Risutora: The Impact of Globalization and Restructuring upon Women in the Japanese workforce

A Thesis Submitted for the Degree of Doctor of Philosophy

Political Economy Research Centre
Faculty of Social Sciences

Beverley Bishop
January 2003

Abstract

Risutora: The Impact of Globalization and Restructuring upon Women in the Japanese Workforce

This thesis is an analysis of the relationship between gender and globalization in one specific national context: Japan. Japan's position as an affluent, industrialized liberal democracy, with a distinctive model of capitalism, means that Japanese women's experiences of globalization differ from those of women both elsewhere in Asia, and in other First World countries. The actions of the Japanese state and Japanese companies have been instrumental in the globalization of production, which is now having reciprocal effects upon the Japanese national model of capitalism. In response to global economic change, the Japanese model of capitalism is being intentionally restructured through company practice and legal change. This restructuring (*risutora*) impacts differently upon men and women, as the liberalizing processes associated with globalization interact with specific local institutions, including the ideal of the three generation family and the position of women in the Japanese national model of capitalism.

After an analysis of the mainstream literature about globalization, the state and historical institutionalism and feminist literature about gender and globalization, the thesis demonstrates that the complex trends associated with globalization have produced pressures for two kinds of, ostensibly contradictory, employment reforms in Japan. There are pressures for labour market deregulation, to increase the international competitiveness of Japanese production. There are also pressures for the 're'-regulation of labour to establish a principle of sexual equality at work. The deregulation of employment, including the removel of sex-specific protective legislation, has made it increasingly difficult for many women to pursue full-time careers. A detailed examination of the impact of the Equal Employment Opportunities Law (EEOL) shows that this legislation has led to the formalization of the gender-based segregation of regular workers, and encouraged employers to employ an increasing proportion of women in non-regular positions. Nevertheless, social and political changes, which are also associated with globalization, are leading an increasing number of women to seek higher status careers or longer tenure in the workforce. These changes are also providing campaigners for women's labour rights with new opportunities for effective action, as this thesis demonstrates, using a case study of an activist group.

Notes on Citation Style

1) Where the full names of Japanese individuals are cited in this thesis, in accordance with Japanese convention, the given name is written before the family name.

2) Where websites are quoted in-text, only the date and author are given. Instead of page numbers, website addresses can be found in the bibliography.

Summary Table of Contents

Full Table of Contents *iii ~ vii*

List of abbreviations *viii~ix*

Glossary of Japanese Terms *x~xi*

List of Tables and Figures *xii*

Acknowledgements *xiii~xiv*

INTRODUCTION

Chapter One:
Aims, Methodology and Structure of Thesis 1 ~ 20

PART ONE: ANALYTICAL FRAMEWORK

Chapter Two:
Globalization, the State and Historical Institutionalism 21 ~ 61

Chapter Three:
Gender and Globalization: A Critical Review 62 ~ 100

PART TWO: BACKGROUND TO THE ANALYSIS

Chapter Four:
The Japanese Model of Capitalism and the Globalization
Of Japanese Production 103 ~ 146

Chapter Five:
Women Workers in the Post-War Model of Capitalism in Japan:
Continuity and Change 147 ~ 181

PART THREE: THE IMPACT OF GLOBALIZATION AND RETRUCTURING ON WOMEN WORKING IN JAPAN

Chapter Six:
Re-Regulation, Restructuring and Women in the
Regular Workforce 182 ~ 228

Chapter Seven:
Deregulation, Restructuring and Women Working
in Non-Regular Positions 229 ~ 269

Chapter Eight:
Globalization and Women's Activism in Japan 270~ 300

CONCLUSION

Chapter Nine:
Conclusions and Discussion 301~314

BIBLIOGRAPHY 315~349

Appendix A
Details of 1996/7 Pilot Survey 350~357

Appendix B
Interviews with working women *358*

Appendix C
Elite Interviews *359*

Full Table of Contents

Full table of contents	*iii~vii*
List of abbreviations	*viii~ix*
Glossary of Japanese Terms	*x~xi*
List of Tables and Figures	*xii*
Acknowledgements	*xiii~xiv*

INTRODUCTION

Chapter One:
Aims, Methodology and Structure of Thesis

1.0 Introduction	2
1.1 Context	3
1.2. Central Aims of Thesis	6
1.3 Methodology	7
1.4 Organization of Thesis	13
1.5 Summary	20

PART ONE: ANALYTICAL FRAMEWORK

ChapterTwo:
Globalization, the State and Historical Institutionalism

2.0 Introduction	22
2.1 Globalization	24
Is globalization really happening	32
The hyperglobalization thesis	33
The sceptical thesis	36
The transformationalist thesis	43
2.2 The State	46
The declining power of the state	46
The 'myth of the powerless state'	49
The transformation of the state	51
2.3 Historical Institutionalism	57
2.4 Conclusion	61

Chapter Three:
Gender and Globalization: A Critical Review

3.0 Introduction 63
3.1 Macro-level feminist analyses of globalization 67
Neo-liberal economic globalization 68
The discourse of globalization 71
3.2 The impact of globalization 73
The feminization of waged work 74
Women's reproductive work 80
Globalization and female migrant workers 81
Globalization and difference 83
The interaction of global and local forces 84
3.3 Women's Activism 87
Globalization and the women's movement 87
Sites of activism 92
Modes of response 96
3.4 Conclusion 99

PART TWO: BACKGROUND TO THE ANALYSIS

Chapter Four:
The Japanese Model of Capitalism and the Globalization Of Japanese Production

4.0 Introduction 104
4.1 International political economy and the emergence of the Japanese national model of capitalism 105
4.2 The globalization of Japanese capital 113
The collapse of the Bretton Woods system 118
The Plaza Accord 120
The end of the Cold War 122
The East Asian financial crisis 125
4.3 The reciprocal effects of globalization upon the Japanese national model of capitalism 131
Increased competition for the Japanese model 132
Liberalization of the Japanese economy 137
Globalization and Japanese migration 143
4.4 Conclusion 144

Chapter Five:
Women Workers in the Post-War Model of Capitalism in Japan: Continuity and Change

5.0 Introduction 148
5.1 Women's role in Japanese industrial development 149
5.2 Women's employment and the Japanese national model of capitalism 152

The fall in female participation in the workforce 152
Women as peripheral labour force 155
The reciprocal social effects of women's role in the Japanese national model of capitalism 157
5.3 Women's work in postwar Japan: continuity and change 161
The gendered nature of work 161
Women's tenure in the regular workforce 164
The rise in *paato* work 168
5.4 The reciprocal effects of globalization on women workers in Japan 176
Liberalization and deregulation 176
Re-regulation 177
Women and migration 178
5.5 Conclusion 180

PART THREE: THE IMPACT OF GLOBALIZATION AND RETRUCTURING ON WOMEN WORKING IN JAPAN

Chapter Six:
Re-Regulation, Restructuring and Women in the Regular Workforce

6.0 Introduction 183
6.1 The promulation and immediate effects of the EEOL 184
The role of global processes in the promulgation and Revision of the EEOL 185
The impact of the EEOL on attitudes to women's work And sexual harassment 189
6.2 The persistence and impact of existing institutions 191
Failure to correct for discrimination 192
The repeal of protective legislation 197
The restructuring of the workforce 200
The dual track system 201
The growth of the non-regular workforce 202
6.3 Women in the restructured regular workforce 204
Women's participation in the regular workforce 204
Women and the *sogoshoku* 206
Women and the *ippanshoku* 215
Innovations in the tracking system 217
The *gyomushoku* 218
The comprehensive management track 218
The *senmonshoku* 218
The image and reality of working for a foreign firm 221
6.4 Participation in the regular workforce and characteristics 224
6.5. Conclusion 226

Chapter Seven:
Deregulation, Restructuring and Women Working in Non-Regular Positions

7.0 Introduction 230
7.1 Deregulation and women's reproductive work 232
7.2 The increased demand for non-regular workers 239
Globalization and the demand for a larger non-regular workforce 239
7.3 Government policy and the increased demand for female workers 246
The Worker Dispatching Law 246
7.4 The characteristics of non-regular work 248
Part-time work 249
Formally and informally differentiated from regular workers 250
Pay 254
Increased diversification in the part-time workforce 257
Age and gender profile of part-time workers 257
Combination of reproductive work and part-time employment 259
Dispatched work 260
Formally and informally differentiated from regular workers 261
Pay 262
'Deskilling' of the dispatched work sector 263
Age and gender profile of dispatched workers 264
Homeworking 266
7.5 Conclusion 268

Chapter Eight:
Globalization and Women's Activism in Japan

8.0 Introduction 271
8.1 Women in electoral politics 273
Political representation 274
8.2 Women in trade union politics 283
8.3 Japanese feminist movements 285
Extent and nature of group membership 285
The globalization of women's activism 294
Working Women's Network: An example of an activist group 297
8.4 Conclusion 299

CONCLUSION

Chapter Nine:
Conclusions and Discussion

9.0 Introduction 302
9.1 A summary of the thesis 303
Analytical framework 303
Gender and capital in post-war Japan 305
Globalization and the restructuring of women's Employment in Japan 306
Globalization and Women's Activism 309
9.2 The Implications of the Japanese case for current debates on gender and globalization 309
9.3 Suggestions for further research 313

Bibliography 315

Appendix A:
Details of 1996/7 Pilot Survey 350

Appendix B:
Interviews with working women 358

Appendix C:
Elite Interviews 359

List of Abbreviations

APEC	Asia Pacific Economic Co-operation Forum
ASEAN	Association of South East Asian Nations
AWA	Asia Women's Association
BBC	British Broadcasting Corporation
Beijing JAC	Beijing Japan Accountability Caucus
CEDAW	Convention on the Elimination of All Forms of Discrimination Against Women
CGE	Council for Gender Equality
CONAMUP	*Coordinadora Nacional de Movimiento Urbano Popular*
CONGO	Conference of Non-Governmental Organizations
EEOL	Equal Employment Opportunities Law
EMOSA	*Exportadora de Mano de Obra*
EU	European Union
EZ	Export Zone
FDI	Foreign Direct Investment
FY	Fiscal Year
GATT	General Agreement on Tariffs and Trade
GDP	Gross Domestic Product
ILO	International Labour Organisation
IMF	International Monetary Fund
JAIWR	Japan Association of International Women's Rights
JCP	Japan Communist Party
JETRO	Japan External Trade Organization
JNR	Japan National Railways
M&As	Mergers and Acquisitions
MBA	Master's in Business Administration
METI	Ministry of Economy, Trade and industry
MIT	Massachussetts Institute of Technology
MITI	Ministry of International Trade and Industry
NAFTA	North American Free Trade Association
NHK	Nippon Hoso Kyokai (Japan Broadcasting Corporation)
NIC	Newly-Industrialised Country
NGO	Non-governmental Organization
NOW	National Organization of Women
NPO	Non-profit making organisation
NTT	Nippon Telegraph and Telephone Public Corporation
OECD	Organisation for Economic Co-operation and Development
OL	'Office Lady', woman working in administrative or secretarial position
OPEC	Organization of Petroleum Exporting Countries
PBS	Public Broadcasting Service
SAP	Structural Adjustment Programme
SEAPAT	South-East Asia and the Pacific Multidisciplinary Advisory Team
SCAP	Supreme Command for the Allied Powers
TNC	Transnational Corporation
UN	United Nations
UNCTAD	United Nations Conference on Trade and Development

WTO	World Trade Organisation
WWIN	Working Women's International Network
WWN	Working Women Network

Glossary of Japanese Terms

Ajia no onnatachi no kai	Association of Asian Women
Arubaito	Part-time job carried out by a student
Burakumin	Disadvantaged outcaste group
Dai Nippon Aikoku Fujin Kai	Greater Japan Women's Patriotic Association
Danjou kyoudou sankaku	Joint participation of men and women
Danjyou byoudou	Gender equality
Duburu sukuru	Attending a vocational course at the same time as taking a bachelor's or associate degree ('double school')
Eikyuu shuushoku	Lifetime employment
Endaka	The rising value of the Japanese yen
Fujin Kaikan	Women's Centre
Fujin Roudousha mondai kenkyuukai	Women Workers Research Group
Gaiatsu	Foreign Pressure
Gaishikei	Foreign-Affiliate firm
Gakureki shugi	Educational credentialism
Hakenkaisha	Worker dispatching agency
Haken	Dispatched work /worker
Hishain	Non-regular worker
Ie	Family /household
Ippanshoku	General track
Josei Sentaa	Women's Centre
Joseigaku	Women's Studies
Kaizen	Continuous improvement
Kanban	'Just in Time' production aimed at eliminating waste
Kazuko kokka	lit. family state, idea of all Japanese people one family under the Emperor
Keiretsu	Corporate grouping characterised by large firms heading a subcontracting chain of smaller firms
Kekkon taishoku	Retirement upon marriage
Kokusai Fujin-nen Renraku-kai	International Women's Year Conference on Japan
Koshikake	Temporary Seat
Minikomi	Newsletter, often produced by activist groups
Naishoku	Homeworking
Naiyo no ko	Domestic labour
Nenko	System of payment according to seniority
Nikkeiren	Japan Federation of Employers' Association
O-bento	Lunchbox
Onna kara Onnatachi e: Ichinichi Juen no Kai	From Woman to Women: Ten-Yen a Day group
Onna no Nettowakingu	Women's Networking
Onnarrashi	Feminine or womanly

Paalite	Part-time elite
Paato	Part-time work / employee
Paato no obachan	Middle-aged women carrying out paato work
Ryosai kenbo	Good wife and wise mother
Sanbetsu Kaigi	Industrial Union
Sangyou Houkoku Kai	Industrial Patriotic Society
Seiri kyuuka	Menstrual leave (lit. physiological leave)
Seishain	Regular worker
Seku Hara	Sexual Harassment
Senmonka	Specialist
Senmonshoku	Specialist Track
Shiba Shinkin	Shiba Credit Association
Shokuba no hana	"Office flowers" - young (and attractive) female white collar workers"
Shougyou Rouren	Japan Federation of Commercial Workers' Union
Sogoshoku	Management track
Sohyou	General Council of Trade Unions
Tokusei	Special character
Uuman ribu	'Women's Lib'
Yakuza	Japanese mafia
Zenkoku Ippan	National Union of General Workers
Zenzoren	National Confederation of Trade Unions

List of Tables and Figures

2.1	National Regulatory Changes 1991-2002	55
4.2	Expansion of intermediate food trade in Japan and East Asia: Share of machinery parts in machinery as a whole (1990 and 1998)	127
4.3	FDI outflow from Japan by destination (1997-1999)	128
4.4	Examples or reduced or eliminated East Asian investment barriers	130
4.5	Examples of reduced or eliminated East Asian non-tariff barriers	131
4.6	Trends in number of foreign companies by county region	133
4.7	Cross border M & As in five Asian countries most affected by the currency crisis	134
4.8	Average tariff rates of East Asian countries (1988-2000)	136
4.9	Transnationality index of host economies (1997)	142
5.1	The distribution of gainfully employed women (1906-1936)	152
5.2	Women's participation in the labour force (1955-1995)	153
5.3	The average age of male and female regular employees and average years of service (1949-1994)	166
5.4	A cross-national comparison of the growth in part-time work	170
6.1	Diversification of the labour force (1986-1997)	203
6.2	Part-time employment among female workers in major industrialized countries	204
6.3	Changes in the sex composition of the workforce of regular employees (1970s – 2000)	205
6.4	Average tenure of female workers in the regular workforce	206
6.5	The number and proportion of female students attending four year universities (1975-2000)	208
6.6	Percentage of female students at four year universities	209
6.7	Impact of the 1985 Equal Employment Opportunity Act (active 1995)	215
7.1	What is your most important reason for working?	238
7.2	Reasons cited by establishments for hiring non-regular workers	240
7.3	Subsidiary firms running worker dispatching businesses founded by main city banks	245
7.4	The sexual division of regular and non-regular employment	246
7.7	What kind of satisfaction do you get from your job?	251
7.8	Regular workers can more easily take time off under various holiday systems	252
7.9	Regular workers tackle their jobs more positively	253
7.10	What do you think of the wage rate of part-timers and non-regular workers, compared to regular workers doing the same job?	255
7.11	Hourly earnings of female part-time workers	256
7.12	Contractual cash earnings of regular non-managerial employees	256
7.13	Labour force participation by sex	258
7.14	Female labour force participation by age	259
8.1	Women diet members, Jan. 1988 – Mar. 2001	279
8.2	Number of female local assembly members	279

Acknowledgements

Although this thesis is my own work, I have been very fortunate in receiving a great deal of support, as well as thought-provoking comments and suggestions from many people during the research process.

I owe an enormous debt of gratitude to my supervisors, Georgina Waylen, Jenny Roberts, and Glenn Hook. I would also like to thank all connected with PERC: particularly Sylvia McColm for making it a lovely place to be, as well as my friends and fellow PERCies, Rajiv Prabhakar, Jonathan Perraton and Peter Wells, who have all taken the time to read drafts and make useful and pertinent comments. Peter Wells deserves special recognition, since, as my landlord, he also had to live with me while I was writing up.

I could not have conducted fieldwork in Japan without the generous assistance of Usui Yuki, Komatsu Makiko, Koedou Shizuko, Morishita Miwa, Miwa Kyoko, and Nakura Yoshie, who have acted as key informants, vital links to activist networks, translators and interpreters, but, most of all, have been great people to have as friends.

I learnt much from access to the meetings, actions and internal papers of Working Women's Network, Working Women's International Network, Women Helping Women, Shosha ni hataraku Josei, Tokyo Josei Union and Women's Messages. Reasons of space stop me acknowledging by name all the other women who kindly took the trouble to take part in interviews, fill out questionnaires and send me documents.

I am also grateful to the ESRC, the University of Sheffield, the University of Shiga, the International Research Centre for Japanese Studies, the International Studies Association, the Anglo-Japanese Academy and the Nordic Institute for Asian Studies for providing me with grants and other resources to enable me to carry out my research and attend seminars and conferences.

Marina Lee-Cunin and Shannon Frances have been truly (practically and emotionally) supportive friends, as have Ashley Hyde, Peter Holcroft and Roger Ashman – I am incredibly lucky to know them.

I would like to dedicate this thesis to my mum and dad, who have always encouraged me, but never pushed.

Chapter One: Introduction

Aims, Methodology and Structure of the Thesis

1.0. Introduction

This thesis argues that globalization is a real, but not an immutable, force which is producing profound changes in national models of capitalism and national socio-economic institutions, and impacting differently upon different groups within these national models. Specifically globalization has different impacts upon men and women. This thesis puts forward an analysis of the relationship between gender and globalization using women workers in Japan as a case study. The case of Japan was chosen because its distinctive model of capitalism is being transformed by the processes associated with globalization. As men and women have had very different positions within that model, this transformation is having different impacts upon male and female workers.

The last few decades have seen growing cultural, economic and political interconnections and interdependencies between countries. Globalization results from flows of people; flows of images and information through the mass media; flows of central ideas, terms and images; flows of ideologies; flows of technology; and increasingly rapid flows of international capital between national economies (Appadurai, 1990). While these flows impact upon all countries to a greater or lesser extent, this thesis will argue, that the *way* in which globalization impacts upon nations depends upon cultural or institutional factors. Furthermore globalization does not impact upon all groups within a nation in the same way: the impact of globalization on any individual will be mediated by, among other things, gender, age, ethnicity and social class.

Japan was chosen as a case study because of its distinctive national model of capitalism, which is characterised by clearly gendered division of labour, and by a government which long resisted adopting the neo-liberal model associated with globalization. The Japanese national model of capitalism is defined in Section 1.1. This thesis analyses the relationship of the institutions of the Japanese national model of capitalism to globalization. It shows how

Japanese government and business reactions to globalization are interacting with changes in the roles and expectations of women in the Japanese labour force. Specifically, it shows that, faced with the pressures of globalization, the Japanese state and other key economic actors are attempting to deregulate the Japanese labour market. At the same time the development of the ideal of equality of opportunity and of a nascent global legal standard of sex equality within the workplace has resulted in the Japanese government increasing the regulation of women's labour rights.

This chapter will put the research into its academic context and explain the central aims of the thesis. It will then describe the method that have been used, before setting out the structure of the thesis and outlining the contribution made by each chapter to the overall argument of the thesis, and to meeting its central aims (shown in italics).

1. 1. Context

The rate of economic growth of Japan in the 1950s and 1960s[1], its consequent increased importance in the world economy and its apparently low level of industrial strife have attracted considerable attention from Western theorists since the late 1950s. The focus of much industrial relations literature in English about the Japanese model has been the organisation of work for core workers within large companies. Abegglen and Stalk (1985) wrote of the way workers traded a guarantee of lifetime employment for loyalty to the firm. Dore (1986) attributed the success of the Japanese model to 'flexible rigidities': the tendency towards oligopoly, tenured job security for core workers and state underwriting of capital, actually made the Japanese system more flexible in that they engendered co-operativeness, functional flexibility, the ability to negotiate sensible compromises between capital and labour, and thoroughness of planning. Political economists examined the idea that we were witnessing a "global Japanisation" of the

[1] In the 1950s and 1960s, economic growth in Japan averaged 10 per cent per annum in real terms (Maruo, 1997).

labour process (Jessop *et al*, 1987; Elger and Smith 1994). Japan's recent economic decline has again focussed business and academic opinion on Japan. The focus now however is on how the Japanese model is changing to respond to the exigencies of globalization (Boyer and Drache, 1996; Hasegawa and Hook, 1998; Hook and Hasegawa, 2001; Dore, 2000).

Theorists such as Abegglen (1958) and Dore (1973, 1986) largely neglected the role of women in the Japanese workforce. The classical Japanese 'model', which they described, was one that was mainly relevant to male workers (Wakisaka, 1997: 31), despite the fact that female workers have constituted a significant part of the workforce. In 1945, the proportion of working women in the total population was arguably the highest of all developed nations (Iwao, 1993:154). However, Japan was the only industrialised country in which a decline in the number of women working outside the home was observed for the years following the Second World War. Today, Japanese women participate in the workforce in numbers comparable to those of women in other modern industrial societies[2]. This reversal in participation trends can be attributed to a number of factors including an increase in longevity, a decline in the fertility rate[3], an increase in housing and education costs, the return of 'baby boom' wives to the labour market, and changing social attitudes to women's place in society (Whittaker, 1990). Furthermore, the Equal Employment Opportunities Law (EEOL), which came into effect in 1986 and was revised in 1997 (with the revisions coming into effect in April 1999), has been enacted with the ostensible aim of giving women equal opportunities in the workplace. These social and legal changes, which are, as I shall show also partially attributable to globalization, are interacting with government and company attempts to restructure the Japanese model of employment in the face of economic globalization.

---

[2] In 2001, 41per cent of the Japanese workforce was female (Ministry of Public Management, Home Affairs, Posts (*sic*) and Communications, 2002).

[3] The number of births per woman has fallen from 4.54 in 1947 to 1.3 today (Ministry of Health, Labour and Welfare, 2002).

In Japan, as in other countries, women earn less, on average, than men and tend to be vertically and horizontally segregated from men in the workforce (Gelb and Palley, 1994:9). This trend is becoming even more marked as the labour shortage resulting from demographic change, i.e. a shortage of young people entering the labour market, draws more women into the paid workforce, particularly into poorly rewarded 'non-core' jobs, as this thesis will demonstrate. This process is being facilitated by legal change (Sugeno and Suwa, 1997) and the planned and actual reorganisation of the Japanese labour force, which intensified in the wake of the East Asian economic crisis of the late 1990s (*Economist*, 1998). The changing regional political economy of East Asia has had particular consequences for Japan. The intense competitiveness of other East Asian economies, the international reaction to the high value of the yen, and the relocation of a substantial proportion of Japanese manufacturing to other countries have led to predictions that Japan's distinctive labour practice will be radically restructured (Ministry of Labour, 1999). Despite obvious similarities with trends in Western industrialised economies, there is a tendency for the deeply gendered division of labour in Japan to be seen as either rooted in national culture (Stockman, Bonney and Xuewen, 1995) or as an epiphenomenon resulting from Japan's relatively late industrialisation (Brinton, 1993). I shall show that, although affected by the Japanese family model, a gendered division of labour was established in the specific conditions of the postwar international political economy. This division of labour is changing in response to a changing global political economy.

The structural transformation of other developed economies has had particularly far-reaching effects for women in all 'core' areas of the world economy. The growth of the service sector, the leisure industry and the use of information technology have affected several aspects of the organisation of work, including the proportions of men and women in the workforce, the types of employment available, the number of temporary and part-time jobs, work

and leisure-related aspirations; and the place of work in women's life course (Dex, 1988:1). Globalization is accelerating structural change in developed and developing countries. However, most mainstream theoretical work about globalization does not emphasise the particular effects that such structural change has for women. As Chapter Three will show, feminist researchers working within gendered political economy have added gendered perspectives to mainstream theories of globalization. However, these perspectives have been of limited applicability to Japan. The characteristics of Japan's national model of capitalism have influenced the patterns of women's participation in the workforce throughout the post war period. Furthermore, unlike other First World countries, Japan has maintained the tradition of the three-generation household[4]. This family structure impacts on demand for migrant domestic workers; means that highly-educated women tend to leave the workforce upon becoming mothers, then re-enter the workforce at rather lower levels than they left; and informs government assumptions about welfare provision and the appropriate legal framework for non-regular work. The patterns of resistance to neo-liberal globalization and activism in support of equal labour rights for women are also informed by Japan's normative homosocial order.

1. 2. Central Aims of Thesis

The central aims of this thesis are as follows:

- To contribute to the debate about the impact of globalization upon women by bringing in insights from the case of Japan into the wider academic discourse.
- To examine the impact of restructuring upon women's employment in Japan.
- To describe the actions women are taking individually and collectively to resist or campaign for change in their working environment and the laws and practices regulating it.

---

[4] Although this is becoming less common in reality, the ideal persists and impacts upon policy and expectations of women's reproductive labour.

1. 3. Methodology

I used a mixed mode of data gathering, drawing on both quantitative and qualitative data. Most statistical information in this thesis comes from the wealth of data published by Japanese government agencies, trade unions, and research organisations, as well as that produced by activists. These data are complemented by material from semi-structured interviews with working women, in-depth interviews with trade union representatives, plaintiffs in court cases about gender and employment, and Japanese academics, as well as primary data from reports, and surveys.

Using a mixture of research methods is often recommended as a way to achieve triangulation, i.e., when the same explanations of accounts can be obtained from different sources then the explanation is more plausible. Mason's (1994) rationale for combining quantitative and qualitative methods is also persuasive. This was not so much to permit triangulation but to allow the quantitative component to map general patterns and the qualitative stage of the research to reveal the processes and perspectives of those actually involved in the situation under investigation. This is particularly important in conducting cross-cultural research, where it is necessary to search for "meanings within a social context where people act according to the rules of the social setting" (May, 1997: 190).

To examine the extent to which women's experience of work is changing as the Japanese national model of capitalism adapts to the exigencies of globalization, it was first necessary to gain an understanding of the experiences of women within that model. For this purpose, I conducted a pilot study in 1996 and 1997, using semi-structured interviews and written questionnaires. This provided useful background material and informed some of the research questions which I later composed. More information about this, the demographic and employment status of respondents and the text of questionnaires can be found in Appendix A, while Appendix B lists the types of employment carried out by face-to-face interviewees.

I returned to Japan to conduct more focussed fieldwork at the International Research Centre for Japanese Studies in Kyoto from October 1999 to March 2000. This fieldwork was focussed on the specific effects of globalization upon women's employment and on women's agency in using some of the trends induced by globalization to improve their position. I consulted Japanese academics who were working in the field of gender studies and labour studies. I was also an active participant in two grassroots campaigning groups, *Working Women's Network* and *Women Helping Women*, taking part in meetings and attending protest actions, court hearings in support of women bringing cases of sexual discrimination against different branches of the Sumitomo corporation. Through taking part in protest actions, I was able not only to gain an understanding of the range of methods employed by Japanese women activists, but also to build relationships with some of the plaintiffs. Being involved in activism did however raise some ethical questions[5].

---

[5] Some of the most illuminating studies of women's work in Japan have come from anthropologists using a participant observation method. Glenda S. Roberts (1994) and Jeannie Lo (1990) both worked alongside Japanese female factory workers and Lo (1990) and Ogasawara (1998) worked with white-collar employees, without drawing attention to their role as researchers. This method of data collection has several advantages. It is flexible, in that the researcher can constantly reflect upon and adjust the focus of research, in the light of new observations, while it may not be possible to change or add to questions in a more structured and formal survey, when they do not seem to be working. The observer also gains a richer understanding of research participants though the proportionally higher (compared to other methods of data-gathering) 'indices of subjective adequacy' (Bruyn, 1966). These are:

- *Time*

Spending more time with a group will enlighten the researcher about how deeply subjects feel about or are affected by social phenomena

- *Place*

The researcher will be aware of the physical setting in which actions take place.

- *Social circumstances*

If the researcher has varied opportunities to interact with different individuals in a variety of settings, this will deepen his or her comprehension of how a phenomenon is enacted.

- *Language*

As the researcher becomes increasingly aware of the language employed in a social setting, the more fully they will understand the meaning of what is being said.

Feminist researchers, particularly, have raised the question of the ethics of power imbalance in the relationship between researcher and researched in the research process. Wolf (1996) notes three areas of potential power imbalance:

- Power differences stemming from the different positions of the researcher and researched (race, class, nationality, life chances);
- Power exerted during the research process – defining the research process, unequal exchange and exploitation;
- Power exerted during the post-fieldwork process – writing and representing.

I do not believe that there were significant intrinsic power differences between my informants and myself. To the best of my knowledge all were from the majority Japanese community[6], and few were of a significantly different

---

- *Intimacy*

If a researcher is personally involved with a group of people, she or he is more likely to understand their actions.

- *Social consensus*

The index of 'social consensus' refers to 'the extent to which the observer is able to indicate how the meanings within a culture are employed and shared among people' (May, 1997:146).

Participant observation does however raise ethical problems about the extent to which all those who are observed can really give valid consent (particularly if the research is covert). If research subjects are being observed over a period of time in their everyday lives they do not have the same control over the information a researcher gleans about them that they would have if they had just filled in a questionnaire or agreed to take part in a one hour interview.

[6] Although Prime Minister Nakasone Yasuhiro, in 1986, described Japan as a 'homogenous community', there are several minority communities in Japan. The largest minority ethnic community is made up of around 700,000 North and South Korean nationals, who have permanent resident status in Japan. They represent about one per cent of the population of Japan. Many of these are fourth or fifth generation descendants of those who came to Japan in search of work during the period of Japanese colonisation of Korea (1910-1945) (Fukuoka, 2000). This community usually adopt Japanese names and are indistinguishable from Japanese citizens. However, as they do not hold Japanese nationality, they are barred from

economic or educational status from myself. [1] I am aware that one limitation of this thesis is that it does not address in any depth how globalization has resulted in an increased flow of female migrant workers into Japan. Increasing migration is an important effect of globalization, and takes very gendered forms, as I shall discuss in Chapter Three. Furthermore, non-Japanese women are recruited to Japan fill very specific niches in the labour market, which have arisen as because of globalization. These niches include carrying out sex work and being recruited to be wives of Japanese male farmers. However, conducting primary research about female migrants such as these would have raised significant ethical problems. It would have involved using a group of people with comparatively fewer life chances than I have had, in order to further my career, without being able to offer them any reciprocal benefits of participating in research. It would also have raised issues of 'race', sexuality and colonialism that are not core to my central argument and are therefore outside the scope of this thesis. This thesis therefore addresses female immigration to Japan, only insofar as it affects or does not affect the productive and reproductive work of the Japanese women. As far as power exerted in the research process was concerned, although I was genuinely supportive of the cause of WWN and WWIN, my primary goal in coming to Japan, and in joining the groups was to conduct research, the parameters of which I had defined in advance. Many of the activists were also experienced researchers and were therefore well aware of the research process, advising me on useful seminars and court hearings to attend, and on

---

certain government employment, and, if they attend Korean schools, may find that their high school graduation is not recognised by tertiary level educational institutes, and therefore they suffer disadvantage in pursuing further studies. Another community, known as 'Burakumin', are ethnically Japanese. Burakumin are descendants of former hereditary occupational outcaste groups. Despite legislation, and well-organised campaigns from Burakumin activists, these communities continue to suffer socio-economic and educational disadvantage. The indigenous communities known as Ainu are geographically concentrated in Hokkaido. They are physically distinct from the ethnic Japanese. Ainu people are three times more likely to be living on benefits than the majority population, and high school enrolment among Ainu children is only 78.4 per cent compared to a national average of 94%, with obvious negative consequences for their future employment (Keira, 1996: 12).

Japanese texts to consult. These women agreed to be interviewed and loaned me materials that they had used in support of their case. The organisations in question were keen to attract foreign members. They used strategies such as hosting websites in English, advertising their meetings in an English language magazine and sending out regular updates of their activities to an international mailing list. This was an overt attempt to employ a 'boomerang' strategy such as that described by Keck and Sikkink (1998)[7]. Nonetheless, I am acutely aware that the exchange was not equal, and their contribution to my work was far greater than my contribution to theirs.

During the fieldwork process, and afterwards, I took steps to avoid falsely representing the groups with whom I was working. I showed draft papers to activists, gave talks to women's groups and asked questions of Working Women's International Network and *Shosha ni Hataraku Josei* to check whether they believed I was accurately representing their actions and opinions[8]. I also conducted a focus group meeting with an organisation of women who had worked together to produce an English-language book about the situation of women in Japan, and exchanged ideas with members of *Japan Women's Messages*. In the interests of reciprocity, a copy of this thesis has been provided to Working Women's Network.

Initially, the majority of questionnaires and semi-structured interviews were carried out with the aid of interpreters and translators. When my Japanese language proficiency improved after auditing MA Japanese language classes at the University of Sheffield, I began to carry out interviews without an interpreter present, but using a translator to help me transcribe interviews. Some respondents wished to carry out interviews in English, because they

---

[7] The 'boomerang strategy' refers to a situation where State A blocks redress to organisations within its boundaries. These organisations activate transnational networks, in an attempt to persuade members to pressurise their own states and (If relevant) a third party organisation), which in turn pressures State A (Keck and Sikkink, 1998).

[8] I am particularly grateful to Professor Komatsu Makiko and Ms Usui Yuki for the insights they provided during and after the fieldwork period.

had lived in English-speaking countries, they met to discuss women's issues in English, or they produced a bilingual magazine. In these cases, I have used verbatim transcripts of the interviews (with omissions or additions for clarification in square brackets) when quoting these respondents in this thesis. While I believe the meaning of the quotations to be sufficiently clear, the wording of some quotations may seem unconventional.

During my fieldwork, I frequently attended lectures and seminars organised at the Dawn Centre (Osaka women's centre). These events were not only extremely informative in their own right, but also enabled me to first gain contact with, and subsequently interview representatives of, both trade unions and organisations for professional women. The Dawn Centre has an extensive collection of journals and press cuttings about the situation of women in Japan. This material and material supplied by the *Tokyo Josei Union* and two other unions (which remain anonymous in this thesis), provided concrete examples of recent case studies of legal changes as well as changes in company employment practice. The Japan Institute of Labour, the Ministry of Labour, and the Gender Equality Bureau of the Prime Minister's Office and Japanese think tanks and business organisations also provide a considerable amount of statistical data about the gender composition of different parts of the labour force and detailed information about changes in laws and policies in the face of globalization.

As the diversification of employment resulting from restructuring is often presented by proponents of restructuring as enabling diverse women to fulfil their potential in different ways (Koike 1995), it is important to gauge whether women feel this to be the case. Using the same snowball technique used the 1996/1997 survey, I carried out further semi-structured interviews with female agency workers, part-time and full-time employees and women who have chosen or attempted to enter the management track of firms. Initial contacts were made through my membership of the grassroots organisation, *Women Helping Women*.

1. 4. Organisation of thesis

This thesis is divided into three sections. Chapters Two and Three review the theoretical insights which have informed this thesis. Chapter Two presents a synthesis of insights from theories of globalization, the state and historical institutionalism, and Chapter Four critically reviews the attempts that have been made to 'gender' globalization. Chapters Four and Five are an essential background to the analysis by setting out conditions specific to Japan, namely the position women have traditionally held in the Japanese labour forces since 1945 and the pressures of globalization on the Japanese economy. Chapters Six and Seven present empirical evidence to show the changes that are occurring for women working in the regular and non-regular workforces in Japan. The final substantive chapter, Chapter Eight, examines women's activism, describing both the struggle against the effects of globalization that these women perceive as negative, as well as the use feminist campaigners are making of transnational networking and transnational organisation to change their work situations. Each chapter contributes to meeting the central aims of the thesis. The aims are shown in italics).

