JAPAN'S ATTEMPT AT INTERNATIONALIZATION
AND ITS LACK OF SENSITIVITY TO MINORITY ISSUES

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INTRODUCTION

On September 22, 1986 Japan's then Prime Minister Yasuhiro Nakasone committed a political blunder that would have reverberating consequences throughout the world. On that day, Nakasone explained the rationale behind Japanese success to the Liberal Democratic Party: "Japan has become a highly educated society; it has become quite an intelligent society on the average, much more so than America. In America there are many blacks, Puerto Ricans, Mexicans, and others, and the average level is still very low."¹ Nakasone's comment confirmed suspicions in the international community that Japan exhibited racist tendencies. Of course, no nation is so perfect as to claim that it is free from the burdens imposed by racist tendencies, but only Japan and South Africa have been so blatant as to overtly declare theirs. Additional controversy arose over the seeming obliviousness of the Japanese leaders to the implications of such a racist comment.² Although Japan insists that Nakasone's statement was misunderstood by some countries, the plain meaning of the language seems clear, especially to minorities in the United States. Furthermore, excuses for this comment lose their validity in light of the fact that this type of verbal blunder has been repeated on more than one occasion. While still in the heat of the Nakasone comment, former Finance Minister Michio Watanabe publicly decreed blacks as being financially irresponsible.³ The latest Japanese blunder occurred on September 21, 1990, approximately two years after Watanabe's statement. This time Justice Minister Seiroku Kajiyama stated that "bad money drives out good money. It's like in the U.S. when neighborhoods become mixed because blacks move in and whites are forced out."⁴ Kajiyama made this statement referring to prostitutes in the red-light district of Tokyo whom he compared to blacks in America. Such a statement

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Published by CWSL Scholarly Commons, 1991
exemplifies both racist and discriminatory attitudes towards African Americans and women.

Criticism hurled at Japan denounces its nearly fanatical insistence on the success of their "one people, one nation" ideology which proclaims the superiority of Japan over other countries. The Japanese believe that such superiority results from the racial and cultural unity of the Japanese people which fosters a belief that homogeneity is the source of world power.\(^5\) In the eyes of the international community, however, this proclaimed homogeneity is nothing more than a severe case of xenophobia and nationalism disguised as arrogance and exclusivism.\(^6\) The end result of this Japanese self-deception is manifested in an attitude of superiority as exhibited through racist and exclusionary practices.

These harsh criticisms surprise the Japanese as they try to mitigate the impact of their verbal blunders. Attempts to explain the first of the three blunders amount to contentions that Nakasone really meant to say that education does not reach everyone as effectively in the United States as it does in Japan because of the multiple ethnicities living in the United States.\(^7\) Unfortunately, this claim does little to improve the situation since it is tantamount to proclaiming the monoethnicity of Japan. But Japan is not exactly the monoethnic country some would like to believe. A crack in Japan's monoethnic superiority claim is revealed by the fact that Japan has a substantial population of hidden minorities and attempts to maintain a facade of monoethnicity by ignoring these minorities and openly excluding foreigners.

Claims of monoethnicity are contrary to the internationalization process that Japan has recently entered, for such a process necessarily entails opening doors to the rest of the world so as to encourage, or at least allow, people and goods to cross borders.\(^8\) These actions may be difficult for a country whose indifference to occurrences in the world are indicative of its homogenous ideal of one people, one nation. Thus, the barriers to internationalization for Japan lie in both superiority, as espoused by monoethnicity, and inferiority, as espoused by xenophobic attitudes. Both are complex needs which must be overcome, or at least reconciled, before any successful status in the world community can be achieved. Intrinsic to the reconciliation of these complexes is the adoption of an ideology that stresses the concerns of the world outside Japan in relation to the world inside Japan so that these two worlds can be intermingled and co-existing.\(^9\)

What is involved in the internationalization process? The answer to this

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7. Id.
8. Yoshimi, supra note 1, at 50.
question is not absolute and certainly is not precise for it involves a variety of responses. However, there are some responses that are more prominent, such as the recognition that racist practices will not be tolerated in the world community. This realization is perhaps the most essential step in the internationalization process for it embodies a concept that is at the crux of the internationalization process itself: the acceptance of all people and goods across national boundaries. The necessity of this step cannot be underestimated for racist practices are the fuel for the propagation of extremely nationalistic and xenophobic ideologies. Thus, Japan needs to work with all nations in order to prove that it is making an effort to conform, in return for which, nations of the world will stop Japan bashing. Such a transition will help Japan enter the internationalization process more easily as it learns to adapt to other countries. Simultaneously, other countries must realize that Japan’s lack of sensitivity to minority issues results from a lack of interaction with people of other races.

