

Professional Baseball in Japan and Australia from the Viewpoint of Industrial Relations

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I. Introduction

Professional Baseball in Japan of the season 2004 ended on October 25 with the Seibu Lions winning the champion flag. In this year, however, people paid much more attention to the merging of Osaka Kintetsu Buffaloes to Orix Blue Wave and to the anti-emerging movement by the Japan Professional Baseball Players Association¹⁾ (hereinafter referred to as “JPBPA”) rather than to the results of games; although the year 2004 falls on the 70th anniversary for the Japanese Professional Baseball. This paper will deal with the course and result of the above affair as the organised reports of mine presented at the 3 Joint Research Seminars in the form of paper.

Furthermore, a brief comment will be made on the Australian Baseball, in order to prove that the idea of Australia having no tradition of baseball is wrong.

1) Japan Professional Baseball Players Association (“Chunichi Sports” as of July 10, 2004)
Japan Professional Baseball Players Association consists of 2 central organisations (Labour Union and Corporate Juridical) and 12 Players parties of the respective Baseball Clubs. The goal of JPBPA as the Labour Union is the improvement of the working conditions and status of the players, while the goal of the Corporate Juridical is the development and prosperity of the whole Japanese Professional Baseball. JPBPA as the Labour Union was legally recognized as a labour union in 1985, introducing the free agent (FA) system in the off-season of 1993.

The first president of JPBPA was Kiyoshi Nakahata (Yomiuri Giants), succeeded by Tatsunori Hara (Yomiuri Giants), Akinobu Okada (Hanshin Tigers) and Kozo Shoda (Hiroshima Toyo Carp), and by Atsuya Furuta of Yakult Swallows taking office in December 1998.

II. Merger problem from the viewpoint of JPBPA

In June 2004, the management crisis of a Japanese professional baseball club of the Pacific League gave a tremendous shock to baseball fans in Japan; the impact was so significant that they momentarily forgot all about the contents and outcomes of the games. The earthquake broke out in “Osaka Kintetsu Buffaloes”, who had been struggling to deal with the chronic 3,000 to 4,000 million yen worth of red ink. In order to launch a major restructuring of the baseball club, the management of the Buffaloes suggested that they should sell off the naming right of the team to another enterprise in the end of the previous year. The plan was, however, abruptly rejected by the participants at the Owners’ Meeting. That forced the management of Kintetsu Corporation Group to adopt the policy of merging their team into another, that is, into Orix Blue Wave based in Kobe City in a neighbouring prefecture of Osaka.

Whether or not this extraordinary idea of the merger was right, it is thus proved that the management again disregarded the voice of the players before making the decision, which I believe is still the biggest problem in terms of industrial relations in Japanese professional baseball.

In the following, I would like to quote the summary of the comments on the above-mentioned issue by Atsuya FURUTA, a catcher of Yakult Swallows of the Central League and President of JPBPA that is, the “labour union” for baseball players in Japan, from a monthly magazine “Ronza” (May 2004) published prior to the season 2004.

(1) Summary of the comment by Atsuya FURUTA

On the theme “How should we reform the Japanese professional baseball?”, Furuta discussed the agent system, the progressive communication between professional and amateur baseball players, the drafting system, the free agent system, the single league vision, the “World Cup for Baseball” and so on. Therein, Furuta, as President of the JPBPA, said in conclusion that the JPBPA has made such tremendous efforts of realizing the democratization of Japanese professional baseball through the series of symposia titled “Committee for the Future of Japanese Professional Baseball” for these years, so much so that an increasing number of players have come to

be interested in “charity”. Furuta further described the situations of the respective problems as follows :

- The agent system for the contract renewal has not been clearly recognized nor systematized yet as we often say, “What is regarded as commonsense in Japanese professional baseball is absurd in society.”
- The communication between professional and amateur baseball players has been advanced due to the efforts by the JPBPA.
- Concerning the drafting system, Weber System seems to be a better system in that teams who have ended up being at the lower positions of the season have the right for the first pick, and that this system can thus prevent the extraordinary rise in contract money for first-year players.
- (By the way, the problem of merging Osaka Kintetsu Buffaloes into Orix Blue Wave mentioned in “II. Preface” became such a big problem that it finally led to the vision of single league as of June 30, 2004). As a personal opinion of Furuta as if he had been to prepared to answer the above-mentioned problem then the number of teams of the existing 2 leagues should not be decreased, and the rule that as much as 3,000 million yen is required to purchase a professional baseball club should be abolished.
- As for the clause of “Competition for the World Championship” described in Article 3 of the “Agreement on Japanese Professional Baseball”, which also covers the merger problem of Osaka Kintetsu Buffaloes, the “World Series” of the US Major League should be really worldwide, and “World Cup for Baseball” should be preferably held at least every 2 years or 4.