Chapter Two contributes towards meeting the first two aims listed above:

- *To show how the secondary effects of globalization on the Japanese workforce are mutable and are shaped by the responses of the Japanese state, and other actors and institutions.*

It does so by providing a synthesis of insights from three areas of enquiry: the globalization debate, theories of the state, and historical-institutionalist views of structure and agency. The chapter begins by summarising the main theoretical perspectives surrounding globalization, defining globalization and discussing whether it is a real phenomenon. It examines the work of hyperglobalizers, who argue that globalization is a real condition, which has rendered the nation state irrelevant. However, as the chapter illustrates, closer analysis shows that the nation state is still a salient feature of an increasingly globalized international political economy. The chapter then examines the work of sceptics and shows that, while some of their

reservations about the triumph of globalization are valid, globalization is a phenomenon that is qualitatively different from international trade and is a process that has been increasing in momentum in recent decades. The transformationalist thesis was found to be the most convincing in that it recognises that globalization is a progressive phenomenon, and that its effects are mutable, because they are refracted through the institutions of different states. As evidence will be presented about how the Japanese state had been implicated in facilitating the reorganization of employment in Japan as a response to globalization, the next part of this chapter will examine the role of the state in an increasingly globalized political economy. Examples are provided to show that, while the state remains highly relevant in an age of globalization, and indeed is a necessary enabler of the *project* of globalization, the role and the capacity of the state are changing. This thesis also draws upon historical institutionalist perspectives, which assert that, rather than necessarily converging, states' development will tend to be 'path dependent'. This means, that, although individuals and groups within a society, and ideas that gain acceptance within that society, can have an impact, the institutions of a society, ranging from its laws, to its normative social order will tend to influence the way it develops and reacts to external shocks (such as globalization). Chapters Six, Seven and Eight will discuss how Japan's laws, company practice and gender order have affected the positions open to Japanese working women and how these institutions have accommodated the changes wrought by globalization, thereby *showing how the secondary effects of globalization on the Japanese workforce are mutable and are shaped by the responses of the Japanese state, and other institutions.*

Theories of globalization, the state and historical institutionalism have, to a large extent, been formulated without consideration of gender, although the impact of globalization has been shown to be heavily differentiated according to, *inter alia*, gender. As the focus of this thesis is the impact of globalization upon women in Japan, Chapter Three will critically review attempts to 'gender' the analysis of globalization. This is in order *to contribute to the feminist debate about the impact of globalization upon women by bringing in insights*

from the case of Japan. The chapter sets out major strands of feminist debate about the impact of globalization upon women, showing how an understanding of feminist ideas greatly enriched the theoretical framework outline in Chapter Two. The chapter identifies areas where the Japanese case exemplifies or runs counter to existing hypotheses, and lists general hypotheses about gender and globalization, the validity of which in the case of Japan will be examined in Chapters Six, Seven and Eight.

Feminist analyses of globalization can be divided into three main areas: two theoretical and one empirical. Firstly, feminist critiques of neo-liberal economic globalization are an extension of more general critiques of the gender blindness of neo-classical economics, which has been heavily drawn upon by promoters of neo-liberal economic globalization. Secondly, feminist writers have also perceptively discussed the gendered nature of the *discourse* surrounding globalization, that is, the way that hegemonic discourse constructs globalization as a natural, and irresistible force, to which feminised national cultures must submit. Thirdly, feminist researchers have conducted empirical case studies, which show that the actual effects of global restructuring on women are complex and contradictory. Some educated and/or middle class women in most countries are gaining job positions that were not previously open to them. There is also some, disputed, evidence that women in developing countries experience economic gains, as their countries become integrated into the global economy. However, such change does not necessarily mean a rise in social status, and views about how globalization affects the status of women within families and societies are mixed. In states where women's social and economic rights have been well established, a move towards economic liberalism can lead to job losses. Although, little has been written on how the social and economic processes associated with globalization affect Japanese women particularly, drawing out key observations about the impact of such processes upon women globally provides a basis for comparison. The relative wealth of Japan means that it is some ways difficult to draw parallels with studies of the impact of globalization upon women elsewhere in Asia. However, women's increasing incorporation into the workforce, the use of women as flexible labour; women's reproductive

work filling the gaps left when states withdraw from the provision of welfare; grassroots mobilisation loosening the bonds of custom, and the use of transnational networking are all observable phenomena in Japan, as elsewhere. The pre-existence of a distinctive national model of capitalism, Japanese gender roles and the persistence of the three generation household, however, differentiate Japan from other First World countries.

Following reviews of the general theoretical literature about gender and globalization, Chapter Four provides more country-specific information about the role key economic actors in Japan have played in facilitating neo-liberal economic globalization. It also explains the reciprocal effects this has had on the Japanese national model of capitalism and on the institutions of Japanese society. The chapter situates the 'Japanese economic miracle' in the context of the Cold War, and shows how US security considerations enabled Japan to develop a very distinctive and economically successful model of production, which was nonetheless dependent upon women being largely confined to peripheral positions in the workforce.

Japan's own security considerations, trading relations, and economic pragmatism encouraged the Japanese government and Japanese companies to invest overseas. The globalization of Japanese production followed on from the globalization of Japanese capital investment, as economic change encouraged companies to locate more and more production overseas. The collapse of the Bretton Woods system in 1970, the 1985 Plaza Accord in 1985 and the 1996-7 East Asian financial crisis were key discontinuities, which fuelled the outflow of capital and production. This 'hollowing out' of Japanese industry has resulted in the steady erosion of the capacity of the Japanese state to influence Japanese corporations. Japanese policy-makers have experienced pressure from sources both inside and outside Japan to allow Japanese firms to produce overseas and to allow entry of foreign companies into the Japanese domestic market. However, while imports have entered Japan, Japan has seen very little foreign direct investment. Consequently, it appears that net flows of jobs and finance are out of Japan.

Japanese industry has tried to counter this challenge by attempting to cut costs of domestic production, by reducing labour costs and making the workforce more numerically flexible. The chapter goes on to explain how the impact of globalization upon Japan is not only economic, but also social and cultural. Japanese managers and students today have more diverse experiences through work that are altering their attitudes about social relations within the workplace, including gender relations[9].

Chapter Five describes how the institutions of Japanese state regulation and company practice in Japan, in combination with pre-existing gender relations in Japan, have played a large part in constructing a gender order in which men and women experience employment very differently. In general, since the Second World War, young Japanese women have been confined to routine jobs with little or no training and have been expected to leave paid employment upon marriage or childbirth. However, even before the acceleration of the process of globalization (explained in Chapter Five), gender relations in the post war Japanese model of capitalism were evolving. Societal and demographic change, educational advance and the increased acceptance of the ideology of equal labour rights have resulted in a gradual increase in the determination of Japanese women to continue to work. A minority of determined women have succeeded in establishing themselves as professionals and a larger number of women have re-entered the workforce as non-regular employees. Both as short-term regular employees and as non-regular workers, Japanese women have enabled Japanese companies to maintain secure and well-rewarded employment for most male company employees. As shown in Chapter Four, the Japanese national model of capitalism emerged in the very specific conditions of the immediate post war period. As Japan becomes ever more integrated into a very different international economy, this model is undergoing changes, which will both impact upon and be affected by the actions and choices of Japanese men and women. The chapter will *examine the extent and nature of women's*

---

[9] The extent to which this change has altered the position of female regular workers in Japan is examined in more detail in Chapter Six.

participation in both the non-regular workforce and the different sectors of the restructured regular workforce. This aim will be further developed in Chapters Six and Seven.

Chapter Six examines the role that the Japanese state has played in changing the regulations governing the employment of regular women workers. It goes on to explain how this interacts with the desire of Japanese companies to reduce labour costs to compete more effectively in an increasingly global economy. In particular, the chapter shows how the promulgation of the EEOL and the repeal of protective legislation have institutionalised a dual labour market. The chapter examines the extent to which, and the way in which, the regular workforce is being re-organised, through studying how firms have adopted tripartite recruitment and employee organisation. The vast majority of women work in less-skilled jobs than their male counterparts, and leave the workforce to raise children. For a minority of highly skilled specialists, professionals, and extremely dedicated *sogoshoku* (management track) employees, legal changes and restructuring are shown to provide some labour rights, despite frequent violations of the spirit of the law. However, historical institutionalists recognise the importance of ideas, as well as institutions, in politics. For society in general, the EEOL seems also to have contributed to changing attitudes about working women, and has given activists for women's labour rights a tool to use in the courts to fight against sexism in the workplace.

Most women who leave the workplace to raise children return as 'non-regular', part-time, temporary or agency workers. The regular and non-regular workforces in Japan are strictly differentiated. Non-regular workers can expect to receive lower wages, fewer fringe benefits and less legal protection than their full-time regular co-workers, and to be excluded from trade union membership. Chapter Seven details the growth of the non-regular workforce in Japan, and the characteristics associated with part-time work, agency workers and homeworking.

This change is particularly apparent in sectors, such as the airline and banking industries, which have become more subject to foreign competition, or are vulnerable to capital flight. The affected industries have, therefore, attempted to restructure their workforces to cut costs and increase flexibility. The Japanese government has facilitated this restructuring through legal change. This restructuring not only makes use of the skills and experience of Japanese women in the workplace, but also enables the government to keep spending on welfare to a minimum, because, as shown in Chapter Three, women's reproductive work fills gaps left by state cutbacks. However, as the non-regular workforce has grown, it has also diversified. Chapter Seven also details the development of 'regular' part-timer jobs and in the number and types of job that may be filled by dispatched workers. Chapters Six and Seven also determine the characteristics of women who typically participate in different sections of the labour force, examining the effect of labour market and household structures. Taken together these two chapters demonstrate that the impact of globalization has had complex and contradictory effects on the situation of working women in Japan.

Chapter Eight describes how campaigners in Japan are raising the global profile of Japanese women workers in order *to describe the actions women are taking individually and collectively to resist or campaign for change in their working environment and the laws and practices regulating it.*

The institutions of the parliamentary system and mainstream trade union movement have largely excluded women. As a result, female activists have tended to concentrate their efforts in community groups or women's networks (cf. Chapter Three). Ironically, women are now gaining more national political representation, as national state capacity is decreasing (cf. Chapters Two and Four) However, as the powers of the state are devolved to the subnational level or being lost to supranational organisation (cf. Chapter Two) some feminist activists are proving to be successful political actors at the local, transnational and international levels. A case study of *Working Women's Network* exemplifies the characteristics of feminist activist groups in Japan: a

high degree of commitment from members, longevity, a combination of research and protest, and effective use of institutional facilities for women.

The final chapter summarises the main findings of this thesis and examines these findings in the context of claims made about the relationship between gender and globalization, then makes suggestions for appropriate further work in this area.

1. 5. Summary

Globalization is a multi-faceted process, which impacts differently upon different states and upon different groups within those states. Although globalization generally results in a reduction of the sovereignty of the nation state, the effects of economic globalization are mediated by state action and by national economic, political, social and cultural institutions. This thesis examines the impact of globalization upon women working in Japan, using a theoretical framework that draws on literature about globalization, the state, and historical institutionalism. An explanation of this theoretical framework and insights from literature about gender and globalization form the first major section of the thesis. The second section describes Japan's role in promoting globalization and the role that women have played in the Japanese labour force during the post war period. The third section shows how this role is changing with the impact of state re-regulation of Japanese employment, and company attempts to 'flexibilize' the workforce. It then goes on to describe and assess the effectiveness of women's activism under these changing conditions. The final chapter summarises the main arguments of this thesis, and contextualizes these arguments in debates about gender and globalization, and, finally, offers suggestions for further research.

Chapter Two:

Globalization, the State and Historical Institutionalism

2. 0. Introduction

This thesis argues that the Japanese model of capitalism is becoming less economically competitive in an increasingly globalized international economy, and that the Japanese and other key economic actors are attempting to counter this by deregulating the Japanese labour market and restructuring the Japanese workforce. Simultaneously, changing social attitudes and an emerging global standard of sexual equality of opportunity have created a momentum in favour of legal change and the 're'-regulation of women's work in Japan. Both deregulation and re-regulation are taking place in a specific national context. The changes being made are interacting with pre-existing social and political institutions in Japanese society, particularly the Japanese national model of capitalism, and the gender norms of Japanese society. In addition, workplace practices are being affected by the responses of workers and campaigners. Some advocates of sexual equality have also adapted their responses to the organization of labour in Japan to changes in the global political economy. The outcome of this complex interaction between the forces of globalization, national socio-economic and political institutions and the actions of, and reactions to, activists is that globalization impacts differently upon men and women in the Japanese workforce. To examine the impact of globalization and restructuring upon women in Japan, it is therefore appropriate to draw upon important insights from literature about globalization, the state, and the relationship between institutions and actors, described in the theories of historical institutionalism. This chapter critically reviews mainstream perspectives in these areas, assessing their validity and identifying both their shortcomings and their relevance to this thesis.

The concept of globalization describes the exponential growth in recent decades of trans-national interdependencies and interconnections. Globalization has been particularly significant in the economic sphere. Trade flows have increased, the world's core economies have significantly increased their foreign direct investment (FDI), and the processes of

production, exchange, distribution and consumption of goods and services are increasingly being organized on an international basis. However, globalization is also said to be fundamentally transforming the political sphere through institutional innovations, and the internationalization of control and surveillance, such as global regulations upon trade and the international policing and law. Furthermore, the cultural sphere is being transformed through the representation of 'facts, affects, meanings, beliefs, preferences, tastes and values' (Waters, 1995:8). As a consequence of these changes, advocates of a 'strong' globalization thesis, such as Ohmae (1995), argue that we now live in a 'borderless world', where states are irrelevant. Others argue that globalization is a 'myth' (Hirst and Thompson, 1996) or at least a large overstatement (Ruigrok and van Tulder, 1995). Those termed 'transformationalists' (Held et al, 1999) accept that globalization is a genuine 'transformation of social geography marked by the growth of supraterritorial spaces' (Scholte, 2000:8), albeit that they accept that this transformation is an uneven process, and that globalization has not (yet) rendered territoriality redundant.

Section 2.1 begins by defining globalization and then critically reviews the main theoretical perspectives on globalization, presenting empirical evidence to show that globalization is a real phenomenon, which is qualitatively different from internationalization. In addition, this section introduces the idea that globalization is not a phenomenon driven purely by technological change and economic logic. Globalization is also a *project*: the goal of states, companies and individuals, albeit that their decisions create a momentum which encourages further integration. The section explains why theorists believe that the processes of economic globalization are having, and will continue to have, a significant impact on the labour forces of modern industrialized countries, and is impacting differently on different groups within those labour forces, but note that the *way* in which these processes impact upon groups or nations is mediated by cultural and institutional factors. In other words, there is a complex interaction of global and local forces.

Section 2.2 presents and critically analyses literature about the role of the state under these new conditions. The section examines the extent to which globalization has led to a decline in the *de facto* power of the state, or, according to the alternative thesis, the extent to which states have merely changed their policies and reformed their institutions to better cope with increasing internationalization. Empirical evidence shows that both of these perspectives have shortcomings. The state is not powerless, but the nature of governance is constantly changing in a globalizing world undergoing globalization: power is exercized at supra- and sub-state levels; the state is serving different constituencies; new actors are being incorporated into the governance process; and new forms of political participation become more salient.

Section 2.3 sets out the historical institutionalist perspective. Institutionalism has proved to be an influential tool in the analysis of Japanese political economy. The institutionalist analysis illustrates how ideas and actors form social, political and economic institutions and how those institutions create a 'path', which a national mode of capitalism will follow. Although the preferences of actors are largely formed by the institutions of the society in which they live, individuals do have choice of action within those institutions and can influence and reform those institutions, particularly in times of flux.

2. 1. Globalization

Globalization has been described as "*the* concept of the 1990s, a key idea by which we understand the transition of human society into the third millennium" (Waters, 1995: 1). The hegemonic nature of this discourse of globalization can be accounted for by both market-led trends in the organization of

production and changes in policies resulting in a normative preference for neo-liberal economic globalization among influential policy-makers[10].

Political, economic and social changes have cumulatively created a momentum towards a more globally integrated economy. Economic globalization was greatly facilitated by the decolonization that followed the end of the Second World War. This ended the segmentation of the world economy into zones controlled by different imperial powers. In 1944, 44 delegates of the United and Associated Nations met Bretton Woods conference met to establish an international economic order based up the liberalization of international trade. They set the rules of cooperation for the convertibility of the dollar into gold and the exchange rates regime, and the US dollar became the international reserve currency. Demographic change in mature Western economies in the 1960s and 1970s encouraged the internationalization of production. Falling birth rates meant that Western economies had tight labour markets characterized by low unemployment rates, high wages, and chronic labour shortages. Despite recruiting migrant workers, generally from former colonies, industrialized countries lost their international comparative advantage. Developing countries had abundant labour, high urban unemployment and low wages. TNCs' total profits are likely to be much higher that those of local firms, so, even though their reinvestment and tax payments to their host countries might be relatively small as a percentage of total profit[11], Third World governments had every

---

[10] This will be examined in more detail in the Section 2.2.

[11] Critics of overseas investment argued that it was of dubious benefit to host countries because:

The wages of Third World workers were lower and working conditions worse than in the home countries of TNCs

Few transferable skills or industrial linkages of use to the host country were generated

Developing countries became heavily dependent on foreign capital

Few taxes were paid by TNCs in the host countries

High profits accrued to foreigners and these profits were mostly remitted overseas (Lim, 1997).

incentive to encourage FDI. A further motivation for American and European manufacturers to shift production overseas was to cut costs, so that their products could compete with imports of low-cost Japanese manufactured goods[12].

The Bretton Woods system was effectively made obsolete in 1971 when the US moved to a floating exchange rate and other countries followed suit[13]. This creating an incentive for currency speculation and for firms to move their sites of production to countries where wages became relatively lower. In 1973, members of the Organization of Petroleum Exporting Countries (OPEC) agreed to quadruple oil prices[14]. This decision sent shock waves through First World economies. Financial markets and manufacturers tried to compensate for the crises in their home markets by seeking new markets and investment opportunities, leading to an increase in bank lending to the Third World, a rise in the Eurodollar market and an increase in FDI relative to production in advanced economies. As the value of the yen increased and labour costs grew in the 1980s, Japan experienced the same tight labour markets resulting from demographic change that Western competitors had

---

[12] The reasons for the success of Japan's export-oriented development strategy will be explained in Chapter Four.

[13] The multinationalization of US firms from the 1960s, led to an increased outflow of foreign capital from the US, and a consequent trade deficit. This was exacerbated by the costs of the Vietnam War, and confidence in the dollar started to slide. States began to convert their dollars, which they used in international trade, into gold. The US reacted by announcing in August 1971 that it was going to abandon the convertibility of the dollar. Consequently the exchange rates set at Bretton Woods broke down, and states were forced to float their own currencies.

[14] In an attempt to undermine Western, and particularly US, support for Israel during the 1973 Yom Kippur War between Israel and Egypt (and several other Middle Eastern states). OPEC countries nationalized petroleum production facilities, reducing production by 25 per cent and imposing export quotas. Oil prices quadrupled within the year, reaching $12 per barrel. As Western countries had a high level of demand for oil and very limited capacity for replacing oil from the Middle East, the costs of manufacturing production soared.

experienced in the 1960s and 1970s, with the result that Japanese production also was increasingly moved to low wage economies[15]. Rising oil prices also led to increased migratory flows, especially to Middle Eastern states, which were oil-rich, and keen to develop, but, as they were sparsely populated, had significant labour shortages.

In the 1980s and 1990s, rapid advances in information technology, transport and communications made it possible to organize production on an international basis. In addition, these advances were also changing the values of diverse societies, opening them to intercultural interaction. FDI grew at an exponential rate[16]: between 1985 and 1990 it grew at four times the rate of world output and three times the rate of trade (Ostry, 1996:334). During this period, trade has also grown at consistently higher levels than output. The ratio of exports to gross domestic product (GDP) in countries participating in Organization for Economic Co-operation and Development (OECD) rose from 9.5 per cent in 1960 to 20.5 per cent in 1990 (Wade, 1996: 62), also indicating increasing international interconnectedness. Since the end of the Cold War, Eastern bloc countries have been increasingly integrated into the world economy and they too have become important destinations for FDI.

The export of capital from First World economies to developing countries led to the rapid development of the Newly-Industrialising Countries (NICs). These areas increasingly produced goods for export to First World markets. The low wages which attracted investors to Asian and East European economies allowed products to be produced more cheaply than if they were

---

[15] Japan had additional, political, reasons to produce overseas, as Chapter Four will explain in more depth.

[16] FDI involves the investment of capital and consists not just of flows of finance but of specific types of technology, management styles and organizations of labour. As a result, FDI has more profound consequences for political and social globalization than trade links or even shifts of purely portfolio capital.

produced in the core economies of the First World. Consequently, many manufacturing jobs were 'exported' to the Third World, a process known as 'hollowing out' (or *kudouka* in Japanese). From the mid-1970s, there was also an increased flow of migrants who came to work in the rapidly developing Asian economies, particularly Taiwan and Singapore. This re-ordering of the international division of labour had reciprocal effects on production in First World economies.

Globalization has had a profound effect on the economies of nation states and has lead to changes in the types of work available and the way that work is organized. Globalization is therefore a *structural* phenomenon. However, in addition, the world economy is increasingly subject to *cyclical* forces (Dicken, 1998: 429). Structural change means that many manufacturing jobs which used to dominate the economy in the First World have been 'exported', as the availability of new technology and liberalization of financial flows have made it easier to organize production on an international basis. This structural change has led to a decline in the proportion of semi-skilled and unskilled jobs available in First World nations. Furthermore, where the volume of outward investment of TNCs is very high, there are bound to be adverse effects on employment in the domestic economy. Conversely, there has been a growth in new types of work in service industries at both ends of the employment spectrum. Those who carry out poorly paid service work, such as childcare, household cleaning, and work in call centres and late night convenience stores, facilitate the work of others in highly paid but time-consuming jobs in fields such as information technology and financial services. The collapse of the Bretton Woods system, state withdrawal from economic demand management and the liberalization of capital flows have together increased the likelihood of cyclical fluctuations, and, moreover, reduced the capacity of states to act in concert to implement counter-cyclical policies. These fluctuations result in periodic recession, a consequent decline in the demand for goods and services, and hence corresponding decline in the demand for the workers who produce them. In response,

employers have attempted to cut back production costs and to make labour more flexible (to be examined in later chapters). Firms that have not gone overseas have invested in machinery to compete with low-cost labour; with a consequent reduction in job opportunities for unskilled and semi-skilled workers.

Although Dicken and several of the other mainstream theorists (for example, Held et al, 1999) cited in this chapter rightly note the changes in the labour market associated with the processes of globalization, and draw attention to the increased significance of service sector and non-regular jobs, they neglect to detail and analyse the gendered effects of these changes. The overwhelming majority of temporary workers and those engaged in poorly-paid service work in First World countries, are female. Furthermore, migratory flows are very 'gendered', with male and female migrant workers carrying out very different tasks.

The concept of globalization does not only encompass increased economic integration and increased flows of capital, but also social, political and cultural change. Appadurai (1990) identifies five increasingly strong 'flows' that produce globalization. *Finanscapes* are the increasingly rapid flows of international capital between national economies. *Ethnoscapes*, or flows of people, such as tourists, or guest workers, are impacting upon domestic and international politics to an unprecedented extent. *Mediascapes* are flows of images and information through the mass media, disseminating central ideas, terms and images central to *ideoscapes*, the international dissemination of the ideologies of freedom, welfare, rights, sovereignty, representation and democracy. *Technoscapes* are flows of technology. These processes reinforce each other. For example, ethnoscapes are facilitated by the spread of technology in the form of the increased accessibility of air travel. This multiplicity of flows implies that the process of globalization has social and cultural, as well as economic impacts.

Giddens sees globalization as resulting from an extension of the process of modernization. Modernity's dynamism stems from *time-space distanciation*; the *disembedding of social systems* and the *reflexive ordering and re-ordering of social relations* (Giddens, 1990:16-17). Following McLuhan, he believes that time and space have become disembedded. Connections can be formed between people and cultures across great distances by symbolic *tokens*, such as money. These tokens form the means of conducting economic relations across great distance. In addition, *expert systems* (technical knowledge that can be applied in a range of different contexts) provide 'guarantees' of expectations across distanciated time-space'. In other words, people have expectations of expert processes, even when they do not know how these processes function. For example, it is accepted that computers control the movement of traffic, and that architects build structurally sound buildings. These expectations permit social relations to be restructured across great distances. The flows of information permitted by technological innovation mean that communities become reflexive, looking to print and electronic media for information on every subject and change their behaviour based on this new information, rather than purely relying on tradition.

> "Social practices are constantly examined and reformed in the light of incoming information about those very practices, thus constitutively altering their character." (Giddens, 1990:38).

This incoming information leads to the spread of ideas and ideologies, and sometimes the adoption of ideas and practices[17]. Consequently societies becomes much more *reflexive* and aware of the precarious and contingent nature of their own structures and institutions. Reflexivity is a somewhat wider concept than 'self-consciousness': it refers rather to the 'monitored character of the ongoing flow of social life' and, as human beings are purposive agents, they will be able to reflect discursively upon their actions and choices (Giddens, 1984). This phenomenon of reflexivity resulting from

---

[17] An incontrovertible example of this is the adoption of Japanese production techniques several factories in the US and Western Europe, following the publication of works such as the MIT study, *The Machine That Changed The World* (Womack et al, 1991).

flows of ideas, ideologies and practices, is very pertinent to this thesis in two ways. Firstly, neo-liberal economic globalization is also overtly linked to this reflexivity about hitherto consensual ideas. For example, the election and administration of New Right leaders, notably Margaret Thatcher in the UK (1979-1990), and Ronald Reagan in the US (1981-1989), were instrumental in disseminating policies of the deregulation of labour markets, the privatization of nationalized companies and provision of welfare, move from Keynesian demand management to monetarist economic policies. Secondly, an obvious potential area for reflexivity is gender relations. All societies have culturally-specific gender norms and localized patriarchal structures[18]. When exposed to the differing gender norms from another society, it becomes apparent that gender norms in one's own society are contingent rather than 'natural'. The restructuring of social relations between Japan and Western countries has encouraged reflexivity about gender roles as well as attitudes towards work and leisure (see especially Chapters Four, Six and Eight).

As the tendencies towards time-space distanciation; the disembedding of social systems and the reflexive ordering and re-ordering of social relations permit integration across ever wider distances, a globalized society and economy results. Of course, the process of social change is more complex and contradictory than the adoption of new technologies. As Featherstone (1987) pointed out, people who watch the same television programmes and movies respond to and interpret them very differently according to their own social and cultural context. The diversity of flows can also lead to the establishment or strengthening of new identities, rather than convergence. Those involved in identity politics and new social movements use new technology to contact or exchange ideas and campaigning strategies with others sharing their identity or values. This contact with others who share one's values or identify, can reinforce and increase the salience of such

[18] Walby (1986), for example, shows how in Britain, in the late nineteenth and early twentieth century, the concept of the 'family wage' was instrumental in excluding women from paid work, and enforcing working class women's dependence upon low-waged men.

values or identities (Mann, 1997). Islamic movements are one example of this phenomenon, although, of course, Islam is politically stronger in some countries than others. The feminist movement, on the other hand, spreads through almost all countries, although usually self-identified feminists account for only a minority in any society. The strengthening of non-territorial identities, the spread of ideas and ideologies and information technology, transport and communications have combined to augment the growth and effectiveness of transnational activism[19]. Section 2.3 will return to this theme, but Keck and Sikkink claim that transnational activism is particularly likely to be effective where it is centred around achieving the enforcement of issues around which there is an international consensus: these are likely to be issues involving bodily harm to vulnerable individuals and issues involving legal equality of opportunity (Keck and Sikkink, 1998).

In summary, as well as being a political project, and a transformative process, globalization is associated with attempts to establish a global standard of basic human rights, and of equality before the law. Thus, globalization can be viewed as a project by non-state actors to imagine and implement global rights (Sassen, 1996; Neysmith and Chen, 2002).

Is globalization really happening?

There is considerable debate about the extent to which globalization is a real phenomenon that represents a significant discontinuity from that which has gone before. This debate is complicated by the fact the some of the analysts

[19] That is not to say that transnational movements are new. Historical precursors include Anglo-American anti-slavery campaign, efforts by Western missionaries and Chinese reformers to abolish foot-binding, and the international socialist movement (Keck and Sikkink, 1998; Hanlon, 2002, personal communication). However, for the reasons cited above, such movements have increased massively in number and influence. Ninety per cent of the 15,000 transnational institutions (of all kinds) that existed in 1993, had not existed in 1960. Between 1970 and 1995, the number of international non-governmental organizations with consultative status at the UN increased fivefold (Cohen and Rai, 2000).

of globalization are also advocates of transnational production in a neo-liberal environment. Kenichi Ohmae has been described as a 'hyperglobalizer' (Held et al, 1999). He advances the thesis that, as the result of the forces of technology, transnational corporations, advances in information technology and competition, we now live in a borderless world, where the actions of states are, in effect, irrelevant (Ohmae, 1995). Hirst and Thompson, on the other hand, argue that globalization is a 'myth' (albeit a 'necessary myth') employed by policy-makers to justify the implementation of unpopular neo-liberal policies. Most theorists of globalization, though, fall into the third category, 'transformationalists' (Held at al, 1999). The transformationalist literature, represented by the works of Scholte (2000), Held at al (1999) Goldblatt et al (1997), Appadurai (1990) and others, offers a more nuanced analysis. The transformationalist literature describes globalization as stemming from increasing frequency of economic, cultural, political and social interactions across borders. Although globalization is gaining momentum, it has not (yet) rendered territories irrelevant, according to this school of thought. While transborder flows have an impact upon all nations, the precise nature of that impact will depend upon the structures, institutions and actors relevant to those nations.

The hyperglobalization thesis

Ohmae argues that we are now moving towards a 'borderless economy,' where 'nationalityless' global corporations will serve consumers by targeting products towards different regions and that this task will become increasingly simple as consumer tastes converge. He further recommends that developing countries open their doors to foreign investment and implicitly rejects the criticisms of the disadvantages experienced by Third World countries that encourage inward FDI (Lim, 1992). According to Ohmae, 'nationalityless' global corporations are qualitatively different to colonial institutions, such as the East India Company, that sought to repatriate profits.

He argues that the fixed costs of manufacturing in particular, mean that multinational corporations are not so 'footloose' as has been assumed (Ohmae, 1995). This is a very contentious argument. The East Asian financial crisis demonstrates how very quickly investment can be withdrawn from a country, and the impact that this has upon manufacturing there.

Ohmae is also optimistic that there is an alternative to the 'hollowing out' of corporations in the First World. He envisages First World firms maintaining their profit level by stimulating demand through innovation and 'branding' and by forming alliances with firms in other countries to create mutually beneficial supply networks. He relegates the role of government to that of producing adequate infrastructure to make their countries attractive to FDI and of educating its citizens to be wise consumers and good employees.

It should not, however, be assumed that the hyperglobalization standpoint is only associated with a neo-liberal viewpoint. Indeed, hyperglobalization does seem to be the logical conclusion of the Marxian thesis that firms will go ever further in the search for new markets to solve crises of overproduction and to cut production costs by finding sources of cheaper labour and raw materials. Amin (1997), writing in Marxist tradition, also takes as read globalization, while Wallerstein (2000) also argues that globalization is merely a continuation of the logic of capitalism[20]. The difference between neo-liberal hyperglobalizers and those on the political left is that the former tend to view globalization as the triumph of oppressive global capitalism, rather than the triumph of individual autonomy over state power (Held et al, 1999).

Several criticisms can be levelled at the hyperglobalization thesis. Ohmae's analysis can be challenged on empirical grounds. Most trade is not 'global' but, at most, regional (Goldblatt et al, 1997). Furthermore, at least formally, the nation state remains the locus of political legitimacy and power

[20] Wallerstein is not among the hyperglobalizers, however, as he believes that an alliance of progressive social forces could produce different outcomes.

(Fukuyama, 1992; Goldblatt et al, 1997; Weiss, 1998). Ohmae's prescriptions can be challenged on normative grounds. Ohmae does not differentiate between different groups of citizens in the new 'borderless economy'. He envisages consumers around the world benefiting; jobs being created in developing countries, and employment levels being maintained in First World economies. His vision of a constantly innovating core of permanent employees is one of the characteristics of the shift from Fordist production, characterized by large plants employing semi-skilled workers, to a post-Fordist situation, where a small number of highly skilled expert workers conduct research and development. However, the move from the economies of scale to economies of scope also depends upon the existence of a 'peripheral' workforce: more work is outsourced to developing countries, and there is an increasing reliance on part-time, temporary and casual workers, who, in many countries have fewer employment rights than full timers. Migrant workers who come to First World states are also unlikely to enjoy the conditions envisaged by Ohmae. As even the most economically liberal states generally do not support a free market in terms of labour, many migrant workers are undocumented and therefore unable to claim labour rights. Groups in the peripheral workforce tend to be segregated by gender (as well as by ethnicity, nationality and/or geographical location) as Chapters Three, Six and Seven will demonstrate.

The shortcomings and exaggerations of hyperglobalization and the conflation of analysis and policy prescription among some of its advocates has led the authors of the sceptical theory, discussed below, to dismiss the whole concept of globalization as a merely a discourse employed by political and economic actors in order to legitimate unpopular neo-liberal policies.

Sceptical thesis

Hirst and Thompson argue that globalization is a 'myth', although internationalization is not, and that there was more openness in international trade during the 50 years before the start of the First World War than there is today (Hirst and Thompson, 1996). They argue that the concept of the global economy, as currently described, is not significantly different from previous descriptions of the international economy. They criticize the tendency of globalization theorists to cite examples of internationalization of sectors and processes as evidence that global market forces increasingly dominate the economy. In a truly globalized economy, they argue, national economies would be first subsumed by and subsequently reintegrated into a global system through international process and transactions. The domestic policies of governments and private corporations would reflect that the sphere where they operate was primarily determined internationally. It would be difficult to regulate an economy that was socially decontextualized; hence there would be no protection for the casualties of market failure. Multi-national companies would become transnational companies, or genuinely footloose capital, which would source the factors of production and carry out marketing at a global level. Hirst and Thompson dispute that the world economy is now beyond regulation and control, but accept that regulation is currently unlikely to happen, as the states which have the strongest economic power have divergent interests and the elites in the G3 countries (Germany, Japan and the USA) have an ideological preference for *laissez-faire* economic policies. It is for this reason that globalization is described as a 'necessary myth' (Hirst and Thompson, 1996:1).

There is some truth in each of Hirst and Thompson's core arguments against the existence of globalization; and the case of Japan will show that globalization has both been pursued for political ends and used to rationalize

deregulation and flexibilization (see Chapters Four, Six and Seven). However, this does not necessarily mean that globalization is a myth. Each of Hirst and Thompson's main points are presented below (in italics). The extent to which each point is valid is then discussed.

- *The economy is no more integrated now than in the late nineteenth and early twentieth centuries. Industrial technology has permitted an international economy to exist since the 1860s, and in many ways, the present day economy is less international than that which existed between 1870 and 1924.*

Though the world economy might have been integrated before 1914, today's integration is qualitatively different. Before 1913, integration, though extensive, was shallow and consisted of trade in goods and services and international movements of capital. Today's world is characterized by deep integration, where the production of goods and services is organized on an international basis. In other words there has been a functional integration of internationally dispersed activities (Dicken, 1998; Went 2000). When comparing trade statistics with those of the earlier era, one should also take the following facts into account:

- The service sector now is much larger than in 1913 and non-financial services are largely non-tradeable[21].
- Many trade-replacing investments are taking place. For instance, 95 per cent of goods manufactured by Japanese multinationals in the US and the EU are also sold in the US and the EU.

---

[21] This observation is less true than it used to be. Advances in information technology now allow airline booking for passengers around the world to be carried out in the Caribbean, call centres for British, US and Australian firms to be operated in India, and secretarial work to be outsourced to anywhere with sufficiently skilled workers and adequate communications technologies.

- In 1913, most traded goods were raw materials, while today most are intermediate goods.

- *The truly transnational company is rare. Most companies are nationally based. They have one primary location, which permits them to trade multi-nationally.*

Even if TNCs have headquarters firmly based in one country, they have sufficient economic power to negotiate very favourable conditions with host nations. TNCs are often larger in economic terms than 'sovereign' nations. For instance, the annual turnover of General Motors, if assumed to be a measure of GDP would make it the 24th largest economy in the world. Similarly, Mitsui, Mitsubishi and Toyota, would be the world's 37th, 39th and 45th largest economies, respectively, while the Sumitomo Corporation, whose gendered employment practices are examined in more detail in Chapter Six, would be the 50th largest economy in the world (Went, 2000: 19). The top 200 companies control half of the global trade in goods (ibid: 21). TNCs have the capacity to negotiate national boundaries to gain dominance in a global market (Sklair, 1997). Even if they form only a small part of the market, they can still intensify competition and force domestic firms to re-evaluate their deployment of labour. Yashiro writes of the copycat effect of even small-scale foreign entry on service industries in Japan (Yashiro, 1998). TNCs can also extend their influence through forming networks and alliances with each other, with all levels of government, and with the subcontractors and smaller firms which supply them, arguably producing a new paradigm of 'concentration without centralization' (Harrison, 1997: 9). Benedict Harrison draws on Porter's (1990) work to describe the advantages TNCs accrue by retaining a strong national base. These advantages include government-supported technical institutes and links with the scientific community, as well as managers having shared social norms of behaviour with workers. Harrison concludes:

> "...the more the economy is globalized, the more it is accessible only to companies with a global reach...Dressed in new costumes, and armed with new techniques for combining control over capital allocation, technology, government relations, and the deployment of labour with a dramatic decentralization of the location of actual production, the world's largest companies, their allies, and their suppliers have found a way to remain at the centre of the world's stage." (Harrison, 1997: 12).

There has been a massive increase in international mergers and takeovers. Since 1990, mergers and acquisitions have accounted for a third to a half of all FDI flows (Held et al, 1999: 243). International ownership of assets is facilitated by lower transaction costs, financial liberalization and deregulation. Between 1991 and 1996, 95 per cent of the 599 changes to national FDI regulations worldwide facilitated FDI in some way (ibid: 243).

