IAJS
האגודה הישראלית ללימודי יפן
イスラエル日本学会
الجمعية الإسرائيلية لدراسة اليابان
Israeli Association for Japanese Studies

Conference Proceedings

Volume IV, 2024

The Sixth Biennial International Conference of the Israeli Association for Japanese Studies

Haifa, 15-17 November 2022

Editor: Michal Daliot Bul

Contents

Opening statement
Michal Daliot-Bul....2

A Silent Country on the Precipice of Peace Apathy: Whither Japan and Japanese Studies?
Barak Kushner....3

Abandoned by Time? Totoro Meets Mickey Mouse
Susan Napier 17

The Japanese Employment System: Past and Future Change
Sugeno Kazuo 26

Bionotes.... 52

Production and Layout: Lisa Eidt, Erez Golani Solomon

Opening statement

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In mid-November 2022, the *Israeli Association of Japanese Studies* (IAJS) held its first post-pandemic conference in-person at the *University of Haifa* and the *Tikotin Museum of Japanese Art*. Generously supported by the Japan Foundation, our Sixth Biennial International Conference was a particularly cheerful moment as we also celebrated the 70th anniversary of diplomatic relations between Japan and Israel. During the conference, IAJS received a commendation from the Japanese Foreign Minister, Mr. Hayashi Yoshimasa, acknowledging the association's contribution to the promotion of Japanese studies in Israel and friendship between Japan and other nations.

The disciplines represented in the conference were diverse, ranging from law, international relations, cultural studies, anthropology, visual culture, translation, architecture, history and more. The topics discussed were equally diverse and thought-provoking, ranging from the relations between Israel and Japan, to anime, the employment system in Japan, male cross-dressing, martial arts and the short- and long-term impact of Covid-19. The conference included also a special exhibition, *Sixteen Tree Stumps: Cryptomeria japonica as Architecture*, by students and graduates of the Bezalel Academy of Art and Design who paid homage in their works to the wonders of Yakushima Island, and a special guided tour of an exhibition held at the Tikotin Museum of Art, *Time Tunnel: Japan and the Jews*.

In this conference proceedings we are honored to publish the papers presented by our three distinguished keynote speakers (in alphabetical order):

Prof. Barak Kushner begins his paper by suggesting that silence/silencing the populace as a policy, a.k.a. discouraging the discussion of key socio-political issues, became more evident than ever during the Covid-19 pandemic. He then offers a narrative that touches on the various crises Japan faces and how this affects the state of Japanese Studies and our engagement as scholars and students of East Asia.

Prof. Susan Napier examines how the cultural, ethical, and spiritual visions of Japanese anime, particularly those of Studio Ghibli, contrast with the "American Dream" promoted by Hollywood cinema, especially by Walt Disney Studios. Ultimately, she suggests, the complex and nuanced world of Ghibli films is more appropriate to the culture of "ambiguous loss" that we increasingly experience in the twenty-first century.

Prof. Sugeno Kazuo begins with an overview of how the Japanese employment system in the 1970s and 1980s became known for the following four elements: (1) long-term employment, (2) an internal labor market, (3) a seniority-based wage system, and (4) labor management relations under enterprise unionism. He then discusses the strengths and weaknesses of this system and the government attempts to improve it during the 1980s. Finally, he analyzes how the employment system has changed over the past three decades, and how it may change in the near future.

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A Silent Country on the Precipice of Peace Apathy: Whither Japan and Japanese Studies?

Barak Kushner
The University of Cambridge

The title of my talk asserts that Japan is a "silent country" but I should begin by amending this and explain that I actually observe Japan as a country that is in the process of silencing itself, domestically and internationally. Japan is not being heard because it does not know where it wants to stand. This silencing is due to two major factors. First, the legacy of World War II and the shape of Japan's contemporary international relations. Second, the reaction to Japan and the failure of Japan's neighbors to come to terms with how Japan has changed.[1]

My talk will cover these issues through three sets of questions and claims:

1. Japan is increasingly silent in several spheres, including its international footprint and domestic politics. And this silence is causing damage. History is constantly being silenced in Japan and this breeds secondary and tertiary problems. Former prime minister Abe Shinzō's assassination and the recent state funeral brought these issues once again to the forefront everyone's attention.

2. This silent behavior is linked to Japan's great conundrum: What sort of country should it strive to be? Should Japan retain or remake its pacifist constitution? This stands as one of the central dilemmas the nation faces. And it is an issue also for Japan's neighbors.

3. What is the result of "peace apathy" (*heiwa boke*) and what does this mean for Japanese studies? Granted, it is an outdated term but I find it still germane, as I will also explain. Japan has transformed itself over the last seventy-five years, but is that reflected in how we approach the academic study of Japan, and should it be?

1 This written version is based on a closing address delivered at the 6th Biennial International Conference of the Israeli Association of Japanese Studies, University of Haifa, Israel, November 17, 2022.

The Empire of Silence

I finally made it back to Japan in the summer of 2022, after a three-year enforced exile due to Covid lockdowns. And to my horror everything was quiet. Enforced quietude, I would argue, has a crushing influence on political, social, and economic exchanges. Or it least it mirrors this absence. We were asked to be quiet everywhere we went. Where I taught a summer course at Waseda University, it was *mokushoku* (image 1), "eat silently," which was potentially acceptable but applied with a fairly draconian hand and little scientific basis after several years of lockdown. Getting on the buses or trains around town, we were encouraged to "board silently," *mokujō* (image 2). Trying to exercise in a gym was allowed but, no talking please! While on vacation in Shikoku with my wife, it was "entering the hot springs silently," *mokuyoku*. This list went on and on. For linguists, this was surely fascinating, since the tableau of newly coined phrases intriguingly demonstrated how many ways "silently" could be seamlessly added to almost any verb, but that is for another discussion. Everywhere in Japan, signs prominently displayed the encouragement to refrain from conversation! To be honest, I was surprised the Diet did not pass a regulation to implement silent debate in the parliament, though given the timid nature of Japanese political dialogue, maybe that has already happened.

Now, many of you might say, this is all recent and just silly social conventions that no one pays attention to. But I would argue that it cannot be a coincidence that during the entire time that the Japanese government is pushing silence, efforts are underfoot to propel Japan down a more conservative path. This type of enforced silence reflects something more general and significant.

What is the significance? In my opinion, it is symptomatic of an easy way to avoid digging into cumbersome and thorny sociopolitical issues—and there are many. For example, Japanese conservatives are pushing to alter the Constitution despite no real public desire to do so. Recent polls of parliamentarians suggest that upwards of 70 percent of them want to revise the Constitution. And interestingly, they only want to revise it in one way: altering Article 9. The support for this is much, much lower among the general population, so we essentially have a central government bent on constitutional reform and a people who have other concerns.

But who are we to say that the Constitution cannot be altered? Amend it promptly, I say. It is probably high time to do so, but do so after a robust social and then parliamentary debate that boils things down to the root issues. Do not merely change the curtains in the window; that makes little sense. And I do not witness that now being done in Japan in any meaningful way. I want to see Japan adapt to the twenty-first century but to observe that consensus emerge from the public, not a top-down conservative government that imposes its will on the people. In this regard, it is striking that many in Japan's leading political party want to upgrade the country's Self-Defense Forces to a standing military. Given the missiles launched from North Korea and the increasingly hawkish moves by China in the seas surrounding Japan, one can see the logical appeal. But what is fascinating is that there remains little debate about how Japan could implement such a plan. For Japan to face the rest of the twenty-first century, let alone the twenty-second century, how can any form of new military be staffed by Japan's rapidly dwindling population? Is an aging population attempting to hold on to some glorious national past, or is Japan trying to forge a new way forward? In five decades' time, if current demographic trends continue, Japan will have 50 million fewer people. That is extraordinary and any political or social reforms cannot be seriously discussed without taking that factor into consideration.

Silencing the Debate on Crucial Social Issues

Several years ago, I edited a book with the *Asahi Shimbun* editor Funabashi Yōichi. Our book touched upon the idea of Japan's "lost decades."[2] The sense that the country had been adrift for long years, both politically and economically was palpable already at that time. That book, and a subsequent one on Japan's population implosion, drove home the idea that all of the historical baggage and silence within Japan may not mean much in the near future as the pace of depopulation picks up to the point that Japan cannot muster its own national defense, or staff its own industries.[3] The Liberal Democratic Party (LDP), among many other parties, is complicit in this denial, in the deafening silence on this point, because the party aims to discuss remilitarizing and constitutional reform to retain political legitimacy. But, according to Robert Eldridge and other scholars, this is a moot point. It is akin to rearranging the deck chairs on the *Titanic*. Without a future, youthful generation, all discussions about Japanese peace and security are without meaning. An altered Constitution and a standing military might be Japan's future, but without immigration, does anyone really see this happening? Not to mention resolving deep-seated problems with gender equality in Japan, which also greatly impacts the demographic issues. So, where is the debate on immigration or gender equality, two necessary formulas for saving the population? Unless Japan is happy to accept having a population in thirty or fifty years that is closer to less than half its current level, a genuine debate is urgently needed on these issues to secure the country's future.

What is important to underscore here is that the conservative political view in Japan concerning its role in the world is not incorrect. There is no doubt that the way the United Nations is designed at the upper layers of its administration relies on an outdated set of five countries managing a security council with veto powers. Such a framework emerged from the Cold War and the world order of a bygone era. Things do need to change outright but how to reform these international organizations, and how to recast Japan's relationship with them, requires careful planning, not pandering to a nostalgic view of the past.

MOFA and the Silencing of Critical Voices

By contrast, while the "please keep your voice down" regulations appear to be the domestic rule of the day, this does not seem to be the case for historical opinions. At the start of the summer of 2022, strange announcements suddenly appeared on the Japanese Ministry of Foreign Affairs website. Essentially, MOFA requested input from Japanese citizens to "send in by email or to offer information of reports concerning factual misunderstandings about our country or positions that are not in line with our country's."[4] What that meant was to turn citizens living abroad into "tattletales" informing the government about how the story of Japan's history was being expressed

2 Yoichi Funabashi and Barak Kushner, eds., *Examining Japan's Lost Decades*, London: Routledge, 2015.

3 Yoichi Funabashi, *Japan's Population Implosion: The 50 Million Shock*, London: Palgrave MacMillan, 2017. English. Robert D. Eldridge, *Jinkō genshō to jieitai*, Tokyo: Fusōsha shinsho, 2019.

4 https://www.mofa.go.jp/mofaj/p_pd/pds/page22_003885.html. In Japanese, the government website asked for: 我が国の立場と相容れない、又は我が国に関する事実誤認に基づく記述についての情報提供.

abroad that was, perhaps, not in line with the version that Japanese officials wished it to be. And if that was not worrying enough, let us not forget that this was the Ministry of Foreign Affairs requesting this action, not an intelligence agency. Does Japan as a country have only one national standpoint on historical interpretations, and if so, is it that anxious of how others perceive it?

So, a country where everyone is encouraged to not talk to each other now counsels the population to inform the Japanese government where differences arise in opinions abroad. What the Japanese ministry will do with this information remains unclear, as does why this plan was even started. It got a lot of press when it came out domestically and it remains on the MOFA website, but I doubt if it gained much traction.

It is here, in this nexus of domestic silence laid over a plan to divulge foreign opinions that differ from Japan's apparent unified national opinion, that I would like to analyze and comment on the sudden and tragic assassination of former prime minister Abe Shinzō.

Abe's Assassination

In the late morning of July 8, 2022, Japan's longest-serving prime minister was gunned down in broad daylight. Most Japanese media rushed to announce the murder but hesitated to use the term "assassination," often calling it a *jūgekijiken* ("shooting incident") or murder. This did not really make sense in my opinion. It was informative to see the linguistic gymnastics within the Japanese media to keep from labeling Abe's assassination for what it was. Was there a desire to avoid a linkage with Japan's long history of political assassinations? To name a few: Hara Takashi in 1921, Hamaguchi Osachi in 1930, Inukai Tsuyoshi in 1932, Saitō Makoto and Takahashi Korekiyo in 1936. Japan has a long history of political violence, and also political violence mixed with religious zealotry. I am not going to go into the full list but even in the postwar period, there are many further examples: Asanuma Inejirō's assassination filmed live in 1960, the numerous left-wing political excesses of violence that plagued Japan through the 1960s and early 1970s, the Asama-Sansō siege in 1972, not to mention Japanese involvement in international terrorism with the Japanese Red Army's actions at the Tel Aviv Airport in May 1972. To be sure, Abe's alleged assassin, Yamagami Tetsuya, had no distinct political ideology supposedly motivating his crime; he merely saw high-ranking members of the LDP as responsible for his family's financial misery and suicides. But why were the Japanese avoiding calling it an assassination? I found this intriguing.

The media also initially bent over backwards, as many will recall, to not name the religious organization implicated in the event: the Unification Church (known colloquially as the Moonies after their leader, Sun Myung Moon). The Unification Church was involved because Yamagami's mother had donated all the family's money to the church. It was referred to as "a specific religious organization" for quite a while, even though it was clearly identified soon after in the international media. Mirroring perhaps a recent national tendency toward silence, news organizations were relatively muted in their initial analyses of this tragedy, though have since ramped up criticism of the religious group and its influence in politics.

Opposition to the State Funeral

Abe's death was mourned, of course, and it came as a shock to the public. A variety of opinion polls suggested, however, that while a majority of the public wanted to offer their condolences, they did not support the idea of a "state funeral" that Prime Minister Kishida Fumio proposed soon after the assassination. Although there was never a debate about this in the parliament, and in reality, Japan no longer holds state funerals because it eradicated the practice with the 1947 Constitution, the plan was pushed through with a Cabinet decision, which is a workaround in Japanese parliamentary procedure. It was also informative to be in Japan at this moment, because I could read newspaper coverage of protests. Some of these were very large. The one I attended at Shinjuku Station was not, however, but people were nonetheless demonstrating their political will in public. A sign held by one protester said, "If you are going to do it, make the funeral a Unification Church one!" (image 4)

It is, unfortunately, also tragically ironic that a haphazard assassination with a homemade gun should be so successful. Abe's role in the political landscape would probably not have been scrutinized in the way it was had his death not been so sudden, and indelibly linked with a large yet dubious religious cult that is now receiving more media and historical attention than it had at any other time. The Japanese phrase "A person's value can only be determined after the coffin is sealed" was used in some editorials about how to assess Abe. It is a fairly harsh way to evaluate a person's life, but important if we compare Abe's funeral service with the previous state funeral, that of early postwar prime minister Yoshida Shigeru. Yoshida's state funeral took place years after his role in office was completed. It was held at Nippon Budōkan in Tokyo, and attended by more than five thousand people, including Crown Prince Akihito and Crown Princess Michiko, other members of the Imperial Family, and foreign dignitaries. For Abe, it was also very soon after his death, and he was likewise a former premier. Abe's funeral was also held at the Nippon Budōkan in Tokyo, and attended by more than 4,300 guests, including Crown Prince Fumihito and Crown Princess Kiko, other imperial family members, and foreign dignitaries, but the streets outside the venue thronged with protesters. The optics were very different.

In the left-wing Japanese media, some pundits such as *Asahi Shimbun* opinion writer Takahashi Junko, were anxious because they saw this moment as ripe for the hagiography of Abe to blossom, for his memory to get idealized; in a sense, for Abe to become politically deified (*shinkakuka*). Prime Minister Kishida seemingly wanted a state funeral to crown Abe's glory. If correctly managed, the assassination would put Abe out of reach of political criticism, martyring him for the party and for a future conservative political agenda. But was Abe the leader who was trying to help Japan reorient itself or detach itself from a singular postwar historical narrative? And would that help to steer the nation toward the next generation? It is a complex question.

