

# THE USE AND ABUSE OF JAPAN AS A PROGRESSIVE MODEL

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## I. Introduction

The repression, economic strangulation, and cooptation of revolutionary movements and post-revolutionary regimes throughout the world has produced a new 'end-of-history' craze which makes the 1950s 'end-of-ideology' fad seem pale by comparison. Yet, more than two decades of socio-economic crises and restructuring, of pressures on workers and their communities to adjust their work and living conditions and aspirations to capital's rising bottom line, have only served to widen the disjuncture between capitalism's competitive priorities and the crying need for a more socially and ecologically sustainable economic system. As we move into the 21st century, it therefore becomes clear that beneath the manufactured picture of 'capitalism triumphant' exhibited by the mainstream media is a system that can only legitimize itself by denying that there is any alternative. The 'end of history' is thus the ideology of a decadent system whose legitimation is self-referential, its power structure and socio-economic organization justified in terms of its own internal criteria (competitiveness and profitability) rather than by its ability to empower and satisfy the needs of human beings.

Given the rightward movement of establishment politics and discourse alongside public and private sector attacks on working-class conditions, there has been an understandable tendency for progressives to engage in a strategic retreat and regrouping. Hoping to win a wider hearing for their policy initiatives or even for reasoned defence of previously institutionalized reforms in the areas of business regulation, welfare, education, health care and civil rights, many are now trying to craft new modes of argumentation and political platforms which will be viable in today's more conservative mainstream terms. One outcome of this process is the increasingly popular argument that progressive public policies are the most appropriate vehicle for promoting a healthy economy, even when using capitalist criteria such as investment growth, output per worker hour, and

the international competitiveness of domestic production to define good health. Thus, proposals for reduced work time, increased worker input into management decisions, regulation of financial speculation, popular control over financial markets and institutions, and democratized corporate governance structures are being defended not so much on grounds that these measures could – by mobilizing different working-class groups and providing a framework for articulation and reconciliation of their needs and priorities – help trigger some important first steps beyond capitalism. Rather, such policy initiatives are defended largely on grounds that they can improve conditions for workers because they make the economy more efficient and competitive in capitalist terms.<sup>1</sup>

In this essay we deal with one important, perhaps even dominant tendency within this 'progressive competitiveness'<sup>2</sup> movement, namely the framing of policy proposals in terms of the superior competitiveness of certain national capitalisms in whole or in part. We focus on a particular case of national-capitalist 'success' which has become a common reference point for many progressive policy platforms in the U.S.: that of **Japan**.<sup>3</sup> Our concern with Japan stems partly from its influential status as an 'economic superpower' and as one of the main 'competitors of the U.S.' Another source of concern is the extreme discordance between the true exploitative, socially-irrational and imperialist character of Japanese capitalism, on the one hand, and the relatively sanguine characterizations of some or all elements of the 'Japanese model' often encountered in U.S. left and liberal writings, on the other. Perhaps our most important reason for examining the use of Japan as a model, however, is that the recent plethora of non-holistic, undialectical, and a-historical references to the Japanese experience in left-liberal writings reveals quite a bit about the analytical and political dangers of using capitalist criteria as a positive reference point for the formulation and articulation of progressive priorities. More specifically, it reveals that those who advocate using Japanese capitalist practices and institutions as guides to progressive change offer a distorted, strategically disastrous perspective on capitalism's exploitative underpinnings and historical tendency towards maturation and stagnation, and thus of the objective and subjective conditions shaping working-class politics.

To create a framework for analyzing recent positive left-liberal references to Japan, the next section describes the main elements of an emerging left-liberal consensus on Japan. Sections **III** and **IV** criticize this consensus from methodological and political angles, respectively. The essay concludes with a final section that briefly describes our own alternative political vision and strategy.

## II. Japanese Capitalism as a Progressive Reference Point

Three basic claims often appear in progressive evaluations of Japanese capitalism; indeed, these claims appear to define an emergent left-liberal consensus on Japan as an historically progressive reference point. This consensus sees Japanese capitalism as superior to U.S. capitalism because of its greater rate and more efficient allocation of productive investment, more cooperative and efficient approach to labour-management relations, and more humane and efficient approach to structuring international economic relations. In what follows we highlight the arguments underlying each of these claims.

### *The Japanese Investment Regime*

Both socialists and liberals have argued that Japan's superior economic performance can, in large part, be explained by the country's rapid rate of industrial capital accumulation, which is itself the result of both a traditionally **high** rate of household savings and the efficient channeling of these savings into private- and public-sector investments in capital goods, new technologies, and supporting infrastructure. The U.S., by contrast, is said to have a lower household savings rate and, more importantly, channel a larger share of its savings toward unproductive activities which erode – or at least fail to enhance – industrial competitiveness: financial speculation, leveraged buy-outs and other merger activity, bloated corporate managerial and marketing bureaucracies, and military-related activities.

Clinton and Gore (1992: 6, 143), for example, in line with the writings of their liberal advisor Robert Reich, note how in the 1980s 'our competitors' economies grew three or four times faster than ours – because their leaders decided to invest in their people and Washington did not.' They suggest that a crucial reason why Japan '**threaten[ed]** to surpass America in manufacturing by 1996' was that the Japanese 'were investing more than twelve times what we spend on roads, bridges, sewers, and the information networks and technologies of the future'.

Walden **Bello** makes the same point when he uses 'the Japanese model of state-led capitalism' as a positive reference point for his left-populist analysis of conservative 'Reaganite' economic policies:

**In 1989 Japan invested 23.2 per cent of its GNP in plant and capital equipment and R&D, while the U.S. invested 11.7 per cent. In non-defense R&D spending, U.S. expenditures as a percentage of GNP in the 1980s came to 1.8 per cent, while the figures for West Germany and Japan were 2.6 per cent and 2.8 per cent respectively. It is hardly cause for surprise then that the U.S., which pioneered the development of most high technologies, has lost the lead to Japan in memory chips, semiconductor manufacturing equipment, robotics, numerically controlled machine tools, optoelectronics, and other strategic areas. (1994: 73, 99)**

In addition to praising the Japanese state's industrially oriented **credit-**

allocation policies: progressives also point to the relative patience of investment fund suppliers and the shared long-term profit orientation of non-financial firms and their financiers as another important reason for the Japanese investment regime's competitive efficiency. For example, when recently interviewed by the popular U.S. left magazine *Dollars and Sense*, the renowned liberal Japan-scholar Ronald Dore suggested that Japanese 'joint venture partners, distributors, banks, and insurance companies' engaging in 'cross-shareholding . . . see stock ownership as a long term mutual commitment' (McDermott and Tilly, 1994: 20). This is in sharp contrast to the behaviour of the U.S. financial system where systemic **short-termism** and speculative pressures rule the roost to the detriment of long-term investments, corporate commitments to productive 'stakeholders' including workers and their communities, and long-term industrial competitiveness (Stanfield, 1994; Goldstein, 1995).

### *The Japanese Work Model*

The left-liberal consensus also credits Japan's more cooperative and efficient approach to labour-management relations for making a significant contribution to the country's superior competitiveness. The rapid **labour-productivity** growth in, and overall cost-effectiveness of, Japanese production are ascribed to the less bureaucratic and more **worker-participatory** structure of production in leading sectors and firms – with worker participation enhanced by a greater security of employment, especially for 'core workers'. Just as for the Japanese investment regime, an important underpinning of this second claim is the belief that exogenous Japanese cultural factors, by rewarding values such as patience and cooperation, help to reinforce economic relationships which depend upon shared responsibility and mutual long-term **commitments**.<sup>4</sup>

Admiration for the Japanese work model was clearly evident in Clinton-Gore campaign proposals for 'a partnership between business and labour and education and government, committed to compete and win in the global economy' – including measures for 'reorganizing the workplace [to] encourage greater cooperation between labour and management' (Clinton and Gore, 1992: 126, 69). Appeals to learn from the Japanese labour experience are often made by liberal writers. Dore, for example, views 'the Japanese system [as] a cohesive, decent society, with relatively limited inequality.' He suggests that in Japan 'the intensification of work' has been bound up with 'greater initiative, greater respect for workers, and a greater sense of achievement' (McDermott and Tilly, 1994: 38). Similarly, worker participation advocates Levine and D'Andrea Tyson include Japan (alongside Sweden) as one of the countries where businesses have, in order to 'increase productivity . . . increased worker participation – giving workers a substantive say in the production process, including training new

employees, dealing directly with suppliers, setting the work pace, and keeping the firm's financial records' (1989: 20).

