union members of the Japanese firm (Hitachi) are integrated into "an enterprise community" and share a strong sense of enterprise consciousness. The cooperative union-management relationship based on this shared value makes internal union politics inactive. He points out that the Hitachi union was under the control of cooperative union leaders and that elections for union officials were rarely contested.

In another example, Ishida Mitsuo, in his book on the general characteristics of industrial relations in Japan, emphasizes a sense of fairness that most Japanese workers supposedly have. According to him, most Japanese workers accept the ability-based wage system and competition between workers under this wage system as being fair, and do not embrace the type of unionism that seeks to regulate competition between workers. He further argues that the seeming weakness of enterprise unions is not due to management's domination over unions, but due to the acceptance by workers of the rules of wage-determination and promotion set out by management. Although Dore and Ishida focus on different aspects of Japanese workers' mentality, these authors have in common the viewpoint that enterprise unions express (or reflect) the values and norms of workers in an unmediated way.

The second group of studies explains cooperative industrial relations in terms of economic factors. There are two variants in this group. First, some studies point to
pressures of product market as a crucial factor shaping union behavior. For example, Shimada Haruo attributed the spread of cooperative economic unionism in large private-sector enterprises from the mid-1950s to the economically rational response of union members to market pressure, to which their enterprises were exposed.

Second, other studies point to internal labor markets as a crucial factor shaping union behavior. These studies assume that members of an enterprise union share similar economic interests as participants of the same internal labor market. Koike Kazuo champions such a viewpoint. Koike regards policies of enterprise unions as reflecting the interests of long-term participants of internal labor markets, more specifically blue-collar workers committed to acquiring a wide range of skills and to "voicing" their opinion in the decision-making of management.

The third group of studies focuses on the institutional aspect of industrial relations. These studies are concerned with how industrial relations institutions regulate behaviors of unions and management as well as their interactions. For example, Nitta Michio examines the system of union-management consultation in one of the major steel firms in the 1970s. His study shows that managers discussed in detail rationalization programs with union leaders, and secured the latter's consent prior to implementing these programs. The framework of these "institutionalist" analysis assumes that union leaders attending union-management consultation meetings represent union members, whose interests are aggregated within the union in a relatively smooth way. In other words, the framework implicitly assumes the homogenous nature of the interests represented by labor unions.

These three groups of studies, reviewed so far, assume that enterprise unions are unitary actors representing highly homogenous interests of union members, and are
devoid of internal political dynamic. They explain that cooperative behaviors of enterprise unions are shaped either by the values and norms of individual workers or by external contexts of the union, such as market pressures, internal labor market, or industrial relations institutions.

I would like to point out three problems with these previous studies. First, we can argue that workers' psychology or external contexts of unions do not necessarily determine the interests of union members, and leave a room of policy choices which may give rise to politics over what interests to be represented by unions. Second, these previous studies do not take the possible diversity of the interests of union members into consideration in their analysis. Rank and file members may have different opinions on union policies from those of union leaders. Moreover, opinions may be divided even among rank and file members, or among union leaders. The diversity of interests also gives rise to the issue of the legitimacy of leadership. If the position of leadership diverges from that of rank and file members too much, many members may question the legitimacy of leadership. Third, the previous studies, particularly the second and third groups, assume that the union and management stand on an equal basis, and do not pay much attention to power relations between them. However, we can point out that management, through its personnel and labor policies, influence the union in such a way that the union remains de-politicized under the dominance of cooperative leaders.

The Case of the Steelworkers' Unions

I would like to turn to the case of enterprise unions of major steel firms, such as
Nippon Steel (before 1970, Yahata Steel and Fuji Steel) and NKK. Until the early 1960s, the steelworkers' unions were factionalized into the leftist and rightist groups. In the 1950s, leftists had strong influence in the unions of NKK and Fuji Steel. Their influence was less strong but still substantial in the union of Yahata Steel. The industry-level federation of steelworkers' unions (the Japan Federation of Steelworkers' Unions) was also under the control of leftists. From the mid to the late-1960s, however, the rightist faction came to dominate the leadership of these unions, and leftist activists were excluded from the union's executive boards. I cannot discuss in detail reasons for the decline of leftists in this period. I point out two main reasons. First, their militant policy line was discredited when the unions were defeated in the leftist-led strikes of 1957 and 1959. Second, management did not remain neutral in relation to internal union politics; rather, it supported rightist factions in an effort to establish “sound” union-management relations.