There should be no doubt that Abe struggled over what to do with a post–Cold War Japan, recognizing that affairs could no longer be conducted in the same way. Keio University professor and public intellectual Hosoya Yūichi articulated this question in an article for the *Chūō Kōron* magazine: Do we need to change our understanding of Abe?[5] Maybe so. Hosoya pointed out that progressives completely overturned their antipathy toward Yoshida Shigeru, and that had an enormous influence

5 Hosoya Yūichi, "Saishō Abe Shinzōron," *Chūō kōron* (September 2022): 48–55.

on the perception of his legacy and perhaps attitudes toward his state funeral. Kitamura Shigeru, former National Security Secretariat Secretary General, offered another view shaping the argument a bit differently. He proposed that we see Abe more like General Charles de Gaulle, former French resistance leader and postwar French president. De Gaulle was a fierce patriot and lover of tradition, who tried to restore his own country to glory and was rather strident about it.

We can see why many would think that a hagiography of Abe might develop. After all, Abe was a leader who aimed to valorize Japan's experiences in World War II. A quick read of his book *Toward a Beautiful Country* offers numerous examples of this. But as Hosoya delicately underscores, there were actually two faces of Abe, which came into conflict in subsequent obituaries. The hawkish Abe versus the conservative and nationalist who wanted to assist Japan win back its place in the sun on the international playing field. This is the Abe who for many reasons believed that Japan's 1952 independence, gained with the signing of the San Francisco Peace Treaty, did not fully restore its rights. In too many ways, Japan was still bound to the United States as a client state. One can certainly understand the Janus-like Abe. But this is also a former prime minister who believed that difficult historical issues could be brought to an end, which we hopefully have come to realize never happens.

Abe's Misguided Efforts to Shape a New Future for Japan in Asia

In search of a way out of a long-term deadlock with South Korea over the comfort women issue, Japanese leaders announced an attempt at a sudden and decisive political decision in December 2015 by Japanese Prime Minister Abe and the South Korean president, Park Geun-hye.[6] This accord acknowledged "involvement of the Japanese military authorities at that time," and stated that the "Government of Japan is painfully aware of responsibilities from this perspective." Japan committed to contributing a large financial sum to be distributed by the South Korean government to the victims. But the agreement also included a fascinating clause that "the Government of Japan confirms that this issue is resolved finally and irreversibly with this announcement."

As I argue in my forthcoming book, both sides thought they could put a nail in the coffin of history to move political relations forward.[7] But history has no end and is always evolving, as are our interpretations of the past. To declare that history is finished, that a complete and total consensus has been reached, is destined to disappoint and end in failure. This is regrettably what occurred. Declaring that history had reached its final destination invited even more scrutiny of the ultimate historical interpretation that had supposedly been achieved. In true reconciliation, parties need to constantly engage; justice and reconciliation are two different processes. Justice is finite and comes with a declaration. Reconciliation is without end and is based on future behavior as well as the present. History never stops; we cannot put an end to discussions or debate. While I believe we should applaud the Japanese and Korean

6 Ministry of Foreign Affairs of Japan website, "Announcement by Foreign Ministers of Japan and the Republic of Korea at the Joint Press Occasion," December 28, 2015, https://www.mofa.go.jp/ao/na/kr/page4e000364.html.

7 Barak Kushner, *The Geography of Injustice: East Asia's Battle between Memory and History* (forthcoming from Cornell University Press 2024).

governments for at least trying to "depoliticize" colonial and imperial history, this approach could not attain its goals.

Concerning the war, Abe again tried a similar tactic. His August 2015 speech on the end of World War II, appeared to push back on the understanding of taking on that never-ending burden of apology. In Japan, the postwar generations now exceed 80 percent of the population, he emphasized. "We must not let our children, grandchildren, and even further generations to come, who have nothing to do with that war, be predestined to apologize," Abe publicly announced.[8] Here was a missed opportunity to move beyond putting Japan's own suffering front and center, and to press the government to consider how its past had affected others.

Abe's focus on so-called "apology fatigue" instead of reconciliation is telling. Contrast that attitude with the patriotic and simultaneously sympathetic words of Frank-Walter Steinmeier, the German president. In his moving May 8, 2020, speech from Berlin commemorating the end of World War II, Steinmeier called on his compatriots to bear in mind Germany's responsibility for the murder and suffering of millions.[9] He wanted to share in the pain of others, reminding his fellow citizens not to try and draw a line under their past because doing so would lead to "denying the catastrophe that was the war and the Nazi dictatorship." Germany, he proclaimed, "can only be loved with a broken heart." Such a position is necessary so that no one devalues "all the good that has since been achieved." Powerful words that sadly no Japanese politician seems capable of enunciating in public. Steinmeier's central point is that apology is a never-ending cycle of reflection. One can only be chagrined when comparing Steinmeier's elegant comments with those of Japan's longest-serving prime minister. Germany has engaged with reconciliation, not apology fatigue.

Though I am highly critical of Japan's official policies and stance today, many efforts are taking place outside of elite politics where Japanese scholars deeply collaborate with colleagues and schools around the world to push forward reconciliation to ease regional tensions. A colleague at Waseda University, Professor Asano Toyomi, received a generous Ministry of Education, Culture, Sports, Science and Technology grant to follow through on just this with a new project on reconciliation studies. It is multilingual and very international, and has forged inroads toward stronger future relations.[10]

Paralleling how public opinion diverged so starkly over Abe's state funeral, domestic opinion remains split on Abe's legacy. Economically, his policies had mediocre results. But diplomatically, the West certainly appreciated his prime ministerial years. And yet, Abe did not resolve much with South Korea, North Korea, or Russia in terms of the long-standing border issues and historical disputes. Abe trashed the domestic media and rammed through secrecy laws. And many feel that holding a state funeral without a national discussion, instead just steamrolling it through via

8 "Statement by Prime Minister Shinzo Abe," August 14, 2015, on the Prime Minister of Japan and His Cabinet website, https://japan.kantei.go.jp/97abe/statement/201508/0814statement.html.

9 "75th anniversary of the end of the 2nd World War, May 8, 2020, Federal Germany presidential webpage: https://www.bundespraesident.de/SharedDocs/Reden/EN/Frank-Walter-Steinmeier/Reden/2020/05/200508-75th-anniversary-World-War-II.html.

10 There are six volumes in this reconciliation project, titled *Series for Developing Reconciliation Studies*, which identify all sorts of new angles and scholarship from which to consider obstacles to the process and the history of the issues. For volume one, see: Asano Toyomi, ed., *Wakaigaku no kokoromi*, Tokyo: Akashi shoten, 2021.

a Cabinet decision, mirrored the same sort of avoidance of democratic practices for which the LDP became known during the Abe era.

After all, democracy is messy and time-consuming. Moreover, one cannot bank on definitively knowing what the outcome will be.

The Roots of Democracy in Japan

The fact that democracy is unpredictable and requires time for societies to digest and deal with should remind us historically of the time just after the Japanese surrender in 1945. Even though Japan had experienced some elements of democratic rule during the Taishō era, it was fundamentally not a democracy. The postwar nation had to be taught about democracy and it is informative to look back and examine what the leaders at the time thought was necessary instruction. "Listen to others and don't immediately put them into the political enemy's camp," (image 5) said a flyer produced just after the war. That lesson seems to have been forgotten on both sides of the political spectrum in Japan, I would argue, though part of that problem stems from the fact that the opposition is so weak that there is no one across the table to have a dialogue with. Or rather, political debate in Japan is so muted that the dialogue is overly one-sided.

To be sure, those were unstable and uncertain times during which everything was up for grabs, including the role of emperor. In what was a very popular event at the time, but relatively forgotten nowadays, Emperor Shōwa made an important speech in January 1946 concerning his humanity. It essentially delinked the position of emperor to the gods and made it into a symbolic office rather than one which had stood outside the system to be used as a political counterweight. Because the emperor was, thus, no longer a deity over the next few years of the occupation, about twenty-one other claimants appeared. They believed the position had been democratized and was open to all. Most were crackpots, some had interesting historical claims, but all were driven by a new form of democratic zeal. Surely democracy meant that hereditary rule was no longer in place and anyone could lay claim to the imperial throne?

Such examples, I believe, demonstrate that democratization as a process is not as simple as just declaring it. One has to learn about it, implement it, and then believe in the messiness of democracy enough to keep it going. But this history also demonstrated a crucial aspect of Japan's postwar story: Japan had changed, and that needs to be recognized both within Japan and outside.

A Constantly Changing Japan. A Constantly Changing History.

Our interpretations of how Japan has transformed give weight to the idea that history is always evolving and never-ending. History continues to evolve as we learn more about the past. According to the recent diaries of those close to the emperor, Hirohito actually toyed with the idea of being allowed to abdicate or at least face the public and talk openly about war responsibility not long after surrender.[11] Ironically, it was

11 Katō Kyōko, *Shōwa tennō shazai shōchoku sōkō no hakken*, Tokyo: Bungei shunjū, 2003. Peter Mauch, "Emperor Hirohito's Post-surrender Reflections," *Journal of American-East Asian Relations* 29, no. 2 (2022): 221–28.

his new office—now accountable to the people and a symbolic totem of the country—that constrained him from doing so. What kept the emperor quiet was that the new Constitution denied him a political role and Prime Minister Yoshida told him to not say anything. Japan's own postwar government wanted to focus on rebuilding the nation, not on imperial soul-searching. The postwar emperor wanted change; the democratic government did not want him to play a role in it.

None of this newer history from recently revealed documents makes it into Japan's conservative or revisionist versions of history, however. To those in the more extreme conservative camps, the emperor remains sacrosanct. The historical narrative is told as a positive story that was twisted by the Americans and the West in the guilty verdicts at the Tokyo Trial and other war crimes tribunals following World War II. Japan's real history, revisionists claim, is being silenced by political fiat. However, as historian Ben-Ami Shillony pointed out years ago in a fascinating piece, blanket conservative support of the emperor is no longer tenable because Japanese emperors are no longer the conservative patriarchs of yesteryear.[12] Hirohito wanted to change. His son Akihito leaned much more liberally, as we know. For Naruhito, we will have to wait and see how things develop.

Nonetheless, Abe and the LDP continued to try and shape historical views. The party seemingly spends more time on these issues than it does on immigration policies or public debate about how to transform the constitution. In August 2014, the *Asahi Shimbun* revealed letters of support Abe Shinzō had sent to a memorial ceremony in Wakayama Prefecture that honored Class A and other war criminals.[13] Abe hailed those executed by the Allied powers as "forming the foundation of this nation." The wording of the commemoration made clear the tendentious Japanese reasoning: the Allied war crimes trials of the Japanese were based on hatred and revenge. Abe was consistent in this message, previously arguing in the National Diet that at the level of domestic law, Japan had no war criminals. Again, here was a missed opportunity not merely to consider only Japan's domestic suffering but to link that victimhood with Japan's prior aggression abroad.

This history of Japan in the immediate postwar, for which I offered several examples, is important. We should heed the prescription of Kitaoka Shin'ichi, former president of the Japan International Cooperation Agency, the main arm of the Japanese government that delivers overseas development aid. As Kitaoka highlighted, the Japan of yesterday was a Japan that challenged the international order. By contrast, since 1952, for all intents and purposes, Japan has become a country that now supports the international order.[14]

What Does This Mean for Japanese Studies?

Over the last few years, I have been teaching in Japan in the summers. In class or outside lectures, or even in my classes at Cambridge, I sometimes ask students of all levels: What is peace? Is it merely the absence of war? If not, how is it achieved? Normally, this question is met with silence and one wonders if the idea of peace is so

13 "Abe shushō, Akyū senpanra hōyō ni sokoku no ishizue, shigatsu jimin sōsaimei de aitō messēji," *Asahi shimbun*, August 27, 2014, Tokyo morning edition.

14 Kitaoka Shinichi, "Japan's responsibility in the international community: Reflections on the Asia-Pacific War, 1931–1945," *Japan Review*, vol. 5 (2022): 49–55.

easily parroted in contemporary Japanese society that few have given deeper thought to how peace is actually maintained or constructed in the postwar. Was the peace that pervades Japan merely the outgrowth of the conclusion of World War II? If so, did it develop organically domestically, was it hoisted on Japan from the outside, or is it fragile and can it be broken? If not, what undergirds it?

It is in this context that I began to wonder if the outdated term of *heiwa boke*, peace apathy or being "complacent about peace," was not more reflective of the Heisei era in general, the period after Emperor Shōwa's death in 1989 until 2019.[15] Peace was everywhere in Japan; it permeated conversations about the Constitution, about Japan's postwar, about history. Yet few among the younger generations could provide more granular detail concerning what exactly it was. Peace was so taken for granted that everyone grew accustomed to it as the status quo, without perhaps paying enough attention to what could or would happen if such peace was threatened.

So, how does all this tie into Japanese studies? Why do we care about this and what can we do about it? First, I think it is about making the issue better known but also about acknowledging that Japan can no longer afford to approach the future alone, and in silence. That is one aspect of Japanese studies that really has not changed over the ensuing years. Japan is usually an addendum to studies of the West, or the sole focus of research. It is not fundamentally incorporated as part of a larger East Asian whole. This may be a historical legacy from those times when Japan saw itself as outside of Asia. But it is also the result of the siloed methodologies for how often scholars of Japanese studies view Japan, isolated in its own categories.

As I mentioned earlier, future regional reconciliation requires that Japan find new methods of gaining the support of its neighbors in recognizing that twenty-first-century Japan is a key part of the sustainable world order and not a threat, as it is often made out to be in domestic South Korean, North Korean, and Chinese media and propaganda. The history of that region needs to be de-weaponized to advance. At the same time, Japan needs to forge a national identity, substituting new goals for how it previously defined itself materially as the second largest economy in the world. Takehiko Kariya of Oxford University once posited that Japan saw "catching up" as its way forward.[16] That slogan was used to great effect in the Meiji and then postwar eras as a goal for Japan to regain its status. In some ways, Japan still has not shifted away from that idea now that it has caught up, and in many ways surpassed, its former competitors. Japan needs to acknowledge the crises it faces and create a new paradigm and leadership to show it where to go. But, at the same time, it must avoid merely blindly following a leadership that wants to retreat into historical nostalgia to find those goals.

If the Abe assassination reveals one core point, it is that violence has its own karmic timing, and will eventually beget a result—more violence. The LDP has allowed its leaders to treat historical violence callously. Was Abe directly involved? No. But long-standing links between the Unification Church and the LDP in the name of anti-communism allowed the church to flourish and gain tax protection, amassing

15 Richard Samuels uses this translation from the words of Gotōda Masaharu, a powerful postwar advocate for strengthening Japan's intelligence capabilities, in *Special Duty – A History of the Japanese Intelligence Community*, Ithaca: Cornell University Press, 2019, pp. 79–80.

16 Takehiko Kariya, "Japan's Post-Catch-up Modernity: Educational Transformation and its Unintended Consequences," in Hiroko Takeda and Mark Williams, eds., *Routledge Handbook of Contemporary Japan*, London: Routledge, 2020, pp. 304–17. Kariya Takehiko, *Oitsuita kindai kieta kindai sengo nihon no jikozō to kyōiku*, Tokyo: Iwanami shoten, 2019.

millions from vulnerable believers. I should underscore that I am not holding Abe personally responsible for his own death; such a stance would be untenable and improper. But I am suggesting that the ruling party needs to reflect on its attitude toward civil rights and related issues, because vilifying outsiders and insisting on glorifying the past, rather than accepting mistakes and moving toward future change, has a cost.

Conclusion

Sadly, however, we scholars and students alike are also stuck in a zone of silence in how we approach the field of Japanese studies. I do not think Israel escapes this conundrum but others can correct me if I am misguided. We conduct research on Japan mainly from an Americentric angle. I realize we cannot wholeheartedly avoid looking at the United States while tackling Japanese studies because the two are intimately linked and we are well aware of this fact. I also openly challenge myself since some of my own work, particularly when related to the occupation or postwar Japan, inevitably relies on well-stocked depositories in the United States. We are, in fact, trapped by our own library collections. But I am suggesting we should conceive of Japanese studies differently, which is arguably harder in practice. We need to place Japan in more transborder, transnational, and regional contexts. We must also acknowledge how the situation in twenty-first-century East Asia has changed from 1945 and adjust our perceptions. We cannot study Japan in isolation anymore because Japan needs its neighbors' assistance to evolve and take on new roles in the future. In the twenty-first century, hopefully our students with a larger palette of linguistic and technical skills will have a greater chance to surpass our abilities.

