

... group solidarity remains in Japan because people work at it. Whether in villages, towns, urban neighborhoods, or work places, leaders exert themselves to retain the loyalty of group members by responding to their needs. Children are taught the virtue of cooperation for everyone's benefit, and, however annoying they may find group pressures, adults remain responsive to group attitudes for they are convinced that everyone gains from restraining egoism.

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Today we are aware of a Japanese system of industrial relations that differs in fundamental respects from the American system. The battle cry of American trade unions has been "Take labor out of competition between companies and plants." The extent to which this philosophy has translated itself into a demand for rigid wage parity (or closely comparable wages and conditions) was witnessed in the United Auto Workers' 1983 negotiations with the Chrysler Corporation in the United States and Canada. In Japan this attitude has never taken root. The unions have not focused on uniform rates and conditions of employment and have not sought to eliminate differentials among industries and job classifications. Despite such slogans as "Equal wages for equal work," Japanese unions have not affected existing wage structures.<sup>2</sup> Rather, the principal concern has been "base-up" or percentage wage increases. Japanese negotiators do not concern themselves with comparability as it relates to the actual rate of pay; therefore, individual companies have broad latitude and discretion. A company's unique situation and the economic peculiarities of the individual enterprise are recognized. To the Westerner, this appears to be an

inward-looking attitude that does not promote worker solidarity. It is in substantial part attributable to the Japanese system of enterprise or company unions.

This system of union organization not only reflects traditional Japanese paternalism but also is "largely a product of the structure of industry and the structure of labor markets."<sup>3</sup> In the primary sector of the Japanese economy—an environment of large companies that can provide benefits such as permanent employment in an internal labor market—company unions have flourished; they constitute 94.2 percent of all Japan's unions. Employees in the secondary labor and industrial market of multilayered subcontractors and in many small enterprises have more difficulty. So do unions that seek to represent them.<sup>4</sup>

The significance of the dual economy is considerable. Twenty-three percent of Japanese workers are employed in businesses with more than 500 employees. In addition, 12 million workers are in companies with 30 to 500 workers and 13,750,000 work with even smaller companies. H. Scott-Stokes writes: "Since the slowdown after the 1973 oil-price rise, average pay in concerns with fewer than 30 employees has fallen behind from 63 percent to only 58 percent of wages in companies with more than 500 employees. Cash handouts and bonuses average close to \$1,666 a month in the big companies, but are little more than half that at small factories."<sup>5</sup> The enterprise union is generally a union of regular full-time workers, although many major corporations have employed only full-time employees since the labor scarcity of the late 1960s forced them to do so. This means the exclusion of so-called temporary workers, a disproportionate number of whom are women. According to the Ministry of Labor, in 1976 there were four times as many permanent employees as temporary workers. Among newly hired employees the ratio was almost 5 to 1. However, among female workers there are 1.5 times as many "temporaries" as permanent workers.

Although unions comprise a larger percentage of the eligible workers in Japan than in the United States, union coverage does not extend to such temporaries, and frequently not to the employees of subcontractor firms that are in the corporate family. These employees are part of the second tier of Japan's dual economy and receive inferior wages and working conditions, although some of the cultural characteristics described below

have a measure of applicability to them as well. Japanese unions are reluctant to organize workers in the second tier of the economy. As the *New York Times* has noted,

. . . in Japan, far more than in the West, bonuses and fringe benefits, and especially job security and union protection, produce entirely different environments in the two tiers. The big companies find this "dual structure" profitable. It provides a cheap, flexible pool of unorganized workers at their subcontractors for which the "mother" company is not legally responsible. Japanese companies such as Toyota and Nippon Steel have many more subcontractors than General Motors or United States Steel. In hard times, these workers can be laid off at a distance.<sup>6</sup>

In any country where unions exist, the structure and scope of their membership coverage have enormous implications.

