Social Transformation during the High-Growth Era in Postwar Japan

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1. Outline about Japan's era of postwar high economic growth

First of all, let me begin with an outline of Japan's era of high economic growth. Usually the period of high economic growth in Japan is said to be from 1955. It lasted until 1973, up to the first oil crisis. I will stick to this definition during my talk, but it is also true to say that the Japanese economy after World War II was going through a steady growth from 1950 to 1990. That Japan came to be called an economic power was only from the 1980's. So, considering economic growth in Japan as a whole, sometime it is necessary to widen the time frame to the period from 1950 to 1990.

The Japanese GNP in US Dollars was 11 billion in 1950. In 1955, the sum went up to 25 billion US Dollars, in 1973 it was 320 billion. So the growth rate to 1955 was times 2.3 (two point three), to 1973 it was even times 29.1 (twenty nine point one). On average, the GNP expanded every year about around 10% and more. Such a high economic growth over such a long period of time was only achieved by China between 1990 and 2000 and by Japan. If the proportion of the GNP in all countries is considered, Japan's GNP grew from 2,9% in 1960 to 8.2% in 1970. 1968, Japan's GNP ranked second to the one of Western Germany.

The GNP of the world during the 1950's and 1960's increased about 5% every year, Western Germany, USA, Britain, France and Italy often even achieved more than 5%. In the background of this growth was the recovery of destruction caused by World War II, but also the high activity of the USA in the international market. In the Middle East much oil was found, and thus energy could be served at a very low price.

This development was shared by the whole world. That especially Japan could achieve such a high economic growth lies in other international and national factors. One big international factor is the wars that occurred in Asia. Because of deflationary policies, Japanese economy was in a severe state in 1949, but the outbreak of war in neighboring Korea in 1950 created a high level of demand for the Japanese market. Even afterwards, when the Japanese condition became weak again, the 1956 war in the Middle East and the Vietnam war from the 1960's again brought huge demand to the Japanese industry and as a result high economic growth could be achieved. Among the managements of that time there were many people who said "Don't forget that it is these wars that brought prosperity to Japan!" It was also a benefit that the Yen was linked to the Dollar (1 Dollar = 360 Yen). Another benefit was the fact that the Japanese constitution limits armament and thus payments for armament were only small.

There are also factors caused in the inland. At first, the quality of labor power became higher. With the education reforms during the occupation period, education in Japan not only became a mere obligation, it became a right. Compulsory education was extended to 9 years, also, the ratio of students who would visit a high school after the end of compulsory education jumped up from 43% in 1950 to 90% in 1973. Those workers who entered the workplace after finishing their education were able to easily fit and deal with various occupational categories and work. In Japanese society, from the beginning of the modernization period, there was a tendency to admit a special value to "creating things." Before the war, employed work relations were not considered highly of, but "creating things" was equally valued through time.

After the lost war, an important slogan of the newly established labor unions was to revitalize Japan through production. High economic growth was lead by the manufacturing industry with Steel and Ironware, shipbuilding, motorbikes, cars and electronic appliances, huge numbers of workers had to adjust to these new

technologies. After World War II, the managements also came to be people with a young and vigorous entrepreneurial spirit. Among the economic reforms during the occupation period, the dissolution of *zaibatsu* lead to young managements who had been workers before to grasp for leadership and to reform the economy. Not only electrical appliances and cars, also the steel industry was revitalized by young managements.

The Japanese government intervened with the economy by informal measures which were not clearly stated in laws and could be called "administrative guidance." Also with foreign exchange etc, the Japanese government held a huge authority of control. What was especially important for economic growth was the industrial policy. This was the government's mediation in terms of plans to protect and develop Japan's small and weak industry branches through import limitations, low-interest financing for certain industries through governmental financial institutions and reduction in production agreements in times of recession.

