Shipbuilding and Ship Repair Workers around the World

van der Linden, Marcel, Murphy, Hugh, Varela, Raquel

Published by Amsterdam University Press

van der Linden, Marcel, et al.
Shipbuilding and Ship Repair Workers around the World: Case Studies 1950-2010.
Amsterdam University Press, 2017.
Project MUSE. muse.jhu.edu/book/66328.

For additional information about this book
https://muse.jhu.edu/book/66328
The lower labour market and the development of the post-war Japanese shipbuilding industry

Takeshi Haraguchi and Kazuya Sakurada

Introduction

Japan’s shipbuilding industry experienced a dramatic surge of growth from the post-1954 “first export-ship boom”, and by 1956 it had surpassed Britain to become the top-ranked shipbuilding country in the world – a position it would retain for the rest of the century.¹ Shipbuilding was seen as a fundamental industry for Japan’s pursuit of high economic growth. Thereafter until the mid-1970s, the Japanese shipbuilding industry continued to expand its share of the world market, dominating over 50 per cent of world shipbuilding production. However, the tendency to overaccumulation of market share progressively increased but was put under considerable pressure from the general slump in demand resulting from global oil price crisis of 1973 and 1974. In this context, rationalisation and reorientation of its productive facilities became a critical mission for the Japanese shipbuilding industry in the subsequent decades.²

The aim of this chapter is to clarify particular characteristics of the Japanese shipbuilding industry, in light of its experience of dramatic expansion and decline. Specifically, we focus on two areas: first, the 1970s, and secondly on the labour market; particularly the lower labour market.³ The rationale for this is that the basis of shipbuilding expansion in Japan was formed on sub-contract labour, and in the mid- to late 1970s these labourers

---

¹ This alarmed British shipbuilders greatly – so much so that the president of the industry’s trade association, Sir James McNeil, stated, “for the first time in peace-time history, the United Kingdom had had to take second place to a foreign power, viz., Japan [and that] all-time record launchings were established by Germany, the Netherlands, Italy and Norway”. In McNeil’s view the figures indicated “a most definite comparative trend”. See Johnman and Murphy, British Shipbuilding and the State Since 1918, 112.
² For the industry generally, see Chida and Davies, The Japanese Shipping and Shipbuilding Industries.
³ In this chapter, “lower labour market” is defined as the labour market in which hiring is precarious and wages are low; it is divided from the directly hired full-time labour market. Such hiring includes temporary labour, contract labour, and day labour.
were the first to be sacrificed in the restructuring of the shipbuilding industry. Moreover, little attention has been paid to the supply of sub-contract labourers in the shipbuilding industry and its relation to Japan’s lower labour market generally.

In terms of structure, this chapter sets out how the production system of the post-1945 Japanese shipbuilding industry was formed and how it shifted, examining aspects of national policy, corporate systems, and technological innovation. Having clarified the status of sub-contract labourers characteristic of the Japanese shipbuilding industry, focusing on the 1970s, we then discuss how shipbuilding labourers engaged in resistance, and what kind of opposing strategies were taken by companies in response to this. Finally, we consider Osaka’s riverside shipbuilding industry as a case study, and discuss specifically how the capital-labour conflict played out. Further, by focusing on Kamagasaki, a location well known as a lower labour market in Japan, we clarify what relations exist between the shipbuilding industry and the lower labour market.

Formation and shifts of the production system in the post-1945 Japanese shipbuilding industry

Historically, up to and through the Edo period, the Japanese shipbuilding industry was limited to the construction of wooden ships for coastal navigation. With the Meiji Restoration, however, Japan’s social and economic modernisation moved at a rapid pace, but this was a process imposed from above by the government. Regarding shipbuilding, through government policy, the technological know-how and management methods for building steel ships were imported from overseas. In this, the navy yards of Yokosuka, Kure, Sasebo, and Maizuru played a leadership role. Moreover, the major shipbuilding centres of Nagasaki, Ishikawajima in Tokyo, and Kobe were opened up when government shipbuilding sites were sold off to the private sector (Figure 23.1). The development of Japan’s shipbuilding industry, against this historical background, was from 1945 onwards consistently dominated by the intervention of the government where a group of companies founded as the zaibatsu of the Meiji period continued to rule the industry from the top down. In the post-1945 shipbuilding industry, the “big seven” (Mitsubishi

4 In comparison, small and medium-sized shipbuilding companies exist all over the country with a focus in west Japan, but they are particularly concentrated around the Seto Inland Sea. This area was dominated by pirates during the Middle Ages, with shipyards on each island. The
Heavy Industries, Ishikawajima-Harima Heavy Industries, Kawasaki Heavy Industries, Mitsui Engineering and Shipbuilding, Hitachi Zosen, Nippon Kokan KK, and Sumitomo Heavy Industries) formed the core. These companies all dated back to the early Meiji period; thus, the path taken by the shipbuilding technology of the Middle Ages was passed down for many years, becoming the basis of the Seto Inland Sea area small and medium-sized shipbuilding companies. See Ogawa, “Zosen tosan chitai/Shikoku wo iku”.

