

Kocka, Jürgen

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## COMMENTS

Jürgen Kocka  
*University of Bielefeld*

Reading about Japanese entrepreneurship and industrial relations, I am surprised about the multi-dimensional, comprehensive character of employer-employee relationships in Japanese corporations, and about the collective orientations of some Japanese entrepreneurs. Certain aspects of Japanese entrepreneurship and industrial relations appear to be nothing less than violations of the principles of a capitalistic market economy, and one wonders how they were compatible with the well-known success of economic growth in this country. One is amazed at the apparent totality of Japanese employees' involvement in the operations and the goals of the large corporations, and one wonders why more social conflict did not result therefrom. By stressing groupism in contrast to individualism, I think Professor Hazama presents a very convincing answer to many of these questions, and I have learned a lot from this paper. I am sure that he correctly identifies important characteristics of the Japanese system by showing the impact of certain cultural and value traditions on the mechanisms of economic development. My following remarks are not meant to criticize his basic thesis, which I find very convincing. Rather, I should like to discuss some of his propositions in a comparative perspective, identify some problems and ask some questions, and perhaps present some marginal criticisms.

1. Sometimes I got the impression that Professor Hazama, for the sake of clarity in this short paper, tends to overstate the Japanese-European difference. He tends to present something of a dichotomy between groupism and individualism, whereas in my opinion it should perhaps be seen as a gradual difference between two types or several types of entrepreneurial systems in which different mixtures of individualism and groupism existed, certainly with a heavier ac-

cent on groupism in Japan than in European countries. In this last respect I agree with him completely. Professor Hazama himself states in his paper that individualism was not totally absent among Japanese entrepreneurs. On the other hand, I would like to argue that groupism, in Professor Hazama's sense, was not totally absent among the actors in the process of European industrialization, with remarkable differences from country to country and from time period to time period. In addition, I also think that groupism was often functional for economic growth and development in the European industrialization as well. Let me give two examples of this.

Certainly in West European merchant houses of pre-industrial times, family orientation played a large role. One thinks of certain merchant dynasties in Germany or Northern Italy. In the industrial revolution itself family orientation in family enterprises played a very important role in determining the economically relevant actions of the entrepreneurs. If one considers the German industrialists Krupp, or Stumm or Siemens or Oetker, one could say, I think, that family orientation was an important element motivating these entrepreneurs for striving and working, though more research needs to be done on that. Family orientation was, moreover, a strategy for self-justification. If in his paper Professor Checkland is correct in saying that at many times entrepreneurs were not satisfied with just engaging in economic activities but needed something more, family orientation was "something more" for many German, and I think other European, entrepreneurs, to justify their striving and their sacrifices and their work. Also, family relations were used as management tools at a time when other, more professional management techniques were not available. Family cohesion served as a basis for fundamental loyalty in which decentralized management could take place without letting the diversified or decentralized firm fall apart. Moreover, family relations were used for facilitating capital accumulation in the early period when the bank system and the capital market were not really developed. I think that's not only true for Germany but also for France, where this has been shown, for instance by David Landes in his articles on French entrepreneurship.

Secondly I should like to point to the religious affiliations of European entrepreneurs which were mentioned by Professor Hirsch-

meier yesterday. Think of the Mennonites among early West German textile entrepreneurs (e.g. in Krefeld) or of the Catholic business community of Roubaix in Northern France. Jewish entrepreneurs, e.g. in Berlin, would also be a case in point. In such cases the religious orientations and affiliations—the religious “groupism”—of entrepreneurs did play a role in their economic actions and decisions.

There would be other examples for what I want to say. German workers, I think, partly identified very strongly with their class. They did not reject certain kinds of groupism within the companies because of the fact that they were individualists, but because of the fact that they identified with another group, with the labor movement and so on. These examples show that in many cases, Western entrepreneurs and employees strongly identified with groups, group values and group interests in a way which was relevant for their economic behavior and the economic process at large. They also show that there was no strict separation between the economic role individuals performed and the non-economic—personal, social, cultural—roles they performed. And finally, these examples also may point to the fact that this non-separation between economic roles and non-economic roles was sometimes very favorable for economic development.

2. I have tried to argue that groupism in Professor Hazama's sense did play an important role among European entrepreneurs and employees, though certainly less than in Japan. But it may well be that different kinds of groupism were dominant in Japan and in European countries. Maybe these qualitative differences were very important too, and if this is so, the concept of groupism needs concrete application. Actually, Professor Hazama in his paper differentiates this concept at least with reference to Japan. Again I want to give two examples: the first with respect to the state orientation or managerial nationalism; the second concerning the relationship between company consciousness and class consciousness in Germany.