#### *Management, Labor, and "Community of Interest"*

American unions are generally organized on an industrial or craft (or occupational) basis. Even members of industrial unions (such as the United Auto Workers, the United Rubber Workers, and the United Steelworkers, which organize production workers and skilled workers together) are much more job-conscious than company-conscious, because American union representation is based on particular job categories in which workers in an appropriate unit or group of employees have a "community of interest" with one another.<sup>7</sup> In Japan, the essence of enterprise unionism precludes such analytical rigidity. The lack of job consciousness makes it possible to have a more flexible transfer system inside a company, which undercuts strict job categorization. Jurisdictional disputes between contending unions are unknown in Japan. Although the American problem is not so difficult as that in multi-union Britain, the regulation of jurisdictional disputes and stoppages has been a major concern of American labor law,<sup>8</sup> and of labor and management as well.

The lack of job consciousness and the flexibility of Japan's enterprise unions are also manifest in the way in which management is distinguished from labor. Part and parcel of enterprise unionism are employees' solidarity with and loyalty to the firm. Essential to an understanding of Japanese employees' loy-

ality is the relationship between the foreman and the worker, which has been characterized as *in loco parentis*. The contact between foreman and worker is the lineal descendant of the "labor boss" system that developed with industrialization. Cooperation has its origins in homogeneity and cohesiveness and in the *oyakata-kokata* (master-apprentice) relationship practiced by craftsmen of the Tokugawa period. This relationship, co-opted by management with the advent of industrialization, connotes a familial or parental bond. In a sense, the concept of *amae* (a desire to be dependent) is related to this same theme. This dependency, most frequently associated with the need of the infant to be near the mother, manifests itself in the industrial-relations system through employees' reliance on companies for housing, transportation allowances, and leisure activities—features that are generally alien to the Western system. This may also explain why Japanese employees comply with company discipline to an extent unparalleled in the United States.

This may be all the more puzzling to Westerners because, although Japanese labor law excludes so-called supervisors from union membership by excluding them from the definition of "employee," unions do represent workers who are labeled supervisors but who are regarded as working foremen and are responsible to section chiefs or *kacho* (who are excluded from the union) on personnel matters. The considerable number of supervisory ranks has blurred the demarcation line between supervisors and employees. Robert Clark states that in Japan "the actual work of supervisor, which in a Western company would have been done by a single set of foremen, was shared by employees in a number of ranks."<sup>9</sup>

The overlap or slight blurring of hierarchy and of blue collar and white collar is reflected even among company directors. One out of six Japanese company directors was once a union leader. Clark writes: "Of 313 major Japanese companies . . . 74.1 percent had at least one executive director who once served as a labor union leader. The figure was 66.8 percent in 1978. In Japanese management, executive directors are the top day-to-day decision makers."<sup>10</sup> This means that Japanese unions have an abundance of white-collar and supervisory members, from among whom come a disproportionate number of the leaders. Not only have managerial personnel held positions of leadership in company unions; in some instances they

have climbed the ladder to a position from the national federation itself. For instance, the international-affairs secretary for the Japan Auto Workers (*Jidoshasoren*), whom I first met in 1975, was in charge of sales for Nissan when I returned to Japan in 1978.

The Japanese pattern of mobility between labor and management means that union presidents and other high officials are sometimes (though not often) graduates of the University of Tokyo and other leading Japanese universities. It also means that almost anyone who has worked for a Japanese company has been a member of a union at some point. It affects the style and attitude of trade unions in Japan by inhibiting militance, providing expertise, and creating more contact and perhaps some egalitarianism between blue-collar and white-collar employees. The fact that the salaries of Japanese corporate executives are considerably lower than those of their American counterparts may have some bearing on all of this. The announcement of new bonuses for General Motors executives before the ink was dry on the 1982 UAW-GM "concession agreement" makes the point vividly. The relatively narrow differential between blue-collar and white-collar salaries in Japan does the same.<sup>11</sup> Vogel states:

Those with higher positions continue to dress like others, often in company uniforms, and peers retain informal terms of address and joking relationships. Top officials reserve less salary and fewer stock options than American top executives, and they live more modestly. It is easier to maintain lower pay for Japanese top executives, because with loyalty so highly valued, they will not be lured to another company. This self-denial by top executives was designed to keep the devotion of the worker, and it undoubtedly succeeds.<sup>12</sup>