Figure 23.1 Locations of shipyards in Japan, 2010
Japanese shipbuilding industry was, from the viewpoint of national policy and corporate systems, consistent in nature from the pre-war period.

However, in other aspects the difference from the pre-war era to the post-war one was significant. The point of change was in the process of government rebuilding through the period of American occupation of defeated Japan from the end of the Second World War through 1952. Through this process, Japan’s society and economy were strongly influenced by the United States, the latter mainly from the aspect of technological innovation. Japan’s post-war shipbuilding industry through continuity of national policy, corporate systems, and technology transfer created the conditions for explosive development. The following three chronological divisions will look in detail at the development of the shipbuilding industry in each period.

1945 through the 1950s

Japan’s ship construction can be generally divided into “planned shipbuilding” and “self-funded shipbuilding”. Of these, it was planned shipbuilding that formed the basis of the post-1945 shipbuilding industry. Planned shipbuilding meant that government determined the quantity of ships built, and the funding plan for every fiscal year. Planned shipbuilding began in 1942, the year when, as the Pacific War broke out, increased production of ships and aircraft carriers became an urgent national requirement. After the war was lost in 1945, Allied GHQ (General Headquarters) policies focused on Japan’s demilitarisation, and planned shipbuilding was abolished. However, as the Cold War with the Soviet Union surfaced and the situation in China worsened, GHQ’s policies took a turn in the opposite direction: in order to set Japan up as a bulwark of anti-communism. Along with advancing remilitarisation, they also worked towards economic independence. Against the background of this American stance, planned shipbuilding was restarted in 1947. When the Korean War broke out in 1950, Japan’s geo-political importance increased further. Made independent from Allied GHQ occupation by the 1952 Treaty of San Francisco, the Japanese government developed a diverse policy of ship protectionism and encouragement to expansion centring on planned shipbuilding. In particular, from 1954 onwards a new

---

5 Self-funded ships built with commercial banks’ funding were, compared to planned construction ships built with government funding, disadvantaged regarding rates of interest, etc. Planned shipbuilding was funded from 1947 by the Reconstruction Finance Fund and later, in the mid-1950s, by the Japan Development Bank. See, for example, Ten Year History of the Japan Development Bank. See also Kohama, Industrial Development in Postwar Japan, 132-135.
interest support system\(^6\) was put into place regarding planned shipbuilding investment, and extremely advantageous conditions came to prevail for cost reductions in the shipbuilding industry.\(^7\) Earlier, in 1952, the Shipping and Shipbuilding Rationalization Council (SSRC) was established, and went on to play a decisive role in the oversight and management of Japan’s shipbuilding industry.

In addition to the policy structure above, an important change during this period was in technology transfer. The pre-war Japanese shipbuilding industry had relied on British technology. In contrast, post-war Japan was placed in an economic relationship with the United States. Within these relations, welding block-construction technology was rapidly introduced from the USA. Specifically, in 1951 the American shipowner, Daniel Ludwig’s National Bulk Carriers (NBC), leased a large area of the Kure shipyard, carrying out bulk ship construction using American welding methods there until 1962 (Figure 23.2).\(^8\) As the Japanese government had made the availability of American shipbuilding technology a condition for these shipbuilding facilities, NBC’s techniques spread throughout each company in the shipbuilding industry.\(^9\) Through the spread of this technology, the construction period for steel ships was reduced to a third of what it had been before the war.\(^10\) In this way, by the early 1950s, large ships could be constructed to short deadlines, and at low relative cost. At the same time, planned shipbuilding, which had provided a foothold and then impetus for the revitalisation of shipbuilding after 1945, showed a sharp reduction from that year, when “self-funded construction” came to expand to a scope equivalent to planned shipbuilding. Furthermore, as the first export-ship boom arrived in 1955, Japan’s shipbuilding industry used its short turnaround times as an advantage to rapidly increase its share of the world market.

