

# Hidden from View ? : The Measurement of Japanese Interwar Unemployment

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## Abstract

In the interwar years, government officials of Japan began to express concerns about the absence of any specific unemployment data and were receptive to the recommendation of the International Labour Office that the problem of unemployment should be subject to systematic investigation. Two surveys were conducted by the government, Unemployment Statistical Survey of 1925 and the 1930 Census, but they just revealed relatively low unemployment rates.

Contemporary critics knew that the data failed to capture issues such as over-employment and the capacity of many individuals out of work to escape any survey count. There was some official recognition of such deficiencies in the decision from 1929 to initiate monthly returns on the numbers unemployed in each prefecture. Despite the fact that these data were also considered fraught both in method and coverage they nonetheless quickly became regarded as representative of the trend of unemployment in 1930s Japan.

On the basis of the available evidence, we have drawn attention to the paucity of contemporary data, how it lead to spasmodic attempts at improving the unemployment count and to the sources of monthly data upon which aggregate figures were produced and have been used internationally by labour organization or scholars since which distorted the reality of Japan's interwar unemployment.

**Key words:** unemployment, statistics, interwar years

## 1 Introduction

For most European countries the basis upon which contemporaries and subsequent historians have determined the scale and the intensity of unemployment in the interwar period and the appropriateness of the authorities' responses to trade cycle movements has been from data derived from official agencies. Although it is well established that aggregate unemployment statistics provide an imperfect measure of the phenomenon

in most industrialized countries, Eichengreen and Hatton, reviewing European and American experience between the wars, remarked that 'it is of some comfort that we have available a comprehensive analysis of the sources, characteristics and comparatively of the statistics generated by public agencies and private bodies during the interwar years.' \*1

Most of this data derives from the operation of compulsory unemployment insurance schemes which obliged workers officially categorized as unemployed to register themselves for the purpose of obtaining benefit. One notable exception was France. Its low rate of unemployment in the 1930s derived from macroeconomic trends, the late emergence of a modern wage-earning class, and the implications of the rationalization movement in the 1930s for the volume of available work. None the less, a significant part of explanation for this low rate of unemployment is definitional and conceptual, the significance of which is not lost on the Japanese case. Salais, reviewing French experience in the 1930s, notes that:

The institutional preconditions for the pool of labour conforming to the conventional economic and social definition of 'unemployed' workers were not in place in France in the 1930s. The type of employment relationship that would give rise to the category 'unemployment' was not yet prevalent outside large towns and rationalized firms. This does not mean that individuals outside large towns and rationalized firms did not lose work and income due to the Great Depression, but that, due to the manner in which they appear to have been perceived, they were not regarded and tabulated as unemployed in the same manner as in the other countries. Neither did they regard themselves as unemployed in a modern sense of the word. \*2

Salais was at pains to emphasize that, despite the development of a uniform set of national regulations governing the provision of public assistance and the development within large enterprises of an increasingly sharp distinction between wage and salaried employment and unemployment, the low rate of unemployment in the 1930s did not fully capture the seriousness of contemporary conditions.

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\* 1 Eichengreen, B., and Hatton, T.J., 'International Unemployment in International Perspective: An Overview', Eichengreen, B., and Hatton, T.J., eds., *International Unemployment in International Perspective*, Dordrecht, 1988, p.5.

\* 2 Salais, R., 'Why was Unemployment so Low in France During the 1930s?', in *Ibid.*, p.247.

Similar definitional, institutional and conceptual problems arise in assessing the scale and distribution of interwar unemployment in Japan and the more so since even in France, unlike Japan, limited schemes of social and public insurance existed and efforts were made to classify the unemployed in Census returns. Low levels of recorded unemployment dominate the Japanese interwar experience. However, it is the slowness with which the Japanese authorities engaged in effort to 'measure' the contemporary unemployment problem and the vacuity of what data did emerge that we turn to in this chapter to demonstrate how fragile was the statistical basis upon which official responses to unemployment could be based.

## **2 The emergence of statistical surveys of the unemployed**

A significant underpinning of when and to what extent authorities begin to 'measure' unemployment is when they perceive the problem to be worthy of such concern. Clearly workers in Japan were moving into and out of employment on a regular basis before the interwar period. Their condition, reflecting Beveridge's analysis of the emerging problem in Britain before 1914\*<sup>3</sup>, was recognized by most contemporaries as being less a matter of individual failings as much as a consequence of the 'condition of industry'. H. Seki, a professor at the Tokyo College of Commerce and later Mayor of Osaka city, wrote of the Japanese unemployment problem in 1910:

Apart from seasonal work considerable fluctuations in demand for labour arise from the trade cycle. In addition, technological developments and improvements in industrial organization also result in the dismissal of many workers. There are workers, too, who are unable to obtain jobs because of the imperfect functioning of the labour market. Much of the unemployment problem arises from such cases and not from the fault of workers.\*<sup>4</sup>

Such pronouncements were rare and contemporary bureaucrats continue to ascribe loss of work principally to the irresponsibility of workers. There is some evidence nonetheless of a slight change in attitude in pre-1914 Japan. Sidney and Beatrice Webb, principal contributors to the *Minority Report of the Royal Committee on the Poor Law*

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\* 3 Beveridge, W.H., *Unemployment: A Problem of Industry*, London, 1909.

\* 4 Seki, H., 'Shisshoku Mondai (Sono 1), (Sono 2), *Kokumin Keizai Zasshi* Vol. 8., No. 5 and 6 (May and June), 1910, pp. 2-3. ['Unemployment Problems (1), (2)', *Magazine of National Economy*, Vol. 8., No. 5 and 6 (May and June), 1910, pp. 2-3.]

in Britain in 1909, visited Japan in September 1911. During their stay Sidney Webb lectured on the problem of poverty at the University of Waseda, describing the limits of the British Poor Law system and insisting that state intervention was required to sustain minimum national standards of living.<sup>\*5</sup> The Webbs' book, *The Prevention of Destitution*<sup>\*6</sup> was translated into Japanese and published in February 1914. In the preface the Webbs wrote:

There is no reason to believe that Japan cannot prevent the failures of policy seen in Britain. We are now struggling to abolish the Poor Law in Britain and it is fortunate that Japan does not have such a law for the support of the poor. The countries of the world should not repeat our failures by following British experience.<sup>\*7</sup>

The Webbs were anxious to draw a distinction between administrative activity on behalf of the poor, which ideally should be carried out by local authorities, and that for the able-bodied unemployed whose condition should be treated by central government. It was important in their view for national governments to seek positively to prevent unemployment from emerging and then, if necessary, to seek to relieve the out-of-work by means other than those provided for under Poor Law regulations.<sup>\*8</sup>

The Webbs' visit to Japan stimulated a concern for the problem of poverty, including that arising from unemployment. They arrived 'with excellent introductions from the Japanese Ambassador in London, and started to meet the outgoing Prime Minister, the vice-minister of foreign affairs, a financial magnate and a scattering of university professors. As they travelled through the country they were handsomely received, and they reciprocated with grace.'<sup>9</sup> Although one cannot judge their impact directly, one

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\*5 Ogawa, M., 'Taisho Demokurashii Ki no Kyuhin Taisei', in Nihon Shakai Jigyo Daigaku Kyuhin Seido Kenkyu Kai ed., *Nihon no Kyuhin Seido*, Tokyo, 1986, pp.153-154. [Ogawa, M., 'The System for the Relief of Poverty in the Period of the Taisho Democracy', in Seminar on the System for the Relief of Poverty, Japan Social Work University ed., *The System for the Relief Of Poverty in Japan*, Tokyo, 1986, pp.153-154.]