All of this is in stark contrast with the United States, where, for example, the exclusion of supervisors from the provisions of the National Labor Relations Act (NLRA) is predicated on the assumption that the supervisor-employee relationship is necessarily adversarial because supervisors represent management. In a dissenting opinion that appears to form the rationale for the exclusion of supervisors under the 1947 Taft-Hartley amendments to the NLRA, Justice William O. Douglas said

We know from the history of [the 1930s] that the frustrated efforts of workingmen, of laborers, to organize led to strikes, strife, and unrest. But we are pointed to no instances where foremen were striking; nor are we advised that managers, superintendents, or vice-presidents were doing so. . . . If foremen were to be included as employees under the [NLRA], special problems would be raised—important problems relating to the unit in which the foremen might be represented. Foremen are also under the Act as employers. That dual status creates serious problems. An act of a foreman, if attributed to the management, constitutes an unfair labor practice; the same act may be part of the foreman's activity as an employee. In that event the employer can only interfere at his peril.<sup>13</sup>

In the United States, supervisors are not generally organized into trade unions, although occasionally there are supervisory unions. American employers are not obliged under law to bargain with such unions in the private sector, because supervisors are excluded from the definition of "employee" under the NLRA and under much of the state labor legislation that affects public employees.<sup>14</sup> (However, to a limited extent which the U.S. Supreme Court has not defined, supervisors are protected from discharge and discipline under the NLRA when employer-imposed discipline has a coercive impact on employees.<sup>15</sup>) Additionally, American unions have had great difficulty organizing nonsupervisory white-collar employees in the major industrial unions, which are overwhelmingly blue-collar in membership. Although the 1981–82 recession created such difficulties for white-collar employees that some may yet turn to the unions, the distinction between blue collar and white collar is still felt and may be a defining feature of American industrial relations.

### *Locals and Nationals*

The differences between American and Japanese unionism are reflected in the relationships between the national federations and the local unions (in the United States) and enterprise unions (in Japan). So company-conscious are the Japanese that, according to a Ministry of Labor survey conducted in 1974, out of 1,362 unions examined, only 5 percent engaged in negotiations with the participation of union officials from outside the company. This contrasts sharply with the involvement of the

Detroit, Akron, and Pittsburgh offices (and regional offices as well) of the United Auto Workers, the United Rubber Workers, and the United Steelworkers in negotiations of their local unions.

At the same time, particularly since the 1960s, Japan has seen the emergence of *shunto* (spring offensive), a form of centralized wage bargaining organized by the relatively weak national federations with which Japan's companywide or enterprise unions are affiliated. (Approximately 72 percent of Japan's unions are affiliated with federations.) *Shunto* involves a coordination of bargaining efforts between weak and strong unions for wage bargaining on a national basis, and its preservation was facilitated by the substantial economic growth Japan enjoyed in the 1960s and the early 1970s. Most important, *shunto* involves coordination between the public-sector unions (which have been more militant, left-wing, and sometimes Marxist in their rhetoric) and the private-sector unions (which have tended to be more like business unions, and have been conservative even by the standards of American trade unionists). The wage negotiations are actually conducted at the plant or company level. *Shunto* is simply the coordination of uniform wage demands coupled with a strategic decision to apply nationwide pressure to a particular industry or company. The wages that are negotiated in the spring are only about 65 percent of the total wage payments; the other portions consist of bonuses (negotiated later in the year) and overtime. Paid on the basis of the particular firm's financial well-being, the bonus can amount to 6 months' wages in a good year and considerably less<sup>16</sup> in a bad year. Thus, "concession bargaining" is built into the bargaining system; wages can swing up or down as much as 30 percent a year.

Japanese federations generally transcend company plants throughout the country and are organized along industry lines. However, the staffs of these national federations are usually small, reflecting their inferior status with respect to the company unions. The national centers—*Sohyo* (the General Council of Trade Unions of Japan) and *Domei* (the Japanese Confederation of Labor) are the two principal ones—are the equivalent of the American national federation, the AFL-CIO. [Out of a national union membership of 12,369,000, 36.6 percent are members of unions affiliated with *Sohyo*, 17.8 percent are members of unions affiliated with *Domei*, and 10.7 percent

are members of unions affiliated with a third center, *Churitsuroren* (the Federation of Independent Unions of Japan).] A fourth and smaller center is *Shinsambetsu* (the National Federation of Industrial Organizations). The International Metalworkers Federation–Japan Council, the Japanese branch of the international trade secretariat for various metalworkers' unions throughout the world, has both *Sohyo* and *Domei* affiliates and has played an increasingly prominent role in *shunto* during the past few years.

