

Civil Society and Contemporary Japanese Economy: Between Civil Society and Corporation-centered Society

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This paper was originally prepared for a colloquium held in September 1998 at the Department of Sociology, Lancaster University, UK. The colloquium was part of an international research project *Changes in Industrial Society and Reconstruction of Civil Society*, led by Professor Sato Yoshikazu. Also participating in the colloquium from Ritsumeikan's Faculty of Social Sciences were Akai Shoji, Kunihiro Toshifumi and myself. Participants from Lancaster University included professors Bob Jessop, Andrew Sayer, John Urry and others. A Japanese version of this paper appeared in the *Ritsumeikan Social Sciences Review*, (Vol.34 No.1, pp.51-59, June 1998) and a German version in *Kobe Gakuin Economic Paper* (Vol.32 No.3/4, pp.27-46, March 2001). The main points were also included in the Introduction and Conclusion of my book published in English, *The Contemporary Japanese Economy: Between Civil Society and Corporation-Centered Society* (Springer-Verlag, Tokyo Berlin Heidelberg New York, February 2001). Since Professor Sato was the leader of the project for which this paper was written, as a token of my gratitude to him, I have decided to contribute the paper in its original form to this special issue of *Ritsumeikan Social Sciences Review*, published to commemorate Professor Sato's retirement.

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Foreword

This is not the place to look back on or to put in order the history of theory regarding civil society. This paper aims to offer a preliminary examination of the main elements in the concept of civil society and the significance, effectiveness, and limits of the concept as a methodological tool for the analysis of contemporary Japanese economy.

. Preliminary concept regarding civil society

1. I define provisionally the concept of civil society as follows: "the place where self-reliant individuals communicate equally with each other concerning the social and cultural values of human beings without the intervention of state and enterprise. This place signifies a social and

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cultural common space and the space where economic activity develops. In the legal system formed by this space, human rights must be superior to civil rights. And the relations of the social organizations, especially the articulation and connection of these organizations, rational formation of public will and intention, and the form of hegemonic projects in this space, regulate strongly and seriously the trend and character of political society and state power.”

2. The German historian, Prof. Jürgen Kocka has written the following on the elements of civil society: “Of central importance was the vision of a modern, secularized society of free and self-reliant individuals who would manage their relations with one another in a peaceful and reasonable way, through individual competition as well as through voluntary cooperation and association, without too much social inequality and without the tutelage of an authoritarian state. For that purpose certain institutional arrangements were needed: the guarantee of individual rights, the protection of the family, markets, an arena for public debate, the nation state, due process of law, constitutional government and parliamentary representation. These demands were intrinsically linked to a new conception of social relations: work, achievement and success - not birth and privilege - should determine the distribution of wealth, status and power. Education should be of the most importance. The public use of reason should replace legitimation by tradition. Private and public life should be clearly distinguished. Certain cultural attitudes, norms and practices - including individual self-discipline and cleanliness, strictly defined differences between the sexes, certain aesthetic values and a clear notion of superiority vis-à-vis the natural world - should become universal. This was a culture which had been pioneered and emphasized in bourgeois circles, in the emerging *Bürgertum*. At the same time, the project of a civil society claimed universal applicability. In principle it aimed at freedom, equal chances and participation *for all*. In that it reflected its inspiration by ideas of the Enlightenment.”¹⁾

3. We should bear in mind the following points when examining and using the concept of civil society:

a) Of course, we cannot blindly idealize civil society. A relation of equality (i.e. competition) among equivalent individuals (i.e. commodity owners) would lead socially to substantial inequality between capital and labour and the unequal distribution of wealth, if there were no regulation from the welfare state and social movements. This needs remembering.

b) We must pay attention to the following elements which will strongly influence civil society in the future: corporatization, state expansion, congestion, technoculture, and problems in resource procurement and with the environment (the idea of sustainable development). As new elements strengthening civil society, we can point to voluntary associations, autonomous social

movements and the growth of a non-profit, altruistic sector in the economy.²⁾

c) “the civil society oriented program was too collectivistic for the liberal economists, too cosmopolitan for the nationalists, too defensive for the revolutionaries, too liberal for the neo-Marxist advocates of class interests, too populist for the *Realpolitiker*.” (Arato/Cohen)³⁾

This vagueness is paradoxically useful for the analysis of the complex societies of industrialized countries, because it makes the steady access to the reality possible.