\*6 The title of this book was *Kokumin Kyosai Ron*, which translates as *National Co-operation Policy*.

\*7 Webb, S., and B., 'Nihon Yaku ni Fusuru Genchosa no Jo', *Kokumin Kyosai Ron*, Tokyo, 1914, p.1. ['Authors' Preface for the Japanese Translation', *The Prevention of Destitution*, Japanese version, Tokyo, 1914, p.1.]

\*8 *Ibid.*, p.1.

of the bureaucrats they met R. Ohno, subsequently to become Head of the Social Bureau in the interwar period, later recalled:

Although bureaucrats in the Social Bureau were described as having a left-wing ideology and although the younger of these bureaucrats did attempt to do new things there was not a great deal of radical thought. But we became much influenced by Fabianism and by the books of Sidney Webb and Beveridge. \*10

Another contemporary bureaucrat interested in the Fabian Society recalled how he visited Sidney Webb in London to be told that the Japanese nation 'should be evolutionary not revolutionary'. \*11

Such random references to an emerging concern with the problem of poverty and its relation to unemployment are not indicative of any substantial movement in that direction. A series of articles on poverty and unemployment appeared in the leading newspaper at the time, *Osaka Asahi*, during September and October 1916 and were subsequently published as a book *The Story of Poverty*, which drew upon the academic writings of both Booth and Rowntree. But there were few indications that government officials felt any need to recast Japanese policy in a British mirror.

The Japanese government established a Committee on Relief Works in June 1918, not as part of any fundamental rethink on poverty and unemployment but as a response to their fear that wartime inflation was likely to substantially reduce workers' living standards and thereby threaten social unrest in peacetime. An indication of the scale of the problem as they perceived it is given below.

What affected workers most directly was the rapid rise in the price of rice, which led to national riots during August 1918. The number of strikes in 1919 rose to 497

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\* 9 MacKenzie, N. and J., eds., *The Diary of Beatrice Webb, Volume Three, 1905-1924, 'The Power to Alter Things'*, London, 1984, p. 168.

\* 10 Koseisho Shakaikyoku, *Shakaikyoku 30 Nen*, Tokyo, 1950, p.24, [Social Bureau of Ministry of Welfare, *The 30-Year History of the Social Bureau*, Tokyo, 1950, p.24.]

\* 11 *Ibid.*, p.23.

\* 12 Rodosho, *Rodo Gyoseishi*, Vol.1., Tokyo, 1961, p.118. [Ministry of Labour, *The History of Labour Administration, Vol.1*, Tokyo, 1961, p.118.]

**Table 1 Indices of wages and prices, 1916-1920**

Year	Wages	Wholesale Price	Retail Price
1916	153	155	155
1917	181	195	208
1918	224	255	261
1919	304	312	310
1920	405	343	361

Rodosho, *Rodo Gyoseishi*, Tokyo, 1961, p.122. [Ministry of Labour, *The History of Labour Administration*, Tokyo, 1961, p.122.]

(Wage and wholesale price, 1900=100, average of total wages in Tokyo surveyed by Tokyo Chamber of Commerce); retail price, 1904=100, index of Tokyo, surveyed by Bank of Tokyo)

involving 63,137 people compared with 108 involving 8,413 in 1916. \*<sup>12</sup> Not only had the number of disputes risen they were now planned systematically and involved picketing and sabotage. \*<sup>13</sup>

This tendency increased after the Armistice. What the Japanese authorities feared most was the militancy of the workers which, as Large notes, 'flowed from the impact of the post-war recession on Japan. This caused a precipitous decline in production and a corresponding unemployment crisis.' \*<sup>14</sup>

The Committee on Relief Works established just two months before outbreak of the Rice Riots was not confined to the problem of unemployment; it included representatives of the Ministries of the Home Office, Law, Education, Agriculture and Commerce \*<sup>15</sup> who examined issues as varied as the conditions of the retail market, improvement in the housing of the poor, and policies for fostering co-operation between labour and capital. \*<sup>16</sup> None the less the likelihood of unemployment in the immediate period prompted calls for the government to take a more systematic and informed view of labour problems. \*<sup>17</sup> Delegates to the conference on the formation of the League of Nations from Britain, the United States, France, Italy, and Japan had also urged action

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\* 13 *Ibid.*, pp. 118-119.

\* 14 Large, S. S., *Organized Workers and Socialist Politics in Interwar Japan*, Cambridge, 1981, p.28.

\* 15 *Ibid.*, p.131.

\* 16 Tsuchiana, F., *Shakai Seisaku Seidoshi Ron*, Kyoto, 1990, p.426, [Tsuchiana, F., *History of the Institute for Social Policy*, Kyoto, 1990, p.426.]

\* 17 Rodosho, *op.cit.*, pp.127-128. [Ministry of Labour, *op.cit.*, pp.127-128.]

in this area.\*<sup>18</sup>

It was in response to the discussion on post-war unemployment held during the First International Labour Conference in 1919-1920 that the Opposition Kensei-party submitted an Unemployment Insurance Bill to the 45<sup>th</sup> Parliamentary Session in October 1921.\*<sup>19</sup> The Bill failed. T. Maeda, a Home Office bureaucrat who made a research trip to Europe and the United States between May 1918 and October 1919, subsequently submitted a report to the Home Office entitled *Policies for Preventing Unemployment*. In it he urged consideration of policies for a compulsory unemployment insurance and dedicated public works on behalf of the unemployed.\*<sup>20</sup> Such recommendations went far beyond what the central authorities thought necessary at the time. In the search for systematic data on the labour market Japanese authorities were content merely to respond to the recommendation of the International Labour Office in 1919 that the Employment Exchange system be expanded, a response which the authorities sustained for years thereafter as the following table illustrates:

**Table 2 Number of employment exchanges, 1921-1929**

Year	Official	Private	Total	Year	Official	Private	Total
1921	31	18	49	1930	268	39	307
1922	79	27	106	1931	372	49	421
1923	103	32	135	1932	419	43	462
1924	130	45	175	1933	482	36	518
1925	141	40	181	1934	550	37	587
1926	146	41	187	1935	636	41	677
1927	174	38	212	1936	657	40	697
1928	190	37	227	1937	717	28	745
1929	217	39	256				

Rodosho, *Rodo Gyoseishi*, Tokyo, 1961, p.559. [Ministry of Labour, *The History of Labour Administration, Tokyo, 1961*, p.559.]

What is interesting is that such seemingly passive reaction by the authorities disguised the less publicized attention that was already being devoted to social problems in general which, though not exclusively related to unemployment, none the

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\* 18 *Rodo Mondai ni Kansuru Shitumon Syuisho*, cited in *Ibid.*, p.132. [*A Prospectus on Labour Problems*, cited in *Ibid.*, p.132.]