Even if firms continue to be domestically based, they may still be considerably affected by other firms' strategies of transnational production. There are many examples of companies which have remained domestically based, but which have invested heavily in capital equipment to replace labour and so reduce production costs to compete with firms using cheaper labour overseas (Ohmae, 1995). These replaced workers are therefore heavily, if indirectly, affected by the globalization of production.

- *Deregulation of capital, and subsequent capital mobility have not led to a transfer of resources from advanced economies to developing countries. Most FDI is highly concentrated in the First World and the NICs.*

Globalization has not produced a worldwide homogenous, integrated economy. Even proponents of a 'strong globalization' thesis admit the existence of the 'global triad' (Ohmae, 1995) of the EU, North America and East and Southeast Asia. This triad accounted for 87 per cent of world

manufacturing output and 80 per cent of merchandise exports in 1994, and in 1993 provided over 90 per cent of world FDI (Dicken, 1998: 60, 61). The share of FDI received by developing countries has actually decreased from 41 per cent in 1994 to 19 per cent in 2000 (UNCTAD, 2001: 6).

Giddens also accepts that the development of globalization is uneven and 'fragments as it co-ordinates' (Giddens, 1990:175). Much of the African continent is excluded from the worldwide division of labour and the Asian NICs continue to have business systems, which are distinct from those prevalent in the West. In addition, three-quarters of world merchandise exports come from the world's core economies, and 60 per cent of this trade is conducted within these same countries. However, this economic imbalance does not reduce the effect of increasing integration on the affected nations. The fact that the vast majority of trade takes place in the North rather than the South merely demonstrates the relative wealth of the two regions (Mann, 1997). Furthermore, Williams has analysed the role and impact of the World Bank in Africa, making the case that it is a 'liberal imperialist' institution, which imposes neo-liberal and global integrationist policies upon Africa, albeit in an attempt to remedy that continent's poverty (Williams, 1999).

- *The world economy is regionalising not globalising, and the existence of regional trading blocs, such as NAFTA, the EU and ASEAN, proves that sub-global regions can control footloose capital. Trade, investment and financial flows are concentrated in the triangle of Europe, North America and Japan, referred to as "G3". If they did co-ordinate policies, the G3 could powerfully influence financial markets and the international economy, as evidenced by the formation of regional trading blocs.*

Although regionalism entails a reconstitution of political borders, regionalism still implies territorially-based political projects. Globalization, on the other hand, implies the increasing irrelevance of geography. However, the distinction between regionalization and globalization is, in fact, a false

dichotomy. Scholte lists five ways in which regionalization has in fact facilitated the process of globalization:

- Standardization and harmonization of technologies, procedures and documentation facilitates supraterritorial connections
  - Regional common markets provide convenience and economies of scale for distribution and sale of global products
  - Regional customs unions facilitate transborder production
  - Governance at the regional level is effective in administering global norms of, for example, human rights or technical standardization
  - The growth of transborder consciousness prepares people for the construction of suprastate frameworks

(Scholte, 2000).

In fact, the economic crisis in East Asia brought into question the extent to which regional powers other than the US can influence financial markets. Although Japan, the obvious regional leader, at first refused to help stricken East Asian economies by opening its markets, it did propose providing money to redeem the debts of the other nations through a new multinational financial institution. The realization of this proposal would have led to money being redirected away from loans to the US, and consequently to a large rise in US interest rates (Johnson: 1998:658). Japan also proposed the following measures: keeping economic and trade links in place until the East Asian economies had had time to recover; transferring technology to enable the affected countries to move up the production chain and out of direct competition with China; guaranteeing sovereign bonds from East Asian states and banks, without imposing IMF-like conditions (Hughes, 1999). At a meeting on 19 November 1997 in Manila, the embryonic Japanese institution was abandoned and the IMF was entrusted with finding a rescue package. It made sizeable loans to Thailand, Indonesia, and South Korea, on condition of austerity budgets, high interest rates and sales of local business to foreign companies. It also challenged the distinctive model of economic organization in those countries. The influx of untaxable funds undercut women's savings

investment co-ops in South Korea and food and fuel subsidies in Indonesia came to an end. These measures were completely in keeping with the *laissez-faire* ideology of the IMF[22]. Johnson claims there is

> "... almost no chance that the IMF one-size-fits all remedies would succeed. Its economic ideologues not only know nothing about East Asia, they believe there is no need for them to know anything." (Johnson, 1998:659).

Though it may not be quite as economically powerful as previously, the US is still easily the most powerful single political and economic power in the world and the assumptions of US policymakers are embodied in the strategies of international institutions such as the World Bank and the IMF. These hegemonic institutions have the power to impose its 'solutions' on East Asia, even when these measures prove inappropriate. It seems, therefore, that even the powerful East Asian part of the triad has proved politically incapable of bucking the trend of neo-liberal economic globalization while the US and the international financial institutions are opposed to doing so.

In summary, globalization is clearly a genuine phenomenon, which has been gathering momentum in recent decades, even though it has roots in earlier economic and political processes. The internationalization of production and trade has lead to a rapid increase in transborder relations with respect to both extensiveness and intensity. Regionalization, rather than being an obstacle to globalization, has become a means of facilitating globalization. Although economic and cultural differences and inequalities persist between different regions and different countries within regions, these phenomena can be explained by viewing globalization as a continuing process rather than a state that has been reached. This is the position taken by advocates of the transformationalist thesis.

---

[22] There is a counter-example. In late 1998, the Japanese Miyazawa initiative did help the Malaysian government to reflate the economy and impose exchange controls against the expressed wishes of the IMF.

The transformationalist thesis

Goldblatt et al (1997) define globalization as involving:

> "... a *stretching* of social relations across time and space such that day-to-day activities are *increasingly* influenced by events happening on the other side of the globe and the practices of highly localized groups and institutions can have significant global reverberations... it is best thought of a multidimensional phenomenon applicable to a variety of forms of social action – economic, political, cultural or sites of social activity..." (Goldblatt et al, 1997: 271, my italics).

Transformationalists, such as Held et al (1999), Went (2000), Mann (1997), Dicken (1998), Scholte (2000) and Appadurai (1990) argue:

> "We inhabit a globa*lizing* rather than fully globa*lized* world."
>
> (Scholte, 2000: 59, italics in original)

Globalization is seen as an uneven rather than simple and linear, process. The different forms of globalization, including cultural, economic, or social processes, will have different geographical extensiveness, intensities, impacts, and degrees of institutionalization. This definition encompasses the differential integration of different nations into the world economy (Goldblatt et al, 1997). As Appadurai states, individual state policy can play a role in regulating, and determining the nature and extent of the flows of people; images and information, ideas and ideologies and technology and capital (Appadurai, 1990). Japan, for example, has proved very receptive to ideas and new technology and has been a pro-active player in economic globalization, while being less receptive to immigration. For comparison, the opposite might be true of Saudi Arabia. Therefore, rather than promoting convergence among different parts of the world, globalization can lead, at least initially, to divergence. Mann notes that there are varied patterns in the extent to which aspects of globalization touch different areas of the world (Mann, 1997). He observes that states differ in size, power, geography,

degree of centralization, degree of democracy, level of development, infrastructural power, geopolitical power, and national indebtedness. As the state is still the main legal and political entity through which the forces of globalization are mediated, it is likely that the changes it brings will also be differently embodied. Chapters Six to Eight will show how the institutions of the Japanese national model of capitalism and the gender order in Japan combine with the pressures of economic and cultural globalization to produce a new gendered division of labour in Japan.

Neo-liberal hyperglobalizers view globalization as proceeding from microprocesses, particularly advances in information technology (Castells, 1996; Ohmae, 1995), which create reflexive global consumers and the technology to serve their needs. In contrast, Marxists tend to view globalization as the consequence of the logic of capital accumulation. However, those who do not believe that globalization is fully institutionalized tend to see a role for the agency of states, networks, social groups and transnational organizations in promoting globalization or shaping the way it is realized. Global economic change, for example, is partially attributable to the actions of states as they try to respond to domestic economic crisis (although it should be noted that these domestic economic crises often stem from external shocks over which states have little control (Weiss, 1998). Sklair summarizes the roles of transnational corporations, states and financial institutions and actors in driving globalization. These roles include introducing flexible production methods, integrating production into global commodity and production changes, integrating sourcing and location strategies and embarking upon strategic alliances with other firms (Sklair, 1997). However, Sklair also posits the existence of a 'transnational capitalist class', made up of TNC executives, globalizing bureaucrats, politicians and professionals, and consumer elites, particularly merchants and media. Members of this class tend to consider themselves citizens of the world, rather than of their country of birth, and have outward-oriented global perspectives. They have often attended the same business schools, where they have absorbed the same approaches to economic management. This

class, he argues, exercise a disproportionate influence over the rest of society through their occupation of interlocking positions on the boards of not only companies, but also think tanks, charities, universities and sport, art and science bodies (ibid). The authority exercized by Japanese executives returning from US business schools with MBAs is an example of this influence (Dore, 2000). The 'hard' networks of international diplomacy are being bypassed by far more fluid and ongoing 'soft' networks of the officials of international bodies (Mann, 1997).

Went goes further. He argues that the *concept* of globalization is 'abused' by the transnational capital class to legitimate and encourage more globalization (Went, 2000). For example, he describes politicians justifying harsh policies as necessary responses to an internationalized economy, even though these politicians have created the very requirements for the response (for example, the Maastricht Treaty's convergence criteria). They point to growing economic interpenetration to justify taking part in more international organizations like the European Union (EU), the North American Free Trade Agreement (NAFTA) and the World Trade Organization (WTO). In other words, globalization is both a project and a discourse used to legitimize the adoption of *laissez-faire* economic policies.

However, the use of the discourse of globalization by advocates of neo-liberal economic policies, does *not* mean that the phenomenon of globalization does not exist. Even those opposed to 'globalization'[23], such as protestors at the 'Battle of Seattle', are taking advantage of global networks and ideas to battle

[23] Although dubbed 'anti-globalization protestors', it would be more accurate to describe the actions of these protestors as 'anti neo-liberal economic globalization'. The networks they establish are facilitated by the global processes described by Keck and Sikkink (1998) and Cohen and Rai (2000). Furthermore, their protests are aimed at policies, institutions and companies, which they see as violating an (implicitly) global standard of human rights and working conditions, of the type described in the works of Keck and Sikkink (1998), Sassen (1996) and Neysmith and Chen (2002).

against what they see as non-democratic and unaccountable global institutions.

2.2 The State

This section will describe and assess the validity of the most important claims made about the impact of globalization upon the state. It will discuss the proposition that the state has less capacity to govern now than it did during most of the twentieth century and the reasons for this perspective. It will then look at the opposing contention that states can maintain their political centrality and economic position by adapting to changing economic and political circumstances. The final part of this section will show that state regulation of the economy and society continues to be entirely necessary, although the nature of that regulation has changed.

The declining power of the state

The modern state is characterized by a tightening of relations between the state and society (rather than just the state and elites), and the stretching of social relations over national, rather than merely local, terrain. This deepening and expanding of state power has been termed 'social caging' (Mann, 1997). The role and functions of the state, or to be more precise, the majority of states in the Northern hemisphere, increased exponentially during the twentieth century. (The same generalization cannot made about states in the Southern hemisphere, many of which lack the capacity to govern the economy or society. Wars and ethnic conflicts in Africa have greatly stimulated transborder flows of people. Africa's refugee population grew from 300,000 in 1960 to 3.5 million in 1981, Held et al, 1999:301). From the time of the Great Depression of the 1930s onwards, First World states assumed responsibility for protection of their population's welfare and levels of employment *against* fluctuations in the international economy by employing various instruments such as economic protectionism externally and models of corporatism internally. The Bretton Woods institutions, developed after the

Second World War, attempted to prevent states from returning to destabilising economic nationalism. States became responsible to international financial institutions, such as the International Monetary Fund (IMF), the World Bank and the General Agreement on Tariffs and Trade (GATT), which were designed to enforce trade liberalization and maintain exchange rate stability. Domestically, however, states continued to employ different models of economic management (Cox, 2000; Gilpin, 2000). Different national models of capitalism emerged based on the institutions extant in each country: this will be explored further in Section 2.3.

The stagflation of the 1970s showed the limits to state control over national economies. Furthermore, as Wallace argues, three recent 'divergencies' that have contributed to individual sovereign states being unable to control the trajectory of change in the world economy (Wallace, 1990):

- *Economic change has become decoupled from the demand for resources.*

The introduction of less resource-intensive production, overproduction in agriculture and the increase in the proportion of First World production accounted for by services rather than goods means that economic growth does not necessarily correspond to increased production of resources.

- *Production has become decoupled from employment.*

Manufacturing jobs are increasingly 'exported' to low-wage economies, while new jobs in First World countries are increasingly concentrated in the service sector.

- *Financial flows have superseded flows of goods*

Transborder flows of capital and credit have exceeded flows of goods and services since the 1970s, encouraging governments to manipulate exchange rates to gain comparative advantage.

The result is what Lash and Urry (1987) call *disorganized capitalism*; a system where labour and other practices are developed in 'global cities' and then universal*iz*ed; state sovereignty declines and state policy instruments lose their effectiveness. This situation has been described as 'the retreat of the state' (Strange, 2000). There are at least two important caveats here. Firstly, economic development in the poorest countries has the potential to increase the capacity of the state (Mann, 1997). Secondly, even the most overtly neo-liberal states have failed to reduce the size of the public sector, cut their total budgets, or trim the scope of their regulation (Scholte, 2000).

Not only do states appear to have a decreasing capacity for economic management, but non-state based identities are growing in importance among their citizens. The former satellite states of the Soviet Union, for example, have seen a huge growth in ethnonationalisms. Scotland, Corsica, and the Basque country too have substantial sub-state identity movements. This trend is encouraged by an increasing potential for independent economic viability, if, for example, the sub-states are full participants in regional blocs, like the European Union. Improvements in information technology have made it easier for religious adherents, political activists, ethnic and sexual minorities, women, and others to share information and build solidarity with their counterparts in other countries. This development has not only grown organically out of technological change, but is also a pragmatic political strategy. Such groups might achieve a more sympathetic hearing at the international level rather than the national level, and combine to lobby at venues where transnational policies are developed. For instance, business lobbyists and trade unions keep offices near the IMF and the EU institutions; and anti-capitalist protestors won massive publicity for their actions in at the 'Battle of Seattle' in 1999, in Prague in 2000 as so much of the world's media was present to record, respectively, the meetings of the WTO; and the IMF and World Bank summit.

Again, though, it is important not to exaggerate the depth of these transborder connections. The vast majority of connections between individuals and groups take place within the nation state and the overwhelming majority of civic organizations are based within the state. What is more, the international connections between most anti-capitalist protestors quickly faded after the Prague and Seattle protests. Differences in opinion between members who appear to have the same interests often become more apparent as communications between them improve. Feminists, for instance, tend to be supporters of different types of *feminism* - liberal, radical, socialist, Black, eco (Scholte, 2000) – and some groups formed to advance women's rights eschew the label feminist altogether[24].

The 'myth of the powerless state'

In *The myth of the powerless state*, Linda Weiss (1998) challenges the notion that globalization has rendered the state powerless. She uses evidence from East Asia, Sweden and Germany to support her thesis that the most economically successful states continue to be governed by state-embedded institutions. Furthermore, different state capacities will impact upon how states adjust to changes in the international economic environment. She disputes that the state is powerless in the face of globalization for three reasons.

Firstly, Weiss shows that states have successfully adapted to changing circumstances, adopting different policies depending on the regime's historical priorities and its capacity for transformation. As a supporting example, she cites the Japanese government's success in protecting

[24] The All China Women Federation and its local branches, for example, work on domestic violence in urban and rural areas; the employment problems of migrant women workers in Special Economic Zones and urban areas, and organize public education around the phenomena of female infanticide and the abandonment of baby girls. Yet they reject the label 'feminist' as being "Western" and inapplicable to China (China Rights Forum, 1995).

employment since the two oil crises of 1973 and the early 1980s. However, Chapter Four will show that this success was at the cost of the female secondary labour force and large-scale underemployment of women. Chapter Three shows that, in the late 1990s, achieving even full *male* employment has proved rather more difficult for the Japanese state. It is entirely likely though that individual states' ways of adapting to the exigencies of globalization should take different path-dependent forms (see Section 2.3).

Secondly, the state is portrayed as the 'midwife' rather than the victim of globalization. Japan, Singapore, Taiwan and South Korea, in particular, are offered as examples of states that have encouraged the offshore relocation of production plants, promoting alliances between domestic and overseas firms and creating incentives for overseas investment. Chapter Four will summarize the considerable evidence for this. Other phenomena that can be cited as examples include governments' attempts to encourage FDI by adopting various measures such as non-discriminatory treatment of foreign firms, deregulation of certain sectors, such as telecommunications, various financial and fiscal incentives and various types of employment and labour policy (Wade, 1996). In other words, the globalization can be seen as a political project, as well as a transformative process.

However this paradox does not disprove the retreat of the state. A state choosing to constrain its freedom, or give up control of some of its functions, nonetheless ends up with less freedom and control, in the same way that a debtor agreeing to a tough repayments arrangement ends up with less disposable income (Strange, 2000). In fact, globalization can undermine state autonomy and political effectiveness, while at the same time, leading to an extension of state intervention and regulation to promote competitiveness and marketization (Cerny, 2000).

Thirdly, Weiss assumes the emergence of the catalytic state, which attempts to maximize control over its national economy through assuming a dominant

position in alliances of states, private sector groups and transnational institutions. Examples would include Australia's efforts to build the Asia-Pacific Economic Co-operation Forum (APEC), in a way that would encourage other states to adopt its own relatively liberal approach to trade and industry, and the US's attempts to do likewise through NAFTA. Even if this does not indicate a decline in the role of the state, it certainly seems to indicate a transformation in the level of governance from a national to supranational level.

In sum, some states have been pro-active players in the furthering of globalization, although the impact of the strategies they have adopted produced different results domestically. It also limits their future freedom of action. Some states have also attempted to maximize their economic power by participating in transnational alliances. However this indicates a change in the shift in the level of governance of the nation state. Other transformations in modes of governance under globalization, all of which have implications for the state, are presented in the next section.

The transformation of the state

The first point that it is necessary to make is that the state and the market are not totally counterposed. Polanyi made a compelling case that, rather than being an organically arising and self-regulating mechanism,

> "... the market has been the outcome of a conscious and often violent intervention on the part of the government which imposed the market organization on society for noneconomic ends." (Polanyi, 1944:250).

Polanyi traced a 'double movement' of two organising principles of modern society. The first is the principle of economic liberalism, aiming at establishment of a self-regulating market, supported by the trading classes. These classes aim to achieve their goals by *laissez-faire* economics and free trade. The second organising principle is that of social protection, aimed at

protecting man *(sic)* and nature, relying on the support of those adversely affected by capitalism, using protective legislation, restrictive associations and other means of intervention. Polanyi further argued that the classification of labour as a commodity, is, and always has been, fictive, and that working conditions, hours of work, and the basic wage are determined outside the market. (The alternative would be a situation of constant strikes, where workers refused to work until the market wage was reached). The different roles played by trade unions, the state and other public bodies in this process depended on the *character of these institutions* and the *organization of the management of production* (cf. Section 2.3). Polanyi added that without some state intervention in the form of central banking and the management of the monetary system, the capitalist system would be constantly under threat.

The state also continues to have a crucial 'ordering role,' in conflict situations (Falk, 1997), although even warfare seems to be less and less often a conflict between states but within states, where national identification has broken down or where outside forces intervene to protect important economic or strategic interests.

Furthermore, efficient production depends on workers being healthy and educated, with the state providing the public goods to ensure this. Even James Wolfensohn, President of the World Bank, has attributed steps taken to improve health and education, reduce poverty and promote gender equity Vietnam, China, Brazil, India, Uganda and Bangladesh 'first and foremost to action by the developing countries themselves' (Wolfensohn, 2002). This latter role for the state though is threatened by neo-liberal globalization, which creates downward pressures on public-sector welfare guarantees (Scholte, 2000). The state sector is not contracting. In fact there is a body of literature which positively correlates 'openness' (measured as share of trade in GDP) and the size of government and government expenditure. A high trade share make states very vulnerable to outside shocks, and they

therefore need a larger public sector to counterbalance the potential negative social effects (Evans, 1997).

In spite of the need for state regulation, state sovereignty is in decline (Held, 1995). Falk (1997) has gone so far as to declare 'an end to sovereignty'. Governance has become more multi-layered as policies are increasingly formulated at a sub-state or suprastate level (Strange, 1995). The devolution of power downwards is demanded politically, as sub-state nationalisms increase, or membership of a supranational organization, such as the EU, make devolved power more practicable. Regional governments, for example, lobby the EU directly rather than through their national governments. The most obvious example of the yielding of national economic power is the adoption of the euro in 11 European countries[25]. Multilateral regulatory arrangements do not only deal with economic questions though: challenges such as AIDS, global terrorism, and environmental protection can only be countered through transborder agreements and policing.

In some cases the character of international organizations has changed in such a way that they have become global governance agencies (Scholte, 2000). In 1994 signatories of the GATT, signed the Marrakesh agreement, which established the WTO. Articles XVI – 4 and XIV – 5 read as follows:

> "4. Each Member shall ensure the conformity of its laws, regulations and administrative procedures with its obligations as provided in the annexed Agreements.
>
> 5. No reservations may be made in respect of any provision of this Agreement [....] ".
>
> (World Trade Organization, 2001).

---

[25] The liberal intergovernmental position would argue that this is a positive sum game and that by 'pooling' sovereignty, states can act in concert to implement policies that they would have been unable to implement as individual units. However, this still implies a reduction in the power of action of individual states.

Similarly, the OECD operates a regime of 'policy surveillance', releasing authoritative assessment of the macroeconomic conditions for each of its 29 members, and recommending policy adjustments. Perhaps reflecting the continuing validity of the 'double movement' model, the International Labour Movement (ILO) monitors the observance of its 174 Conventions and 181 recommendations (Scholte, 2000).

Not only are national states losing their power, as it is transferred to supra- and subnational tiers of governance, but increasingly unelected groups and individuals are being formally and informally incorporated into the decision-making process. Global firms and global civil society actors have become instrumental in policy-making process (Helleiner, 1996, Marchand, 2000). Business executives have participated in WTO talks, representing their governments (Scholte, 2000). The International Confederation of Free Trade Unions and has agreed to work with the World Bank to monitor privatization programmes and to make suggestions about how to improve the protection of workers' rights (IFCTU, 2001). There is still a democratic deficit in the management of the global economy, for the following reasons:

- The extent to which non-governmental organizations (NGOs) represent their constituencies is a matter of debate
- Participation via electronic means is open to a tiny fraction of the world's population
- The neo-liberal conception of people exercising real choice, through increased individual freedom in the making of contracts and in purchasing, favour the rich and the skilled disproportionately.

Held (1996) and Scholte (2000), among others, have proposed ways to democratize the supraterritorial bodies, but as Cerny (2000) points out, economic globalization has yet to produce political globalization.

Weiss, as stated above, introduced the conception of the state as a 'midwife' to globalization (Weiss, 1998). States have facilitated cross-border trade, as well as establishing free trade areas, customs unions, and a common market. It is one of the paradoxes of globalization that states attempt to cope with globalization by adopting strategies that promote it (Cerny, 2000). Cerny argues that the state is transforming itself from a nation state to a 'competition' state, which tries to maintain or improve its position in the world economy by making itself attractive to foreign capital. This seems undeniable, when one looks at the changes states made to their national investment regimes (Table 2.1). Of 150 regulatory changes made by 69 countries, 147 made the regime more favourable to FDI.

Table 2.1. National regulatory changes, 1991-2000

Year	1991	1992	1993	1994	1995	1996	1997	1998	1999	2000
Number of countries that introduced changes in their investment regimes	35	43	57	49	64	65	76	60	63	69
Total number of regulatory changes	82	79	102	113	112	114	151	146	140	150
Number of regulatory changes more favourable to FDI	80	79	101	108	106	98	135	136	131	147
Number of regulatory changes less favourable to FDI	2		1	2	6	16	16	9	9	3

Source: UNCTAD, World Investment Report 2001, Promoting Linkages, Box Table 1.1.1. p. 6, including liberalizing changes of charges aimed at strengthening market functioning as well as increasing incentives including changes aimed at increasing control as well as reducing incentives.

Cox takes the Gramscian conception of the state as a network of ideology and practices through which the elite wins support for its own agenda, and sees

sees transnational organizations as based on the consent of such states. The logical conclusion of this argument is that states are increasingly serving a non-territorial constituency, as the state is converted into

> "... an agency for adjusting national economic practices and policies to the perceived exigencies of the global economy" (Cox, 2000: 28).

Generally, then, the state is continuing to exercize a vital regulatory role in an age of globalization, although some of its functions have shifted to the sub-state or superstate level, leading to an increased salience of multi-level governance. Most states, under the direction of international financial institutions and multi-lateral trade agreements, are tending to move towards more neo-liberal policies and are seeing downward pressure on their ability to regulate. This encourages further globalization, as demands for regulation must then be addressed to supranational level. Suprastate levels of governance may be the only ones capable of dealing with the internationalization of finance and production, as well as environmental and human rights issues. However, supranational institutions have not yet democratized.

Although this section has dealt with changes in the nature of the state generally under globalization, the same process of globalization affects different regimes in different ways, depending on several factors including their role in the global production process, the way in which the process is refracted through existing institutions and culture, and the strength of resistance to the process in civil society (Wade 2000). These observations are very pertinent to the argument of this thesis that:

- The Japanese state has been instrumental in deregulating the Japanese economy;
- International institutions and transnational activism have been of key importance in shaping Japanese domestic legislation.

The next section will discuss the importance of national institutions during times of transformation.

2.3 Historical Institutionalism

Social scientists have long been divided over the relative contributions of the actions of agents and of structural forces to produce social and political phenomena. Methodological structuralism explains socio-political phenomena by looking at the structures, which impact upon a society, including, for example, capitalist development or patriarchy. These structures shape the needs and desires of actors. Methodological individualism, in contrast, sees the decisions and actions of rational actors, such as firms, groups or individuals as being paramount. Social or political institutions, according to this perspective, are the equilibrium outcome of decisions made by these actors. For example, actors form different political parties as the best way to achieve their political ends. Structure and agency have usually been presented as antinomies. However, there is a body of theory, sometimes described as the 'structuration postulate' (Giddens, 1979). The structuration postulate sees individuals and groups as making decisions and/or being formed within the context of existing structures of society, but also as playing a role in reproducing or reforming structures, and choosing actions based on the structures within a society.

Having developed in reaction to the excesses of rational choice theory and behaviouralism (Peters, 1999), the historical institutional perspective in political science falls within the structuration school. There is some debate among historical institutionalists about exactly what can be classified as institutions. However, theorists generally extend their analysis beyond the formal, constitutionally recognized parts of the polity, to those

> "... formal or informal procedures, routines, norms and conventions embedded in the organizations ... [and]... structure of the polity or political economy." (Hall and Taylor, 1996: 938).

Institutions are described as

> "... rang[ing] from specific characteristics of government institutions, to the more overarching structure of the state to the nation's normative social order." (Ikenberry, 1988: 226).

Historical institutionalism does not deny the import of exogenous forces, such as class struggle from a Marxist point of view, but instead argues that institutions structure the way these forces impact upon different societies or polities. The impact of ideas in defining institutions and altering the basic and strategic preferences of actors is also taken into account (Hall and Taylor, 1998). Weir examines the impact of anti-statist individualism and a strong work ethic in shaping employment policy during the Reagan era (Weir, 1992). Historical institutionalism differs from the work of new institutionalists, such as Aoki (2000, 2001), in that it emphasizes the inequalities of power of different groups to structure and operate effectively within institutions. Hall describes how novel economic ideas, combined with the relative capacities of the media and trade union movement, were refracted through the British political system to produce a framework in which monetarism was adopted as the solution to the economic difficulties of the 1970s (Hall, 1992).

Explanations for the observation that, once an institution has been developed, it tends to persist, fall into two categories: the *rational choice*, *game theoretic* or *calculus* approach and the cultural approach. In the former explanation, the existence of institutions helps agents to predict the behaviour of others. Actors are unlikely to deviate from norms of behaviour, as they will incur penalties for doing so (Aoki, 2002; Hall and Taylor, 1996). This is true up to a point. However, as some groups and individuals appear to have less favourable positions than others in the pre-existing institutions, and it seems an *irrational* choice for such actors to surrender the possibility of benefitting from change in the pre-existing order, in order to avoid short-term sanctions. A more convincing explanation is that of the 'culturalists', who argue that social norms facilitate the interpretation of events. In other words

"The values and preferences of political actors are not exogenous to political institutions, but develop within those institutions."

(March and Olsen 1989: 40).

Institutionalism generally has been an important tool for explaining the persistence of the distinctive features of East Asian, as opposed to Anglo-American[26], capitalism (Aoki, 2001, 2002; Dore, 2000).

Because historical institutionalism emphasizes path dependency, it might be expected that it would not be able to predict change. Thelen and Steinmo, two of the main exponents of historical institutionalism, criticize some of its adherents for sometimes 'lapsing inadvertently into institutional determinism (Thelen and Steinmo, 1992: 16). They introduce the concept of 'institutional dynamism' to explain the changes that take place as institutions and political process interact cross-nationally and through time. They identify four sources of institutional dynamism:

- Changes in the broad social and political context, where previously latent institutions assume a new importance[27];
- Changes in the socio-economic context or political balance of power, which produce a new situation where old institutions begin to serve different purposes as new actors gain a foothold within them;
- Exogenous changes which produce a shift in the goals or strategies of existing institutions[28];

---

[26] Anglo-American capitalism is typically characterized by being a purer form of liberal capitalism, that is driven by shareholder interests, as opposed to the East Asian development state model, which is driven by stakeholder interests (Dore, 2000) or the social market economy of European welfare states (Albert, 1998)

[27] Such was the case when the political events surrounding the Single European Act increased the importance of the European Court of Justice.

[28] Chapters Six and Seven describe how globalization has compelled Japanese corporations to alter their employment practice and how legislators have passed laws facilitating this change.

- Dynamic change, which occurs when actors adjust their strategies to accommodate changes in the institutions themselves

(March and Olsen, 1989).

The previous sections in this chapter have described the growing importance of international institutions and the declining power of the state. This chapter has also noted the increasingly rapid flows of ideas and ideologies in associated with the process of globalization. These changes offer new opportunities for activists to adapt their campaigning strategies. Working transnationally is a pragmatic strategy for activists in that it :

- Multiplies the channels of access to the international system.
- Makes international resources available to new actors in domestic political and social struggles.
- Blurs the boundaries of the state, and therefore helps to helping to transform the practice of national sovereignty[29]

(Keck and Sikkink, 1998).

Keck and Sikkink (1998) suggest that activism is most likely to be able to secure a transnational basis, where it is concerned with preventing physical harm or securing legal equality of opportunity. This is not as straightforward as it first appears. Definitions of 'harm' do vary considerably between cultures[30]. Legal equality of opportunity is also open to debate: for example it could certainly be argued that in order for *meaningful* equality to be achieved, states should initiate affirmative action for traditionally disadvantaged groups. Some Japanese feminists have also argued that formal legal equality in the workforce between men and women has led to a worsening of women's working conditions as they are forced to adopt the 'male model' of working long hours (Ueno, 1996).

---

[29] As described in Section 1.3, footnote 7.

[30] President Jomo Kenyatta, for instance, famously defended the tradition of female circumcision/genital mutilation in Kenya (Greer, 2000).

There is little work in the historical institutionalist school that specifically addresses gender and the role played by the traditional composition of the household and reproductive economy in forming national institutions. However historical institutionalism does offer offers valuable insights to an analysis of how globalization impacts upon women working in Japan, insofar as it addresses the socially constructed nature of institutions, markets and economic processes. As Chapters Four and Five will show, Japanese labour institutions were formed in the context of the Cold War and of a homosocial norm. The economic and social changes wrought by globalization and refracted through the Japanese state are impacting upon the Japanese gender order (Chapters Six and Seven) and campaigners for Japanese women's rights are adjusting their strategies to accommodate institutional changes (Chapter Eight).

2.4 Conclusion

There has been considerable geographical reorganization of manufacturing production and consumption, resulting in global and regional reorganization of labour, as manufacturing employment is transferred from developed to developing economies. This has had reciprocal effects on the division of labour in developed countries. This reorganization is both the result of the logic of capital accumulation and of the political priorities of the world's core economies. The rewards of deregulation have been very unevenly distributed within and between societies.

The process of globalization, too, has not been uniform across the globe. The world economic system is not entirely 'globalized' but the integration between the leading economic regions in the world is having significant implications for the people who live there. In fact, one of the most striking geographical changes resulting from 'globalization' is the way that East Asia has increased its relative power in the world economic system.

The state continues to be a vital territorial unit in which most laws are passed. Furthermore nationality continues to be a core component of the identity of most people in First World countries. In fact, it is the activities of states in acting to re-regulate the economy that have been vital in facilitating globalization. Indeed, regulation has been shown to be essential for the continuance of any economic system. However, globalization has also produced changes in the nature of the state. States in general are losing power to supranational and subnational bodies, and policy choices are being constrained by the fear of losing foreign direct investment. Increasingly, non-elected actors, such as business people, NGOs and other pressure groups are being incorporated into the policy-making process at all levels. Despite a hegemonic discourse in favour of free trade and *laissez faire* capitalism, the particular policy mix each state chooses varies according to its political, social and cultural complexion, as well as the demands made on it by non-state actors.

A state's institutions contribute to structuring the behaviour of actors within those institutions, and leading actors to continually reproduce those institutions. However, institutions can also be reformed by those actors within, or outside, the state. In times of flux, such as that occasioned by the dislocations of globalization, institutions may become dysfunctional, and at these times, are particularly likely to be reformed. The success these actors have in achieving reform will depend on their power and the strategies they employ.

For the reasons stated above, the insights of mainstream literature about globalization, the state and institutions, are an important theoretical basis for this thesis. However, as I have noted throughout this chapter, this literature does not sufficiently take into account the importance of gender. Globalization, state policies, and social, political and economic institutions all

impact differently upon men and women. The following chapter will therefore critically review the theoretical literature about gender and globalization.

Chapter Three:

Gender and Globalization: A Critical Review

3.0. Introduction

The mainstream theories of globalization, the state and historical institutionalism discussed in Chapter Two, have paid little attention to gender. Globalization, however, has very different effects upon men and women, as this and subsequent chapters will show. Feminist[31] critiques of global restructuring therefore fill important gaps in the mainstream literature on globalization. Evidently, women are not a homogenous group. As many of the theorists cited in this chapter have pointed out, the impact of globalization on individual women is mediated by social and cultural factors, such as their 'race', class, education and / or national citizenship. This thesis is a case study of the gendered impact of the processes of globalization in one national context.

One of the central aims of this thesis is to contribute to the feminist debate about the impact of globalization upon women by bringing insights from the case of Japan. Japan provides a unique and interesting case study of the gendered impacts of globalization. One of the most notable transformations associated with globalization is the increasing integration of Asian, and particularly East and Southeast Asian, countries into the global economy (Katz, 1998; Dicken, 1998; Arrifin, 1999; JETRO, 2001)[32]. Consequently, many case studies of the relationship between globalization and gender have focussed upon this region (Lim, 1997; ILO/SEAPAT, 1998a, 1998b; Chang and Ling, 2000; Gills, 2001; Neysmith and Chen, 2002). Japan has been a pro-active player in the process of the globalization of production, which has had such profound effects upon the Asian continent. However, as Japan is an affluent, industrialized liberal democracy, the experiences of Japanese women

[31] I am aware that my use of the term 'feminist' to describe some of the analyses cited in this chapter, particularly those of male theorists, may be contested. To clarify: I am using the term 'feminist' to describe texts which put gender at the centre of any analysis of individual lives and economic, political, social and cultural institutions; which see most men as having more privilege and social power than most women within social groups; and appear to find this problematic.

[32] The reasons for this are examined in more detail in Chapter Four.

differ markedly from those of women workers elsewhere in Asia (even given that the rest of Asia is extremely diverse). The Japanese case also differs markedly from that of other First World nations. As historical institutionalism suggests, the specific economic, political, social and cultural institutions of Japan mean that it is adjusting to globalization in a way that is nuanced by its history. For reasons discussed later in Chapter Four, Japan differs from other First World states, in that it has followed a model of capitalism, which is markedly different from the Anglo-American model. In addition, such cultural phenomena as the persistence of the ideal of the three-generation family, and homosocial norms have a distinctive effect upon women's reproductive and productive work, and strategies of activism.

In order to discern whether the impact of globalization on women working in Japan differs from or resembles the impact on women elsewhere in the globe, it is necessary establish the relationship between gender and globalization generally, and women in the labour market in particular. This chapter will therefore critically review attempts to 'gender' the analysis of globalization.

The chapter also shows how feminist analysis augments and enhances the analyses outlined in Chapter Two. Sections 3. 1 and 3.2 develop the idea of globalization. Section 3.1 discusses the macro-level feminist critiques of globalization and the gendered discourse surrounding it. Section 3.2 summarizes the claims made about the impact of globalization upon women, both generally, and in terms of their participation in the labour force; as well as noting the role of the state in facilitating or controlling women's employment. Section 3.3 examines the strategies of activism employed by women in the changing governance structures emerging in the context of globalization. The existence of this activism shows how globalization is associated with attempts to establish a global standard of basic human rights, and of equality before the law; the sites of resistance chosen by activists demonstrate the changing position of the nation state in an increasing globalized political economy. Historical institutionalism is particularly relevant to those feminist analyses which draw out how global and local forces interact, and to case where the

experience of Japanese women appears to contradict general trends. The conclusion to this chapter, Section 3.4

- lists general hypotheses about gender and globalization
- discusses what gendered analyses of globalization add to the mainstream theories outlined in Chapter Two
- suggests areas where the study of Japan can contribute to the feminist debate about the impact of globalization.