And we can regard the word “civil society” as the last remaining term for society, after many others (e.g. , ‘industrial society’, ‘consumer society’, ‘controlled society’, ‘information society’, ‘welfare society’, ‘capitalist society’, ‘socialist society’ etc.) are eliminated because of their inappropriateness or the imbalance between their normative and descriptive significance.

d) There is, of course, a separation between the normative and descriptive significance of the concept of civil society in every country and in each era. But the degree of separation is narrower in Western countries, larger in Japan or East Asia; larger in the 19th century, smaller in the latter half of the 20th century.

I would like to cite the words of J. Kocka, who, continuing his analysis of the concept of civil society, maintains that. “This was its basic contradiction. On the one hand it claimed universal applicability. On the other hand it was intrinsically tied to the very small bourgeois milieu, not only in the sense that this was the social location where it originated, but also in the sense that the bourgeois status - including individual independence due to wealth or position and education - was needed in order to qualify fully as a citizen. Nineteenth-century voting laws made that very clear, and this meant that both the female half of the population and the mass of the lower classes (including those a little bit further up) were virtually excluded from citizenship and from the demands and promises of the project of civil society. Universalist claims versus exclusive reality - it took two centuries to reduce this discrepancy, which was most effectively challenged by the socialist labour movement and Marxist criticism and later on by the feminist movement, and by liberal-democratic reformers throughout the period. All of them basically used the claims and the principles of the model of civil society to criticize the imperfect stage of its realization. Processes of democratization were demanded and pushed through, the welfare state was developed, some steps towards more equality between the sexes were finally achieved. New difficulties, dangers and crises emerged. There were setbacks and breakdowns, particularly during the dictatorships of the twentieth century. In these conflicts and processes the concept of civil society changed. It will have to change further in order to cope with the problems of the present and the future. It has nowhere been fully realized as yet, and its worldwide extension has only begun.”⁴⁾

In this regard, equal rights for the working class, its acquisition of citizenship and universal

suffrage, which began to spread internationally after W.W.I, are historically significant.

e) Viewed world-historically, the evolutionary process of class formation continued until W.W.I; since then the process has been one of devolution. The development of the “Arbeiterlegen” process (remember “Bauernlegen” in Germany from 16th to 19th century) after W.W.II, particularly in recent years has promoted decisively this devolutionary process [Arbeiterlegen: the relative and absolute decrease of the number of labourers in manufacturing and mining industries, the increase in the relative importance of employees in tertiary industry, and the growth of new social middle classes accompanied by the remarkable development of innovation and information].⁵⁾

J. Kocka writes: “Certainly the class basis of the project of civil society has been loosened, weakened, eroded. Maybe this is one of the reasons why this project is doing relatively well today.”⁶⁾ I think, this description is paradoxical, but right.

f) The interrelation between the self-reliant individual and the mutuality (not community) of a society is not as incompatible as one might suppose. The two elements can be considered, rather as co-existing and complementary to each other. Historically speaking, in Western Europe, the birthplace of modern civil society, the development of the city was closely tied up with the existence of free and self-reliant individuals. And this tradition is still clearly evident in West European society today.⁷⁾

g) In Japan, when we think over the fair formation of public intentions, there is a serious social problem which relates to the Japanese concept of ‘*kou*’ (public). Though in Western Europe the word ‘public’ denotes private interests accompanied by a degree of openness, in Japan the concept refers solely to the bureaucracy or the government and is completely distinct from the private. In Japan, even if the concept of ‘public’ is taken to mean ‘common’, its subject or carrier is the bureaucracy or the government, not the groups of private individuals that make up civil society. We can say that the immaturity of civil society and the predominance of the state in Japan is starkly epitomized by this conception of ‘public’.⁸⁾