More students from East Asia are now studying in Israel and the West, but it is still a one-way route, as I have long argued. Israel is a role model for hiring those who earned their PhDs in Japan and this is a good situation that I hope continues. If the United States remains the sole site of scholarship on East Asia, I fear we will continue to pose the same questions. The political, international, and geographic paradigm of Japan has tilted on its axis since 1945 but do we not still view Japanese studies in the same manner, birthed as a legacy of the American approach from the war, which examines Japan as a single geographical unit? In the end, this really only serves American interests.

What I ultimately realized, even though I was initially critical of my students when I asked them the questions about peace, is that we are the *heiwa boke*; we are too reticent or too complacent to alter our approach in how we pursue and develop Japanese studies. Today, my paper is a call for change. We need to more deeply ponder how much of Japanese studies is predicated on and mirrors the hub-and-spoke model the United States set up for military and foreign relations framework in the early Cold War. Each East Asian node is a country that has a deep and meaningful relation with the United States as the hub, but are only peripherally connected to each other as a spoke in the larger collective of relations.

I am neither the first nor the last to problematize this. Okano Kaori already made a similar appeal in 2018, echoing others from previous decades.[17] She notes that, counterintuitively, even though there are more and better linguistically trained scholars of Japanese studies in some capacity, "this does not mean that the scholarship has become less Eurocentric. The study of Japan is likely to have become more Eurocentric now than three decades ago." This is because everyone is trained mainly in Western methodology and theoretical constructs. The problem lies in the questions we are asking, the frameworks we are applying, the translations we cannot publish because we are told they will not interest audiences. This is what we need to change.

Japan is key to the future of East Asia. Admittedly, I do not yet have the answers concerning how to reshape the future but I think what is central is first realizing a generational shift in Japanese studies, reconstituting it back into Asia and toward a new understanding. And this is not just about Japan. At a talk a number of years ago in Taiwan, I was struck by how few scholars in Taiwan were interested in Korean history, and when I gave a talk in Seoul, how few Korean colleagues actually knew or were concerned about any comparative work on Taiwan. Forget the fact that both were colonies under the same Japanese imperial umbrella. Both sides were more interested solely in their national history or in relations with the United States. The overriding influence of political necessity within humanities research is a cause for despair.

However, perhaps our debates and discussions over these exciting three days of scholarly presentations at the Israeli Association of Japanese Studies should bring hope for the new energy and knowledge demonstrated by the next generation of scholars. I am mindful of the fact that just about this time twenty years ago, in 2002, I had started work at my first university job teaching at a small school in North Carolina. And at that time I was introduced to the work of Ma Licheng.

Ma Licheng was a noted journalist who penned an urgent call in China for what he saw as important "new thinking on Japan" in an academic journal. He believed that a way to overcome China's inability to see Japan in a new light was preventing the two countries remaking their political and cultural relationship, which was central for regional stability.[18] Unfortunately, that journal was soon shut down. Ma was dismissed from his post and eventually exiled for many years due to his endeavors. In the West, however, we are lucky to have academic and intellectual freedom to challenge the status quo. That time has now arrived, I believe, for us to take advantage of that opportunity. With that in mind, what can be done for Japanese studies when considering the issues I outlined before?

I see five areas that we can address:

1. Change the paradigm from apology fatigue to an affirmative understanding of the concrete changes Japan has undertaken since the end of World War II.

17 Kaori Okano, "Rethinking 'Eurocentrism' and Area Studies: Japanese Studies in the Asia-Pacific," in Kaori Okano and Yoshio Sugimoto, eds., *Rethinking Japanese Studies Eurocentrism and the Asia-Pacific Region*, London: Routledge, 2018, p. 3.

18 Ma Licheng, "Duiri guanxi xin siwei" [New Thinking on Relations with Japan], *Zhanlue yu guanli* [Strategy and Management], vol. 6 (2002): 41–47. See also Ma Licheng, *Hatred Has No Future: New Thinking on Relations with Japan*, based on the Japanese translation by Oikawa Junko, Tokyo: Japan Publishing Industry Foundation for Culture, 2020.

2. Trumpet the openness of Japan, its media, and its academic pursuits. Gain recognition of how important higher education in Japan has been to development in East Asia. This is known in Japan, but probably less so around the world.

3. Grain traction on the idea that Japanese studies is not just for learning about Japan. Japanese studies is a portal to a realm of new information and ways to learn about East Asia, science, history, technology, and culture. It serves as a main window to understanding North Korea as well as premodern China. It should not be relegated only to itself.

4. Promote Japan's centrality to the health and stability of East Asia and modern society.

5. Ensure important and contrary voices in Japan are heard more loudly around the world. Japan is very adept at translating and bringing in scholarship and culture, but its footprint externally is often limited to contemporary literature and manga that reify certain stereotypes.

I doubt we can implement all these changes and I am unsure if most will agree with me. Regardless, I hope I have challenged some assumptions today concerning Japanese history and politics.



IMAGE 1: Avoid talking when eating



IMAGE 2: Riding the bus in silence



IMAGE 3: Inform on misunderstanding regarding Japan



IMAGE 4: Let it be the public funeral of the United Church



IMAGE 5: Democratizing Japan

Abandoned by Time? Totoro Meets Mickey Mouse

Susan Napier
Tufts University

> These things may have happened long ago. They may still be to come. No one really knows any more. At the bottom of an ancient valley carved out by a glacier there was a small kingdom which time had abandoned.
>
> (Miyazaki 2022)

So begins Miyazaki Hayao's *Shuna's Journey*, a narrative picture book that is part legend, part dark fairy tale and, all in all, a perfect example of Miyazaki's unique and original worldbuilding. In it, he limns an entire world "abandoned" by time, one we do not know whether exists in the future or the past. But it is a realm that pulses with forms of life and art that can be eerie, sinister, or sublime. Beautiful in itself, *Shuna's Journey* is a compendium of elements that would be transformed or repurposed in later Miyazaki works, from the red elk that becomes Ashitaka's steed in the fantasy epic *Princess Mononoke* to the uncanny desert landscapes that open his post-apocalyptic masterpiece *Nausicaä of the Valley of the Wind*. Published in Japan in 1983, the book has only just received an official English translation, which appeared at the beginning of November 2022. When I reviewed it for the *New York Times* in October, I realized that I wanted to go beyond the one thousand words allotted me and to try and connect it with the main theme of this address, the concept of ambiguous loss and its relation to time and evanescence, and how this concept is expressed in Miyazaki's works and in the works of Studio Ghibli as a whole. I also wanted to explore how the concept of ambiguous loss relates to aspects of Japanese and East Asian culture and how it has a particular and poignant relevance to the world that we occupy today. Finally, I want to compare Miyazaki's treatment of "ambiguous loss" with what I see as the Walt Disney Studios' general rejection or ignoring of this concept, a rejection stemming, I believe, from some of the most important building blocks that make up American culture.

But first we might ask: What do notions such as time, loss, and evanescence have to do with Studio Ghibli or with anime in general? Are we asking too much of a studio that makes entertaining and beloved animated films to have it promote some kind of vision of the meaning of life? Obviously, I think we can and, furthermore, that we can also ask the studio, or the creators behind the studio, to offer us complexity, darkness, and new ways of looking the world. Animation is an art form and the artistic productions of Studio Ghibli over the last almost forty years deserve the kind of attention that great works of art receive.

This is a notion with some repercussions, however, as I found out when I looked at the comments section of my review of *Shuna's Journey*. Most of the comments were simply heartfelt appreciation that a new work of Miyazaki's was now available to an English-speaking audience, even if it was a book and not a movie. But one com-

mentator, describing themselves as Asian American, seemed quite angry with the review, especially my use of such terms as "eerie," "enchanting," and "strange" to describe aspects of the book that I did indeed find "eerie," "enchanting," and "strange." The commentator first argued that I was wrong to characterize Ghibli works in such terms, writing: "Strange and eerie, huh? Speak to any Studio Ghibli fan and those words are far from what one would use to describe Miyazaki's work." The writer went on to suggest that the use of these terms was ethnically loaded, supporting the "impenetrable divorce between what is understandable and what is alien in Western and Asian culture" (comment on Napier 2022).

Reading these words I felt both shocked and heartsick, since my entire career has been an attempt to analyze, interpret, and often celebrate the interaction between Western and Asian, principally Japanese, cultures. Fortunately, other commentators came swiftly to defend the review. One person said, "This is what Miyazaki does. Have you seen the Catbus?" Another person simply noted, "No Face." Even more heartwarming was the following, extremely eloquent defense:

> Look at *Nausicaa*, *Ponyo* or *Totoro*. They intentionally use elements that are strange, eerie, or otherworldly to capture bigger feeling or themes that we connected with as children to bring a sense of awe, openmindedness [*sic*] and wonder to the audience. (Ibid.)

"Awe," "open-mindedness," and "wonder" are not culturally specific emotions. They are rather emotions that connect with an approach to the world based on the sense that, as Hamlet puts it to his friend Horatio, "there are more things in heaven and earth [. . .] than are dreamt of in your philosophy." Perhaps this approach may best be seen in texts that engage with the fantastic, the legendary, the sacred, and the mystical, all of which, I suggest, are elements that Ghibli films and the animation medium itself are particularly capable of producing. But again, these elements are hardly exclusive to Ghibli films, anime, or even animation and certainly not specific to Japan or East Asia.

If anything, we should be asking how and why anime, and Studio Ghibli works in particular, have struck a chord in the global imagination. Is it possible that many Ghibli films are touching on some universal feeling of "strangeness" and "eeriness," and perhaps a need for "enchantment"? In an extensive article from 2015 in the *Guardian,* the writer Robert Macfarlane discusses the increasing representations of eeriness in the English countryside in recent literature, art, and cinema, and suggests that the proliferation of the eerie is "a cultural and political response to contemporary crises and fears." Macfarlane goes on to describe "a landscape constituted more actively by what is missing than by what is present. The awareness of absence is expressing itself both in terms of vengeful nature [. . .] and as delicate catalogues of losses."

To me, much of Ghibli's films, at least those of Miyazaki and Takahata Isao, can be seen as "delicate catalogues of losses." And sometimes they are not even "delicate." Many of you, I am sure, are aware of Miyazaki's epic *Princess Mononoke*, in which the killing of the Forest God brings about a vision of apocalyptic destruction as the god's agonies imprint themselves on nature itself. Even more vivid, if less well known, is Takahata's extraordinary 1994 film *Pom Poko*, in which a group of shapeshifting Japanese tanuki (raccoon dogs) mount an all-out attack on a planned housing development that will destroy their woods and their way of life. The movie's narrative, which lurches between the grotesque and comic to profoundly tragic, limns a predatory world where human destruction is omnipresent and ultimately unstoppable. In the movie's final moments, some of the tanuki choose death in the form of a heavenly boat down a serene river. But others resign themselves to "passing" as humans, using

their shapeshifting ability to transform themselves into people. In a powerful scene near the end, two salarymen (white-collar company employees) are seen downing energy drinks at a food stand, presumably on the way home from work. They look at each other and realize that they are both transformed tanuki. They grin ruefully and carry on, literal embodiments of a lost past and a shifting, uncertain future.

To me, the story of the tanuki links to the concept of ambiguous loss. What is ambiguous loss? The term was first popularized by the psychologist Pauline Boss in 1999, where she describes it as a kind of "frozen grief," a feeling that is particularly devastating because it is "unclear, indeterminate" (6). Boss initially used the term to explain the kind of unresolved grief that accompanies losses such as a relative going missing in action in wartime with their whereabouts never being discovered, or a loved one who remains comatose but alive for days, months, or years in a hospital.

I believe, however, that an awareness of ambiguous loss is wider than those specific examples and it is a feeling that is increasing throughout the world. The "cultural and political crises" that Macfarlane offers as explanation for the rise of "eeriness" are not restricted to Britain. In a recent article in the *New York Times*, Roland Kelts (2022) talks about young Japanese as the "lost generation." In my opinion, these young people can be seen as "abandoned by time," no longer embedded in tradition—be it premodern Japanese tradition or the more recent vision of triumphantly industrializing corporate Japan—and who now face a deeply ambiguous future. It is hardly surprising that, in recent years, there has been a rise of interest in the occult in Japan, exemplified by the popularity of an empty, nonfunctioning phone booth in a garden in Fukushima, from which users make phone calls to relatives lost in the Great East Japan Earthquake and tsunami of 2011. This is ambiguous loss of the most poignant kind—the attempt to process loss through denial and imaginative projection.

But, of course, ambiguous loss in not restricted to England or to Japan. Rather, it is a concept that is painfully suited to the major challenges of our present era. To me, the most obvious examples of ambiguous loss are climate change, where we see a world begin to vanish around us, and Covid, where our own circumstances, hopes, and expectations become uncertain and misty, slipping away each time we try to grasp them. In ambiguous loss, truth and closure are unattainable.

I see this kind of loss manifest itself very strikingly in my students. They are constantly aware of loss—of loved ones in the pandemic who may not have died but may be coping with long-term physical ailments, of the natural environment that was once familiar and is now changing and vanishing before their eyes, and of their own hopes and dreams, constantly being upended in front of them as they lose a year, maybe one, maybe two, of planning for schooling and experiences. In other words they have lost the future—in itself, an increasingly ambiguous concept.

It is little wonder that horror films, dystopian and apocalyptic epics, and grotesque and violent video games are gaining popularity exponentially. Some commentators see this as therapeutic, citing research suggesting that people who indulged in dark entertainment were actually better able to withstand the terrors of the pandemic.1 In my previous books on the fantastic and anime I have suggested that depictions of supernatural and paranormal have always been means of engaging with challenges that cannot otherwise find visible expression. It is perhaps no accident

1 A University of Chicago graduate student, Coltan Scrivner, suggests that "morbid curiousity is an internal motivation to learn about threatening situations in your environment, such that you might be able to avoid such situations in future" (Witynski 2020).

that zombie horror is particularly popular. Zombies seem to me to be the epitome of the ambiguous loss—something that is dead but not quite dead, that keeps returning. Zombies and zombie-related creatures have become increasingly popular in Japan, from a "Zombie Days" festival in Izu, where the town's elderly residents dress up as zombies to entertain tourists, to zombie-esque iterations in popular anime such as the flesh-eating monsters of *Attack on Titan* or *Tokyo Ghoul*. Macfarlane's essay on the eerie seems relevant in this regard: "Contemporary anxieties and dissents are here being reassembled and re-presented as spectres, shadows or monsters."

Speaking of monsters, I'd like now to return to Ghibli and go back in time to 1986, when Miyazaki began to plan one of his most beautiful and memorable movies, *My Neighbor Totoro*. The story of two young sisters who move to the countryside when their mother is sent to the hospital, it is one of the most popular and beloved of Ghibli movies, and regarded as an enchanting family film. But I would add that some eeriness resides alongside the enchantment. I should emphasize that there are no zombies in *Totoro*, none at all. But there *is* something known as an *obake*—two in fact. What is an *obake*? Literally the characters for *obake* mean something that transforms, a thing that changes. From that point of view, the tanuki in Takahata's *Pom Poko* are definitely *obake* and the unfortunate humans who encounter them refer to them as such. But *obake* can have a wider meaning, often encompassing ghosts and specters. In in his planning notes for *Totoro* from 1986, Miyazaki (1996) specifically refers to the film's titular large furry being as an *obake*. To be honest, I've always been rather surprised by that descriptor, since Totoro is not really a shapeshifter. Nor is he a ghost, although one of his early appearances in the film, when he manifests himself on a rainy night, could be seen as having a ghostly quality. *Obake* are often seen as, at best, trickster figures and sometimes as actively malevolent. But throughout the movie, Totoro remains a completely benign, if rather mysterious, Other.