\* 19 Rodosho Shokugyo Anteikyoku Shitugyo Hokenka eds., *Shitugyo Hoken 10 Nen Shi*, Tokyo, 1960, pp.98-105. [Department of Unemployment, Bureau of Employment Stabilisation, Ministry of Labour, *The 10-Year History of Unemployment Insurance*, Tokyo, 1960, pp. 98-105.]

less provided a basis upon which unemployment ameliorative policy was subsequently based. Though much of this concern initially rose outside of government, the authorities frequently lent their support to it in the hope of improving their sources of information on the workings of the labour market. At the end of December 1919, for example, the Kyocho-kai Co-operative Foundation was established, supported by government officials such as T. Tokonami, Minister of the Home Office, I. Tokugawa, Chairman of the House of Lords, I. Ohoka, Chairman of the House of Commons, and by a leading entrepreneur E. Shibusawa.\*<sup>21</sup> The Foundation published the organ *Social Reform (Shakai Seisaku Jiho)* through which bureaucrats, scholars, and politicians debated labour problems, including those of emerging unemployment, and the issue of how to divide responsibility for the solution of such problems between the private and public sectors. On its inception the Foundation noted in August 1919:

The co-operation between capital and labour is the most important thing for the development of industry and for maintaining the peace of society. However this is easy to say but difficult to achieve. The government should intervene if necessary and entrepreneurs should respect the dignity of workers. Workers as well should undergo training to improve their situation. The purpose of this Foundation is not to undertake social policy ourselves but to research the benefits and defects of policies aimed at improving the relationship between capital and labour and to make recommendations to government and public bodies. We should survey what our country needs from a neutral point of view and open our membership to various sections of society in order that many people can help us to promote national development according to the needs of our time.\*<sup>22</sup>

The first article to appear in *Social Reform* on the subject of unemployment stressed the need to recognize unemployment as a problem related to poverty whose origins and

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\* 20 Kanazawa, F., 'Nihon ni Okeru Shitugyo Hoken no Seiritu Katei (2) -Sengo Nihon no Shakaihoken Shiso no Genten-', Tokyo Daigaku Shakaikagaku Kenkyusho, *Shakaikagaku Kenkyu*, Vol. XXXVII, No.6, March 1986, pp.76-77. [ Kanazawa, F., 'The Finance Ministry Deposit Bureau's Loans to Local Governments during the Interwar Period (2)', Institute of Social Science, University of Tokyo, *The Journal of Social Science*, Vol. XXXVII, No.6, March 1986, pp.76-77.]

\* 21 Rodosho, *op.cit.*, p.154. [Ministry of Labour, *op.cit.*, p.154.]

\* 22 Kyocho Kai, *Zaidan Hojin Kyocho Kai Setsuritsu Syuisho*, 2 August, 1919, *Shakai Seisaku Jiho*, No.1, September 1920. [*The Prospectus on the Establishment of Kyocho-kai*, 2 August, 1919, *Social Reform*, No. 1, 1920.]

amelioration need specific analysis. Its author K. Tano complained that:

Conventional economics has been keen to concentrate on the study of wealth but has tended to forget that many men are prevented by the workings of the economy from earning a living despite the materialistic pressure put upon them. What a sad thing it is when the person has the ability to work and has the desire to work but cannot do so for reasons which are not his fault. \*<sup>23</sup>

This sentiment was akin to that subsequently noted by Harris who, reviewing developments in pre-1914 Britain, has argued:

The unemployed themselves, though still not free from personal moral censure, were increasingly regarded as victims of structural and cultural forces which were in turn viewed as being, if not wholly controllable, at least susceptible to political intervention and adaptation. \*<sup>24</sup>

When Tano acknowledged that part of the difficulty in reacting to unemployment lay in the scarcity of any reliable data on the problem, he was fully aware that at the time no official effort had been made or was planned to improve on the situation. \*<sup>25</sup> Unlike other countries Japan lacked any systematic data from trade unions, any longstanding system of Employment Exchange data collection and, as noted already, any compulsory insurance scheme capable of producing regular disaggregated statistics at national and local level. \*<sup>26</sup> This was not, however, an insuperable problem because action on behalf of unemployed had not always been based on firm statistical analysis. Harris's review of the treatment of unemployment in Edwardian Britain underlines the point:

In spite of the growth of empirical investigation, the evidence relating to all aspects of

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\* 23 Tano, K., 'Situgyo Mondai oyobi Wagakuni Genji no Situgyo Jotai', *Shakai Seisaku Jiho*, No. 2, October, 1920, p.81. [Tano, K., 'The Unemployment Problem and the Recent Condition of Unemployment in Our Country', *Social Reform*, No. 2, October, 1920, p.81.]

\* 24 Harris, J., 'From Sunspots to Social Welfare: The Unemployment Problem 1870-1914', in Corry, B., ed., *Unemployment and the Economists*, Cheltenham, 1996, p.53.

\* 25 Tano, *op.cit.*, pp.81-82.

\* 26 Yusa, T., 'Wagakuni Saisho no Shitugyo Chosa (Jou)', *Shakai Seisaku Jiho*, No. 45, 1924, p.77. [Yusa, T., 'The First Survey on the Unemployment in Our Country (1)', *Social Reform*, No. 45, 1924, p.77.]

the problem of unemployment was highly imperfect for most of the period under discussion and more reliable information only became available as a result of and not as a prelude to administrative reforms. In the interim the discussion of unemployment and the theories on which reforms were based, were derived partly from very limited statistical data and partly from highly conjectural preconceptions about the nature of the labour market and the characteristics of the unemployed. \*27

The discussion of unemployment in interwar Japan was likewise derived from very limited statistical data. Subsequent information never became as reliable as that which followed upon administrative reform in other industrial nations. For the greater part of the 1920s the Japanese authorities' response to unemployment continued to be fashioned against the background of limited empirical investigation and partial survey data that contemporaries readily acknowledged to be unreliable.

Unemployment data were collected in Kobe in September 1923 following the survey of its declining fortunes. Kobe as a large port had witnessed increased trade during wartime but suffered a substantial decline in activity in immediate aftermath of war. In 1921 workers went on strike at the Kawasaki-Mitsubishi Shipyard, one of the leading shipyards in Japan at that time and 'marched for days outside the company gates protesting against unemployment and the dismissal of key union leaders, and sang songs such as 'Rise up, ye labourers, rise up, capture the strongholds of capitalism.' \*28 The local authorities were not entirely unmoved. In January, 1923 a Temporary Survey of Unemployment in Kobe City was undertaken by the Social Department of Hyogo Prefecture. This was the first statistical survey on unemployment in Japan. Although the extent of the survey was limited to within the city, it recorded 5,061 unemployed (male 4,496) among 150,000 labourers and salaried workers. \*29 A similar survey of local unemployment was conducted by the Social Department of Osaka Prefecture in February 1924 revealing 840 unemployed among about 50,000 male workers. \*30

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\* 27 Harris, J., *Unemployment and Politics*, Oxford, 1972, p.47.

\* 28 Large, S.S., *op.cit.*, p.29.

\* 29 Hyogoken Shakaika, *Rinji Shitsugyo Chosa Hokoku*, 1924, collected in Kase, K., ed., *Senzenki Shitugyo Tokei Syusei*, Vol.3., Tokyo, 1998. [Department of Society, Hyogo Prefecture, *Temporary Survey of Unemployment in Kobe City*, 1924, collected in Kase, K., ed., *Collected Unemployment Statistics in Pre-war Japan*, Vol.3., Tokyo, 1998]

### 3 The contemporary debate over unemployment statistics

The data which existed at a more general level, such as from industrial establishments, only related to factories employing more than 50 workers. Employment Exchanges had only been established in 1921, were patchy in their geographical coverage and had not from the outset developed any systematic means of compiling statistical returns. \*<sup>31</sup> The Home Office had established a Social Bureau in November 1923 but its statistical department was meager, though there is evidence that officials welcomed the initiatives undertaken in Kobe and Osaka however limited in extent and nature. \*<sup>32</sup> It was only in 1925 as a result of administrative reform that an independent Bureau of Statistics was established. \*<sup>33</sup> Until then unemployment surveys had remained local and spasmodic. T Maeda, Japanese delegate to the 2<sup>nd</sup> International Conference of Labour Statistics in Geneva in April 1925, announced his government's intention of surveying unemployment conditions within the principal industrial cities in Japan and urged other countries without regular sources of data to undertake similar survey investigations as a basis for formulating policy.