In this presentation, I focus on the period after rightist leaders dominated the union leadership, particularly the 1970s and the early 1980s. These leaders not only opposed class struggle and political unionism, but advocated a type of economic unionism that was very cooperative vis-a-vis corporate goals. In their view, unions should support rationalization and contribute to the prosperity of corporations, on the basis of which unions would demand a fair share of the economic reward.

On the basis of cooperative economic unionism, the steelworkers' unions maintained and even increased their commitment to union-management cooperation when steel and other major industries suffered a structural recession after the oil crisis of 1973. Forced to reduce capacity by 20 to 30 percent to ease oversupply, the steel industry closed old and unprofitable facilities and transferred redundant workers to
newer plants. These unions actively cooperated with management on production-related issues and accepted sacrifices for rationalization in the form of intensified labor, intra-company transfers, and the "loaning" of workers to outside firms. The unions also began to cooperate on wage-related issues. They had demanded wage increases in return for their concessions on the issue of rationalization until the mid-1970s. After that, however, they adopted the principle of "economically rational wage demands," and restrained their wage demands in order not to hurt the performance of Japanese economy. As a result, the real wages of steelworkers remained almost static after 1975.

We may wonder if the unions' concessive position to management undermined the legitimacy of rightist union leaders, and if some rank and file members tried to rebel against the union leadership. To my knowledge, no rank and file revolts occurred in the unions of major steel firms, except several aborted attempts by lower-ranking union officials to call a strike. (For example, in 1978, lower-ranking officials of the union in Nippon Steel's Kamaishi Plant tried to establish the right to call a strike to protest the company's rationalization program to close the plant's main production facility. This attempt failed because top union leaders put pressure on lower-ranking officials to accept the program.) On the surface, rightist union leaders were secure in their control of their unions. Their legitimacy even seemed to be enhanced, as indicated by the increasing proportion of votes cast for the rightist leadership during the 1970s and the early 1980s.

We may also wonder if leftists were able to take advantage of possible dissatisfaction of union members with the concessive policies of union leaders in order to expand their support base. Leftist activists include communists, left socialists, and independent leftists. As I will show below, leftists were not able to extend their
support base among rank and file members. However, they should not be dismissed as insignificant forces in the union movement of steelworkers, because they posed a potential threat to the legitimacy of union leadership, even though in indirect ways.

Although the executive boards of the major steelworkers’ unions excluded leftists, they retained some influence within some of the steelworkers’ unions in the early 1970s. For example, in the union of Hirohata Plant of Nippon Steel, the group of left socialists had 150 members (out of the total of 8,800 union members), and their candidates in union elections received about 30 percent of votes. Leftists at the union of Yahata Plant of Nippon Steel also received about 30 percent of votes in the early 1970s. The influence of leftists in the steelworkers’ unions considerably declined thereafter. The proportion of votes for leftist candidates in these unions declined to 15-20 percent in the mid-1970s, and down to a little over 10 percent in the early 1980s. At the Hirohata Union, the membership of the left socialist group was down to a little over ten. A leader of this group attributed the decline to the dropping-out of activists under the wage and promotion system that discriminated against leftist activists, and to the transfer of leftist activists to outside firms. In addition, left socialists had great difficulty recruiting young workers to their group.

What kinds of activities did leftists engage? Besides putting up rival candidates in union elections, leftists engaged in various activities to criticize the rightist leadership from the outside of the unions. They directly appealed to rank and file members by distributing leaflets and newsletters in which they criticized union policies as being excessively cooperative. They also took up the issues that the dominant factions of the unions did not raise or did not solve. These issues concerned working conditions under a newly introduced shift system, undemocratic rules of union elections,
occupational disease, and disadvantageous treatment of old workers under the newly introduced retirement system. In an attempt to solve some of these problems, they filed complaints to Labor Standards Office or filed lawsuits to court. In addition to these activities, left socialists formed an industry-level association called "Tetsurokyo" (the Association of Steel Labor) that published its own newsletter and provided a forum through which activists in different unions got to know each other and exchanged information.