Until the oil crisis of 1973–74, *Shitetsuroren* (the General Federation of Private Railway Workers' Unions of Japan) was the leader, or, as the Japanese say, "first batter." Often *Gokaroren* (the Japanese Federation of Synthetic Chemical Workers' Unions) vied for the position of leadership. However, *Tekkoro-ren* (the Japanese Federation of Iron and Steel Workers' Unions) became the pattern setter until steel's recent decline in international markets. Even today, steel continues to establish the framework for wage settlements in *shunto*. In 1978, the steel offer and settlement (the two are usually identical) had more of an impact than that in any other industry. The major difference was that other federations, such as *Jidoshasoren* (the auto workers) and *Denkiroren* (the electrical workers), roared ahead with percentage increases twice as high as that in steel.<sup>17</sup> These federations have been able to escape the full impact of the "first batter's" wage negotiations.

Although the AFL-CIO is not directly involved in collective bargaining, one might take a look at the American federation's prominent role in combating the efforts of the Nixon and Carter administrations to establish wage and income policies<sup>18</sup> and its efforts to have government reconsider them. In fact, at this political level, one apparent difference between the American and Japanese federations prevails over such a tangential similarity and runs to the fundamental difference between American and Japanese unionism: genuine political involvement. Although Japanese federations have a reputation for involvement in politics (particularly left-wing or Marxist politics; *Sohyo* supports the Japan Socialist Party and *Domei* the more moderate Democratic Socialist Party), a majority of the JSP's members are *Sohyo* members and the party is dependent upon the unions financially. Although the involvement is more institutional and substantial than that which exists between the AFL-CIO and the Democratic Party in the United States, these political com-



mitments do not penetrate the heart of the union movement at the enterprise level. No significant element in the labor movement supports the dominant Liberal Democratic Party.

Enterprise unionism has both strengths and weaknesses. Among its strengths is that the union is aware of the peculiar needs of the company or the enterprise. For example, unions have engaged in promotional and sales efforts that originated with management. In 1978, leaders of the electrical workers' union flew to the United States to explain the industry's position and to argue against barriers to imports from Japan. The president of the auto workers, Ichiro Sioji, has engaged in sales efforts on Nissan's behalf in the Soviet Union and Mexico. The iron and steel workers have used their affiliation with left-wing *Sohyo* to good advantage in promotional efforts in the People's Republic of China. Perhaps a measure of convergence is taking place as the United Auto Workers and other American unions join ranks with management to protect themselves against foreign competition, which imperils them both.

Another strength of enterprise unionism is that resistance to work-force reduction can easily be mobilized because members are employees of the company. Also, the union membership not only has a strong financial involvement with the company (and thus enterprise consciousness) but also has a strong bond with the rank and file because they work for the same company and have contact with one another. In this sense, one finds what Americans would understand as solidarity.

The weaknesses are these: It is easy for the company to manipulate the union and the leadership, the union is inevitably dependent on the company, and the white-collar employees (particularly the leaders) are more likely to support the company than the workers in many areas of dispute.<sup>19</sup>

### *Job Security and Wages*

If the structure of enterprise unionism is the first pillar of the Japanese industrial-relations system, the second and the third are permanent employment (*shushin koyo*) and the method of wage payment (*nenko*).

Some Japanese and American observers disagree with this assessment because approximately 80 percent of Japanese workers are not permanent employees. Koji Taira and Robert Cole<sup>20</sup> have estimated that approximately 20 percent of Japan's

wage earners are covered by *shushin koyo*, which guarantees employment until an age somewhere between 55 and 60. Employers with more than 500 workers on their payroll employ 23 percent of the work force, and it is generally the larger companies that provide permanent employment. (According to a 1974 Ministry of Labor retirement study, approximately 85 percent of these workers are able to find some kind of employment after reaching retirement age.)