1960s through mid-1970s

The Japanese shipbuilding industry, through its second (1962-1964) and third (1965-1970) export-ship booms, accepted an unprecedented quantity of

---

6 This was intended to encourage investment by commercial banks in the gap between government investment interest and commercial interest, through government support of commercial banks.
8 For this, see Davies, “The Role of National Bulk Carriers in the Advance of Shipbuilding Technology in Post-War Japan”. NBC employed around 2,000 workers.
orders for ships for export, and accordingly hugely increased its productive capacity (Figure 23.2). During this period, the structure and quality of the post-war shipbuilding industry solidified, and we now consider this from various aspects.

First, national policy: planned shipbuilding had already taken shape by the 1950s, and national support for the shipbuilding industry grew stronger in the 1960s. The “income-doubling plan” of 1960 involved not only large-scale intervention by the government in various industries, but also intervention into national life as a whole, as the policy which triggered the period of so-called high economic growth. The shipbuilding industry, thanks to its position as one of the major industries in this economic plan, received increased government funding, and with national backing developed even more strongly its plan for expanding construction of ocean-going ships. Under this policy, planned shipbuilding continued to revise its highest post-war output levels. The focus within this policy on giving precedence to the improvement of international revenues, and
the expansion of possession of foreign currency, increased orders and construction for export ships.\textsuperscript{11}

Secondly, one notable characteristic of this period of shipbuilding was large-scale investment in facilities, plant, and equipment. In particular, during the third export-ship boom which began in 1965, not only did export-ship orders expand to unprecedented levels, the worldwide expansion of petroleum shipping led to the scale of oil tankers suddenly becoming super-sized (over 250,000 dwt) to reap economies of scale. Under these conditions, the Shipping and Shipbuilding Rationalization Council took the

\textsuperscript{11} Ibid., 49.
position that super-sized facilities were needed. With this kind of backing from the government, shipbuilders, in particular large corporations, carried out concentrated construction of super-sized shipyards from 1966 through 1968. Moreover, as the 1970s began, the competition over facility expansion and new construction became ever fiercer, reaching its peak (Figure 23.3). In the period from 1972 through 1973, medium-sized shipbuilders joined the large corporations in expanding their facilities.\footnote{This situation produced the following points as context. First, in the world context, the economy thrived over these two years, and a rush of orders to Japanese companies took place. Secondly, domestically, positive finance based on the 1972 governmental plan of “remodeling the Japanese archipelago” heated up the domestic economy (\textit{ibid.}, 66-67).} In this way Japan’s
shipbuilding capacity reached 19 mn dwt in total, a scale which approached 50 per cent of world shipbuilding capacity.\textsuperscript{13} Third, at this time shipbuilding companies’ mergers and reorganisations were progressing (Figure 23.4). In 1960, Ishikawajima Heavy Industries and Harima Shipbuilding merged to launch Ishikawajima-Harima Heavy Industries (IHI), and in 1963-1964 New Mitsubishi Industries, Mitsubishi Shipbuilding, and Mitsubishi Japan Heavy Industries – once a single corporation which had been split in three by the post-war GHQ \textit{zaibatsu} dissolution orders – merged to restart Mitsubishi Heavy Industries (MHI). Thus the “big seven” restored in the 1960s made a mutual industry alliance pact; and small and medium-sized shipbuilding corporations also followed governmental industry reorganisational policy and merged. Through this process, a structure emerged in which the big seven took overwhelming precedence over the small and medium-sized shipbuilders.

Finally, at this time the large corporations were moving into overseas expansion. IHI was the first to move, establishing Ishikawajima do Brasil Estaleiros (Ishibras) in Brazil in 1959, and Jurong Shipyard in Singapore in 1963.\textsuperscript{14} From 1965 on, the pressures of labour shortages, difficulties in finding new locations, and rising construction costs for shipyards caused other shipbuilders to look to overseas expansion. From the late 1960s on in particular they advanced overseas in diverse forms, including technological support and direct investment (Table 23.1).