The extent of the validity of these general hypotheses in the Japanese case is examined in later chapters.

3.1. Macro-level feminist analyses of globalization

Although some of the earliest examinations of the globalization of production were the work of feminist theorists[33], there has until recently been a dearth of feminist work examining the phenomenon of globalization at the macro-level. This has been variously attributed to a feminist trend to examine more micro-level concerns (Chang and Ling, 2000; Freeman, 2001; Eschle, 2002) or the desire to maintain a marginal and critical position with regard to masculine 'grand theories of globalization that ignore gender as a critical tool' (Freeman, 2001: 1007). However, feminists have increasingly recognized the importance of transnational corporations and international financial institutions on the world stage (Bergeron, 2001), and argued that as the globalization of economic relations proceeds, then there is an increasing need to examine women's issues from a global perspective (Waylen, 1999, 2000). Recent

[33] See, for example, Diane Elson and Ruth Pearson's 1981 article 'The subordination of women and the internationalization of factory production' and Patricia Fernandez-Kelly's 1983 work *For We Are Sold, I and My People: Women and Industry in Mexico's Frontier*, focussing on women working for US companies in *maquiladora* on the US Mexican border.

years have therefore seen substantial 'gendering' of the analysis of globalization (see, for example, *World Development*, special issue, 1999; Meyer and Prugl 1999; Marchand and Runyan, 2000; Kelly et al, 2001; *Signs* special issue, 2001; Peterson, forthcoming).

These feminist macro-level critiques of globalization have focussed on two areas:

- Critiques of neo-liberal economic globalization
- Analyses of the gendered, and disempowering nature of the discourse around globalization.

Neo-liberal economic globalization

Feminist theoretical critiques of neo-liberal economic globalization are an extension of more general methodological and normative critiques of orthodox economic theory. The promoters of globalization argue for the free flow of goods, services and finance (though not of labour) across national borders, and deregulation of markets, including labour markets, within national borders. Essentially this is a neo-liberal agenda, associated with the *laissez faire* economic policies, which have became hegemonic since the collapse of the Soviet Union. Proponents of neo-liberalism typically subscribe to the assumptions of neo-classical economics (Spike Peterson, forthcoming), and many of the criticisms made of the discourse surrounding globalization can be and have been applied to feminist critiques of neo-classical economic thought generally (Brodie, 1994). The rational economic actor (*homo economicus*) is conceived as an independent, atomistic, self-interested acquisitional unit (Brodie, 1994, Marchand, 1996a, Peterson, forthcoming). This actor is based upon, and conceived of by 'a particular subset of humans (elite males) in a particular context (modern Europe) (Spike Peterson, forthcoming). Where women are considered at all in classical economic theory they are

seen as dependents (Pujol, 1995)[34]. This assumption allows employers to rationalize paying women lower wages than men, as it is assumed that their wages are only supplemental to those of a male breadwinner.

Whereas, according to neo-classical economics, a less-regulated labour market should more accurately reflect the human capital and/or productivity of individual workers, in fact more market-oriented economies tend to have a wider wage gap based on gender[35]. In the absence of government regulation, cultural factors will determine the level of gender inequality in wages. If cultural influences lead some employers to discriminate against potential female employees, then the laws of supply and demand dictate that a wage gap will appear (Meng, 1996). Some commentators have even presented evidence that women tend to have higher productivity *and* lower wages than their male counterparts (Lim, 1997; Elson and Pearson, 1997).

As neo-classical economics tends to be blind to the differential effects of *laissez-faire* policies on men and women, the dominant arguments in favour of neo-liberal global restructuring are made in gender-neutral terms, and speak of the aggregate benefits of an international free market. Marchand (1996a) in her analysis of NAFTA, argues that the *faux* objectivity of economics means that economic issues have often been decided on the basis of inconclusive

[34] More sophisticated analyses than this do exist within neo-classical economics, for example the collection of essays in Schultz's (1995) edited collection *Investment in women's human capital*. However they do not represent the dominant view in mainstream economics.

[35] Australia, France and New Zealand, for example, all require both public and private employers to write a plan outlining how they propose to attain gender equality among their employees. In all three countries women earn, on average, over 80 per cent of men's wages. In Canada, where the scope of equal pay legislation is far narrower, and women cannot, for example, ask for legal comparisons to be made between their remuneration and that of men working at a different branch of the same company, the ratio is only just over 60 per cent. In India, where, as in many other developing countries, women work in the informal sector where it is very difficult to enforce equal pay legislation, and, in the formal sector, small firms are exempted from compliance, this figure drops to 52.7% (Määttä, 1998).

econometric models which rely upon unrealistic assumptions, such as full employment. This is however rather an overstatement, as it is now generally accepted within neo-classical economics that there can be market equilibrium at less than full employment.

Furthermore pitching analyses at an aggregate level has meant that the differential impact of free trade on men and women and on ethnic groups was hidden. Even where recent work has been carried out at the micro-level, in an attempt to analyse the relationship between income inequality and retarded economic growth, this has been measured at the household level. 'Household' measures pool male and female incomes, thus obscuring any relationship between economic change and rates of income inequality by sex (Seguino, 2000).

Another shortcoming of conventional economic analysis of the labour market is that it looks only at the 'productive' economy of paid work. It does not take into account the unpaid 'reproductive' labour, which is essential to the productive economy's efficient functioning. The reproductive economy includes all those tasks, largely performed by women, which are essential to the economy but nonetheless, are not formally included in national economic statistics. These include caring for and maintaining the labour force, bringing up and socialising the next generation of workers and improving the interpersonal skills of workers (Elson, 1999). The caring work Japanese women are expected to carry out for their own or their partners' parents can be added to this list. The time spent carrying out these tasks very much affects women's capacity to engage in formal employment. As a result of what critics see as the blindness of neo-classical theory to the importance of the reproductive work, the proponents of neo-liberal economic globalization do not take into account that it will be largely women's 'infinitely elastic' reproductive work, such as extra child and elder care, that will make up the shortfall in state provided services. This will, of course, further limit their capability to participate in the paid labour market on the same terms as men. In Chapter Seven, I shall examine how norms about women's reproductive work in Japan

shape women's career opportunities and legislation around labour and welfare; and how the forces of globalization are interacting with these existing institutions.

The discourse of globalization

The previous chapter presented the views of Went (2000), Hirst and Thompson (1996) and Sklair (1997) that globalization is used in elite discourse to legitimate the adoption of neo-liberal policies. Feminist theorists have added considerable depth to this insight in their analyses of how gendered discourse is used to 'naturalize' neo-liberal economic globalization.

This is an extension of an important insight from feminist poststructuralists who have observed that language that is based on oppositions (male/female, presence/absence, mind/nature) (Cixous, 1992). These oppositions are not only binary, casting maleness as the opposite to femaleness, but also hierarchical, privileging masculinity. While (most) people are born as one sex or the other, gender is entirely learned, socially imposed, and internalized, rather than given. Not only does gender describe the characteristics of individuals, but it also becomes embedded in social institutions. The conflation of sex and gender, and the ostensible 'naturalness' of dichotomized and hierarchical thinking is the key to naturalizing power relations between men and women, which are in fact the outcome of social processes. Furthermore, the presentation of a patriarchal order which places the feminine as subordinate to the masculine as 'natural'

> "serves as the model for depoliticising exploitation more generally... The ostensible 'naturalness' of sex difference and masculine dominance is then generalized to other forms of domination, which has the effect of legitimating them as equally 'natural' hierarchies." (Spike Peterson, forthcoming).

Although the hegemonic discourse on the advantages of global restructuring obscures its gendered impact, in other ways the language of those who make policy can quite overtly associate globalization with 'aggressive masculinity'

(Hooper, 2000) or 'technomuscular capitalism' (Chang and Ling, 2000). For example, David Mulford, US Under-Secretary of Treasury under the first Bush presidency, quite explicitly linked masculine/feminine and First World/Third World hierarchies, when he commented,

> "The countries that do not make themselves attractive will not get investors' attention... This is like a girl trying to get a boyfriend. She has to go out, have her hair done, wear make up." (cited in Sisson Runyan, 1996: 238).

A further example is the 1994 article the *Economist* magazine article which described Myanmar's natural beauty and undeveloped land as 'Ripe for Rape' (cited in Hooper, 2000). As not all states can compete in the process of globalization on equal terms, the use of such sexualized terms to present less powerful actors seeks to naturalize hierarchies (Hooper, 2000).

J.K.Gibson-Graham (1996) criticizes the view that capitalist penetration is inevitable and natural. She[36] compares the gendered language used in descriptions of globalization and capital penetration with those used in Sharon Marcuse's description of the discourse surrounding rape. Marcuse writes of the concept of a 'rape script', where victim and rapist are filling predefined roles, because they have been socialized to accept the idea of rape as inevitable and biologically-based. The discourse of globalization shares with 'rape scripts' terms such as 'penetration', 'virgin' and 'invasion'. Gibson-Graham challenges the presentation of globalization as inevitable, and argues that feminists should deconstruct the concept of the global economy, showing the many ways in which it is contradictory. For instance, she cites the observation made by Dicken (1998) that, of the four major sources of multi-national investment, the UK, the US, Germany and Japan, the first three are also major hosts[37]. The discourse of globalization is also presented as disempowering: just as women circumscribe their activities as they become

[36] Although J.K. Gibson-Graham is a pseudonym for two writers, in their texts they refer to themselves using the first person singular. I am therefore following their usage.

[37] The impact of unreciprocated FDI upon the Japanese national model of capitalism will be examined in Chapter Four.

more conscious of the possibility of rape, workers in TNCs curb their wage demands, for fear of capital abandonment. In fact, the power of capital to operate or locate anywhere on the globe is constrained by language, culture and law (Gibson-Graham, 1996). Implicitly, therefore, Gibson-Graham is accepting, and extending the view of globalization as project, as discussed in Chapter Two. Chapter Four will examine the way the discourse of globalization is used by key economic actors in Japan to legitimate economic restructuring. However, as the previous chapter has argued, globalization can be incomplete process, stemming in part from intentional activity by key political and economic actors, yet nonetheless be real (cf. *inter alia*, Appadurai, 1990; Goldblatt *et al*, 1997; Scholte, 2000).

In summary, feminist macro-level critiques of globalization reveal some of the shortcomings of the arguments in favour of states' adjusting to economic globalization by adopting neo-liberal policies. Such critiques argue that not only does neo-liberal theory neglect to analyse much of women's contribution to the economy, but also that neo-liberal policies of rolling back state provision of welfare tend to increase women's productive and reproductive work.

Proponents of neo-liberal economic globalization have presented global restructuring as a natural phenomenon, and, have presented it as a powerful and 'masculine' phenomenon. Acceptance of this analysis is disempowering to those who wish to challenge globalization or influence the shape it is taking. Writers on gender and globalization have therefore attempted to show that globalization is a mutable phenomenon, which can interact with local processes and be shaped by the agency of individual actors. The complex and contradictory impacts of globalization upon women will be examined in Section 3.2.

3.2. The impact of globalization

This section will examine how the trends associated with globalization impact upon the productive and reproductive work carried out by women. Where

integration into the global economy is leading to a state's economic growth, as appears to have been the case in East Asia[38], the impact upon women can be significant. As the impact of capital penetration upon women is of marginal relevance to the case of Japanese women, debates about the extent to which 'development' increases the income and raise the living standards of women in Third World countries will not be dealt with in any depth here. This section will however explain how:

- Processes associated with globalization result in a feminization of waged labour in both North and South,
- Marketization and other neo-liberal prescriptions increase women's reproductive labour
- Increased migration impacts upon both women who migrate and women in host countries
- Women of different ages, classes, and ethnic groups experience the effects of globalization differently
- Local and global forces interact, so that the *way* in which the processes associated with globalization impact upon women in different countries depends upon cultural or institutional factors.

The feminization of waged work

One of the most remarkable effects of the globalization of the economy is the feminization of work in many (though not all) areas of the world. In both North and South, an increasing number of women are being drawn into the waged labour force for the first time, and for longer periods of time than in the past (UN, 1999; Sircar and Kelly, 2001; Bayes and Kelly, 2001). Furthermore, work itself has been feminized, in that flexible production and the global shift in manufacturing has meant that many men in First World economies are finding that their experience in the labour market is increasingly coming to resemble the typical pattern of 'women's work'. In other words, they can no longer

[38] This is also discussed in more detail in Chapter Four.

assume lifetime employment and are experiencing lower paying employment, less job security, frequent job changes, part-time, temporary or home-based work (Standing, 1989; 1999; Bayes and Kelly, 2001). This section will discuss the reasons for the feminization of work, the likely reasons for this and the impact of this feminization upon gender relations.

As more countries are drawn into industrial capitalist production, more women are drawn into waged labour[39]. It is noteworthy that no country has successfully industrialized without harnessing the labour of large numbers of female workers (Standing, 2000). Industrialising South Korea, for example, saw a massive growth in women's employment. The overwhelmingly female composition of the labour force of export industries led to women being called the 'industrial backbone' or 'industrial soldiers' of South Korea's economic miracle (Yoon, 2001). Women's employment was certainly central to Japan's state-led development strategy of the late nineteenth and early twentieth century, as Chapter Five will discuss.

This is partly the result of stereotypical views held about women's work by government elites and corporate managers. The Newly Industrialising countries have been harnessing women's labour as a development strategy. The Malaysian government purposefully attempted to harness sexual and racial stereotypes to encourage foreign investment with the following advertisement:

> "The manual dexterity of the Oriental female is famous the world over. Her hands are small and she works fast with extreme care. Who,

[39] There are, however, exceptions to these general trends. Where countries have traditionally been highly regulated and women's economic and social rights have been well-established, such as Central and Eastern Europe and the People's Republic of China, integration into the world economy has led to a decline of women in paid employment. Foreign firms entering the Czech republic, for example, have been reluctant to hire female employees (with the exception of young women who are competent in foreign languages), as women take between two and four years maternity leave (True, 2000); Acsady (1999) points out that in Hungary, market liberalization, has led to a mass exit of women from full-time work.

therefore, could be better qualified by nature and inheritance to contribute to the efficiency of a bench-assembly production line than the Oriental girl." (Cited in Mies, 1986: 117).

TNCs have also preferred to employ women workers because of a belief that they have nimble fingers, and are more docile, and hence less likely to challenge management and organize workers, than men (Bergeron, 2001). Women's reproductive work and the work they have carried out in the informal economy may also have permitted them to develop capacities of value in the manufacturing process. Women working in the electronics industry in *maquiladora*[40] in Latin American and export processing zones in Asia have to pass aptitude tests; and women working in the textile industry have often already learned sewing skills at home (Elson and Pearson, 1997). In spite of this, women's work in manufacturing is frequently classified as 'unskilled'. This can be attributed to pre-existing gender norms. The labour market both reflects and influences what happens in other spheres; therefore:

> "To a large extent women do not do 'unskilled' jobs because they are bearers of inferior labour; rather the jobs they do are 'unskilled' because women enter them already determined as inferior bearers of labour." Elson and Pearson, 1997: 194)

Apart from their fabled 'nimble fingers' and presumed docility, there are other reasons why transnational corporations prefer female employees. Women appear more ready to tolerate low wages and poor conditions. (Meng, 1996). In fact, Gills (2001) argues that in countries where women are also carrying out subsistence production, it is possible for them to experience super-exploitation, that is, because they are carrying out subsistence production, when this is combined with waged work it is possible for them to be paid less than the wages of reproduction. This articulation of subsistence production

---

[40] The word *maquiladora* is derived from the Spanish verb *maquilar*, meaning to submit something to the action of a machine. It usually refers to factories that import and assemble duty-free components for export.

and capitalist production makes Asian women's work extremely competitive, as the supplementary work they are doing makes it possible for them to accept wages which do not even cover their basic living costs. Even if aggregate national income increases as a country adopts neo-liberal policies, and becomes increasingly integrated into the world economy, this does not necessarily mean that women's income relative to that of men will increase. Seguino's (2000) positivist cross-country analysis of economic growth demonstrates a positive correlation between economic growth and gender inequality in wages, thus reinforcing the hypothesis that globalization has different impacts on men and women. However, globalization does not mean continued disadvantage in the workplace for all women. All of the Asian countries examined by Meng (1996) have seen an increase in women's representation in management. Similarly, Suarez Aguila (1999 in conversation with Scholte, cited 2000: 251) pointed out that in the 1990s some women rose to traditionally 'male' management positions in the *maquiladora.* This implies, that, for some women at least, globalization offers new opportunities for career progression.

In First World economies too there has been an increase in female labour market participation. In OECD countries women were approximately half the labour force in 1997. The traditional masculine attribute of physical strength is less valuable, as blue-collar jobs are shifted overseas, or replaced with new technology. Traditionally 'female' skills, such as communication, teambuilding and networking are the focus of much management training. The overall effect of these changes is that 'masculinity' comes to be associated with power rather than individual men (Hooper, 2000). This does not mean that all women are likely to have access to this power, or that the jobs women are doing have equivalent rewards to those men have lost. States in the North have generally (Section 2.1) attempted to remain competitive by deregulating and 'flexibilising' the workplace, and women are disproportionately likely to be 'non-regular', 'casual' or 'flexible' workers (see Section 2.1; for the case of Japan see Chapters Five and Seven). Even states that have been attempting a policy of equal opportunities in the workplace can find that as their labour

markets are increasingly flexibilized and casualized, it is difficult to ensure that labour regulations are enforced. Research shows that countries with centralized wage bargaining tend to have a smaller gender wage gap and that gender discrimination is less pronounced in countries where the government can exercize influence over enterprise wages (Meng, 1996). This positive association may be correlative as well as causal, but the implication of this is that with liberalization of the labour market, the gender wage gap will widen.

In both First and Third World economies, women have also been propelled into the labour market by the decline of men's family wage (Fernandez-Kelly, 2001)[41]. This has been associated with the erosion of union power and neo-corporatist wage bargaining and job protection agreements (Standing, 2000). The extent to which the relative strength of these institutions has been maintained in Japan therefore has implications for the extent of the feminization of labour there.

As might be predicted by historical institutionalism, the degree to which feminization proceeds is somewhat path-dependent. All countries show a high degree of labour market segmentation by gender (United Nations Department of Economic and Social Affairs, 1999). If women are employed primarily in sectors where their country has a comparative advantage, then they are likely to benefit in terms of increased job opportunities, at least initially. In South East Asia and the Pacific, the sectors of manufacturing, services, trade, tourism and entertainment have all seen a growth of women's employment (ILO/SEAPAT, 1998b). Increased international demand for Jordan's textiles and handicrafts has stimulated employment in these traditionally female sectors. A reduction in agricultural protectionism has stimulated the production of cash crops and led to an increase in the employment of rural women in the Third World (Beneria and Lind, 1995). There is an important

[41] As traditional 'male' jobs decline in number, some men are more willing to accept 'female' jobs. For example, in the early years of the *maquiladora* on the US-Mexican border, women accounted for around 85 per cent of the workforce. By 1975, that had fallen to 78%, and by 1998 to 64% (Bayes and Kelly, 2001: 164).

caveat to this aspect of the feminization of labour thesis though. As countries develop and new technologies are introduced, then the gender composition of flourishing sectors can change. The introduction of Japanese Just-In-Time technology in Latin America has been accompanied by a 'defeminization' of manufacturing. Changing technology and work practices necessitated worker retraining, which management and male workers viewed as unsuitable for women, whom they regarded as secondary workers. Similarly restructuring in the Catalonian textile industry, particularly the introduction of night and weekend shifts, led to a decline in the number of women working in the industry (Beneria and Lind, 1995).

Chapter Two noted that globalization makes countries increasingly subject to *cyclical* forces (Dicken, 1998: 429). When there is recession, where states maintain male preference in employment, women who have experienced waged work may be the first to lose their jobs. This was certainly true of married women in South Korea, when that country was forced to undergo massive economic restructuring to meet IMF conditions after IMF bailout in 1997 (Yoon, 2001). This male preference can change though. The recession caused by the 1970s oil shock in Japan resulted in a downturn in female employment. However, such a downturn has not happened in the recession of the late 1990s and early 2000s (see Chapter Five).

State action can also impact upon the extent to which feminization takes place. Section 2.2 discussed how different state capacities impact upon how states adjust to changes in the international socio- economic environment. Dominant ideologies can lead states to negotiate a compromise between encouraging a neo-liberal form of globalization and maintaining the current gender order. For example, the Irish government negotiated with, and selectively funded, firms to encourage the employment of men rather then women to maintain a traditional nuclear family structure during the 1961-1981 period of export-led development (Pyle, 1990). Later chapters will show how the deregulation of employment in Japan and the incorporation into law of the ideal of equal opportunities - both effects, I shall argue, of political, cultural

and social trends associated with globalization – are profoundly shaped by the Japanese state, and social institutions.

Women's reproductive labour

Furthermore, when states are faced with economic difficulty, the impact upon women is often particularly harsh. This is exemplified, by the hardships wrought by 'the retreat of the state' (see Section 2.2). While some sectors of the state are actively engaging with the global economy, others, such as the ministries of health or welfare are increasingly 'feminized' and having the scope of their powers reduced (Marchand and Runyan, 2000). This may be either through the demands of structural adjustment policies in the South, or, in the North, through the desire to reduce state expenditure in order to maintain international competitiveness, or because of a normative preference for neo-liberal policies. IMF and World Bank conditionality agreements mandate Structural Adjustment Programmes (SAPs), which have led to cuts in social services in Third World countries, at a time when many women are increasing their participation in paid labour force to supplement the falling incomes of their partners. Diane Elson (1999) shows how World Bank SAPs assume that women's reproductive labour is infinitely elastic. The importance of the private sphere to the facilitation of restructuring, calls into question the exclusive focus on governments, corporations, and international institutions in mainstream works on globalization. A reduction in social protection is particularly important for women for the following reasons: women are more likely to be doing non-regular work, so are less likely to have work-related entitlements; usually they bear responsibility for caring for family members in ill-health; as women live longer they are more likely to need care in later life; social change has resulted in an increase in female-headed households; in the North, women are disproportionately employed in public services. (ILO/SEAPAT, 1998b, Young 2001). Needless to say, any shortfall in the state provision of welfare, is compensated for by the unpaid labour of women. Japan is an exceptional case in this respect. The model of state provision of

welfare in Japan is distinctive, in that it is predicated on the assumption that women will provide the bulk of reproductive work in three-generation families. This means that the restructuring of welfare provision, which is taking place in Japan as elsewhere, is taking place in a different context, and an analysis of its impact on working women will add special insights to these debates.

Globalization and Female Migrant Workers

The previous chapter mentioned globalization is characterized by growing transborder 'flows' of people (Appadurai, 1990). As globalization proceeds, migratory flows have become more diverse and more feminized (Kofman, 2000). The case of migration shows very clearly how globalization has profoundly different consequences for women of different national, ethnic and class backgrounds.

Within the context of globalization, some educated, cosmopolitan women have undoubtedly been successful in taking on the 'maculinized' traits of 'high tech mobility, autonomy and challenging opportunities' (Chang and Ling, 2000). Unlike the Czech women who have seen their job opportunities diminish in the context of global restructuring, foreign women working in the Czech Republic have reported that being seen as 'foreign experts' means that they receive more advantageous career opportunities than would have been the case in their home countries (True, 2000). Even where women migrate as part of a family group, they may find themselves in a new context in which they are more likely to work. The shortage of skilled workers in some professions, such as the computer industry, has brought well-educated elite groups from the Indian subcontinent to the US. Indian women who have come to the US to support their partners have claimed that migration was empowering, particularly the opportunities it gives them for participation in the workforce (Sircar and Kelly, 2001). It seems logical to extrapolate from this that these women's experience in working in different cultures has encouraged reflexivity

about gender roles in their own. Japan is unusual among First World countries in experiencing net emigration. There are more Japanese women than men living overseas; one especially noteworthy trend is that the overwhelming majority of Japanese studying overseas are female. The next chapter will discuss the impact of this upon their later careers in Japan.

Female migration facilitate the entry into the workforce not only of (some) migrant women, but also of middle class women in host countries. One consequence of female employment among the middle classes of the First World, has been that these women have had less time to carry out unpaid reproductive work. Consequently, middle class couples in the West and in several of the NICs, have been more inclined to spend their dual incomes on domestic labour. A counterpart to this 'cosmopolitan, postmodern, freeing' masculine form of Global Restructuring, described by Chang and Ling (2000) as GI, has been the emergence of a class of female overseas contract workers carrying out personal services, such as domestic labour for a cosmopolitan elite; a process which has been described as Global Restructuring 2 (GII) (Chang and Ling, 2000). State policy can encourage, or discourage such migration. While states' ability to provide welfare to their citizens decline, the state continues to influence and benefit from women's labour. According to Chang and Ling, the state,

> "...enjoys a renewed vigour in the regime of labour intimacy, e.g. the Philippines government supervizes, regulates, transports and taxes overseas contract workers." (Chang and Ling, 2000: 35)

The 'regime of labour intimacy' implicit in GII reinforces the stereotypes of, for example, Filipina women, as naturally subservient. As Chapter Five will discuss, Japan, unlike other relatively prosperous nations does not have a culture of importing domestic labour. Again, this thesis hypothesizes that this is due to cultural expectations of women's reproductive work.

Nonetheless, globalization has impacted upon female migration flows to Japan. Sex workers have come to Japan, having been recruited in countries where Japanese companies have established overseas production sites.

Furthermore municipal governments in rural areas have sponsored the recruitment of women, mainly from the Philippines and Thailand, to marry farmers, and provide farm labour. The reasons for this can be directly attributed to the globalization of production and the spread of neo-liberal economic globalization, and the reciprocal effects of these phenomena upon Japan. This will be discussed at greater length in Chapter Four, but, it is appropriate to note here that, while other developed countries have witnessed the phenomenon of migrant women providing domestic labour for middle class and elite women, in Japan migrant women tend to be providing services for men. To discuss this in any detail, would require the analysis of issues of 'race' / ethnicity, colonialism and sexuality which are outside the scope of this thesis, so I shall discuss migration in Japan, only insofar as it is relevant or irrelevant to women working in the Japanese formal economy.

Globalization and Difference

Although globalization generally results in aggregate economic growth for newly-integrated economies, women, even those in the same country, do not benefit equally from global restructuring. The first analyses in the Gender and Development Community tended to present the young women employed in TNCs as a particularly vulnerable and exploited group. However it has since become apparent that in reality TNCs tend to recruit from among the more educated sections of the population in Third World host nations (Marchand, 1996b). Older married women, and women with children in the host countries are more likely to work in the informal sector, where they can more easily combine their productive and reproductive roles. The nature of the informal economy means that it is far more difficult to research conditions of work for these women.

Class, as well as age, affects women's experience of global restructuring. India's New Economic Policy of 1991 removed import quantity restrictions,

allowed foreign capital into the domestic market, and permitted the free flow of raw materials and intermediate and capital goods. The ensuing import of capital intensive technology destroyed many of the low-skilled and semi-skilled jobs traditionally carried out by women, and led to increased competition with men for those low-skilled jobs which survived. Furthermore, as deregulation and liberalization have progressed, large manufacturers have turned to outsourcing and subcontracting to reduce costs. This segmentation means that it is difficult to enforce labour legislation (Dewan, 1991). Development efforts aimed at encouraging women's micro-enterprises may also be futile if these ventures cannot survive new competitive trade pressures (Beneria and Lind, 1995).

Global restructuring also has different effects on women from different ethnic groups. As restructuring in the North leads to job losses, then women of minority ethnic groups, as well as refugees and asylum seekers are increasingly scapegoated, face racist attacks and are subject to stricter immigration controls.

The interaction of global and local forces

Globalization can help to weaken local patriarchal structures, although this can also weaken some of the protection from, for example, abuse that these structures provide (Young, 2001). The opening of export-oriented garment factories in Bangladesh led to the employment outside the home of women who, eighteen months previously had been in *purdah*. This was resisted by some Islamic fundamentalist groups, who issued *fatwas* against women's involvement in the export sector. However, women have been able to strategically employ social norms to maintain their employment, by adopting familial terms of address with male co-workers, thereby desexualising male-female interactions in the workplace (Feldman, 2001). In India, entering waged labour means women can negotiate more control over household

economic resources and some sharing of household tasks by men (though in many cases social norms were such that men controlled income and did not share household tasks (Soni-Sinha, 2001). In the case of one migrant community, gender norms have changed to the extent that the age-old tradition of patrilocality has been abandoned. Female factory workers from rural Chinese families in Malaysia and Hong Kong have abandoned the patriarchal custom of living with their partners' families and have instead established conjugal households or moved back with their partner's and children to their own childhood villages (Gibson-Graham, 1996).

The increased demand for women's labour though, does not *automatically* lead to enhanced status within the home. This depends to a large extent on the pre-existing social institutions[42], including family structure and gender norms. While women in Asia seem to be given a greater say in family decision making if they go out to work (Meng,1996), for some women, ironically earning an independent income can make them more subject to private patriarchy, as their family exercize more physical control over a valuable wage earner (Sen and Correa, 2000, Elson and Pearson, 1997). Women's ability to earn wages does not necessarily equate to social status either, where the cultural consensus is such that women's earnings are seen as secondary, whether or not this is truly the case (Steans, 1999). Wage earning can also be just one more burden to be added to the already considerable demands of domestic and family work.

In cases where foreign firms produce directly in a host country, this can introduce new norms around working practices. Even though working conditions in TNCs in developing countries are generally less favourable than the conditions for doing the same work in the TNCs home countries (Beneria and Lind, 1995), employment in a TNC may be experienced by employees are

[42] Here I am using Hall and Taylor's definition of an institution, as cited in Chapter Two: "... formal or informal procedures, routines, norms and conventions embedded in the organizations ... [and]... structure of the polity or political economy." (Hall and Taylor, 1996: 938).

more beneficial than the work they would previously have carried out in agriculture or family businesses. Although work in export-orientated industries is characterized by long hours, cramped dormitory style living conditions, extremely strict supervision of work, and, for many younger women, sexual harassment from male supervisors (United Nations Department of Economic and Social Affairs, 1999; Bayes and Kelly, 2001), women themselves often consider the working practices of TNCs to be more enlightened than those of indigenous firms. One study of the *maquiladoras* found that two-thirds of domestic and electronics workers and more than half of all garment workers said they would keep working even if they did not need the money (Bayes and Kelly, 2001). The demand from foreign companies for female workers can also sometimes produce labour shortages in the local economy and lead to local firms, too, improving pay and conditions to entice female employees (Lim, 1997).

Certainly, working for a foreign firm is a common ambition among Japanese women, who feel that these offer greater career opportunities for women than Japanese firms, and there has been some evidence of the indigenous firms showing an interest in examples of good practice to attract promising female recruits. These changes are discussed in Chapters Five and Six.

To summarize Section 3.2, globalization impacts upon women in a variety of ways. Insofar as a country is benefiting from insertion in the world economy the opportunities available to women are likely to expand. However, insofar as globalization produces a decline in state-provided welfare, the burden of reproductive work on women will increase, and limit their ability to participate in waged work. Generally, globalization is associated with an increase in female labour force participation, and a convergence of male and female ways of working, although some states and institutions have the ability to influence the extent to which this is so. Depending upon the resilience of social norms, women may use their economic power to achieve increased autonomy in the private sphere.

Globalization tends to increase inequality between women, as some women's traditional work is threatened by insertion into the world economy, while others benefit from new opportunities. The participation of elite women in professional occupations is facilitated by the service work of other women, particularly migrant women from poorer countries. Cleavages between women tend to fall around nationality, 'race', class, and age.

Women though, are not just helplessly subject to forces of economic globalization and within the social and cultural structures in which they live, but are also actors in the global economy, who make choices about how to balance home and work, which work to do, and how to negotiate with their employers, families, polity and wider society. They are also agents who resist or transform the process of globalization, working within the new political spaces that the process has opened up. Women's activism in the context of globalization is examined in Section 3.3.

3.3. Women's Activism

This section considers the extent to which globalization has facilitated the development of a global women's movement. It then explores the political spaces in which activists for women's rights can press their case. Finally it describes the responses of women to some of the effects of globalization, and their potential for success.

Globalization and the women's movement

Section 2.2 documented the potential for non-state based identities to increase in salience in a globalizing world. In fact, feminists have long aspired to a notion of gender-based solidarity. Virginia Woolf famously claimed that, as a woman, "I have no country." There has been an international feminist movement since at least the nineteenth century. International networks supported claims for female suffrage in Europe, and against foot-binding in China (Sperling, Ferree and Risman, 2001). Feminist

campaigning at the Versailles conference secured women's representation in the International Labour Organization.

Although other countries, such as Japan, had indigenous feminist movements, the three main international organizations, the Women's International League for Peace and Freedom, the International Council of Women and the International Alliance of Women, were dominated by European women. First wave Western feminism also arose alongside a virulent phase of imperialism, and sometimes replicated imperialist attitudes towards non-European women. Shohat (2001) however makes the point that Eurocentric versions of feminism, often present Third World women as victims, lacking any form of agency, and ignores the action that these women have taken, such as anti-colonial activism, because it is not overtly 'feminist'. Mindry also reveals that the ideologies used to enlist the 'help' of First World women for these 'victims' rely upon an essentialist discourse of women as naturally caring, and concerned about others simply because they are women. She further implies that this discourse patronizes the Third World recipients of 'sisterhood' (Mindry, 2001).

Little attention was paid to differences between women, at least in Western feminism, until later writing, such as Robin Morgan's *Sisterhood is Global,* brought the voices of non-Western women to the attention of mainstream international feminism (Flew et al, 1999). While there is still concern among non-Western activists about the domination of Western feminists, aspects of foreign feminism have been adopted, if they are useful in a local context.

> "Women around the world are actively engaged in deciding and organising around their own local, national and global priorities and considering for themselves which feminisms are appropriate to their own context. Women's activisms take many different forms, derived from different temporalities of struggle." (Flew et al, 1999:395)

While globalization of communications may have facilitated development of transnational identities, these communities house considerable diversity.

There are multiple feminisms and some parts of the world women's movements have the eschewed label of 'feminist' altogether (China Rights Forum 1995; Eschle, 2000). This does not mean that there has been a lack of women's activism under globalization.

Although women are disproportionately likely to be employed in non-organized sectors and non-unionized part-time, informal or home-based work, nonetheless the incorporation of women into the workforce has coincided with an increase in female activism for labour rights. Fernandez-Kelly (2001: 1248) writes:

> "Exploitation at least, entails a connection with the world of employment and, therefore, possible mobilization, resistance, and negotiation. Redundancy does not offer such possibilities."

As women are increasingly concentrated in sex-segregated workplaces, this has led to groups organising around issues specific to women, even if they reject the label feminist. This can be either because feminism was associated with co-option into the former state apparatus, such as in Hungary (Acsady, 1999) or because it is seen as a Western import. In South Korea, the rapid growth of women's employment (Section 3.2) was paralleled by a growth in women's labour activism. In defiance of Confucian expectations about the role of women, female workers were at the forefront of labour activism, demanding better conditions in general, but also reforms to improve the position of women in particular by calling for the abolition of sex-based job classifications. The clerical women's labour movement in South Korea was particularly successfully in winning reforms.[43] Furthermore, having entered the workforce, some South Korean women showed a distinct reluctance to leave (Yoon,

[43]Korean female activists were successful in winning reforms in the changes to the customer of female workers in banks being required to sign a contract in which they agreed to leave jobs upon marriage, and to gender specific discriminatory retirement ages in 'women's jobs': 28 for typists, telephone operators and assistant nurses, 20 for lift operators, and 25 for administrative assistants (Yoon, 2001).

2001). The custom of requiring married women to be the first to lose their jobs in times of recession led to the emergence of the *IMF chonyo* (IMF maidens), who delayed marriage, or lied about their marital status in order to continue in paid employment. Another case of women organising around gender interests is the case of *Exportadora de Mano de Obra S.A*, (EMOSA), a Tijuana based satellite of US based American United Global. Female employees of EMOSA mounted an international campaign against sexual harassment, after they were allegedly filmed during a bathing suit contest on a company trip (Bayes and Kelly, 2001). In many countries the growth in women's formal political representation has paralleled the rise in women's employment (Walby, 2000). Even where it is men who have become integrated into the world economy, this can have a politicising effect upon women: in areas of Mexico from which men have migrated to find work, women have also assumed economic and political responsibility, including holding political office (Gonzalez, 2001).

The increased incorporation of women into the workplace associated with the processes of economic globalization has had a stimulating impact upon women's activism. However women have also had a new impetus to activism. The decline in state services associated with marketization has given them reason to protest or organize. For example, the structural adjustment programmes imposed upon Mexico in 1982 mandated cutbacks in government welfare, privatization and increase in exports, in stark contrast to the postrevolutionary Mexican state's priorities. By the following year, the women in CONAMUP (*Coordinadora Nacional de Movimiento Urbano Popular* – National Council of the Urban Popular Movement) – had formed women's regional councils to obtain services including health centres, running water, schools, cooking gas, school lunches, cooperatives, and other economic amenities to help women fulfil household duties (Bayes and Kelly, 2001). In Russia a vast number of self-help groups and employment training organizations have grown up, trying to fill the gap left by the collapse of the welfare state. (Sperling, Ferree and Risman, 2001). Although a high profile way of continuing to show support for communal provision of services, this

nonetheless meant that it was still women who were bearing the cost of restructuring. As will be seen in Chapter Eight, women in Japan too have protested about shortfalls in state welfare provision.