The relevance of the preceding analysis may seem somewhat obscure to the extent that citizens may view the relationship of their country with other countries as an abstract concept. Nevertheless, these issues are of paramount importance in today’s increasing global world where nations are no longer keeping their businesses, people, or products confined to the borders of their state. The chief mode of globalization is occurring through investment in foreign countries. Accommodation, therefore, becomes critical in the internationalization game where foreign investment is key.

Unfortunately, accommodation is not easy to come by when misunderstandings exist among the counterparts of trade and international relations. Obviously, all countries in the international sphere prescribe to different modes of operation. Difficulties arise when compromises cannot be reached. The inability to reach compromise must be dealt with by all foreign actors. A necessary component of such compromise must be an understanding of the history and culture of other countries. The context of United States-Japanese relations serves as an example of the difficulties that arise when understanding is not espoused by either actor.

I. THE UNITED STATES: JUST A FOREIGN MARKET FOR JAPANESE GOODS?

In consideration of Japan’s predilection for a closed society and its historic isolation from the global community, many commentators believe that Japan views the United States as a market for its goods. It seems that Japan refuses to consider the United States from a broader, more socioeconomically inclined perspective. Support for this contention is exemplified by the substantial increase in the amount of foreign direct investment in the United States. In 1975, Japanese direct investment in the United States rose 160

percent over the 1971 level. Consequently, Japanese investment in the United States has been declared to be one of the "most socially sensitive and significant issues" confronting the United States today.

Unfortunately, the people of the U.S. have encouraged the criticism against Japan by viewing Japanese investment in the U.S. with extreme disfavor. This situation was revealed by a recent public opinion poll conducted by the New York Times, CBS News, and the Tokyo Broadcast System. The results of the poll, published in the July 10, 1990 issue of the New York Times reveal that, although people of both countries generally express a friendly attitude toward each other, both people considered the other country to be its strongest competitor. Agreement ended here as the opinions of the people of the two countries diverged. Americans polled desired limits on foreign investment and expressed a stronger fear of Japanese economic power than of Soviet military power. Conversely, Japanese polled considered suggestions for investment restrictions representative of a general racist attitude. Ironically enough, both countries felt that the other country looked down on them. Summarizing these results, Tetsuya Tsekushi, anchor for Turner Broadcasting Systems in Tokyo, compared the relationship between the United States and Japan to a marriage: "They cannot divorce because of mutual interests. The question is what kind of marriage will continue. Which is the husband and which is the wife?" Obviously, this question evokes different responses in each country due to the prevailing culture and historical differences that distinguish the two countries: in Japan, a marriage represents a relationship whereby the husband dominates in the income earning sphere and the mother cares for the children with little or no participation in the labor market; in the United States, the question of who is the husband and who is the wife is not as important to the success of a marriage since equality has become characteristic of most modern marriages.

The differences in terms of the marriage relationship reflect the different histories and cultures of the U.S. and Japan. The cultural predispositions of both countries influence and, to a large extent, determine the actions each country will take. Thus, in some ways, the actions taken by a country can be attributed to a conditioned mode of behavior. The apparent unattractiveness of these respective modes of conduct must be dealt with by educating leaders and citizens that the actions taken by other countries may not

14. Id.
15. Id.
necessarily be attributed to bad motivations, but to culturally learned responses. It does no good to point fingers without first taking a look at one's own problems first. Indeed, the U.S. is not free from racist practices either. Perhaps realizing this and the difficulties of eradicating racism in the U.S. as well as developing an understanding of Japanese culture will help those intent on eradicating racism in Japan to understand how this process should evolve.

II. CULTURE AND HISTORY; HOMOGENEITY AND WA

The asserted uniqueness of the Japanese culture has been attributed to the lack of the intermingling of diverse peoples which has resulted in the creation of a homogeneous society. The lack of diverse peoples was the result of a period of isolation in which the Japanese cut themselves off from the rest of the world. Intrinsic to the development of a homogeneous culture was the ordering of the social organism in a hierarchy characterized by wa or harmony. Under this organizational structure, persons outside the mainstream of what the Japanese deemed to be the homogeneous society were considered to be threats to the harmony and order of the group. This mindset instigated the development of Japan’s ethnocentric belief that they are a unique culture characterized by harmony and one people sharing traditional values for the interest of the group as a whole. It was under the guise of harmony and homogeneity that Japan excluded those people who were unlike the social norm and not in the hierarchical order, thereby creating the foundations for discriminatory attitudes towards minorities and foreigners.