h) The argument that Japan comprises not so much ‘society’ as ‘*seken*’ (the world close to the individual), cannot be ignored.⁹⁾ For, logically speaking, it is impossible to form civil society in a place where there is no society. On the one hand, society consists of contract relations among self-reliant individuals under the paradigm of universal values (law, justice etc.). On the other hand peoples’ lives are restrained by ‘*tatema*’ (stated principles) and ‘*giri*’ (obligations) in the narrow groups or organizations to which they belong. In the latter world, *seken*, people’s ideas and actions are seldom regulated by the paradigm of universal values. In the *seken*, there is usually an unhappy severance and tension between ‘*honne*’ (real intentions) and *tatema*¹⁰⁾ and it is rare that people argue openly and discuss their *honne*, grounding them in universal values as in

the Western world.¹¹⁾ (Therefore, in this *seken*, the fair formation of public intentions encounters considerable difficulties.)

For example, in Shuichi Kato's "A History of Japanese Literature" we find the following passage: "What is there deep at the bottom of their [the Japanese people's ... Matsuba] hearts? Sympathy and cunning dwell together in their hearts, but do not produce critical minds. Though obedience and antipathy to authority live side by side, they do not amount to resistance. Although bound by absurd superstitions and habits, they are good at calculations of practical loss and gain, and are ingenious at contriving devices for daily life. They have an unlimited ability to resign themselves to miserable situations. They know nothing about the world outside of the village but know everything about its internal structures and functions. Their manners and customs, values and behaviour patterns, their whole cultural system"¹²⁾ We can say that the human image depicted here is, in a sense, the typical figure of the Japanese who lives in the *seken*. Of course, there are some points that Japanese have in common with Western people. However, it seems to me there are more differences than similarities.

We cannot say that Japan has never had social systems based on law or social paradigms of law. The historical periods both before and after the Meiji Revolution (1868) witnessed such systems. We cannot deny that the prevailing Japanese system, which since W.W.II has been based on Constitution and law, resembles elements of the systems in modern Western countries. (The Japanese people, however, have rarely been conscious of these laws or social paradigms of law as being of universal application, having, as they do, tense relations with transcendent and absolute values.) Of course, we should not forget that there have been many cases of the arbitrary use of law and the legal system by rulers, administrators and bureaucrats. Moreover, struggles against these rules and attempts by the citizenry to regulate them have been very weak in Japan.

Acknowledging the fact that the traditional Japanese mentality and the social dynamics of Japan are apt to work to preserve the framework of the *seken*, we should strive to strengthen the civil society and the rule of the law.

i) If a civil society tries to get the hegemony of the political society while maintaining the immanent principles of civil society, the civil society itself must be politicized. More precisely, it must be politically mature. (In this respect, it is significant that both the Latin and Greek words meaning civil society signified originally the community of citizens as political sovereigns of the city-state, i.e., the actual political society.¹³⁾)

Though politics does not impinge upon all relations in civil society (otherwise, the autonomy of civil society is not secured), politics permeates its economic foundations. This fact has to be recognized.

Additionally, even if we put stress on the predominance of civil society vis-à-vis the state and civil society's independence from the state, the problem remains of how civil society gets control of and develops the economic abilities which belong to the state and the strata whose interests are bound up with it. And this is one of the most fundamental problems.

. Two Types of Large Corporation System

1. I categorize the structure of the economy in contemporary advanced countries as a large corporation system. Here "large corporation system" means an economic and social system centered on large corporations. There are two main types of this system: the European type, which involves democracy within the system, and the Japanese type, where the hegemony of capital is overwhelmingly strong (The third type, that of the US, lies midway between the two other types, as discussed below).¹⁴⁾

2. In Europe, beginning after the First World War and developing more strongly after W.W.II, the large corporation system has been systematically democratized by workers' struggles and mainly under the leadership of social democratic governments. In concrete terms, the achievements have been as follows: the acknowledgment and development of basic labour rights and fundamental social rights; the improvement of labour conditions, especially the large reduction in labour hours and lengthening of vacations; the development of an economic democracy, for example, the labour-management joint decision law in Germany, the management participation law and labour fund concept in Sweden, the results of collective agreements on the basis of the labour charter in Italy, and so on. There we can even find the partial realization of classical socialistic ideas, specifically, the large reduction of annual working hours (e.g., to around 1600 hours in Germany and France); the maintenance of a social security system and the large ratio of social security costs to GNP; the respect for fundamental human rights; coexistence of multifarious values and the social development of pluralism; the existence of an active civil society; high development of social relations of labour, and so on.