The use of Japanese work relations as a positive reference point has also become common on the left, especially in connection with 'progressive competitiveness' strategies. In an early post-election evaluation of Clintonomics, David Gordon emphasized the fast growth of labour productivity in Japan compared to the U.S., explaining this in terms not only of the greater rate and more efficient allocation of private and public investment in Japan, but also of Japan's more enlightened **labour-management** practices as manifested in an apparently lower ratio of administrative and managerial employees to total civilian employment. Gordon suggests that '[t]he President wants to prepare us for the twenty-first century, but U.S. labor-management practices reek of the nineteenth' and that 'U.S. corporations are losing ground to . . . Japanese competitors in part because they continue to rely on the stick, not the carrot, in the workplace' (1993a: 344). In order to 'build a **21st-century** production system' – one based on 'visionary corporations which [have] improved their competitiveness by involving their workers' – the U.S. should follow the example of Japanese **firms** which 'are more likely to stimulate their workers with the carrot, seeking cooperation rather than conquest' (1993b: 21–2).

**Bello** (1994: 100–2) offers similarly high praise for the Japanese work model:

The much-vaunted Japanese teamwork, the initiative of workers in the production process, the constant efforts collectively to upgrade and diversify the work team's skills – all this stems from a system of production where much of the conflict between labor and management has been reduced or softened . . . [M]ost Japanese 'core workers' – the dynamo of the firm – are far less alienated from management than American workers are. Moreover, management knows that non-alienated workers are the key to competitiveness . . . Whereas automation has been used to enhance worker skills in Japan, it has been utilized by American managers to deskill and reduce their workforces.

### *The Japanese Globalization Model*

The third basic left-liberal claim regarding the cooperative and efficient nature of Japanese capitalism is that it provides a more progressive and humane basis for the globalization of economic relations than does the coercive, inefficient, and imperialist nature of U.S. capitalism. This extension of the Japanese model's global-historical progressivity to the external investment and production activities of Japanese capital is also based on the notion that military power is increasingly being eclipsed by economic power in determining the political-economic position of nations within an increasingly interdependent global system. The more general assertion then, is that since Japanese capitalism is more internationally competitive and less military-oriented than U.S. capitalism, the only

feasible (competitive) programme for achieving a more progressive and humane U.S. economy is one that can join working-class aspirations and political actions to a neo-mercantilist economic strategy modelled along the lines of Japanese capital's more cooperative, efficient *and increasingly globalized* corporate operations.

This position is clearly enunciated in Tabb's (1992: 81) critical analysis of the 'vampire capitalism' practised by 'the U.S. ruling class' during the Reagan-Bush years, *i.e.*, the 'strategy of growth through redistribution – a redistribution from everyone in the world to the U.S. ruling class – based not on the productive capacities of the United States, but on its coercive talents, its military muscle, and its political and ideological domination.' Tabb includes Japan among the 'nations' which 'offer modes of capitalist development that are more efficient, and even kinder and gentler, than our increasingly social-Darwinist version' (1992: 83).

Tabb suggests that 'the United States should emulate Japan . . . in a more productive use of imperial power,' and that the left should orient its strategies toward such a more 'progressive variation of capitalism,' *i.e.* a 'Reichian approach to competitiveness, based on improving domestic factors of production, [which] could become the conventional wisdom of a revitalized liberal progressivism in the United States and reunite elements of the old liberal social-change constituencies'. In this 'realist' vision, the left would build 'a strong coalition of trade unions, women's groups, environmentalists, and minority groups, all pressing their demands as part of a coherent national development strategy . . . stressing policies that strengthen the competitive position of the geographical United States and the well-being of its residents.' In short, the best option for the left is to go for a 'social-democratic agenda' of 'a humanized capitalism brought about by reforms that increase productivity and dispense its benefits more broadly' while drawing economic sustenance and dynamism from state industrial and mercantilist policies modelled on the 'German and Japanese imperial states [which] put their bureaucrats to work, not in Pentagon or Langley-type occupations, but in drumming up export business and restructuring industries through **intelligencing** the latest technologies and marketing information' (1992: 86, 90–3, 85).

Although we have drawn upon the works of various left and liberal writers to highlight the central tenets of what we believe is an emerging left-liberal consensus on Japan, we do not mean to equate the politics of the former with those of the latter or to argue that this consensus represents the viewpoint of a consolidated political movement with a common political vision. The left writers we have quoted have all made clear in their political writings and work – in sharp contrast to the quoted liberal writers – their rejection of capitalism and **their** commitment to the creation of a new social order. What concerns us, however, and what we mean when we

speak of a left-liberal consensus on Japan, is that many leading scholars, both left and liberal, are increasingly turning to, **as well as** sharing, a common perspective on the Japanese experience, even while seeking to advance very different political agendas. Not surprisingly, but unfortunately, this shared understanding of the Japanese experience has helped to establish Japan as a positive political reference point for many in the progressive community. We say unfortunately because, as we argue next, the left-liberal consensus is seriously flawed and, as a result, politically destructive for building an effective left politics in the U.S.

### III. A Methodological Critique of the Left-Liberal Consensus

To put it simply, the left-liberal consensus is flawed because of its a-historical and non-holistic 'smorgasbord' approach to the study of the Japanese experience. This consensus is underpinned, first, by a simple association of the historical progressivity of socio-economic relations and institutions with their contribution to global competitiveness. Certain elements of the heretofore highly competitive Japanese political economy are then tom out of their historical and structural context and used as positive reference points for a progressive **industrial policy**. Aspects of the Japanese model which are particularly difficult to define as progressive – the long and physically and mentally debilitating work and commuting times, and the extremely high housing costs for Japanese workers compared to U.S. and West European workers, for example – either go unmentioned or are treated as unrelated to Japanese competitiveness. In this manner the purportedly more progressive elements of the Japanese model are deemed transplantable to a reconstructed left-liberal socio-economic project in the U.S. This is also how the contradictions of capitalist globalization and competitiveness are bypassed, thereby allowing progressives to define the imperative of global competitiveness as natural and inevitable, and to define progressive as the most efficient and humane form of global competitiveness. We concretize this methodological critique of the left-liberal consensus by examining, in turn, each of its three basic claims.

#### ***The Japanese Investment Regime***

Progressive competitiveness advocates applaud Japan's high rate and strategically efficient allocation of productive investment and, by extension, the high household savings rate which helps to support it. Logically, then, the U.S. left should include in its 'progressive competitiveness' platform institutional measures modelled along the lines of those most responsible for producing the high rate of Japanese household savings. However, an examination of the sources of this household

behaviour in terms of the particular material and class circumstances of the Japanese economy raises serious questions about the desirability of such a step.

Such an examination shows, for example, that the high savings rate is related to the extremely high housing costs (and generally high costs of consumption goods caused by import barriers, an inefficiently organized retail sector, and domestic production oriented toward capital goods and exports) faced by Japanese workers. It is also a response to the country's relatively small welfare state which requires workers to store up funds to cover possible lay-offs and real wage cuts (especially non-core workers, women workers in particular) as well as self-finance their own retirement (Steven, 1988). In short, it appears that the 'traditionally' high savings rates of Japanese households are bound up with a system whereby the material reproduction of the working-class is thoroughly subordinate to, indeed organized to enhance, the goal of maximum capital accumulation in forms determined by capital (including the imperatives of capitalist competitiveness) rather than by workers themselves. This leads to the healthy suspicion that the inclusion of those particular institutional modalities which underpin Japanese household savings behaviour in a 'progressive' platform must involve either a simple identification of 'progressive' with capitalist accumulation and competitiveness, or, instead, a belief that the determinants of the high Japanese household savings rate are separate (or separable) from the most alienating and oppressive aspects of Japanese capitalism—a belief which is hard to sustain.