In time, the Japanese inland industry came to change. The following numbers are from a book called "Suji de miru Nihon no 100nen" (100 years of Japan seen in numbers) published by the Yano Tsuneta Memorial Association. If one considers the figures of employment, in 1950, 48,6% were employed in the primary sector of the industry, that is agriculture, forestry and fishery. Another 21.8% were employed in the second sector of industry, namely in the manufacturing industry, construction industry and transportation industry. The last 29.6% were employed in the tertiary sector of industry, that is commerce and service. In 1960, these figures changed to 32.7%, 29.1%, 38.2% respectively, and in 1970 the numbers shifted to 19.3%, 34.1%, 46.6%. In 1990, the numbers shifted even more to 7.2%, 33.5% and 59.3%. If one considers the outgoing freight of industrial products, in 1955 it was 18.8% foodstuffs, 16.0% textile, calculated with the light industry it was more than half in total, but from the 1960's, machines and metals, heavy chemical industries such as petrochemistry etc. became more than half, especially the machine industry steadily grew afterwards. In this way,

the composition of the industry changed.

Together with the shift of people working in agriculture going over to manufacturing and construction industries, and continuing to the service industry, the place of livelihood also changed from rural eras to the city. The area of Tokyo, or the Hanshin area with Osaka in its center as well as the area around Nagoya came to be the three greater metropolitan areas of Japan where from 1955 to 1973, every year more than ten thousand people moved from rural villages to towns, a phenomenon that was also called "period of immense migration" in the style of the historic German Great Migration.

Not only the location of livelihood changed for many, but also the very place of it, residential housing, changed. Low-medium rise collective dwelling places called Danchi were built everywhere, and also living and dining room changed from tatami mat rooms to western style tables and chairs. Traditional tatami mat rooms in general became less and less common. With the spread of water supply and city gas, bathrooms were also build into every dwelling place. Clothes also were not longer produced in the family, and thus dressing in western style became more and more common. The petrochemical industry became prosperous and chemical fabrics such as Nylon became widespread, and also the color of clothes became more and more diverse. If food is considered, the consumption of rice as food staple declined and the consumption of milk products and meats as well as diverse vegetables went up. Bread and other western food products also became common. Because less and less people worked in agriculture, the degree of self-sufficiency in foodstuffs declined year after year, while in 1960 Japan had been 79% self-sufficient, the ratio was 60% in 1970, 53% in 1982 and only 48% in 1990.

In terms of family, in the city it became common that only the nucleus family consisting of the parents and unmarried children lived together, the father was employed in a company while to mother was either a homemaker or engaged in part-time labor while the children were educated in compulsory or higher education.

With the mothers part time income adding up to the income of the laboring father the total available income of the family grew, thus washing machines, refrigerators, TVs and other electrical household appliances could be bought. These appliances eased the burdens of housework and enabled women to work even more outside the household. With ever more income, more appliances were bought, and also a family car came into reach. Thus enterprises could offer products in mass-production, which lead to price drops. So more and more was bought and the economy could grow steadily.

In terms of culture, the high economic growth lead to a fast spread of TVs, thus programs as well as weekly and other magazines as well as music records were increasingly sold, and series of affordable books (*such as shinsho and bunk in Japanese*) were published in higher numbers. Places to buy such things changed also. Next to small shops and department stores, supermarkets came up and spread.

Not stopping with clothing, food and livelihood, also the ways of working and shopping, even cultural life in Japanese society changed immensely during the period of high economic growth.

2. Equality and inequality

First of all let us look at the so-called Gini coefficient which shows the unequal distribution of wealth. If one considers the Gini numbers which were calculated by the staff of Hitosubashi University's Institute of Economy Research (Mizogichi 1986, Minami and Ono, 1987) the coefficient was more than 0.4 in the 1920's, 1930's and 1940's. Also because, the data that became the basis for these estimates, was limited to the earnings of comparably high income persons, it can well be said that Japan at the first half of the 20th century was a highly unequal society. But after the war, the democratization processes, and the high economic growth, the Gini coefficient for the 1980's is estimated to be around 0.3. But after the 1980's, the number is again

estimated to be higher than 0.4, which hints to a renewed high level of inequality.