New possibilities for networking have arisen as national boundaries become more fluid. As women meet and network, this puts new issues on the global feminist agenda. Following the Beijing conference, for example, female MPs in Malaysia raised the issues of unmarried mothers, and the status of foreign partners, and government women's officers held seminars to try to improve the relationship between the government and women's NGOs (Ariffin, 1999). The Beijing Conference was catalytic for women groups in Japan too, as Chapter Eight will show. It also had an impact on the consciousness of individuals. Bayes and Kelly (2001) cite the case of young woman from a highland village in Thailand who returned from the Beijing Conference, and with her newly-acquired status of international traveller, informed a village elder that it was not acceptable for him to beat his wife and that he should stop. Keck and Sikkink (1998) examine the way transnational activism has been instrumental in spreading concepts, and thereby permitting activists to articulate, problematize and campaign around issues: the case study they have chosen is domestic violence. However, the entry into the Japanese vocabulary of *seku hara*, from the English 'sexual harassment' is another pertinent example.

Furthermore, new forms of technology have facilitated international networking among women's groups, increasing women's ability to share information and campaigning techniques. Delegates from India, the Philippines, Sri Lanka, Nepal, Japan, Cambodia, Korea, Kyrgystan, Laos, Burma and Thailand attended the Asia-Pacific Forum on Women, Law and Development in 1999. The Conference Report noted:

> "In an ironic twist, globalization here was used to positive effect in expanding and strengthening the women's movement and the fight against transnational exploitative processes. This can be seen through the exchange of business cards, addresses, phone and fax numbers, and e-mail addresses. This interchange, in part facilitated by the

globalization of communication technologies, travel, and information will contribute no doubt, to a stronger network of women's organizations across the globe." (Costa, 1999:69)

Of course, the ability to travel internationally and network in cyberspace is open only to comparatively few women.

In summary, feminists have always aspired to a global women's movement, but the nascent international movement of first wave feminism was strongly dominated by the concerns of European women. Globalization has drawn more women into the workplace, and, with this, into activism for labour rights. Furthermore the exigencies of globalization have propelled women to defend the gains of state feminism. The fluidity of national boundaries has also allowed for women to share concerns and to network to build alliances with women in other countries.

Sites of activism

If globalization is impacting upon the women's activism, it is also impacting upon the institutions and political structures which women attempt to influence. This section will describe how the geography of political activism is changing. It will first examine the state, as, even though its role is changing (Section 2.2), states continue to be major players in their own right or as part of regional trading blocks (Bergeron, 2001). It will then go on to look at the local, transnational, and global political spaces, which have opened up or assumed greater importance under the process of globalization.

Feminists have tended to have a somewhat ambiguous attitude towards the national state, and of course, states take different forms in different historical contexts[44]. The German feminist movement, for example, tended to present

[44] Rai and Livesley (eds.) (1996) offer wide-ranging treatment of the relationship between the state, women's organizations and women's struggles in *Women and the state: International Perspectives*, London:Taylor and Francis

the state as an instrument of patriarchal control; in the UK some feminists tended to see it as an arm of the capitalist class, mediating patriarchy and capitalism (Rai, 1996). Feminist activists in Japan too have, until recently, tended to eschew parliamentary politics (Mikanagi, 2001). Scandinavian feminists, in contrast, have chosen the path of 'state feminism' (Young, 2001). The post-revolutionary Chinese state promised, and largely delivered, equal pay for equal work, educational parity between the sexes, public health and childcare provision. The marketization of the Chinese economy has resulted in high unemployment and poor labour conditions for women, lack of protection for rural migrants, and the commercialization of femininity. However the formal state ideology of gender equality is still a tool for legitimating struggles for women's rights (Chun, 2001).

Globalization is often presented as accountable democratic bodies being superseded by the unelected forces of transnational capital. However, at the level of formal democracy, at least, globalization has seen a 'third wave' of democratization. Women can now exercise effective electoral choice in the new post Cold War multi-party democracies, and women's representation in the existing parliaments has increased. Furthermore, a higher proportion of countries have democratically elected assemblies today than 20 years ago, which itself increases the number of elected women representatives (Walby, 2001). This in itself implies an impact upon policy. A 1991 study by the Centre for the American Women and Politics at Rutgers University found that, regardless of party or ideology, female politicians tend to have a different agenda to men (Fujimura-Fanselow and Kameda, 1995: 373). However, the gains of state feminism, such as well-funded welfare programmes are now under threat from exigencies of globalization (Simms, 2001).

The power of globalized capital has called into question the nation as a site of collective identity and the state as a force that can serve the collective interests of those who reside within the nation. It is one of the paradoxes of

globalization that national legislatures are becoming more representative, just as those legislatures are losing effective power (Held, 1995; Falk, 1997; Gilpin 2000). However, the decline in state sovereignty is by no means unanimously viewed as detrimental to women: feminist scholarship has noted that the principle of non-intervention in sovereign states leaves women vulnerable to abuse and injustice (Sassen, 2001).

Globalization presents new opportunities for feminist politics as well as new difficulties. In times of change social movements can identify potential allies and note where elites are vulnerable to challenge. The 'global imperative' view says targets should be global and that there is a 'new geography of power' composed of TNCs, financial markets, insurance and information networks (Bergeron, 2001; Youngs 2001). Women are reacting by establishing a strategy that is simultaneously localized, regionalized and globalized (Chin and Mittelman, 1997).

Section 2.2. explored the notion that one of the trends associated with globalization was the increasing trend towards multi-level governance, which more formulation of policy at sub-state levels. Many women activists have therefore chosen to work at local levels. Yoon (2001) describes how, in the early 1990s women's organizations, in South Korea, began to seek women's representation in formal politics, particularly at the local level, where they have continued to work for legal and institutional change. Women in Africa have also formed local women's groups, including rotating saving societies, co-operatives and day-care associations is response to austerity measures and the reduction in male employment (Tripp, 1997).

The establishment, and increased profile of global institutions of governance, such as the UN, has been strongly associated with a raised international profile of women's rights, particularly through the series of international UN women's conferences from Mexico City in 1975 to Beijing in 1995 (Flew et al, 1999; Ariffin, 1999; Marcos, 1999; Mbire-Barungi, 1999) and the development

of a nascent set of international norms as embodied in UN and ILO resolutions and agreements such as the United Nations Convention on the Elimination of All Forms of Discrimination against women (CEDAW). Transnational networks composed of non-state actors, notably the UN and women's non-governmental organizations have been instrumental in the diffusion of 'gender mainstreaming' (True and Minstrom, 2001), that is, state policy to take into account the differential impacts of all policies according to gender. It is important to note that the institutional characteristics of some states are sufficiently strong that the states refuse to accept these global norms. Arat (2002) has noted the tendency of some Muslim states to express reservations about global norms, or to seek exemptions to parts of international conventions, based on their interpretations of religious law (despite modernist or feminist interpretations of *Shar'ia*, which stipulate sexual equality).

Women use international law and transnational organising to negotiate with national states and individual TNCs for recognition and reinforcement of women's human rights. For example, some export-oriented firms in Mexico, have tried to avoid hiring pregnant women, to whom they would have certain legal obligations. They have adopted such practices as giving women 28 day contracts (to coincide with their menstrual cycle), or requiring women to show proof of menstruation. If a woman becomes pregnant she is not rehired. As ILO and UN agreements to which Mexico is a signatory, forbid discrimination in hiring on grounds of sex, some NGOs, representing these women's interests, have filed a complaint about this kind of pregnancy testing against Mexico with in the National Administrative Office (NAO) of the US Department of Labour. The subsequent publicity led two US firms, General Motors and ITT Industries, which operated in Mexico, to voluntarily agree to discontinue the process of pregnancy testing (Bayes and Kelly, 2001).

As well as facilitating the application of transnational pressure, the prestige of the UN has lent credibility to national attempts to improve women's situation. The Russian women's movement, for example, purposefully adopts the language of international documents, such as International Labour

Organization and UN resolutions in its struggle against sexist discrimination (Sperling, Ferree and Risman, 2001). Japanese campaigners too have deliberately adopted a boomerang strategy (see footnote eight) to pressurize the Japanese government to enforce equal opportunities legislation.

This section has noted that globalization is resulting in women working for, and achieving, greater representation at the national level. However, this is of limited utility, as the power of the national state retreats. As more power is devolved to the local level, some feminists have focussed their efforts there. However, of perhaps more significance is the emergence of a global standard of sexual equality, although the extent to which this can be used to put pressure on individual states varies according to their history and political culture.

Modes of response

Having noted the different levels of governance that can be targeted by campaigners, I shall now explore the different strategies campaigners employ. The strategies adopted by women in responding to some of the processes associated with globalization will be partially determined by the structures in which they are operating. Tripp (1994) notes that in Tanzania, which has a history of local women's organizations, women's reaction to austerity measures was to start collective economic strategies, for example, a sewing project that used the money they made to start a co-operative flour mill. Women in Sri Lankan, Malaysian and Philippine free trade zones have used their wages to build women's centres that provide legal and medical assistance, library services, training, co-operative housing facilities, and food co-operatives, thereby using multinational capital to provide alternatives to capitalism (Rose, 1994, cited in Bergeron, 2001). Women have also effectively made use of culture-specific shaming strategies. In the case of women's campaigns for Y.H Trading Company and Dong-il Textile in the

Republic of Korea, protestors took off all their clothes to block riot police and corrupt male union leaders (Yoon, 2001).

The internationalization of production means that some women are able to enlist help in their struggles from more powerful groups in foreign countries. The EMOSA women described earlier in this section, who complained of sexual harassment, were all laid off, and the plant where they worked was closed, without compensation. The Support Committee for Maquiladora Workers based in Tijuana and San Diego contacted the United Auto Workers, whose employers has subcontracted work to the *maquila* where the women worked. United Auto Workers has an agreement with Ford, GM and Chrysler which said that the companies would not use parts made under unfair labour practices, and, after 8 months of legal action and campaigning, 118 workers received acceptable severance pay (Bayes and Kelly, 2001).

The women who can afford to travel to the UN, or who work in professionalized NGOs are an elite and not representative of the majority of the world's women. Some feminists have criticized the Beijing conference for excluding the poorest women (Bergeron, 2001). Other theorists have warned that those who engage with states and corporate interests risk being co-opted and encouraged towards conformity (Cox, 1999). Nonetheless, feminist activism has become 'more NGO-ized' (Sperling, Ferree and Risman, 2001). Those who have engaged with international bodies, have "...countered the prevailing view that state commitments in the United Nations involve mostly lofty talk or mere lip service." (Suriyamongpol, 2002: 3).

Campaigners at this level have typically mixed scholarship and activism. Diane Orentlicher (cited in Bayes and Kelly, 2001:156) argues that human rights methodology 'promot[es] change by reporting facts'. To hold governments accountable

"requires NGOs to:

a) carefully document alleged abuses;

b) clearly demonstrate state accountability for those abuses under international law and
c) develop a mechanism for effectively exposing documented abuse nationally and internationally."

Campaigners have therefore attempted to find facts, build consensus internationally and locally and create mechanisms to explore abuse and bring international, national and local pressure to bear (Bayes and Kelly, 2001). The Women in Development movement is global advocacy network, engaging with international bodies and national parliaments (Walby, 2001). As a result of the work of Schools of Women in Development and Gender and Development

a) International agencies now pursue as a matter of course, research upon the gendered impact of policies.
b) Nation states 'mainstream' women's policy agendas through official programs promoted by advocacy administrators and 'femocrats'.
c) Feminist organizations engage regularly with the state, particularly though elected female representatives. (Staudt, Rai and Parpart, 2001).

The strategy of collecting information to bring international pressure to bear on a national government has been adopted by an increasing number of national women's groups who provide alternative reports to the UN on the extent to which their State has implemented CEDAW's provisions.

A type of resistance at the opposite end of the spectrum to this highly-organized and academic strategy, is what James C.Scott (1990, cited in Chin and Mittelman, 1997) has named 'infrapolitics'. This refers to everyday forms of resistance exercised by individuals or groups, which fall short of openly declared contestations. Infrapolitical activities range from footdragging, squatting, and gossiping to the development of dissident subcultures (Chin and Mittleman, 1997). In keeping with the dictum that the personal is political, feminists have not just limited their descriptions of responses to global patriarchy to the actions of formal groups, but have examined the actions of individuals and informal social groups. Filipina maids in Hong Kong, for

example, confined to the house for most of the week, gather in public spaces to socialize and share information, sometimes to the concern of the local media (Youngs, 2000). Workers go to work, sometimes in the face of opposition from men or local cultural traditions; passively resist managers, by using gender stereotypes, such as women needing unique rest periods (Ward, 1990). Minority women in Silicon Valley have turned managers' stereotypes against them, by, for example, refusing to work with solvents on the grounds that it would ruin manicures for a special occasion, or bringing a child to work on the grounds that the child's mother would be too tired to play with him after work (Hossfeld, 1990). In Chapter Six, I describe the infrapolitical resistance of Japanese 'office ladies' (OLs).

Women then employ a variety of protest strategies. These range from engaging with international and state bodies in a highly professionalized way and using their own modes of discourse to campaign for better conditions, to linking with other women and other workers in transnational campaigns, through to using traditional feminized methods of protest, and employing 'infrapolitical resistance'.

3.4. Conclusion

Several general hypotheses about the relationship between gender and globalization can be extrapolated from the accounts described in this thesis:

- Globalization is presented in a gendered and natural phenomenon in political discourse, in a way that suggests nation states are powerless to resist its exigencies.
- States respond to the challenges of globalization by marketization and the adoption of neo-liberal policies. These policies have impacts, which increase the reproductive work of women.
- Globalization can weaken local patriarchal structures by exposing culturally-specific practices to global scrutiny, while flows of information and ideas increase reflexivity within cultures.

- Dominant ideologies can lead a state and existing institutions to negotiate a compromise between encouraging change and maintaining current gender orders.
- There has been a 'feminization' or waged work, as an increasing proportion of jobs are taken by women, and an increasing proportion of jobs are irregular, part-time and/or service sector jobs which have typically been filled by women.
- The entry of the workforce of many First World women into professional positions, is facilitated by the domestic work of poorer migrant women.

Whether these hypotheses are valid in the case of Japan, and how the case of Japan can contribute to the feminist debate about the impact of globalization upon women will be examined in the following chapters.

Feminist accounts of the multi-faceted nature of globalization significantly enhance our understanding of this phenomenon, as well as to the way states and institutions nuances its effects. They show that globalization is a deeply-gendered phenomenon. It impacts differently upon men and women. Macro-level analyses, which view the phenomenon through the lens of gender, show that attempts by states to respond to the challenges of economic globalization by marketization and the adoption of neo-liberal policies increase the reproductive work of women. They have also shown how the gendered discourse surrounding neo-liberal economic globalization (wrongly) constructs it as natural and irresistible, adding support to the hypothesis that globalization is not only a process but also a project.

Generally, in both North and South, processes associated with globalization, such as foreign direct investment and the desire to employ more non-regular workers, draw more women into waged labour, although and in some cases this changes as development proceeds. Although women experience the changes brought about by global processes very differently according to their age, class, ethnic background and national culture, most women usually work

under different conditions to those enjoyed by most men. The work that women do is usually relatively poorly-paid, and has less security than their male fellow workers have traditionally enjoyed. This can be partially attributed to institutional factors, such as a country's gender norms. However the increase in women working also has the potential to alter gender norms. For this reason, most women seem to prefer waged work, and employ strategies to keep their jobs when threatened with removal through restructuring or societal and familial opposition. Women may benefit in terms of health and education, if capital penetration results in successful development, However, the marketization occasioned by globalization, increases women's work in the home and reduces their availability in the labour market. A minority of elite women have found that globalization offers them opportunities for travel, and a professional career, comparable to that of elite men, but only if other women provide domestic labour for them.

An increase in women in the workforce and the adoption of a global norm around the idea of gender equality, has led to an intensification of women workers' struggles for labour rights. Women have succeeded in gaining a more equitable representation at state level, but as the state has lost some of its capacity, women focussed their attention upon new institutions of global governance.

At the firm, local, national, regional and global level women have pursued a number of strategies of resistance, ranging from combining scholarship and activism to campaign upon an international stage; to using the wages from global companies to build community services; jointly campaigning with women and workers from other countries and employing the passive resistance known as infrapolitics.

In some instances a study of the case of Japan exemplifies and enriches points made by feminist theorists about the relationship between gender and globalization. Claims made by representatives of the Japanese state do present neo-liberal economic globalization as natural and inevitable, and

thereby justify the proposed restructuring of the labour market to respond to its exigences. Japanese women are entering the labour force in greater numbers than previously, although the work they are carrying out is less secure than jobs than those held by the majority of men in the post war period. Through their exposures to nascent norms around sexual equality, and experience of migration, some Japanese women are becoming increasingly reflexive about work and gender roles in Japan. Japanese women have been long been involved in transnational feminist movements, and the strategies of resistance they employ both share ideas and methods of resistance for actors in other countries, and use strategies appropriate to Japanese social and political institutions.

In other instances though, analyses of gender and globalization do not fit the Japanese case so well. Expectations about women's role in the reproductive economy, and particularly in the three-generation family, have implications for female migration, for the impact of the retreat of the state in Japan, and for women's capacity to undertake full-time work. Furthermore, men and women's expectation of women's role in the labour force is influence by the changing, but still distinctive, features of the Japanese national model of capitalism (examined in Chapters Four and Five).

Chapter Four:
The Japanese Model of Capitalism and the Globalization of Japanese Production

4.0. Introduction

This chapter explains the development of the Japanese model of capitalism, and thereby provides an essential background to understanding women's role in that model, which will be explored in more depth in Chapter Five. The chapter goes on to show how the globalization of Japanese production has facilitated the changing division of labour firstly in the East Asian[45] region, and then globally; and how this is having reciprocal effects upon that model, which will be explored in Chapters Six and Seven.

Chapter Two has argued that the state and national institutions play important role in both facilitating the processes associated with globalization and determining the manifestation of globalization in different national contexts. This chapter provides specific information about the role the Japan state and Japanese companies have played in facilitating the global organization of production and the reciprocal effects this has had on the Japanese national model of capitalism generally. In order to contextualize changes in the Japanese model of capitalism, it is first necessary to gain an understanding of this model, and the way that it was forged. Section 4.1 therefore describes how the conditions of international political economy led to a rebuilding of the Japanese economy after the Second World War, and a reshaping of its institutions. Section 4.2 deals with the security concerns, economic dependence and political considerations, which prompted Japan to direct aid and investment to the rest of East Asia, and how this interacted with the economic development policies of other countries in the region. This is important historical background to any understanding of the globalization of Japanese production, because, as this chapter will show, globalization of Japanese production followed on from the globalization of Japanese capital.

[45] There are various definitions of the East Asian region, but, where the phrase is used in this thesis it refers to the Newly-Industrializing Countries, NICs (Taiwan, Hong Kong, Singapore, and South Korea), the key members of ASEAN (Thailand, the Philippines, Malaysia, Brunei, Cambodia, Myanmar and Indonesia) and China and Burma/Myanmar.

Rapid advances in information technology, transport and communications made it possible to organize production on an international basis. Economic and political expediency has produced the incentive for Japanese companies to undertake this reorganization. However there have been four key discontinuities in postwar international political economy, which have added a great deal of momentum to the process. These are the collapse of the Bretton Woods system in 1971; the Plaza Accord in 1985, the collapse of the Soviet Union in 1989 and the East Asian financial crisis of 1997. These events, and their historical context, will be dealt with in Section 4.3. The reciprocal effects of the globalization of Japanese production will be summarized in Section 4.4 .

4.1. International Political Economy and the Emergence of the Japanese National Model of Capitalism

In the aftermath of the Second World War, US foreign policy strongly supported the idea of Japan as a 'bulwark against communism'[46]. Relationships with the Soviet Union had deteriorated and civil war had broken out in China, so that plans to radically restructure and democratize Japan's economy were quickly shelved in the interests of rebuilding an economically robust anti-communist ally.

The first US administration in Japan after the Second World War was dominated by New Dealers[47]. The Supreme Commander of the Allied Powers

[46] This phrase was used explicitly by the US Secretary of War in a speech in January 1948 (Itoh, 2000).

[47] In 1933 President Franklin D. Roosevelt had introduced a range of economic and social reforms, aimed at regulating the markets, and targeted at improving the conditions of lower income groups. These policies were collectively known as the 'New Deal'. New Deal ideals are evident in Article 25 of Japan's Constitutional Law, promulgated in 1946, which declared: "All the members of our nation have the right to enjoy healthy and civil minimum life. The State must endeavour to elevate and improve social welfare, social security and public health in every aspect of life." In fact welfare concerns came to be overtaken by the political priority of economic reconstruction, and in the US too indeed, support for New Deal initiatives among the US political elite withered after Roosevelt's presidency.

(SCAP), Douglas MacArthur, was particularly keen on economic democratization, as a way to develop Japanese civil society. The SCAP-initiated Land Reform of 1946-47 had the twin goals of eliminating the 'landlordism' which the Supreme Command blamed for the jingoism of pre-war Japanese society, but also removing the causes of rural radicalism which was a potential source of support for the left.

SCAP planned to break-up the large family-owned conglomerates known as *zaibatsu,* as these commercial empires had, during the 1930s, joined the military in supporting overseas expansion. However priorities changed with inception of the Cold War. Mao attained power in China in 1949, and when the Chinese and Soviet governments formed an alliance in 1950, Truman reacted by appointing John Foster Dulles as advisor to Japan. US policy, as outlined in National Security Council Reports of the time encouraged the rebuilding of the Japanese economy, the re-arming of Japan, and also the intensification of Japan's links with the other East and Southeast Asian countries. This would buttress Asian anti-communist regimes (Suehiro, 1999) and integrate these nations into the capitalist world. Root and branch economic reform came to be blocked by policy adviser George Kennan, whose National Security Council directive NSC 13/2 of 1948 took into account the role the US felt it was desirable for Japan to play in the Cold War. Kennan portrayed MacArthur's anti-monopoly plan as likely to remove the main obstacle to Soviet penetration in Asia (Schaller, 1999). Mitsui, Mitsubishi and Sumitomo therefore survived, reorganized themselves into industrial and financial corporate groupings known as *keiretsu*, which are a key feature of Japanese capitalism.

Gerlach identifies five characteristic features of *keiretsu*: transactions are conducted through alliances of affiliated companies; relationships between such companies are based upon longevity, stability and mutual obligation; relationships are characterized by cross-shareholding and personal relationships; relationships have symbolic significance which maintains links even in the absence of formal contacts; bilateral relationships take place within a wider 'family' of firms (Gerlach, 1992: 4, cited in Dicken, 1998: 224).

The large companies at the 'top' of *keiretsu* were able to externalize through these intricate vertical relationship with small and medium sized subcontractors. The subcontractors, which are almost entirely dependent on the larger company and provide flexible pricing and production and even absorbed surplus employees of the company in times of economic difficulty. This system was instrumental in producing a dual labour market. In firms at the 'top' of the *keiretsu*, as Abegglen wrote,

> "At whatever level of organization in the Japanese factory, the worker commits himself on entrance to the company for the remainder of his working career. The company will not discharge him even temporarily except in the most extreme circumstances." (Abegglen, 1958:11) [48]

However, the stability of in large firms (see Section 1.1) was guaranteed by the flexibility of smaller ones[49].

To encourage the rebuilding of civil society in Japan, under SCAP's influence, trade unions were legalized in 1945 (Lehmann, 2000). The new Constitution of Japan recognized the right to organize as an essential right (Art. 28) and, following this recognition, trade union membership and activity expanded rapidly. Membership rose from virtually zero to almost six million in the first two years of the Occupation. Although trade unions had scarcely existed before legalization, those that were formed in Japan had several distinctive

---

[48] Examples of rare sackings that he cited were a man who had been absent for several weeks, following a series of similarly lengthy absences, and another accused of repeated thefts.

[49] The precarious position of smaller companies has been evident in recession caused by the East Asian crisis. Forty-seven per cent of employees laid off for bankruptcy or restructuring between 1996 and 1999 worked at companies with less than 30 staff, while workers at firms with 500 or more staff accounted for only 14 per cent of layoffs (*Nihon Keizai Shimbun*, 27 November, 1999). Employees of small and medium-sized enterprises also tend to receive lower wage rises in times of economic hardship than their counterparts in larger companies. In 1999 the average wage rise of workers in the former was 2.21 per cent compared to only 1.67 per cent in the latter (Labour Relations Bureau, 2000). Furthermore wages and age have traditionally not been so closely related as in larger companies (Matsushima, 1966: 75).

characteristics. These unions were notable for their enterprise base and their cross-class membership, both legacies of workers' experience of the Industrial Patriotic Society (*Sangyou Houkoku Kai*). Enterprises branches of the Industrial Patriotic Society, which comprised both white-collar and blue-collar workers, had been formed to raise the spirits and provide mutual aid for the families of drafted employees.

In protest at inflation and unemployment and, with the leadership of socialists and communists who had returned from exile, and active members of the Industrial Patriotic society, working class militants organized a wave of strikes, mass demonstrations and factory occupations (Megarry, 1995). The administration was again alarmed and the Labour Relations Adjustment Act, which banned strikes in certain key industries, was passed in September 1946. A proposed general strike of the six million members of the Industrial Union (*Sanbetsu Kaigi*) and General Council for Trade Unions (*Sohyou*) for February, 1997 was called off after the personal intervention of urging of General MacArthur.

As well as being based in enterprises and uniting blue and white collar workers, Japanese trade unions were characterized by the way they played a role in co-determining company policy. The invention of the tradition of family-like business, where capital-labour relations were always harmonious did not occur until around the time that Factory Acts and legislation recognising trade unions were under discussion in the 1940s (Clark, 1979). Business organizations resisted the application of aspects of the ILO convention, arguing for very weak union rights legislation "appropriate to our nation's feelings". Gordon (1998) has shown that, in fact, during the early days of Japan's industrial revolution, systems of management most resembled those of the advanced factories of Europe or North America. However, unions were able to adopt the ideology of co-operative labour-management relations to argue that unions and management should have a say in deciding company practice. Co-operative labour-management relations had numerous benefits for male regular workers. Both blue-collar and white-collar workers

received employment security, high quality training and payment according to salary. Company welfare benefits, such as grants on marriage, childbirth, illness, death, provision of company housing, and subsidized shopping facilities added to the cost of lifetime employment for companies (Matsushima, 1966). These high fixed costs prompted firms to seek numerical flexibility by using a secondary (and largely female) workforce, who did not have the same job security or fringe benefits of male regular workers[50].

After Truman's election in 1948, Detroit banker, Joseph Dodge was appointed to Tokyo as 'economic czar', whose brief was to build a strong Japanese economy. Japan would therefore be a robust ally against communism in Asia. Dodge, adopted a strategy of central planning ('The Dodge Plan'), which was aimed at maximising production for export, while minimising production for domestic consumption. One of the immediate effects of Dodge Plan was large-scale layoffs. Between 1949 and 1950 around 700,000 workers lost their jobs (Halliday, 1995: 350). This severely weakened the union movement, as union membership fell by 880,000 between 1949 and 1950. As jobs became more scarce and union membership fell, union leaders acceded to the demands of management that, rather than representing all workers in a plant, unions represent only the 'labour aristocracy' of those regular workers that the management would want to retain even in a period of maximum retrenchment (Halliday, 1995). Further strikes in the 1950s and 1960s, following proposed lay-offs resulted not only in huge financial costs for the companies concerned, but also in bad labour/management relations, low morale among workers and a public relations disaster for the affected companies and damaged public image, as well as huge financial losses to large companies. The consequence of this period of industrial relations was that a tacit understanding developed between labour and management that lay-offs of regular workers should be avoided as far as possible (Inoue, 1999). However, this 'lifetime employment' would be the prerogative of only those full-time regular workers that had union representation. This became recognized in law. Although Japanese company law is very similar to that of

[50] This will be explored in Chapter Five.

the UK and the USA in its view of the supremacy of shareholders, rather than other stakeholders in a company, actual practice has meant that 'lifetime' employment for regular male workers has become institutionalized. Case law has come to support the institution of lifetime employment. Employees can claim unfair dismissal if a firm cannot demonstrate that it has, for example, explored all reasonable market opportunities for diversification, before resorting to layoffs (Dore, 2000). If a firm cannot continue to employ a regular employee, it is common that the employee will be provided with extra training and the company will assist in finding the employee a new position.

Dodge strongly supported the creation of the Ministry of Trade and Industry (MITI), which was to encourage export-oriented production by large, integrated firms (Schaller, 1997). As well as providing aid to rebuild the Japanese economy, the US pegged the yen at a rate of 360 yen to the dollar: a low rate which made it easier for Japan to export to the non-communist East Asian countries. Special procurements from the US in 1950-53 during the Korean War were a further stimulus to Japan's economic development.

In April 1949 the Ministry of International Trade and Industry (MITI) was granted complete control over Japanese industrial policy. MITI used the 1949 Foreign Exchange and Foreign Trade Control Law to allocate foreign currency to Japanese firms and control all foreign exchange (a policy which continued throughout the 1950s and 1960s). This was in effect to impose a quota system to control imports (Cowling and Tomlinson, 2000). Without this protection they might well have suffered in the same way as the fledgling Japanese auto industry that was almost wiped out by a surge of European imports during an experiment with free trade in 1953 (Katz, 1998). MITI chose to license foreign technology rather than permit foreign direct investment. It played an important role in identifying strategically important industries, and the Bank of Japan guaranteed large scale commerce. As Cerny (2001) has observed, late industrialising states do not typically wish to see capital flowing freely over borders; they wish to keep it at home. Early

infant industry protectionism therefore strengthened Japanese capitalism and proved highly successful at transforming Japan from a low-skill, labour-intensive economy to a highly-skilled high-value added one. In its rejection of free flows of capital and technology, and its restrictions on imports the Japanese model of capitalism differed greatly from the Anglo-American model of capitalism, and resembled more its East Asian neighbours at the time.

SCAP had expected the Japanese economy to adopt a strategy of specialising in low value added production at competitively low wage rates. Instead Japanese companies adopted a mode of production based upon the '3Ks': *keiretsu*, *kanban* and *kaizen*. *Keiretsu* have been defined in the previous section, but *Kanban* refers to the just-in-time system aimed at the elimination of 'waste' within companies, that is, the minimum amount of equipment, materials, parts, space, and worker's time, which are absolutely essential to add value to the product. By reducing costs inventories and fixed assets, the argument went, the return to capital employed would be increased. The establishment of lifetime employment for male company employees gave companies every incentive to ensure that workers were multi-skilled and flexible. These multi-skilled workers were created through the practice of continuous improvement (*kaizen*). Many of these innovations were originally adopted from American management ideas, especially the thought of Edward Denning on Total Quality Management (Schwartz, 2000). However, the adoption of these ideas by large and successful Japanese companies meant they became synonymous with Japanese management (see, for example, Abbeglen 1958, Dore, 1973, 1996, 1998, 2000). These production methods appear to have been successful. Japanese manufacturing productivity rose annually by an average of 9.7 per cent during the period from 1955 to 1970, real wages rose by an annual average of 5.7 per cent in the same period (Itoh, 2000: 4). Exports grew 17% annually in the 1960s (PBS Online, 2002a).

The reconstruction of the Japanese economy was a top political priority for the Japanese government, as it was for the US. Development policy concentrated on heavy industries and chemical production, and between 1955 and 1970 there was no increase in social welfare spending. In 1951 the Social Security Advisory Council recommended that the Japanese government introduce a comprehensive social security system, which would provide social insurance, social welfare and public hygiene. However the government failed to implement this. The 1949 Second Plan for Economic Reconstruction maintained "there was a vital need to consider accumulating as much capital as possible by slowing down the rise in living standards, which was vital for a while even though it was expected to cause hardships in people's everyday life." (cited in Takeda, 2002: 163). This policy of prioritising economic over social development has been instrumental in shaping expectations of women's productive and reproductive labour, as women tend to 'fill the gaps' in state-provided welfare. Furthermore, in Japan, there are legal, as well as social, pressures to provide care for family members. From April 1961, a universal health insurance and pensions system were put into effect, and in 1973, a year referred to in Japan as the "First Year of the Welfare Era," older citizens were exempted from health care fees. Nonetheless, the Civil Code continues to state that those who are in a lineal family relation, as well as siblings, are responsible for supporting and caring for each other. Blood relatives are obliged to pay for the care services for members of their extended family even if they do not or cannot provide care for themselves (*Clinical Geriatrics,* 2000). As Takeda (2002: 164) observes:

> "in this sense, ideas from the previous family system were utilized through remodelling in appropriate ways for the period of high economic growth, and functioned as a substitute for a public social security system, which was given only secondary importance after the economic policy" (Takeda, 2002: 164)

However, even in 1996 Japan paid only 67.5 trillion yen in 1996, or 17.2 per cent of the national income, in social security benefits, compared to national income proportions of 18.7 per cent in the United States (1992), 33.3 per cent

in Germany (1993), 37.7 per cent in France (1993), and 53.4 per cent in Sweden (1993) (Japan Access, 2002) This formal assumption of reproductive work being the responsibility of family members continues to be embodied in Japanese policy pronouncements, as Chapter Seven will show.

The early postwar period then established a dual model of employment in Japan. A division was made between security and conditions of work in larger and smaller firms. A division was also established between those full-time workers, who were enterprise union members, and received a virtual guarantee of lifetime security, combined with payment by seniority and a raft of company provided welfare benefits. Those in non-regular employment, who were not union members, did not have such guarantees. In large firms, innovative production systems, such as *kanban*, led to impressive growth in production. The Japanese national model of capitalism was initially characterized by administrative guidance and control of capital flows,. This proved to be successful in effecting the take-off of many of Japan's successful export industries. While the state was given responsibility for economic development, the provision of welfare was formally considered to be the role of the family. As noted in the previous chapter, reproductive work carried out within the family is overwhelmingly carried out by women.

4.3 The Globalization of Japanese Capital

As stated above, MITI controlled imports and outward foreign direct investment. However there was tension between the desire to keep capital 'at home' and pragmatic political concerns about rebuilding relationships between Japan and the rest of Asia. Bilateral, as well as global, politics and traditional geo-political security concerns were also instrumental in encouraging a flow of funds from Japan to the rest of Asia.

Because of its vital strategic role as a US ally in Asia, Dulles aimed to station US troops in Japan. Article 9 of the Japanese postwar constitution, drawn up by SCAP, was essentially a pacifist constitution. Article Nine stated:

> "1) Aspiring sincerely to an international peace based on justice and order, the Japanese people forever renounce war as a sovereign right of the nation and the threat or use of force as means of settling international disputes.
>
> (2) In order to accomplish the aim of the preceding paragraph, land, sea, and air forces, as well as other war potential, will never be maintained. The right of aggression of the state will not be recognized."
>
> (Japanese Constitution, adopted 3 November 1946)

The article received much popular support within Japan. Stationing troops on Japanese soil was therefore controversial within Japan. It was even more unpopular in former Japanese colonies. Dulles was to placate those countries in the region that objected to this by promising war reparations from Japan. A *Newsweek* article of 1951, which was reputedly written by Dulles, recommended that Japan look to Southeast Asia as a source of raw materials formerly imported from China. Japan had of course had long-standing economic relationships with other countries in the region, some of which date back to the Meiji era (1868-1912). Japan is poor in natural resources, having only 37 per cent of capacity to feed itself in terms of calorie intake and 27 per cent in terms of grain intake (Arimura, 1996). Japan imports the majority of its energy and natural resource needs.

Akaha (1999) suggests that the ideological divisions of the Cold War and the US's prioritization of the nurturing of Japan as its principal ally in the region, meant that, unlike Germany in its relations with Europe, Japan did not need to reach full reconciliation with its neighbours. However, while the military security need may not have been urgent, the economic rationale for rebuilding first trade, then investment, then production links with Asia certainly was. Colonized China, Manchuria and Korea had provided the Japanese empire with raw materials and markets for its manufactured products. Japan was

keen to rebuild its manufacturing industry, and so in the post-war period Japan had every incentive to rebuild economic partnerships.

From 1950, under the premiership of Yoshida Shigeru, Japan adopted a policy of co-operating with the US to develop South East Asia. There were several Japanese political leaders who made efforts to rebuild relations with former colonies. For example, PM Kishi Nobusuke's made two rounds of visits to countries in Southeast Asia. The 1966 Ministerial Conference for the development of Southeast Asia was the initiative of PM Satou Eisaku. Diplomatic relations with South Korea were restored in 1965 and Sino-Japanese relations were restored in 1972.

Reparations to the region were paid in kind – firstly by services and then by capital goods, which have made it relatively easy for Japanese companies to establish cross-national production. Japan supplied nearly 946 billion yen to various Asian countries, including the Philippines, Indonesia, Malaysia, Singapore and the Republic of Korea, in reparations and other payment (Umezu, 2000). Reparations payments were always made in combination with loans for economic co-operation and development (Suehiro, 1999).

Yoshida Shigeru told Dulles,

> "Reparations are a kind of investment. If we can contribute to the economic development of Southeast Asia in the name of reparation payments, we can help prevent the propagation of communism. With reparations, we can kill two birds with one stone." (cited in Suehiro, 1999: 88).

Japan also cultivated links with countries to which it did not have a duty of reparation including India, Pakistan and Sri Lanka (which was then known as Ceylon) (Suehiro, 1999). In 1954, it signed up to the Colombo Plan, to help with the socio-economic development in Asia.