Following the establishment of the independent Bureau of Statistics in April 1925 the central authorities began to consider how best to improve their sources of unemployment data. The Bureau explained its position in October 1925:

Recently the number of the unemployed has increased gradually because of continuous depression and as a result solving the unemployment problem has become urgent. However, we do not have any adequate unemployment statistics as a basis for policy. Because the plan for an independent Bureau of Statistics emerged suddenly, many procedural issues remain unresolved. We have studied the situation in European and American countries and have begun to consider

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\* 30 Osakafu Shakaika, Osaka Shokugyo Hodokai, *Taisho 13 Nen 2 Gatsu Osakafu niokeru Shitsugyo Chosa Hokoku Gaiyo*, 1925, collected in *Ibid.* [Department of Society, Osaka Prefecture and Osaka Employment Guidance Association, *Report on the Unemployment Survey in Osaka in February 1923*, 1925, collected in *Ibid.*]

\* 31 Hyogo Ken Shakaika, *op.cit.*, p.1., in Kase, K., ed., *Ibid.*, p.334. [Department of Society, the Prefecture of Hyogo, *op.cit.*, p.1, collected in Kase, K. ed., *Ibid.*, p. 334.]

\* 32 Yusa, T., 'Wagakuni Saisho no Shitsugyo Chosa (Jou) (Ge)', *Shakai Seisaku Jiho*, No.45 and No.46, 1924. [Yusa, T., 'The First Unemployment Investigation in Our Country (I) (II)', *Social Reform*, No.45 and No.46, 1924.]

\* 33 Rodosho, *op.cit.*, pp.193-194. [Ministry of Labour, *op.cit.*, pp.193-194.]

cautiously the condition of unemployment in our own country. \*<sup>34</sup>

Despite this meagre advance it became clear from the outset that the Social Bureau of Home Office and the Statistical Bureau had very different ideas as to what was thought to be necessary. The Social Bureau wanted a national survey of unemployment not merely to produce aggregate numbers but also to attempt some classification of the different characteristics of the unemployed. The Statistical Bureau claimed that it had neither the budget nor the skills required to complete such a task. What followed instead was a survey in 1925 of 24 specified cities to include the six largest cities where it was believed most unemployment was concentrated. \*<sup>35</sup>

Despite the limitations and reliability of the data thereby collected, the survey at least prompted discussions of the most appropriate definition of the unemployed and the extent to which existing statistical returns could properly be used as a basis for policy making. The definition of the unemployed in this survey was limited to those who had had previous experience of work but who had no job on the day of the survey; those seeking work for the first time but unable to find it were therefore excluded. The distinction between casual workers and the unemployed remained ambiguous.

However anxious the Statistical Bureau was to offer up a formal definition of unemployment and to supply more raw data, its activity only reinforced the view that,

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\* 34 Naikaku Tokei Kyokuchō, *Taisho 14 Nen Kokusei Chosa oyobi Shitugyo Tokei Chosa Jimu Keika Gaiyo*, 28 October, 1925, compiled in Sorifu Tokeikyoku, *Sorifu Tokeikyoku Hyaku Nen Shi Shiryo Syusei*, Vol.1, Tokyo, 1983, p.875. [The Head of the Statistical Bureau of the Cabinet, *Outline of the Administrative Procedures of the 1925 Census Survey and the Statistical Survey on Unemployment*, 28 October, 1925, compiled in Bureau of Statistics, the Prime Minister's Office, *Compiled Sources of the 100-Year History of the Statistical Bureau of the Prime Minister's Office*, Vol.1, Tokyo, 1983, p.875.]

\* 35 Nakaku Tokeikyoku, *Taisho 14 Nen Shitsugyo Tokei Chosa Sokuhō*, 1924, collected in Kase, K., ed., *Senzen Ki Shitugyo Tokei Syusei*, Vol.1., Tokyo, 1998. [Bureau of Statistics, *A Prompt Report on the Unemployment Statistics Investigation in 1924*, 1924, collected in Kase, K., ed., *Collected Unemployment Statistics in Pre-war Japan*, Vol.1, Tokyo, 1998. ] The data was later published in detail in 2 volumes. Naikaku Tokeikyoku, *Taisho 14 Nen Shitsugyo Tokei Chosa Hokoku, Vol.1 Description*, 1927. [Bureau of Statistics, Report of Unemployment Statistics Investigation, Vol. 1 Description, 1927.] and *Vol. 2 Kekkahyo*, 1925. [Vol. 2 Table, 1925.]. Both are collected in *Ibid*.

by any international standard, Japanese unemployment rates were relatively low. The *Japanese Economist*, reviewing the statistical survey of October 1925, commented:

The number of the working population in the principal 21 cities and important mining areas and their vicinities in 16 prefectures was about 2,355,000, and among them the unemployed numbered 105,500, that is, an unemployment rate 4.4%. When we compare this figure with the European counterpart of around 10%, it is, despite recent economic depression, unexpectedly low. \*36

Similar sentiments emerged from the 1930 Census Survey which identified a class of 'unemployed'. Out of a total population of 29,619,640 (19,030,237 male and 10,589,403 female) the number of unemployed was recorded at 319,813 (290,737 male and 29,076 female); a total unemployment rate of 1.08% (1.53% male and 0.27% female). \*37 Kase has claimed that there was a lasting image in pre-1939 Japan that 'the number of the unemployed was about 300,000 and the unemployment rate about 1%' derived largely from the evidence of the 1930 Census Survey. \*38

The contrast with other nations was obvious. As Nakamura has written:

Even in 'the bottom' of the 1920s, the Japanese economy did not stop developing. There were some years in which the growth rate of real GDP fell to minus (1920-22, 1926-27, and 1930-31). However when we look at the whole interwar period (1926-37), the average growth rate of real productivity of industries was 6.8% a year, and this figure was far higher than that of Germany (1.4%), Great Britain (1.5%), Italy (2.0%), the United States (2.9%) and the Soviet Union (4.5%). In the Great Depression, the recovery of productivity in Japan was more rapid than in any other Euro-American country. Japan unlike them did not face high unemployment rates. \*39

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\* 36 'Yosougai no Shitugyosha Jisuu', *Ekonomisuto*, 1 January, 1926, p.11. ['Unexpectedly Few Number of Unemployed', *Economist (Japanese)*, 1 January, 1926, p.11.]

\* 37 Naikaku Tokeikyoku, *Showa 5 Nen Kokusei Chosa, Dai 2 Kan (Zenkoku Hen)*, 1930. [Bureau of Statistics, *1930 Census Survey, Vol. 2 (National Edition)*, 1930.] collected in Kase, K., ed., *Senzen Ki Shitugyo Tokei Syusei*, Vol.4., Tokyo, 1998. [Kase, K., ed., *Collected Unemployment Statistics in Pre-war Japan*, Vol.4, Tokyo, 1998.]

\* 38 Kase, K., 'Kaidai: Senzen Nihon no Shitugyo Tokei-Sono Sui to Tokucho', Kase, K., ed., *Senzen Ki Shitugyo Tokei Syusei*, Vol.1., Tokyo, 1998, p. 17. [Kase, K., 'Explanation of Unemployment Statistics in Pre-war Japan -Their Changes and Characteristics', in Kase, K., ed., *Collected Unemployment Statistics in Pre-war Japan*, Vol. 1, Tokyo, 1998, p. 17.]