The left-liberal consensus also considers Japanese capitalism more progressive than U.S. capitalism insofar as Japanese capital is or has been relatively patient and planned, and relatively less speculative and anarchic than U.S. capital. Here, the assumption is that Japanese capital's greater patience and more 'efficient' planning has little to do with the fact that both the goals and the process of accumulation and industrial policy formulation (including the planning operations of government agencies like the Ministry of International Trade and Industry) are undemocratically determined. It assumes, in other words, that even if the basic priorities to be served by accumulation and the planning process were democratically determined, capital would (or could, presumably given the right constellation of political forces) be just as patient. By contrast, it seems more likely to us that the relative patience of Japanese capital was based **firmly** on the relative weakness of the Japanese working-class, *i.e.*, on the strictly subordinate status of workers' priorities in the Japanese political economy. Indeed, Steven (1990: pp.12–3) suggests that the nationalist-industrialist form and ideology of the post-World War II Japanese state were based on Japanese capital's complete domination of the Japanese working class, which allowed the state to focus on external competitiveness and the

management of inter-imperialist rivalry more so than in any other developed capitalist country?

Crippled by its a-historicism and lack of holism the left-liberal consensus has, in fact, misunderstood Japan's basic post World War II industrialization dynamic. In contrast to progressive claims that the Japanese investment regime enabled the country to enjoy a relatively smooth, well-balanced, and non-contradictory process of economic growth, Japanese accumulation has in reality been driven by an unstable and class-conflictual process of 'scrap and build' (Steven, 1990). For example, Japan's **early** post-war **growth** was largely the result of the successful production of light manufactures for export to Asia by highly exploited Japanese female workers. Success, however, eventually forced up wages, costing light manufactures their competitive edge. Japanese capitalists, with the help of the state, therefore began their first 'scrap-and-build' cycle. Starting in the late **1950s**, light manufacturing industries were gradually run down and transferred to Asia while new more profitable heavy **and** chemical industries were built. This industrial transformation was supported by a corporate-led offensive designed to keep labour costs as low as possible and by the flexibility of labour power initially employed in the light manufacturing sector, **e.g.**, the crowding of female workers out of the industrial labour force and into Japan's ultra-backward service sector (Ogawa and Clark, 1995: 294-5).

This basic cycle was repeated again after 1973, when the rising price of oil and other basic commodities undermined the profitability of Japan's raw material dependent basic materials industries. These 'problem' industries were gradually run down and shifted to Asia. Machine industries, in particular transport and electrical, were selected to become the country's **new** growth centre and a new offensive was launched against the working **class** (including the expansion of temporary labour and subcontracting systems) to ensure their competitive success. The rapid growth in production and export of products such as automobiles, colour televisions, stereos, and cameras, especially to the U.S., did power a new round of rapid growth. This export drive, however, eventually led the U.S. to successfully demand, in the **mid-1980s**, that the Japanese sharply revalue their currency. The resulting 'high Yen crisis,' by threatening the competitive position of many of Japan's machine industries, forced Japanese firms into yet another scrap and build cycle. This time, Japan scrapped and relocated large parts of its consumer goods branch to both the U.S. and Asia (creating an expanded international division of labour), concentrated on modernizing its capital and luxury goods producing machine industries, and as always during a period of transition, repressed labour. Significantly, however, Japan was unable to establish a new growth centre. With profit margins still low, Japanese firms appear, in the **1990s**, to have begun a new

cycle based on a further shift of production activity to Asia and the re-export back to Japan of both consumer goods and components. Clearly, the increasing lack of attractive domestic industrial investment opportunities is leading to the hollowing out of the Japanese economy – revealing the scrap-and-build strategy to have been only a temporary and socially costly palliative for capitalism's maturity dilemma.

Unable to understand the logic of Japan's industrial development, it is not surprising that progressive competitiveness advocates are unable to appreciate the significance of recent Japanese financial developments. The left-liberal consensus tends, for example, to view the 1980s growth of Japan's speculative 'bubble economy,' and concomitant pressures toward liberalization of the financial system leading to financial instability, as basically exogenous to the more progressive aspects of the Japanese investment regime rather than as an outcome of the economy's maturation and accompanying overproduction of surplus value relative to productive and privately profitable investment opportunities (Pollin, 1993; Goldstein, 1995). This interpretation ignores the possibility that

**... a selective credit policy... designed to stimulate priority sectors... represents an approach that, on the basis of its own maturity, will give rise to pressures for liberalization as the masses of capital increasingly begin to demand access to all possible forms of production and financial enhancement (Macedo Cintra, 1994: 45).**

Indeed, as Tsuru (1993: 162–9, 188ff) indicates, by the late-1970s the internal funds of Japanese manufacturing corporations exceeded their domestic investments, and this growing surplus of funds fuelled not only expanding foreign investment but also increases in (domestic and foreign) real estate holdings by 'non-financial' corporations. The fact that exploding real estate prices underpinned rising stock prices of many corporations (and *vice versa*) certainly gives new meaning to the purported 'insulation' of these firms from outside speculative pressures. Indeed, insofar as the banks' relative shift from corporate loans to corporate share purchases resulted from, and contributed to, this phenomenon, we may say that the associated 'mutual commitment' of corporate fund suppliers and users was basically a function of capitalist maturity and the attendant shift toward finance-led accumulation – i.e., hardly separable from the 'bubble economy' (Tsuru, 1993: 189). The fact that the current Japanese financial mess appears increasingly similar to the 1980s U.S. situation, with the Japanese authorities openly using the U.S. savings & loan bail-out and financial-regulatory reforms as a model for their own clean-up operations, makes one wonder how historically progressive Japanese financial relations actually were and are apart from the quite normal war-aftermath boom and maturation phase of accumulation after World War II (Sweezy, 1980).<sup>6</sup>

When liberal scholars do recognize the problem of capitalist maturity,

they usually fail to reconcile it with the purported progressivity of the Japanese model. **Dore**, for example, has the following to say about the Japanese economy:

**I'm not sure what potential there is for utilizing their current manufacturing capacity for the domestic market. There's a problem of transition comparable to the conversion problem faced by U.S. defense industries. . . I doubt if Japan can escape for much longer the consequences of the forces of technological change and imports from other countries that are reducing employment opportunities for people of low learning ability (McDermott and Tilly, 1994: 21).**

One is left wondering how he can find the Japanese model so desirable if it expended its labour and other productive resources (including the region's ecology) to build an industrial structure which outlived its economic usefulness within a generation or so – an industrial structure which turned out to be just as irrational as that churned out by the Cold War military-industrial complex in the U.S.! Moreover, if Japan's earlier **high**-investment, scrap-and-build strategy is no longer viable, it becomes problematic to simply assume that market forms of investment finance – however 'patient' and 'mutually committed' they may be – are the best instruments for a left financial policy. The choice of financial-institutional modes (**e.g.**, government budgets versus self-financing of worker- and community-controlled production units versus market forms of credit allocation) must therefore be considered afresh, must become contingent on the values and goals to be served by production.

By not questioning the historical progressivity of capitalist accumulation and competitiveness the left-liberal consensus surrenders to mature capitalism's alienated ideology and Japan's new imperative to move toward a more moderately paced, financially-driven, and 'high consumption' pattern of real economic growth—to become in effect more like the U.S. (Williams, 1994a). Insofar as this outcome is avoided, it will not be because of any historical progressivity built into capitalist competitiveness. Rather, it will only be because Japanese workers, reclaiming their past history of anti-capitalist and anti-imperialist struggles, are able to once again challenge capitalist priorities in the realms of production, exchange and distribution in and through an expanding struggle to replace capitalist relations with new, more collective-democratic forms of material reproduction.