Ultimately, I came to the conclusion that Miyazaki uses the term *obake* simply to mean a supernatural creature. Through the two sisters' engagement with Totoro they are ushered into the world of awe, open-mindedness, and wonder that, according to the author of the comment on my review in the *New York Times*, is part of the world of the eerie. It is interesting that in the first human encounter with Totoro in the film, the young girl Mei assumes that the grunts Totoro utters are meant to mean "troll," a creature from Scandinavian culture. As far as I can tell from my research, trolls are extremely unbenign creatures, given to an almost zombie-esque taste for human flesh. Mei's naming him Totoro repurposes the notion of the troll into something appealing. Totoro's interactions with humans in the film range from helpful (providing seeds for the young sisters to grow a garden) to delightful (taking them on a moonlight flight) and, most simple and perhaps most magical of all, providing his large, fuzzy stomach as a giant mattress upon which Mei falls into a comfortable sleep.

In many eyes, Totoro has become the embodiment of cuddly comfort. Thus, Domee Shi, an anime and Studio Ghibli fan and also the director of Pixar Studio's recent movie *Turning Red*, created a vision of a large adorable red panda into which her pubescent heroine transforms when in the grip of strong emotion. Shi notes (2022) that her magical red panda is a direct homage to Totoro, explaining that "my secret plan was to create my own version of Totoro [...] [t]his iconic giant grabbable animal that you just want to rub your face in."

Perhaps the ultimate iconization of Totoro into adorable creature was in the Royal Shakespeare Company's 2022 London production of the musical version of *My Neighbor Totoro*. The reviews were almost uniformly good. British critics noted the "family friendliness" of the production. More intriguingly, they also acknowledged

the "indistinguishable line between dreamworld and reality" (Akbar 2022). Their openness to the story is heartening and not surprising. Any culture that has produced *Alice in Wonderland* should appreciate the mixing of reality and dream.

We might ask, however, is Totoro, the entity, the movie, and the production he appears in *only* cute and cuddly? Writing in the *Financial Times*, Sarah Hemming (2022) brings up a different interpretation: "At the heart of the story is fear." She is pointing to the movie's basic storyline, which concerns the two sister's anxiety about their sick mother. In the movie, the audience is never told what the mother's sickness is but in the film's novelization, we are informed that she suffers from tuberculosis, a highly dangerous disease and one that Miyazaki's mother suffered from throughout his childhood and into his early teens.

Although Miyazaki's mother did recover, it is clear that in making *Totoro*, the director drew on the fears and anxieties that swirled around his childhood and youth. Tuberculosis was often a lethal disease and the knowledge that his mother might die was never far from him. In the movie, Satsuki, the older sister, has been repressing this knowledge until the cancellation of a planned visit from her mother causes her to confront her fear. In the film's most painful moment, she scolds Mei for whining about the canceled visit and then cannot help herself from shouting at the horrified Mei: "Don't you realize that Mom might die?"

The ambiguous loss that serious illness encompasses now becomes the ambiguous possibility of death and the movie brings in some dark moments as Mei goes missing in an attempt to visit her mother in the hospital. This being, after all, a children's movie, Mei is found, with the help of both Totoro and another *obake* known as the Catbus, and the ending shows the mother chatting happily with their father in the hospital, seemingly on the road to recovery.

However, as another critic points out, "there is no Disney ending. The future remains uncertain" (Akbar 2022). It is perhaps this undercurrent of anxiety and uncertainty that led to the development in the 2000s of a dismaying urban legend suggesting that Totoro was actually a death god. This theory was based on a number of since-disproved visual clues, such as the scene where farmers discover what they fear to be Mei's sandal floating in a lake. In the film, the sandal turns out not to belong to Mei, however. Other commentators brought up a very dark connection, the murder of a young girl back in the 1950s in the Tokorozawa area where the film is supposedly set. This incident links to a particularly troubling aspect of Japanese history since the supposed murderer was a member of the minority known as the Buraku and some commentators at the time felt that the murder had been unfairly attributed to him.

Needless to say, Studio Ghibli has strenuously denied all these rumors but at least as late as 2020, they still persist. What intrigues and disturbs me about the longevity of the legend is what it suggests about the psychological climate of twenty-first-century Japan. When *Totoro* was first released back in 1988, Japan was reaching the acme of its astounding postwar growth, having amassed an amazing economic track record of almost unbroken double-digit growth since the early 1960s. The so-called bubble years of the 1980s seemed like a utopian dream of success, power, and prestige.

Set in the beautiful countryside, *Totoro* could be seen as an enchanting paean to some of the best aspects of Japanese life, its natural beauty, its rice-based agriculture, and the sense of cooperation and community exemplified in the kindness of the villagers as they band together to search for Mei. It is also surely no accident that, when Mei is finally found, she is sitting amidst a group of Jizō statues, Buddhist figures long perceived as protectors of children. From this point of view, we could see *Totoro* as a celebration of Japanese community and tradition.

Indeed, in the production notes for the movie from 1986, Miyazaki explicitly explains what he wants to do with the movie. Complaining that too many films, including his own previous works, were set outside of Japan, he suggests, "Why, then, don't we make fun, wonderful films actually set in Japan?" (Miyazaki 1996, 255). In the same memo, Miyazaki announces plans to create a "lively and fresh piece of entertainment, not full of reminiscence and nostalgia." And yet, the memo goes on to make clear that the movie is actually redolent of something close to, if not exactly analogous, to nostalgia. Miyazaki notes that the movie will encompass: "What we have forgotten. What we don't notice. What we are convinced we have lost."

Looking at the movie from the viewpoint of over thirty years later, we could perhaps say that *Totoro* is actually both a form of resistance against and an acknowledgement of ambiguous loss. This possibility becomes more persuasive if we explore the story behind the taglines for the movie's original promotional poster. The poster shows a young girl holding an umbrella on a rainy night. In the background is a shadowy forest and a glimpse of a Shintō shrine behind her. The Shintō shrine hints at ancient Japanese tradition but the large furry creature standing next to the girl is something incongruously new. Or is it? Written above the scene are the words "We are returning to you something you have forgotten." And the vertical words written on the side of the poster are even more intriguing: "This kind of strange creature still exists in Japan. Probably."

It is illuminating to compare this to the original tagline. "This kind of strange creature *no longer* exists in Japan. Probably." It was at Miyazaki's insistence that the line be changed to something more positive. But the sentence remains ambiguous. The words suggest both uncertainty and hope, a hope that the eerie and the mysterious (*kono hen na ikimono*) can still coexist with modernity.

So *Totoro* is not only about the potential loss of a parent. It is about cultural loss as well. The use of "probably" (*tabun*) still suggests a deep ambiguity. On the one hand, the movie is a gauntlet thrown down against the encroaching tide of the bubble era, privileging instead a way of life that the horizontal tagline literally suggests is being "forgotten" or "left behind." The bubble reached its peak exactly at the end of 1988, the year that *Totoro* was released, a time when the Japanese audiences would have been keenly aware of the vanishing world all around them but still excited and ambitious about the future. But the "probably" hints that this ancient way of life may yet be forgotten.

In 2022, *Totoro* might look like a nostalgia piece that was also remarkably prescient, evoking a Japan that may soon be washed away. This, no doubt, explains the movie's continued popularity in its home country. But why do my students, most of whom have never been to Japan, still love the movie? At Tufts, I teach a course comparing Studio Ghibli with Walt Disney Studios. Over the last years, one striking aspect of the course has been the tendency for the students to prefer Ghibli movies over Disney ones.

Disney movies, from *Snow White* to *Frozen 2*, often open with a call to adventure. And the adventures invariably end happily. In the American dream, one can start with nothing and end with everything. In American history and myth, loss or erasure, deconstruction and destabilization, can be liberating. It can also be deeply frightening. Disney movies contain that fear, allowing us to process the adventure and transcend any problems. The "happily ever after" promised in the classic Disney films gives us something to hope for and believe in. As the British scholar Tracey Mollet suggests, "in Disney's fairy tales one accesses the happily ever after and the

American dream through looking back to the past, looking forward to the future and through believing in the mythical and the magical" (2021, 12).

This formula has worked for almost a hundred years and has made Disney the single most powerful entertainment conglomerate in the world. Walt Disney Studios is famous worldwide for many things: media entertainment, theme parks, merchandise, financial success. It is also known for propagating the values of American middle class culture around the world. American culture has been called "hegemonic" for the way it has penetrated global society, sometimes seeping in sometimes, overwhelming, sometime supporting, sometimes challenging. As Franco Moretti points out, hegemony is a "[p]owerful and elusive notion [. . .] where works that are produced in a specific culture (*American* hegemony) are then accepted and absorbed in very different contexts (American *hegemony*)" (2019, 15).

But are they always "accepted" and "absorbed"? Perhaps the reason that my students from across the country and around the world seem to appreciate Ghibli movies more than the Disney ones is because they are no longer "accepting" or "absorbing" the notion of "happily ever after." And perhaps this is because Disney films are uncomfortable at a narrative, imagistic, and philosophical level with the very notion of ambiguous loss. Like Disney, Ghibli offers magic and myth but has grounded the magic in a different, perhaps more realistic sense of the world.

Ghibli films touch on issues of loss and transience that are related to culturally specific Japanese experiences but also express a universal sense of the losses the world has suffered through modernization and industrialization. Paradoxically, this universality may actually be related to traditional East Asian beliefs.

There is, of course, the threat of cultural essentialism in speculating that Ghibli and anime express certain ways of thinking that are deeply tied to Japanese or East Asian culture. After all, Ghibli is now an internationally recognized brand, while anime itself is increasingly connecting with non-Japanese animation, inspiring work in the United States and Western Europe that might be described as global or hybrid. As Michal Daliot-Bul and Nissim Otmazgin explore in their book *The Anime Boom in the United States*, "cultural barriers that had once seemed unbridgeable were coming down, challenging the accepted notion that culturally specific animation products could not compete in the global arena and suggesting that animation was more of a global transnational, transcultural industry than ever before" (2017, 50).

To me, the idea that "cultural barriers were going down" is related to the fact that anime offered a different worldview, which in the last thirty years has become more and more pertinent to the contemporary world. This worldview includes loss and ambiguity, a vision that is very far from "happily ever after." Early on in my research on anime audiences, one fan summed up this view most cogently: "Sometimes the good guys die."

The notion of animated characters (even, or most especially, the "good guys"!) dying, brings me to a discussion of the concept of transience. Here at a conference in Israel, we cannot help but be conscious of the three Middle Eastern religions—Judaism, Christianity, and Islam—that posit definite apocalyptic, eschatological scenarios where the end of the world is announced with the appearance of a messianic figure. Buddhism, the major East Asian religion, and Shintō, the indigenous Japanese belief system, have no all-powerful messiah and instead see a world in flux with no definite ending. Yang Feng and Jiwoo Park, two communications scholars who have compared Disney with Ghibli in terms of East Asian and Western philosophy, see the East Asian approach as a "holistic" philosophy based on the interconnectivity of all things and one that "views the world as constantly changing" (2015).

This brings me back to the question of time and to Miyazaki's words that I quoted at the beginning of this paper. Should we reject the "sense of an ending" so basic to Judeo-Christian cultures and acknowledge instead that we are abandoned by time? In such a world, ambiguity and ambiguous loss must play a central role. This is not always a tragic thing. If the world is constantly changing, then should we simply accept or even celebrate this? Miyazaki seems to be saying something like that in films such as *Princess Mononoke* or *Spirited Away*, both of which end ambiguously with a hope but not a promise of some form of renewal. Even in *Totoro*, the final scene, before the more upbeat credits, does not promise the mother's cure, but rather simply the joy in being alive at that moment in a world that is mysterious, strange, but still beautiful. In this scene, the children are magically transported by Totoro's mysterious friend the Catbus, to a tree outside their mother's hospital room. From the tree branch, they watch joyously as the parents chatter about how the mother plans to spoil them when she returns home. Suddenly, their attention is caught by an ear of corn that magically appears at the window with the words "To Mother: From Satsuki and Mei" scratched into it. Neither they nor the audience knows exactly how the corn appears but they and we accept the mystery.

Sometimes acceptance is very hard to do. In a generally laudatory review of *Shuna's Journey* in the *New Yorker*, Sam Thielman (2022) writes, "Hayao Miyazaki returns over and over to a central, obscene question: What is it like to be a child in a world that is dead or dying?"

It is, finally, not Miyazaki but rather his directing partner Takahata who gives us the most hopeful, if still ambiguous, answer to that question in his final film *The Tale of Princess Kaguya*. Released in 2013, four years before Takahata's death, *Kaguya* is based on a tenth-century Japanese court tale about a "moon princess" who appears on earth and is raised by a childless couple. Eventually, however, she must return to the moon, although her foster parents and her community desperately attempt to prevent her from leaving. But Takahata stays true to the original tale's essentially tragic ending. The princess is called back to the sterile airless moon and her foster parents can only grieve at the loss. This is not a Disney-esque happy ending. And yet, Takahata adds one note of joyful ambiguity, a group of children come out to sing a song as the princess is carried upward to the sky. The song's lyrics are earthbound—and they celebrate the cycle of living on earth. The lyrics include:

Round, round waterwheel go round
Go round and call Mr. Sun
Go round and call Mr. Sun
Birds, bugs, beasts, grass, trees, flowers
Flower, bear fruit, and die
Still the wind blows, the rain falls,
The water wheel goes round
Lifetimes come and go in turn
Lifetimes come and go in turn

Children in Ghibli cry out against a world that is dead or dying. All around them is death, and life. Ghibli's art stirs us to live and flower against the darkness.

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The Japanese Employment System: Past and Future Change

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Introduction: Debates over the Japanese Employment System

The relationship between Japanese companies and their employees has been characterized as unique. This assertion was first made in 1958 by a young American scholar, James Abbeglen, who undertook extensive interviews with managers and workers at many manufacturing firms across Japan. He was impressed by a unique pattern of life-long relationship between firms and their employees, hiring of employees without reference to their skills, self-restraint by management of dismissals, and wage systems in full consideration of employees' cost of living. He regarded such unique features as a continuation of traditional social relations that had existed since before industrialization in Japan.[1]

Japan's rapid postwar economic growth instigated further full-scale analyses of labor relations in Japan. In particular, a 1972 OECD report crystalized life-time employment, seniority-based wages, and enterprise-based unions as the three major elements of industrial relations in Japan, of which the first (long-term stable employment) existed in Europe, but the other two were uniquely Japanese.

With the OECD report, both western and Japanese scholars rushed to make academic research into Japanese industrial relations systems. In the 1970s and 1980s, we find many intelligent studies that closely analyzed Japanese employment and industrial relations (Cole 1971, Door 1973, Vogel 1979, Gordon 1985, Imai and Komiya 1989).[2] Characteristically, many of them observed the system as one of the key factors of Japan's economic success with viewpoints of either appraisal or dispraise.

Then, as Japan went into serial recession in the 1990s after the collapse of bubble economy and the beginning of global market competition, Japan faced serious problems in its labor market as well as industrial relations. Firms struggled with the successive recessions by resorting to reforms of corporate governance and human-resource management. The government also executed neoliberal reforms on the postwar regulatory economic systems. It then had to exert social reforms to correct the imbalance in the labor market. In this way, the Japanese employment system became one of the major targets for reformists on either side. As a consequence, the reforms have taken a zigzagging path instead of proceeding straightforwardly. Nevertheless, we find the resilient inertia of the Japanese employment system emerging through such reforms.

This paper attempts to elucidate the elements of the Japanese employment system recognized by academic studies in the 1970s and 1980s, and to discuss how they have or have not changed over the course of the difficulties and reforms in the recent three

1 Abbeglen later (2004) modified this conclusion to suggest that such features embody the type of capitalism closer to Germany's, in which firms believe in long-lasting business organizations.