In similar vein Kazahaya, in the book-length study of Japanese social policy in 1930s published in 1937, acknowledged that the 1925 statistical survey had publicized an unemployment rate of nearly 4.5% for salaried workers, ordinary workers, and casual labourers in total and that this level was much smaller than anticipated. This was especially so when compared to evidence of the German Research Institute on Economic Cycles which showed an unemployment rate among trade union members of between 6% and 19.4% during the period 1926-January 1927 and with a widely publicized average unemployment rate in Britain of around 10% of insured workers. \*40

There were some contemporary observers in Japan, however, who were anxious to correct the image created by the raw statistical data. Some commentaries were doubtless superficial and difficult to evaluate. S. Shiroyama, recalling depression in Japan during the world slump, has written of 'cities filled with the unemployed who had insufficient money to catch a train. Many of them had to walk to their home towns.' \*41

Conscious that the 'revealed' rate of unemployment had a direct bearing on the scale and intensity of government administrative policy, Odabashi, writing in 1933, attempted in a very basic way to determine the extent of aggregate unemployment. Having calculated the working population from the 1930 Census Survey (total number of workers divided by total number of population) and presuming the proportion not to have changed down to 1930, Odabashi compared the number of workers who declared themselves as 'in employment' in 1930 with those constituting the working population in 1920 as the proxy for those similarly classified in 1930. He regarded the difference as equivalent to a form of 'disguised unemployment' in the sense that those recorded as unemployed in the 1930 survey merely referred to people who were prepared to describe themselves thus. However, Odabashi judged that many workers both in

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\* 39 Nakamura, T., and Odaka, K., 'Gaisetu : 1914-1937' in Nakamura, T., and Odaka, K., eds., *Nihon Keizai Shi Vol.6, Niju Kozo*, Tokyo, 1989, pp.31-32. [Nakamura, T., and Odaka, K., 'The Outline ; 1914-1937', in Nakamura and Odaka eds., *The Japanese Economic History Vol.6, The Dual Structure*, Tokyo, 1989, pp.31-32.]

\* 40 Kazahaya, Y., *Nihon Shakai Seisaku Shi*, Tokyo, 1937, pp.302-303. [Kazahaya, Y., *The History of Japanese Social Policy*, Tokyo, 1937, pp.302-303.]

\* 41 Shiroyama, S., 'Tsusan Kanryo Jinbutsu Shoshi' S. Shiroyama, *Chuo Koron*, August, 1975, pp.303-319. ['The Short History of the Bureaucrats of the Ministry of International Trade and Industry', *Chuo Koron*, August, 1975, pp.303-319.]

1920 and in 1930 simply left the labour market when faced with economic depression returning to their homes or perhaps to work on the land.

The government had no means officially of recognizing such people as unemployed even though they constituted a proportion of those of working age who desired work. Odabashi found that on his calculation some 2.37 million people not classified officially as unemployed in the survey might none the less be seeking work. This was some seven and a half times the total recorded as unemployed by the Statistical Bureau in 1930. \*42 Kazahaya subsequently pointed out that Odabashi's estimate was probably on the low side on the grounds that he had not included those of working age in 1920 who were actually unemployed. Without substantiating his calculation Kazahaya suggested that the number actually out of work in 1930 could be over 3 million, equivalent to an unemployment rate in Japan of around 10%, sufficient to overturn the popular image of low unemployment in the country. \*43

Such fundamental revisionism has not gone unchallenged. Odaka, analysing the Japanese labour market in the 1930s, has offered an equally speculative but necessary corrective to Odabashi by redefining the working population to exclude from those of

**Table 3 Estimated unemployment rates for male workers, selected years 1920-40**

Item / Year	1920	1930	1940
(a) Population (000s)	28,044	32,390	34,590
(b) Age 0-5 (000s)	4,446	5,362	5,478
(c) Age Over 70 (000s)	688	742	751
(d) Numbers in Education (000s)	4,963	6,042	7,513
(e) Estimated Number of Workforce of Working Age (000s)	17,947	20,244	20,848
(f) Number of Workers (000s)	17,081	19,030	19,599
(g) Estimated Number of the Unemployed (000s) = (e) - (f)	866	1,214	1,249
(h) Estimated Unemployment Rate (%)	4.83	6.00	5.99

Odaka, K., *Rodoshijo Bunseki*, Tokyo, 1984, p.148. [Odaka, K., *The Japanese Labour Market*, Tokyo, 1984, p.148.]

\* 42 Odabashi, S., 'Waga Kuni no Syugyo Jinko to Shitugyo narabini Sono Shorai', *Shakai Seisaku Jiho*, Number 157, October, 1933, p.38.] [Odabashi, S., 'The Working Population and Unemployment and Their Future in Our Country', *Social Reform*, Number 157, October, 1933, p.38.]

see also Odaka, K., *Rodoshijo Bunseki*, Tokyo, pp.144-147, Tokyo, 1984. [Odaka, K., *The Japanese Labour Market*, Tokyo, 1984, pp.144-147.]

\* 43 Kazahaya, *op.cit.*, pp.278-279.

working age seeking employment people who were in education. If, Odaka argues, the total numbers of working age are thus redefined in a way that Odabashi failed to do and are compared crudely with the number of workers declared as employed in the Census Surveys the results produce an unemployment rate of some 6% for the 1930s as a whole. The basis of the calculation is given below:

Odaka is fully aware that such a crude estimates do not capture the complexity of the Japanese labour market. Although such an exercise might temper views that Japan actually suffered unemployment rate of some 10%, crude calculations of a lower order do not necessarily reflect the difficulties that still exist in determining the real nature of Japanese interwar unemployment. \*44

Part of a problem lies in the co-existence of a relatively low rate of unemployment alongside evidence of an oversupply of labour. The relationship between the number of persons seeking jobs (V1) and the number of vacancies (V2) in interwar Japan is indicated below:

**Table 4 Proportion of the number of persons seeking jobs (V1) and the number of vacancies (V2), 1921-1939**

V1/V2

Year	Male	Female	Total
1921-25	1.067	0.374	0.947
1923-27	1.169	0.508	1.029
1925-29	1.310	0.646	1.137
1927-31	1.444	0.765	1.216
1929-33	1.448	0.835	1.201
1931-35	1.274	0.768	1.048
1933-37	1.042	0.634	0.865
1935-39	0.834	0.548	0.723

Odaka, K., *Rodoshijo Bunseki*, Tokyo, 1984, p.154. [ Odaka, K., *The Japanese Labour Market*, Tokyo, 1984, p.154.]

If, as indicated, there was a greater proportion of workers seeking jobs than were thought to be available against the background of relatively low unemployment, the suggestion is that the otherwise unemployed were absorbed elsewhere in the economy. The implication of Odaka's work is that the difference in the number of those in the ages 25-60 in employment and the estimated total working population represented the scale of unemployment.

Even so the unemployment rate in interwar Japan did not rise to anything like European levels nor were there substantial increases in the rate during the worst years of the world slump. To a large extent this reflected the existence of a dual labour market. Although workers' wages declined as a consequence of economic depression there was a considerable amount of concealed employment with workers kept in jobs beyond the point justified by the relationship between marginal productivity and the ruling wage. Moreover, during recession surplus labour was absorbed by individual entrepreneurs or accepted for work at low wages, particularly in agricultural areas. It was this dual structure which was inadequately represented by surveys of the unemployed such as that of 1925 which concentrated attention on industrialized cities. \*45

The *Japanese Economist* argued in this vein in 1927, emphasising that the government's definition of unemployment was too narrow and ignored the hidden unemployed concluding that total unemployment in Japan in 1928 were likely to be in a region of 800,000~900,000 \*46 and in 1930 around 1,300,000. \*47 Given that the total number of unemployed was officially estimated on 1 April 1930 to be 372,127 (5.25%) the implication of the *Economist's* analysis was that government data were capturing merely one-third of those actually out of work. \*48 Similar upward estimates were made in 1934. T. Minoguchi, writing in *Social Reform*, even suggested that Odabashi's previous estimate of 2.3 million unemployed in 1930 might not be too great an exaggeration. \*49

None of these reflective views on the dual labour market in Japan appeared much

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\* 44 Odaka, *op.cit.*, pp.154-155.