The mid-1970s on

Competition over facilities expansion and new construction in the Japanese shipbuilding industry took place on a dramatic scale from the late 1960s to the early 1970s, leading to an unheard-of new record for ships laid down in 1974. This kind of rapid increase in construction capability led to a progressive increase in the crisis of overaccumulation. In the mid-1970s, this contradiction burst to the surface, and building performance began to slow sharply (Figure 23.5). At the height of the industry facilities’ expansion in 1973, there were already concerns regarding the worldwide oversupply of tankers, and as early as 1974 there was a sharp decrease in tanker export contracts post-OPEC. After this year, the Japan shipbuilding industry’s construction in hand continued to decrease, and contracts were cancelled one after the other. Planned shipbuilding, the basis of the post-war Japan’s

\textsuperscript{13} \textit{Ibid.}, 66.
\textsuperscript{14} For this period, see Sato, “Zosen dokusen no saihen, kaigai shinshutsu, gunjika no jittai”.
Table 23.1 Overseas expansion by large Japanese companies, 1979

<table>
<thead>
<tr>
<th>Company</th>
<th>Country</th>
<th>Establishment year</th>
<th>Local company</th>
<th>Capacity</th>
<th>Number of workers</th>
<th>Merger partner</th>
</tr>
</thead>
<tbody>
<tr>
<td>Ishikawajima-Harima Heavy Industries</td>
<td>Brazil</td>
<td>1959</td>
<td>ISHIBRAS</td>
<td>26,000D/W 400,000D/W</td>
<td>4,964</td>
<td>Government</td>
</tr>
<tr>
<td></td>
<td>Singapore</td>
<td>1963</td>
<td>JSL</td>
<td>(repair) 90,000D/W (repair) 300,000D/W</td>
<td>2,506</td>
<td>Government</td>
</tr>
<tr>
<td></td>
<td></td>
<td>1968</td>
<td>JSBL</td>
<td>25,000D/W 100,000D/W</td>
<td>-</td>
<td>Government</td>
</tr>
<tr>
<td></td>
<td>South Korea</td>
<td>1977</td>
<td>Samsung Heavy Industries</td>
<td>(Heavy Machinery) 5700,000W</td>
<td>1.117</td>
<td>Government/JSL</td>
</tr>
<tr>
<td>Hitachi Zosen</td>
<td>Singapore</td>
<td>1970</td>
<td>HRD</td>
<td>(repair) 300,000D/W</td>
<td>1.202</td>
<td>Robin Shipyard</td>
</tr>
<tr>
<td>Mitsubishi Heavy Industries</td>
<td>Singapore</td>
<td>1973</td>
<td>MSHI</td>
<td>(repair) 400,000D/W</td>
<td>1.000</td>
<td>Government/DBS Bank</td>
</tr>
<tr>
<td>Sumitomo Heavy Industries</td>
<td>Malaysia</td>
<td>1973</td>
<td>MSE</td>
<td>(repair) 400,000D/W</td>
<td>150</td>
<td>Government</td>
</tr>
<tr>
<td>Kawasaki Heavy Industries</td>
<td>South Korea</td>
<td>1975</td>
<td>Hyundai Mipo Dockyard</td>
<td>(repair) 400,000D/W (repair) 150,000D/W</td>
<td>1.026</td>
<td>Hyundai Heavy Industries</td>
</tr>
<tr>
<td></td>
<td>Philippines</td>
<td>1977</td>
<td>PHILSECO</td>
<td>(repair) 300,000D/W(plan)</td>
<td>-</td>
<td>Government</td>
</tr>
<tr>
<td>Mitsui Engineering &amp; Shipbuilding</td>
<td>Lebanon</td>
<td>1976</td>
<td>AHI</td>
<td>-</td>
<td>470</td>
<td>UAE</td>
</tr>
</tbody>
</table>

Source: Sato, “Zosen dokusen no saihen, kaigai shinshutsu, gunjika no jittai”
shipbuilding industry, also showed a sharp gap between plans and actual construction in 1975, for the first time after the war, and this situation continued through the 1970s. Here, the policy of large-scale shipbuilding through planned shipbuilding, which had been carried out consistently since the war, finally gave way.  

In addition, the overwhelming domination of world market share by the Japanese shipbuilding industry could not but cause difficulties with other countries, in particular the West European shipbuilding countries. These difficulties came to the surface from the late 1960s through the 1970s, and developed into a clear opposition in 1975. At the shipbuilding session of the OECD of that year, Japan’s expansion and low-priced orders were sharply criticised by West European countries in particular. Faced with this kind of global pressure and domestic economic realities, the SSRC, 

---

15 Shipbuilders’ Association of Japan, Nihon zosen kogyokai 30-nenshi, 75. Another pillar of national policy, ship construction investment interest support, was wound up in the mid-1970s.
which until then had sung the praises of intensive increases of shipbuilding capacity, dramatically changed its mind in 1976, and proposed a production-capacity reduction policy. When the Japanese government recognised the shipbuilding industry as a "structurally depressed industry" in 1978, in July of that year, the SSRC produced a policy of reducing construction capacity by an average of 35 per cent. Based on this policy, government leadership forced reductions of 40 per cent by the big seven, 30 per cent by seventeen mid-sized companies, and 27 per cent by sixteen medium-sized and small companies (Figure 23.6).