### The Japanese Work Model

Even for those who work in Japan's core corporations, the Japanese work model appears considerably less progressive, and more efficient only as a framework for exploitation, once it is treated as an organic system. 'Lifetime employment' is based on early retirement at or below 55 years of age, after which core workers are normally farmed out to smaller- and

medium-sized enterprises at much lower wages. Accelerated seniority wage scales, retirement bonuses, and other corporate welfare features are used (in conjunction with an underdeveloped welfare state) to raise workers' 'cost of job loss' and force them to accept long work-hours and high labor intensities that would be socially unacceptable to **U.S.** workers. Meanwhile female workers are predominantly marginalized from core production jobs (not to speak of managerial positions), and relegated to superexploitation in smaller manufacturing and service enterprises – with this class process being legitimized by Japan's patriarchal 'family' ideology (Steven, 1988; Dassbach, 1993; Nakamura, 1993; Watanabe, 1993, Hideo, *et al.*, 1994; and Parker, 1994).

It must be emphasized that the dependence of corporate accumulation on the super-exploitation of workers in subcontracting firms (and of temporary workers in core enterprises) is not an incidental or conjunctural aspect of the Japanese model. Progressive competitiveness interpretations applaud the apparent insulation of Japanese corporations from short-term financial pressures while ignoring their use of subcontractors as a buffer for cyclical and financial pressures (Yamamura, 1967: 160–6; Halliday, 1975: 226; Tsuru, 1993: 109). Currently, pressures by the big corporations on their subcontractors have reached an historic extreme, producing widespread bankruptcies among small- and medium-sized enterprises despite government loans financed by the postal savings of the working class.' These pressures are a prime source of Japan's growing unemployment crisis – a crisis not fully appreciated until it is realized that Japanese unemployment rates are at comparable (or perhaps higher) levels than found in the U.S. if common standards of measurement are used (Steven, 1990: 49–50; Elder and Sorrentino, 1993; Chriszt, 1993; Sapsford, 1995a; Economist, 1995).

The whole scrap-and-build strategy of industrial accumulation employed by Japanese capital (in response to the maturation of the Japanese economy and the rising wages of its workers) was predicated upon, and in turn reinforced, the subjection of Japanese workers to levels of insecurity and competitive pressures unparalleled in the rest of the developed capitalist world (Steven, 1990: 8–14, 66–89). This strategy required not only secularly high rates of exploitation underpinned by long and intensive workdays, but also a high degree of inter-sectoral transferability and conjunctural (downward) flexibility of real labour costs during crisis-and-capital-restructuring periods. What Jon Halliday wrote two decades ago in this connection remains true today: 'there is no evidence that Japanese business has had difficulty dealing with recessions or other questions (such as accelerating capital accumulation) through manipulations of the labor force' (1975: 227);

Needless to say, the oft-heard culturalist and technocratic explanations

of Japan's competitiveness bypass the patriarchal **and** class-exploitative fabric, functions, and historical roots of the familial ideology underpinning the systemic division of and capitalist hegemony over the Japanese working class – an ideology whose roots stretch back to Japan's **super-exploitative** brand of feudalism and elite adaptations of feudal ideology to the emerging capitalist framework during and after the Meiji period. These explanations also ignore the fact that the relatively 'productivist' appearance of post-World War II Japanese capitalism is a class-exploitative transmutation of the massive workers' production-control movement immediately after World War II, a transmutation that was underwritten by the authoritarian repression of Japanese workers by U.S. occupation forces in alliance with the same ruling class that had helped design Japan's pre-war imperialism (Moore, 1983, 1988).<sup>8</sup>

Although many of those who share the left-liberal consensus view of the Japanese work model are not unaware of its obviously less progressive aspects, their associated qualifications tend to be a-historical and unsystematic. For example, **Dore**, while noting that 'lifetime employment' applies only to the minority of core workers, and that the on-the-job experience of core workers is 'much more fun for the managers than for the workers', does not bother to mention how Japanese core capitals' efforts 'to get the workers sharing in a common sense of endeavor' may be underpinned by the threat of being relegated to even more exploitative and insecure labour-market segments, based on the gender- and education-based factionalization of the Japanese working-class (**McDermott** and **Tilly**, 1994: 38; **Steven**, 1988). Similarly, **Juliet Schor** recognizes that 'excessive hours are a serious problem in Japan,' but then goes on to suggest that:

[w]hat we should learn from the Japanese, and from our own history as well, is not the need to reduce wages, or raise hours, but the importance of productivity. In the international market, what matters in the long run is not how many hours a person works, but how productively he or she works them. . . . And efficient production itself will yield rising wages, as the cases of Japan and Korea reveal. Instead of pushing their employees' standard of living even farther down the international hierarchy, American management should be figuring out how to make the hours they buy more productive (1993: 153).

Her analysis not only ignores the intrinsic connections between long work hours, high labour intensity and the overall structure of Japanese capital-labour relations (including the relations of core workers' exploitation to the super-exploitation of temporary labourers and workers in subcontracting firms – relations bound up with the extreme gender-segmentation of the Japanese working class, an aspect which Schor is normally quite sensitive to), but also presumes that both Japanese and U.S. capitalists do not know what it takes to compete and be **profitable**.

The flawed perspective underlying progressive competitiveness **inter-**

pretations of the Japanese work model is perhaps best illustrated by their failure to recognize that one cannot determine the true character of either 'cooperation' or 'participation' without knowing the goals and extent of worker control over the conditions, process, and results of production. The fact is that neither 'cooperation' nor 'participation' necessarily connotes 'progressive' (let alone 'liberating' or 'emancipatory'). Attacks on the cooperative and participatory aspects of Japanese institutions by publications such as the *Wall Street Journal* may raise an instinctive reaction to defend these aspects, but this is ultimately a dead-end reaction. True emancipatory visions must have a prominent place for individuality and variety.<sup>8</sup> We should not play into the Right's hands by supporting non-liberating – indeed exploitative and patriarchal – forms of cooperation and participation, especially at a time when capitalism's end-of-history ideology trumpets the lie that all cooperation and participation (at least all not firmly harnessed to, or confined within the limits of, the market and private profitability) leads straight to the Gulag. Moreover, the assertion that Japanese labour relations are more progressive than US labour relations implies that US workers are unprogressive insofar as they reject Japanese management methods – even though this rejection may be based not only on the unacceptable length and intensity of worktimes associated with these methods, but also on the fact that US workers understandably don't wish to 'participate' in a process in which they have no control over goals, conditions, or results.

### *The Japanese Globalization Model*

The left-liberal consensus suggests that, given the recent trends toward globalization of capitalist production and finance under the rubric of transnational corporations and banks, one can do no better than fight for a progressive *and* competitive version of capitalist globalization. And, since the more cooperative and efficient Japanese capitalism has demonstrated the ability to support highly competitive domestic export industries as well as the outward expansion of Japanese corporations and banks, this progressive globalization project should be informed by the productivist features of Japanese capital's domestic and global operations. Underlying this position is the assumption that capitalist globalization is the inevitable wave of the future and – by logical extension – that popular struggles against capitalist globalization are utopian and even unprogressive insofar as they interfere with the further development of productive forces. Class struggle – in the sense of a struggle for a movement beyond capitalism toward socialism – can therefore begin only *after* the process of capitalist globalization is in some sense 'completed'. By contrast, we reject both the argument that Japan offers a model of a 'better imperialism' with positive lessons for U.S. progressives and the assumption that capitalist global-

ization represents an historically progressive form of development which cannot and should not be resisted.