Considerable strains are being placed on the system and the way in which wages are paid in Japan. *Nenko*, the seniority wage system, is based on the length of an employee's service with a company. This system is coming under strain because of the larger number of older workers in Japan<sup>21</sup> and an upward push in the retirement age from 55 to 60,<sup>22</sup> but there is still a substantial difference in the attitudes of Japanese and American employers toward layoffs.

In the United States dismissals and layoffs are ordinary (if regrettable) events, and there has not been much of a search for alternatives in times of economic stress, but in Japan extraordinary efforts have been undertaken by employers to provide alternatives to unemployment. For instance, employers often institute *kikyu* (which means to return home for a rest)—the plant is shut down one, two, or three days a month and the employees receive 90 or 95 percent pay. Another method formulated as an alternative to dismissal is *shukko* (the detachment or farming out of workers to subsidiaries or subcontractors of major companies). This is the method that is resorted to by the more established companies. The employees of subcontractors or subsidiaries may be bumped from their positions, much as junior employees in basic manufacturing are bumped by senior co-workers at a time of layoffs (the "last hired, first fired" seniority system in the United States). In Japan, the displaced employee may not be a junior worker. Indeed, it is more likely that he will be an older employee. Whereas younger workers are the victims of an economic downturn in the United States and Europe (a phenomenon that is furthered by age-discrimination legislation in the United States<sup>23</sup>), the older worker is more vulnerable under the Japanese system. *Katatataki* (tap on the shoulder) is subtle pressure by management for early "voluntary" retirement for workers over 45. This practice contradicts American policies opposed to age dis-

crimination which assume that older workers can be as productive as younger ones.

*Shushin koyo* (permanent employment) has been a special privilege enjoyed by employees of large corporations. No reference to the subject is found in any collective bargaining agreement or in the Rules of Employment. It is not the product of either law (Japan's Labor Standard Law provides a worker with 30 days' notice) or collective bargaining but rather a unilateral decision of the employer. Nonetheless, a departure from the practice where it is in effect would run up against deeply ingrained expectations of the workers. (Women, who now constitute approximately 40 percent of the work force, are not generally the system's beneficiaries.)

Despite the fact that *shushin koyo* is by no means universal in Japan, employment security—more accurately, a reluctance to dismiss in contrast with other measures, such as holidays, shorter work weeks, and transfers—is more prevalent in Japan than in the United States. Accordingly, even though the lifetime-employment system may not be universal, it affects the thinking and the policies of most employers in Japan.<sup>24</sup>

Two developments in the United States may serve to narrow some of the differences between the two countries. The first is agreements, particularly in the automobile industry, that have established 60 percent income guarantees for employees with 10 or 15 years' seniority, placed limits on plant closures, contracting out of work, and layoffs, and actually provided permanent employment for 80 percent of the workers in six plants. The second is that a number of jurisdictions (California and Michigan are among the leaders<sup>25</sup>) have placed legal limits on the ability of employees to dismiss workers.

### *Dealing with Industrial Conflict*

In light of the differences between the American and Japanese industrial-relations systems outlined so far, it is not surprising that American unions and management have been more conflict-oriented and less given to the Japanese style of cooperation between labor and management. This is true whether it comes to resolving differences by industrial strife or through peaceful methods such as arbitration. Though Japanese labor agreements contain grievance-arbitration clauses that resemble in

language and form the comparable contract provisions contained in American collective bargaining agreements, and though Japanese law makes arbitration available to unions and employers that request it under the auspices of the central (*Chuo Rodo Inkai* or *Churoi*) and local (*Chiroi*) Labor Relations Commissions, arbitration is rarely used in Japan, whereas in the United States it has become the generally accepted method for resolving most disputes that arise during the term of a collective bargaining agreement. Moreover, individual grievances, which are integral to the American grievance-arbitration process, appear to be regarded as inconsistent with the Japanese penchant for group consensus.<sup>26</sup> As a general proposition, the arbitration process appears to be inconsistent with the Japanese desire to avoid confrontation or open conflict. To the extent that parties are disputatious, the controversy will generally focus on the Rules of Employment. These rules are fairly voluminous documents which the Labor Standards Law requires management to promulgate in consultation with the union, where there is one, or with a majority of the workers where no union is on the scene.<sup>27</sup> They cover a wide variety of matters, including dismissal, discipline, and transfer—matters that Americans usually deal with through the arbitration process and the collective agreement will often address elsewhere in the West. In Japan, the collective bargaining agreement is apt to be in the appendix to the Rules of Employment.