Of course there was also a disparity in wages during the time of high economic growth. In the case of those male workers who were regular (permanent) employees, wages were dependent on the size of the enterprise, that is whether it was a small, middle, or big-scale enterprise, or the education of the employee, that is if he had graduated university or not. However, during the period of economic growth, the gap of income was not yet that big. The intensification of labor power shortage resulted in labor union movements to rectify the differences between on-site workers and Blue-collar as well as White-collar workers. These movements continued well through the 1950's and were successful in closing gaps between permanent employees in the same enterprises during the 1960's. Most of all, there were fields of severe differences, especially when compared to the case of foreign countries. One was the gap in income between men and women, during the times of high economic growth, income of women was around half of that of men. Permanent employees in enterprises during that time also only meant men.

When we take a look at the time after the end of the post-war high economic growth, the income gap in large scale businesses began. The spread of non-regular (non-permanent) workers during the 1990's etc., and the diversification of forms of employment were linked to the widening of the income gap. The gap between men and women stayed high and that women were employed only temporarily was a steady phenomenon (Tachibanaki 1998, 2006).

Income redistribution is one policy for the rectification of differences in income, targeting for a more equal society. The contents of this policy lies in the tax system, social security system and public enterprises, but in Japan of the 1980's, under the reason of inefficiency, the policy was mainly realized as a direct control over the redistribution.

Seen in terms of resources, personal assets strongest in Japan are real estate, housing and land. During the period of high economic growth, not only the government but

also the banks and labor organizations created low-interest-rate loan targeting at those people who wanted to own a house. Until the 1980's, prices of land went continuously up, and also the fewer for the acquisition of stand-alone single family houses grew in the same manner. With inheritances also, the dwelling place and land where the child or spouse lived got an extreme beneficial tax treatment. In Japan as of now, around 70% of the population live in houses owned by themselves, the gap in real estate ownership hardened out at the same level as it was during the time of high economic growth. Financial assets, especially the deposits in financial institutions banking facilities increased during the high economic growth period as well.

Next, let us take a look at the social classes people belonged to. Since 1955, in Japan Sociologists have been publishing the so-called "National survey of Social Stratification and social Mobility (SSM in short) every 10 years since then. To put it broadly, between 1955 and 1980, in Japan social mobility overcoming generations became fervent. For example, the occupation, assets, income and educational level were very different between parents and their children. In terms of social mobility, Japan saw a remarkable openness.

Also the policy for the redistribution of income as mentioned before had a huge influential role on the openness of social mobility. The tuition fee in national universities was kept low during till the 1970's, and the loan free of interest by the government went to the student widely. If we take the social class of students into consideration, in the 1960's freshmen in national universities from the poorest strata of society was a ratio just as high as poorest strata class measured against the whole population. So we can understand that the access to higher education during these times (Full university as well as short-term university) was very equal during that period (Rohlen 1977).

But from the first half of the 1980's, this form of social mobility went back, the relation between the occupation and income and educational level of parents and children came to a close relationship. Sociologists see this phenomenon as a reason for

an unequal society. Also, I have already mentioned that the gap between university graduates became smaller during the period of high economic growth. But there has always been a certain gap between national universities and certain prominent private universities on the one hand and all other universities on the other. And since the 1980's this gap has widened even more.

During the period of high economic growth Japanese society became more homogenous than before, and from this trend of reducing gaps, a new middle class was born and soon well established. In a survey, where Japanese citizens were asked to self-rate their societal standing and the five choices of high-class, middle-to-high-class, middle-class, lower-middle-class and lower-class was given, most answers were middle-class. Like this, in Japanese society a middle-class mood widened.

Japan's high economic growth also demanded huge sacrifices from certain people. The biggest group of victims were those who were inflicted with environmental pollution. From the 1950's, the Japan Nitrogenous Fertilizer Company (Shin Nihon Chisso hiryo• E nowadays simply Chisso Cooperation) in their Minamata Factory, released high amounts of Methylmercury quicksilver into Minamata Bay which was carried over by the fishes to humans who became then victims of the so called Minamata-Sickness. Niigata prefecture's Aganogawa-river was also a carrier for the

"Niigata Minamata-Sickness" from quicksilver released by Showa Denko Company. The petrol combine enterprise of Yokkaichi also released waste that lead to asthma, and in the Toyama Jinzugawa-Region the so-called "Itai itai-sickness" (caused by cadmium leaks from Mitsui Cooperation Kamioka mines) occurred. Such kinds of harsh pollution occurred everywhere in Japan. The victims were forced to change their habitat to other regions and had to eat food produced in other parts of the country, which lead to difficult societal weakness for certain people, and an unequal life for victims of patients of the pollution.