Many liberal and even socialist oriented writers have tended to uncritically accept Japan's post-World War II scrap-and-build strategy, and evolving corresponding pattern of external trade, finance, and production activities, as historically progressive. The one-sided nature of this view is well illustrated by its treatment of Japan's recent stepped-up regional foreign direct investment activity. The overall impression often given is that by drawing regional-peripheral countries more-and-more tightly into its own network of finance, technology and trade, Japan is helping to develop the forces of production in those countries, thereby playing a uniquely progressive role in the global economy. Apart from whether Japanese expansionism is really progressive for those countries receiving its investment – an issue we consider below – the question remains as to how socially rational this process is from the standpoint of Japanese workers, a question that is commonly avoided by downplaying the distinction between Japanese capital and the Japanese people. Based on this implicit assumption of identity of interests, progressives have often been content to conclude that this new wave of expansionism strengthens the Japanese economy in some generic non-class sense. We challenge both the assumption and the conclusion.

There is no doubt that from the viewpoint of Japanese capital, it has been rational to relocate industries when domestic labour costs are higher than in the periphery, or when the domestic environmental movement reduces the feasibility of imposing environmental costs on the domestic population (Halliday and McCormack, 1973; Nester, 1990; Steven, 1990; Ofreño, 1993). It has also been 'rational' for Japanese capitalists to satisfy their tremendous (and still increasing) appetite for raw material (including food) products by extracting such materials from neighbouring and other peripheral countries, and to respond to rising energy costs by promoting nuclear power development (Steven, 1990; Tsuru, 1993; Yoko, et al., 1993; Ofreño, 1993). But viewing what is rational for Japanese capital as progressive or rational in terms of the historical advancement of human needs satisfaction is quite a different matter. To equate them requires assuming that options like environmentally friendly conversion of domestic production (instead of relocation), reductions in the raw material intensity of domestic production and consumption, and reductions in **worktime** with movements of workers from industrial and **unproductive**-service activities into social service areas, would not be preferable, from a working class point of view, to current Japanese business practices. It may be thought that such alternatives must involve an overly-nationalist or autarkic stance, thereby undermining third world efforts to develop their productive forces. This need not be the case, however, since an alternative

strategy could have different, perhaps superior, **forms** of economic linkage with the current periphery. Is the export of dirty, capital intensive industries, or of low-wage subcontracting production, from centre to periphery the most progressive form of interaction which is conceivable for the future? We do not believe an affirmative answer to this question can or should be assumed (Brecher and Costello, 1994).

More generally, the competitive pressures of capitalist globalization (Japanese-style or otherwise) themselves reduce the scope for reforms which the left-liberal consensus argues are necessary to make capitalism more humane and progressive (Foster, 1989; **Panitch**, 1994). In fact, these pressures are intensified insofar as developed national-capitalist models are successfully competitive. **As** Hymer (1979) presciently argued, success in global competition, occurring in and through the globalization of corporate operations, has tended to increase, not reduce, competitive pressures on workers in the 'home countries' of successfully competing enterprises. Hence even if a humane and progressive form of capitalist competitiveness were possible in the initial phases of such globalization (and we don't think it is), the conditions for its continuation would naturally be eroded by its own competitive success.

Japan itself offers an example of this process, as even core workers are now under increasing pressure to lower their real wages and accept ever longer and more intensive worktimes in order to protect a 'lifetime employment'<sup>7</sup> which is itself increasingly **insecure**.<sup>8</sup> **As** the Labor Research Association (1994: 7) observes, Japanese

real wages have been dropping, falling 1.6% from July 1992 to July 1993. The reason Japanese firms give for not raising wages will sound familiar: A recent Japanese Federation of Employers Association report said a wage hike 'would invite a loss of international competitive force and deindustrialization'.

Growing numbers of Japanese workers are literally working themselves to death for stagnating or falling real wages at the same time that the country faces a growing crisis of female and youth unemployment and underemployment (**Sapsford**, 1995a). Moreover, the increasingly crass, corporate-consumerist character of Japanese social life is 'progressively' destroying much of what was most valued in the country's cultural heritage while the '**greening**' of the archipelago with new networks of highways, golf courses, and other speculative real-estate developments is doing the same to the country's environmental heritage (**McCormack**, 1990, 1991; **Greenfield**, 1992; **Tsuru**, 1993; **Williams**, 1994a).

Unfortunately, Japanese globalization also promises a bleak future for working people in the periphery because of what may be termed the **hyper**-super-exploitation of their human and natural resources for the sake of Japanese corporate profitability. Japanese transnational manufacturing, mining, forestry, fishing, and agricultural operations are known **world-**

wide for the absolute ruthlessness and slash-and-burn methods with which they exploit local workers and the natural habitat (Steven, 1990; Howard, 1993; Yoko, et al., 1993).<sup>11</sup> Nor is such behaviour anything new: it represents an historical continuity between the pre-1945 'Greater East Asia Co-Prosperity Sphere' strategy and the post-War recovery of Japanese imperialism under the rubric of the General Trading Companies and their associated financial-industrial conglomerate keiretsu (formerly *Zaibatsu*).<sup>12</sup>

This pattern of development only promises to maintain the growth of productive accumulation in any particular peripheral country or zone as long as the producers' work and living conditions do not rise above 'competitive' levels – defined in terms of the minimum level available to Japanese corporations in their entire global operating arena. It should also be noted that much of Japanese capital's recent foreign investment activity has been concentrated in financial and commercial real estate activities (including construction of hotels, golf courses, and the like in connection with the development of vacation spots for higher-income Japanese professionals and managers; the sex industry is also a major 'beneficiary' of this activity) (McCormack, 1991; Tsuru, 1993: 201–204). In this way, peripheral countries (and many workers even in other core countries like Australia – where Japanese capital is very prominent) wind up serving the luxury recreational-consumption needs of the Japanese elite before addressing the more basic needs of their own domestic majority.

The historical legitimization of Japanese capitalism would certainly be enhanced if the sacrifices of Japanese workers under the scrap-and-build (now deindustrialization) strategy were part of the development of an historically progressive regional or even global system of production pointing toward an integrated process of global development of productive capacities and human needs satisfaction. Unfortunately, there is no evidence that this is the actual tendency of Japanese imperialism. The international operations of Japanese capital, like all forms of capitalist globalization, are oriented toward maximum profit regardless of the human, social, and environmental effects; to put it differently, these effects are viewed as costs that must be managed or externalized onto society, rather than avoided or internalized into the goals of production itself.

It is also necessary to briefly comment on the argument that Japanese capitalism has gained a progressive-competitive edge over the U.S. because it is less dependent on military power. We believe that the recovery of Japanese imperialism in the post-World War II era occurred symbiotically with the evolution of U.S. imperialism, as the U.S., in order to redistribute the costs of its own hegemonic activities, encouraged and supported Japanese efforts to reconstitute its sphere of influence in East Asia. This symbiotic development occurred interactively with, but was by no means reducible to, the post-World War II boom of the Japanese

economy generated by U.S. military spending associated with the Korean and Vietnam Wars (Halliday and McCormack, 1973; Sweezy, 1980; Tsuru, 1993). One could even say that Japan enjoyed many of the benefits, but none of the drawbacks, of the powerful U.S. military-industrial complex and global-imperialist network. This history challenges the misguided notion (or wishful thinking along the lines of the pre-World War I Kautsky) that military power has been eclipsed by some kind of **militarily-unconnected economic power**.<sup>13</sup>

In terms of this last point, it is important to recall that Japanese capitalism, including the basic elements of the post-World War II Japanese model, was formed in the thoroughly imperialist environment of the late-19th century and the inter-war years. This environment greatly accentuated the military and economic expansionist tendencies that were already built into the fabric of Japanese capitalism's fundamental class relations (Halliday, 1975). Japan was never fully demilitarized after World War II, and it now possesses a modern military machine based on the second largest military budget in the world. This machine is top-heavy with officers and actual and potential weapons-production capacity; it would thus be easy for Japan to rapidly expand its military in terms of numbers of fully-equipped **personnel**.<sup>14</sup> It appears, moreover, that the Japanese military is currently being prepared for active international use: Japan has already participated in the UN's 1992 Kampuchean peacekeeping operation in direct violation of Japanese constitutional law; even the traditionally pacifist Japanese Socialist Party has 'abandoned [its] longstanding claim that Japan's military forces are unconstitutional. . . [and] pledged to uphold the U.S.-Japan military alliance, which the party once violently opposed' (Itoh, 1994: 49; Associated Press, 1994). In short, claims by leftists and liberals regarding the progressivity of Japanese capitalism *vis-à-vis* military power are another figment of their near total lapse of both structural perspective and historical memory.