3. By contrast, in Japan, although the democratization of society progressed greatly due to the postwar reforms, corporate centricism also developed in the period of high economic growth, with the result that the democracy was hollowed out within the large corporation system, and the subordination of labour to capital was seriously strengthened. Therefore, the conditions for labour are considerably inferior to those in Europe, for example, with regard to the number of hours worked, the nature of the social security system and the development of an economic

democracy. Furthermore, looking at the social system as a whole, the hegemony of capital is very strong and solid. So Japanese capitalism appears almost to be a form of capitalism without counterprinciples. (Compare it with European capitalism, where labour unions, Christianity, individualism in workers and the commitment to fundamental human rights operate as real counterprinciples to capitalism.)

4. Regarding US capitalism, it is similar to Japanese capitalism as far as the overwhelming predominance of capital over labour in the internal structure of the large corporation system goes, but it is similar to European capitalism in that it is confronted in the wider society with real pluralistic principles and social forces, such as Christianity, individualism in workers and various social movements. Thus, only Japanese capitalism has an exclusive ruling capitalist hegemony without any social regulation by counterprinciples and counterpowers both in the internal structure of enterprises and the social system as a whole.

5. In this Japanese-style large corporation system, the management control deriving from corporate ownership is superior, the distinction in social status between labour and staff is almost abolished and the mobility of employees within enterprise is high. In addition managers regard their communications with employees as important. Consequently the company (corporate business) has a strong cohesive impact on employees. It was in this way that the corporation-centered society, which is very efficient for capital, was formed, accompanied by the exclusive ruling power of capital without counterprinciples. It is obvious that this corporate centricism has heightened the economic power and material living conditions of Japan. Japan is an "affluent society" in the sense that a great majority of its people have stable and secure material living conditions. However, in the historical tradition in which Japanese people tend to be united in their commitment to conformity in different spheres, many problems and contradictions have arisen in Japanese society: intensity of work; neglect or ignorance of fundamental human rights within the enterprise; extensive and detailed differentials among individuals in all social spheres where universal principles scarcely develop; the lack of coexistence and interchange of pluralistic values and ideas. These problems and the general inadequacy of a common social philosophy come to be serious elements that retard or make it impossible for Japanese society to make sound development, either inside or outside the country. Japan, which has single-mindedly sustained economic development in the half century since World War II, was now facing a turning point in the 90s after the collapse of the unprecedented bubble boom.

6. Looking at the development of industrial relations in postwar Japan, we can summarize the

factors which have contributed to the development of the Japanese-style large corporation system as follows:¹⁵⁾

a) Within several years of the end of W.W.II, enterprise labour unions had become established and the formation of industrial unions had failed. This was a strong factor in determining the essential weakness of social democratic parties and held back the development of welfare state in Japan.

b) The successive defeat of the big strikes in private large manufacturing enterprises from the 1950s to the first half of the 60s related reciprocally to the development of innovation and new ways of labour management, the estrangement of staff from labour unions, the split of labour unions and the retreat of the left wing in enterprises.

c) The integration of workers under the leadership of capital within huge manufacturing enterprises, which was established in the mid-1960s, extended later on to large enterprises, small enterprises, and the public sector.

d) The campaign against the Japan - US Security Treaty in 1960, the anti-pollution movements and the appearance of many progressive local governments from the latter half of the 1960s to the first half of 70s, all showed, to a greater or lesser extent, the protest to the existing order and the will for reform. However, the criticism at the heart of these movements did not reach the core of the socio-economic system centered around corporations and the consciousness of workers dependent on enterprise was almost unaffected by them.