It is just as peculiar from the Western perspective that different agreements may address different subjects. For instance, the parties may negotiate a separate wage agreement and separate agreements relating to fringe benefits such as transportation or housing allowances, and the wage agreement may constitute a separate document.

In treating dispute resolution, one cannot ignore the machinery for joint consultation (*roshikyogiseido*) that exists in 63 percent of the labor-management relationships where there are more than 100 employees. This machinery, which many Japanese brand as an attack on collective bargaining rather than an adjunct to it, deals with matters ranging from transfers necessitated by technological innovation to the providing of information by management relating to sales and even profitability. It prizes informality and behind-the-scenes discussions—characteristics deeply ingrained in Japanese behavior. This

penchant for informality is consistent with the Japanese aversion to confrontation.

It is of interest that the 1982 collective bargaining agreements negotiated between the United Auto Workers and General Motors and Ford provide for joint union-employer committees which are designed to provide advance information to the union and discussion on business decisions.<sup>28</sup> Similar machinery is provided for by law in Germany and, to some extent, at the European Economic Community level.<sup>29</sup>

Equally important to any assessment of dispute-resolution procedures are the statistics relating to strikes. In 1976 the United States, with twice Japan's population, lost almost 12 times as many working days because of strikes or lockouts as Japan. Specifically, the United States lost 38,000,000 working days because of disputes in 1976, whereas Japan lost 3,253,715. Of course, these statistics are hardly a conclusive test for determining industrial-relations maturity or even industrial peace. Great Britain, where industrial relations are far more chaotic and inefficient than in either the United States or Japan,<sup>30</sup> had a smaller number of disputes than either of those two countries (2,016, as compared with 2,720 for Japan and 5,600 for the United States) and approximately the same number of working days lost as Japan (3,284,000). However, in many of Japan's major firms—in the automobile industry (Toyota, Nissan, Mitsubishi, Toyo Kogyo), in steel (Nippon Steel, Kawasaki), in shipbuilding (Kawasaki, Mitsubishi, Ishikawajima, Harima, Sumitomo), and in rubber (Sumitomo, Bridgestone)—no kind of strike or industrial action has been heard of since at least the 1950s. When strikes do occur, they are of relatively brief duration. The number of disputes in relationship to union membership has increased substantially in recent years (prompting Levine and Taira to argue that "Japan resembles France closely in important strike characteristics" and that this "belies Japan's reputation as a country of 'consensus culture,'"<sup>31</sup>), but, as Levine and Taira have noted, more than strike statistics are required to reflect the extent to which relationships are harmonious:

The Japanese appear to be more at peace with their working conditions than workers in some other countries. But the individual expression of conflict may be substituted by the collective

expression. For example, Sweden has a lower strike volume than Japan, but its absenteeism is much higher than Japan's. One could say that Swedish workers, instead of collectively expressing their dissatisfaction through strikes, individually "strike" by not showing up for work. By contrast, Japanese workers do not individually "strike" but collectively do so more frequently than Swedish workers.<sup>32</sup>

However, the attachment to the firm on the part of loyal Japanese workers makes it less likely that they will "vote with their feet" and express their grievances through resignations. To this extent, conflict that might manifest itself through quits in an American company must be contained in the workplace. Moreover, Japanese unions frequently use other methods ("acts of dispute," as the Japanese call them) as an alternative to the strike. This reflects what Tadashi Hanami has characterized as the "competition and class conflict," which, along with "fundamental paternalism," is part of the Japanese system in his view.<sup>33</sup> With regard to the strike itself, Hanami writes