Finally, before offering our political critique of the left-liberal consensus, it is useful to note the close parallels between our methodological critique and Rosa **Luxemburg's** critique of Bernstein's more original form of revisionism. Luxemburg notes, for example, how Bernstein takes certain (positive or negative) aspects of capitalism out of their class-exploitative, hence contradictory, structural context:

**Bernstein's theory does not seize these manifestations of contemporary economic life as they appear in their organic relationship with the whole of capitalist development, with the complete economic mechanism of capitalism. His theory pulls these details out of their living economic context. It treats them as the *dissecta membra* (separate parts) of a lifeless machine. (Luxemburg, 1970: 61)**

As a result, says Luxemburg, Bernstein's revisionism has a close affinity with the viewpoint of 'the isolated capitalist [who] sees each organic part

of the whole of our economy as an independent entity . . . as they act upon him, the single capitalist'. For, insofar as revisionism limits its analysis to an uncritical acceptance of 'the economic facts . . . just as they appear when refracted by the laws of competition,' then 'revisionism is nothing else than a theoretic generalization made from the angle of the isolated capitalist'. Luxemburg then argues that such an a-historical, non-holistic perspective necessarily 'ends in utopia' because it is incapable of seeing how 'the contradictions of capitalism mature'; indeed, like the isolated capitalist, revisionism 'wants to lessen, to attenuate, the capitalist contradictions' (1970:60-3).<sup>15</sup>

The similarity between Luxemburg's classical critique of revisionism and our critique of the left-liberal consensus on Japan becomes even clearer when we consider the political implications of the latter. **As** we shall see, because this consensus is based on an understanding of capitalism that also 'pulls . . . details out of their living context,' views the economy 'from the angle of the isolated capitalist,' and 'is guided by the . . . possibility of the attenuation of the contradictions of capitalism,' it must also, like **Bernstein's** revisionism, 'end in utopia'.

#### IV. The Political Bankruptcy of the Left-Liberal Consensus

In our opinion, the attempt to build a progressive political-economic project on the basis of non-holistic and a-historical interpretations of the key underpinnings of Japanese competitiveness is not only methodologically flawed, it is also politically dangerous. The left-liberal consensus not only creates a picture of a capitalism that is capable of being reformed into a humanized and socially progressive system, it poses progressive capitalist competitiveness as the only alternative for the foreseeable future. In fact, this consensus views progressive reforms as not only possible within the capitalist framework but as actually leading to superior performance in capitalist terms of profitability and competitiveness. The logical implication of this perspective is that if capitalists and the capitalist state think and behave rationally, they can be counted on to see and act upon the wisdom of such progressive reforms.

The left-liberal consensus thus undermines any motivation for popular participation in grassroots political activity in favour of an approach to politics which emphasizes the dispensation of technocratic advice at an elite level in and through think tanks, lobbying and participating in mainstream media and politics. In short, the presumption of a natural affinity between capitalist competitiveness and progressive reforms tends naturally to limit the role of any grassroots movement to periodic visits to the ballot box or monetary contributions to progressive organizations and their media. Meanwhile, the fact that the entire political terrain is moving

rightward under the intensifying competitiveness pressures of capitalist globalization is nowhere addressed (much less directly confronted and fought). In this way, the left-liberal consensus bypasses the realization that what is needed for truly progressive change, and even for a more effective defence of past popular gains, is not 'a progressive competitive state' but rather a 'transformation of the state' into 'a state whose functions are not tied to guaranteeing the economic res *publica* for capitalism' (Panitch, 1994: 87).<sup>16</sup>

Progressives who accept capital's globalization and competitiveness imperatives as their starting point hope, of course, that social arrangements (*e.g.*, the 'social structure of accumulation') can be constructed which will protect and benefit working people while boosting competitiveness. Indeed they go so far as to argue that these two goals are complementary rather than intrinsically contradictory as Marxists would have it. But unfortunately, by its uncritical acceptance of capitalism's basic structure, the left-liberal consensus fails to come to grips with capitalism's basic shortcomings, especially in its mature and globalized stage. Apparently overlooked, for example, is the fact that Sweden and Germany were once the primary models for 'progressive competitiveness' visions of a humane and efficient capitalism, that is, until the pressures and contradictions of capitalist globalization encouraged their respective ruling classes to reshape their domestic political economies along lines more similar to that of the U.S.<sup>17</sup> As a result, left-liberal perspectives and strategies are on a greased incline leading from European Social Democracy to Japanese capitalism.<sup>18</sup> With Japan's growing economic difficulties in the 1990s, the next stop is unclear.

It should be obvious that the inherent tendency of progressive competitiveness thinking to produce political demobilization will only intensify as its 'model' countries (Sweden, Germany, and Japan) continue to experience systemic economic problems, especially if workers and other popular sectors in these countries respond by criticizing and moving to transform the main features of their respective political economies. If such movements do develop, the progressive movement here (insofar as it has been influenced by the left-liberal consensus) will be placed in a difficult position, unable to explain or even acknowledge them, because to do so would undercut its own arguments that these countries have systems (or at least some crucial systemic features) that are workable and superior. Just as obviously, this quandary makes international solidarity difficult if not impossible to build. How can we join with Japanese workers to challenge capitalism, for example, when the main features of Japanese capitalism are held out as progressive and desirable? This tendency toward frittering away conjunctural (crisis-based) potentials for enhanced solidarity and revolutionary change on a global scale is, perhaps, the most tragic **charac-**

teristic of both left and liberal variants of progressive competitiveness thinking.

While the left-liberal consensus puts hypothetical progressive interests or strategies – derived from a capitulatory interpretation of recent capitalist history – ahead of the actual movement of the working class, we believe that to obtain politically useful insights into capitalism's dynamics one must engage with workers' movements as much as study the human, social and ecological preconditions of capitalist **competitiveness**.<sup>19</sup> This is especially the case in our current era when capitalism's tendency to erode its own conditions of existence seems to be increasingly overriding its previous materially progressive character on a global scale. As the global crisis of capitalist human-material reproduction intensifies, it thus becomes more important for people struggling against this crisis to revive their historical consciousness, their historical memories of, and objective unity and solidarity with, past popular struggles in their own and other countries. By focusing on a false, a-historical affinity between progressive reforms and capitalist competitiveness, the left-liberal consensus stands objectively opposed to this crucial historical-ideological moment of popular organization, vision, and struggle.

To be clear, our objection to the left-liberal consensus is not that it is interested in policy but that its formulation of progressive analyses and policy proposals is divorced from any attempt to mobilize people in a way that, while helping to defend their immediate material interests, simultaneously generates an alternative vision of society. The result of progressive competitiveness thinking is, in fact, a mirage of a capitalism that can be technically restructured in such a way that its problems can be solved without a revolutionary push beyond capitalism. This is a mirage because it is concocted by deriving both the problems of U.S. capitalism and their solutions from other, 'better' capitalisms in a-historical and non-holistic fashion.