(2) JPBPA’s view on the problem of OSAKA Kintetsu Buffaloes

On June 18 of 2004, the JPBPA made remarks on the problem of merging between Osaka Kintetsu Buffaloes and Orix Blue Wave as follows :

- ① The JPBPA, as a most responsible organisation, is determined to squarely face the problem for the sake of prosperity of Professional Baseball in Japan.
- ② The JPBPA is prepared to face any hardship and pain for the sake of reform in a true sense.

The JPBPA raises the following questions :

- * Is there really no person/corporate who can afford to purchase the Osaka Kintetsu Buffaloes?

- * Would it be easier to find a purchaser of the Baseball Club if no money is required for the membership of the Organisation of Japanese Professional Baseball?
- * Why is it regarded for problematic to “sell off only the naming right”, which was first proposed by the management of Kintetsu Buffaloes, while each of the other Japanese Baseball Clubs (except Yokohama Bay Stars and Hiroshima Toyo Carp) has its own corporate name at the head of the club name?

Finally, as in accordance with Article 19 of the Agreement on Japanese Professional Baseball, the JPBPA requires the club owners to organise a special committee when necessary to discuss comprehensive subjects for the better future of the Japanese Professional Baseball.

(All these remarks were confirmed at the extraordinary JPBPA convention held in Nagoya on June 10, 2004.)

Table 1 The history of the JPBPA

<p>1966: Proposal of forming a labour union to Presidents of the both Central and Pacific Leagues and rejection of the proposal by the Commissionaire.</p> <p>1980: Receipt of a seal of approval for foundation of the JPBPA.</p> <p>1985: Receipt of a seal of approval for the JPBPA as the labour union.</p> <p>■What is JPBPA?</p> <p>JPBPA is an organisation constituting of all the Japanese professional baseball players (including a part of foreign ones) of all the 12 teams. As you know, professional baseball players have only a very short period as an active player, and they are not rewarded with enough social welfare.</p> <p>In view of the above-mentioned problems, and for the improvement of players' social position, JPBPA was organised.</p> <p>After obtaining corporate rights as a public in 1980, it was certified as a labour union by Tokyo District Labour Committee.</p> <p>At present there co-exist two organisations to form the JPBPA together, that is, Public Corporate of Japan Professional Baseball Players Association and Labour Union of Japan Professional Baseball Players Association. The both organisation have been collaborating with each other and making tremendous efforts for solving general problems associated with the players' status quo and improving their social position.</p> <p>The activities of JPBPA are not limited to these, but cover various activities for public interests, such as nationwide charity baseball classes and lectures for the youth.</p> <p>■What is JPBPA striving for?</p> <p>The goal of JPBPA is basically the improvement of the social position of professional baseball players as its members. At the same time, it makes a stress upon the following issues:</p> <ol style="list-style-type: none"> 1) Future visions for Japanese Baseball. 2) What should be done to make Professional Baseball more attractive not only for baseball fans but also for people associated with the trade? 3) How JPBPA can contribute to making the youth, candidates for baseball players in the future, have a dream of becoming professions?
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As repeated in this paper, the voice of players was totally disregarded not only by the club owners but also by the sensation journalism. And I believe this is the biggest problem in view of the industrial relations. Table 1 is the JPBPA's history.

Still today, most of the Japanese baseball club owners are haunted with feudalistic ways of thinking and cannot help treating the players as if slaves. The following remarks will show you how arrogant they are!

“It is nothing but rude for the players arguing against the club owners!”

“How should it be tolerated to pay as much as 400 million yen per year for such a fool as Nakamura of Osaka Kintetsu Buffaloes?”

“Furuta is President of the JPBPA indeed but merely a player, isn't he?”

Against such hopeless owners, the JPBPA made a decision that they “would do anything to respect the fans' voice, even by reserving the right to strike and paying the luxury tax!”

(3) The problem of free agent system JPBPA tried to solve before 2004

The negotiations for the contract conditions between the management and players had long been quite unfair to the players until the situation slightly changed for better just a few years ago. The players were summoned individually to the office and forced to sign the contract agreement the management had prepared. That meant, needless to say, that the players had to compromise with the management over their own annual salary. Players who did not immediately sign the agreement were first accused of demanding too much contract money, threatened with the trading list and release. To make the matter worse, the whole mass media, especially newspapers, battered those players.