What should be emphasised in the process described above is that, first, the power relations between the big seven and the other medium-sized and smaller companies became even more imbalanced. During the recession, the large companies, in order to make up for the reduction in orders of oil tankers and other large ships, advanced into the construction of smaller cargo ships, which had until then been the speciality of smaller companies. Because of

this, the management crises of the small and medium-sized companies worsened further, and from 1977 on they began to collapse one after the other. Furthermore, for non-diversified small and medium-sized shipbuilders with only one or two docks, the reduction in production capacity simply meant bankruptcy on the spot. In this economic climate, medium- and mid- to small-sized companies had no option but to form groups to manage the reductions. On the other hand, the big seven, more diversified and with huge capital reserves, through a shift to production to the heavy (land-based) machines division including military industries and nuclear power industries, were able to maintain and expand their profits. As the 1980s began, the situation of the shipbuilding industry recovered; however, in this period, shipbuilding companies were reduced to the two extremes of the big seven and the other groups. The big seven not only succeeded through the process described above in reducing overcapacity in the shipbuilding division, but by the 1980s had established a solid position as general heavy machine companies. Second, the production-capacity reductions of the 1970s pushed through not only facility reductions but also large-scale reductions in labour. In this period, both large and small to mid-sized companies saw shipbuilding labourers being laid off in large numbers.

Labour relations and the labour movement

From the mid-1970s onwards there was a large-scale reduction in the shipbuilding labour force. This was a political process in which the characteristic relations of capital and labour in Japan's shipbuilding industry were clearly on display. We clarify this process by asking two questions. First, when carrying out the process of labour-force reductions from the mid-1970s on, how did capital use the structure of the shipbuilding labour market, composed of full-time labourers and sub-contract labourers? Secondly, faced with spreading resistance against labour-force reductions from the labour movement, what opposing strategies did capital take?

The composition of the labour force and sub-contract labourers

In the shipbuilding industry, which has always been prone to periodic slumps in demand, there was a tendency to keep regular labour to the minimum necessary, and to compensate for this with short-term hired labour for temporary hiring needs. The specific practice of this has changed over time due to legal issues and the supply of labour generally.
The short-term hired labour force before the war was usually supplied through local labour brokers. However, during the post-war occupation era, the Employment Security Act was passed, planned to eliminate labour brokerages from the labour market, thus the traditional supply route was largely cut off. More precisely, as will be explained below, work introductions through labour brokers received tacit permission as exceptions in certain limited urban labour markets. However, it is certain that the shipbuilding industry at least was no longer able to depend on these for the whole of its labour supply. In this situation, the method taken by the shipbuilding industry to procure its labour was the practice of using temporary labourers or sub-contract labourers.\footnote{Echigo, \textit{Nihon Zosen Kogyo ron}.} This trend became notable particularly after the 1955 first export-

\begin{figure}[h]
\centering
\includegraphics[width=\textwidth]{numbers_of_shipyard_labourers_in_1950s_japan}
\caption{Numbers of shipyard labourers in 1950s Japan}
\end{figure}
ship boom. As shown in Figure 23.7, from 1952 through 1957, the number of full-time labourers remained roughly stable (71,812 in 1954 to 70,353 in 1957); in comparison, the number of temporary and sub-contract labourers shot up after 1955 (temporary labourers: 11,325 in 1952 to 19,455 in 1957, sub-contract labourers: 97,282 in 1952 to 124,850 in 1957). As a result of this, by 1957, 43 per cent of all labourers were actually sub-contracted/temporary.

In this way the basic composition of the labour force of Japan’s shipbuilding industry was established in the 1950s. However, its inner status changed even more in the 1960s. The labour movement led by the All-Japan Shipbuilding and Engineering Union (SEU), described later, developed a campaign to eliminate the temporary labour system, and eventually succeeded in having temporary labourers hired as full-time labourers.17 The effects of this were that numbers of temporary labourers decreased sharply from the 1960s on, but those of sub-contract labourers increased sharply in turn. Specifically, while there were 88,135 temporary labourers and 13,531 sub-contract labourers in December 1955, by 1965 there were only 6,700 temporary labourers and as many as 63,859 sub-contract labourers. The method by which companies farmed out business to contractors and used the sub-contract labourers hired by those contractors was essentially indirect hiring. Through using this indirect hiring method, companies were able to pass off trouble related to hiring and firing to contractors, and thus to create an environment in which labour-force adjustments such as reductions could be carried out more smoothly.18