## V. Conclusions: Towards a Left Vision and Strategy

In contrast to the left-liberal consensus, it is our position that we should fight capitalist globalization because it is exploitative as well as socially, culturally, politically, and ecologically irrational and oppressive – in short, because it does not offer an historical path toward human progress (or even survival) in cooperation with nature. We also believe that we can fight capitalist globalization precisely because it is an historically limited and contradictory, hence not an inevitable, **process**.<sup>20</sup> In other words, rejection of progressive competitiveness thinking need not entail any sectarian 'ultra-leftism,' i.e., a belief that there is nothing that can be done except wait for the collapse of **capitalism**.<sup>21</sup>

While capitalism, for historical reasons, works differently in different countries, it is crucial, in our opinion, that left intellectual work recognize and make clear the underlying isomorphism of these different capitalisms. This isomorphism stems precisely from the fact that since all are capitalist, all are class-exploitative and all have an in-built historical tendency toward maturity and decay in terms of their progressivity as modes of human needs satisfaction. Such work should also investigate and articulate how it is capital's logic (not workers') that is creating regional and global processes that do not allow for the building of the kind of societies we want, how it is capital's global motion that is narrowing the space for national reform efforts, and finally, how this narrowing of capitalist-reformist space reveals the inadequacies of supposedly 'progressive' capitalist models as vehicles for a worker-led movement toward a better society.

A left analysis of capitalism need not and should not objectively align itself against grassroots movements that challenge capital's competitiveness line; such an anti-popular alignment (as is logically implied by the left-liberal consensus) presumes that it is capital's priorities, rather than the individual and collective use-value oriented struggles of workers and other popular groupings, that are historically progressive. Once one critically investigates this presumption, it becomes clear that true progressivity, in the current era of humanly and socially immiserizing capitalist globalization, lies in support for anti-competitiveness struggles and in our ability to **transform** such struggles into a better world via the envisionment, development and implementation of non-capitalistic, cooperative and democratic, socio-economic arrangements.<sup>22</sup> In short, progressive competitiveness

reasoning is inverted in the sense that it places the needs of capital first, and thus only serves to reinforce an unnecessary disjuncture between the subjective experience and practice of workers and the presumably objective needs of capital. The real cunning of history in our time lies in the fact that the straightforward struggle of labor against capital at every point along the line constitutes the only way to secure the objective economic environment in which people live and work, simply because it means placing limitations on the hegemony of private property itself. (Foster, 1989: 296)

Thus, in order to serve popular struggles for a better world in truly progressive fashion, we must ensure that capitalism's priorities do not determine our own priorities and strategy. This means that our values (in particular those involving our conceptions of individuality and collectivity, solidarity and competition, security and meritocracy, peace and justice, etc.) must be consciously articulated before worrying about the best **instruments** to employ toward their historical fulfillment. This effort to clarify our values and world-vision must be informed by, indeed firmly rooted in, the historical development and struggles of working people in **the** past and

present. And, once clarified, they should serve as both inspiration and guidepost for the development of our political strategy and policy proposals. This value base is absolutely essential, for without a clear sense of vision, there will always be a tendency for capitalist values to fill the resulting vacuum – and such a value displacement will quite often create a strong tendency for 'the immediately possible' to displace, or to be redefined as, 'the historically progressive'. In short, the primary value dimension is crucial if we are to avoid all kinds of self-constrictive, self-fulfilling, and ultimately regressive prophecies concerning what is possible, especially in an environment in which capital is becoming **less-and-less** accommodative to anything other than its own profit-driven priorities.

Our conception of a primary value dimension can be contrasted with the left-liberal consensus which basically assumes that a progressive movement's values can be plucked out of their 'progressive capitalist' contexts (*e.g.*, the values of 'cooperation' and 'participation' taken from the idealized Japanese work model abstracted from its patriarchal **class-exploitative** context). It then treats these values as universal values in the sense that they are said to complement – indeed to provide the most advanced forms for fulfilling – the competitive dictates of an increasingly globalized or universal capitalism. This universalization-by-abstraction of values renders the value basis of the left-liberal consensus completely a-historical – highly appropriate given the previously discussed failure of this consensus to come to grips with the historical development and contradictions of Japanese capitalism and of capitalist globalization in terms of their class-exploitative content.

Focusing on the importance of the primary value dimension allows us to see that the political shortcomings and quandaries associated with the left-liberal consensus are not completely original. Indeed, there is a striking parallel between recent searches for progressive inspiration in the relative competitiveness of external capitalisms, and the longtime search by U.S. socialists (especially self-proclaimed left vanguardists) for inspiration from external varieties of 'socialism'. For, in the latter search too, U.S. leftists' conceptions of historical (in this case 'socialist') progress tended toward idealizations of certain components of other systems abstracted from their historically developed class contexts – and this greatly affected the values and visions of the future promulgated by the left. Taking an essentially exploitative and authoritarian country like the U.S.S.R. as a model 'socialist' country, for example, led to the identification of socialism with a system where the state, not the direct producers, maintained ownership and control over the conditions and results of production. Such an identification cannot help but vitiate one's conception of socialism and socialist values and discredit them vis-a-vis progressive

working class traditions in the U.S.<sup>29</sup>

Just as for the left-liberal consensus, then, the earlier harnessing of left analysis and policy to external (and idealized) 'socialist' models implicitly presumed that left values and visions could be plucked from their external historical and class-exploitative contexts. Given the contradictions in Soviet society, left visions were gradually reduced to bringing mystical capitalist ideals ('efficiency,' 'harmony,' etc.) closer to reality in impeccably technocratic fashion (e.g., through 'planning' – just as advocates of progressive competitiveness now call for a more enlightened 'industrial policy' to bring the U.S. closer to the idealized Japanese capitalist model). Need it be added that this search for ideals in external 'socialisms' led many leftists down their own greased incline – from the U.S.S.R., to China, and in some cases even to Albania – in step with ongoing revelations concerning the horrific work and living conditions **and political** and cultural repression experienced by workers in these countries?

The unfortunate results of both sides of the above-described parallel reinforce our argument for a more historical, holistic, and value-based mode of analysis. We believe that, given the still central role of **U.S.-based** capital in reproducing and extending the power of an increasingly exploitative, oppressive and irrational global-capitalist system, the U.S. left should be a leader, not a follower, in the global struggle to defend peoples' conditions against capitalist attacks and to move forward to a more sane, post-capitalist system of global human-material reproduction. To be sure, this leadership should be informed by the lessons of capitalism's development, and of popular struggles, in other countries. But these lessons should be conceived in terms of their implications for a workers' movement which, while developing in solidarity and coordination with popular struggles in other countries, builds and expands upon our own history of development and struggle (which of course includes the history and struggles of indigenous peoples [Churchill, 1993]). Our view is that given 'triumphant' capitalism's crisis of human-material reproduction, we need to begin the construction of an alternative global system in the here and now, and that left analyses should directly serve this **all-important** task rather than trying to concoct humanized versions of Business Week-style corporatist capitalism.

#### NOTES

1. For the productivity and competitiveness argument for reduced work time, see Schor (1993, Chapter 6). Levine and Tyson (1989) present the case for workers' control to improve US competitiveness. Several chapters in Dymski, *et al.* (1993) offer proposals for regulating financial speculation and increasing popular control over non-financial corporations and financial institutions {including the Federal Reserve+-proposals defended largely in terms of their ability to enhance the US economy's investment, productivity and competitiveness. These are only representative examples.

