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**WHAT'S FORD GOT TO DO WITH IT?  
REGULATION THEORY AND JAPANESE CAPITALISM****J.A.Peck & Y.Miyamachi**

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Since the breakdown in the 1980s of the golden age of Atlantic Fordism, academics, policy-makers and business ideologues have been scanning the globe for alternative *post*-Fordist growth models. More often than not, this search has led them to Japan, the spectacular economic successes of which earned it a kind of paradigmatic post-Fordist status. The attractiveness of the Japanese model is doubtless rooted partly in its export strength and continuing growth capacity, but partly also in its very *difference*. The Japanese model appears to epitomize a distinctly non-Fordist growth pattern - based on flexible manufacturing and the employment of multiskilled workers - with the result that it has been elevated to a unique position within post-Fordist discourses (see Oliver and Wilkinson, 1988; Hirata, 1993). Japanese techniques and practices, it has appeared, may provide a way out of the crisis of Fordism.

The search which has ensued for the 'secret' of Japanese competitive success has been associated with attempts to tease out the essential and distinctive features of Japanese production techniques, in the expectation that what is *different* must be the thing to emulate. The objective, in a manner of speaking, was to decant these desirable features, to bottle them and export them. Perhaps the most potent of these elixirs, sold under the brand name of 'flexible specialization', offers the promise of economic rejuvenation on the basis of the new-found secret ingredient, *flexibility* (Piore and Sabel, 1984; Friedman, 1988). As the extracted essence of Japanese production, flexibility is endowed with remarkable restorative quantities, and as an antidote to the rigidities of Fordist mass production. Japanese-style flexibility would, we were promised, soothe the aching limbs of Fordism. As Lipietz (1992a: 321) has however observed:

Taking examples from Japan ... the flexible specialization thesis reduces ... debates about post-Fordism to the identification of a single development path which is technologically determined by the introduction of new flexible machines and appears as a mere inversion of the Fordist industrial paradigm: flexible instead of rigid social legislation, and workers involvement instead of direct

control. The second aspect (which is obviously progressive) is used to justify concession-making on the first aspect.

The argument presented in this article is that the essence of Japanese competitive success is less easy to extract, that it is deeply embedded in the social institutions of Japanese capitalism, and that it cannot be siphoned off into generic models of flexible specialization. These models foster the impression that Japanese techniques - and successes - can be unproblematically emulated in other places, that the 'secret' is basically a technological one and therefore a transplantable one. While this 'secret' may seem to lie on the factory floor, it is in fact intricately and essentially connected to the wider institutional and social fabric. Abstracted from this context, 'Japanese techniques' take on a different meaning, have different effects.

An *explanation* of the Japanese model, then, requires more than an essentialist reading of the Japanese factory, but an integrated and holistic analysis of the pattern of Japanese accumulation. We propose in this chapter to move some of the way towards this goal by examining some of the recent regulationist analyses of Japan. The methodological framework of regulation theory, we argue, provides a way of moving beyond the limited reach of production-centred accounts of the 'Japanese miracle' (see Kenney and Florida, 1988; Kato and Steven, 1991), because critical emphasis is placed upon macro-economic relations, class struggles and the complex of institutional forms and social mores captured in the French notion of *régulation*. Regulationist analyses offer the promise of contextualising - socially and institutionally - the 'Japanese miracle', while being arguably less prone to descent into partial and/or celebratory accounts. According, for example, to the Japanese regulationist Yamada, the approach provides a basis for moving beyond those

one-sided view[s] of the Japanese model in which we either admire its efficiency or deplore its unfairness. Instead, we must explore the particular socioeconomic mechanisms of *régulation* through which these two aspects [efficiency and unfairness] are connected. [The key regulatory question is:] What is it that connects efficiency and injustice in Japanese capitalism? (1991: 172).

Understanding the Japanese development path, then, means investigating - in an integral way - the ways in which its 'dark side' (of societal segmentation) and its 'light side' (of competitive strength) are connected.

Yet while regulationist analyses may point the way to a more nuanced and integrative interpretation of the Japanese experience, it should also be noted that - in confronting the Japanese model - questions are raised about the architecture of

regulation theory itself. In particular, the Japanese experience calls into question some of the received regulationist thinking on the nature of Fordist growth and crisis: for the French regulationist Coriat (1992), for example, analysis of the Japanese model meant 'turning thinking on its head'. Regulationist analyses of Japan, then, not only raise new questions about the Japanese model, they also raise questions about the design and deployment of regulationist methods. This question is addressed explicitly in the conclusion to the chapter. Prior to this, the chapter is divided into five sections. After briefly outlining the regulation approach, the following four sections examine the nature and dynamics of Japanese growth, before and after the 1970s crisis, the interpretation of the crisis itself, and the important issue of forms of social regulation.

### **The regulation approach**

Regulation theory provides a conceptual framework for understanding processes of capitalist growth, crisis and reproduction. It focuses on relationships, couched largely at the macro-economic level, between the process of accumulation and the ensemble of institutional forms and practices which together comprise the mode of social regulation (MSR). Systems of accumulation and MSRs which are structurally coupled together in a stable fashion are the basis for what regulationists term *regimes of accumulation*. These refer to particular capitalist development paths - defined in terms of historical phases and patterns of development - which are characterized by economic growth and under which (immanent) crisis tendencies are contained, mediated, or at least postponed. MSRs represent temporary institutional 'fixes', they do not neutralize crisis tendencies completely. Eventually, the ability of the MSR to mediate, accommodate and absorb these crisis tendencies is exceeded and the regime of accumulation breaks down.

Regulation theorists depart from classical marxian orthodoxy in moving down a level of abstraction from the 'laws of motion' of capitalist accumulation (the dynamic of which, classically, is fixed on a course of terminal crisis) to focus on the material historical, geographical and - perhaps above all - *institutional* specificities of capitalist development. It confronts the paradox that capitalism has proved rather more durable than envisaged in classical marxian theory, that crises may not *only* be way-stations on the path of terminal decline, but that - in terms of the actualities of capitalist development - they may also play a rejuvenating role, literally restructuring the accumulation process. Two forms of crisis are central to the theory:

*Conjunctural* crises may be resolved within individual regimes but usually require some modification of the MSR, say, in the form of reform of state policies or shifts in the spatial organization of the economy;

*Structural* crises are terminal for regimes, reflecting the 'exhaustion' of the prevailing MSR; such crises can only be resolved through the establishment of a new structural coupling between an MSR and the accumulation system, a process conditioned by theoretically-indeterminate class struggles.

Central to the process of crisis containment, for regulation theorists, is the role played by the MSR, which defines 'the social context in which expanded economic reproduction occurs' (Jessop, 1992b: 50). By definition, MSRs are not determined functionally by the requirements of the accumulation process. Lipietz (1987: 15) maintains that these are the result of '*chance discoveries* made in the course of human struggles'. The complex processes through which MSRs are formed around particular accumulation trajectories, then, is in essence a political process (see also Lipietz, 1992b), one which is reducible neither to some functionalist response to the 'needs of capital', nor to conscious action on the part of capitalist states. While somewhat ill-specified, the MSR defines what is perhaps the central thrust of the regulationist project. It defines the means by which particular forms of capitalist development are sustained, by which crisis tendencies are (temporarily) contained, and by which the historical and geographical particularities of the accumulation process are captured within the framework of the theory. According to Jessop (1992b), for example, the MSR provides the most sound basis on which a regime of accumulation should be defined (rather than the labor process or the pattern of accumulation).