e) We can find no evidence of workers actually resisting the hegemony of capital in the economic process after the first oil price shock in 1973/74, particularly after the defeat of the large strike of civil servants who demanded the right to strike in 1975. We should see this clear stagnation of the labour movements after 1975 as the actualization of the substance in industrial relations formed in the high economic growth period beginning with the oil shock, rather than as a change in industrial relations after the end of the high economic growth period.

f) Incidentally, the formation of the Japanese-style large corporation system is not the inevitable product of Japanese culture or the mental structure of the Japanese people, but these have contributed in no small part to its development. In particular, the following factors have been important: the indifference to transcendent and absolute values; the strong subordination of the individual to the group; the this-worldly character of the culture; the overwhelming superiority of economic value to other social values and so on.

. Civil Society and Corporation-Centered Society

1. Japan's large corporation system formed a corporation-centered society owing to high econom-

ic growth.¹⁶⁾ Here the “corporation-centered society” is a society where economic values are overwhelmingly superior to other social values, and giant corporations are the nucleus of social relations, and where these corporations influence political society and put pressure on civil society. In Japan, the corporation-centered society, of which corporation is originally only a part of civil society, reorganizes the whole civil society to fit its interests. In the corporation-centered society, the structure and energy of civil society is eroded, not only by political society, but also by the corporation-centered society. Here the civil society, where self-reliant individuals communicate equally with each other concerning social and cultural values of human beings and do so without the mediation of state and enterprise, has been reduced to informal and meager social relations in insufficient leisure hours.

2. Just as military values were excessively strong in prewar Japan, economic values have been overwhelmingly superior to other social values in postwar Japan. This imbalance in the system of social values disturbs the sound development of society in the long run. Even if economic values are primary or hegemonic in Japan one should not forget the political dimension. The condition of politics in Japan, however, approximates to that of brain death. It is once again necessary for us to achieve a balanced and organic development embracing policy, economy, urban and rural life, culture, art and science, civil society and the overall development of individuals in it .

3. Although Japan has caught up with the Western countries in terms of productivity, due to the immaturity of civil society in Japan, it is now difficult for Japan to creatively adapt to the era of post-fordism and to the information society. For, while hitherto the important factors were the existing technical application and organizational cooperation of the workers in the heavy and chemical industries and in the assembling and processing industries, in the post-industrial period the decisive factor is the intellectual and creative activity of each individual. Modern West European-type civil society is a good training ground for such talent. (I have no wish to glorify one-sidedly or overstate the achievements of West European modernity. If there were concretely another more attractive and balanced human type and social life style, I might refer to that instead. As a Japanese, I would hope this might include the land of Japan.) Now, for Japan, civil society is not only the object of intellectual aspirations but also one of the fundamental conditions for its future survival. The reorganization of corporation-centered society and the restoration (creation) of civil society is actually a necessary condition for the future of Japan.

. Final Remarks

Notwithstanding the historical and theoretical diversity of the concept 'civil society', it can be broadly defined in three ways: 1) civil society in the broad sense confronting the state, 2) civil society as the sphere of market economy, and 3) civil society in the narrow sense deducting 2) from 1).¹⁷⁾

One of the most difficult points in considering the problems of civil society is the position of the market economy sphere within civil society, in other words, the position and significance of enterprise in the civil society. On the one hand, enterprise is an economic unit and therefore originally situated in civil society in relation to the state. On the other hand, there exists a power relation of order and rule-subordination in it, in this sense, it is also a political system. It is quite possible for enterprise rather than state power to control human beings and to rule them. Japan is the place where such a possibility has developed to the fullest extent. The fact that there are some elements which are inconsistent with the definition of 'civil society' which I gave at the beginning of this paper, reflects the existence of a certain duality or fluctuation in the position and significance of enterprise in modern society.

In this regard, it is important for civil society in the narrow sense to regulate the market economy in a manner which is favorable to its (civil society's) own development and enlargement. Generally speaking, any strengthening of the combination or connection of state and enterprise is disadvantageous for civil society. Conversely, it is desirable for the development of civil society that this combination or connection is dissolved. (The relation between state and economy, as being different from that between state and enterprise, must be considered separately.)