In terms of population growth and life expectancy, the high economic growth first lead to a growing of the total population to 83 million people, a number that grew to

over 100 million by 1967. In 1975, total population of Japan was already 120 million. In 2008, population peaked with 128 million people and then began to decline. In the wake of this development, life expectancy also rose. While in 1955 average life expectancy with males was at 63.6 years and females at 67.8 years, in 1975 life expectancy for males was 71.7 years and for females 76.9 years. From then on life expectancy grew little by little along the economic growth.

By the way, in Modern Japan life expectancy did not rose continuously. At the beginning of the 20thcentury till 1940 it either stagnated or went down a little. At the beginning of modernization, the government was fighting for public hygiene, but also continuously spending huge sums for military purposes such as armament and thus neglected waterways and hospitals. So even though the economic boost during the period of World War I brought higher income for everybody, hygiene did not become better and thus life expectancy stagnated. Thus, the economic growth after World War II lead to more all-encompassing changes. (Yoshikawa 2012).

Next, let us take a look at child mortality (the figures of children who die in the first year after they were born), which is a topic that also links to average life expectancy. In 1900, this rate was 15.5%. However, in 1950 it was only 6%, in 1960 it was 3.1%, in 1975 it declined to only 1%. From this 1%, to today the rate dropped again to 0.3% (Yano Tsuneta Memorial Association 2013). This is not only because of advances in medicine and medical technology, but also because the number of those who could receive this new medicine had grown. So in the background of falling child mortality we can also see the income rise due to economic growth at the base, better hygiene and living conditions as well as better access to nourishment in terms of healthier eating habits. At the same time, combined with the above, from 1961 a national health insurance was realized. With this health insurance accessible to everybody, it became possible for people to receive medical treatment for low prices. The new insurance system also enabled old persons to benefit better from healthcare. This of course also stands in relation to longer live expectancy (Yoshikawa 2012).

What then also had a huge role in the betterment of peoples lives were the social movements. Higher wages for laborers were possible because of shortages of labor power and the labor unions fights for more wages. Through groupings of farmers, they could protect their rice prices and heighten the value of their work. Labor unions by teachers were enabling them to further develop the education system together with parents and thus were able to establish high schools in all areas through the period of economic growth. The environmental pollution and ensuing victims also had a huge impact on Japanese society. Around those victims, several and diverse social movements came to life, and also lawsuits were fought out. From the latter half of the 1960's, local autonomous governments created rules for environmental protection, and the central government followed suit and created measures for protection in law and administrative organizations.

There were some big differences in the social movements that came up during the period of post-war high economic growth and those before. The first one was that these social movements used lawsuits actively. After World War II, the present sovereignty of the people was established. With that, the value of law courts changed as well, because it was now possible for citizen, who held national sovereignty, to file lawsuits against administrative organizations by the state. A pioneer case was the Asahi-lawsuit. With criteria of livelihood protection in mind, Mr. ASAHI Shigeru fought against the state in a lawsuit that was only ended by his death, but anyhow his case highly contributed to the betterment of livelihood protection and the development of the Japanese social security system. In terms of the utilization of lawsuits, the famous IENAGA Saburo school textbook cases are another example. The second difference in social movements was that certain workers in enterprises and industry as well as people living in certain areas came together to form groups with a rather lose bonding compared to the old forms of organizational social movements, who followed much more universal and general demands, having a huge effect on society. Put in sociology terms, these are New Social Movements. The 1950's movement for a ban in

atom and hydrogen bombs or the 1960s Citizen's League for Peace in Vietnam are two prominent examples.

3. Inversion

As I mentioned before, Japan during the period of economic growth can hardly be described as an equal society, but it was a society with a low level of inequalities. But, as I also mentioned earlier, this tendency inverted after 1980 and Japan came to be a more and more unequal society. At the end of the 20thcentury, in a comparison to Europe, America and other developed countries, Japan is a society with a high degree of inequality, and this trend is still continuing today.