The salient methodological features of the regulation approach can be summarized as follows: first, it is concerned with the social and institutional context of the processes of capital accumulation; second, it focuses on the interpenetration, largely at a macro-economic scale, of processes of accumulation and social regulation; third, the notion of the MSR is deployed as a vehicle for understanding the accumulation process in terms of its historical, geographical and institutional specifics; fourth, emphasis is placed on the role of theoretically-indeterminate political struggles in the shaping of MSRs and, more broadly, the course of accumulation; and fifth, issues of medium-term reproducibility and sustainability in capitalist development are foregrounded. So, regulation theory is not *just* about producing a 'rigorous periodization of capital according to its own logic' (Davis, 1978- 212); it is also about analyzing the institutional infrastructure around and through which capitalist development proceeds.

This said, the tools of regulationist analysis were forged through studies of the golden age of (Atlantic) Fordism and to a certain extent have been shaped by these antecedents. The Fordist regime of accumulation, dominant in north America and in much of northern Europe during the first 30 years of the post-War period, was based on the harmonious coupling of an intensive accumulation system with a *monopolistic* MSR. Under the intensive accumulation system, technical change within the labour process provided the basis for substantial productivity gains, which in turn permitted real incomes to rise and a mass market for consumer goods to emerge. The propulsive industries of Fordism - producing cars, consumer durables and capital equipment - combined flow-line production methods with deskilled labour utilization, serving mass markets with standardized, high-volume products. Both productive capacity and the labour force were utilized to their full extent, while aggregate demand and profit levels remained relatively stable. Alongside this accumulation system, a monopolistic MSR was organized around the Keynesian welfare-state and a stable international monetary order, within which the United States performed the role of global hegemon (see Lipietz, 1987; Altvater, 1992; Jessop, 1992b). Underwritten by and stabilized by the Keynesian welfare-state, the essence of the 'Fordist equation' was according to Altvater (1992) the virtuous relationship between productivity growth (driven by technological change and Taylorist labour process reforms) and rising real wages (the foundations upon which mass consumer markets were constructed).

In the late 1960s, this Fordist growth pattern began to falter, as rates of productivity growth and capital investment slowed, and as worker resistance to the dehumanizing effects of Taylorism spread. In this sense the crisis of Fordism was an 'internal' one - resulting from the growth regime's internal contradictions - but it was exacerbated by a series of 'external' shocks. For Aglietta (1982) and Lipietz (1987, 1992b), the most significant of these exogenous shocks was the rise of Japanese competition (which eroded market shares and destabilized monopoly producers), the oil crises (which as well as increasing costs contributed to the unfolding stagflationary crisis of the Keynesian welfare-state), and rising international indebtedness (which triggered global financial instability and a spiral of deregulation). The supply-side internal crisis of Fordism was consequently aggravated by a demand-side international crisis, leaving the regime 'caught between a fall in profits (because of the unresolved crisis of the labour process) and a drop in demand (because there was no effective international mode of regulation); its lingering death was characterized by alternating attempts to prop up demand, which foundered upon a supply-side crisis, and efforts to restore profit margins, which came to grief because of weak demand' (Lipietz, 1992b: 19).

The Fordist crisis, according to regulation theorists, remains essentially unresolved. While some have used the language of the theory to speculate about an emerging post-Fordist or flexible regime of accumulation (for example, Harvey, 1989), the theory in fact contains no guarantees that a coherent post-Fordist regime will rise from the ashes of Fordism. The political-economic turbulence and experimentation which has accompanied the breakdown of Fordism may be characterized by a great deal of what might be termed 'tactical flexibility', but it would be a mistake to transpose the conditions of the continuing Fordist crisis onto some prematurely drawn post-Fordist regime. As Lipietz and others have emphasized, the period of searching continues; a search in essence for a new class compromise and a new *sustainable* pattern of development (see Lipietz, 1992b; Peck and Tickell, 1994). Implicitly underlining the extent to which the Japanese development model was theorized as 'external' to the Fordist system, Japan is widely cited as the source of putative post-Fordist 'solutions' to *some aspects* of the Fordist crisis (see Murray, 1989; Jessop, 1992a; Lipietz, 1992a; Curry, 1993), although an important distinction clearly needs to be made between drawing lessons from the Japanese experience and *explaining* this experience. In this sense, the theoretically intractable case of Japan seems set to play an increasingly important role in regulationist debates. It is to regulation-theoretic treatments of the Japanese case to which we now turn, beginning with the issue Fordism.

### **Japan in the golden age: Fordist or non-Fordist?**

Having emerged from the political and economic turmoil of the immediate post-War period, Japan enjoyed a quite remarkable phase of uninterrupted and strong economic growth between 1955 and 1973, after which the growth pattern slowed and stabilized. The mere historical coincidence of this expansionary period with the golden age of Fordism, however, is not an adequate basis on which to characterize the Japanese pattern of growth as Fordist. The earliest and probably most influential interpretation of Japan's high-growth period within this framework was proposed by Boyer (1990a) and later elaborated by Yamada (1991). The Japanese growth pattern of the 1950s and 1960s differed in important respects to Atlantic Fordism. Acknowledging this, regulationists tend to refer to the country's growth pattern as 'hybrid Fordism' (Boyer 1990a; Yamada, 1991). Boyer argued that the Japanese production system during this period was based around assembly line production and product differentiation, realizing significant increases in labour productivity. Japan's Fordism was characterized as hybrid in the sense that, while that it surpassed Atlantic Fordism in terms of production efficiencies, it under-performed in terms of income distribution. Yamada (1991: 166, 167) defines the system in the following terms:

During the period of rapid growth, Japan exhibited four notable characteristics' (i) high levels of productivity growth (ii) indirect indexation of wages to productivity (iii) an uneven wage distribution (wage inequality amongst workers) and (iv) inadequate redistribution of the social wage (an under-developed welfare state). It constituted, so to speak, Fordism without social justice. . . . Japan during the rapid growth period combined a beyond-Fordist (or post-Fordist) labour process with a pre-Fordist management-labour compromise.

While Yamada's (1991) interpretation is centred - following the analytical priorities of Parisian regulation theory (Boyer, 1990b) - on the wage labour nexus, his account is generalized to a macro-economic definition of hybrid Fordism as the co-stabilization of a mass production-consumption system and a labour-management compromise under which wages are indexed indirectly to increases in productivity at the expense of acceptance of a form of Taylorist-Fordist work discipline.

In terms of the labour process the issues of Japan's compatibility (or otherwise) with the Fordist ideal type turns on the extent to which the dominant work system during the high-growth period could be characterized as Taylorist. Schonberger (1982' 193) was certainly in no doubt on this score, proclaiming that 'the Japanese out-Taylorize us all' (see also Dohse et al, 1985; Nomura, 1992). Contrary to Kenney and Florida (1988), then, who maintain that the Japanese labour process was never Taylorist (taking instead a distinctively non-Taylorist path after the Second World War in which mental and manual work were integrated, and deskilling tendencies overcome), Dohse et al (1985) insist that the Japanese labour process is a form of Taylorism, minus union opposition.