2 The culmination of the academic interest was the IIRA World Congress held in Kyoto in 1983 with the main theme of the "viability of the Japanese industrial relations model."

decades. It also attempts to state a personal view on how they may change in the coming few decades.

Japanese labor law has been heavily influenced by its European and American counterparts. I accordingly devoted my work to the comparative study of labor laws across these continents until my mid-forties. Approaching my fifties, I came to realize that Japanese labor law is unique in many aspects, and that such uniqueness derives largely from the uniqueness of Japanese employment and industrial relations. I also came to recognize that labor law and labor relations have been mutually affecting each other in Japan. In this way, as I approach nearly eighty years of age, the complex interplay between labor law and labor relations has become my final research topic.

Section I: The Japanese Employment System as Internationally Recognized in the 1970s and 1980s

1. The Elements of the System

We find the following elements of the Japanese employment system internationally recognized in the 1970s and 1980s.

(1) Long-Term Employment Relations

The first element is the long-term employment of standard employees from the time of hire at a young age and ending at retirement age. Firms recruit new graduates for both white- and blue-collar positions.[3] Firms then develop workers' skills and career from long-term perspectives. Management refrains from dismissing such employees except in the case of a severe misconduct or inaptitude, or when encountering an economic crisis that endangers the existence of the enterprise. This social norm was reinforced by the postwar laws nullifying abusive dismissals.[4] In return for firms' commitment to stable employment, employees commit themselves to the prosperity of the employer. Managers and executives are bred internally, and they form a tight community with rank-and-file employees. Income gaps between top executives and rank-and-file employees are remarkably smaller compared to those in the United States or Europe (see Figure 1, p 46).

(2) Mechanism of the Internal Labor Market

The second element is the mechanism of the internal labor market. Supply and demand of labor is, in principle, adjusted systematically within a firm or a group of related firms. Management attempts to fill staff vacancies by means of transfers or promotions from the workforce within the organization. Recruitment of mid-career workers from the external labor market is resorted to only when such internal relocation is difficult. For these purposes, management retains the right to deploy personnel, which is laid out in the corporation's rules.

3 A substantial ratio of youngsters hired directly from high schools or colleges leave their first employment within one or two years to change firms before settle into long-term employment. Firms take such turnover of new graduates for granted as natural mismatches.

4 Such a legal norm was established by the accumulation of case law in the 1950s and 1960s. It was codified by the Labor Contract Law enacted in 2007.

(3) Seniority-Based Wage System

Under the long-term employment system and the hiring of new graduates as a main method of recruitment, age came to correspond to years of service, which also corresponded to employees' accumulated skills and experiences. Firms, therefore, designed a wage trajectory in which both white- and blue-collar employees enjoy annual increments in basic wages so that their wages correspond to both the development of skills and increases in cost of living. Such a seniority-based wage system matched the demands of postwar labor unions that wages should be paid equally to both white- and blue-collar workers to cover the increases in their cost of living. Since the late 1960s, firms came to make wage systems based more on merit by introducing "job-ability wages" (*shokunōkyū*) among the basic wages, alongside seniority- or age-based wages (*kinzokukyū*). However, the wages of both white- and blue-collar workers were fundamentally seniority-based until the 1980s.

For both white- and blue-collar employees, monthly salaries consist of basic wages (*kihonkyū*) and various fringe benefits (*kakushu-teate*).[5] In addition, they are paid significant amounts of semi-yearly bonuses (*shōyo*), each corresponding to a few months' basic wages but fluctuating in accordance with the performance of their firm. At retirement, they are also paid a large sum of retirement benefit (*taishokukin*), which is calculated in accordance with their years of service.

(4) Union Management Relations under Enterprise Unionism

The fourth element is enterprise unionism. Labor unions (*kigyōbetsu-kumiai*) are organizations of both white- and blue-collar workers who belong to an industrial community established on the basis of long-term employment relations. Collective bargaining to deal with major working conditions such as annual wage increases and semi-yearly bonuses is thus conducted at the enterprise level. In addition, nonconfrontational procedures of "joint consultation" (*rōshikyōgi*) became widespread between enterprise-level unions and management as a mechanism to share information and exchange views on managerial matters such as enterprise reorganization and technological innovation. The enterprise-level labor management parties even came to use joint consultation as a preparatory or substitutive process of collective bargaining to determine working conditions.

Despite their resemblance to works councils in Europe, enterprise unions clearly retain their labor union character by forming networks at industrial and national levels to promote the common interest of workers. Many enterprise unions have organized industrial federations that consolidate an apex confederation at the national level. The major example of this is the Japanese Trade Union Confederation (Rengō), comprising 6 million workers through affiliated industrial organizations. The most important function of these higher-level labor organizations is the consolidation of wage increase negotiations through the mechanism of the Spring Wage Offensive (*shuntō*). Namely, wage negotiations at the enterprise level are coordinated within and across industries by means of targets and schedules set forth by those national and industrial organizations so as to create and disseminate the wage-increase patterns throughout industries. In addition to such quasi-industrial bargaining, the higher-level labor organizations participate in the formation of labor and social policies in

5 Fringe benefits are classified into the job-related (such as overtime and night shift premiums, benefits for supervisory and managerial positions, etc.) and cost-of-living ones (such as benefits for dependents and family members, benefits to cover commuting expenses, benefits for housing expenses, etc.).

the national government through their participation in tripartite advisory councils in the Ministry of Labor (today, the Ministry of Health, Labour and Welfare).

2. Formation of the Japanese Employment System

The long-term employment system outlined above was built and developed from the late 1950s through the 1980s. The major events that led to its formation and establishment can be summarized as follows.

(1) Postwar Economic Growth

In 1955, the postwar high economic growth started, continuing until the 1973 oil crisis. Also in 1955, the Japan Productivity Center was established by the government and the industrial leaders to promote a nationwide movement to increase productivity. At its start, the JPC proclaimed that redundancies resulting from productivity increases shall be resolved not by layoffs but by transfers, that labor management consultation should be promoted for determining concrete measures for increasing productivity, and that the fruits of productivity increases should be shared fairly among enterprises, workers and consumers. These leading philosophies of job security, labor management consultation and fair sharing of profits came to be called the three principles of the movement to increase productivity. Also in 1955, the annual Spring Wage Offensive was started in order to coordinate enterprise-level wage-increase negotiations and strikes at national and industrial levels. This developed year by year in terms of the number of participating unions and the coverage of industries, proving its effectiveness by the attainment of high rates of wage increases (see Figure 3, p 46).

In 1960, a dispute erupted at the Mitsui Miike Coal Mine over the mass dismissal of 1,300 miners, who became redundant as a consequence of the government's policy of scaling down the coal mining industry. The militant coal miners' union opposed the retrenchment by striking indefinitely, which was adamantly opposed by the company. The union and company received nationwide support from labor and management circles, respectively, resulting in large-scale brutal clashes at picket lines. Facing such a disorder, the Labor Minister sought the intervention of the Central Labor Commission, which put an end to the disastrous eight-month strike by rigorous mediation. Both labor and management realized the profound cost of their fierce confrontation. Since then, there have been almost no prolonged major strikes in the private sector.

The income of working people rapidly increased due to the continuous high rate of wage increases across industries, and ordinary workers became able to send their sons and daughters to high schools and colleges. This enabled manufacturing firms making large-scale investment to secure skilled workers required for newly innovative operations by hiring new graduates from higher education and utilizing these human resources until their retirement.

(2) The Oil Crisis and Ensuing Growth Period

In 1973, the oil crisis caused drastic inflation and serious recession in Japan (see Figure 2). Firms found it necessary to implement large-scale business and employment adjustments. Larger firms avoided economic fallout by exhausting all other means of adjusting employment costs. For one thing, they wanted to maintain the valuable human resources they had accumulated during the growth period. They were also reluctant to damage the cooperative relations they enjoyed with union management,

recalling the disastrous confrontations that occurred over mass layoffs during the first decade of the postwar period. Unions also remembered the high cost of bitter resistance and took a conciliatory approach. Thus, even in the hardest-hit industries, downsizing was attained through suspending new hirings, transfers to related firms, and solicitating voluntary early retirement with increased retirement benefits.[6]
Furthermore, in the annual spring wage negotiations after the first oil crisis, unions first gained high wage increases to catch up with inflation. But after the unions realized that a large ratio of wage increases would have an adverse effect on their members' employment security, they came to accept modest wage increases from the next year. At the same time, they became more cooperative with management in regard to reducing costs and improving productivity.

3. The Japanese Employment System as a Social Model of Postwar Japan

The Japanese employment system was most typically established in large- and medium-sized firms in the finance, construction, mass communication, and real estate industries, which could afford to offer stable employment.[7] In the service sector such as commerce, wholesale and retail, and restaurants, firms tend to be smaller and unstable, and workers are more mobile among firms. In this sector, long-term employment has been less prevalent except in large-scale firms. Nevertheless, even in the unstable sector of smaller firms and service industry, firms tended to regard the long-term employment system as a more desirable social model to follow, so long as it was practically feasible.

4. Problems of the Japanese Employment System in the 1960s–70s, and 1980s Reforms

Of course, there were built-in problems with the Japanese employment system even during the spectacular years of economic growth in Japan.

(1) Male-Centric System

The employment system was premised on the division of male and female roles deeply rooted in traditional Japanese society. Career courses were assigned only to men, and younger women were employed solely in unskilled jobs with the expectation that they retire when getting married or bearing children. Women came back to employment when they have gone through their child-rearing years, to be hired only in part-time jobs. The labor market participation of women had long been M-shaped (see Figure 12, p50). Such discriminatory practices were first denounced by the judiciary as flying in the face of the constitutional equality of the sexes.[8] Such practices came to be seen as incompatible with the 1979 United Nations treaty banning all forms of sex-

6 The government supported such firms' efforts to maintain employment during economic difficulties, by enacting the 1974 Employment Insurance Law, instituting subsidies supported by a fund levied from the entire industry.

7 Even in this sector, the employment system varied in its concrete features depending on the kind of business, required skills, nature of ownership, size of employees, and other characteristics of individual firms.

8 Such judicial intervention started with the 1966 Tokyo District Court's decision to nullify the corporate rules setting forth the compulsory retirement of female employees who get married.

ual discrimination. The Japanese government signed it in 1980 and enacted the 1985 Equal Employment Opportunity Law after much controversy.[9]

(2) Lengthy Working Hours

Under the long-term employment system, firms tended to have fewer standard workers than needed during regular periods by fluctuating overtime work.[10] Accordingly, lengthy working hours became prevalent particularly in manufacturing firms during the late 1970s through the early 1980s, when their aggressive drive to compete with Western markets were denounced as "exporting unemployment."[11] In 1967, the Nakasone government persuaded labor and management organizations through tripartite advisory councils in the Ministry of Labor to reduce the weekly working-hour standard in the Labor Standards Law from forty-eight to forty hours.[12]

(3) Discrepancy between the Firms and Retirement Ages in the Labor Market

A third problem of the Japanese employment system in the 1960s and 1970 was the discrepancy between the firms' mandatory internal retirement age and the age of actual retirement from the labor market. The typical mandatory retirement age in most firms had been fifty-five until the 1970s. But as life expectancy extended and pensionable age incrementally rose to sixty (and expected to rise further to sixty-five),[13] many workers who had reached their firm's retirement age sought employment in the same or a different firm until their mid-sixties. Unions and the government pressured firms to increase the mandatory retirement age to sixty or more, and the proportion of firms with that retirement age surpassed 55 percent in 1985. Many firms also came to offer nonstandard employment for a few years to employees who had passed the retirement age. The government enacted a law requesting firms offer employment to employees until sixty-five years of age by increasing the retirement age to sixty and offering re-employment until sixty-five.[14]

(4) Nonstandard Workers

A fourth problematic aspect of the Japanese employment system was the existence of "nonstandard workers," who were distinguished from standard workers in the long-term employment system. Their major types until the 1980s were: (a) middle-aged female workers who chose part-time work as an employment compatible with their household responsibilities; (b) students in colleges engaged in casual employment to support their student life; (c) workers employed to meet temporary or seasonal demands in manufacturing plants or construction projects; and (d) older workers in casual jobs prior to retirement. Until the 1980s, those nonstandard workers represented merely 15 percent of total employees. They were not regarded as a major part of the

9 The 1985 law was imperfect in its ban on discrimination because of its compromising character. It became a wholescale anti-discrimination stature by its 1997 and 2006 revisions.

10 The Labor Standards Law had long set the premium rate for overtime work at a low rate of 25 percent without setting forth the statutory ceiling for the length of overtime work.

11 The aggregate annual working time on average in manufacturing firms became as high as approximately 2,100 hours in Japan, compared to approximately 1,600 hours in West Germany and approximately 1,800 hours in the United States.

12 It took ten years for the government to implement the new weekly standard, which was reduced in stages by government ordinances.

13 This was done by the 1954 Employee Pension Law.

14 This is the Law to Stabilize Employment of Older Workers in 1985, which has been revised successively in 1990, 1994, 2004, 2012, and 2020 to strengthen and broaden its regulation.

employment system until the late 1990s, when they came to comprise more than a third of total employees in Japan.[15]

Section II. Challenges to the Japanese Employment System in the 1990s and Early 2000s

1. Struggling State of the Employment System

(1) Start of the Long-Term Economic Slump

The Japanese economy entered a serious slump after the collapse of the bubble economy in the beginning of the 1990s, which became particularly severe after the middle of the decade. Firms experienced drastic devaluation of corporate property assets caused by the decline in the values of land and stocks. The greatest hardship was caused by the paralysis of financial systems, due to massive amounts of bad loans left over from excessive lending and investment during the bubble years. At the same time, Japanese firms faced intensifying competition in the globalized market and, in particular, from rising economies elsewhere in Asia. They were pressured to restructure their businesses by closing or cutting off unprofitable undertakings or shifting manufacturing to less costly countries. The Japanese economy fell into a long-term downturn, with deep recessions in 1997, 2001, and 2008 (see Figure 2, p 46). The government has officially recognized deflation since 2001.

(2) Diminished Status of Employees in Corporate Governance

The economic difficulties described above had an adverse impact on the employment system. The biggest was the changes in corporate governance, namely, a shift among major corporations toward management oriented to shareholder value.

Until the 1980s in Japan, major corporations usually had banks to support their financing and monitor their management. However, after the collapse of the bubble economy in the early 1990s, it became difficult for banks to perform such conventional functions due to the bad loans that were limiting their ability to provide financing. Consequently, major corporations came to rely on the increasingly globalized securities market for financing. They were accordingly pressured to elevate their stock prices and comply with investors' demand for higher dividends.

In corporations, the status of shareholders was promoted while employees found their status significantly demoted. In addition, due to international pressure from investors, corporate governance has been constantly reformed to make corporations more responsive to the voices of shareholders.

In the labor field, on the other hand, the wage-increase rates attained in the annual spring wage negotiations dropped throughout the 1990s and early 2000s as union bargaining power declined in the face of anticipated outsourcing and plant relocations (see Figure 3). Furthermore, finding commitment to long-term employment difficult to maintain in the unstable market competition, management came to ask employees not to overly rely on the company. It even expressed support for a more mobile labor market by emphasizing the concept of employability.

15 The first legislation in regard to non-regular employment was the 1985 Worker Dispatching Business Law which legalized dispatched labor for limited kinds of jobs. The next legislation was the 1993 Part-Time Worker Law, obligating employers to clarify basic working conditions for such employees.