As reasons there is the rise of neo-liberalism and policies based on it. English Thatcherism and American Reaganomics are an example. From the claim of putting importance on social security and fostering state-run business, plundering the laborers' will to work in order to dampen international competition, deregulation, in short: the usage of civilian energy through market principles to achieve economic growth came to be a well-used policy. In the Japanese case, in the later 1980's such measures were adapted and became general during the 1990's.

Another point is special to Japan. This is the case of labor unions being pushed out from the workplace during the period of high economic growth. The Japanese labor union movement won its lawfulness by the democratization policies after World War II. After the defeat, the bombings and other war damage brought Japanese economy into a deep crisis. Labor movements put the worker as the main constituent of production, as the bearer of production and economic revitalization, his power was widened. In the initial phase of labor fights, it was not strikes but production control and operational control by workers and labor unions. Labor unions grasped the real power of the workplace, they participated deeply, activities ranging from setting production plans to the deployment of essential members of the work force.

But when the economy was revitalized, the management tried to remove the influence of labor unions from the workplace. From the 1950's, the potential for labor fights between management and labor unions occurred repeatedly. The management also tried policies to divide labor unions, which is why the regulatory power of labor unions at the workplace became weaker. On the other hand, demands for higher wages that were made by the labor unions were heard by the management at least to a certain degree. Also, the gap between blue collar and white collar workers in the same company was lowered as described earlier. Labor unions negotiate with the management in the head office of enterprises and try to better the working conditions. Inside the workplace, one might say the management is in firm control (Miyake 1995). Because labor unions lost their power at the most basic place, namely the workplace itself, its power in entirety dropped and became weak. Labor unions have a right to speak before the single enterprises, but have no right to speak in terms of the entirety of workers, thus they could not create a social criteria for labor in general.

Death from overwork of laborers came more into the focus of attention from the latter half of the 1980's. Attention however decreased for a certain time, but then resurfaced and spread during the period of recession in Japanese economy in the 1990's. With the changes in employment laws in the latter half of the 1990's, non-regular and non-permanent employees came to be the norm, also regular/permanently employed workers were curtailed. Against these developments, labor unions could not exercise any regulatory power. Also so-called black enterprises that exploit there employees came up. In reality, many working employees quit their work after only a short period of time. There are many companies in Japan with a high work separation rate. They do not keep working hours to an extent that it could well be said they even demand "service overtime" from their workers.

When we examine the period of high economic growth in Japan, then we have to find out why these factors became problems in later times and how the development

was carried over to those later times.

Concluding Remarks

The high economic growth of Japan, which lasted from 1955 to 1973, changed Japanese society from its roots. This change happened in terms of living, food, clothing, working style, mobility, leisure and family up to culture, thus encompassed all fields of life. Also, the Japanese masses could rid themselves from poverty through the economic growth.

If the society which was formed during the period of high economic growth is compared to Japanese society prior to this, it can hardly be described as a fair and equal society, however it became more equal than it was before. The special characteristics of the time is the vitality in social mobility in only one generation between parents and children. If this kind of society would have continued, the Japanese society might have come to be an interesting model. But, it did not come to be like this. From the latter half of the 1980's, Japan became a society of great inequality, and this tendency has continued and become stronger up to now.

So, why is it that Japan came to change from a society of low inequality to one with high inequality? There are two reasons for this. The first is the result of neo-liberal policies. In the wake of an enforcement of market principles and the intensification of global competition, the economic gap widened. The second reason is that during the era of high economic growth labor unions were pushed out of the work-place more and more, and thus the power of these labor unions became weak. As a result, there was a great increase in temporary workers, extremely long work hours, Death through overwork etc. became phenomenons of Japanese labor. In reality, from the latter half of the 1990's Japanese economy drew heavy upon the workers.

How can such a Japanese society change from now on? It is necessary to foster social trust and a feeling of solidarity and to form a society where wealth is distributed

fair and equally. For this, I think, it is especially important to enforce the role of labor unions.

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