Even though reduced to the minority status, leftist activities seemed to be optimistic in the early 1970s about their future prospect, thinking that they would be able to retake some important union posts. Their optimism was based on their circumstantial analysis that the dissatisfaction of union members with working conditions and wage levels was increasing, and that the union leadership was not effective in defusing sources of their dissatisfaction. However, after the defeat of leftists in biennial union elections in 1970 and 1972, they started to seriously consider why the supposedly increasing dissatisfaction of union members did not lead to the support for leftist minorities. Some activists attributed the defeat of leftists in union elections to the co-optation of rightist union leaders into management and their control over union members on behalf of the interests of management. Other activities, however, made a more penetrating analysis of union members. While they acknowledged the strong control of management and union leaders over union members, they argued that "the control by capital thesis" could not explain fully the attitude of union members. They pointed out an increase in a new type of union members, who were dissatisfied with the union leadership, but at the same time accepted, if passively, the current state of industrial relations.
The latter analysis is more convincing than the former. Opinion surveys on members of major steelworkers' unions indicate that the level of dissatisfaction among union members was in fact high, but that many of them were not willing to participate in union activities. The proportion of dissatisfied union members varies depending on survey questions and the time of surveys, but I would say that 50 to 60 percent of them were dissatisfied or somewhat dissatisfied with their enterprise or plant unions. And the proportion of union members indifferent to union activities was about 50 percent. Based on the results, we can argue that, even if many union members were dissatisfied with union policies, they no longer regard the expression of their dissatisfaction through union elections and internal debate as a realistic option. Although the survey results did not show the connection between rank and file members and leftist activists, we can argue that rank and file members did not regard leftists as a force representing their opinions. I can point out two possible reasons. First, many union members basically accepted the broad framework of union-management cooperation, if not the excessively cooperative policy of union leaders, and regarded the class-based union policy of leftists as being unrealistic. Second, they regarded leftists as being too partisan, and as being more interested in pursuing their political interests than in representing the interests of union members.

Although leftists did not win support from rank and file members due to their unrealistic or partisan stance, rightist leaders of the steelworkers' unions were nervous about their presence. They made every effort to further weaken their presence. For example, they cooperated with management in isolating leftist activists in workplace from other workers. They also tried to prevent them from running for union elections, and, if they ran for elections, to make sure that an overwhelming majority of union
members would vote for candidates appointed by leaders.

Why did rightist leaders overreact to the presence of leftists? They seemed to be wary that the presence of leftists might set an example of speaking against the union leadership to rank and file members. Even worse, they seemed to be wary that the dissatisfaction of union members might somehow be linked with the criticism raised by leftist minorities, thus posing a serious threat to their legitimacy. Miyata Yoshiji, the president of the industry-level federation of the steelworkers' unions and a strong advocate of mutual trust between the unions and management, expressed such wariness in his address to a meeting of Nikkeiren, one of employers' associations, in 1982. Referring to the stagnation of wage levels of steelworkers, he warned that "outside ideologies" might intervene into labor unions, if union members accumulated their dissatisfaction with smaller shares of economic rewards. Miyata added that even if these "outside ideologies" were small forces, even such small forces might influence the union movement of the steel industry as a whole. Perhaps, he somewhat exaggerated the potential influence of the leftist minorities in order to persuade top managers that more wage increases were necessary to maintain the harmonious union-management relations. Still, his statement can be seen as reflecting the awareness of union leaders that excessively cooperative union policies were undermining the legitimacy of their leadership.

Union leaders were aware that the support of union members was not as solid as the results of union elections suggested. A comparison between the results of union elections and opinion surveys on union members confirms this point. For example, in the Yahata Steel Union, a presidential candidate of the dominant faction received about 85 percent of votes in 1984. In a survey conducted that same year, on the other hand,
union members were evenly divided (at 48 percent) between those who were “satisfied” or “somewhat satisfied” and those who were “dissatisfied” or “somewhat dissatisfied.” The 1984 survey also revealed that a substantial minority of union members (about 30 percent) had a critical or cynical attitude toward the union.