Under such circumstances wherein the players had suffered for many years, the JPBPA finally succeeded in the recognition and introduction of the ‘Agent System’ in 2000 after negotiations with the owners of baseball teams and the Office of the Commissioner of Japanese Professional Baseball. For the players who are not good at dealing with issues other than playing baseball, let alone with any sort of negotiation, it was necessary to establish the “Agent System” generally accepted as a foregone conclusion in US.

The circumstances can be described as following.

The ‘Agent System’ was discussed for the first time in December 1999, when the

mass media reported the case of Kudo, a pitcher of Daiei Hawks (Yomiuri Giants at present), who came to the negotiation table for exercising his bargaining power as a free agent (independent player), accompanied by his own 'lawyer'.

Coincidentally, the JPBPA had held a symposium titled 'The First Session by The Committee for the Future of Japanese Professional Baseball' on December 2, 1999, inviting some liberal journalists, such as Mr. Tetsuya Chikushi, as the panelists. This appealed to the public opinion and convinced people of the importance of the 'Agent System.'

As a result, on December 4 in 2000, Shimoyanagi, a pitcher of Nippon Ham Fighters, used his bargaining power against his team in the presence of his 'agent'. This was the first case in the history of the Japanese Professional Baseball.

The 'Agent System', however, is still a nominal system. For example, some players of Hanshin Tigers, who tried to use the 'Agent System' as a part of their bargaining right, have been badly criticized by all the sports newspapers of the past few days, who are in favour of Hanshin Tigers.

As shown in this case, the Japanese society has been thus unaware of the importance of the 'Agent System' as the right of the players. In other words, the JPBPA is required to move beyond the status quo. And this is the biggest problem the organisation is faced with.

Furthermore, this problem indicates the true nature of the Japanese society that hardly allows its members to exercise their own rights. We cannot even begin the reform of the structures without realizing the bargaining right of workers. And we can easily understand how superficial and suspicious is so-called reform of the structures that the Japanese Government and Prime Minister advocate.

(4) The merger problem of Osaka Kintetsu Buffaloes and what the anti-merger movement by JPBPA has revealed

On September 18, 2004, the first strike in the history of Japanese Professional Baseball was carried out. The second strike could be avoided due to the agreement (in accordance with Table 2) between the labour and management on September 23, the anti-merger movement by JPBPA came to an end.

Incidentally, the extraordinary convention by JPBPA on July 10, 2004, which was held one month after the revelation of the merger problem, confirmed that the minimum practical result to win is "the temporary freeze of merging Osaka Kintetsu

Table 2 Summary of the agreement

- ① Under the assumption that the number of the Baseball Clubs of the season 2005 should be again set to 12 in total for the both Central and Pacific Leagues, Nippon Professional Baseball (hereinafter referred to as “NPB”) will promptly judge a new team and give it permission to join Japanese professional baseball.
- ② NPB will abolish the license fee system and introduce the deposit system for a new team.
- ③ NPB will form Committee for the Structural Reform of Japanese Professional Baseball (provisional name) in collaboration with JPBPA, and will spend a whole year discussing completely any sort of problems from the day of agreement on.

Buffaloes into Orix Blue Wave”. In view of this, the objection movement by JPBPA against the merger of Osaka Kintetsu Buffaloes to Orix Blue Wave suffered a defeat after all in that the two teams were eventually merged despite the strike.

However, the situation obliged NPB to respect the intention of each of the above-mentioned players for whether or not they continue to play for the new team after merger, and NPB could thus do nothing but commit themselves to assuring the continuous employment of nearly 50% of the players as workers ; though not clearly indicated in Table 2. This being the first practical result of the anti-merger movement, the second one should be the fact that the total number of the Baseball Clubs of the 2 leagues, that is to say, the 12-team system could be finally maintained by obliging NPB to allow a new team to join Japanese Professional Baseball. Furthermore, as the third practical result, the future visions suggested by Atsuya Furuta as in the monthly magazine “Ronza” (May, 2004), which are almost equivalent to the subjects ② and ③ listed in Table 2, were discussed earnestly by both sides of the labour and management.

The most important result was, however, that JPBPA has won the sympathy of almost the whole nation, whereby the goal of the Japanese Professional Baseball for the 21 st century is now clear.

At the much too tremendous sacrifice of Osaka Kintetsu Buffaloes’ extinction, JPBPA has the above-mentioned great results in the end.