\* 45 Odaka, K., 'Niju Kozo', in Nakamura, T., and Odaka, K., eds., *Nihon Keizai Shi Vol.6, Niju Kozo*, Tokyo, 1989, p.152. [Odaka, K., 'The Dual Structure', in Nakamura, T., and Odaka, K., eds., *Japanese Economic History Vol.6, Dual Structure*, Tokyo, 1989, p.152.]

\* 46 'Waga Kuni no Shitugyosha wa Ikura Aruka', *Ekonomisuto*, 5 October, 1929, pp.28-31. [ 'How many unemployed does our country have?' , *Economist (Japanese)*, 5 October, 1929, pp.28-31.]

\* 47 'Nihon no Shitugyoshasousuu Hyaku Niju Man Nin Toppa' , *Ekonomisuto*, 15 July, 1930, pp.10-14. [ 'The number of unemployed in Japan is over 1,200,000' , *Economist (Japanese)*, 15 July, 1930, pp.10-14.]

\* 48 *Ibid.*, p.13.

\* 49 Minoguchi, T., 'Wagakuni Genka no Shitugyo Ryo no Sokutei' , *Shakai Seisaku Jiho*, Number 162, March 1934. [Minoguchi, T., 'Estimation of the Number of the Unemployed in Present Japan' , *Social Reform*, Number 162, March 1934.]

in contemporary reports on the state of unemployment. It is true that the Hamaguchi cabinet of the Minsei party expressed concern in July 1929 over the paucity of unemployment data. One result was the decision of the Social Bureau of the Home Office to demand henceforth monthly estimates of unemployment from regional heads in each prefecture. These returns continued from September 1929 to 1939 covering three separate categories of workers- salaried workers, casual workers and other workers. There was no effort to establish the characteristics of unemployment in terms of duration or age structure. Contemporaries regarded this series merely as a detailed indication of changes in the numbers unemployed but not as a credible basis on which to judge the labour market situation with any great confidence. On the basis of these returns, as the tables below indicate, the rate of unemployment in Japan at the depth of depression in 1932 was put at 6.88%. In the same year, however, the casual labourers' unemployment rate stood at 11.59%, salaried workers' at 4.89%, and 'other workers' at 5.61%.

**Table 5 Total estimated number of the unemployed and the rate of unemployment, 1929-1939**

Year	Total		
	Population Surveyed (Social Bureau Returns, Average for the Year)	Unemployed	Rate of Unemployment (%)
1929	6,798,777	294,095	4.33
1930	7,012,598	366,799	5.23
1931	6,976,072	413,250	5.92
1932	7,109,347	489,168	6.88
1933	7,300,213	413,853	5.67
1934	7,473,066	374,318	5.01
1935	7,658,396	356,557	4.66
1936	7,843,011	340,855	4.35
1937	7,957,873	299,541	3.76
1938	7,938,449	241,901	3.05
1939	8,315,211	188,820	2.27

Rodosho, *Rodo Gyoseishi*, Tokyo, 1961, pp.1276-1277. [Ministry of Labour, *The History of Labour Administration*, Tokyo, 1961, pp.1276-7.]

**Table 6 Estimated number of the unemployed and the rate of unemployment (salaried workers), 1929-1939**

Year	Total		
	Population Surveyed	Unemployed	Rate of Unemployment (%)
1929	1,603,975	61,732	3.85
1930	1,649,753	72,913	4.42
1931	1,648,228	70,595	4.28
1932	1,674,965	81,978	4.89
1933	1,703,995	71,992	4.22
1934	1,728,914	68,546	3.96
1935	1,758,190	67,876	3.86
1936	1,813,006	67,157	3.70
1937	1,843,928	62,843	3.41
1938	1,869,005	54,088	2.89
1939	1,905,444	37,225	1.59

Rodosho, *Rodo Gyoseishi*, Tokyo, 1961, pp.1276-1277. [Ministry of Labour, *The History of Labour Administration*, Tokyo, 1961, pp.1276-7.]

**Table 7 Estimated number of the unemployed and the rate of unemployment (casual labourers), 1929-1939**

Year	Total		
	Population Surveyed	Unemployed	Rate of Unemployment (%)
1929	1,544,424	109,848	7.11
1930	1,623,372	134,107	8.26
1931	1,646,614	162,400	9.86
1932	1,708,056	197,993	11.59
1933	1,780,645	189,941	10.67
1934	1,786,078	184,095	10.31
1935	1,801,847	173,266	9.62
1936	1,828,967	164,210	8.96
1937	1,843,029	142,774	7.75
1938	1,840,448	115,914	6.30
1939	1,775,466	95,931	5.40

Rodosho, *Rodo Gyoseishi*, Tokyo, 1961, pp.1276-1277. [Ministry of Labour, *The History of Labour Administration*, Tokyo, 1961, pp.1276-7.]

**Table 8** Estimated number of the unemployed and the rate of unemployment (other workers), 1929-1939

Year	Total		
	Population Surveyed	Unemployed	Rate of Unemployment (%)
1929	3,645,378	122,515	3.36
1930	3,739,473	159,780	4.27
1931	3,681,230	180,253	4.90
1932	3,726,326	209,197	5.61
1933	3,823,073	151,920	3.97
1934	3,958,074	121,677	3.07
1935	4,098,358	115,415	2.82
1936	4,201,038	109,488	2.61
1937	4,270,916	98,925	2.20
1938	4,228,829	71,898	1.70
1939	4,633,484	55,942	1.21

Rodosho, *Rodo Gyoseishi*, Tokyo, 1961, pp.1276-1277. [Ministry of Labour, *The History of Labour Administration*, Tokyo, 1961, pp.1276-7.]

Outside observers were very sceptical as to the reliability of these data. The *International Labour Review* noted in 1930:

The Bureau of Social Affairs has published monthly estimates of unemployment since September 1929...It was calculated that May 1930 there were 375,515 workers unemployed among 7,107,258 persons engaged in various industries, or 5.33 per cent. But much doubt has been expressed about the Bureau estimates because it is generally believed that on account of the world depression the actual industrial condition of the country is far worse than is suggested by the official figures of unemployment \*<sup>50</sup>

The *Oriental Economist* attacked the Bureau's estimates as 'fabricated statistics'. \*<sup>51</sup> The *Japanese Economist* likewise doubted the credibility of the data \*<sup>52</sup>, doubts which were officially accepted by the Minister of Home Office. \*<sup>53</sup> M. Ando, an opposition MP,

\* 50 Idei,S., 'The Unemployment Problem in Japan', *International Labour Review*, Vol. XXII, 1930, p.507.

\* 51 *Toyo Keizai Shimpō*, 17 May, 1930, p.1068. [*Oriental Economist*, 17 May, 1930, p.1068.]

\* 52 *Ekonomisuto*, 15 July, 1930, p.102. [(*Economist Japanese*), 15 July, 1930, p.102.]