2. Government Policies in Response to the Struggling Economy

(1) Labor Law Reforms and Other Market-Oriented Public Policies

Against the backdrop of accelerating neoliberalism during the mid-1990s till early-2000s, the reformist Liberal Democratic Party (LDP) governments (Hashimoto 1996–98, Koizumi 2001–6) executed wholescale reforms to overthrow the postwar protective and regulatory economic system by deregulating and enhancing market competition. Many of the administrative regulations required to enter businesses were eliminated with the condition of abiding by the rules of fair competition. In order to encourage market competition, corporate bankruptcy and rehabilitation procedures were reformed to facilitate use and enhance efficiency. To make the rules of transaction more transparent and reliable for outsiders, a new law was legislated in 2004 to protect whistleblowers disclosing corporate information related to the public interest. The inactive and inefficient dispute resolution system also became a target of reform, resulting in judicial reform expanding the legal education system, legal counseling services, and alternative dispute resolution procedures. The existing civil litigation procedures were also revised to make them more accessible and effective.

In the field of labor relations, the government enacted statutes implementing wholescale deregulation of employment agency services and dispatched labor through new laws in 1999 and 2002.[16] The government also instituted a procedure for firms that split up their businesses with rules on how to distribute their employees over new entities. The government also established systems to efficiently resolve individual labor disputes, which increasingly took the place of collective labor disputes, by creating counseling and conciliation services in labor administration (2001) and a labor tribunal system (2004).

(2) Deterioration of the Labor Market and the Social Protection Policies

As stated in Section II 1 (2), Japanese firms changed their management styles to be more shareholder-oriented. They resorted to more direct means of employment adjustment to overcome economic difficulties, such as targeted calls for massive early retirement (supplemented by economic dismissals if the target was not filled) and termination of fixed-term employees. Firms also restricted the number of new hires to a minimum level and expanded the hiring of nonstandard employees. As a consequence, in 2002, the unemployment rate increased to 5.4 percent for all ages and, in particular, for ages 15–24 to more than 10 percent (see Figure 5, p47). The ratio of nonstandard employees increased to surpass a third of the total employed persons in 2009. Terms like "society of disparity" (*kakusa shakai*) and "working poor" became buzzwords in the media, which was highly critical of the government's deregulating policies.

The consequence was a change in government at the 2009 general election to the Democratic Party of Japan (DPJ, in government 2009–12), which promoted policies addressing the plight of the unemployed and nonstandard workers.

In 2011, the Job Seeker Assistance Law was enacted, establishing a new system to provide training and financial assistance to job seekers who had been outside the protection of the Employment Insurance Law. In 2012, the Labor Contract Law

16 In particular, the 1999 revision to the Employment Stability Law deregulated employment exchange business to enhance labor market mobility, and the 2002 revision to the Worker Dispatching Business Law legalized worker dispatching to manufacturing plants for the sake of Japanese manufacturing businesses struggling to compete with their Asian counterparts.

was revised to establish the rules to protect fixed-term employees, namely: (i) to give those employees employed for more than five years by the same employer the right to convert to indefinite-term contracts; (ii) to require the employer to show just cause for terminating the fixed-term contract if it has been renewed summarily and repeatedly, or if the employee has reasonable grounds to expect renewal of the contract; (iii) to require the employer to give fair wages to fixed-term employees vis-à-vis indefinite-term (i.e., standard) employees in accordance with their jobs, career paths, and other relevant factors.

(3) Growth-Oriented Policies Targeting the Labor Market

Though it emerged as a champion of the working poor and with a mandate to tackle economic disparity, the DPJ government failed to meet the high-level expectations of its supporters during the difficult period following the 2011 Great East Japan Earthquake. Led by Abe Shinzō, the LDP returned to power in a landslide victory at the December 2011 election. His government (2012–19) made serious and effective efforts to regenerate economic growth, using pro-labor policies as one of its core strategies. At the start, appearing as a guest at the Japanese Trade Union Confederation's 2013 New Year Party, Abe appealed to labor and management leaders to make more substantial spring wage hikes to stimulate the economy. He also urged the Minimum Wage Council to make annually more substantial minimum wage increases.

As basic efforts for tackling the problem of a decreasing workforce amid an aging society with a low fertility rate (see Figures. 7 and 8), the Abe government exhibited leadership in enacting laws to encourage active participation of women, the elderly, youngsters, the disabled, and skilled foreigners in the labor market. The Child and Family Care Leave Law was improved remarkably in its measures for supporting and facilitating workers caring for a child or an elderly family member. The 2019 revision to the Labor Standards Law established a strict ceiling for overtime work exceeding the weekly forty-hour standard. The Law to Enhance Employment of Disabled Persons[17] was revised to ban employment discrimination and obligate firms to provide reasonable accommodation for disabled workers. The government also enacted a law requiring firms to disclose statistical information related to hiring and promoting female workers and setting forth measures to certify and praise the firms that perform well in utilizing the talent of female workers with affirmative actions. The immigration law was revised to create the new categories of working visa for skilled foreigners.

The Abe government also strengthened the DPJ policy of compelling firms to pay fair wages to part-time and fixed-term workers. Using the European slogan of "equal pay for equal work," it strengthened firms' obligation to treat part-time and fixed-term workers comparably with standard workers in terms of wages. It even extended the right to fair wages to dispatched workers.[18] His government launched the new stage of promoting employment of older persons by requesting firms to endeavor to offer job opportunities to their employees who are between the ages of sixty-five and seventy.[19]

17 This law has obligated individual firms to employ a certain ratio of disabled persons or pay a certain amount of money to a public fund in accordance with the number of such persons short of the obligatory target.

18 The 2018 revision to the Labor Contract Law, Part-Time Workers Law, and the Dispatched Workers Law.

19 The 2020 revision to the Older Persons Employment Promotion Law.

Section III. The Japanese Employment System Today: What Has Changed?

We have seen in Section I that the Japanese long-term employment system, accompanied by cooperative enterprise unionism, was formed in the 1960s through 1970s and reinforced by the government's supportive labor policies in the 1980s.

As noted in Section II, the collapse of the bubble economy and the start of the globalized market competition sent the Japanese economy into a lengthy and severe slump in the 1990s through 2010s, which naturally had a grave impact on the corporate management and the employment system. More concretely, we saw significant changes in the philosophy and manner of corporate governance as well as in personnel management. Japan also experienced fluctuations in government policy during those three decades: firstly, deregulation of the postwar economic system to enhance market competition; secondly, the return of policies supporting weaker parties in the market; and thirdly, economic policies to strengthen and enlarge the workforce in Japan.

Summarizing the establishment of the Japanese employment system (Section I) and the upheavals in the circumstances of the system (Section II) in this way, the question that then arises is how such upheavals in the Japanese economy, corporate management, and government policies have changed the Japanese employment system.

1. Long-Term Employment and New Graduate Hires

The most basic fact is that the long-term employment system remains in place. Hiring new graduates is still the basic method of recruitment for large and medium-sized firms with a few modifications; namely, the process of new graduate recruitment became more flexible (Figure 8, p 48), and recruitment of mid-careers is resorted to more frequently for filling the jobs of specialists and managers needed to accommodate organizational and technological changes.[20]

As shown in Figure 9 (p 49), since the mid-1970s and until recently, the length of service was not decreasing for male and female workers. We do not find any data indicating an increasing trend of increased mobility of workers regarding the entire workforce.

However, if we focus on male employees aged 45–49 years old at firms with a thousand employees or more, the length of service was 23.0 years for college graduates and 26.5 years for high school graduates in 1990, while it decreased to 21.2 and 24.0 in 2007, and to 19.4 and 21.1 in 2019. In the case of male employees at firms with 100–999 employees, it was 19.5 and 19.2 in 1990, 18.4 and 17.5 in 2007, and 17.5 and 17.4 in 2019. Such data suggest that middle-aged male employees have been more vulnerable to employment adjustment due to the enterprise reorganizations and restructurings repeatedly carried out since the 1990s.

With respect to the labor turnover rates of workers, we find ordinary fluctuations during the 1990s, the 2000s and the 2010s concurrent with economic downturns and

20 Firms resort to hiring mid-career employees only when they cannot find the employees with talent and skills internally because of the time, cost, and risk accompanying mid-career hirings.

upturns, as shown in Figure 10 (p 49).[21] Namely, we do not find any definite data indicating the increasing trend of labor turnover.

In recent years, we find the development of businesses offering employment-related information online to job hunters and firms. Such information services had not been regulated by the statute for employment-related services (*shokugyō antei-hō*) for the reason that such services do not fall under "employment exchange" (matching) services covered by the statute. However, as such services came to play a major role in labor turnover, the government revised the law in 2022 to regulate them so as to secure more reliable information used in the labor market. More significantly, the revised statute enabled the government to grasp the entire picture of such digital information services, thereby assessing the development of their role in the labor market. We should carefully monitor whether and in what manner such job-related digital information services will enhance the mobility of the labor market in Japan.

With the persistence of long-term employment relations, firms are maintaining the mechanism of the internal labor market to foster, deploy, and adjust the workforce within the enterprise organizations. The management prerogative to administer this mechanism is retained, but is used more cautiously with consideration of the health, family matters, and job preference of individual employees.[22]

Also continuing are the methods of employment adjustment to avoid dismissals: temporarily reducing working hours, extensive relocation, suspension of new hires, and soliciting early retirement with increased retirement benefits. These methods did not change during the slump years of the late 1990s, the early 2000s, and even the global financial crisis of 2007–9. During the recent Covid-19 pandemic, JAL and ANA from the hard-hit airline industry arranged for redundant flight attendants to temporarily transfer to related companies and engage in various kinds of office work until they can be called back to their original jobs.

2. The Changing Wage System

The seniority-based wage system became costly as firms stopped growing steadily and the internal retirement age became prolonged. In order to suppress the increasing wage costs and to make wage allocation more efficient, firms came to place less weight to length of service and more to job responsibilities and performance. Firms introduced new styles of evaluation, such as whether or not employees have attained the goals set forth bilaterally at the beginning of the fiscal year. In recent years, many firms started to introduce a *yakuwarikyū* system resembling the broad job-classification system applied to white-collar workers in the United States.

Wages became more individualized among peers with the same seniority. Nevertheless, the seniority-based wage profile was still maintained as a whole, due to the

21 The term "labor turnover rate" is, if simplified, the ratio of full-time workers who changed their stable employment (employment with indefinite term or a term of more than one year) to another stable employment with a different employer during the past year. This term is used as a basic index to represent the extent of labor market mobility of a particular period. As a general tendency, labor turnover increases during economic upturns and decreases during economic downturns. Most recently, it started to increase in the Abenomics upturn, but declined due to the Covid-19 pandemic downturn.

22 The Child Care and Family Care Law has requested employers consider the child and family care circumstances of employees since its 2001 revision. The 2007 Labor Contract Law came to codify the case law doctrine of employers' duty to care for employees safety and health. The law even came to request employers give consideration to the work-and-life balance of employees. See also Takeishi (2022).

fact that under the long-term employment system with consistent human resource development, employees' firm-specific abilities develop in accordance with increases in their years of service. What has changed is the wider range of wage distribution in the middle and senior stages of a career as a consequence of wage individualization (Figure 11, p 49).

Turning to nonstandard workers, their wages have been quite different. Part-time workers have been paid for the jobs they are assigned with the hourly rate, which is prevalent in the local part-time labor market under the heavy influence of regional minimum wages. Fixed-term contract workers and dispatched workers are paid in accordance with the kind and level of their skills. As discussed above (Section II 2 (2) and (3)), since the 2012 legislation, firms have been directed to pay fair wages to nonstandard workers vis-à-vis standard workers in accordance with the kinds and responsibilities of jobs, career path, and other relevant factors. In response to the litigations raised by fixed-term contract workers, the Supreme Court's series of decisions in 2018 and 2020 gave more concrete criteria for abiding by the new fair wage rule. Firms are changing wages according to the criteria.

3. Changing Status of Female Workers

As regards the position of women within the Japanese employment system, we have observed the waves of legislative and administrative actions to promote their participation and enhance their status in the labor market: namely, extensive and detailed measures against discrimination, a range of child-care and family-care support, encouragement of positive actions for career advancement, detailed regulations against sexual and workplace harassment, and so on (Section I 4 (1), Section II 2 (3)).

The Abe government even announced the active participation of women as one of the key factors for activating economy, in 2014 setting a political goal of increasing the ratio of women among those in leading social positions to 30 percent by 2020. The 2015 Law to Promote Active Participation of Women in Occupational Activities mandated larger firms to disclose statistical information regarding the status and treatment of women in their organizations. The government has also been facilitating and encouraging male workers to take child-care leave.

We can observe significant changes undergoing in Japan. First of all, participation of women in the labor market is, on the whole, rising steadily. As clearly shown by Figure 12 (p 50), the age-based profile of female participation in the labor market has been changing from an M shape into a trapezoid shape like male workers. As regards wages, we can also find the wage gap between male and female workers decreasing, as clearly shown by Figure 13 (p 50) .

With regard to the ratio of women in positions of section chief or higher, it rose slightly from 11.8 percent in 2019 to 12.3 percent in 2021.[23] The changes may look slow and unimpressive, but we should be aware that it takes time to alter the traditional pattern of practices rooted in people's mindsets. In addition, in the employment system in which seniority still counts significantly, it takes time to increase the number of women in higher management. In recent years, however, we observe that women are clearly given advantageous treatment when competing for higher managerial po-

23 Ministry of Health, Labour and Welfare 2021. According to the same survey, the ratios of women in managerial positions were 21.4 percent for executives, 7.8 percent for directors, 10.7 percent for section chiefs, and 18.8 percent for chiefs.

sitions in the governmental organizations. Similarly, female lawyers and former government bureaucrats are in strong demand as board members in major corporations.[24]

4. Continuing Enterprise Unionism

Along with the long-term employment and the internal labor market mechanisms, cooperative enterprise unionism is maintained as another element of the Japanese employment system. Despite large-scale and repeated restructuring and reorganization, there were few strikes and other kinds of industrial actions in the 1990s and 2000s, which can be attributed to extensive and intensive joint consultation procedures administered by enterprise unions and management. While union density is declining steadily[25] and the Spring Wage Offensive is significantly decentralized, enterprise unionism founded on long-term employment relations remains the backbone of industrial relations in Japan.

Among the accompanying features of Japanese enterprise-based industrial relations, the most weakened may be the quasi-corporatism established and administered among apex labor and management organizations and the government (in particular, the Ministry of Labor). This was a consequence of the 1998 administrative reform by the Hashimoto government, resulting in the abolition of the Labor Politics Bureau (Rōseikyoku).[26] This reorganization of national government was followed by that of apex organizations. The Japan Federation of Employers' Associations (Nikkeiren) merged with the Japan Business Federation (Keidanren) in 2002. The Japanese Trade Union Confederation and the industrial federations of enterprise unions continued to participate in the government tripartite councils deliberating labor policies with the Japan Business Federation, but the abolition of the Labor Politics Bureau and Federation of Employers' Associations reduced their expertise significantly regarding the political utilization of enterprise-based industrial relations.

5. Coexistence with the Western Employment System

Since the 1990s, the number of foreign-affiliated firms in Japan rose as a consequence of market globalization (see Figure 14, p50). Those firms tend to adopt employment systems based on external labor markets: hiring employees from the external job market to fill specific vacancies, and paying wages based on employees' skills and performance. Employment relations continue there only so long as employees' specific jobs continue to exist. Their employment is thus subject to economic fluctuations and corporate reorganization. Wages are determined in accordance with the grade of skill required to perform the jobs and the evaluation of performance. Since the 2000s, we find an increasing number of court decisions involving such firms in which judges endeavored to balance the interests of labor and management in applying Jap-

24 Female board members of the corporations listed in the Tokyo Stock Exchange Market increased by 21.8 percent in fiscal 2021 due to its new corporate governance code.

25 Union density in Japan was approximately 35 percent during the 1960s and mid-1970s. It went down to approximately 30 percent in the mid-1980s, and steadily declined to approximately 20 percent in the late 2000s. It is 17 percent at present. Joint consultation replaced collective bargaining and strike actions are unheard of during the Spring Wage Offensive. Restructuring and reorganization is carried out through labor management agreements.