In the following, a summary of the story of the management side will be mentioned in the end of this section ; although the story is not the main theme thereof.

On November 2, JPB decided to permit “Rakuten” to join JPB as a new Baseball Club. From a different viewpoint, it can be said that “Live Door” (emergent IT-related corporate), who had first claimed to purchase Osaka Kintetsu Buffaloes in June, suffered a bitter defeat against “Rakuten” in completion for joining NPB.

In the beginning, NPB stubbornly rejected the idea of any new Baseball Club

joining NPB no matter who it is. The strike on September 18 and 19, however, eventually convinced NPB of the fact that most of the people had totally given upon them. That is to say, NPB had been so far a closed organisation with so-called isolation policies like Tokugawa Shogunate in Edo era, exactly like the European Guilds.

Hereinafter, the following can be said, the author making educated guesses. After June, while underestimating the JPBPA's strong objection against the merger, JPB was, taking a worst-case scenario into consideration, secretly looking for a corporate as the new member who can be easily under control of the organisation. "Rakuten" just happened to be the right one for JPB.

This is proved by the fact that the prominent businessmen and many corporates were supporting "Rakuten" (the author is, however, not necessarily on the side of "Live Door"). The important thing is, that the management of JPB and the Japanese establishment were collaborating behind the scenes, disregarding the voice of people.

Ever since November 2, the restructuring problem of the Baseball Clubs have even become a more serious problem, as the sell-off of Seibu Lions, the champion of this year, and Daiei Hawks, the champion of last year is covered in newspaper accounts and news reports every day, wherein the intent of the Japanese establishment is evidentially suggested. The most drastic evidence for this is the change in economic structure of the Japanese capitalism due to the crisis since the end of the 20th century. The deterioration in balance sheet of the parent companies of the Baseball Clubs, not only those of Seibu Lions and Daiei Hawks but also those of the others, is deeply rooted in the disposal of nonperforming loans of the major banks, such as UFJ Bank, and it has therefore become much more difficult to resolve the above-mentioned problem regarding the Baseball Clubs. What has happened this time to the market of Japanese professional baseball can be defined as trial and error for the solution of the problem.

Nobody doubts that we would not have come to such a conclusion taking the long way around if "Rakuten" had purchased Osaka Kintetsu Buffaloes in the extraordinarily hot summer in 2004. As repeatedly mentioned, "Rakuten" became necessary for the industry and economic organisations in Japan (especially in that it was an easy-to-control corporate).

Briefly speaking, Japanese professional baseball has been at the mercy of the rapid change in economic structure in Japan.

The further detail, however, will be discussed at another opportunity.

III. History of baseball in Australia

History of Australian baseball²⁾ begun with a game by American teams in Melbourne in 1857 (a baseball game was first introduced at Daiichi Junior High school in Tokyo in around 1872). As today, baseball in Australia had made its start as a second fiddle to cricket and long been regarded as such.

In 1899, the first regular club competition in Australia was held in Sydney. Thereafter, US Major League Clubs had visited Australia for several times and vice versa until the first annual national competition between Australian State Teams called Claxton Shield started in 1934. The Claxton Shield lasted until 1988, when Queensland won the last championship in the history.

For reference, some teams from the Japanese Industrial League visited Australia, mostly in 1960's.

In 1989 Australian Baseball League³⁾ was established, and the first champion in 1990 was the Waverly Reds. This Baseball League lasted till 1999, when Gold Coast Cougars won the last championship. Furthermore, baseball was the demonstration sport at the Olympic Game in Melbourne in 1956, as well as at Atlanta in 1996, when the Australian National Team came fifth in baseball.

By the way, Australian Baseball League was reorganised as International Baseball League of Australia by Dave Nilsson, who played as a catcher for US Major League, later for Chunichi Dragons in Japan, and at Athens 2004. The new league, however, was never commercially successful and did not lead the Australian National Team to a higher place at Sydney in 2000. As a result, no nationwide completion was put into practice for several years, and Australian Baseball League ended up in bankruptcy in April 2002.

Previously, the second Claxton Shield recommenced in February 2002, and

2) Joe Clark (2003), *a History of Australian Baseball* Time and Came, University of Nebraska Press.

3) Braham Dabscheck (1995), Australian Baseballers form Team of Their Own, pp. 61 – 101. *Sporting Traditions*, Vol. 12. NO. 1. November. 1995.

Queensland won the championship in 2003.