\* 53 *Kaizo*, July 1930, p.18. [*Social Reform*, July, 1930, p.18.]

described the Social Bureau's unemployment data as 'extremely inaccurate and not worthy of consideration' at the 58<sup>th</sup> Imperial Diet held on 26 April 1930. \*54 Home Office Minister, Adachi, again admitted that the data were 'imperfect'. \*55

Faced with such criticisms the Social Bureau prepared an internal memorandum for the Home Office Minister in an effort to bring some perspective to the issue claiming:

The *Monthly Estimation on Unemployment Condition* is a survey merely based on estimations by the heads of local authorities. The results cannot necessarily be regarded as precise. On the other hand, the Census Survey on 1<sup>st</sup> October this year is based on a direct investigation of unemployment and can comparatively be regarded as accurate. According to this, the total number of the unemployed in our country is 322,527. \*56

Minister Adachi was struck by the small difference in the unemployment returns in the Census and the data prepared by the Social Bureau, announcing to the 59<sup>th</sup> Imperial Diet on 28 January 1931 that the available statistical returns were plausible enough to justify current unemployment policy. \*57

Labour market observers in Japan remained sceptical of such bold assertions. The Social Bureau provided no analysis of why or how the Census returns might capture the extent of unemployment any more accurately than previous surveys, or any sense of what more was needed to provide anything like a fraction of the relevant data produced in other countries on the scale, duration and characteristics of the registered unemployed.

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\* 54 'Dai 58 Kai Tekoku Gikai Shugiin Giji Sokkiroku Dai 3 Go', *Kanpo Gogai*, 26 April 1930, p.36. ['Stenographic Records of 58<sup>th</sup> Imperial Diet, Commons, Number 3', *The Official Gazette, Special Edition*, 26 April 1930, p.36.]

\* 55 *Ibid.*, p.39.

\* 56 Shakaikyoku, *Dai 59 Kai Teikokugikai ni okeru Naimudaijin Touben Shiryo (Shitsugyo Mondai)*, Sakusei Nen Gappi Fumei (Suitei 1930 Nen). [Social Bureau, *Material for the Minister of the Home Office's Explanation at the 59<sup>th</sup> Imperial Diet (Unemployment Problem)*, No Date (Presumably 1930).

\* 57 'Dai 59 Kai Tekoku Gikai Shugiin Giji Sokkiroku Dai 7 Go', *Kanpo Gogai*, 28 January 1931, pp.137-138. ['Stenographic Records of 59<sup>th</sup> Imperial Diet, Commons, Number 7', *The Official Gazette, Special Edition*, 28 January 1931, pp.137-138.]

In his assessment of the official unemployment returns Kase has noted that the methods of calculating unemployment differed from one prefecture to another with local authorities defining unemployment according to which groups of workers they felt were most in need of ameliorative action. \*<sup>58</sup> The difficulty was that although the prefectures could choose their methods of estimation, they frequently relied on the unreliable base figures derived from the 1925 survey of the unemployed and upon returns from Employment Exchanges. The latter were a woefully inadequate indicator of labour market trends in general since they were incapable of recording the state of employment in agricultural areas. \*<sup>59</sup>

Such criticism apart, the Social Bureau monthly returns have over the years continued to be used as an indicator of the trend of unemployment in interwar Japan. 'Many criticisms of these unemployment rates have been levelled', writes Hashimoto, 'on the grounds that they probably underestimated the number unemployed. I think such criticisms are plausible but the changes in the unemployment rate themselves reflect the change of balance in demand and supply in labour market.' \*<sup>60</sup> The contemporary scholar Minoguchi was likewise critical of the precision of the data but argued for their acceptance as a general reflection of labour market trends. \*<sup>61</sup> The Bureau's unemployment estimates based on these monthly returns were used in the Year-Book of Labour Statistics published by the International Labour Office to reflect the general level of unemployment in Japan during the 30s. \*<sup>62</sup> The returns are detailed below:

It was on the basis of these data that the International Labour Office reported the unemployment situation of Japan in considerable detail. A review of 1937 noted:

As at 31 December 1936, it is estimated that there were 322,969 persons without work in

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\* 58 Kase, K., 'Senzen Nihon no Shitugyo Tokei -*Situgyo Jokyo Suitei Geppo* no Shinpyosei-', Tokyo Daigaku Shakai Kagaku Kenkyusho, *Shakai Kagaku Kenkyu*, Vol. XLVIII, No.5, March 1997. [Kase, K., 'Consideration of the Unemployment Statistics in Prewar Japan -The Credibility of the *Monthly Estimation Report on Unemployment*', Institute of Social Science, University of Tokyo, *Journal of Social Science*, Vol. XLVIII, No.5, March 1997.]

\* 59 Kase, *op.cit.*, pp.156-157.

\* 60 Hashimoto, J., *Kyokoka no Nihon Shihonsyugi*, Tokyo, 1984, p.292. [Hashimoto, J., *Japanese Capitalism under the Great Depression*, Tokyo, 1984, p.292.]

\* 61 Minoguchi, T., *op.cit.*, pp. 45-48.

\* 62 International Labour Office, *The Year-Book of Labour Statistics*, 1937-1940.

**Table 9 Unemployment in Japan, 1929-1938 (International Labour Office)**

Year	Japan	
	Official Estimates of Unemployment	
	Number	Per cent.
1929	*	*
1930	369,408	5.3
1931	422,755	6.1
1932	485,681	6.8
1933	408,710	5.6
1934	372,941	5.0
1935	356,044	4.6
1936	338,365	4.3
1937	295,443	3.7
1938	237,371	3.0

International Labour Office, *Year-Book of Labour Statistics*, 1937-1940, p.46. The ILO figures differ slightly from the Social Bureau's returns because the ILO averaged its figures using different monthly starting dates.

comparison with 359,636 in January 1936, or a decrease of 36,667 persons. The ratio between the number of persons unemployed and the total number of employed persons was 4.08 per cent. At the end of 1936 the unemployed were classified as follows: salaried employees 65,501, casual workers 154,939, all others 102,529. In the group classified as "all others" the decrease in unemployment is the most noticeable, owing to recent activities in industries connected with the manufacture of munitions. \*<sup>63</sup>

In spite of serious doubts expressed at the time about the credibility of the Social Bureau monthly returns from September 1929 they have continued to be used over the years as a representative reflection of labour market conditions at the time. It was on the basis of such returns that Blumenthal judged the absolute number of the unemployed to be roughly the same in the two depression periods, about 1 million workers. Since the size of the labour force had almost doubled between the two events the unemployment rate was considerably higher in 1930s. \*<sup>64</sup> Blumenthal's comparison of economic depression in Japan in the 1930s and 1970s portrays the situation thus:

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\* 63 'Unemployment Statistics in Japan', *Industrial and Labour Information*, 1937, p. 475.

\* 64 Blumenthal, T., 'Depressions in Japan: the 1930s and the 1970s', in Dore, R., and Sinha, R., *Japan and World Depression*, New York, 1987, pp.69-71.

**Table.10 Japanese unemployment rates, 1930s and 1970s**

Year	Unemployment Rate (%)	
	1930s	1970s
I	NA	1.3
II	5.3	1.4
III	6.1	1.9
IV	6.8	2.0
V	5.6	2.0

Adapted from Blumenthal, T., 'Depressions in Japan : the 1930s and the 1970s', in Dore, R., and Shinha, R., *Japan and the World Depression*, New York, 1987, p.70. (For the 1930s the years are 1929-1933, for the 1970s, 1973-1977.)