Furthermore, in this process from the 1950s to the 1960s, in the layer below full-time and sub-contract labourers, a lower labour market was constructed. As stated above, through the post-war Employment Security Act, the use of labour brokers was officially forbidden. However, the government was unable completely to eliminate the existence of labour brokers19 and changed in the 1960s to a policy of tacit acceptance, exceptionally, of their existence. Specifically, the informal lower labour market in which labour brokers were active was tacitly permitted in extremely limited areas within major cities. In this context, contractors, having kept the hiring of full-time labourers to the minimum necessary, came to acquire the labour needed on and off through labour brokers from the lower labour market. Lower day labourers like this were usually given the most dangerous tasks on site. Moreover, because many of the labour brokers were so-called Yakuza, it was

---

17 SEU, “Zenzosen kikai 40-nenshi”, 32-34.
18 Mizota, Zosen jukikai sangyo no kigyo system, 52.
19 As early as 1952, the Employment Security Act was revised, and regulations on labour brokers were relaxed. Through this, labour brokerages run by labour bosses revived.
not uncommon for labourers to be forced to work in illegal conditions, or to be faced with violence or, in extremis, lynching. 20

The structure of the shipbuilding labour market constructed through this process can be shown in a model such as that in Figure 23.8. Since the mid-1970s, as capital carried out its process of reducing the labour force, it made adroit use of this labour-market structure. As shown in Figure 23.9, the number of shipbuilding labourers rose until 1974 and fell thereafter, but within that it was sub-contract labourers who were sharply and hugely reduced. In this way, companies first drove sub-contract labourers who had been indirectly hired into unemployment, trying to achieve labour-force readjustment. While the exact details are not clear, many of the sub-contract labourers driven into unemployment are thought to have been absorbed by the lower labour market. However, this measure alone was not able to do away with the issue of overstaffing, and reductions in numbers of full-time labourers began to follow those in sub-contract labourers. Behind these reductions were, for example, cases in which full-time labourers were required to retire from their positions, to be hired again by related

20 Kamata, Document zosen fukyo, 64-98.
contractors. In this situation, even though labourers were doing the same jobs at the same workplace, because their positions had been changed from being directly hired to sub-contracted indirectly hired, they were forced to accept lower wages. Through this kind of use of the multiple layers of the structure of the labour market, capital was able to achieve a large-scale reduction in the labour force.

The labour movement in the process of labour-force reduction and the opposing strategies of capital

The shipbuilding labour movement saw two peaks of struggle after the Meiji era. The first was from after the First World War through the early
1920s. In this period, against a background of good economic conditions from 1917 through 1921, and the international situation concerning the Russian Revolution and its effects, the domestic situation including the Rice Riots (1918) and the spread of socialist ideologies, the shipbuilding industry saw a large number of struggles led by the labour union movement. In particular, the 1921 Mitsubishi Kobe/Kawasaki Shipyard Struggle went down in Japanese labour history as the largest strike before the Second World War. The second peak was from the end of the Second World War through the 1950s. As the Allied GHQ first promoted labour unions as part of its policies of democratisation, such organisations were formed all over the country. Regarding the shipbuilding labour movement, at this time a large-scale production-control struggle took place. As Andrew Gordon writes, this production-control tactic “was certainly the most radical form of activity ever undertaken by Japanese workers”.

The process of labour-force reduction from the mid-1970s onwards was one which drove a large number of labourers into the crisis of unemployment, and naturally the labour movement attempted to resist this process. However, compared to the major influence exerted upon labour relations by the two past labour-movement peak periods described above, it must be said that the struggles of the 1970s were unable to make a decisive impact on capital. Rather, in the mid-1970s, the labour movement had been placed in an overwhelmingly disadvantageous position with regard to capital. The primary factor therein was, as already stated, the fact that an overwhelming majority of labourers had been shifted into the position of sub-contract labourers through indirect hiring. For Japan’s shipbuilding labour movement, based on company divisions, the shift from direct hiring (full-time/temporary labourers) to indirect hiring (sub-contract labourers) was a major blow. The second factor, as will be shown below, was the marginalisation of the fighting labour movement through the splitting of unions.