There is some corroborative evidence for this Taylorist reading. Maruyama's (1989, 1993b) studies of Japanese management systems in the 1960s found little shopfloor evidence of multiskilling, the use of work teams or quality circles, while Ogawa's (1983) research on labour organization during the same period revealed that production was organized on the basis of assembly lines and dedicated-task machinery. Similarly, Uni (1991) maintains that flexible working practices (including multi-task technology) were not introduced until the early to mid-1960s, at which time capital and labour began to establish a new set of industrial relations principles around the integration of mental and manual work. Although there is no comprehensive study of the post-War evolution of the Japanese production system from a regulationist perspective, these studies seem to indicate that the 1960s witnessed a transition from a labour process based broadly on Taylorist principles (initially imported from the United States, as Nakase (1979) and Tohyama (1991) have argued, before the Second World War, but spreading particularly quickly during the post-War reconstruction), towards a non- or post-

Taylorist system which was not to stabilize until the late 1970s. The hybrid Fordist era, in other words, was a period in which Taylorism was adjusted to the needs of the emerging mass production system in Japan.

Central to regulationists' definition of intensive accumulation is the observation that the rise in real wages under Fordism created the basis for the formation of mass consumer markets. Despite the fact that real wage rises in Japan were to a certain extent restricted to its labour aristocracy, rather than being generalized across a large portion of the working class as in classic Fordism, Uni (1991, 1992) has suggested that the conditions prevailing in Japan during the high-growth era were adequate for the creation of an internal mass market. Itoh (1992a) concurs that the basis of Japan's rapid growth during the Fordist era was the growth of domestic demand, in this case from three sources - from wage workers (for consumer goods), from the rural sector (for agricultural machinery and consumer goods) and large businesses (for capital and equipment goods). While Itoh finds the Japanese experience broadly consistent with the Fordist model, he rightly draws attention to the comparatively weak link between productivity growth and real wage growth.

Tohyama (1990a, 1990b) concedes that Japan's macro-economic circuit during the high-growth phase was constructed around mass production and mass consumption, but points out that economic expansion during this period was driven not by wages (as in the classic Fordist model) but by Japan's exceptional rate of profitability growth. This profit growth led to a massive increase in capital investment in many ways consistent with the regulationists' original description of extensive accumulation. In contradistinction to the intensive Fordist model, extensive accumulation is oriented to the capital goods market rather than the consumer goods market. Tohyama argues that Japan's economic expansion was driven by high rates of profit ploughed back into capital investment and demand for productive goods, and it was this which compensated for the inadequate redistribution of productivity growth to wage laborers. Coriat (1992) has taken this argument further, characterizing Japan high-growth accumulation system as *non-Fordist, yet intensive*: based on high productivity, an organic relationship between the capital goods and consumer goods sectors, and oriented to the domestic market. For both Tohyama and Coriat, the high-growth period was not classically Fordist (strictly defined in terms of wage indexation), but represented a nascent *Toyotist* model, subsequently to stabilize in the 1970s.

Such revised-Fordist or non-Fordist interpretations pose significant questions for the conceptualization of intensive and extensive accumulation systems with regulation theory. According to the non-Fordist interpretation favoured by



Coriat and to a limited extent by Tohyama, rapid-growth Japan shared significant features with the extensive accumulation system in which the leading industrial branches were located in Department I (capital goods), and to a less significant extent affecting Department II (consumer goods). While there is not a consensual position, the majority of regulationists appear to favour a version of the hybrid Fordist reading of Japan's high-growth phase in which the essence of Altwater's (1992) 'Fordist equation' (the virtuous relationship between productivity growth, rising real wages and expanding consumer markets) is satisfied. There can be no doubt, however, that the character of Japan's Internal market was substantially different to that prevailing in the Atlantic Fordist countries, because in comparison the productivity shareout in Japan was a truncated one, restricted to the country's labour aristocracy. While this does indeed represent a 'substantial deviation' (Itoh, 1992b: 120) from the classic Fordist account, regulationists are divided over whether this deviation is sufficient to undermine the integrity of the notion of Japanese Fordism.

The hybrid Fordism of Japan's high-growth phase was undoubtedly a complex hybrid, simultaneously comprising features associated with pre-Fordism (for example, the strong orientation of the economy towards Department I branches and the truncation of the internal consumer market), with Fordism (for example, the widespread deployment of modified Taylorist work practices and the mass production-oriented macro-economic circuit), and even with post-Fordism (for example, in the emergence of flexible employment forms and non-Taylorist labour process strategies during the 1960s). It should perhaps come as no surprise that such an 'alloyed' economic structure has fostered a variety of interpretations, ranging from the hybrid Fordist reading favoured in different ways by Boyer, Yamada, Dohse *et al*, Itoh and Uni, through the non-Fordist interpretations of Coriat and Tohyama, to the post-Fordist account presented by Kenney and Florida. At the macro-economic scale at which regulationist analyses are pitched, however, the hybrid Fordist and nascent *Toyotist* versions are the most credible. If Japan was in some senses Fordist, though, the question which is now begged is whether it experienced a Fordist crisis in the early 1970s.

### **The crisis in Japan: structural or conjunctural?**

In the period immediately following 1973, there was a generalized deterioration in the performance of the advanced capitalist economies which regulationists have interpreted in terms of a structural crisis of Fordism (see de Vroey, 1984; Glyn et al, 1991). This had a major influence on the Japanese economy, though again interpretations of the nature and consequences of the early 1970s crisis vary. In mainstream accounts, the post-1973 decline in the

performance of the Japanese economy is explained in terms of external shocks (see Nakamura, 1985). First, the 'Nixon shock' - the collapse of the Bretton Woods agreement and its replacement by a less stable system of floating exchange rates - had serious consequences for the Japanese economy. Second, the first oil shock caused a sudden and sharp increase in petroleum prices and of other imported resource materials. Japan's pre-1973 economic structure, predicated as it was upon a stable currency regime, low-cost energy inputs and imported resources, was consequently profoundly disrupted by the combined effects of the Nixon and oil shocks, resulting in a rapid increase in inflation and a sharp fall in GNP growth.

The regulationist account of this period of restructuring is rather different to the mainstream interpretation, emphasizing as it does the *combined* effects of external shocks and internal contradictions, notably worker's resistance to the Taylorist labour process, progressive technological stagnancy and the saturation of consumer markets. The erosion of the hybrid Fordist regime is therefore held to have begun prior to the 1973 crisis, the implication being that even without such exogenous shocks the regime would have been impossible to sustain. Following this logic, Itoh (1992b: 124-125) captures the Japanese experience of the early 1970s within the general rubric of the crisis of Fordism:

The Fordist regime of accumulation in Japan ... became untenable toward the end of the postwar long boom, as [the] basic condition [of] flexibility in the labor market was much eroded then disappeared. As a corollary, labor discipline in work places tended to loosen even in Japanese capitalism, and the working days lost by labor disputes increased. The [crisis in Japan] was basically due to labor shortages - together with the rising prices of primary products ... and the oil shock ... - [which] brought the period of Fordist prosperity to an end.

The attendant profit squeeze was exacerbated by the breakdown of the Bretton Woods system and resulted in an inflationary spiral: the annual inflation rate on wholesale prices rose to 31.6 per cent by 1974, which when accompanied by overaccumulation of capital and speculative stockpiling of commodities had the result of breaking Japan's Fordist-oriented macro-economic structure (see also Leyshon, 1994).