26 This administrative reform extended to almost all ministries. The abolition of the Labor Politics Bureau took place when the Ministry of Labor and Ministry of Health and Welfare were merged into the present Ministry of Health, Labour and Welfare.

anese labor law regarding dismissals or other disadvantageous personnel measures executed by such firms against their employees.

Section IV. The Japanese Employment System in the Coming Decades: How Will It Change?

1. Future of the Employment System in a Country with a Shrinking and Aging Population

As outlined in Section III, the Japanese employment system has undergone significant changes over the past decades, as a consequence of firms' efforts to accommodate economic changes. Likewise, the destiny of the Japanese economy in the coming decades will be a basic factor for firms and the government in deciding actions and policies vis-à-vis the Japanese employment system. If the Japanese economy regains its competitiveness and strength in the global economy, Japanese firms will not seek to render major reforms of the conventional employment system. If the Japanese economy encounters major difficulties due to structural and technological changes in the global economy, firms will be forced to take drastic measures in their operational schemes, including the employment system.

In this regard, the scenario is not bright at all considering Japan's aging and decreasing demography (Figure 6, p 47), which indicates a shrinking economy (labor force, domestic demand, etc.) and an increasing burden on social security. Of course, the government has made efforts to reverse the trend by promoting the participation of women and older people in the job market; and by enriching child-care and family-care facilities and services. Outside of labor policy, one major policy missing so far is an immigration policy to supplement and vitalize the declining population (Nogawa 2019).

2. Increasing Calls for Japanese Employment System Reform

As regards labor policies, the recent Abe government issued a series of policy announcements from the viewpoint of vitalizing the Japanese economy. Among them, the most major was the Work Style Reform Plan in March 28, 2017, which, at its outset, identified the problems of Japanese long-term employment relations as follows:

(a) Management's withholding of profit without spending on wage increases or investing in innovations or new businesses
(b) A decline in per-capita labor productivity, situating Japan in the lowest group of OECD countries
(c) Lengthy working hours of standard employees, resulting in difficulties with family life
(d) Difficulties of long-term employees with changing their employment
(e) Employment of nonstandard workers to maintain employment of standard workers.

The Abe government declared it would tackle such problems with the 2018 Work Style Reform Act, which comprised legislative reforms imposing a statutory limit on overtime work and strengthening a Japanese version of equal pay for equal work, as delineated in Section II 2 (3).

Even before the Abe government, the Japanese employment system had been criticized by neoliberal economists as an obstacle to strengthening the Japanese economy, because it restricted workforce movement from declining to developing indus-

tries. In response, the government has adopted policy measures to enhance worker mobility in the labor market since the end of the 1990s.[27] The 2017 policy announcement can be seen as the first major declaration of the government's will to reform the Japanese employment system.

3. Will the Japanese Employment System Merge with the Western External Labor Market–Based Employment System?

(1) Continuation of the Basic Elements of the Japanese Employment System

Despite repeated calls for reform and change, the basic elements of the Japanese employment system have been maintained in the following aspects: long-term and stable relationships between firms and employees; hiring new graduates as a fundamental method of recruitment; cultivation of firm-specific skills and know-how by job rotation; seniority-centric wages and promotion; manager and executive promotion mainly from within; and cooperative labor management relations between individual firms and enterprise unions. Employment stability is still highly honored by both management and unions, although sometimes economic crises, such as in 1997 and 2008, induce management to resort to unprecedented adjustment measures. Under the global economy, increasing numbers of foreign-based companies[28] usually adopt more external labor market–style employment systems such as job-based recruitment and wages, and rapid employment adjustment presupposing job changes through the external labor market. However, if we ask the key question of whether or not the Japanese employment system will transform into an external labor market–oriented employment system like in the United States or Europe, we cannot foresee such a major change in the coming decades. Why is that?

(2) Necessity to Look into the Process of Japanese Industrialization

For this basic question, we should first examine the history of Japanese industrialization. During its industrialization after the 1868 Meiji Restoration, Japan lacked the development of craft and industrial unionism like in Europe, which contributed much to the establishment of the external labor market across enterprises.

In Europe, it was guilds of masters and artisans (craft guilds) that established the qualifications (undertaking an apprenticeship of a certain number of years) and skill grades of craft workers for the labor market across workplaces. Such crafts were naturally modernized in the process of the Industrial Revolution, through which process craft unions were reorganized into industrial unions that established cross-firm grades for modernized crafts through industrial collective bargaining.

Japan did not, however, establish guilds of masters (or merchants) and unions of artisans that created autonomy vis-à-vis feudal powers during the Edo period (1603–1867). As a consequence, artisans were not required to undertake an apprenticeship of certain years to qualify. When labor unions were first organized in Japan at the end of the nineteenth century, they called themselves as "the iron-workers' union"

27 The Employment Insurance Law has been revised repeatedly since 1998 to curtail the subsidies assisting employers in their efforts to maintain employment during economic downturns. Instead, the law was revised in 1998 to create a subsidy for individual workers for reskilling expenses. This subsidy was then enlarged by the 2014 and 2017 revisions.

28 This term refers to the companies whose majority of shares are owned by foreigners or foreign-based companies.

or "the steam workers' union," and so on, in imitation of craft unions in Europe. But their members were, in fact, restricted to skilled workers fostered within specific large firms. Those unions did not require any apprenticeship for its members and did not establish wage tables in accordance with skill grades to impose on employers across firms.

The *zaibatsu* business conglomerates faced a shortage of the managers and skilled workers they needed during the rapid industrialization of the Meiji (1868–1912) and Taishō (1912–1926) eras. They first established the practice of hiring elite college graduates to groom as their firms' managers and engineers. They then established private schools within their firms to educate very young employees as skilled workers. In this way, they established long-term employment relationships with both white- and blue-collar workers before the Asia-Pacific War. They also propounded a "company-as-a-family ideology" (*keiei kazoku shugi*) to shield white- and blue-collar workers, thus fostering their firms from the socialism and syndicalism that arose in Japan after the 1917 Russian Revolution. Such firm-specific employment and industrial relations were utilized by the government during the Asia-Pacific War to incorporate firms and their workforces into the war promotion.

After the war, enterprise-based industrial relations were reorganized into those based on modern labor union rights under the new 1947 Constitution and the 1945 Trade Union Law. Namely, encouraged by new pro-labor policies, white- and blue-collar workers got together in enterprise-based labor unions to fight individual firms' management, demanding "livelihood wages" (*seikatsukyū*) to survive the postwar hyperinflation. In this way, the labor market and union-management relations evolved into enterprise-based models, as outlined in Section I.

4. Changes Expected in the Coming Decades

Emphasizing the process of how the Japanese employment system has formed does not imply the immutability of the system. On the contrary, as described in Section II, the system is elastic enough to undergo modification pursuant to government actions or interactions of relevant parties. What may happen to the system in the coming decades?

(1) Ongoing Effect of Recent Labor Policies

Firstly, the variety of labor policies summarized in Section 2 will continue to affect the major features of the Japanese employment system.

For example, successive legislative reforms for the integration of women and non-standard workers in the Japanese employment system will continue to take effect and enhance their integration.

The labor market reforms for assisting workers' reskilling and for bringing up private employment services will enhance the mobility of workers to change careers. The most remarkable ongoing development is the combination of online employment information services with AI to match job seekers and employers.[29] The government will continue to utilize such new businesses to foster and expand the job markets in Japan.

29 The Japan Institute for Labour Policy and Training has been accumulating and classifying information on various kinds of occupations in Japan for the use of public and private employment agencies as well as job seekers and employers.

To enhance labor-market mobility, a controversial public policy agenda proposed for more than a decade has arrived at the tripartite labor policy council for deliberation in 2023. It comprises deregulating the dismissal law by introducing a system to terminate litigation contesting the validity of dismissals with the employers' payment of monetary compensation assessed in court. Even if legislated, such a system will be rarely utilized—similarly to its counterpart in Germany—since most disputes over dismissals are already resolved by monetary settlements in the judicial courts or administrative agencies. But it will induce managers to assume that they can put an end to dismissal disputes even if litigated by paying monetary compensation. Such a system will thereby reduce employers' long-standing inhibition against dismissing workers.

(2) Decreases in New Graduates to Increase Midcareer Recruitment

During 2021, only 842,897 babies were born in Japan, while 1,452,229 citizens died. The number of newborn babies has been declining for six years in row, arriving at a low fertility level of 1.37 seven years earlier than had been projected.

The constant fertility rate decline shown in Figure 7 (p 48) will surely result in a significant decrease in the number of new graduates from colleges and high schools. It is no wonder that larger firms are intensively recruiting new graduates in these years despite the stagnant economy caused by the Covid-19 pandemic. Firms will surely face a time when they cannot find enough new graduates and have to supplement those numbers by recruiting mid-term workers to fulfill the basic demand for workers.[30] It will mean that the Japanese long-term employment system's core practice of hiring new graduates to maintain the demographic structure of the workforce will start to erode.

In order to supplement the shortage of new graduates, firms can turn to foreign students coming to Japan to study in universities, colleges, or language schools. In 2008, the government set a goal of increasing such foreign students staying in Japan to 300,000 by the year 2020. This goal was attained in 2019. The government also set the goal of more than half those foreign students studying in Japan obtaining jobs in Japan. In 2020, 48 percent of them found employment in Japan. However, both goals were adversely affected by the Covid-19 pandemic.[31]

(3) The Impact of Industrial and Technological Change on the Future Employment System

The Japanese employment system has been most typically prevalent in larger corporations in the finance, construction, communication, real estate, and mass communication sectors. On the other hand, in service sector industries such as wholesale and retail, hospitality, tourism, food and restaurant, and medical and welfare, workers have been more mobile and long-term employment less prevalent. A distinct trend

30 At present, the total number of new graduates who are recruited by the firms within a year is estimated to be just under one million.

31 According to the Immigration Bureau, the number of foreign students increased to approximately 312,000 in 2019, but decreased to approximately 279,000 in 2020 and 242,000 in 2021 due to the entry restrictions during the Covid-19 pandemic. In terms of countries of origin, the top six in 2021 were China (47.1 percent), Vietnam (20.4 percent), Nepal (7.8 percent), South Korea (5.9 percent), Indonesia (2.4 percent), and Taiwan (2 percent). In 2020, approximately 135,000 (48 percent) of such foreign students found employment in Japan.

of recent decades has been the expansion of the service sector, while the sectors with more stable employment have been shrinking in terms of employee numbers.

Furthermore, Japan is also going through the "digital transformation," which will significantly impact labor relations across industries. Firms will naturally try to take advantage of digital technology (AI, algorithms, big data analysis, computer simulations, etc.) to automate or enhance efficiency of production or business processes, thereby reducing the number of workers required. Such a labor-saving effect of digital transformation will be a relief for the Japanese economy with its shrinking workforce, if policies for labor reallocation (reassignment and reskilling) are undertaken properly. Another consequence is the growth of the gig economy comprising workers who engage in casual jobs provided through digital platforms connecting user services supply and demand. This is already happening. According to Japan Institute for Labor Policy and Training surveys, gig workers are estimated to number several million, but many are doing such work as side jobs to earn extra money to supplement income from their regular employment. The number of gig workers will keep growing and erode aspects of the Japanese employment system. However, they are unlikely to threaten the overall continuation of the system, considering the basic fact that, as shown in Figure 15 (p 51), the proportion of workers outside regular employment (i.e., the self-employed and those working for family businesses) was much larger when the system was established.

(4) Toward an Increasingly Diverse and Flexible Employment System

Although the Japanese employment system will still exhibit resilient inertia in the coming few decades, we can foresee a significant trend: increasing diversity in terms of age, gender, nationality, contract, and physical conditions. Firms will increasingly seek to utilize the talent of women and the experiences of older workers. Firms will also make efforts to utilize international talent to introduce new perspectives and approaches.[32] For these purposes, firms will make their recruitment and wage systems more diverse and flexible. Firms are also responding to the government's recent call to encourage side jobs and dual employment to enlarge perspectives and experiences. Firms will thus diversify employment contract type and content to accommodate the diversification of their human resources.

Concluding Remarks

We are entering an era of fundamental challenges in terms of technology, the environment, international relations, and more, all of which make future projections increasingly difficult. Nevertheless, perhaps due to my personal experience of observing industrial upheavals for more than half a century, I have come to realize the significance of historical perspectives in assessing the contemporary situation as well as the future direction of Japanese labor relations.

32 In 2018, the number of foreigners working legally in Japan was approximately 1.46 million (Chinese 26.6 percent, Vietnamese 21.7 percent, Filipino 11.2 percent), of whom the major groups are those with a status-based visa (permanent or qualified residents, and spouses of such residents or Japanese) (33.3 percent), those with a student visa who are permitted to engage in limited activities outside their qualified ones (23.5 percent), and those with a professional or technical visa (19 percent). As of the same year, the number of foreigners identified as illegally engaged in work activities was approximately 70,416.

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Figure 1: Ratio of Pay between CEO and Average Workers

Source: Economist (2013)

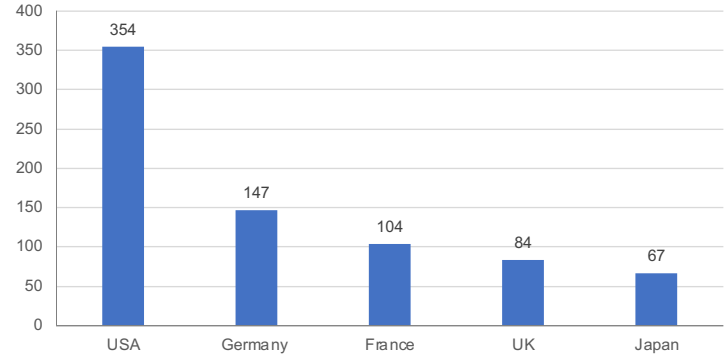


Figure 2: Transition of Real GDP Growth Rate and CPI

Notes: All items, less imputed rent
Sources: Cabinet Office (ESRI), Annual Report on National Accounts; MIC Consumer Price Index

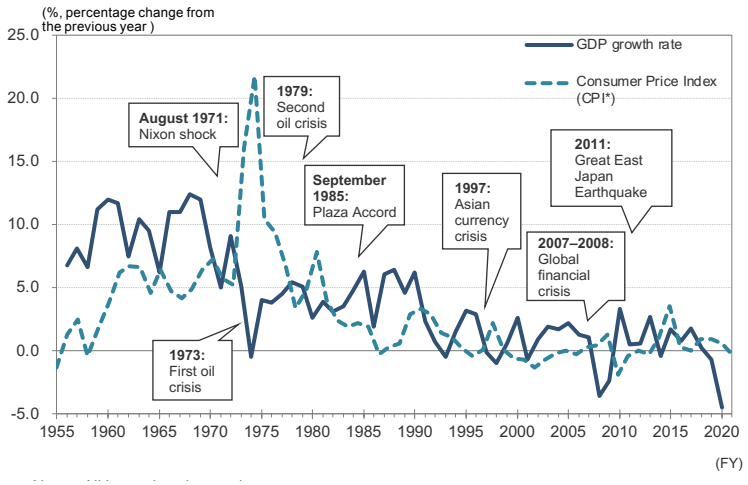


Figure 3: Changes in Spring Wage Hikes

Source: MHLW (2022)

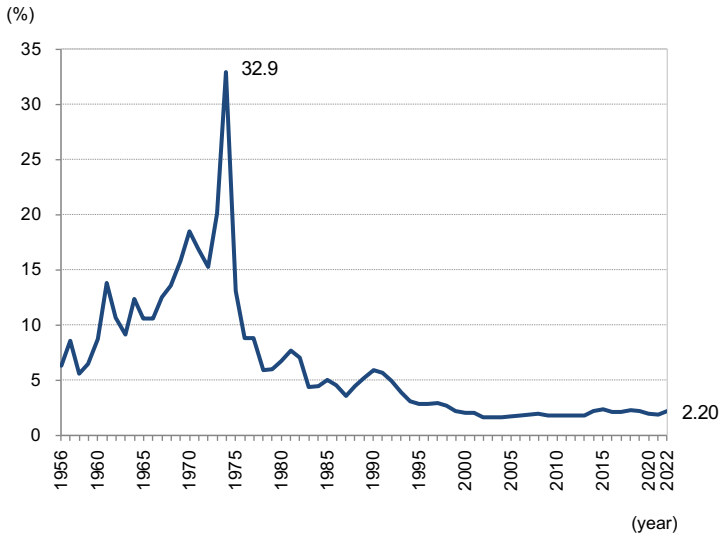


Figure 4: Transition of Unemployment Rates of Workers (All and Young)