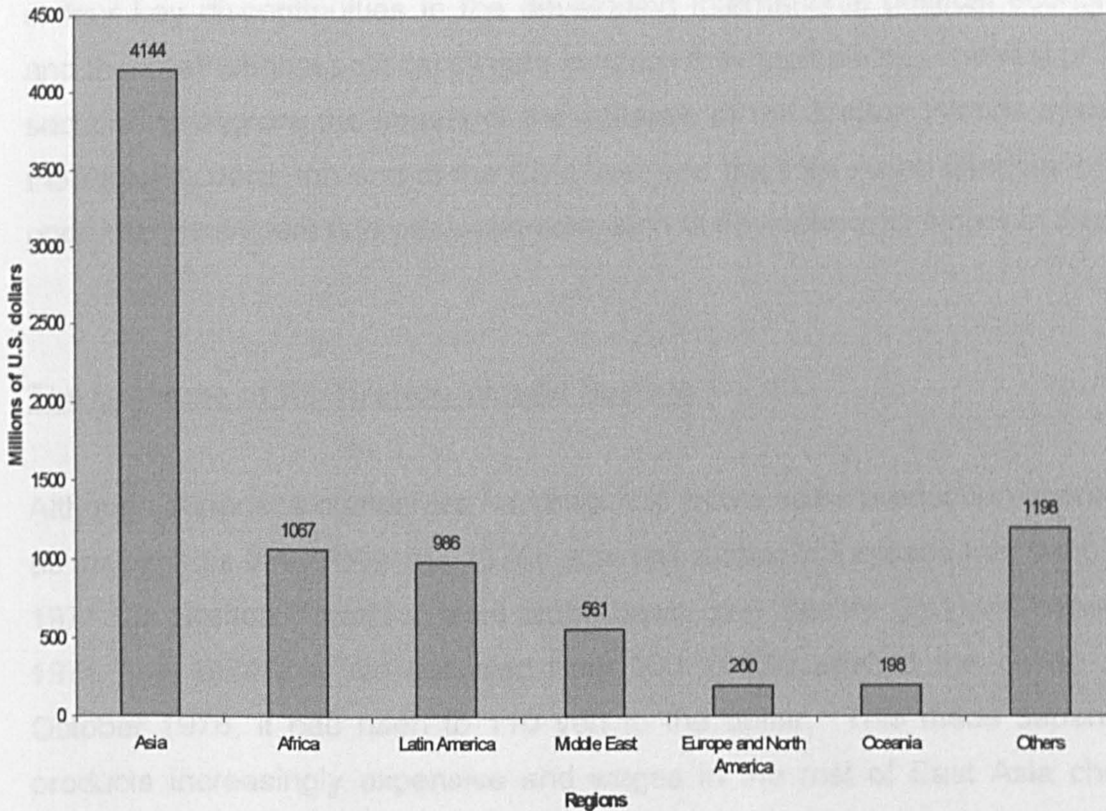
From the 1960s onwards corporations put pressure on MITI to permit more FDI (Cowling and Tomlinson, 2000). As the post-war austerity plans were

replaced by the income doubling[51] plans of the 1960s, Japanese firms began to locate some actual production overseas as a reaction to the increased salaries at home (Mackie, 1999).

Political change in 1965 was a watershed for Japanese relations with East Asia. That year saw the outbreak of the Vietnam War, a military coup in Indonesia and the signing of the Japan-South Korea Treaty, normalising relations between the two countries. The political instability of Asia in the late 1960s and early 1970s led to the formulation of the Fukuda doctrine, an explicit articulation of the idea that aid and investment to the rest of Asia were essential to the defence of Japan's national interest. Prime Minister Takeo Fukuda, in 1977, recognized Japan's unique position as a developed industrialised economy in the region, and spoke of the need for Japan, as an 'advanced country' to take responsibility for stabilizing the region, which was the source of so many of the raw materials needed by Japanese manufacturing. Public support within Japan for aid to Asia, was, and continues to be, considerable: it is perceived as ethical because of Japan's relative wealth, its role as a bridge between Asia and the West and its need to be seen as responsible nation (Preston, 2000). This is particularly significant as Japan is the top donor in the world in terms of net ODA (Overseas Development Aid) disbursement (Japan International Cooperation Agency 2001) and a disproportionately high proportion of Japanese ODA is given to the Asia region (see Figure 4.1).

[51] In 1960, Prime Minister Ikeda was sufficiently confident of the strength of the Japanese economy that he announced a National Income-Doubling Plan. Industrial policy would be used to funnel investment finance into high growth, export industries. Throughout the 1960s investment rates represented around 20% of income, and produced high real growth throughout the decade (Shea, 2001).

Figure 4. 1 Japan's bilateral ODA (Fiscal Year 1996) Allocation by region



Source: Japan International Co-operation Agency (2001)

Most Japanese ODA was, like reparations, 'tied'. Japanese trading companies are involved from the project planning stage, and attach conditions aimed at maximising their own business opportunities. Thus ODA, in effect, subsidized the multinationalization of Japanese firms (Itoh, 2000).

In summary, for reasons of political pragmatism, from the 1940s onwards capital from Japan entered the rest of East Asia. These funds strengthened links between Japan and the rest of the region, and, when Japanese business were looking for ways to cut production costs, moving some production to East Asia was an obvious strategy.

As the rest of this section shows, East Asia was not the sole recipient of Japanese FDI. Political pragmatism, and economic rationalism encouraged Japanese FDI flows first to East Asia, then Western, then Eastern Europe, and

the former Soviet Union, and also, to a certain extent, to the US. Japanese companies were increasingly persuaded to produce outside Japan as a result of four key discontinuities in the developing international political economy, and the international political climate in which they took place. The rest of this section will explore the impact of the collapse of the Bretton Woods system, the Plaza Accord, the end of the Cold War and the East Asian financial crisis upon the investment and production decision of key economic actors in Japan.

The Collapse of the Bretton Woods System

Although Japanese companies had begun to locate some production overseas as far back as the 1960s, the 1970s acted as a spur to increase this trend. In 1971 the Bretton Woods system broke down (see Section 2.1) and between 1971 and 1974 the yen rocketed from 360 to 290 against the dollar. By October 1978, it had risen to 110 yen to the dollar. This made Japanese products increasingly expensive and wages in the rest of East Asia cheap relative to those in Japan. An extra incentive to produce overseas was that the Japanese economy was also suffering as a consequence of changing international political relations. US recognition of China in 1971 under the Nixon administration (1969 – 1974) downgraded the importance of the US's relationship with Japan. The US administration had been worried for some time about the mushrooming costs of containment in Asia. The link with Japan became less and less strategically important with the opening to China, arms limitations treaties with the Soviet Union, and the end of the Vietnam War. It was also under Nixon's presidency, that Japanese imports to the US were restricted.

These factors combined to increase the pressure on Japanese firms to invest abroad, as it was becoming increasingly difficult to export to the US from Japan: the rising value of the yen, the phenomenon known in Japan as *endaka,* inevitably raised the cost of Japanese exports; and because, following *endaka*, the rest of the world's prices for land, labour and entire corporations has, for Japanese buyers, fallen dramatically (Pempel, 1999).

As new social movements reacted to several industrial pollution incidents, firms had an additional reason to locate overseas. Almost 100 female environmental activists, complaining of industry's contamination of Japan's waterways were elected to local and municipal government (Arimura, 1996) and Japanese government increased state regulation of environmental matters (Mackie, 1999), and laws became more effective after the creation of the Environment Agency in 1971 (Kelly, 1998). Companies were also encouraged to invest overseas by Japan's relatively high corporate taxes. (Corporate taxes today account for around 24 per cent of Japan's tax revenues).

Large corporations had in fact long pressured the Ministry of International Trade and Industry (MITI)[52] to be able to invest directly abroad. Large-scale production had resulted in Japan's domestic markets becoming saturated with consumer durables and given Japan's high saving ratio, led to firms turning to world markets. However, it was only in 1971, with the added spur of the collapse of Bretton Woods, that the Japanese government abandoned its previous policy of only allowing Foreign Direct Investment (FDI) which was in Japan's long-term interest, to allowing unlimited investments abroad.

The growing desire of Japanese firms from the 1970s onwards to produce overseas articulated with the desire of East Asian economies to attract foreign direct investment. Japan's rapid economic growth encouraged other East Asian states to copy the Japanese development model, a policy known as the '*Look East*' or *the flying geese model.* There was a spate of such programmes, including Singapore's 1978 'Learn from Japan' initiative; Malaysia's 1981 '*Look East*' policy and Philippines sources urging the country to become more like 'Japan Incorporated' (Katz, 1998). Postwar East Asian economies had hitherto generally attempted to develop economically by adopting import-substitution policies. A corollary of the abandonment of such

[52] As a result of government restructuring on 6 January 2001, MITI has been replaced by the Ministry of Economy, Trade and Industry.

strategies in favour of export-oriented development was that East Asian governments adopted export policies to encourage foreign capital. This led to the building of export zones (EZs), which, by the mid-1970s existed in Taiwan, South Korea, the Philippines, and Malaysia. Later China adopted the same policy. Typically workers in these export zones did not have the trade union rights and freedoms of their counterparts in Japan. This lack of union rights, and the low wages of export zone workers made them an attractive labour force for foreign investors. Under Malaysia's *Look East* Policy, for example, Mahathir Mohammed curbed workers' civil and political rights, banned the unionization of certain industries and imprisoned political and labour militants under the Internal Security Act (Arrifin, 1999). For workers in EZs, one positive effect of the globalization of production was that the details of their dissatisfaction with working conditions reached an international community. This globalization of production facilitated the development of transnational activism (see Section 2.1). As labour disputes became more frequent in Japanese companies in Asia during the 1970s, the Japanese union, IMF-JC (International Metalworkers' Federation - Japan Council) laid the foundations for the formation of the Trade Union Committee on Multinationals (TCM), which has since played a central role in negotiating with parent companies experiencing local labour disputes.

The Plaza Accord

The model of capitalism which emerged in the late 1940s and 1950s proved to be a very successful foundation for Japan's export-oriented economic development.

By 1985 the US was suffering from record trade deficits with Japan. Consequently representatives from France, Germany, Japan, the United States, and the United Kingdom came together at the Plaza Hotel in New York where they reached agreement to drive down the price of the dollar. The aim of the Plaza Accord was to make Japanese imports more expensive and US exports cheaper, hence reducing trade balances. The dollar consequently fell 30 per cent over the next two years. The corollary rise of the yen from

260.24 yen against the dollar just before the agreement to a high point of 80.3 yen in 1995 of course provided a further spur for Japanese companies to cut production costs by producing overseas. Japanese companies also attempted to cut production costs with the introduction of factory and office automation and an intensification of labour discipline through the introduction of QC (Quality Control) circles and the principle of ZD (Zero Defects) (Itoh, 2000). Company-based trade unions co-operated with the introduction of new technologies, as long as their members kept their jobs. This permitted the decline in the size of the regular workforce over the years, through natural wastage.

The export-oriented development strategy that Japan had pursued was severely undermined by the Plaza Accord, as the rising value of the yen made Japanese exports more expensive. Steven (1996) argues that domestic crisis is one of the main motors driving the globalization of Japanese production. He notes that in the Japanese mode of production, wages are downwardly flexible (that is, can easily and legally be reduced by employers), as up to a third of the annual pay of core workers comes in the form of yearly bonuses and higher paid workers can be replaced by irregular workers (see Chapter Five). Japanese producers then concentrated on manufacturing producer goods purchased by Japanese capital rather than consumer goods for consumption in the domestic market. Japanese consumer goods could not be absorbed by the domestic market, and were exported. The rise in the exchange rate of the yen, following the Plaza Accord severely damaged this strategy by leaving Japanese wages "simultaneously both too high and too low": too high to produce cheap goods and too low for workers to buy all that they produced (Steven, 1996: 58). By the second half of 1993, Japanese prices were 1.72 times US prices, while real wages were less than 60 per cent of US real wages (Steven 1996: 58). This made producers more likely to move overseas to cut production costs and make it more affordable for those outside Japan to buy goods produced by Japanese companies.

Further globalization of production was encouraged by bilateral relations with the US and the EU. Following trade friction with the US and the EU, during

the first half of the 1980s, Japan had agreed to voluntary export restrictions on steel, television and car exports and MITI even opened an import promotion office. However these could be circumvented if the goods were produced elsewhere. For example, when limits were imposed on cotton from Japan, Japanese firms pragmatically shifted cotton production to other Asian countries, while diversifying into synthetics at home (Schwartz, 2000). Japanese firms had an incentive to invest in Europe to enjoy the intra-European trading advantages of EU firms. In the late 1980s particularly there was a massive surge in Japanese investment in preparation for the end of 1992, when Europe became a unified free trade zone. In 1989 Japanese investment in the European Community reached a peak of US$752,000,000 (JETRO, 1997)[53].

The End of the Cold War

As Section 4.1 has shown, US political priorities during the Cold War, led the US to assist in Japan's economic recovery and to enable Japan to integrate its production with that of its Asian neighbours. The end of the Cold War meant that US political priorities shifted sharply. Fujio Cho, senior managing director or the Toyota Motor Corporation, observed that:

> "The end of the Cold War shifted American policy priorities from strategic to economic issues. Faced by challenges from the mature Japanese economy and the intensely competitive East Asian economies, the United States has intensified its pressure on Japan to open the country for the second time[54]. In other words we are under

---

[53] After a slump until the mid-1990s, EU investment again began to rise, reaching US$ 25,191,000,000 in FY 1999 (fig. 4.9).

[54] Cho appears to be making a veiled reference to the 'first time' the US had pressurized Japan to 'open up'. From the early seventeenth to the mid-nineteenth century, Japan was a 'closed country'. Foreign ships were not allowed to dock at Japanese ports, and Japanese people were not allowed to leave Japan. In 1853 the 'Black Ships', a small fleet of American warships commanded by Commodore Matthew Perry landed at Edo (now Tokyo) to 'open trade' with Japan. Japan capitulated and signed a trade treaty with the US, and then, during the next five years, signed trade treaties with Great Britain, Russia, France, and Holland.

> intense pressure to dismantle the uniquely Japanese system built during the Cold War years and no politicians or bureaucrats seem to know what to do." (cited in Fukai, 1999:217)

Although the Plaza Accord had the effects of changing Japanese production techniques and encouraging Japanese firms to produce overseas, it had not put an end to the US's persistent trade deficit with Japan. Although by the end of the 1980s Japan actually had lower formal barriers to imports that most of the US's other trade partners, the first Bush administration began the Structural Impediments Initiative, which Upham (1996: 264) describes as 'the first explicit attempt to reshape a trading partner's domestic institutions in the name of free trade', adding '

> [T]he argument was, the expansion of free trade and global welfare depended precisely on the creation of a universal trading culture and the dismantling of parochial institutions and customs that hindered the interpenetration of economies."

Examples of the deregulation that has taken place include the reform of the Large-scale Retail Stores Law, facilitating the entry of large discount foreign stores into Japan; Big Bang, the 1998 deregulation of Japan's financial markets, subjecting Japanese banks to increased competition from the likes of *Merrill Lynch* and *Citibank*; and the deregulation of the airline industry. The gendered impact of globalization upon the banking and airline industries in Japan will be explored in Chapter Seven.

Although these changes ostensibly came about as a result of '*gaiatsu*' (pressure from outside), there was behind-the-scenes support for them from groups within Japan. For instance, discount stores supported the overturning of the Large Scale Retail Stores Law – and paid back the US for its support during the yen rise of the early 90s when they increasingly stocked relatively cheap imports. Similarly, managers of corporate pension funds, which received comparatively low returns in Japan, were more than happy with the 1986 negotiations which opened the Japanese pension market to US securities firms (Katz, 1998).

The Clinton administration continued with Bush's plans to exert pressure for internal restructuring and deregulation of the Japanese economy. The Clinton Administration was eager to open Japanese markets and resist trade imbalance. Between 1998 and 1999 the US imposed 'anti-dumping' duty on imports of Japanese hot-rolled steel and other products. In 1999 the US emphasized that the recovery of the Japanese economy should be based upon *domestic* demand and made plain its expectation that Japan should continue to deregulate and open markets (Diplomatic Bluebook, 2000). Japan's dependence on the US both for security and as a vitally important export market continued to make it particularly susceptible to US pressure for deregulation (Carlile and Tilton, 1998).

The end of the Cold War has also opened the possibilities for establishing overseas production and trade links with the former Communist bloc as well as expanding the global market. After President Clinton announced the end of the US boycott of Vietnam in February 1994, Japan began to invest heavily there (Preston, 2000). Japan has had limited transborder projects with Russia, since Japan set up a consular office in Khabarovsk. Generally the expansion of the global market from 2.7 billion consumers in the mid-1970s to around 5.5 billion after the switch of socialist economies to a market economy (Takenaka, 1998) has expanded export opportunities for Japanese firms. However, this has not necessarily increased job opportunities within Japan. While the collapse of the Berlin Wall enabled an influx of cheap labour from East to West in Europe, Japan's restrictive immigration codes meant that Japanese companies had to go overseas in search of cheaper labour (Fukai, 1999). With the collapse of actually existing socialist regimes in Eastern Europe, Japanese firms are increasingly investing in the region. In Eastern Europe, they can enjoy the triple advantages of a highly-skilled workforce, low wages and, since the mid-1990s association agreements with the EU, access to the EU markets. Certain countries in the East are particularly attractive because of 'sweetener' deals. For example, Poland exempts foreign firms from corporation tax for their first ten years in the country (JETRO White Paper on Foreign Direct Investment, 2001). Although Japanese direct investment in Poland, the Czech Republic, Slovakia, and Hungary fell by two-

thirds between FY1995 and 1996, it has again been climbing since 1997, and in 1999 FDI inflow into eight countries in Central and Eastern Europe rose 29.3 per cent from the previous year to a record US$16.9 billion (ibid: 34).

The East Asian Financial Crisis

A third discontinuity which led to the increased globalization of Japanese production was the East Asian financial crisis of the late 1990s. The results of the changes in East Asia's policy towards foreign penetration, described above, have been striking. East Asia is host to more than 300,000 foreign companies (fig. 3.6) and has produced an increasing share of the world's manufactured goods. In 1963 East and Southeast Asia produced 1.5 per cent of the world's manufactured goods, while in 1995 this had risen to 19.9 per cent (Dicken, 1998: 36). However the region's high dependence upon foreign investment made it particularly vulnerable to capital flight, and a speculative boom in the early 1990s was rapidly followed by speculator panic and capital flight. The depreciation of the Thai baht set off a contagion effect on the currencies of Malaysia, Indonesia, Philippines and then South Korea. In these five countries, net private inflows fell from 93 billion US dollars in 1996 to an outflow of 12.1 billion in 1997 (Radelet and Sachs, 1998: 65).

This had particularly important consequences for the Japanese economy. As East Asia's prosperity has grown, it has become advantageous for Japanese companies to be situated near their new major markets for consumer electronics. The Japanese government has developed a range of policy instruments to encourage firms to invest in the Asia-Pacific region, including low interest loans for overseas investors and foreign investment insurance (Hatch and Yamamura, 1996: 123). Before their collapse the Asian market accounted for nearly 45 per cent of Japan's exports (*Economist*, 1998, September 26: 17).

The increasingly international division of labour between Japan and East Asia during the 1990s is evident from growth in the trade of intermediate goods (Figure 4.2)[55].

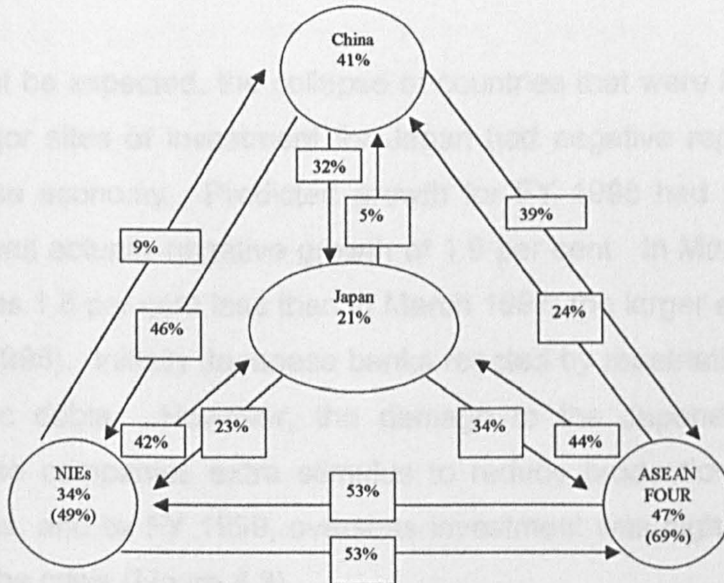
As noted earlier in this section, East Asian countries had established policies of attracting FDI from the 1970s, with the adoption of the 'flying geese' model. In the years immediately preceding the East Asian financial crisis, an ideological underpinning of this policy gained increasing resonance. The idea of a shared Confucian heritage was the basis of Singapore and Malaysia's campaign for the so-called Bangkok declaration of March 1993, which rejected 'Western' conception of universal human rights, in favour of so-called 'Asian values'[56].

[55] Notes to Figure 4.2: 1. Because of data restrictions, 1992 data for China and Hong Kong and 1991 data for the Philippines have been used for 1990.
2. The figures below country names indicate share as a percentage of Japan and East Asia trade share.
3. The figures within brackets for the NIEs and the ASEAN 4 indicate trade in intermediate goods within these groupings.

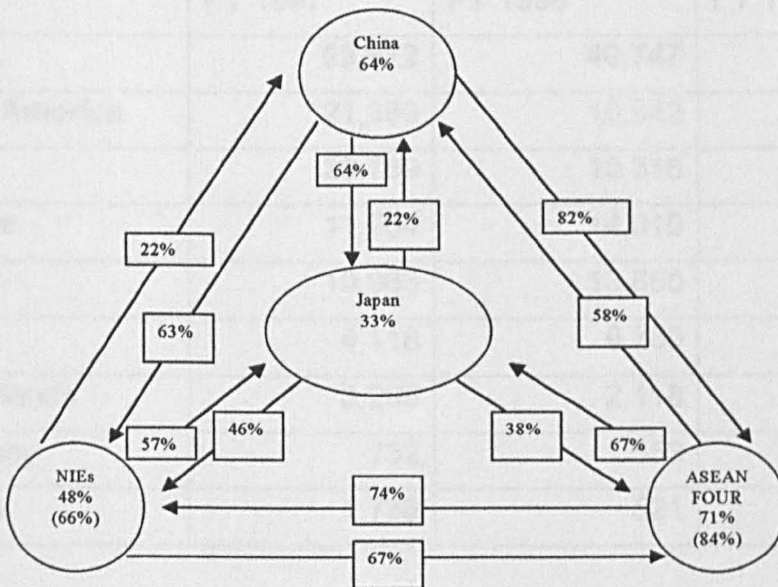
[56] This is quite a dubious proposition. East Asia is characterized by enormous social, economic and political diversity. Although there are some similarities (e.g. export-oriented development, Free Trade Zones to attract foreign capital) in the development strategies they have adopted, East Asian economies continue to have significantly divergent models of capitalism. There is huge intra-regional income disparity; a diversity of socio economic organization (Korea is dominated by the *chaebols* and has few independent small and medium sized industries, while an abundance of these characterize Taiwan); the Communist Party is illegal in Islamic Indonesia, while it dominates China and Vietnam, albeit combined with a market economy, and North Korea, which attempts to maintain a centrally planned socialist economy. Itoh (2000: 127) even expressed doubts whether ..."the Asian flying geese belong to the same species".

Figure 4.2. Expansion of intermediate goods trade in Japan and East Asia: Share of machinery parts in machinery as a whole

1990



1998



Source: From METI White Paper on International Trade 2001: Key Points: 2001:5 (Source of figures: AIDXT [Institute of Developing Economies)

Japanese production became even more closely integrated with the region. In 1990, 42 per cent of machinery exports to Japan from the NIEs consisted of machine parts. This figure had increased to 57 per cent by 1998. The equivalent figures for exports from the ASEAN 4 went from 24 per cent to 58 per cent, while the share of machine parts in total Chinese machinery exports to Japan doubled from 32 per cent to 64 per cent.

As might be expected, the collapse of countries that were both major markets and major sites of investment for Japan had negative repercussions for the Japanese economy. Predicted growth for FY 1998 had been 1.9 per cent. There was actually negative growth of 1.9 per cent. In March 1998 Japanese GDP was 1.8 per cent less than in March 1997; the larger ever fall in one year (Pont, 1998). Initially Japanese banks reacted by repatriating funds to pay for domestic debts. However, the damage to the Japanese economy gave Japanese companies extra stimulus to reduce production costs by locating overseas, and by FY 1999, overseas investment was higher than it had been before the crisis (Figure 4.3).

Figure 4.3 FDI outflow from Japan by destination (based on reports and notifications; Units: US$ 1 million)

	FY 1997	FY 1998	FY 1999
World	**53,972**	**40,747**	**66,694**
North America	21,389	10,943	24,770
U.S.	20,769	10,316	22,296
Europe	11,204	14,010	25,804
EU	10,963	13,850	25,191
U.K.	4,118	9,780	11,718
Netherlands	3,295	2,118	10,361
Germany	732	553	649
France	1,736	521	1,127

Source: JETRO White Paper on Foreign Direct Investment, 2001

Investment in East Asia were facilitated by a raft of measures to further liberalize trade and inward investment. The Second Information APEC Economic Leaders' Meeting in Indonesia had ended with the production of the 1994 Bogor Declaration, which stated these countries intention to reduce barriers to trade and investment. This was given extra impetus by the East Asian financial crisis of 1997. Countries cut tariffs and reduced or removed a wide array of tariff and non-tariff barriers. Examples are given in Figures 4.4 and 4.5. Significantly, in the first three quarters of 1999, Japanese investment in China was 25 per cent more than in the same period the previous year, a much faster investment growth rate than its investment in other regions (People's Daily Online, 25 November, 1999).

The apparent benefits of overseas production have persuaded Western companies as well of the benefits of investment in East Asia; and, particularly since the East Asian currency crisis they have been quicker at undertaking M&As (mergers and acquisitions) than Japanese companies, who prefer to establish direct subsidiaries (Figure 4.7). Between 1990 and 1999 the proportion of direct investment in East Asia accounted for by Japanese capital fell from 26 percent to 8 percent. This means even more competition for Japanese companies, as competitors from other developed countries can also produce at lower costs

Figure 4.4 Examples of reduced or eliminated East Asian investment barriers

Economy	Reduced or eliminated tariff barriers
China	Permission for certain foreign banks to operate RMB business in Pudong, Shanghai (1998)
Hong Kong	Formulation of new patent and trademark ordinance and tightening the legislative framework against bootlegging activities (1998)
Indonesia	Elimination of local content programme for motor vehicle producers (1999) Formulation of anti-monopoly and unfair competition prevention laws (1999)
Korea	Formulation of Foreign Investment Promotion Act to promote foreign investment in Korea by liberalising foreign investment in principle (with the exception of some industries, simplifying procedures and providing a one-stop service (1998)
Malaysia	Complete import tax exemptions for raw materials and intermediate goods used in the manufacturing industry, regardless of whether the final product is exported or sold on the domestic market (1999). Elimination of local procurement requirements related to preferential investment treatment (1999)
Philippines	Permission for foreign capital participation in retail businesses in some industries, given certain conditions (2000).
Singapore	Elimination of foreign investment restrictions in the banking and communications sector (1999). Permission to establish joint ventures with foreign companies in judicial services (1999)
Taiwan	Administrative procedures law introduced to ensure fair and transparent administrative procedures (1998)
Thailand	Elimination of local content conditions on car engines and motorcycles manufacturing (1998) Establishment of one-stop service for visas and work permits (1997).

Source: METI White Paper on International Trade 2001: Key Points: 2001:8

Figure 4.5 Examples of reduced or eliminated East Asian non-tariff barriers

Economy	Examples of reduced or eliminated non-tariff barriers
China	Eliminations of import quotas and import licences for 13 items, including heavy machinery, and optical instruments (1997)
Hong Kong	Relaxation of requirements of registering as rice stockholders in order to import rice (2000)
Indonesia	Reduction of export tariffs on leather, cork, ore and waste aluminium products (1998) Elimination of subsidies for fertilisers and aviation fuel (1999) Deregulation in regard to care import licence requirements (1999)
Korea	Elimination of the Import Diversification Program (1999)
Malaysia	Elimination of import licences for polyethylene, polypropane, and diamonds (1996, 1997)
Philippines	Elimination of all import licences except for coal, coal derivatives and those which have to be maintained for health safety or national security reasons
Singapore	Nothing in particular
Taiwan	Elimination of import licences for 24 items (1999)
Thailand	Elimination of regulations on import licences for vinyl chloride monomers, benzine, engine fuel, kerosene, high-speed diesel fuel, naphtha, LNG and other fuel products (1998)

Source: METI White Paper on International Trade 2001: Key Points: 2001:8

4.4 The Reciprocal Effects of Globalization on the Japanese National Model of Capitalism

As Section 4.2 has shown, Japan has played a significant role in stimulating the internationalization of manufacturing production. This has resulted in 'reciprocal dynamics' (Hasegawa and Hook, 1998): forces which have implications for the survival of the Japanese national model of capitalism. Three interrelated trends are particularly apparent: increased competition from other countries; the liberalization of the Japanese economy, and migration to and from Japan.

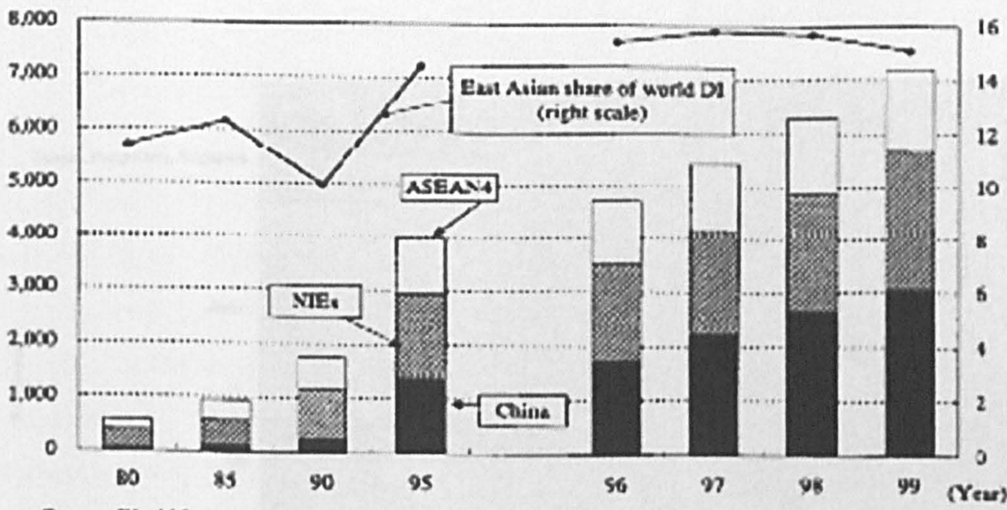
Increased competition for the Japanese model

Japan's economic engagement with the rest of Asia has been encouraged by economic rationalism and political pragmatism. Japanese desire to cut costs by producing overseas has been complemented by the desire of other Asian countries to encourage foreign direct investment and technology transfer. Through its engagement with the rest of Asia, Japan has been instrumental in creating industrial competitors.

Unlike Japan, East Asian governments chose to develop through taking steps to attract inward foreign investment, and they have been very successful in this goal (as Figure 4.6 shows). As the phrase 'flying geese' suggests, East Asian governments were keen that their countries should follow the development trajectory of the Japanese economy. Paradoxically, their copying of that model threatens to undermine the Japanese economy. In 1963 East and Southeast Asia produced 1.5 per cent of the world's manufactured goods. In 1995 this had risen to 19.9 per cent (Dicken, 1998: 36). They also increased their share of total (Organization for Economic Co-operation and Development) OECD exports from 5.7 per cent in 1979 to 8.8 per cent in 1993 (Dicken, 1998: 39), and, significantly these exports were of high-value added manufacturing goods.

The technology transfer that results from high value-added FDI needed to manufacture high technology goods, has enabled other Asian countries to develop their own indigenous companies, so that Japanese companies come to face ever increasing global competition. For example, in the 1990s a number of Chinese companies, which had originally been engaged in technology transfer agreements with Japanese firms, began to produce colour televisions themselves. Their local production networks, price competitiveness and after-sales service meant that they quickly overtook these Japanese companies. In the two years from 1996 to 1998 Japanese affiliate companies went from being the top-ranking sellers of colour televisions, to not being in the top four companies in terms of sales (METI White Paper on International Trade, 2001).

Figure 4.6. Trends in number of foreign companies by country region



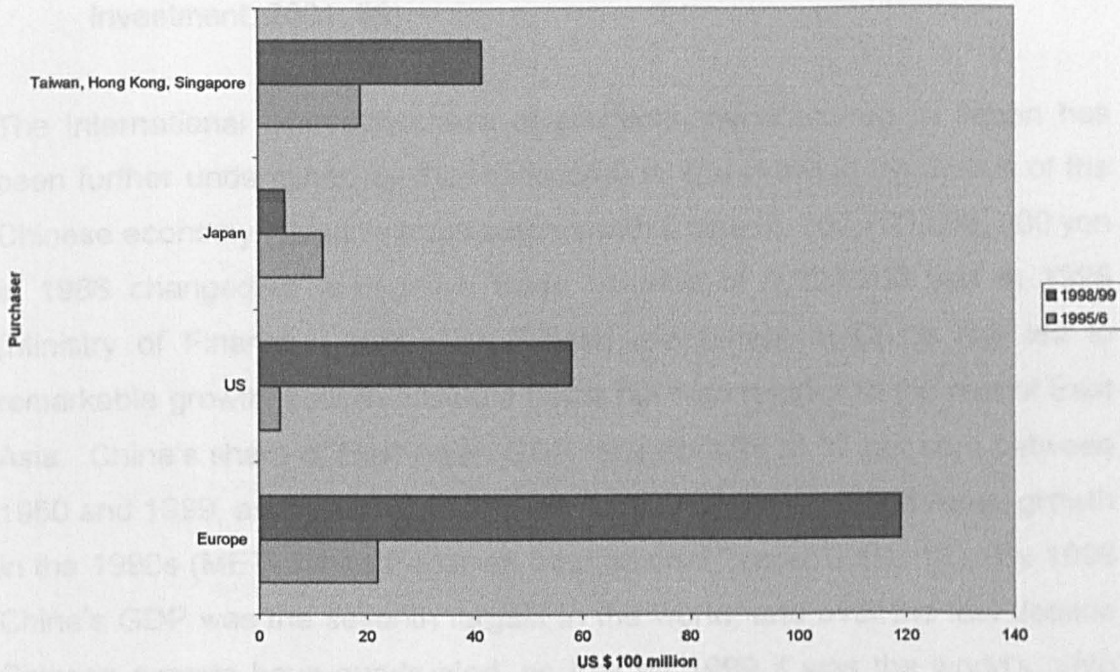
Left scale units = 10,000 companies, Right scale units = per cent

Source: METI White Paper on International Trade 2001: Key Points: 2001:10

As other industrialized countries have seen the benefits that result from offshore production, they too have been attracted to investment in East Asia, especially after the East Asian financial crisis reduced the cost of undertaking mergers and acquisitions in the region (Figure 4.7).

Imports of manufactured goods from the emerging Asian economies increased sharply in the first half of the 1990s caused concern about a possible 'hollowing out' of the entire Japanese manufacturing industry. There were numerous closures of small businesses and cottage industries, as well as a significant deterioration in the local industries in some areas. This was because the distinctive character of *keiretsu* meant that, if the 'head' company in a vertical chain went overseas, the entire market of the smaller supplier companies disappeared.

Figure 4.7. Cross border M & As in five Asian Countries most affected by the currency crisis



Source: World Investment Report, UNCTAD)
From METI White Paper on International Trade 2001: Key Points: 2001:10

These developments in East Asia have had the effect of making Japanese goods less and less competitive. The Global Competitiveness Report 1996 of the World Economic Forum ranked Japan as 13th in a comparison of global competitiveness, shocking many in Japan as for the previous ten years Japan had always been top-ranking (Kojima, 1996). This in turn provides further incentive for Japanese companies to produce at a lower cost overseas. According to JETRO (Japan External trade Organization):

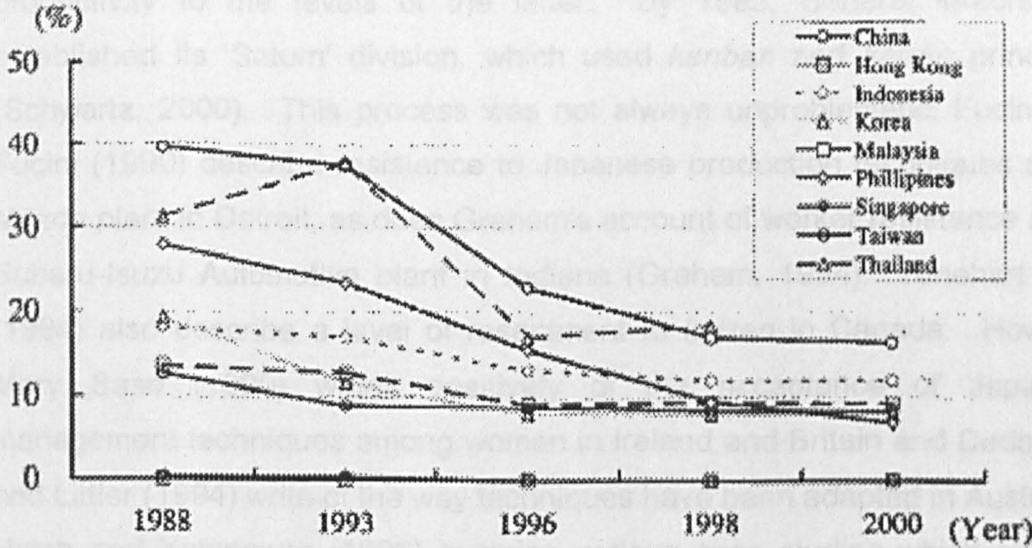
> "Japanese firms faced growing competition in Asia, including the Japanese market, due to the liberalization of trade and investment ushered in by the WTO and AFTA [American Free Trade Association], the rapid emergence of Chinese firms ahead of China's accession into the WTO, the continuing development of information technology, and

the growing presence of European and U.S. firms in the region. Japanese firms, especially electrical and electronic firms, sought to cut costs further and increasingly shift production bases to countries in, for example, the ASEAN region. "(JETRO White Paper on Foreign Direct Investment, 2001: 39).