Coriat (1992), however, sees no such fundamental rupture, arguing that Japan underwent a rapid *non-structural* adjustment during the period of the two oil shocks - away from a pre-crisis, capital goods-oriented and investment-based system, and towards a consumer goods-oriented and export-based system. According to Coriat (1992: 221 - 222), the rapidity of this shift in economic orientation is accounted for by three factors: first, the flexible wages system, in which there was only very limited indexation, facilitated the sharp downwards

adjustment of wages and rapid employment restructuring; second, the adjustment process was facilitated by state programmes in areas such as energy-saving and the restructuring of heavy industry; and perhaps most importantly, third, Japan began to exhibit 'functional flexibility' at the organizational level, as vertically-integrated industrial groups and horizontally-networked, cross-industry '*keiretsu*' developed, in the wake of the early 1970s shocks, enhanced capacities for rapid decision-making and flexible responses to changing external conditions. While he does not use the terminology directly, Coriat holds that Japan experienced a conjunctural crisis during the early 1970s, during which the country's development path was modified rather than transformed.

Largely consistent with Coriat's account, Tohyama (1990b) also regarded the early 1970s as a period of conjunctural adjustment. While the rate of economic growth had slowed during the first half of the 1970s, Tohyama maintains that the macro-economic structure remained in equilibrium, remaining in many ways as stable as in the phase of rapid growth. The early 1970s crisis in Japan, by this account, did not represent a crisis of Fordism:

While its growth pattern was similar [to that of Fordism], Japanese capitalism in the period of high growth cannot be regarded as a 'pure' Fordist regime. Consequently, neither can the crisis of the early 1970s ... be referred to as a crisis of Fordism. [This crisis] differed from that of the Fordist regime in respect of both its character and its causes. . . . As far as the macro-pattern of Japanese capitalism is concerned, we cannot state that a structure established during the high growth phase was dissolved by the crisis of the early 1970s. In other words, [this] crisis ...cannot be characterized as 'structural' (Tohyama, 1990b: 69, 71).

Tohyama then is unequivocal in his assertion that, according at least to the macro-economic record, the early 1970s were a period of conjunctural adjustment rather than structural crisis. The implication of this is that, contra Itoh, there was no internal crisis in early 1970s Japan, but that the process of adjustment was triggered by external shocks.

This diagnosis of the early 1970s crisis as a conjunctural rather than a structural one has serious implications for the regulationist project. In the absence of a structural crisis, a transition between regimes of accumulation cannot occur. Conjunctural crises constitute *intra*-regime adjustments. Contrary to analysts such as Yamada and Itoh, Coriat and Tohyama's position is tantamount to claiming that Japan has not made a transition and suffered no 'internal' crisis but instead has exhibited a distinctive *non*-Fordist regime throughout the post-War era. This development path, which Coriat terms '*Ohnoism*', was simply modified within the parameters of an established accumulation system-MSR relationship in the early

1970s crisis. Others have however argued that such a 'weak transition' thesis is inappropriate, given the (admittedly limited) late 1960s evidence on the Japanese profit squeeze, shifts in productivity patterns and stagnation in consumer markets (see Yamada, 1991 ; Uni, 1992; Itoh, 1992b). Although the picture for Japan is rather more mixed than for the other leading OECD countries, there is evidence - consistent with the argument that the seeds of a structural crisis had been sown before 1973 - of a decline in productivity growth and a reduction in output/capital ratios in the late 1960s (Glyn *et al*, 1991 ). This leads us to the regulationists' interpretations of the post-1973 growth pattern.

### **After-crisis Japan: post-Fordism?**

The capacity of the Japanese economy rapidly to recover from crisis periods - indeed to 'make the best of such extreme shocks' (Coriat, 1992: 240) - is one of its most remarkable features. The recovery from the crisis of the early 1970s was particularly strong: the existence of co-operative (not to say weak) trade unions and loosely indexed wage-productivity relationship enabled adjustments to be made with considerable rapidity, particularly concerning the introduction of microelectronics technologies and yet more flexible labour practices (Itoh, 1992b). Supportive government policies, public sector demand and growing functional flexibility at the level of the production complex also played a role (Coriat, 1992; Okishio, 1992), securing a strong recovery under which growth rates stabilized around 4-5 per cent and unemployment remained below 2-3 per cent, even in the immediate post-1973 period. Although Japan's growth rate slowed and stabilized during the post-1973 period - at least relative to the high-growth phase of 1955-73 - it was the 1980s and 1990s which witnessed the country consolidate and extend its position as a leading global economic power. The positions of the main protagonists in regulationist debates in Japan should already be becoming clear. Those who regard the 1970s crisis as a period of adjustment rather than transformation (Tohyama, Coriat, and in some senses Kenney and Florida) emphasize the underlying continuity in the Japanese development path, while those regarding the early 1970s crisis as structural in nature (Itoh, Yamada, Boyer, Uni) maintain that a transition has occurred, away from the hybrid Fordism of the high-growth period and towards a substantially different macro-economic structure. The majority of these writers, however, are in substantial measure of accord about the post-1973 development path, which has been labelled *Toyotism*.

*Toyotism* has been examined by regulationists from two perspectives - as a production complex and as a system of wage relations. The Japanese production system is based on multiskilling and on-the-job learning, workers' 'voluntary' involvement in the labour process, significant individual incentives based on long-

term employment and seniority wages, flexible organization in which innovation and production are intricately integrated, extensive deployment of microelectronic and flexible technologies, and highly-networked and functionally-flexible production complexes (see Kenney and Florida, 1988). It is difficult to determine precisely when these features of the production system were established, or when they became widely diffused. The piecemeal evidence which does exist, however, suggests that *Toyotist* production systems, technologies and labour practices were not widely diffused in the 1960s, but that they seem to have rapidly proliferated during the post-crisis period, becoming widely generalized by the end of the 1970s (Uni, 1991; Maruyama, 1989, 1993b).

Much of the regulationist debate about post-Fordist or after-Fordist Japan has been concerned with interpretations of contemporary labour practices. While Dohse *et al* (1985) have insisted that the Japanese labour process (which they also characterize as *Toyotist*) represents a particularly virulent form of Taylorism, most contemporary analysts maintain that the *Toyotist* labour process is distinctly non- or post-Taylorist (Boyer, 1990a; Uni, 1991 ; Yamada, 1991; Coriat, 1992; Itoh, 1992b). Yet although mental and manual work may be unified under *Toyotism* contrary to their separation under Taylorism, this is not to say that the Japanese system represents in any sense a looser or more humane form of labour control. Maruyama (1993a- 54, 55), for example, argues that the integration of manual and mental labour represents a non-Taylorist labour control strategy, but a control strategy all the same:

The Japanese labour process ... is certainly based on non-Taylorist discipline. ...The Japanese production system combines mental and manual work, and uses flexibility strategies in order to subordinate workers within the labour process. ... While mental and manual work are integrated within the Japanese production system where workers autonomously conceive and organize their operations ... such autonomous flexibility is achieved on the condition that management unilaterally decide on production levels and on the number of workers required... The integration of mental and manual work [such as the 'voluntary' participation of workers in quality circles] is limited in the sense that it is achieved within the framework of firms' goals.

Yamada (1991 ) also defines the *Toyotist* wage relation in non-Taylorist terms, as one which couples life-time employment with a seniority-based wages system. Wages are determined according to seniority, but basic pay rates and the structure of bonuses are subject to collective bargaining at the firm level and within the institutionalized '*Shunto*' system (through which annual bonuses and basic wage increases negotiated with leading companies set the standard for other settlements in the industry). More recently, however, individualized payment systems, based on individual worker performance, are becoming increasingly prevalent and are now a

significant factor in wage determination (see Kumazawa, 1989). These developments, according to Yamada, are leading to deepening inequality and to the further erosion of labour's bargaining position, intensifying as they are competitive relations between workers.