2. We concentrate on the U.S. variant of progressive competitiveness thinking with respect to Japan because that is the case we are most familiar with. We will let leftists in other countries decide for themselves the extent to which our outline and critique of this kind of thinking applies to their own circumstances. Nonetheless, we would hope that the present essay contributes to further cross-national discussion of, and struggle against, progressive competitiveness arguments.
3. Marxist economist Robert **Pollin** (1993: 341–2), for example, refers to 'Japan's success with a credit allocation-centered planning system' as 'the outstanding example of how an economy can use credit allocation techniques to promote financial stability and long-term growth.'
4. Progressive-feminist economist Nancy **Folbre** puts forward the claim 'that the Japanese are successfully competitive in world markets primarily because they are so cooperative at home' (1994: 27). J. R. Stanfield (1994: 11), working from a left-institutionalist perspective, argues the same point even more strongly: 'Japan . . . must be interpreted in light of the population's nationalistic commitment and respect for hierarchical authority. Beyond one's **firm**, there is one's *keiretsu*, beyond one's *keiretsu*, there is one's country. Such rank ordered commitments are less evident in an individualistic economic setting . . . *solidaristic sentiment plays a more pervasive role in Japanese economic relationships and calculations than in the American instance*' (emphases in original).
5. In fact, to the extent that the greater patience of Japanese core-capital, based on the relative 'insulation' of Japanese corporations from short-term financial pressures, was and is gained at the expense of increased insecurity and immiseration for workers especially in the smaller subcontracting enterprises, it largely represents an 'efficient' *transfer* of financial pressures downward in the corporate (and class) hierarchy rather than a reduction *per se* of these pressures. We take up this issue below in the context of our discussion of the Japanese work model.
6. Indeed, by October 1995, in the wake of the Daiwa Bank scandal and other related problems, US authorities indicated that they were standing by to help troubled Japanese banks (**Gonzalez**, 1995). Japanese banks are paying a premium between 0.30 and 0.41 percent in global interbank markets at this writing, after having received new, lower credit-ratings from Moody's in August (Sapsford, 1995b; Steiner, 1995). The role of the real estate bubble in the crisis is emphasized in Williams and Sapsford (1995), Jenkins (1995), Sapsford (1995d) and Pacelle (1995). For the similarity between Japanese and earlier US clean-up operations, and the connection of Japanese regulatory reforms with Japan's surprisingly weak and understaffed bank inspection system, see Williams and Steiner (1995), Sapsford (1995c,e,f) and Williams (1995c).
7. It must be reiterated that the super-exploitation of (predominantly female) workers in small- and medium-sized workplaces has been a primary source of capital for the commanding heights of Japanese capitalism ever since its initial phase of development in the **Meiji** period. This historical continuity – indicating that such super-exploitation may well be intrinsic to the Japanese accumulation regime – is completely passed over amidst the recent praise from liberals and leftists for the progressively competitive labour-management techniques of core Japanese corporations.
8. In this sense, progressive supporters of the Japanese work model objectively, albeit unconsciously, align themselves with the bourgeois distorters of the immediate post-World War upheavals – including the outright vulgar-apologetic ones like Reubens (1946) and Taira (1988) who take pleasure in downplaying the role of repression and capitalist economic sabotage in order to assert that workers' production control was and is simply a utopian project.
9. Harvey (1993: 44–5) makes this same point from an ecological perspective when he argues that '[s]ocialism is not necessarily about the construction of homogeneity. The exploration of our species potential can presumably also be about the creative search for and exploration of diversity and heterogeneity . . . much more in tune with resolving

questions of alienation and opening up diverse possibilities for self-realization . . . as fundamentally part of some socialist future'.

10. For details on the intensifying crisis in the Japanese world of work – a crisis accentuated by recent recessionary tendencies – see Dassbach (1993), Watanabe (1993), Schregle (1993), Shimada (1993), Moody (1994), Williams (1994), Hideo, et al. (1994) and Itoh (1994).
11. Japanese capital's environmental destruction of peripheral Asian countries – a destruction 'progressively' attained without contributing to the achievement of a sustainable pattern of industrial and agricultural development – has unfortunately reached an advanced stage. See, for example, Ofreneo's (1993) detailed discussion of the Philippine case.
12. Hence, to characterize the latest form of this 'co-prosperity sphere' as historically progressive is to align oneself, objectively speaking, with apologists for pre-World War II Japanese imperialism such as Kimura (1993, 1995), who argues that the Japanese colonization of Korea actually improved the material living standards of the Korean working population. See Hamilton (1986) and Hart-Landsberg (1993) for more balanced views of the human impact of this colonial development experience.
13. Nester's (1990) analysis of the recovery of Japan's economic hegemony in East Asia is well worth reading as a compendium of potential quandaries of imperialism without military domination.
14. Japan's military machine contains not only up-to-date conventional weaponry but also high nuclear capabilities: even if Japan does not already have nuclear weapons it has the capability of producing them within a short period of time given its large number of relevant scientific and engineering personnel and weapons-grade plutonium generating capacity (Itsunori, 1994; Leventhal, 1994; Nadler, 1994).
15. In short, the revisionist 'procedure is not guided by a consideration of the development of capitalism, by the prospect of the aggravation of its contradictions. It is guided by the attenuation of these contradictions' (Luxemburg, 1970: 60).
16. The exact institutional forms of such a radically progressive transformation of the state must, of course, be qualitatively a function of the goals, values and visions of the movement doing the transforming (see Section V on this point).
17. See Cohen (1994) for a Marxist analysis of the developing crisis of the Swedish model and of the cosmetic and incoherent explanations for this crisis advanced by the model's progressive supporters. The post-World War II West German class compromise – once touted as perhaps the most 'progressively competitive' – is now being subjected to a frontal assault by German capital (and transnational capital generally) engaging in investment strike, capital flight and an intensive propaganda campaign against the constraints imposed on its ability to freely exploit German workers and dominate German socio-material reproduction (Steinmetz, 1995; Gumbel, 1995; Shlaes, 1995a,b; Bartlett, 1995; Marshall, 1995a,b,c).
18. This shifting focus itself manifests the fact that, with the collapse of Soviet style socialism and the crisis of Western European social democracy, many progressives have lost any vision or sense of alternatives to capitalism. See Anderson (1986) and Meiksins Wood (1986) for some acute observations on the socio-economic and political underpinnings of this historical-intellectual development.
19. Indeed, the movement of the working class (its exploitation and alienation, and its human-social reactions against these dehumanizing tendencies) is in our view an integral part of capitalist dynamics including the eventual socialist transformation of this system. ~~This viewpoint~~ need not, and should not, entail an uncritical stance vis-à-vis popular movements and organizations; nor does it entail any over-romanticization of the working class. One cannot serve one's class – much less oneself – effectively by means of self-delusion and fantasy. See Hart-Landsberg (1994) for an example of the kind of sympathetic but critical analysis of developing popular movements we have in mind.
20. The 'progressive competitiveness' perspective includes an evident tension over global-

ization. One view sees globalization as an inevitable trend which cannot be significantly altered by national state policies (thereby implicitly assuming that nation states are helpless hostages to a capitalist globalization whose emergence is given apart from state policies). The other view sees national state policies as a crucial determinant of global capitalist competitiveness (which obviously presumes – more accurately as **Panitch** (1994) and **others** have **pointed out** – that national state policies are crucial to the process of **capital globalization itself**). The fact that capitalist globalization appears less inevitable in the second view is never **systematically addressed** by **progressive** competitiveness advocates.

21. The basic text for this conception of revolutionary reform is Luxemburg (1970). See Reynolds (1993) for a useful analytical retrospective on Luxemburg's approach to revolutionary **politics**. Our perspective on reform and revolution also draws upon the work of Sweezy and **Magdoff** (1982), Foster (1990), Mandel (1992: Chapters 3 and 5) and **Magdoff** (1995). As Mandel (1992: 128) indicates, '[i]n order to avoid the twin pitfalls of opportunism and sectarianism, it is necessary to assimilate the historical lessons of concrete class struggles, and to enrich them through critical examination of current experiences.'
22. For alternative perspectives on this task see Hymer (1979), Radice (1989), Brecher and **Costello** (1994) and Hart-Landsberg (1994).
23. Insofar as advocates of progressive competitiveness policies address their arguments to neoclassical **economists** and policymakers rather than directly to workers, this kind of alienation *vis-à-vis* working-class traditions may seem less applicable to the left-liberal consensus. Unfortunately, however, as was documented in Section II, the technocratic bent of progressive competitiveness arguments does not preclude them from being prominent in the popular progressive and (to a lesser degree) mainstream media. Indeed, the danger of popular political demobilization would not be nearly as great if this were not the case.

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