If you look at the Japanese union movement from the viewpoint of the Western unions, the Japanese way of striking looks like a stupid act of suicide. But the meaning and function of the strike is completely different in Japan. Most of the Japanese strikes are not strikes in the Western sense. Strike is a means of protest, or more precisely, it is the only means of showing their will. When they go on strike, they do not mean that they will never return to their jobs until they are satisfied or completely defeated. Rather, sometimes they first go on strike and then start to bargain. Employers also start to bargain seriously only after the union carries out some short-term strikes and shows how serious they are. Members of labor relations commissions often complain that both of the parties to the dispute bring them the case for conciliation or mediation without bargaining for themselves at all.<sup>34</sup>

Not much of Japan's industrial strife turns violent, but when it does the bitterness can run deep. Generally, such disputes arise in situations where one of two striking unions has returned to work. When there is violence, it seems to be tolerated by the law to a greater extent in Japan than in the United States.

The two countries' differing approaches to labor conflicts are illustrated even more graphically by the different attitudes to-

ward litigation and law to which I have alluded above. Both Japan and the United States have unfair-labor-practice machinery and administrative agencies that have responsibility for implementation of the law. In the United States, the case load of the National Labor Relations Board (NLRB), which has responsibility for unfair labor practices, has become a major labor-law problem. The approximately 40,000 cases involving unfair-labor-practice charges coming before the NLRB have contributed to the delay and to pressure for labor-law reform. Japan is confronted with a similar problem, and it may well be that labor-law reform will soon become a major part of the labor-policy debate in that country (particularly if reform should ever be enacted in America). However, the number of cases filed with Japan's administrative agencies—the central Labor Relations Commission, which sits in Tokyo, and the local Labor Relations Commissions, one of which exists in each of Japan's 47 prefectures—is minuscule when one considers the case load of the NLRB. In Japan, over 1,000 cases were filed in 1975, and 828 were filed in 1976.<sup>35</sup>

The fundamental reason for these differences (and indeed most others I shall discuss) lies in the attitudes of workers and unions. In the United States, particularly since the mid-1960s and the 1966 rejection of the negotiated pact between the International Association of Machinists and American Airlines, numerous commentators have noted the rebelliousness of the rank and file and the frequent unwillingness to accept agreements negotiated by the leadership. There is hardly an industry that has been immune from "blue collar blues" or discontent, which has manifested itself in refusals to ratify negotiated agreements of wildcat strikes and in similar ways. In Japan, it is likely to be the other way around: The rank and file are likely to be tugging at the sleeves of the union leaders in Tokyo, advising them that they (the leaders), who are far away from the economic problems of individual firms, should exercise more restraint. Japanese workers, being company-oriented as their unions are, are more concerned about the real prospect of job losses if the union become too strident or undisciplined. That most certainly is a lesson of the 1978 negotiations in which Japanese workers in the private sector (with the exception of the auto workers' union, which is in the most profitable and export-oriented segment of Japanese manufacturing) knowingly accepted an actual reduction in their standard of living.<sup>36</sup> The

contrast with the 1982 American auto negotiations in which 48 percent of union members in General Motors withheld their approval of an agreement is vivid.

Finally, Japanese workers may lodge suits in courts of general jurisdiction on their own initiative even though the subject matter is covered by labor law, whereas in the United States the doctrines of preemption and exclusive jurisdiction and the exclusive nature of the grievance-arbitration machinery remove a large number of cases from the courts.<sup>37</sup>

These, then, are some of the basic differences between the Japanese and American industrial-relations systems. It is difficult to imagine two systems more dissimilar (especially when one looks at the cultural attitudes), yet Japan and the United States have, to a great extent, shared the same labor-law framework since the conclusion of World War II. The details of the laws, and their interpretation and application, help us to see that the laws of the two countries, like the industrial-relations systems, are identical only when observed from the most superficial of vantage points. This book attempts to focus on administrative and judicial procedure and substantive law and to identify problems that have arisen in both systems as a vehicle for demonstrating how the Japanese and American legal and industrial-relations systems function differently. Although a fairly large number of issues have been chosen, this book does not attempt to present a comprehensive, treatiselike picture of the Japanese and American systems. What it does is highlight some of the basic assumptions that exist in both countries through an examination of administrative processes and the handling of unfair labor practices. To begin, we must look back to the conclusion of World War II and the beginning of the MacArthur occupation.