Lipietz (1992a, 1992c) has sought to characterize *Toyotism* in more general terms as the dualistic co-existence of '*Kalmarism*' (following the Swedish model of firm-level negotiated involvement) amongst core enterprises, and *neo-Taylorism* in the peripheral small and medium-sized firm sector. In Japan, workers' involvement is typically negotiated at the firm level (through firm-level trade unions), producing deep segmentation in the labour market. Core workers enjoy *Kalmarian*-type privileges such as life-time employment and stable wages, though they too are forced to use competitive strategies for career progression. Peripheral workers are in most cases excessively exploited, being poorly paid and experiencing little continuity of employment. The neo-Taylorist employment practices which now dominate this sector have effectively been 'exported' from the core (where they had previously been established under hybrid Fordism). At the societal level, Lipietz associates *Toyotism* with extreme dualism and a high degree of competition between workers.

Coriat (1992) agrees that the Japanese wage relation is distinctively non-Fordist. While under Fordism wages are automatically adjusted to increases in prices and productivity, in Japan the linkage is less direct, mediated (and, importantly, regulated) as it is through enterprise-level bargaining. This pattern of employment relations at the firm level, which Coriat insists, is non-Fordist in nature is termed *Ohnoism* - in deference to the pioneering Toyota production manager. *Ohnoism* describes the Japanese wage contract under *Toyotism*, being to the latter what Taylorism was to Fordism:

With regard to Ohnoist employment relations, it is important that strategies of . . . multiskilling amongst shopfloor workers are deployed in order to achieve, and to redistribute, productivity gains. It is this which distinguishes Ohnoist employment relations from Fordist ones, ... I characterize this [Ohnoist] wage relation as one based fundamentally on the discipline of 'individual incentive-oriented involvement' [by which] a triad of productivity, quality and product differentiation is achieved through wage relations based on a particular (implicit) compromise between capital and labour. The form of this compromise is quite different to the Fordist compromise. Characteristics such as the particular form of wage determination, high levels of employment security, [on-the-) job training, multiskill formation, and the development of internal labour markets have been established according to the principle of *ostracism* [the exclusion of those who fail tacitly to comply with management's 'unwritten rules'], under which labour regulation and the management-labour

compromise are implicitly rather than explicitly agreed. It is crucially important to define the Japanese wage relation as non-Fordist (Coriat, 1992: 214, 215).

The productive efficiency of *Ohnoist* employment relations, Coriat stresses, is achieved at the expense of entrenched dualism in the labour market and managerial dominance in the setting of wage contracts.

In terms of the macro-economic structure of *Toyotism*, analysts agree that the post- 1973 period witnessed a shift in emphasis towards an export-oriented macro-economic chain (Uni, 1991, 1992; Coriat, 1992; Itoh, 1992a, 1992b). Productivity growth in the export sector has since 1973 outstripped that experienced in the domestic consumer goods sectors (Uni, 1991, 1992; Coriat, 1992). The strong export performance of Japanese corporations, Itoh (1992a, 1992b) claims, has provided the financial basis for a continuous process of investment in capital equipment and in microelectronics technologies, which in turn has enabled the realization of further productivity gains. This process, however, has been mainly driven by large firms consolidating their position in the Japanese economy by intensifying the *kanban* system and further subordinating the small firms sector and its workers (Koshiro, 1990; Itoh, 1992b; cf Friedman, 1988).

Importantly, Japan's macro-economic orientation was to shift again in the wake of the 1985 Plaza Agreement and the ensuing appreciation of the yen (Okishio, 1992; Leyshon, 1994). Export markets became sluggish and production refocused on the domestic market, progressively inflating the 'bubble economy' of the late 1980s. This shift in emphasis towards the domestic market, Itoh (1992b: 130) maintains, has not caused Japan to resume a Fordist pattern in its macro-economic circuit: the 'post-Fordist' nature of Japan's contemporary growth is underlined by, first, the fact that real wages have failed to keep pace with the growth in productivity (despite rising inflation), and second, the presence of uneven development 'with continuous economic difficulty for the majority of working people'. The domestic consumption sphere consequently became increasingly dualized during the late 1980s, as the asset-rich wealthy indulged in conspicuous consumption while real incomes and purchasing power fell amongst the working classes.

A distinctive feature of regulationist analyses of the contemporary Japanese development path is the emphasis which is placed on the implications of rising inequality. This can be juxtaposed to the rather more celebratory reading proffered by Kenney and Florida (1988). For Itoh in particular, the processes of social and economic polarization released after Fordism are such that the durability of the Japanese development path has itself be brought into question. Other

regulationists, such as Yamada, Boyer and Uni, seem to be rather more sanguine about the future of the *Toyotist* model. Differences, however, between regulationists seem to occur less around the question of where Japanese development is going, and more around the issue of where it came from. Coriat (1992) insists that the foundations of the *Toyotist* model were laid down prior to 1973, that the accumulation system has always been non-Fordist and that the wage contract has always been non-Taylorist. Boyer (1990a), Itoh (1992a, 1992b) and Yamada (1991), on the other hand, all seek to periodise Japanese development in a more traditional regulationist fashion, tracing the origins of *Toyotism* back only as far as the crisis of hybrid Fordism in the early 1970s.

### **Institutional foundations: a Japanese mode of social regulation?**

In its classical formulations, regulation theory identifies two distinctive modes of social regulation, the pre-Fordist *competitive* MSR (characterized by liberal, non-interventionist nation-states, enterprise-level bargaining of employment contracts and the exposure of wages to market pressures) and the Fordist *monopolistic* MSR (characterized by Keynesian, interventionist nation-states, extensive welfare provision, the maintenance of aggregate demand and institutionalized collective bargaining). Regulationist studies of Japan again sit rather uneasily alongside such established conceptual categories. Perhaps most comprehensive investigation of the Japanese MSR is provided by Coriat (1992), who reached the conclusion that:

... the mode of regulation of the Japanese economy is neither competitive nor monopolistic... Japan exhibits a particular regulatory system, through which productivity gains are redistributed amongst the working class by way of codified institutional mechanisms such as the seniority-based wages system and *Shunto* [labour's spring wages offensive]. . . . [Moreover] decision-making processes within [industry level] *keiretsu* play an important role in regulating the distribution of profit and investment interest ... A variety of [such] institutional forms and social codes exert a controlling influence over the core of the Japanese economy, consequently the Japanese mode of regulation is non-competitive. ... [Neither however can the] Japanese mode of regulation be regarded as 'monopolistic' ... because there is no 'automatic' mechanism for synchronizing wage increases with productivity gains (Coriat, 1992: 229-230).

Wage regulation in Japan occurs through the 'escalator effect' of the seniority wages system and through *Shunto*, the institutionalized process of annual wage rises. In this sense, wage levels are not subject to external market forces, contrary to the strict definition of competitive regulation. Neither, however, is the Japanese model compatible with the monopolistic MSR because wages are only



indirectly related to productivity (though a complex process of custom and tacit expectations) and to a certain extent remain asynchronous (see Itoh, 1992b; Lipietz, 1992c), while there is little in the way of state-led income redistribution.

It is commonly accepted in regulationist accounts that Japan's distinctive labour management system - comprising long-term employment for core workers, seniority wages and company-level trade unions - plays a significant social-regulatory function (Maruyama, 1989; Shinoda, 1989, 1992). The Japanese system of employment contracts is regulated by a complex network of socially-embedded and institutionally-encoded customs and practices which is anchored, first and foremost at the level of the enterprise, and to a certain extent also at the level of the industrial group. Clearly less 'transparent' than the Fordist system of wage-productivity indexation, the Japanese system is characterized by unevenness across firms and sectors, short-term flexibility and the implicit assertion of managerial prerogatives (Uni, 1991). Wage settlements are not allowed to place a brake on corporate profitability, and during much of the post-War period have tended to lag productivity rises (Itoh, 1992b). While this system may share some similarities with competitive regulation, an essential feature of the Japanese system is the mediating role played by the enterprise. In an important sense, it is at this level that many of the key social-regulatory functions are sited.