The society in which this cultural predilection for "closedness" occurred resembled a tribal society. Japan did not begin to imitate the activities of a modern state until after the Meiji Restoration of 1868 at which time it entered the balance-of-power game. Despite its efforts at modernizing, Japan retained its belief in the unity of one people through a common culture. This attitude continued until the defeat of Japan in World War II, at which time Japan attempted to regain a position, with the help of the United States, in the international community. A prerequisite for the help offered by the United States was the adoption of a new constitution declaring basic human rights as "eternal and inviolable." Unfortunately, because of its feelings that the Constitution was forced upon them by the United States military,
Japan has not lived up to this basic tenet of the Constitution. Moreover, the advocacy of individual freedom and respect espoused by this tenet is viewed as a modern Western value imposed from the outside.

Nevertheless, the Peace Constitution has been “Japanized” through the interpretation of purposefully vague constitutional provisions. An examination of Article 10 pertaining to nationality will help clarify the Japanization of the Constitution. The order from the United States demanded that Japan include a provision designed to protect Korean and Chinese minorities. The nationality clause was intended to serve this purpose. However, the clause starts out “All of the people are equal before the law.” This choice of words essentially eliminated any reference to the rights of foreigners since people has been interpreted to mean kokumin, which is the semantic equivalent of Japanese. Such an interpretation culminated in the passage of the Nationality Law of 1950 basing nationality on patrilineal consanguinity. Hence, the law effectively denies many Korean and Chinese residents raised in Japan full participation in society. The Japanese system of law does not precisely conform to the constitutional system established after World War II. The Japanese have an aversion to any form of legal control or enforcement that may resemble Western practices. This aversion results from the fact that attitudes towards the law in Japan are formulated by the geographical, historical, and cultural composition of Japanese society. The long period of isolation from the rest of the world contributed to the development of a cohesive community. Any sort of change to the status quo of this group, especially that precipitated by outsiders, was systematically forbidden. Thus, despite the change in the constitutional format to reflect the equality of all people before the law, the adoption of this change was seen as a way to appease the United States until the time when the Japanese could interpret the language in a way that corresponded to the reality of their heritage. In this way, the law on the books was separated from the law in reality.

This understanding of the distinction between the operation of the law in reality and the operation on the books aids in the clarification of the discrimination that is prevalent in Japanese society against anything different, members of the outgroup, foreigners, and against change in general. Essentially, the reality of the law in operation is that there are no effective sanctions in Japanese law, at least pertaining to the forms of discrimination taking place, since the importance of maintaining group cohesion and

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22. Yoichi, supra note 20, at 351.
23. Shoichi, supra note 21, at 236.
24. Id.
25. Id.
27. Id. at 593.
conformity contributes to the imposition of strong social sanctions against anyone such as minorities and foreigners, and anything that disrupts the order and harmony of the group.\textsuperscript{28} The inadequacy of this aversion to change in relation to modern day internationalization efforts is evidenced by the fact that the world is no longer ignoring Japanese racist practices.

An understanding of this situation is aided by an examination of the racist practices both inside Japanese society as well as those outside Japan. Certainly, an illumination of how and why the Japanese discriminate against residents of their own country is precursory to comprehending how and why they express discriminatory views towards African Americans.

III. JAPANESE MINORITIES: NO LONGER INVISIBLE

Statistics reveal that more than 99 percent of the population of Japan is of Japanese origin.\textsuperscript{29} It is upon this composition of the population that Japanese premise their one people, one nation theory. The affinity for a closed society and group cohesion perpetuates a system in which any minority or foreigner, no matter how long in Japan, is viewed as a disruptive device. Therefore, the ideal of homogeneity is glorified so as to exhibit an intolerance for anything alien to the culture.\textsuperscript{30} The Japanese refuse to admit that there are any minorities in Japan. Minorities accept this oppression because a disruption of this order would not be tolerated. Indeed, they too have become inculcated with the Japanese theory of sacrificing individual needs and self-expression in order to subdue self-assertion.\textsuperscript{31}