It is a reflection of the paucity of alternative unemployment data that the Social Bureau's returns should continue to be used so extensively given that contemporary officials were always keen to point out their deficiencies. Kawanishi, a bureaucrat in the Social Bureau in the 1930s, has recollected:

We began the *Monthly Estimation of the Unemployment Condition* because Mr Yoshida, the Head of Social Bureau, could not answer in cabinet the question of how many people were unemployed. Therefore we ordered local governors to estimate the number monthly and report the results to the Social Bureau. However when a conference of prefecture representatives was held, Mr Ariyoshi from Aichi complained that it was almost impossible to provide such estimates with any great confidence. \*65

Given what we have noted so far, it is understandable why politicians and observers of the interwar Japanese economy were far from clear as to the extent of the unemployment problem and why subsequent historians have continued for so long to adopt rather uncritically near contemporary data which was far from robust even when offered for public consumption. It is only when we return to the concept of the dual labour market to which we drew attention earlier with reference to Odaka's re-working of the Census data that a clearer perspective can be obtained.

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\* 65 'Senzen no Rodo Gyosei wo Kataru -Zadan Kai-, *Rodo Gyosei Shi Dai 1 Kan Yoroku*, 1961, p.24. ['Memories of the Labour Administration in Prewar Japan', the Record of the Symposium, collected in Ministry of Labour, *The History of Labour Administration, Supplement of Vol.1*, 1961, p.24.]

So far as overall unemployment during the Great Depression is concerned, Sato estimates that employment in manufacturing industry as a whole declined by 7% during 1929 and 1931.<sup>\*66</sup> With the labour force in non-primary industry increasing by 4% to just fewer than seven million, about one million were judged to be unemployed or around 1.2 million if the 400,000 regarded as frictionally unemployed are added and the 100,000 employed on 'relief' public construction are subtracted.<sup>\*67</sup> This is far fewer than the figure of three million unemployed which is sometimes adopted when referring to employment in large manufacturing firms only.<sup>\*68</sup>

The difficulty with all such re-evaluations, however, is that they frequently focus upon the manufacturing sector employing more than 50 people which was itself more sensitive than other sectors in terms of employment in a depression. Once the traditional sector including agriculture is accounted for unemployment estimates fall but the potential for a growing unemployment rate is considerable, given that the marginal productivity of workers in agriculture, domestic industries and service is invariably low. Sato claims that the added value of productivity per worker in Japan's primary sector in 1929 was just one-fourth of that of the manufacturing sector.<sup>\*69</sup>

What needs emphasising, therefore, is the plight of small firms and agriculture. During the 1920s large firms in the heavy industry sectors adopted strong employment relationships with their core skilled workers whilst also employing 'temporary' workers who could be discharged at will. This latter group competed with workers in small firms or in areas where the element of skill did not need to be so carefully protected,

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\* 66 Sato, K., 'Senkanki Nihon no Macro-Keizai to Micro-keizai', in Nakamura, T., ed., *Senkanki no Nihonkeizai Bunseki*, Tokyo, 1981, p.16. [Sato, K., 'The Macro-Economy and the Micro-Economy of the Interwar Years', *The Interwar Japanese Economy*, Tokyo, 1981, p.16.]

\* 67 Yasuba, Y., 'The Japanese Economy and Economic Policy in the 1930s', *Pacific Economic Papers*, No. 138, 1986, p.180

\* 68 For detailed discussion of this point see Blumenthal, T., 'Senkanki no Nihon Keizai -Sono Kokusai Hikaku-', in Nakamura, T., ed., *Senkanki no Nihon Keizai Bunseki*, Tokyo, 1981, pp.32-51. [Blumenthal, T., 'The Interwar Japanese Economy in International Comparative Perspective', in T., ed., *The Interwar Japanese Economy*, Tokyo, 1981, pp.32-51.]

\* 69 Sato, K., "'Dai Fukyoki" no Nihon Keizai', Hitotsubashi Daigaku Keizai Kenkyusho hen, *Keizai Kenkyu*, vol.27, No.1, January 1976, pp.4-5. [Sato, K., 'Japanese Economy under the "Great Depression"', Institute of Economic Research, Hitotsubashi University, *The Economic Review*, vo.27, No.1, January 1976, pp.4-5.]

such as in silk reeling or cotton spinning. During the 1929-31 contraction the heavy industry sector discharged their 'temporary' workers who then competed with new entrants to the labour market for work in small firms or in the primary sector.\*<sup>70</sup>

#### **4 Conclusion**

Labour market conditions in Japan before 1940 were viewed essentially as a part of a wider consideration of poverty and social trends. The concepts of 'unemployment' or 'the unemployed' were not common. The Webbs' visit to Japan before World War I introduced Japanese bureaucrats to efforts then being made by British observers to distinguish between poverty and unemployment arising from changes in the organization and structure of industries, themselves a product of the vagaries of the trade cycle. However, we must not exaggerate the influence of the Webbs since little distinction was made in Japan before the end of the World War I between those in poverty and those thrown out of work involuntarily. Towards the end of the First World War there was some limited discussion of the likelihood of unemployment arising from wartime dislocation and the threat of inflation. Officials expressed concerns about the absence of any specific unemployment data and were receptive to the recommendation of the International Labour Office that the problem of unemployment should be subject to systematic investigation.

Even so, the principal motivation of the Japanese government in undertaking limited surveys of the unemployment problem was to indicate the likelihood of social unrest as unemployment loomed during the interwar period. Data derived from the Unemployment Statistical Survey of 1925 and the 1930 Census revealed relatively low unemployment rates but there was no effort made to capture the complexity of the labour market. Contemporary critics were aware that such crude data failed to capture issues such as over-employment and the capacity of many individuals out of work to escape any survey count whatsoever. There was some official recognition of such deficiencies in the decision from 1929 to initiate monthly returns on the numbers unemployed in each prefecture. Despite the fact that these data were also considerably fraught both in method and coverage they nonetheless quickly became regarded as representative of the trend of unemployment in 1930s Japan. They were adopted by contemporary labour organization,

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\*70 Yasuba, *op.cit.*, pp.180-1.

reproduced often without any amendment or explanation of their dubiousness, and as such publicised to the world the low rate of unemployment in Japan. Reworking by later scholars such as Odaka, anxious to stress the existence of the dual economy, merely altered the aggregate unemployment rate marginally from that originally estimated by the Social Bureau, even though attention was drawn to the fact that such a rate ignored the 'hidden unemployed'.

Japan's interwar labour market, akin to that of France, encompassed isolated workers who had irregular employment or who had several jobs, and the self-employed. Regulation of such work was to some extent under the control of the individual and therefore did not take the form of unemployment as generally conceived. More significantly, many small businesses incorporated implicit long term 'contracts' with their workers based on a paternalistic approach whereby partial or even total unemployment was self-managed by the trade. Moreover, earlier phases of rural industrialization had avoided the creation of a wage-earning class strictly defined so that the agricultural environment was able to cope with variations in a number of jobs without creating unemployment. Rural areas were able to be exploited by the unemployed in the city areas as a safety valve, enabling those thrown out of work by economic downturns to 'disappear' from the labour market.

What primary and near primary material exists has not permitted the creation of any alternative unemployment series for interwar Japan which substantially improves upon the data developed between the wars. None the less, on the basis of the available evidence, we have drawn attention to the paucity of contemporary data, how it lead to spasmodic attempts at improving the unemployment count, and to the sources of monthly data upon which aggregate figures were produced and have been used by scholars since. Significant here, of course, is the fact that Japan never adopted a uniform set of national regulations governing provision of unemployment assistance and therefore lacked the flow of information available to other nations whose unemployment situation has subsequently been analysed with greater confidence and with superior levels of disaggregation.