Because workers' involvement in the labour process is negotiated on a firm-by-firm basis, and because the wage-contract system is also anchored at this level, it has been suggested that Japan exhibits a micro-corporatist mode of social regulation (Boyer, 1990a; Yamada, 1991, 1993; for similar renderings see also Coriat's, 1992, analysis of 'firm-based regulation' and Kenney and Florida's, 1989, account of social regulation under *Fujitsuism*). Institutional practices, rules of co-ordination and norms of strategic conduct, which are typically located at the nation-state level under western Fordism-Keynesianism, are in Japanese capitalism more often sited at the enterprise level. This is also the level at which conflict resolution occurs:

If we follow the idea of the intermediating nation-state [exemplified by the Keynesian welfare state's function as an intermediary between capital and labour] being defined as the key agent controlling at a strategic level the overall reproduction of capital accumulation and the labour force, such a key agent in Japan can be regarded [not as the nation-state] but as intermediating, firms. [Accordingly] it seems reasonable to argue that the mode of regulation in Japan is defined in terms of 'micro-scale', or 'firm-based' regulation (Coriat, 1992: 230-231, emphasis added).

Micro-corporatist regulation in Japan is not confined to the major corporations; its influence extends to peripheral workers in the small firm sector

and even into the household (Maruyama, 1993b). This pattern of regulation consequently plays a key strategic role in legitimating and stabilizing the dualistic *Toyotist* accumulation system, combining as it does *Kalmarian* labour practices in the core with neo-Taylorist labour practices in the periphery (see Yamada, 1991: 177-178; Lipietz, 1992a, 1992c).

The micro-corporatist MSR, as Boyer (1990a) has explained, owes its institutional shape to the particular blend of competition and co-operation exhibited by the Japanese market structure. The most significant feature of this market structure is the dominant role played by industrial groups. These can be broadly classified into horizontally and vertically-integrated groups. The horizontally-integrated groups, or *gurupu*, based on mutual share holding amongst member companies, consist of a set of major corporations usually drawn from various sectors of the manufacturing trading and financial branches. There are six major *gurupu*, which occupy a significant share of the Japanese economy, namely *Mitsui*, *Misubishi*, *Sumitomo*, *Fuyo*, *Sanwa* and *DKB* (see Imai, 1989). As Boyer (1990a) points out, a notable feature of the Japanese market structure is the particular relationships which exist between financial and industrial capital. In Japan, major corporations are usually financed within their *gurupu* by 'main banks' offering comparatively low interest rates. As a result, possible tensions between financial and industrial capital can be resolved within *gurupu* (Coriat, 1992). This 'main bank' financing system is crucial to the regulation of capital flows within the *gurupu* because it ensures that the long-term, strategic interests of the group are maximized. The investment process is both informed and secure, oriented as it is to long-term growth rather than short-term profit-taking. This was crucial in the corporations' rapid emergence from the early 1970s crisis when a premium was placed on the risk-spreading capabilities and the long-term financial orientation of the *gurupu* (Leyshon, 1994). In addition to these financial relationships, *gurupu* also exhibit complex networks of obligated trading linkages between group members, it invariably being the case that a group will be contain more than one representative from a particular sector (Dore, 1987). In contrast to their rather protective and co-operative internal organization, *gurupu* are intensely competitive in terms of their external (or inter-group) market relations.

The vertically-integrated industrial groups, or *keiretsu*, are typically focused sectorally around a large parent company. Major *keiretsu*, such as *Matsushita*, *Nissan* and *Hitachi*, tend to be hierarchically organized around three or four tiers of subcontractors, although their structure varies from sector to sector (Imai, 1989). A distinctive feature of *keiretsu* is the way in which manufacturer-supplier relationships are regulated. Contrary to the western view of subcontractors as dependent, peripheral firms, acting merely as a 'buffer' for the core sector, Aoki

(1988) insists that continuous contracting allows Japanese firms to exploit 'information efficiencies'. Problem-solving and skill formation/development occur *through* the supply chain, rather than exclusively within individual firms. The *keiretsu*, then, exemplify a particular form of inter-firm relationship which combines both integration and autonomy, and which Aoki (1988: 214) terms 'quasi-integration'.

For Boyer (1990a) and Coriat (1992) this highly networked, group-oriented market structure is the foundation of Japan's distinctive micro-corporatist MSR. Although there are signs that some groups are beginning to weaken, as the level of inter-group trading increases (Aoki, 1988), most commentators agree that this distinctive pattern of inter-firm regulation is central to Japan's competitive strength:

Effectively, this structure means that the Japanese economy's input-output matrix is partitioned in a way which limits and channels direct price competition. [F]ierce inter-company price competition is limited largely to consumer markets which are expanding, though competitive pressures between large firms are always transmitted back to their suppliers - albeit often through non-price rather than price mechanisms, usually by tightening quality standards. ... This form of organization also inhibits firms from buying into a range of activities as a way of becoming conglomerates. Takeovers are rare, and most firm growth comes through internal expansion or creation of subcontractors, a situation very different from that in most western firms (Sayer and Walker, 1992: 216).

The social regulation of the market in Japan is achieved indirectly, through networks of inter-firm relations and group alliances, rather than directly, through the interventions of a centralized Keynesian state. The role of the nation-state in Japan, however, cannot be overlooked.

According to Shinoda (1989), the Japanese state plays a limited role in the co-ordination of capital-labour relations (through such means as transfer payments), but has tended to be more proactive in the co-ordination of capital-capital relations. Government policies during the 1950s and 1960s, such as long-term economic planning, the Treasury loans and investments scheme and the strategic guidance functions of MITI (the Ministry of International Trade and Industry), were certainly influential in shaping Japan's Department I-centred pattern of macro-economic expansion during the high-growth period (Boyer, 1990a; Coriat, 1992; Shinoda, 1992; Leyshon, 1994). More recently, MITI has been involved in fostering collaborative networks in emerging industries in fields such as R&D and market forecasting (Murakami, 1987; Best, 1990; Bowonder and Miyake, 1992), though Itoh (1992b) contends that the organization's influence has been on the wane since the 1960s. Such forms of proactive intervention have fallen

increasingly out of favour with Japanese governments in the 1980s and 1990s, which like their counterparts in the west have turned increasingly to neoliberal strategies in the face of falling growth rates and rising indebtedness:

Aiming at [the] reconstruction of a balanced national budget without tax increases, the Japanese government began [in the early 1980s] to reduce the financial support for health and medical services, curb subsidies to private universities and schools, and to trim government subsidised programs in various areas. . . . Although such a policy stance was well-suited to the post-Fordist regime of accumulation with more flexible competitive strategies of capitalist firms, it certainly added to the economic difficulty of working people (Itoh, 1992b: 128-129).

Suffering as it is the consequences of both an economic and a political crisis, it is perhaps no longer appropriate (if indeed it ever was) to claim that neoliberal policies are 'well-suited' to the regulatory needs of Japanese industry. On the contrary, many commentators now believe that these policies themselves played a part in the progressive inflation and eventual bursting of Japan's 'bubble economy' (see Itoh, 1992a; Miyazaki, 1992; Okishio, 1992).