Concerning the National Team, Australia came second, next to Cuba at Athens in 2004⁴⁾, while ending up in fifth at Sydney 4 years before then.

4) Ballpark figures

Australia's Baseball Heroes Hit Their Biggest Homerun.

Paul Gonzalez and Phil Stockman can't stop grinning. As members of the Olympic silver medal-winning Australian baseball team, they achieved the best-ever result for an Aussie ball team at international level. In the process, they twice knocked off the Japanese "Dream Team" widely tipped to win gold. The only players not feeling entirely stoked are the ones who have to front up in the Japanese J-League in a few months.

For 24-year-old Stockman—starting pitcher for the Arizona Diamondbacks—it was his first Olympics. "Winning silver was such a bonus," he says. "There were eight teams and were supposed to come sixth. We stayed focused, got on a roll and really gelled as a team. After we beat Japan in the preliminaries, we figured we could beat anybody."

This is the most professional baseball team Australia has ever fielded. Most of the team plays in the US, Japan or Taiwan. It's a good combination of youth and experience. Veterans such as captain Dave Nilsson (catcher with the Anaheim Angels) and star pitcher Graeme Lloyd (winner of two World Series with the New York Yankees) know what it takes to grind through preliminaries and maintain focus for the sharp end of the competition. "They've got a lot of respect," Stockman says. "They've been there and they kept our minds on the job."

For outfielder Gonzalez, 35, formerly with San Diego Padres and Chicago White Sox, silver in Athens was sweet reward after the disappointment of the Sydney games in 2000. Australia was a medal favourite, but overloaded with hometown hopes, finished seventh. "After Sydney, it was a good way to redeem ourselves," he says. "We won gold at the World Championships in 1999, so Sydney was heartbreaking. My job was to step up and help the young guys deal with the unknown—to enjoy it, but to remember that we were there to do the job."

Beating Japan twice was a massive achievement. Baseball is huge in Asia. It's estimated that some 60 million Japanese were glued to their TV sets for the semi. The J-League is an important and lucrative arena for Aussie players. Before the first Japan game, Nilsson stressed that the best way for his younger guns to make an impression was to win. "The stars in Japan are bigger than Elvis," says Gonzalez, who has also played in Japan. There's a lot of strong talent in Australia that will probably now make the breakthrough in Japan. [Pitcher] Jeff Williams is already doing very well for the Hanshin Tigers."

The final against superstars Cuba was a torrid match. The Aussies hung in against superb pitching until the fourth inning, when a questionable umpiring decision rattled them, eventually going down 6–2. With bases loaded, outfielder Tom Brice had smashed a big one to centrefield. The Cuban outfielder twice fumbled the ball against the wall before making the catch. Despite the rule that any ball touching the wall remains in play, the umpire ruled it out. Australian coach Jon Deeble disputed the decision, but was ejected from the match.

"It was a controversial game," Stockman says. "The ball hit the fence and if it hadn't been called out we would've been three runs up in the inning. It could've turned the

As a summary of baseball in Australia, it has still been unsuccessful as a professional sport, despite some world-level success.

This reminds us of the fact that primary industries of Australia do not have a substantial share of the GNP.

Lastly, it can be said that the rapid commercial development of Australian baseball will face problems in view of industrial relations such as the ones rising in Japan as mentioned in the previous section. This would, needless to say, give valuable lessons to those who may be concerned. However, it may be said that as for the case of Australia, the fear is groundless.

↘ whole game around. But you'd have to be happy to get silver, wouldn't you?"

Australia certainly came out swinging. After a slow start — losses to Cuba and Chinese Taipei, and just one run on the board — tough talking from Lloyd got the team pumped. They scored 26 runs in their next 21 innings — bashing Italy 6-0, Japan 9-4 and Greece 11-6. Then they set a Games record by slaughtering the Dutch 22-2. Gonzalez did his share with the bat, including a two-run homer against Greece to secure the come-from-behind victory, and a home run against Cuba.

"The big question mark for us going into the tournament was could we generate some offence," he says. "We owed the Netherlands. They really took it to us in Sydney — we were supposed to beat them, but they broke our backs in game one. Same with the Italians, we had a big lead and they beat us [in Sydney] in a heartbreaker. Those were two great wins. We proved in this tournament that we can compete with any team in the world. We don't have a fear factor."

The Australian players now head off to resume their pro careers until the team re-assembles for the World Cup in the Netherlands in August 2005.

Gold would be nice.

Australian Airlines, Issue7, pp. 32-35.