Bearing in mind the points mentioned above, how can we define contemporary Japanese society from the standpoint of the concept of civil society? On the basis of legal and institutional factors, I would characterize Japanese society on the whole as "distorted civil society¹⁸⁾". But if we look at the country from the point of view of the mode of thought and behaviour of the individuals who are the subjective factor in the society, I would characterize Japan as essentially "a highly developed industrial society without civil society¹⁹⁾" which lacks remarkably independent individuals. It is very difficult for us to judge immediately which definition is correct. My provisional conclusion is to define Japanese society as an "immature civil society", according to the concept of civil society as ideal type (*Idealtypus*).

Notes

[J] indicates that the book or the article was written and published in Japanese.

- 1) Jürgen Kocka, The Difficult Rise of a Civil Society. Societal History of Modern Germany, in: Mary Fulbrook (ed.), *German History Since 1800*, Arnold 1997, pp.498f.
- 2) John A. Hall (ed.), *Civil Society. Theory, History, Comparison*, Cambridge (UK) 1995, pp.310-315.
- 3) A. Arato/J. Cohen, The Rise, Decline and Reconstruction of the Concept of Civil Society, and Directions for Future Research, (unpublished paper), p.8.
- 4) J. Kocka, *op. cit.*, p.499.
- 5) Ibid., p.506; Joseph Huber, Zukunftsfragen der Sozialdemokratie, in: *Die Neue Gesellschaft*, Aug. 1987, S.680-683; M. Matsuba, The Berlin Fundamental Program of the German Social Democratic Party and Today's Left Democracy, [J] *Mado* (Window), No.4, June 1990, pp.298f.
- 6) J. Kocka, *op. cit.*, p.507.
- 7) Tetsuro Kato, *The Crisis of Socialism and Reconstruction of Democracy*, [J] Kyoiku Shiryo Shuppankai, 1990, p.210. Incidentally, on the importance of the category 'individual ownership', cf. Kiyooki Hirata, *Civil Society and Socialism*, [J] Iwanami Shoten, 1969.
- 8) Eiichi Hoshino, *A Recommendation to Civil Law*, [J] Iwanami Shinsho, 1998, pp.81-99.
- 9) Cf. Kinya Abe, *What is the 'Seken'?*, Kodansha Gendai Shinsho, 1995.
- 10) I think, it is difficult to construct social science in a place where there is too great a distance between 'honne' and 'tatemae'.
- 11) In this context, we can see why K. van Wolferen characterizes Japan as a stateless nation (the subtitle of his main book "The Enigma of Japanese Power" is "People and Politics in a Stateless Nation").
- 12) Shuichi Kato, *His Collective Works*, Vol. 5, [J] Heibonsha, 1980, p.523. (Here, tr. by Matsuba)
- 13) Jun'ichi Murakami, *An Encyclopedia of Philosophy and Thought*, [J] Iwanami Shoten, 1998, p.683.
- 14) Masafumi Matsuba, An Introduction to the Analysis of Contemporary Japanese Economy. The Development and Reorganization of the Large Corporation System, *Ritsumeikan Business Review*, Vol.34 No.5, Jan. 1996, pp.77-92.
- 15) Michio Goto, From Non-Civil Society to Japanese-Style Mass Society, [J] in: *Contemporary Japanese Society* (ed. by O. Watanabe), 1996, pp.343-357; M. Matsuba, *An Essay on Contemporary Japanese Capitalism. A Survey Based on Statistics*, [J] Minerva Shobo, 1987, Final chapter.
- 16) For a regulationist approach to the problems of civil society and corporation-centered society in Japan, cf. Toshio Yamada, Corporation-centered Society and Civil Society, [J] in: *Contemporary Civil Society and Corporation-centered State*, (co-authors, K. Hirata etc.) Ochanomizu Shobo, 1994.
- 17) Tatsuro Hanada, Public Space and Civil Society, [J] in: *Iwanami Lectures, Method of Social Science*, Vol.8, 1993, pp.55-58; E. Hoshino, *op. cit.*, pp.115-121.
- 18) 19) I am extremely grateful to Bob Jessop, a professor of Lancaster University, for his advice on these concepts.

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