The international competitiveness of products manufactured in Japan has been further undermined by the marketization and growing dynamism of the Chinese economy. Japan's trade surplus with China of 700,700,000, 000 yen in 1986 changed to a negative trade balance of 2,223,200 yen in 1998 (Ministry of Finance, 1999). FDI-led investment in China has led to remarkable growth, both in absolute terms but also relative to the rest of East Asia. China's share of East Asian GDP rose from 25 to 37 per cent between 1980 and 1999, and it accounted for around 40 per cent of East Asian growth in the 1990s (METI White Paper on International Trade, 2001: 11). By 1998 China's GDP was the seventh largest in the world, and over the last decade Chinese exports have quadrupled, so that by 1999 it was the world's ninth largest exporter (*ibid*). Japan supported China's early accession to the WTO (Diplomatic Bluebook, 2000), which took place on 10 November 2001.

Increasing production in China, with its lower wages and growing local markets, is also likely to prove irresistible, as communications technology continues to improve. In fact, in December 1999, *Citizen* watches, which has for some time been assembling the largest number of its watches in China, but continuing to assemble high value added watches in Japan, announced that changes in the environment in China and better Internet and other communications made it possible to take advantage of lower costs and shift 100 per cent of production overseas. The economic liberalization and development policies of China poses a particular challenge. China is both far larger and rather more protectionist than other East Asian countries (though tariff rates have fallen rapidly in recent years as Figure 4.8 shows). The rapid development of China's manufacturing sector raises the question, "How much space is there in the market for countries in the same region producing the same goods for export?".

Figure 4.8: Average tariff rates of East Asian countries (1988-2000)



Source: METI White Paper on International Trade 2001: Key Points: 2001:7 (data from Manila Action Plan for APEC, IAPs, 1996, 1998, 2000)

The competitiveness of the Japanese national model of capitalism has been undermined not only by cheaper production in developing countries, but also by more efficient production in developed economies. The distinctive mode of production which had assisted Japan's post-war production was gradually studied and adopted in some of Japan's industrial competitors. Schwartz writes:

> "Just as production innovation in the US and Germany undercut the basis for British hegemony in the 1890s, innovation in Germany, and particularly Japan undercut US dominance in manufacturing and thus eroded US hegemony in the 1970s and 1980s." (Schwartz, 2000: 281).

And the apparent success of Japanese management, as shown by high levels of productivity and apparently low levels of industrial strife resulted in much

academic and popular interest in the possibilities of adopting key points from this model.

Ford Motor Company's alliance with Mazda enabled the former to increase its productivity to the levels of the latter. By 1992, General Motors had established its 'Saturn' division, which used *kanban* and *kaizen* principles (Schwartz, 2000). This process was not always unproblematic: Fucini and Fucini (1990) describe resistance to Japanese production techniques at the Mazda plant in Detroit, as does Graham's account of worker resistance at the Subaru-Isuzu Automotive plant in Indiana (Graham, 1994). Rinehart et al (1994) also describe a level of resentment to *kaizen* in Canada. However Mary Saso (1990) writes positively of the acceptance of Japanese management techniques among women in Ireland and Britain and Dedoussis and Littler (1994) write of the way techniques have been adapted in Australia . Hatch and Yamamura (1996) examine various case studies which suggest that it was somewhat easier to 'clone' Japanese practices in Asia, either because of cultural similarity or because East Asia and the US were at different stages of economic development. Nonetheless, Japan's competitive advantage was slowly disappearing, and by 1999, a heavily indebted Nissan was forced to seek financial assistance from Renault.

Liberalization of the Japanese economy

The Japanese state has attempted to regain its former competitiveness by introducing more liberal economic policies. It is important to set this in context. In recent decades the world has seen a massive expansion of free trade and deregulation, achieved through the General Agreement on Tariffs and Trade (GATT) and its successor, the World Trade Organization (WTO); regional trade agreements have been promoted in the form of the North American Free Trade Association (NAFTA), the European Union (EU) and the Asia Pacific Economic Co-operation Forum (APEC), as well as bilateral negotiations on trade. Stephen Gill (2002) condemns the emergence of non-democratic and unaccountable global governance, and argues for the need to

recognize the influence of neoliberal *ideology* in shaping state policy (see Section 2.1 for a fuller discussion of this). Ideology, Gill argues, is instrumental in the states' decisions to adopt policies of deregulation, the liberalization of domestic markets, and the privatization of state services and social services. All of these tendencies have been evident in Japan.

The Japanese state began to undertake neo-liberal administrative reform, beginning in the early 1980s. The second Blue Ribbon Commission of Administrative Reform submitted a series of recommendations in 1981, which were, according to Itoh (2000), overtly influenced by Thatcherism and Reaganomics. Following these recommendations, three nationalized industries, Japan National Railways (JNR), Nippon Telegraph and Telephone Public Corporation (NTT) and the Japan Tobacco and Salt Company were privatized in 1985. During the privatization process prominent trade unionists lost their jobs (ibid).

The late 1980s saw a proliferation of the terms 'internationalization' (*kokusaika*) and 'globalization' (*gurobaruka*), which increasing appeared in slogans of Japanese corporations, ministerial directives and governmental and quasi-governmental organizations (Sedgewick, 2001) and have now achieved popular currency in Japan (Menju, 1999).

Section 4.2 has shown how Japanese companies and government policies have greatly facilitated the globalization of Japanese production and neo-liberal economic reform. Chapter Three cited Gibson-Graham's (1996) analysis that globalization is presented in a gendered and natural phenomenon in political discourse, in a way that suggests nation states are powerless to resist its exigencies. In the discourse of political elites in Japan, globalization is often presented as an unstoppable outside force to which Japan has no option but to submit. Government Council Reports such as *Strategy for the Rebirth of the Japanese Economy* (26 February 1999) and *Plan for the Next Ten Years* (*Nikkei* 14 April 1999) argue in favour of domestic adjustment towards a neo-liberal economy to fit with changing global conditions (Hook and Hasegawa, 2001).

Keidanren (Japan Federation of Economic Organizations) was established in 1946 as a nationwide business association, and its membership includes 1,007 leading corporations as well as 116 industry-wide groups representing, *inter alia,* manufacturing, trade, distribution, finance, and energy. Keidanren Chairman Takashi Imai, and Vice Chairman, Josei Itoh have written and campaigned extensively for neo-liberal reforms, presenting them as an inevitability in a globalized world. Imai wrote in January 2001.:

> "With globalization and network building accelerating ever faster, making an all-out effort jointly by the government, industry and the general population to implement economic structural reforms, and to build the foundations for sustainable growth are *the duty imposed upon us." (my italics)* (Imai, 2001,)

In 1995, the Japan Federation of Employers' Association (*Nikkeiren)* published an "Employment portfolio" recommending a shift towards new Japanese style management'. They argued that the workforce should be divided into three types of labour power: the core workforce, which would as now, receive all the benefits of security of tenure and seniority wages but would be much reduced in size; specialists who would be hired for short term contracts and paid according to merit rather than seniority and a third group should be used for numerical flexibility. This is in line with the current trends in economic globalization and its flexibilization of the workforce. As the next chapter shows these changes have different implication for men and for women.

In 1997, in the wake of the East Asian financial crisis, the use of stock options as a form of payment was legalized. Dore (2000) attributes this measure to the desire to encourage directors of firms to identify with their shareholders, instead of prioritising continued employment for all regular employees (see Section 4.1). Josei Itoh, Vice Chairman of Keidanren wrote, in a similar vein:

"Japan's prosperity, seen as a gloriously successful example of capitalism with socialist elements, was once the focus of international attention. Yet, as the rate of economic growth slowed, the nation's image began to lose its former splendour. .... A firm commitment is also needed by Japanese corporations to undertake internal reforms. *With the globalization of the economy, management practices that place the priority solely on the expansion of one's own company are no longer in step with the times.* Companies must now earn the trust of their stockholders while creating new business operations, *increasing earnings by cutting costs and other means.*"....(my italics). (Itoh, 1997,).

The attempt to cuts costs have included the downsizing of the regular workforce and an increase in the hiring of non-regular workers. The Japanese government has also passed a raft of legislation, including the liberalization of temporary employment agencies, and the facilitating of part-time work in an attempt to make the Japanese workforce more numerically flexible. While forced layoffs are still rare, even male regular workers can be strongly encouraged to accept redundancy, and, older male regular employees, because their seniority-related wages make them so expensive are more vulnerable than younger regular workers. In December 2001 the unemployment rate in Japan was 5.5%, the highest figure since records began in 1953, and there were 440,000 men between the ages of 45 and 55 without a job (BBC, Fir 28 December, 2001).

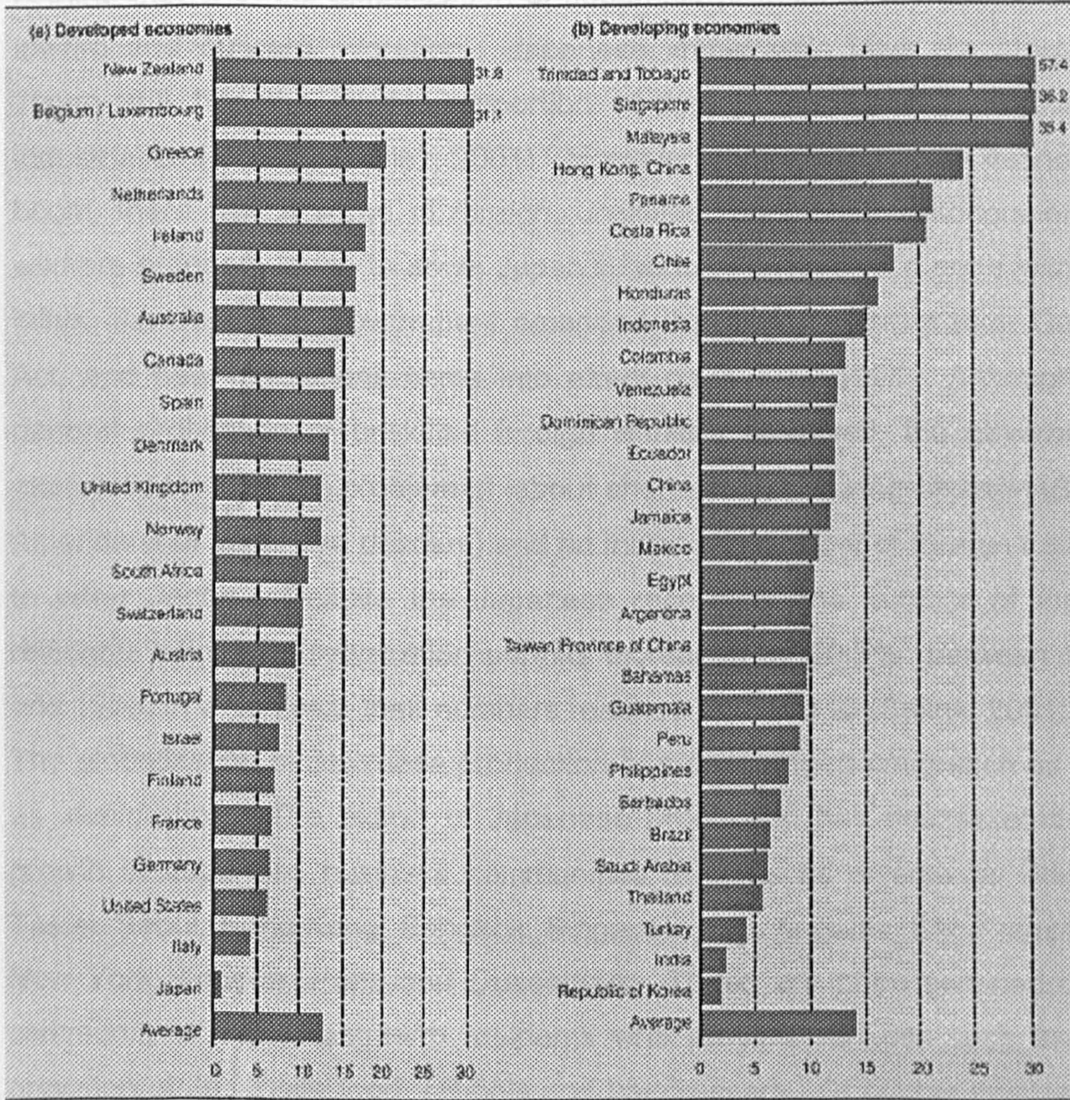
In sum, in the context of a hegemonic neo-liberalism, Japan is moving away from its post war model of capitalism which was characterized by support for banks and large firms, relative income equality and a guarantee of security for regular male workers.

Deregulation, though has not so far had the effect of attracting much foreign business to Japan (although the exception of banking is discussed in Chapter Seven). Wages in Japan are high. Furthermore, few Japanese, including

business and political elites are fluent in English (Lehmann, 2000), and Japanese is rarely taught as a second language overseas. Taken together, these factors mean that Japan is an unattractive environment for foreign direct investment. As Cho from Toyota notes, Japanese markets are unattractive to FDI, so if companies go abroad it is unlikely that foreign firms will enter Japan to replace them. This supposition is amply borne out by the experience of the deregulation of the Tokyo Stock Exchange, which was followed by an actual drop in trading. Foreign firms and traders were discouraged by the high cost of doing business in Japan, including wages, rents, fees and corporate taxes; differences in accounting systems and other drawbacks such as lower living standards and the complexity of the Japanese language (Takenaka and Chida, 1998).

Japan has the lowest transnationality index of any developed economy (figure.4.9). This lack of transnationality means that the leakage of jobs and investment from Japan has not been compensated for by an increase in jobs and investment from foreign companies in Japan. However, as Yashiro (1998) points out, even the minor presence of a foreign firm in a market can introduce new ways of working. The implications of this for women will be examined in Chapter Five.

Fig. 4.9: Transnationality index of host economies, 1997



Source: UNCTAD World Investment Report, 2000: Cross-border Merger and Acquisitions and Development

(UNCTAD's transnationality index (TNI) is a composite index of three ratios: foreign assets/total assets; foreign sales/total sales; and foreign employment/total employment)[57].

---

[57] Figure 4.9 uses an average of the three shares: FDI inflows as a percentage of gross fixed capital formation for the past three years (1995-1997); FDI inward stocks as a percentage of GDP in 1997; value added of foreign affiliates as a percentage of total employment in 1997. Only the economies for which data for all these these shares are available were selected. Data on value added are available only for Finland (1996), France (1996), Italy, Japan, Norway, Portugal (1996), Sweden (1995), the United States, China (1994). For other economies, date were estimated by applying the ratio of value added of United States

Globalization and Japanese migration

A third impact of the globalization of Japanese production is the increase in inward and outward migration. Japanese immigration laws are strict and Japan still has the lowest proportion of foreign residents of any major industrialized country (Sellek, 2001). However, during the Bubble economy[58] boom, there was a surge of foreign, unskilled (and largely undocumented) workers entering Japan to solve Japan's labour shortage. To cope with this influx, the Japanese government amended the existing Immigration Control Act, and new regulations came into effect on 1 June 1990. Although the general prohibition of unskilled foreign workers remained, the government attempted to solve the problem of labour shortage.by allowing *Nikkeijin* (South Americans of Japanese descent) and an increased number of foreign trainees to enter Japan. Despite the Japanese recession, the number of foreign residents with alien registration permits increased by 60.7% between 1988 and 1998, in which year their numbers reached 1, 512, 116 (Sellek, 2001: 9). The globalization of Japanese production has encouraged emigration as well as immigration. The export of Japanese production has necessitated the growth of Japanese business communities in cities as diverse as Beijing, Taipei, Seoul, Hong Kong, Bangkok, Singapore, Los Angeles, San Francisco, New York, London, Paris and Dusseldorf. These are often serviced by a community of more long-term residents who provide services such as the provision of Japanese food, schools and hairdressers. Of course this makes life more comfortable for Japanese executives, students and other Japanese living outside Japan. When these short-term overseas residents return to

---

affiliates to United States outward FDI stock to total FDI stock of the country. Data on employment are available only for Austria, Denmark (1996), Finland, France (1996), Germany (1996), Sweden (1996), the United States, Brazil (1995), China, Hong Kong (China), Indonesia (1996), Mexico (1993) and Taiwan Province of China (1995). For other economies, data were estimated by applying the ratio of employment of German and United States outward FDI stock to total inward FDI stock of the economy.

[58]The Bubble economy refers to the period from 1980 to 1989 when large scale bank lending to companies, guaranteed by the extensive use of land, at inflated prices, as collateral, left financial institutions very exposed to asset price deflation. The Bubble burst in 1989, leaving many banks with unrecoverable loans.

Japan, they bring with them the ideas that they have encountered overseas: many young economists returning to Japan with PhDs in economics, and diffusing the neo-liberalism that they have learned in the US through their teaching; while the greatly increased number of business executives who go the States to study for MBAs cannot fail to be exposed to US conceptions of the firm and the economy (Itoh, 2000; Dore, 2000). However the contacts between Japanese expatriates and short stay residents can also prove a conduit for the transfer and sharing of deeper cultural values and a way of organising cross-nationally. For example, following the well-publicized case of a culture of sexual harassment at Mitsubishi in the US, the US Pan Asian American Chamber of Commerce presented a seminar on diversity for the benefit of their executives at Mitsubishi, Sony, Honda, Marubeni, Toyota and other companies (Lim, downloaded 2001). The case also received much publicity in Japan and was used by feminist campaigners to some effect (see Nakayama 1996).

The comparative wealth of Japan, resulting from its economic 'miracle' has also permitted - not for reasons of economic need - the relative economic equality in Japan means these opportunities are not restricted to a small elite. While Japan is host to far fewer migrants than other advanced industrial economies, Japanese people are increasingly going overseas for educational or business purposes. This results in the development of a more cosmopolitan and reflexive Japanese elite, who have been exposed to different models of work and gender relations.

4. 5. Conclusion

Japanese post-war economic recovery was heavily aided by the US in the context of post-war politics. This resulted in the development of a very successful model of production, characterized by a dual labour market, where lifetime employment, yearly negotiated pay rises and continuous training was guaranteed to regular workers in large export-oriented firms. The same guarantees were not available to non-regular workers, nor were they available to the same extent, to workers in small and medium sized enterprises. Initially,

the state gave guidance to and facilitated the growth of enterprises in targeted sectors producing for export. The government pursued a policy of licensing foreign technology and controlling inward and outward flows of capital in order to protect infant industries and convert Japan into high skill, high value-added economy.

Despite government attempts to control the flow of capital inside and outside Japan, trade with and aid to the rest of Asia have gradually escalated. Security considerations in the 1970s provided further encouragement to Japan to invest in the region, helping to stabilize it and ensure a continued supply of raw materials to Japanese industry. Furthermore, Japan's economic success made FDI host countries receptive to the idea of learning from Japan. Japanese policy-makers have come under pressure from both inside and outside Japan to allow firms to produce overseas and to allow entry of foreign companies into the Japanese domestic market, and, as the yen has become stronger relative to the currency of other East Asian countries, it has become economically rational for Japanese firms to produce overseas. The collapse of Bretton Woods, the Plaza Accord and the East Asian financial crisis were key breaks which increased the momentum of this process. The end of the Cold War has also increased the possibilities of overseas production.

The strategy of overseas production undermined the success and stability of the Japanese model however by 'hollowing out' Japanese production. Goods came to be produced more cheaply elsewhere and undercut the prices of Japanese exports: at the same time, wages in Japan were not sufficiently high for workers to consume Japan's surplus in manufactured goods. Innovations in production, such as the 3Ks, have to some extent been copied by Japan's competitors.

The success of newly-industrialising countries in developing high-value added manufacturing industries, and Japan;s increased acceptance of the principles of free trade means that there has been a flow of imports into Japan, there has bee very little inflow of FDI. New flows of jobs and finance, therefore,

appear to be leaving Japan. Japanese industry has tried to counter this challenge by attempting to cut the costs of domestic production, by reducing labour costs and making the workforce more numerically flexible. In Japan, as elsewhere (see Section 3.1) elite discourse around globalization presents the phenomenon as an irresistible outside force, to which Japan has no choice but to submit, in order to continue to be competitive with the Anglo-American model of capitalism. Typically globalization is presented as requiring the Japanese model to adopt neo-liberal prescriptions of deregulation and a diversification of the labour force.

The effects of this for women will be examined in later chapters. As well as the apparent economic effects of the globalization of production, there has been some incremental socio-cultural change: Japanese managers and students today have more diverse experiences through work overseas, this leading to an exposure to different models of capitalism and different models of workplace social relations, including relations between men and women.

Chapter Five:

Women Workers in the Post-War Model of Capitalism in Japan – Continuity and Change

5.0. Introduction

In order to show how the various facets of globalization are changing the position of working women in Japan, it is first necessary to understand what role women have played in the Japanese model of capitalism. This chapter therefore discusses the position of women in the Japanese labour force from the end of the Second World War, showing the patterns of continuity and change. This provides vital background for examining the impact of restructuring upon women's work in Japan. As Chapter Four has demonstrated, many of the distinctive aspects of the Japanese national model of employment arose in the unique circumstances prevailing in the immediate postwar period. It was, I have argued, the specific context of the Cold War, the changes made to Japanese institutions by the Occupation forces, the development priorities of the Japanese state, and the actions of the Japanese trade union movement that led to the emergence of the distinctive Japanese model of capitalism.

The position of women within that model, has variously been attributed to the late impact of capitalist relations and the persistence of Confucian ideas in Japanese society, through the influence of the household or *ie* as the fundamental unit of domestic and economic organization (Clark, 1979; Stockman, Bonney, and Xuewen, 1995; Tsukaguchi-LeGrand, 1999) or of continuity from rural patterns (Abegglen, 1958; Dore 1973). This chapter will argue that the position of women in the Japanese model of national capitalism, far from being the continuation of consensual patterns of social organization with deep roots in ancient Japanese culture, was in fact a break with prewar patterns, shaped by the interaction of Japanese post war institutional arrangements and state regulation. To show that this is so, Section 5.1 outlines the role that women played in Japanese industrialization before the Second World War. Section 5.2 then shows how the specific institutions of the Japanese national model of capitalism, which arose in the post war period, most notably lifetime employment enterprise unions and payment by seniority, interacted with political priorities, legal change and

social expectations about women's reproductive work, to create demand for a female secondary labour force. Institutions though, do evolve (see Section 2.3). Social and demographic change, an increase in educational provision for Japanese girls and women, women's activism and, in the context of globalization, the increased acceptance of the ideology of equal labour rights have meant that the situation of women in the Japanese workforce has gradually altered. Section 5.3 examines patterns of continuity and change in women's employment in postwar Japan, thus setting providing background information to meet the thesis aim of :

- Examining impact of restructuring upon women's employment in Japan.

Section 5.4 introduces the changes globalization is causing to women's position in the labour force generally, thereby contributing to the thesis aims of:

- Contributing to the feminist debate about the impact of globalization upon women by bringing insights from the case of Japan into the wider academic discourse.

Chapters Six and Seven explore in more depth the particular implications that globalization is having for women in the regular and non-regular workforces in Japan.

5. 1. Women's role in Japanese industrial development

It was observed in Chapter Three that no country has successfully industrialized without a large-scale incorporation of women into the labour force. Japan is no exception. Japanese women have long been active in the labour force, albeit in subordinate positions, whether in domestic service, agriculture, or industry. The first phase of Japan industrial development began towards the end of the nineteenth century. In this period, even in non-manufacturing sectors, it is apparent that there was nothing unusual about women entering the workforce.

The *ie*, or household, was the fundamental unit of economic organization of pre-industrial Japan. The household rather than the individual was the legal unit; everyone had to register as a member of a household; and all were subordinate to the male head of that household. Merchant houses recruited extra staff through the adoption of young men, and the master of the house assumed parental responsibility towards them. Although women in the merchant class followed different routes, they too might enter the household of another (Bacon, 1902, cited in Stockman, Bonney and Xuewen, 1995) to learn feminine skills, such as flower arranging and tea ceremony (which they could later teach), or as servants. However, whether they were servants or blood relatives of the head of household, in accordance with Confucian teachings, their position was formally and actually subordinate. Among the peasantry, it was the norm for women of all ages to work. In fact, since the 1930s more women than men have worked in the agricultural sector (Hunter, 1993). At the end of World War Two, the proportion of working women in the total population was arguably the highest of all developed nations, because of Japan's still heavily agricultural labour force (Iwao, 1993:154).[59]

The paid and unpaid labour of women was vital to Japan's successful industrialization. *Samurai* and government officials patriotically sent their own daughters to work in the first state-run silk factory at Tomioka, which opened in 1892, after rumours that the French specialists working there would suck the blood of employees deterred farming women from applying (Matsumoto, 1976). In pre-war Japan, women frequently worked in sales, domestic service, factory work and cottage industries. Uno (1993) has probed the lives of female pieceworkers, entrepreneurs, workers in family businesses, and employers in the early twentieth century. In 1939, women over 25 were ordered to work in coal mines (Paulson, 1976) and from the early 1940s unmarried girls were drafted to work in factories. Table 5.1

[59] In 1950 more than 60 per cent of working women were engaged in agriculture. (Japan Institute for Workers' Evolution, 2001a: 1).

shows the number and distribution of 'gainfully employed' women in 1906, 1916, 1926 and 1936[60].

It is true that there were some state attempts to restrict and redefine the role of women. The definition of the ideal role of woman as *ryosai kenbo* (good wife, wise mother) emerged in Japan at the end of the nineteenth century, in tandem with the rise of modern Japanese nationalism, which sought to modernize the state and strengthen it against Western imperialism. The *kazoku kokka* (family-state) exalted the family as the foundation of the nation, and filial piety was seen as analogous to loyalty to the emperor. A woman's role was essentially home-based. She was to provide her husband with comfort, care for the old, raise loyal and patriotic subjects and manage the household (Uno, 1993). The 1880s and 1890s saw laws passed stifling the emerging women's suffrage movement and excluding girls from advanced education, such as the college preparatory course in which female students had been enrolling since the 1870s. The 1898 Civil Code placed nearly all women under the authority of a male head of household. Though a central part of official discourse, *ryosai kenbo* did not achieve hegemonic status as it demonstrably did not reflect the reality of the lives of factory workers and farm workers particularly. The term fell out of use after 1945 because of its associations with imperialism, but the assumption of women's *tokusei* (special character) has continued to influence official policy.

Despite the long traditions of women working in Japan, in the years following the Second World War, Japan was unique in the developed world in seeing a decline in the number of women working outside the home. The proportion of women of working age holding a job was 57 per cent in 1955, 51 per cent in 1965 and 46 per cent in 1975 (Woronoff, 1982: 138). The next section will describe why this participation rate fell, and how the nature of women's employment changed, after the Second World War.

Figure 5.1 The distribution of gainfully employed women, 1906-36 (per cent)

Industry	1906	1916	1926	1936
Agriculture and forestry	65.5	63.2	60.5	57.4[61]
Fisheries and salt making	0.8	0.6	0.5	0.5
Mining and quarrying	0.4	0.6	0.5	0.2
Construction	0.1	0.1	0.1	0.2
Textile industry	6.4	7.8	8.8	8.9
Clothing industry	1.7	1.8	1.9	1.9
Wood and bamboo products	2.0	1.3	1.1	0.6
Food and beverage industry	1.2	1.4	1.8	0.9
Other manufacturing and utilities	1.5	1.3	1.5	1.6
Commerce	9.9	10.5	7.5	7.3
Domestic Service	7.7	7.9	5.2	8.0
Hotel, restaurant and others	-	-	6.3	8.1
Other tertiary industry and nowhere else classified	2.8	3.5	4.4	4.2
Total (actual figures)	100.00 (9,920,000)	100.00 (9,988,000)	100.1 (10, 436,000)	99.8 (11,691, 000)

Source: Odaka, 1993:18

5.2. Women's Employment and the Japanese National Model of Capitalism

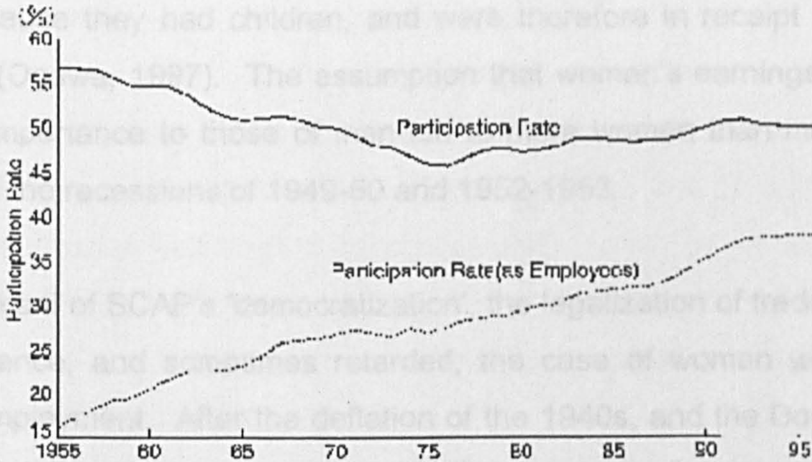
The fall in female participation in the workforce

Figure 5.2 shows the fall in women's overall participation rate between 1955 and 1975. The decline in women's full time employment can be attributed to a range of institutional and social factors, all of which combined to limit the choices of most women to providing a temporary assistant workforce, before

[61] This statistic is exceeded by the later figure indicated in footnote 53. This probably indicates a rise in employment in agriculture during the War.

retiring to provide reproductive labour within the home. This section will explain how Japan's changing international position, legal change, and lack of union protection led to an immediate and dramatic fall in women's employment in the years immediately following the end of the Second World War.

Figure 5.2 Women's Participation in the Labour Force (1955-1995)



Source: Management and Coordination Agency, Labour Force Survey Annual Report

From 1945 onwards, Japanese women came under pressure to leave the jobs they had occupied during the war. Most of the seven million demobilized servicemen were unemployed (Brown, 1998:131). The end of the war had also resulted in the end of Japanese colonization of other Asian countries. Many Japanese expatriates had returned from former colonies. The government tried to secure jobs for these men. The 1947 Employment Security Law set up a network of public employment offices and prohibited 'worker-dispatching'[62] activities to ensure the employment security of workers. Between February 1944 and December 1945 the number of women employed (excluding those employed in agriculture) fell from 5.25 million to 2.31 million (ibid: 58).

SCAP's plan to democratize Japanese society included raising the status of women. Article 14 of the new 1947 Japanese Constitution, which was largely

[62] i.e. the setting up of employment agencies to supply casual or temporary labour.

drawn up by SCAP, guaranteed women equal legal rights and freedom from discrimination in political, economic or social relations. The Constitution also sought to dismantle the *ie* and to secure equal treatment between the sexes in the household. However, SCAP did little to counter the mass replacement of working women with demobilized soldiers, possibly because in the US, women were coming under the same pressure to leave their wartime occupations. Widows in particular complained that they were often rejected for jobs because they had children, and were therefore in receipt of family allowances (Ogawa, 1997). The assumption that women's earnings were of secondary importance to those of men led to more women than men being dismissed in the recessions of 1949-50 and 1952-1953.

Another element of SCAP's 'democratization', the legalization of trade unions, did not advance, and sometimes retarded, the case of women wishing to remain in employment. After the deflation of the 1940s, and the Dodge Plan (see Section 4.1), union leaders agreed to the demands of management that unions moved from including all non-managerial employees to a membership limited to those whose job security was assured. (The corollary of this is that as non-standard forms of employment have increased, the proportion of labour which is unionized has fallen: from around 33 per cent in the 1960s and 1970s to 22.4 per cent in 1998 (Rengo, 1999: 5). In some cases, trade unions even acted to reduce the level of women's employment. In 1966, *Tokyu Kikan Kogyo* (an engine manufacturer) changed its retirement age from 50 years for both men and women to 30 years of age for women only, a result of an agreement between management and an all-male delegation of labour representatives (Shinozawa and Hiroki, 1998).

Many women also lost their jobs because the legislation that was intended to protect them was either ineffective or counterproductive. The Labour Standards Law, imposed upon the Japanese government by the US Occupation Forces in 1947 (Roberts, 1994), institutionalized several provisions for the 'protection of motherhood', including six weeks maternity leave both before and after childbirth; the right to request leave for child care,

paid menstruation leave (*seiri kyuuka*, literally 'physiological leave'); restrictions on overtime and a ban on night work. Carney and O'Kelly (1990) argue that this institutionalized the contingent and marginal character of women's work, noting that thousands of women workers in railway transport and similar occupations immediately lost their jobs when Labour Standards law came into effect. The rights were in effect difficult to exercise. Courts upheld a firm's right to refuse a bonus – which could be worth several months salary - to employees who took menstrual leave.

Article Four of the Labour Standards Law also specified that men and women should receive equal pay for equal work. However there was no obligation to treat women equally with regard to recruitment, hiring, promotion, fringe benefits and retirement (Asakura, 1998). Until 1966, the Ministry of Labour took the view that terminating a woman's employment upon marriage did not violate the Labour Standards Law.

State policy, lack of union protection, and legal change then led to a drastic fall in the proportion of women in the workforce. The next subsection describes how the emergence of a model of employment with high fixed costs, and state development policy priorities, combined with social expectations about the role of mothers, to give women a position in the labour force, which, though changing over time, remained largely marginal to that of men.

Women as peripheral labour force

Chapter Four described the postwar capital-labour 'bargain', whereby union members in large firms, whether blue collar or white collar employees, would enjoy the benefits of lifetime employment and payments according to seniority, but that only 'regular' workers would qualify for union membership. These 'regular' workers included men and women, but as women customarily retired from their positions upon marriage or childbirth, the overwhelming

majority of such workers were men. The 'classical Japanese model' of the firm as community, worker commitment and flexibility in exchange for employment security, the seniority-plus-merit (*nenko*) principle in pay and promotion and enterprise unionism (Kato and Steven, 1993) though only ever pertained to a minority of workers. Large corporations were able to afford these benefits for their workers, by externalising risk, and requiring firms further down the *keiretsu* subcontracting chain to provide flexible pricing and production. A higher proportion of women than men were employed within these small and medium-sized companies. Women were and are also more likely to work in those other groups of non-regular workers excluded from the Japanese employment system, such as contract workers, temporary workers, family workers, part-timers, agro-industrial workers, and homeworkers.

Women were not only more likely to find themselves in the peripheral labour force, but to have a peripheral position in the core labour force. The whole system of payment by seniority, described earlier was dependent upon the 'early retirement' of female employees. Even within large companies, supposedly permanent women workers would usually retire upon marriage or the birth of their first child. In fact without women's short tenure and confinement to lower level positions, it would not have been possible for men to rise upwards through the company and take on more responsibility as the *nenko* system required. Some firms even specified retirement upon marriage in female employees' job contracts (Kawashima, 1995). Rohlen (1988) shows how the number of women employed in manufacturing fell rapidly in the first two years following the 1973 oil crisis and how 'natural' wastage, as women left at time of marriage, made possible the continuation of permanent employment policies for company 'core' workers even in time of recession. Other strategies employed by companies in the 1970s included laying off (predominantly female) part-time workers and suggesting that because of the special economic circumstances, women give up work even before they married or had children. Approximately 700,000-800,000 women left the labour force between 1974-1975 (Fox, 1999:2).

The reciprocal social effects of women's role in the Japanese national model of capitalism

Labour markets operate at the intersection of the productive and reproductive[63] economies (Elson, 1999). In the postwar period in Japan, the relationship between the productive and reproductive economies changed. Part of Japan's 'normative social order' (Ikenberry, 1988: 226) has long been the expectation that children will care for their elderly parents. In the 'ideal' *ie* the eldest son would take his elderly parents into his home, where they would be cared for by his wife[64]. In a family, which had no sons, the eldest daughter's husband would be formally adopted as a son (Martin and Tsuya, 1991). Urbanization, and industrialization during Japan's economic miracle were accompanied by moves towards a nuclear family structure (although the proportion of three generation households in Japan still exceeds the proportion in other First World countries). This meant that for many middle class women, there was less help with childcare and housekeeping from relatives.

Chapter Four explained that although the US supported the rebuilding of Japanese manufacturing industry, between 1955 and 1970 there was no increase in social and welfare spending, therefore women's caring work in the family took the place of social welfare (Fujita, 1987). The rapid rise in men's incomes also meant that it became economically possible for a family to manage on the wages of a sole breadwinner. As the chances of finding outside childcare decreased, there was a concomitant social pressure for mothers not to work outside the home, while their children were young. Working mothers became the focus of popular debate in the late 1950s, when

[63] A fuller explanation of these concepts can be found in Section 3.1.