In 1946, after the war had been lost, unions were formed one after another at shipyards around the country, and a national organisation, the All-Japan Shipbuilding Union, was formed. The SEU joined the General Council of Trade Unions of Japan, the national sector body set up in 1950, and under its auspices took a leading role in a combative shipbuilding labour movement. The movement to end temporary labour was one of its activities. Against

21 However, as a defence against the 1 February 1947 General Strike, GHQ ordered a halt in democratisation in the fear of expanding communism. From this point on, GHQ policy shifted from supporting to repressing labour unions.
this spreading and increasingly combative labour movement, capital concentrated its attacks during the corporate reorganisation period of the 1960s, in order to knock the feet from under the movement. One essential strategy was to form “a second union” in order to encourage workers to disengage from the SEU, thus involving the workers in the production-improvement movement represented by the quality-control (QC) movement. When, as noted above, Mitsubishi Japan Industries, New Mitsubishi Heavy Industries, and Mitsubishi Shipbuilding merged to create MHI, a “second union” under company direction was immediately formed. Starting from there, union splits and departures in Mitsubishi affiliates came one after the other, and by 1967 the SEU had lost 20,000 members in Mitsubishi and its affiliates. Union splits due to the formation of “second unions” spread through the major companies in the 1960s and the medium-sized companies at the start of the 1970s, until the national sector Japan Confederation of Ship Building and Engineering Workers’ Unions was formed by co-operating unions in 1972.

The anti-union strategies used by capital intensified, and by the early 1970s, the SEU had become if anything the minority, marginalising the labour movement. Nor did it stop there; rather, the labour-force reduction process which began in the mid-1970s was also a political strategy that drove the fighting labour movement even farther into its corner. That is, as labourers’ layoffs increased, the first to be fired were the SEU members. Through this kind of political process, from the mid-1970s onwards a large number of workers came to lose their jobs.

The case of Osaka: Kizugawa Shipbuilding and Kamagasaki

We now consider the specific situation of the shipbuilding industry in 1970s Osaka as a case study (Figure 23.10). The Kizugawa riverfront in Osaka was a shipbuilding area from as early as the Edo period. From the Meiji period on, shipbuilding industries established in the Kizugawa area included Fujinagata Shipyards (merged into Mitsui Shipbuilding in 1967), Sanoyas Shipbuilding, Namura Shipbuilding, Osaka Shipbuilding, and Hitachi Shipbuilding. These five companies were collectively known as “Kizugawa Shipbuilding,” and were particularly active in the expansion of the shipbuilding industry during the high economic growth period, as well as serving as a core industry of the regional economy. However, from
the late 1970s on, the shipyards managed by these five companies were relocated or closed one after the other, and there are now only two remaining, dedicated to ship repair rather than construction. Going through a dramatic reorganisation process compared to other regions, the experience of this area allows a clear view of the contradictions expressed here with regard to Japan’s shipbuilding industry.

Near this area is a lower day labour market area. This is a day labourers’ gathering area known as Kamagasaki, where the labour markets are concentrated among more than 200 flophouses. The number of labourers living there is said to have been roughly 30,000 in the early 1970s. The day labourers paid rooming fees to flophouses to live there, travelling – being sent by labour brokers – to various kinds of sites in construction, dockwork, and manufacturing. These labour brokers, as stated above, were banned by the passage of the Employment Security Act after the war, but came to be tacitly permitted as exceptions by the 1960s. Kamagasaki is one of the special areas where this exceptional situation was permitted. The Kizugawa Shipbuilding companies got by through not only hiring sub-contract labourers from contractors, but also by using this kind of lower day labour
Looking at Figure 23.11, we see that the type of work entered by the Kamagasaki day labourers was dominated by manufacturing up through the mid-1970s. Actual numbers are unclear as objective data do not exist, but it is thought that a large portion of this work was related to the shipbuilding industry. In this way, at Kizugawa Shipbuilding, the multi-layered structure of the labour force modelled in Figure 23.8 appeared more sharply than in any other region.

From the late 1970s, at Kizugawa Shipbuilding relocations and closures of factories and docks came rapidly. Namura Shipbuilding constructed a large-scale dock at Imari in Saga Prefecture in 1974, and in 1977 introduced a policy to concentrate its new construction projects at the Imari factory, eliminating new construction from the Kizugawa factory in 1979. Sanoyas Shipbuilding built a new yard at Mizushima in Okayama in 1974 and, as well as concentrating its new construction there, reduced the scale of the Kizugawa factory and limited it to repairs. Fujinagata Shipyards also planned in 1978 to do away with its new construction division, shifting to an onshore machine factory. These transfers and closings were undertaken as