Then, how did rightist leaders try to maintain their legitimacy among union members? They tried to justify their legitimacy by emphasizing that cooperative union policies would serve the economic interests of union members. Until the mid-1970s, the leadership of the unions had justified their cooperative stance on rationalization by stressing that union members would receive a fair share of the expanding corporate profit resulting from rationalization. After the mid-1970s, the union leadership justified the restraint on wage demands based on the principle of “economically rational” wage demands. They argued that this wage policy would help steel firms to recover their economic performance, thus contributing to the employment security of union members.

Union leaders were also aware that, to maintain their legitimacy, they had to defuse sources of dissatisfaction among union members with wage levels and working conditions. Since they were strongly committed to the relationship with management based on mutual trust and to the improvement of corporate performance, however, what they could do in defusing sources of union members’ dissatisfaction was limited. For example, in the first half of the 1970s, the wage settlement of the steel industry in spring offensive was used as a “stepping stone” for higher wage settlements in other industries. Thus, many union members felt strongly dissatisfied with the lower rate of wage increase than that in other industries. Union leaders did not adopt a militant strategy such as a strike to win a higher rate of wage increase to address the source of
union members' dissatisfaction. Instead, they changed a schedule and method of wage negotiation so that rates of wage increase in other industries would not become much higher than that in the steel industry. Another example was the way in which union leaders tried to address union members' dissatisfaction with changes in working conditions under rationalization programs. They did not seek to regulate the content of rationalization programs, but demonstrated that the unions closely discussed with management the content of the programs in the union-management consultation system, and were making every effort to minimize their negative impact on working conditions.

Conclusions

In this presentation, I critically reviewed those previous studies that disregard the diversity of interests of union members and explain cooperative behaviors of unions in terms of union members' values, norms, and economic interests assumed to be homogeneous. In these studies, labor unions, especially those at the enterprise level, tend to be treated as unitary actors devoid of internal political dynamic. I tried to show, based on the case of the steelworkers' unions, that the de-politicization of union politics was superficial. There were cleavages of interests between rightist leaders and leftist activists, as well as between leaders and rank and file members. Rightist leaders tried to prevent the re-politicization through coercion (i.e., suppression of activities of leftist) and persuasion (the justification of union-management cooperation by appealing to economic interests). It turned out that union politics were never re-politicized, and that rightist union leaders securely remained in office. It should be noted, however,
that what prevented the re-politicization and thus helped the continuing rule of rightist leaders was the growing indifference of union members to union activities. As I showed, even though many of rank and file members were dissatisfied with union policies, they did not express it thorough union elections and internal debates. Perhaps, these union members no longer regarded the union as an association that represented their interests to management, and they "exited" from union activities by becoming indifferent to them rather than "voicing" their critical opinions.

Does the decline of representation function also apply to unions in other industries? Studies of industrial relations in the auto industry show that the autoworkers' unions are more tightly integrated into the production system than the unions in the steel industry. The unions of Toyota, Nissan and Mitsubishi Motors are de-politicized under the hegemony of leaders advocating union-management cooperation, and seem to have less representation function than the steelworkers' unions. Their elections were not contested, and functions of their workplace units are not to collectively represent the interests of union members but to persuade workers to accept policies decided by top leaders. Moreover, leaders of these unions seem to be much less concerned with the issue of legitimacy than their counterparts in the steelworkers' unions.

It is beyond the scope of this presentation to discuss implications of the decline of representation function of labor unions for the labor movement as a whole. The onset of a severe recession in the early 1990s drastically changed the context of industrial relations. Moreover, the diversity of the interests of union members has become more pronounced than before in terms of their gender, age, and employment status (note: the most vocal criticism against the cooperative stance of big business unions now comes
mainly from feminist social activists, rather than from leftist union activists). Top
leaders of the national-level union movement have been calling for fundamental re-
evaluation of labor unions' functions in response to these changes. However, many
enterprise unions remain passive, continuing or even strengthening their policy line of
cooperative economic unionism. I argue that the passive attitude of these unions is
largely due to the atrophy of the function to effectively represent the diverse interests of
members vis-a-vis management.