[64] In reality, life expectancy in prewar Japan was so low, that it seems unlikely that much of women's reproductive labour was accounted for by caring for the elderly. Life expectancy at birth stood and 47 years for men and 50 years for women in 1935 (Ministry of Health, Labour

the women's magazine *Fujin Koron* (*Women's Opinion*) launched a discussion on whether women had the right to pursue a career other than that of wife and mother: the magazine's readership generally sided with arguments for the priority of motherhood (Buckley, 1993). A 1963 White Paper on Child Welfare claimed that "a deficiency in the level of nurturing is creating a risk for the children of this generation" and linked "the decline in child welfare" and "women's increased penetration of the workforce" (Buckley, 1994: 155). Cases of death due to improper care or staff shortages in public daycare centres also made the headlines (Knipe Mouer, 1976).

This moral panic succeeded in stimulating guilt in at least two of the women who answered questionnaires in my survey in my 1996/1997 pilot survey. A 60 year-old's answer to a question about whether she had faced any problems on returning to work after having children wrote:

> "My children became what is called "door key" children (*kaggiko*), because there was no-one who could take care of them after school."

A 39 year-old employee of a multi-national corporation responded to a questionnaire about problems experienced when returning to work after having children:

> "In the beginning it was only four hours a week, so there was no difficulty with the children. The only one difficulty was during the weekend, there is no...it is not certain that I will be able to get days off in the weekend, so the children are here alone and I have to work outside, and the children get a little bit embarrassed about the situation."

---

and Welfare, 2000). As life expectancy has lengthened, so has the nature and extent of care required, as Chapter Seven will explore more fully.

Japanese society is often described as being characterized by 'educational credentialism' (*gakureki shugi*) (Choy, 1999). Exam success determines which schools, universities, and later, companies, men, at least, can enter. As this puts pressure on parents, and on mothers in particular, to devote much time and energy to providing assistance to their children. Mothers are considered to be almost wholly responsible for ensuring that their children succeed at school (Imamura, 1993). Mothers commonly help children with their schoolwork. They may spend time watching educational TV programmes; attend school or local government sponsored classes for educating mothers; or undergo instruction from their child's class teacher in the topics that the child is studying (Lebra,1984). There is now rather widespread and high quality childcare provision in Japan, with subsidized preschools serving 40 per cent of three year-olds and 90 per cent of 4 and 5 year olds. Evidence suggests though that the expectation, established in the few decades after the Second World War, that mothers of young children will have a full-time role in the reproductive economy means that the *raison d'etre* of these institutions is more to socialize children than to relieve mothers. Nursery and primary schools place significant burdens on mothers' time. Working or not, mothers may be expected to attend regular parent-teacher meetings, provide highly elaborate *o-bento* (lunchboxes) according to school recommendations and arrange for children to follow specific timetables, even during the vacations (Allinson, 1996).

As the organization of work and the demands made of workers become institutionalized they affected what happened and 'in a more general way, the attitudes and principles and patterns of social relations found in the workplace are likely to have a certain congruence with those shown in other social spheres, simply because of the tendency towards consistency in individual personalities and sets of values." (Dore 1973:280). From 1969 to 1989 homemaking courses in schools were compulsory for girls. After this date, and much vigorous campaigning from the Women's Action Group and the Association for the Promotion of the Study of Homemaking by Both Sexes, homemaking courses became a requirement for boys too. It has been

noted by several commentators that Japanese parents' educational aspirations for their sons tend to be rather higher than for their daughters. Brinton (1993) attributes this to parents choosing to invest more in sons' education as, in keeping with the tradition of the three-generation household, they may expect financial help from sons in later life, and are also aware of the discrimination women face in the labour market and so consider money spent on a four year university education to be wasted. As recently as 1994, only 40 per cent of women in tertiary education were attending four year universities, compared to 96 per cent of men entering tertiary education. The remainder entered two-year junior colleges. (Fujimura-Fanselow and Kameda, 1994:46). Women anxious to have a career might of course make a rational decision to curtail the length of time they spend in higher education. As the expected tenure of women workers was so short, companies often did not hire female four-year university graduates, who, they expected would stay in the workforce for an even shorter period of time than their junior college peers. Brinton cited the comments of a mother, in the 1980s, who was keen for her daughter to go to a university:

> "Now my daughter is debating whether to go to junior college or university education. She says that getting a university education will be a handicap (*furi*) when she looks for a job; it's true that the situation for women university graduates is very bad and close to 100 per cent of junior college graduates can get jobs. But even so, I think she should go ahead and go to university. It's a hard situation and it's hard for me to give advice to my daughter." (Brinton, 1989:552)

However, as graduation from a four year university is the usual requirement for a management position with a large company, the different educational paths typically followed by young men and women in Japan has had an impact of the effectiveness of equal opportunities legislation (This impact will be discussed in more detail in Chapter Six).[65]

[65] The increased education attainment of Japanese women, and its relationship to social and legal change wrought by globalization will be discussed in Chapter Six.

The previous paragraphs describe how the social expectations that women carry out all reproductive work have been, and continue to be, a factor in women's exit from the labour market. However, even this may to some extent be institutionally determined. In the case of Japan, it is evident that the long hours worked by Japanese company men means that they are unlikely to share housework or service themselves regarding the cleaning of clothes and provision of meals, nor to play a major role in childrearing.

In summary, legal change and the political conditions at the end of the Second World War led to an exodus of women from the workforce, and state policy and the organization of work combined with expectations of women's role in providing reproductive labour combined to mean that most female regular workers provided a temporary, peripheral labour force. These expectations became institutionalized and reflected in the education system and other social institutions. As a result of social expectations, their husband's long working hours, and the move to a nuclear family, most Japanese women in most of the post-war period have had little alternative to leaving work while their children are young. Section 5.3 will examine the nature of women's employment, and the extent to which it has changed or remained constant during the post war period.

5.3. Women's Work in the Postwar Japan: Continuity and Change

The gendered nature of work.

The jobs that men and women do reflect the positions of men and women in society generally. Particularly the work that women typically carry out in the reproductive economy has been reflected in the tasks assigned them in paid employment. In white-collar jobs in the years following the Second World War, it was common practice for male employees to expect female workers to serve tea, clean the offices and even polish their shoes. These menial

tasks have, increasingly, become a focus of resentment among some female employees. Serving tea in particular seems to have attained a certain symbolic importance. In a 1984 article Susan Pharr describes the prolonged resistance to tea pouring among female employees of Kyoto city government, as an example of 'status conflict' in Japan. Although it is highly unlikely that today a female office worker would be expected to clean her male co-workers' shoes, it appears that carrying out gendered tasks is still an integral part of the positions filled by women employees. Although no questions were specifically asked about this, many survey participants spontaneously mentioned such tasks among their dislikes. For example, a 25 year old medical clerical worker wrote:

> "My position as a medical clerical worker is lower than that of a pharmacist and I have to do chore work like cleaning the office. [My duties include] Calculation, computer operation, remuneration of medical charges, work in the office (including serving tea, cleaning the office, taking care of the office plants)"

An employee of non-profit making organization said:

> "They treat me as a girl. They think serving tea is a women's job"

Female office workers were commonly referred to as 'office flowers' (*shokuba no hana*[66]), with the strong implication that their presence was decorative, and short-term. This has been reflected in recruitment practice. For example, in February 1983, newspapers reported that the labour union at *Kinokuniya* bookstore was protesting against a memo sent to branches and sales office throughout Japan, which advised against the employment of full time women workers who were "Ugly, short, unsophisticated, or wear glasses." (Shiozawa and Hiroki, 1988:26).

Chapter Three cited Feldman's observation that some women strategically employ social norms to maintain their employment (Feldman, 2001). Women

[66] Today this term is only likely to be used ironically.

in Japan also, in certain circumstances, use the discourse of femininity and gendered work to justify their employment in certain, high status careers. Writing in the 1970s, Dilatush (1976) noted the relatively high proportion of female professionals, compared to women in management) (see also Shinotsuka 1994). Saso (1990) also notes that some women have been successful in rising in the professions or the civil service. However, she convincingly attributes this to the relative gender-blindness of these areas of employment, which rely upon competitive examination for entry. Success in competitive examinations can be one way for women to establish a paid career: Shinotsuka (1994) notes that a greater proportion of women (13.8%) than men (11.3%) work as specialists[67], and anecdotal evidence suggests that this a route being purposefully chosen by an increasing number of women (see Chapter Six). Nonetheless, women's professional success in these areas has often been attributed, in public discourse, to stereotypically female qualities[68]. Even in the area of dentistry, which does not have immediate nurturing associations, a female dentist, close to retirement age told me:

> "If you're a woman you can talk to children more easily. I can say, "There, there. It's okay." I feel that the nature of women – to be gentle and caring. That sort of thing is very suitable for my job. So concerning the occupation I feel that I am happy because I am a woman and I feel happy in my job because I am a woman. In my ordinary life occasionally, well often actually, I have had the feeling

[67] 'Senmonka' is often translated as 'expert' or 'specialist' , but tends in practice to mean someone with a skill, often a certified skill, and would include people who carry out professional work such as accountants, computer programmers or translators.

[68] From 1884 women were allowed to become doctors through taking the national licensing exam in Medical Arts. This was seen as appropriate to women's supposedly natural 'nurturant' qualities. Fifty three per cent of working women who were college graduates in 1965 worked as teachers (Iwao: 1993). Knipe Mouer refers to the debates of the early twentieth century, where the increasing number of female teachers was controversial, but gradually accepted as, those who favoured their employment argued,

"....their gentle and patient dispositions make them perfectly suited for teaching." (Knipe-Mouer, 1976:163).

that I would like to be a man, but as far as my occupation is concerned I have never had that feeling and I am happy to be a woman."

Women's tenure in the regular workforce

Although a series of court judgements from 1966 onwards formally outlawed the practice of companies requiring women to retire at marriage, informally, social expectations and the culture of the workplace continued to lead to women leaving work upon marriage or pregnancy. Women's jobs outside the home were referred to as an *koshikake* (temporary seat), where women could observe social life (*shakai kengaku*), before retiring upon marriage (*kekkon taishoku*) taking up lifetime employment (*eikyuu shuushoku*) in the home (Iwao, 1993; Woronoff, 1982). A trading company employee told me of the practice of one large firm that would only take on women who lived with their parents. Parents were expected to attend the firm's welcome ceremony for new employees and told it was their responsibility to ensure that their daughters retired at marriage.

As women were expected to retire, they did not receive the same high quality on-the-job training as their male co-workers. Even now women's training is often limited to instruction in how to properly greet customers and speak to colleagues A 27 year old insurance clerk, who responded to my 1996/7 survey, when asked if there was any difference in the training she and her male co-workers received , answered:

> "Yes, male staff [...] have training for two months at head office just after being taken on, but female staff [...] have no training and are posted to general clerk [work]."

Many companies took on board assumptions that women are essentially short-term workers, unlikely to have, or to be interested in acquiring, skills useful to the company. It is interesting to read the recruitment literature of some of the larger Japanese corporations that stresses the opportunities for female employees to acquire what might be described as human capital for

the marriage market. *Brother*, for example, in the late 1980s, emphasized the opportunity to learn tea ceremony at the company dormitory and claimed that learning bookkeeping at the company would be useful because it would help women learn how to do household accounts. The ideal path for a female employee was shown in cartoon form: at eighteen she enters the company; at nineteen she prepares for marriage by undergoing bridal training, taking company-provided classes in cooking, sewing, knitting and becoming *onnarrashii* (feminine or womanly); at twenty she dates, and by twenty-one is at the altar in a wedding dress, quitting the company and using her savings to set up home (Lo, 1990). This indicates something of a mismatch between the expectations of companies and those of their female employees: the average age of marriage is for women today is 26.8 years. In 1990 at the time Lo was writing, it was around 25.8 years (Japan Insight, 2002a).

Despite the assumptions of companies, women's tenure in the regular workforce has lengthened. The average number of years women worked continuously in 1960 was four years while men worked, on average, for eight years. The average number of years women worked had come to exceed six years by 1980, and in 1996, 8.2 years. In 1996, 28 per cent of women had been working for more than 10 years, and 9.2 per cent for more than 20 years. The average length of time women had worked was almost eight years (Japan Insight, 2002). This can be attributed to increased longevity; a declining fertility rate, an increase in housing and education costs, the return of 'baby boom' wives to the labour market and changing social attitudes about women's place in society (Whittaker, 1990).

Figure 5.3 The Average Age of Male and Female Regular Employees and Average Years of Service

Year	Average Age		Average working years	
	Women	Men	Women	Men
1949	23.8	32.5	3.2	6.6
1954	25.4	33.2	3.6	7.2
1960	26.3	32.8	4.0	7.8
1965	28.1	33.2	3.9	7.8
1970	29.8	34.5	4.5	8.8
1975	33.4	36.4	5.8	10.1
1980	34.8	37.8	6.1	10.8
1985	35.4	38.6	6.8	11.9
1990	35.7	39.5	7.3	12.5
1994	36.1	40.0	7.6	12.8

Source: Ministry of Labour Research, Japan Insight, 2002b

Of course, doing monotonous work, with little chance of advancement hardly encouraged women to stay on at work, but if they did, the system of payment by seniority could mean that long-serving female employees were paid more than the limited jobs they were given merited. Some companies had different formal retirement ages for men and women:

> [X company] had a rule for women to quit the job by 25. So I quit when I was 25, regardless of whether they were married or not. Well, you could continue to work for the company, but the working conditions and payment would not be the same level.
>
> Home-based kimono-wearing teacher, in her fifties, describing her earlier career.

Even when there was no official policy, tacit pressure meant many older questionnaire respondents had felt under psychological pressure to leave. A 49 year old clerical worker commented:

> In my case, when I was pregnant, as I did not have a job-related skill, *I had no choice but to retire, because around me no women took maternity leave.* But later I often regretted that. I shouldn't have

retired from a responsible job. So if my daughter-in-law hopes to work all her life, I'll help her."

Even in the 1980s and 1990s when women stayed in the workforce longer than their employers had envisaged, subtle and not-so-subtle pressure could be brought to bear.[69] Ms. Shirafuji, whose lawsuit against her employer, Sumitomo Electric has been continuing since 1995, described how at every year end party her boss would ask the women what their plans were for the next year, implying that there was no expectation that they would stay with the firm. Another employee of the Sumitomo group claimed that on returning to work after giving birth: she was segregated from other office workers, placed at a desk by the window sitting alone behind her boss and given no work to do for six years (*sic*). This case also offered an interesting example of infrapolitical resistance. The woman continued to go to work, where she kept busy reading the company handbook and watering the plants. She received tacit support for her persistence from one male co-worker who gave her chocolates on Valentine's Day. This was not a romantic gesture: it is normal practice in Japanese offices for women to give *girichoko* (obligation chocolates) to male co-workers they respect.

---

[69] Companies are really exercising *statistical discrimination* here (Koike, 1995). Statistical discrimination refers to the case where an employer does not have, and finds it prohibitively expensive to find about, the attributes of a particular member of a social group, and believes that members of that group are, on average, less desirable employees in terms of qualifications, reliability, tenure of employment *et cetera* (Phelps, 1972). On this basis, the employer might treat all members of this group less favourably than other groups either by not hiring them, or by hiring them under less favourable conditions. In this case, the employers take into account that most women will leave work after a short period and are therefore treating all women as short-term employees, although some individual women will wish to work for considerably longer periods than the average. Koike (1995) feels that a potential solution to this problem, which suits both the companies and more tenacious women, has been the introduction of promotion tests and tracking systems within larger companies. In the dual-tracking system most women are placed in short-term semi-skilled positions, but particularly gifted women who express an interest and show ability can be employed on the same basis as men. However, this system too has complex and contradictory results, which will be discussed in Chapter Six.

Subtle pressure can be brought to bear even on single employees who continue to work. A 27 year-old employee of multi-national company, when asked whether her marital status affected the way she was viewed at work answered,

> "When they ask me "You aren't married yet. How old are you?" , it feels unpleasant."

As Figure 5.3 indicates, women are willing to spend longer periods of time in the labour market. This can be partially attributed to increased longevity; a declining fertility rate[70], an increase in housing and education costs, and changing social attitudes about women's place in society (Whittaker, 1990). However it is very difficult to re-enter a large company after a career break, as the reactions of companies to women with longer than average tenure (described above) might suggest. Even women who were successful in finding a job in a new company would not be able to transfer any eligibility for seniority pay. One of the major changes in women's position in the Japanese labour market since the war has been their increasing participation in the type of non-regular work know as *'paato'* (*paato taimu*, from the English part-time), which has grown in response to contradictions of the position of women in the Japanese national model of capitalism.

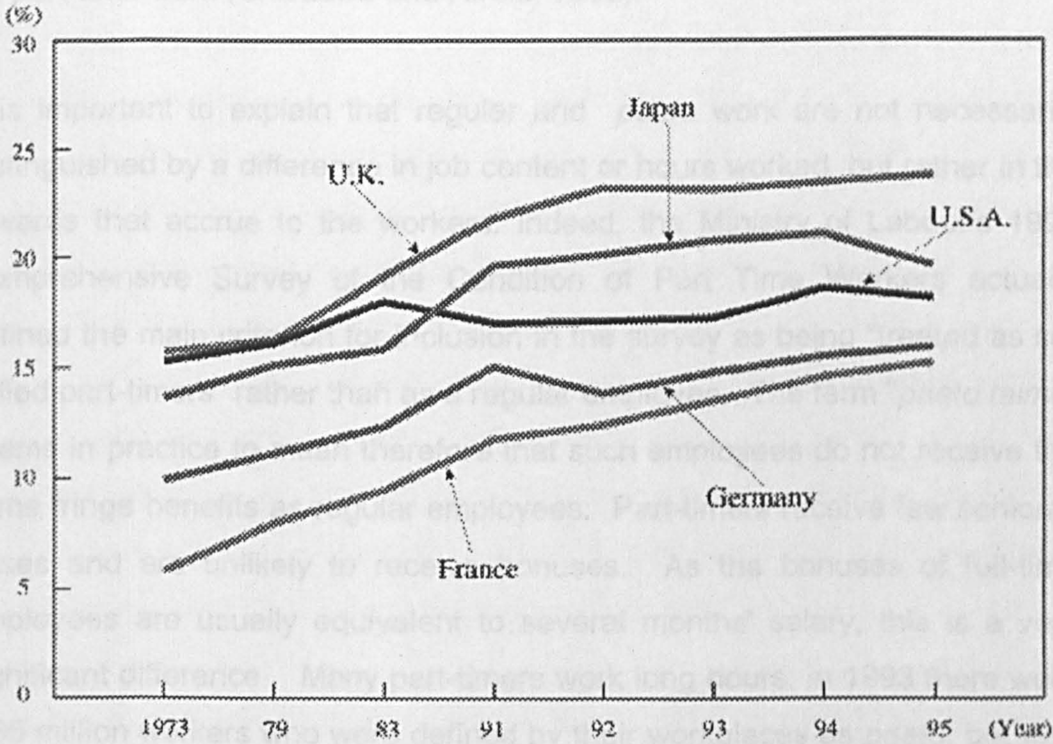
The rise in *paato* work

Part-time work has increased in many industrialized countries in recent decades (as Figure 5.4 shows). Furthermore part-time work cross-nationally tends to share the following characteristics: it is primarily performed by women; it is associated with marginal employment; its expansion has coincided with period of economic restructuring; and its increase has coincided with increase in number of women in labour market (Fagan and O'Reilly, 1998). This might suggest that the Japanese model has been

converging with other economies at similar levels of development. However, the increase in part-time work varies between countries with even quite similar industrial structures. Wakisaka and Bae (1998) have observed that despite both being 'Asian cultures' and developmental states, the level of part-time employment, compared to full-time employment is far higher in Japan than in South Korea. This they attribute partly to the different tax regimes in the two countries, which give Japanese women, but not South Koreans, a reason to limit their working hours. This section will trace the development of the *paato* workforce in Japan, showing how state policy was instrumental in the development of a largely female part-time workforce.

Large firms in Japan began to make regular use of part-time workers in 1954, when Daimaru Department Store in Tokyo took on 250 part-time workers plus 600 high school graduates, to enable the store to stay open until 8.00pm. Suzuki Kensuke Daimaru's General Manager introduced the system after being impressed with its use in the United States, where it enabled businesses to cope with fluctuations in demand. This would of course be a very significant advantage to firms in Japan, with a numerically inflexible workforce.

Figure 5.4: A Cross- National Comparison of the Growth in Part-Time Work



The definition of part-time used here is less than 35 hours per week in Japan and the US, less than 30 hours in France and is dependent on the status and classification of employees in Germany and the UK.
Source: Japan Insight, http://jin.jcic.or.jp/insight/html/focus05/data/DATA018-2.gif

Over the next several decades, the desire to cut wage costs and to increase the numerical flexibility of the workforce, combined with social change to promote the growth of a female *paato* workforce. The number of female part-timers more than quadrupled between 1970 and 1984 (Hunter, 1995: 479). By 1965, nearly 70 per cent of women who completed junior high went on to senior high school. This meant that there were far fewer young women available to carry out factory work, and firms being forced to turn to older married part-timers. By 1970, 51 per cent of married women were working (Iwao, 1993). One particular stimulus was the Japanese Archipelago Reformation Plan of 1970, under the auspices of which companies were given incentives to locate factories in rural areas. Most factories at the time were clustered around urban areas and the resulting pollution was a matter of public concern (McCormack, 1996). Around the same time, under the Rice

Acreage Reduction Policy, rice production was being cut back, which meant that many farming women were looking for work to supplement the family income. The increasing mechanization of agriculture also freed rural women for part-time work (Shiozawa and Hiroki, 1988).

It is important to explain that regular and *paato* work are not necessarily distinguished by a difference in job content or hours worked, but rather in the rewards that accrue to the workers. Indeed, the Ministry of Labour's 1990 Comprehensive Survey of the Condition of Part Time Workers actually defined the main criterion for inclusion in the survey as being "treated as so-called part-timers" rather than as a regular employee. The term "*paato taimu*" seems in practice to mean therefore that such employees do not receive the same fringe benefits as regular employees. Part-timers receive few seniority raises and are unlikely to receive bonuses. As the bonuses of full-time employees are usually equivalent to several months' salary, this is a very significant difference. Many part-timers work long hours: in 1993 there were 5.65 million workers who were defined by their workplaces as *paato*, but who worked more than 35 hours per week. (Wakisaka, 1997:144). Employing *paato* workers is therefore a very efficient means for companies to defray the high fixed costs of the regular workforce.

As well as being economically beneficial to employers, *paato* work has also provided employment for women, who have been spending less time childrearing as birth rates fell (see footnote 3), and who, as seen in the previous section, seem increasingly ready to spend more time in the labour force. Where it is genuinely part-time, *paato* work can fit in with the expectations of women's reproductive work described earlier in this chapter. Part time work may act as a 'bridge to reconcile private care work and public waged work' (Fagan and O'Reilly, 1998:23) and might in some cases help to further transform the 'gender contract', as maternal employment becomes normalized. However, Imada (1997) suggests that the increase in part-time work may have retarded change and to have institutionalized women's 'dual

burden' of productive and reproductive work. If it is customary for wives to work part-time, this means there is less incentive for men to take equal responsibility for the care of children, the elderly and housework. A married part-time worker with adult children told me:

> "When I returned to work I didn't like to see my husband's frowning face, but he has changed now. He is okay now, if I don't do too much – if I'm not excessive...[W]hen I'm very busy and I don't cook good food for him, he weeps. He acts. Usually he doesn't speak a lot. He is a quiet, very kind person, but one day, he made me a whiskey. He offered me a whiskey. He said, "Why don't you drink a glass of whiskey?". I thought something had happened, something serious had happened. And he said," Do you have any complaints?" I said, "No" and I asked why, and he said, "You have been ignoring the housework recently." So he thought I had some complaint about him, or home. But it wasn't true: I didn't have any complaints."

State policy and consequent legislation has been instrumental in the growth of the female *paato* labour force. In 1963, the Economic Council of the Prime Minister's Office proposed "extensive use of young, unmarried female workers in simple jobs', "only a small number of educated women in supervisory positions", women returning to their families at "a suitable age for marriage" and rehiring "persons of middle age" (Lebra, 1976b:110). However, in 1972, the Economic Deliberation Council argued that women's abilities had been insufficiently developed and recommended that women's labour be more effectively utilized by making part-time workers a permanent feature of the workforce, rather than regarding them as temporary workers (Shiozawa and Hiroki, 1988).

The tax and benefits system in Japan has offered married women few incentives to work full-time. The 1949 Sharp Report recommended that a new tax system should be devised centred on the individual rather than the *ie.* A new tax system based on this came into effect the following year. Tax was based upon the individual but deductions were permitted for dependants,

with deductions of equal value for both spouses and dependants. In 1961, an effort was made to recognize the contribution to women's work within the home (*naiyo no ko*) and to distinguish spouses from children by the introduction of the Deduction for Spouses. (State payments to mothers had in fact been a major demand of almost all leading feminists in the Taisho era, 1911-1925, Molony, 1999) However, once a wife's income exceeded a certain amount this deduction was lost. (This was changed to the benefit being phased out gradually as income rose, following complaints from companies that their workforce were trying to cut back their hours, just at the busiest time of year, Higuchi, 1997).

The system was changed again in 1987. Since 1975 the difference between the allowance for spouses and the allowance for child dependants had been eliminated. In the wake of a backlash to a recently introduced and very unpopular consumption tax, the state introduced what was, in effect, a subsidy to male-breadwinner couples. From 1987, if a woman earned less than 700,000 yen, then her husband not only received the 350,000 yen Deduction for Spouses, but a further 350,000 yen to in recognition of the woman's *naiyo no ko*: in effect, wages for housework, but paid to the husband. If a second earner in a couple earns more than 1.3 million yen annually then, valuable tax breaks are lost, and the primary earner may also lose their entitlement to company family allowances (Osawa and Houseman, 1998). (The average household income in 2000 was 6,731,448 yen (Ministry of Public Management, Home Affairs, Posts and Telecommunications, 2001). These restrictions have a strong disincentive upon women seeking to further their careers: there is in fact a negative correlation among recipients of benefit between the wages of husband and wife. According to the Japan Institute for Workers' Evolution (2001: 2):

> "More than 30 per cent of part-time housewife workers adjust their income to match what is allowable by Japanese law and not to exceed their husbands' monthly spouse allowance."

This was reflected in responses from focus group and survey participants. One respondent made it clear that this had affected her work choices, stating:

> There is a tax regulation. If I earn up top one million yen, my husband can get tax relief for his wife and children. If my income exceeds one million yen, the tax relief....he can't get tax relief, so I have to work less than 120 hours a month.
>
> 57 year old employee of large corporation

Sometimes this encouragement can be even more overt. According to one participant who took part in a discussion I organized with the English Discussion Society.[71]

> "I am working as a part-timer. I pay tax, but [...] the clerk at the tax office said a few years ago, you should ...you work too hard...too much. If you work this much, you have.. you don't have to pay this tax, something like that. If I cared about such a small thing, quite small, I can't work, so I don't care [about] that kind of thing. But I pay. I mean the pension, I pay the health insurance by myself, so the city tax.....so I know how much [....] disadvantage I have. And [...] I have no bonus. "
>
> (English Discussion Society, 1999)

In 1986 the Pension Fund Law was revised. Changes made it possible for non-working women to claim retirement benefits, although they had not paid towards a state retirement plan, even if their husbands had not paid a supplementary premium. Widows were also entitled to 75 per cent of their husbands' pension. A working woman who paid social security benefits, on the other hand, would receive retirement benefits in her own right, but after husband's death, she would have to choose between this benefit and her husband's. She would therefore either forsake Bereaved Family Benefit or the benefits for which she has made contributions.

Other benefits also strengthened preferential treatment for married couples where the woman did not work full-time (Higuchi, 1997). If a woman works less the 75 per cent of a normal working week or earns less than 1.3 million yen per annum, she does not have to pay health insurance or social security payments, and is treated as a dependent of her husband (or father).

This system is particularly likely to deter educated women from continuing full-time participation in the labour force. Disparity in educational attainment between a couple is rare in Japan, so a highly educated high-earning husband is likely to have a better paid job, which would give the couple sufficient resources to survive on only one full-time income. There is in fact, among couples claiming spousal deductions, a negative correlation between the earnings of husbands and wives (Higuchi, 1997: 114). The system also disproportionately subsidizes higher income couples, as women in manual occupations are relatively keen to continue to work full-time after marriage or childbirth (Roberts, 1994).

There has then been change in the position of women in the Japanese national model of capitalism. Women's tenure in the regular workforce has lengthened, but it is still usual for women to leave regular employment upon pregnancy. Although women still tend to be assigned stereotypically 'feminine' roles in the workplace, reflecting their presumed reproductive work, an increasing proportion of women are finding work as 'specialists' or professionals. With the fall in Japan's birthrate, although assumptions of women's responsibility for almost all reproductive work persist, mothers spend a smaller proportion of their lives childrearing. Their availability for employment is articulated with employers' demands for a flexible and relatively inexpensive workforce, and state tax and pensions regulations to encourage the growth of a female non-regular workforce.

5.4. The Reciprocal Effects of Globalization on Women Workers in Japan

The previous chapter listed some of the effects of globalization upon the Japanese national model of capitalism. As men and women have had very different roles in that national model, changes to that model, brought about by globalization, will impact upon them in different ways. This section will briefly outline some of the gendered impacts of globalization upon Japanese working women generally, before Chapters Six and Seven go on to discuss in detail the way globalization impacts upon Japanese women in the regular and non-regular workforces respectively[72].

Liberalization and deregulation

It was observed in Chapter Four that leading business organizations have recommended a shift towards the increased employment of non-regular workers. This shift has been facilitated by legal change, including the liberalization of temporary employment agencies, and the facilitating of part-time work in an attempt to make the Japanese workforce more numerically flexible. As much of the increased employment of women has been in non-regular employment, this suggests employment opportunities for women will increase. However, but as has been discussed above, non-regular workers tend to have different conditions of work to those traditionally experienced by male regular workers. The cutting of tax rates and the reduction in welfare spending, referred to in the previous chapter, are also likely to have implications for women's reproductive work, and consequently their capacity to enter paid employment. These changes will be discussed in more detail in Chapter Six.

Another effect of deregulation and liberalization is that it has eased the entry of foreign firms into the Japanese marketplace. The entry of foreign firms into

[72] The two workforces are treated separately because, as this chapter has shown, they tend to be firmly differentiated, socially and demographically, and are differently regulated.

the Japanese market appears to provide more attractive opportunities for high-achieving women who intend to continue working than is generally the case with Japanese firms. About 60 per cent of third year university students of both sexes express and interest in working for foreign companies and their affiliates in Japan, commonly believing that they offer chances for employees to improve their skills and to reach their full potential (White Paper on the National Lifestyle, FY 1999). While the transnationality index in Japan is lower that that of any other countries (see Section 4.4). Furthermore, even the minor presence of a foreign firm in a market can be influential in introducing changes in the organization of work (Yashiro, 1998). There can however be a gap between the image and reality of working for a foreign firm. This will be discussed in the next chapter.

Re-regulation

It has been observed (see Chapter Three) that globalization can weaken local patriarchal structures by exposing traditional practices to global scrutiny, and increasing reflexivity. Japan's economic success had stimulated outside interest in the Japanese organization of production, and thereby raised awareness of the role of women within this (Kawashima, 1995). There is widespread agreement in academic circles that Japan's 1986 Equal Employment Opportunity Law was passed partly in response to foreign criticism of the position of Japanese working women (Gelb, 1998). The next chapter will examine in more detail the role of the processes of globalization in the promulgation of the Equal Employment Opportunities Law (EEOL) in 1986, and its revision in 1997 and its crucial role in reshaping women's employment.

Dominant ideologies can lead a state and existing institutions to negotiate a compromise between encouraging change and maintaining current gender orders (Arat, 2002; Pyle, 1990). The EEOL was vigorously opposed by important sections of the business community. While business elites have been keen for Japan to adopt some of the deregulatory measures

characteristics of Anglo-American capitalism, they have not reacted with the same enthusiasm to attempts to bring Japanese laws surrounding sexual equality in the workforce into line with those elsewhere in the First World. The way the EEOL has been framed and interpreted as Chapter Six will show, have made it of limited practical applicability to most non-regular workers, and regular workers carrying out different roles than men. In fact, equal employment legislation has actually contributed to the institutionalization of a gendered dual labour market.

Women and migration

One of the processes associated with globalization is increased transnational flows of people, and the previous chapters remarked upon the increased flow of people into and out of Japan. As this thesis focuses on the gendered effects of globalization, two special features of the gendered nature of migration into Japan should be noted here. The location of production overseas had implications for the gendered nature of migration into Japan. As economic links between Japan and other East Asian states grew, and Japanese FDI in these areas increased, there was a corresponding upsurge in Japanese men's sex tours to South Korea, Taiwan, the Philippines and Thailand. These were usually offered by regular travel agents. Women's groups in the countries protested against these tours, castigating Japanese men as 'sex animals'. These Asian women's groups forged links with Japanese women's groups. The latter were successful in placing the issue on the agenda of the Diet and tourist offices ceased offering such tours (Okura, 1996). However, their success in achieving their goal did not end the use of foreign prostitutes by Japanese men. In the mid-1980s the *yakuza*[73] became involvement in procurement of sex workers from overseas to work in Japan. Around 100,000 women come to Japan each year to work in the sex industry (Murata, 1996:116), from countries where there are strong trade and investment links with Japan. Matsuri (1996: 56) observed:

[73] The *yakuza* are organized criminal gangs.

"The number of Thai women being sent into Japan's sex industry skyrocketed at the same time that their country's economic growth rate went into double digits."

The 1980s saw *japa-yuki-san*[74] from Southeast Asia being trafficked to Japan. Recession in Latin America, then the economic decline, and increased possibility of travel following the end of Cold War saw Eastern European and Russian women being trafficked. There has also been a significant increase in the migratory flow of brides (Piper, 2001). Another, unique, feature of the interaction between globalization and migration in the case of Japan, is the phenomenon of local government sponsored recruitment of foreign wives. Japanese agriculture become increasingly unprofitable in the face of economic globalization (Hikita, 1996), which has hit the traditionally protected farming sector. Japanese women are increasingly unwilling to marry farmers and to accept the hardships of work in an agricultural industry. Municipal governments in rural areas, therefore, have sponsored the recruitment of women, mainly from the Philippines and Thailand, to marry farmers, and provide farm labour. This policy had been adopted by around 100 rural governments by 1992. Although it is difficult to find records of exactly how many couples have married because of this system, in Yamagata prefecture alone, as of May 1992, there were 472 Filipino women married to Japanese men as the result of community projects to provide brides (Sellek, 2001: 183).

The nature of 'flows' of people out of Japan is also gendered. More Japanese women than men live overseas. By the early 1990s, almost 80 per cent of Japanese students studying abroad were female (Kelsky, 2001: 2). The emergence of the internationally active Japanese woman has been attributed to Japanese institutions. Such women argue that their 'adaptability' to the expectations of the Other is because, variously:

[74] 'Japayuki-san' literally means 'Ms Going to Japan' and is a play on the euphemistic term 'Karayuki-san'(Ms Going Overseas): a phrase used to describe Japanese women who went to work in the sex industries in the US and South East Asia in the first half of the twentieth century.

- Marriage in Japan is traditionally patrilocal
- Daughters are not so indulged as sons and thus develop 'inner resources'
- The academic success of young women is not so highly valorized as that of young men, and therefore they have more liberty to explore their own interests
- They are excluded from 'avenues of advancement' in Japanese corporations (Kelsky, 2001)

Study or work experience overseas can sometimes allow Japanese to gain career or educational experiences that would have been more difficult to obtain in Japan. This can prove the foundation for later careers in Japan. Renshaw (1999) found that 70 per cent of the Japanese women managers that she had interviewed had been educated or lived overseas at some point in their lives. It should be noted that Japan, unlike other relatively prosperous nations in the region does not have a culture of importing domestic labour. This means that Japanese women's entry into paid employment has not been facilitated by the emergence of a class of female migrant domestic workers in Japan.

5. 5. Conclusion

The Japanese national model of capitalism though emerged in the very specific conditions of the immediate post war period. Although there was a long tradition of women working outside the home in Japan, legal change and political conditions led to an exodus of women from the labour force at the end of the Second World War. Firms' high fixed costs and traditions of pay and promotion by seniority meant that they relied on women's early retirement from regular jobs to maintain numerical flexibility in the workforce and to keep down wage costs. As firms expected women to leave the workforce upon marriage or childbirth, they gave them little training, and the vast majority of women worked in 'gendered' jobs. Married women,

especially mothers, on the other hand, were expected to carry out almost all reproductive labour in the conjugal household, and thus could not carry out the 'double shift' of full-time paid work and childcare and domestic work.

Societal and demographic change, educational advance and the increased acceptance of the ideology of equal labour rights have meant that Japanese women's determination to continue to work has gradually increased, with a number remaining at work in the face of pressure to leave. A minority of determined women have succeeded in establishing themselves as professionals. Many more women have re-entered the workforce as non-regular employees. This position both fits in with, and reinforces the Japanese gender order.

Both as short term regular employees and as non-regular workers, Japanese women have enabled Japanese companies to maintain secure and well-rewarded employment for most male company employees. Japan is becoming ever more integrated into a very different international economy to that prevailing in the 1940s and 1950s when the Japanese model took shape. Consequently, there has been deregulation and liberalization of the economy; regulation of, and changing attitudes to women's labour rights, and patterns of migrations into and out of Japan. These changes will both impact upon and be affected by the actions and choices of men and women within it. These changes will be examined in Chapters Six and Seven.