The social-regulatory role of the nation-state in Japan remains, however, under-researched from a regulationist perspective. Little work, for example, has considered the important role played by the Bank of Japan in setting financial policy and in underpinning the operation of the *gurupu* banks (see Shinoda, 1989; Itoh, 1992a), although a significant exception is Leyshon's (1994) recent analysis of financial regulation in Japan. While it is clear that the industrial groups are the site of significant regulatory functions in Japan - particularly concerning inter-firm relations, investment patterns and the structuring of markets - there is a need systematically to locate these functions within the regulatory framework established by the nation-state. Moreover, this evolving regulatory framework must, if the notion of micro-corporatist regulation is to be fully elaborated, be linked to historical shifts in the pattern of accumulation. Evidence on these links is currently only piecemeal - such as the role of government policies in underpinning the investment-led growth pattern of the 1960s (Boyer, 1990a), the increase in 'functional flexibility' exhibited by the industrial groups in the wake of the early 1970s crisis (Coriat, 1992), and the rise of neoliberalism and its associated inequalities in the 1980s (Itoh, 1992b) - falling short of the requirements of an integrative regulationist analysis. More broadly still, more sophisticated regulationist approaches<sup>1</sup> would need explicitly to place the Japanese experience

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<sup>1</sup> The majority of regulationist analyses of Japan continue to deploy what Jessop has termed 'first' and 'second' generation regulation approaches, focusing respectively on *nationally-specific* accumulation system-MSR relations and on mode of *insertion* of this national regime into the global economy (see also Tickell and Peck, 1992). In contrast, 'third generation' regulationist approaches tend to place greater emphasis on the distinctive role of political factors, articulated at the local, national and global scales (Bob Jessop, pers comm, September 1993).

within its wider geopolitical context, given the crucial function of the country's unique relationship with the US hegemon under Fordism and given the Japanese state's recent attempts to redefine its global political position. It is, then, only possible to give qualified support to the micro-corporatism thesis, somewhat lacking as it is in formal substantiation.

### **Conclusion: regulating Japan?**

Regulationist analyses of Japanese political-economic development, while representing a substantial advance on the often celebratory and typically myopic accounts of the 'Japanese miracle', remain only partially successful in their own terms. Serious difficulties remain in reconciling the inherited conceptual categories of regulation theory with the complexities and outright inconsistencies of the Japanese experience. If the theory is to realize its potential as a generalized conceptual framework for the analysis of capitalist restructuring, applicable across a range of historical and geographical contexts (Boyer, 1990b), then it must be able to take up, and to explain, the Japanese development path. On this score, much remains to be done, at both theoretical and empirical levels. By way of conclusion, we briefly consider three aspects of this problem here: the question of periodisation, the status of crisis and the issue of partial readings of the Japanese experience.

Within the regulation school (broadly defined), significant differences remain over the question of the periodisation of Japanese development. Positioned at one extreme, Kenney and Florida (1988) maintain that Japan was never Fordist, but instead took an alternative, post-Fordist path following the Second World War, out of which emerged the contemporary *Fujitsuist* model. A mirror-image of this position is favored by a group of writers, largely outside or on the margins of the regulation school, who maintain that Japan has always followed, and is still following, a version of the Fordist-Taylorist development path (Dohse *et al*, 1985; Kato, 1989; Nohara and Fujita, 1989; Kato and Steven, 1991). Those who have followed most closely the regulationist method, however, tend to identify some form of Fordist/post-Fordist shift, but do not fully agree on either the strength or the character of the transition. On the one hand, Coriat (1992) and Tohyama (1990b) have proposed a 'weak transition' thesis in which the underlying continuities in the Japanese development path are emphasized and in which the early 1970s period of restructuring is regarded as a conjunctural crisis associated with *intra-regime* adjustments (see Table 1). On the other hand, Boyer (1990a), Yamada (1991), Itoh (1992a, 1992b) and Uni (1992) favour a 'strong transition'

thesis wherein what is seen as a structural crisis in the early 1970s brings about a shift from a hybrid Fordist regime to the contemporary *Toyotist* development path (see Table 2). While both these groups of transition theorists agree on the broad contours of the contemporary regime - in which a *Toyotist* accumulation is coupled with a micro-corporatist MSR - they disagree over its origins.

One source of this disagreement may be the apparently 'compressed' periodisation of the Japanese development path. Although one can argue about the precise definitions, it seems to have taken Japan less time to move from some form of pre-Fordist regime to some form of after-Fordist regime. Taylorist practices were not incorporated on a large scale until the post-War reconstruction, but having been progressively modified in line with the evolving Japanese management system, they seem to have begun to transmute into post-Taylorist forms perhaps as early as the mid-1960s, subsequently diffusing rapidly after the early 1970s crisis. An important flashpoint in this development path, most analysts agree, was the early 1970s crisis, but while Tohyama and Coriat argue that this led to an acceleration of an established (non-Taylorist) trend, Boyer, Itoh, Uni and Yamada regard the crisis as a rupture between the modified Taylorism of the 1960s and the contemporary pattern of post-Taylorist flexibility. This raises the key issue of the status of crisis in regulationist accounts.

Two preliminary points need to be established concerning the treatment of crisis in regulation theory, one theoretical, the other historical. First, Jessop (1992b: 60) maintains that the label post-Fordism is a logical misnomer unless it is applied to a situation in which Fordism once existed: 'Serious analysis of post-Fordism must go beyond noting that it occurs after Fordism and show how it relates to specific developmental tendencies and crises of Fordism'. Second, Lipietz (1992b: 19) observes that the breakdown of Fordism was realized through a 'double crisis', the coincidence of a supply-side *internal* crisis of Fordism (arising from the contradictions of the labour process), and a demand-side *external* crisis (arising from the failure of the international mode of regulation). On both these readings, the Japanese case is problematic. In theoretical terms, *Toyotism* can only be conferred with post-Fordist status if it can be shown to have followed (and resolved the crises of) hybrid Fordism:

Once again the Japanese model poses problems here: if the post-Fordist future was pioneered by Japan and if Japan lacked a Fordist past, what does the concept of post-Fordism signify when applied to Japan? (Jessop, 1992b: 353).

On Jessop's reading, the approaches of Kenney and Florida, Coriat and Tohyama all violate the theoretical foundations of the regulationist approach,

denying as they do that Japan's high-growth period was Fordist. Contrarily, the Japanese experience can be used to raise questions about Jessop's conception of post-Fordism, which effectively requires that crises are resolved *in situ*. While some crises are undoubtedly resolved in such a way, spatial restructuring (particularly the geographic switching of production and local regulatory experimentation) also represent responses to - and maybe putative resolutions to - the crises of Fordism (Webber, 1982; Harvey, 1989; Peck and Tickell, 1994). This suggests that the regulationist treatment of crisis - particularly in terms of its geographical constitution - needs to be refined.

In some measure, the Japanese model is also inconsistent with Lipietz's historical account of the collapse of Fordism. Although the majority of regulationist and non-regulationist economists agree that the early 1970s crisis altered Japan's development path, and that external shocks played a major part in this, the flaw in the 'strong transition' reading of Boyer, Yamada, Itoh and Uni lies in their inadequate documentation of the internal factors behind the crisis. Though some evidence is presented (for example, on rising worker opposition to Taylorism and on the slowdown in productivity growth), the argument that Japan's hybrid Fordism was partly brought down by its internal contradictions is at present not as convincing as the parallel arguments advanced for the Atlantic Fordist countries. In comparison, the degree of economic and political dislocation in Japan - even in the depths of the early 1970s crisis - was not nearly so marked. Japan's rapid recovery from the crisis, moreover, also revealed a macro-economic and social-regulatory structure which was substantially intact (Tohyama, 1990b; Coriat, 1992).<sup>2</sup> For the 'strong transition' thesis to be substantiated, further evidence of significant accumulation system-MSR realignments is required.