Source: MIC, Workforce Survey

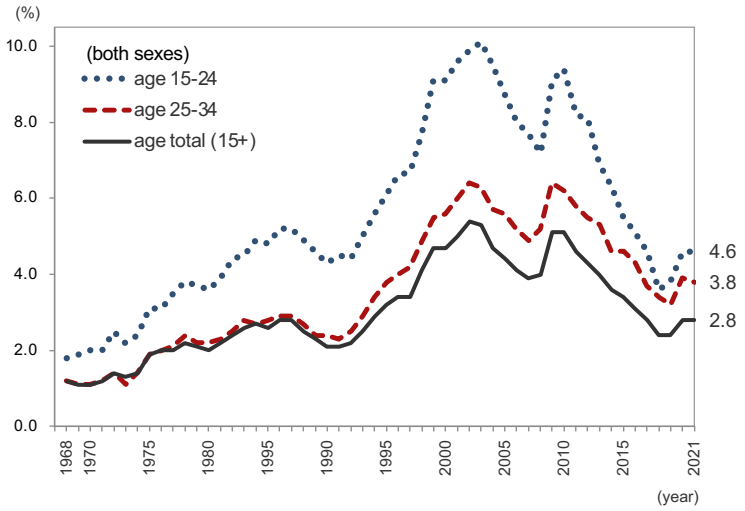


Figure 5: Increase of Nonstandard Workers

Source: MIC, Workforce Survey

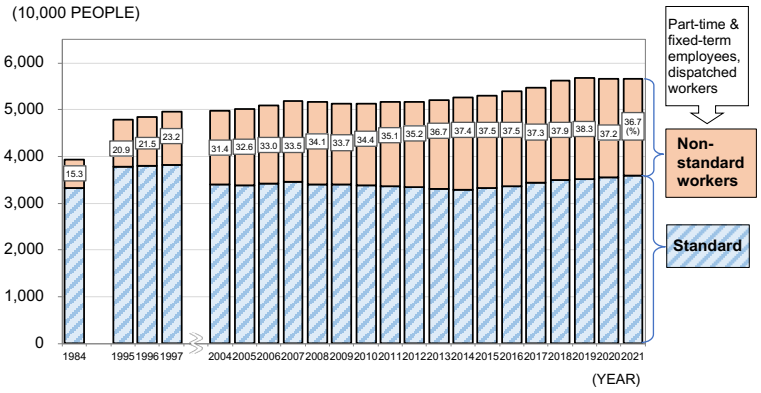


Figure 6: Demographic Changes in Japan

Source: Cabinet Office (2021)

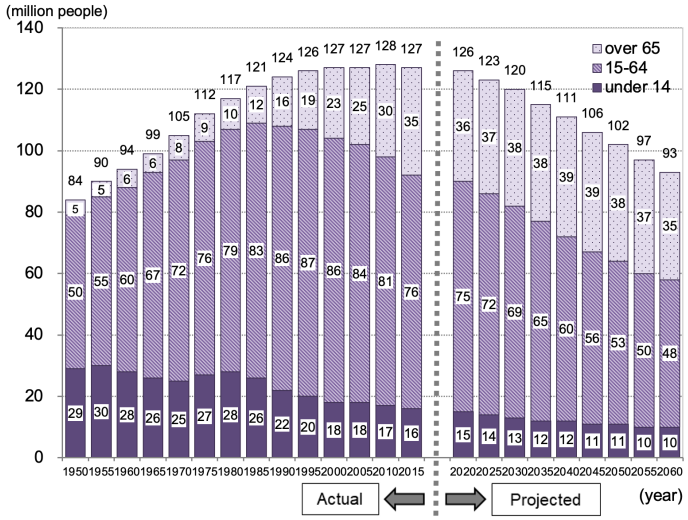


Figure 7: Trends in Total Fertility Rates (1947–2020)

Source: MHLW, Vital Statistics

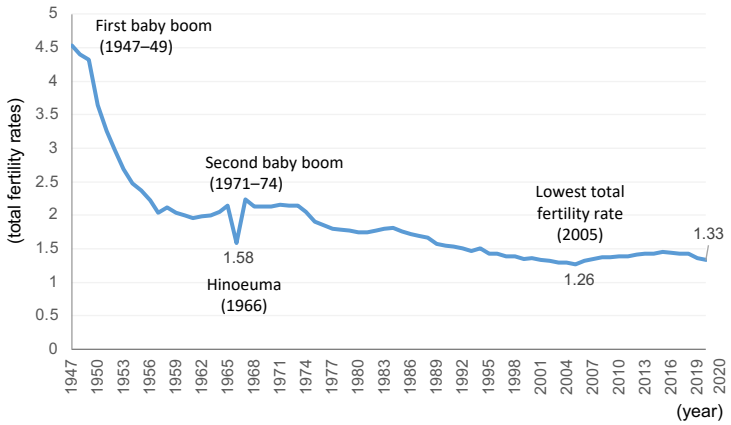


Figure 8:
Applications of Previous-Year Graduates in New Graduate Recruitment Procedures

Source: MHLW (2019)

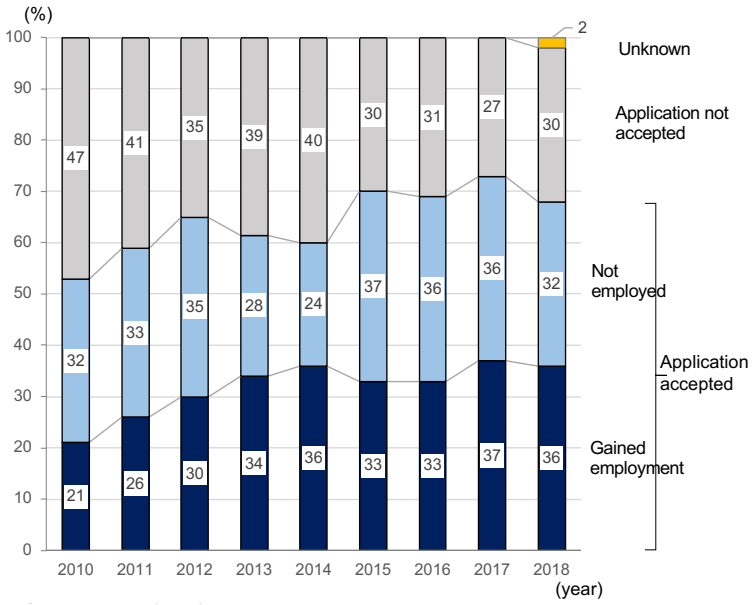


Figure 9: Average Length of Service 1976–2020

Note 1: Average length of service by industry, company scale, and educational attainment
Note 2: Length of service of male part-time workers surveyed since 1988
Source: MHLW, Basic Survey on Wage Structure

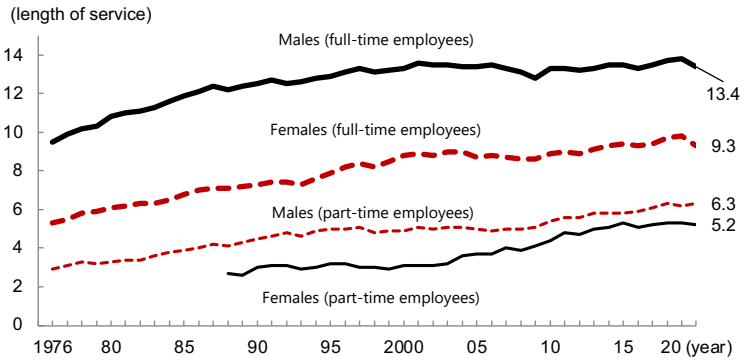


Figure 10: Transition of Labor Turnover 1964–2020

Source: MHLW, Survey on Employment Trends

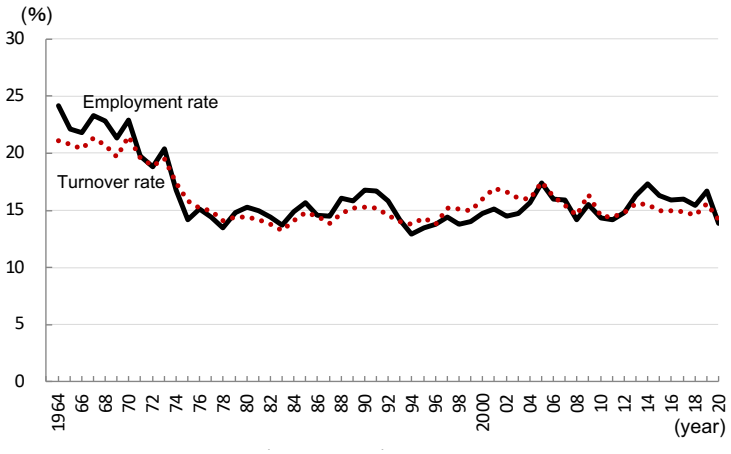


Figure 11: Wage Distribution of Continuously Employed Persons

(monthly scheduled cash earnings; manufacturing firms with 1,000 employees or more; college graduate males)
Source: JILPT calculation based on MHLW, Basic Survey on Wage Structure

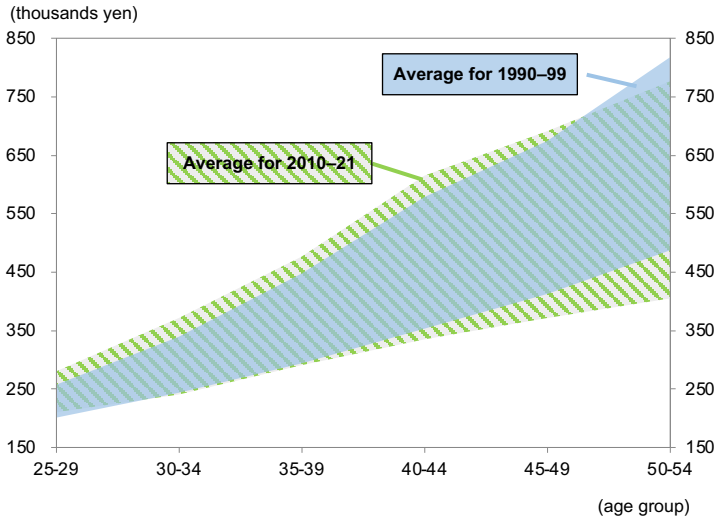


Figure 12: Transition of Workforce Participation by Age (Male and Female)

Source: Statistics Bureau of Japan, Workforce Survey

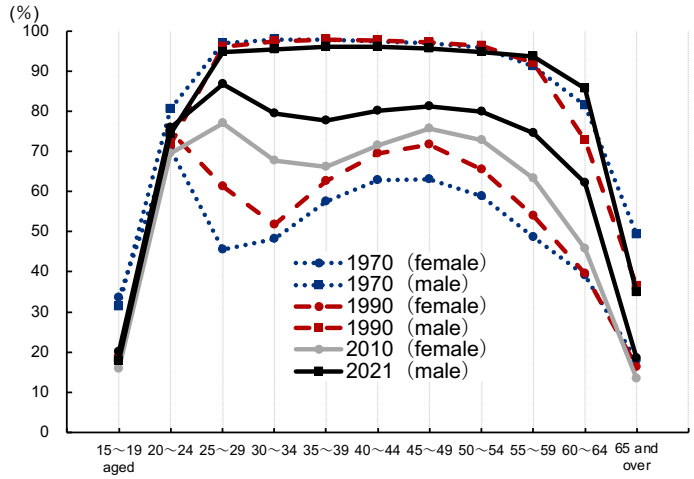


Figure 13: Wage Profiles of Men and Women in 1976, 1995, and 2021 (full-time employees, monthly wages)

Source: MHLW (2022)

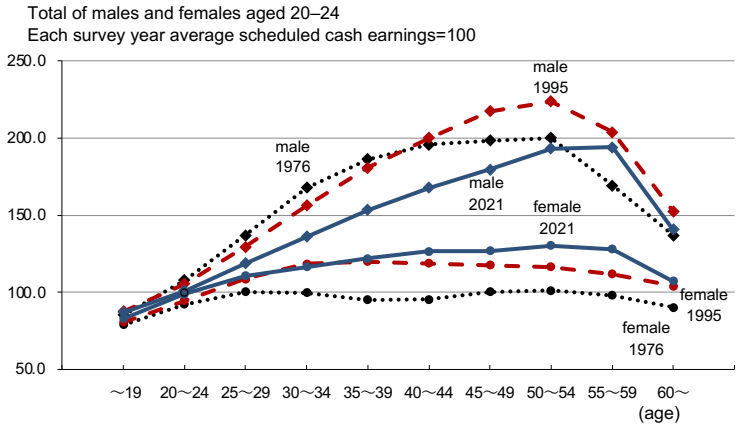


Figure 14: Number of Employees of Foreign-Affiliated Corporations (1997–2019)

Source: METI, Survey of Trends in Business Activities of Foreign Affiliates

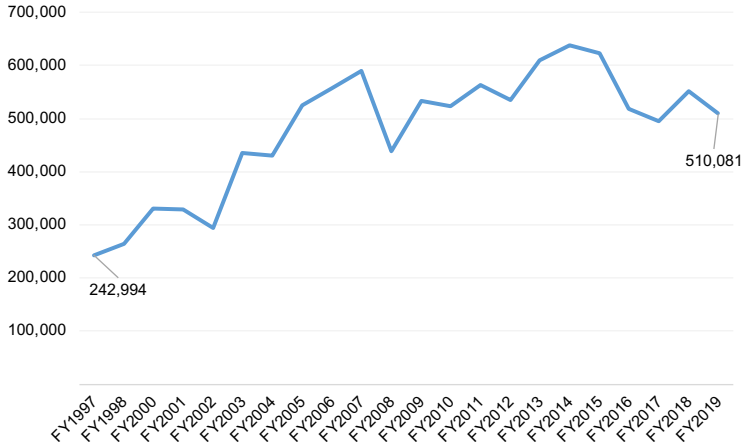
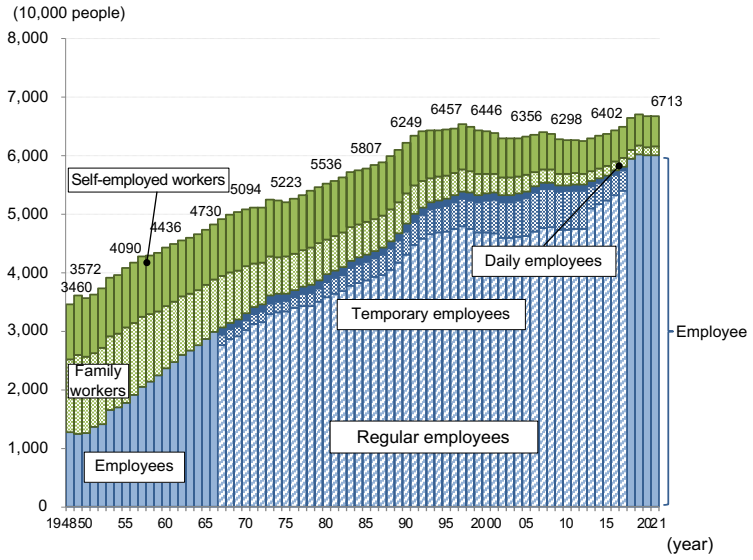


Figure 15: Classification of Workers by Employment Status (1948–2021)

Source: MHLW, Workforce Survey 2022



Bionotes

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