Like Professor Hirschmeier yesterday, and others, Professor Hazama stressed the state, or *kuni*, orientation of some Japanese corporation leaders. Now certainly this is a much debated subject, because in this field it seems particularly difficult to distinguish

between real motives, ideologies, and mere rhetoric. I should like to know more about it, especially whether there were more than a few single cases in which Japanese corporation leaders were ready to sacrifice profit and corporate goals to conflicting national goals, given that such a conflict existed. However, in general, I find Professor Hazama's thesis concerning the national orientation of Japanese corporation leaders convincing; and if this is so, if nationalism was not only rhetoric but also a strong motivating force behind the economic actions of more than a small minority of business leaders, then I think this may well be a peculiarity of Japanese businessmen, not shared, if I see it correctly, by their German, French, British and American counterparts. German or American entrepreneurs disliked government intervention, but strove for government favors and protection whenever they could get it. It is also true that national rhetoric was applied by many of them in their speeches, in their attempts to justify themselves when confronted with a critical public. It seems to me at least, that, generally speaking, nationalism was not a major motivating force behind the actions taken by individual Western businessmen, and they were not too often ready to give priority to national over profit goals in case they conflicted. If this is correct, the question is how to explain this difference. Shall we explain it in terms of Japanese groupism versus European individualism, as Professor Hazama proposes? In the light of what I said before about different group identifications of European entrepreneurs, this in my opinion should not be the main line of argument, although I agree that it is an important one. I find more convincing what Professor Hazama writes on the specifics of Japanese nation-building. In a nation emerging under political and economic pressure from outside, it seems very plausible to me that economic organization was a main tool of gaining national strength and survival; that the decisive segments of the public would support economic modernizers partly, at least; and that the businessmen shared this emerging national solidarity which, after all, was compatible with economic success in terms of expansion and profit.

A supplementary, but not contradicting, third explanation could point to the relationship between relative economic backwardness and national ideologies of businessmen. This line of argument has

been proposed by Gerschenkron and others, though it has not been set forth with respect to Japan (at least not by Gerschenkron, that is). The idea seems to fit Japan more than Germany, but I do not want to elaborate on it now. In my argument the important thing is this: both the stress on the peculiarities of Japanese nation-building and the backwardness argument explain, or try to explain, managerial nationalism not mainly in terms of values and cultural traditions, but in socio-political and socio-economic terms. Groupism versus individualism certainly played a role, but maybe it explains neither the strength, nor the specific content, nor the specific functions of those special kinds of groupism by which Japanese businessmen seem to have differed from their Western counterparts.

My second example in this context: undoubtedly Professor Hazama is right in stressing the company consciousness of Japanese corporation employees, the paternalism and familism in industrial relations in large corporations in the late 19th and 20th centuries. These are aspects, I think, in which Japan strongly differs from every Western industrial system as far as I can see. I also think that the groupism-individualism argument carries a long way in explaining this difference, and Professor Hazama has shown this convincingly. But again I think that the problem is more complicated.

One other reason for the non-existence of equally strong patterns of paternalism and familism in Germany, in spite of many attempts of German entrepreneurs to establish such relationships, was the workers' identification with the labor movement, as I mentioned before. As we know, German industrialists made strong efforts in the 19th and early 20th centuries to establish some kind of paternalistic industrial relations and a corresponding company consciousness among their employees. Insurance schemes, profit sharing, company housing, company recreational facilities, seniority systems, and many other tools could be mentioned in this context. But their success was very limited, much more limited than the success of their Japanese counterparts, at least as far as blue-collar workers are concerned. (It is different with the white-collar workers. I don't speak about them now.) Why? Certainly the greater individualism of German employees played a role, besides state intervention and other factors. But one important obstacle which these attempts to establish com-

pany consciousness did not overcome in Germany was the class consciousness of most workers, who distrusted paternalistic devices and viewed them as blackmail and phoney integration. They had a strong group identification, and for many of them the German labor movement played a great variety of economic, social, cultural, recreational and educational roles. Everything from collective bargaining to the glee club to a workers' gymnastic association and to common recreational facilities was provided by the German labor movement. In a way, the German labor movement was for German workers what the Japanese corporation started to be for Japanese employees. In other words, again it was not individualism, but a specific kind of groupism—class consciousness—which prevented the growth of another groupism—company consciousness—in Germany but not in Japan.

3. My third point is very short and just a question. It refers to the beginning of Professor Hazama's paper. He argues that Japan's fast industrialization cannot be explained in economic terms, and he proposes to look for social and cultural factors explaining this success. He said in his remarks that he sees Japanese groupism as one of those social and cultural factors which strongly contributed to Japan's successful industrialization. In principle, I find this argument very convincing and as I mentioned before, other types of groupism played a similarly favorable though less dominant role in the European industrialization. On the other hand, Professor Hazama also shows that groupism could be dysfunctional, unfavorable for economic growth and development, and again, one could name many examples in Europe, especially in France, where similar dysfunctions developed. While certain types of groupism can be functional for economic growth and development under certain conditions, the same types of groupism may become obstacles and dysfunctional in later stages of development. But how, then, can we make up the balance? Apparently we cannot. At least most scholars would agree that in the Japanese case the economic assets of managerial familism and managerial nationalism and company consciousness were more important than their economic disadvantages. But how can we determine the weight of these factors relative to other factors—relative, let us say, to the favorable geographic position of Japan, or



relative to a specific commercial tradition in Japanese agriculture in the late Tokugawa period? On what basis do we hold that these social/cultural factors were very important in determining and explaining the speed and success of Japanese growth?