Lipietz's (1992a: 322) assertion that Japan has demonstrated that the 'supply-side [or internal] crisis of Fordism could be solved through the negotiated involvement of workers' must be seen, as a result, as something of a provisional one. Japan *may indeed* have illuminated an alternative after-Fordist path, but it seems to have stumbled onto this path not having experienced a fully-fledged Fordist crisis of its own. This brings us to our third issue, that of partial readings of the Japanese experience. Here, Jessop (1992a: 16) tentatively raises the possibility that

those economies which have grown most rapidly during the global crisis of Fordism and which have become models for those in crisis are especially advanced in developing Schumpeterian workfare

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<sup>2</sup> Although Leyshon (1994) presents a persuasive argument concerning ruptures in financial regulation in 1970s and 1980s Japan.

state regimes. Among the most prominent examples might be Japan, Germany, South Korea, Taiwan, Brazil, the Third Italy, and some of the most successful regions in otherwise crisis-prone economies. Even if it would be wrong to categorize all these national and/or regional economies as literally post-Fordist (because they were never truly Fordist), their increasing role as exemplars of alternative (and apparently successful) trajectories for Fordist regimes in crisis does mean that they have a paradigmatic post-Fordist status.

Given that few of the post-Fordist 'exemplars' were ever Fordist - Baden-Württemberg and the Third Italy both have origins in pre-Fordist craft traditions, while the definition of Japan's high-growth phase remains somewhat ambiguous - questions must be raised about Jessop's theoretical requirement that a post-Fordist present presupposes a Fordist past. In general terms, further elaboration of the place of uneven development within regulation theory is needed (Peck and Tickell, 1993), while more specifically, the particular status of the Japanese case in regulation theory remains less than clear.

While identifying, alongside (neo)Taylorism and *Kalmarism*, *Toyotism* as one of his three post-Fordist alternatives with respect to labour relations, Lipietz (1992a: 331; 1992b: 191) appears also reluctant to take the Japanese model *in toto* on board - either theoretically or politically. On this partial reading, Japanese labour practices are proposed as a potential resolution to the contradictions of Taylorism, while regressive elements of the Japanese model, such as societal segmentation and environmental degradation, are eschewed.<sup>3</sup> Such a selective appropriation of the progressive elements of the Japanese model may have a role to play in the construction of a post-Fordist political programme - Lipietz's central goal - but it is of limited value in developing a comprehensive regulationist theorization of Japanese capitalism. As Yamada (1991) has emphasized, such a task involves understanding how the progressive and regressive aspects of the model are intertwined. Following this logic, there are of course no guarantees that the positive aspects, such as negotiated worker involvement, can be transplanted from the Japanese model into other social-regulatory settings without either mutating in some way or breaking down altogether. Japan seems set to remain a post-Fordist exemplar, though it remains to be seen whether it will prove to be a *transferable* exemplar.

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<sup>3</sup> For Lipietz (1992a: 320-323, Figure 15.1), Japan's model represents the most flexible but least progressive of the three post-Fordist possibilities. Japan's firm-level negotiated involvement is contrasted, rather unfavourably, with Germany's sectoral-level and Sweden's societal-level negotiation. The Japanese model, combining as it does negotiated involvement with societal segmentation, is seen to be inferior to the German and Swedish models, but superior to the liberal-productivism of both the UK and the US.



While the Japanese model continues to play an important role in post-Fordist discourse, its status within regulation theory is ambiguous, partly because it continues to defy many of the theory's established conceptions of crisis and periodisation. The different elements of Japan's macro-economic and political model seem all too often to fit together in different ways to the regulationist rendering of Fordism and its crisis. Given that this crisis remains essentially unresolved (Altwater, 1992; Leborgne and Lipietz, 1992; Peck and Tickell, 1994), it is important that hasty or partial readings of the Japanese experience are not used to justify a foreclosure of post-Fordist debates (see Yamada, 1991). While as a rule regulationists tend to be rather cautious about indulging in post-Fordist speculation, analysts of the Japanese economy - whatever their interpretation of the after-Fordist 'transition' - continue in some ways to foster the impression that the future has arrived, and it has arrived in Japan. In the light of the country's present political-economic difficulties and the continuing uncertainty about its future geopolitical role (Miyazaki, 1992; Leyshon, 1994), such positions may need to be revised. Even for Japan, talk of successful after-Fordist transitions, or of durable non-Fordist regimes, seems rather premature.

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Table 1; The 'weak transition' thesis

	<b>High-growth phase 1955-1973</b>	<b>Crisis 1973-1975</b>	<b>Stable growth phase 1975-</b>
<b>Characterization</b>	Nascent <i>Toyotism</i>	Conjunctural	Toyotism/ <i>Ohnoism</i>
<b>Interpretation</b>	Distinctive, non-Fordist growth pattern	Period of non-structural adjustment; following external shocks (no internal contradictions)	Maturation of distinctive Japanese development model
<b>Accumulation system</b>	Non-Fordist, but intensive		<i>Toyotist</i>
*production system	High rate of investment in capital equipment; domestic orientation	Restructuring and rapid recovery	Flexible production, combining scope and scale economies; underpinned by labour market dualism and managerial dominance
*macro-economic structure	Profit-driven- rather than wages driven; Department I oriented; less developed mass market	Basic integrity of macro-economic circuit retained	Shift to export-oriented macro-economic structure; stronger Department II orientation
*labour process	Early <i>Ohnoism</i> ; non-Taylorist; involving multiskilling	Restructuring; enhanced flexibility	<i>Ohnoism</i> ; implicit rules of managerial dominance; ostracism

<i>Mode o social regulation</i>	Firm-level regulation; non-competitive and non-monopolistic		Firm-level or micro-scale regulation
*wage form	Non-Fordist; indirect indexation of productivity and wages; tight labour markets	Flexibility in wages and employment facilitated rapid adjustment	Individual incentive-oriented involvement; loosening of labour markets
*market structure	Distinctive inter-firm, contractor-supplier and manufacturing-finance relations within industrial groups	Emerging 'functional flexibility'	'Functional flexibility'
* state form	State support for Department I-oriented growth-pattern; strong industrial policy; under-developed welfare state	Support provided by state adjustment programmes	Intermediating functions located at firm rather than state level
*monetary form	Secure 'main bank' finance system; key regulatory role of Bank of Japan	Security of 'main bank' financing limits crisis and aids adjustment	Continuation of 'main bank' funding

*Sources:* derived from Coriat (1992) and Tohyama (1990a, 1990b, 1991)

Table 2: The 'strong transition' thesis

	<b>High-growth phase 1955-1973</b>	<b>Crisis 1973-1975</b>	<b>Stable growth phase 1975-</b>
<i>Characterization</i>	Hybrid fordism	Structural	<i>Toyotism</i>
<i>Interpretation</i>	Fordist-oriented, though more efficient production and less equitable income distribution	Combination of external shocks and internal contradictions	Establishment of new after-Fordist regime of accumulation based on principles of flexibility
<i>Accumulation system</i>	Intensive		Flexible- intensive