Source: Nishinari Labour and Welfare Center, Business Report, each year

Figure 23.11  Numbers of job offers for day labourers in Kamagasaki

Source: Kamata, Document zosen fukyo, 64-98.
part of a strategy to reduce the labour force on a large scale. Taking Namura Shipbuilding as an example, the number of labourers from 1974 to 1978, both full-time and sub-contract, was cut by roughly half (Table 23.2).²⁵

An important point, as discussed above, is that this reduction of the labour force was carried out as part of a political strategy intended to deal a blow to the fighting labour movement. By the early 1970s, the SEU’s labour movement was already being marginalised. For example, at Sanoyas Shipbuilding, through the formation of a “second union,” the 1,200 members of the SEU local recorded in 1972 were reduced by October 1973 to 230.²⁶ Once the SEU’s base had been weakened through labour reductions, those workers who were active with the SEU even as a minority, or those who objected to company policies were made targets of firing and transfers. The resistance movement formed to deal with this situation was first to expand the movement from company level to community level. The union activists who had been marginalised at each company tried to work towards the solidarity of the workers at each of the five Kizugawa Shipbuilding companies, forming a common struggle group. Further, by connecting the withdrawal and shrinking of the shipbuilding industry directly with the weakening economy of the region, they called on neighbouring merchants and manufacturers and formed the Citizens’ Council to Protect the Employment of Shipbuilding Labourers and the Management of Merchants and Manufacturers. Secondly, with this kind of community-level movement base as a backbone, they embarked on legal attempts to protest against unfair firings of union activists (“targeted firings”) and to demand their nul- lification. The legal struggles were successful, and in the 1980s they received judgments that the firings were invalid. However, they were unable to put

²⁵ Labor Research Association, “Zosen fukyo wo kojitsu ni shita futo na shimei kaiko”.
²⁶ Kamata, Document zosen fukyo, 87.
a stop to the overall trend of labour-force reduction which accompanied the transfers and closings of factories and docks.

One more point to be noted in this process is the fact that, even within the structure of the labour force, labourers positioned at the lowest level also tried to organise themselves. Satoshi Kamata’s decisive reportage revealed their poor working conditions and described detailed facts in his in-depth interviews with labourers. One labourer related that he had joined a sawmill in the Sanoyas shipyard as a full-time worker, but sawing had been outsourced and they were sub-contracted too. He related how hard sub-contract work was “without any social securities such as health insurance or unemployment benefit, nor severance payment”, as well as discriminative composition of the working class he recalled that “there are many Korean migrants, outcast Barakumin, and also Okinawan immigrants in the shipyard”. Another labourer related how many industrial accidents occurred at Sanoyas, “with more than ten fatal accidents in ten years I have been working at this shipyard. Most of the fatalities are sub-contracted workers. Someone falling off scaffolding, another crushed to death by a fallen gas tank while working inside a cargo hatch. The danger of the shipbuilding industries has been hidden by [the fact that the] victims [were] sub-contracted.”

In order to fight against these conditions, a labour union of sub-contract workers was formed at Sanoyas Shipbuilding only in 1976. Sub-contract labourers were fragmented as they were hired by various contractors, but roughly thirty of them facing unemployment assembled, and with the cooperation of the SEU formed their union. Further, in 1977, with the support of the All-Japan Dockworkers Union (JDU), a labour union was based in the day labourers’ gathering place of Kamagasaki; a sub-contract labourers’ union was also formed at the Namura Shipyard. Among those who joined the sub-contract labourers’ union were also labourers who had been supplied as sub-contract labour from Kamagasaki. Therefore, this was an unusual moment in the history of Japan’s shipbuilding labour movement, when the lowest-level labourers began to organise themselves. However, these unions were quickly forced out of existence. Sanoyas Shipbuilding and Namura Shipbuilding cut their contracts with the sub-contractors whose labourers had formed unions, and by forcing the sub-contractors to dissolve, also made the sub-contract labourers’ unions disappear.

27 Ibid., 80.
28 Ibid., 81.
29 Ibid., 64-98.
In this way, the shipbuilding labour movement of the late 1970s showed new developments not seen in the traditional shipbuilding labour movement, in its aspects of having formed solidarity beyond companies at the community level, and of the lowest-level labourers having organised themselves. However, the fighting labour movement was already being marginalised, and, as well, the firing of contract labourers sub-contracted through indirect hiring was all too easy for the companies. Under these conditions, labour was placed in a disadvantageous position with regard to capital. Accordingly, the labour movement in the late 1970s was in the end unable effectively to stop the wholesale strategy of labour-force reduction by capital.