A. Koreans and the Nationality Law

Approximately one-fifth of the Japanese population is composed of persons of Korean descent.\textsuperscript{32} Their presence in Japan represents a remnant of pre-World War II imperialism. Most of the Koreans that originally arrived in Japan were involuntarily brought to perform manual and menial labor for low pay.\textsuperscript{33} After World War II, Japan, influenced by its historical prejudices and conservative ideology, effectively denied Koreans any rights through the adoption of the Nationality Law of 1950. According to this law, Koreans are required to carry alien registration cards and are subjected to mandatory fingerprinting.\textsuperscript{34} Hence, despite the fact that 90 percent of resident Koreans were born and raised in Japan, they have been denied full participation in

\textsuperscript{28} Wagatsuma & Rosett, supra note 17, at 464.
\textsuperscript{29} Brown, supra note 12, at 295 n.167.
\textsuperscript{30} Soshichi, supra note 10, at 53.
\textsuperscript{31} Wagatsuma & Rosett, supra note 17, at 465.
\textsuperscript{32} Blind Prejudice, THE ECONOMIST, Mar. 11, 1989, at 37.
\textsuperscript{33} Lie, supra note 5, at 18.
\textsuperscript{34} Shoichi, supra note 21, at 236.
society because they are considered to be non-nationals because of their blood ties; they perform all of the normal obligations of a citizen and yet they are denied certain privileges such as the right to vote, to hold public employment, to receive benefits, or to marry anyone of their choosing.35

B. The Ainu: A Forgotten People

The Ainu are an aboriginal people who occupy the island of Hokkaido north of Japan.36 Their history is one of subjugation and humiliation under the rule of the Japanese government. After the Meiji Restoration of 1868, they were subjected to an assimilation policy designed to destroy their identity and cultural traditions.37 Unfortunately, this assimilation has had the effect of inhibiting the promotion of their culture and tradition, but they have not been completely and successfully assimilated in society in terms of freedom from discrimination. Two examples will aid in demonstrating this phenomena. The International Covenant on Civil and Political Rights demands that any "ethnic, religious, or linguistic minority" in a state be allowed the right to "enjoy their own culture, to profess and practice their own religion, or to use their own language."38 The Ainu have their own culture, religion, and language, and yet, in contravention of the dictates of the International Covenant, Japan continues to deny the Ainu the right to practice these beliefs. The second form of overt discrimination is the existence of the Act for the Protection of the Former Primitive Inhabitants in Hokkaido of 1899 under which the Ainu are denied ownership of land unless the government specifically grants permission for ownership.39 This Act is still on the books as a reminder to the Ainu that they are not equal under the law and as a reminder to the Japanese that their homogeneity is based on the perilous assumption of no minorities.

C. Foreigners: An Unwanted Disruption

A necessary component of the internationalization process is the transfer of persons across national boundaries. Therefore, Japan should not be surprised by the influx of foreigners into a country propelled by a high yen and a prosperous economy.40 The variety of persons entering Japan obviously incites some controversy since it is advantageous for Japan to accept certain foreigners, such as Americans and Europeans, for investment purposes, but not so advantageous to accept workers from third world

35. Id.
36. Takaaki, supra note 2, at 143.
37. Id. at 143-44.
38. Id. at 145.
39. Id. at 144.

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countries.

Considering Japan's monoethnic society, their fear of anything alien, and their belief in the superiority of anything Japanese, foreigners from the third world countries, who are usually poor, unskilled, uneducated workers, bear the brunt of the discrimination. The Immigration Control and Refugee Recognition Act curtails the rights of foreign people to work in Japan. As a consequence of this policy, many foreign workers are entering the country illegally at the risk of being deported back to their own country.41

The plight of these workers in Japan is unfortunate. Many foreign women are forced or sold into prostitution; men from such countries as Bangladesh, Pakistan, and the Philippines are employed in menial and manual labor jobs as bookbinders, construction workers, janitors, and metal casters. All of these workers arrive in the hopes of attaining some of the wealth that seems so prominent in Japan.42 Because of their illegal status, unskilled foreign workers are not adequately compensated for their work in terms of wages or benefits. The jobs performed by unskilled foreign workers are jobs that the Japanese refuse to perform themselves. In reality then, despite the law on the books, Japanese employers condone the employment of illegal workers and enforce the law by punishing foreign workers with low pay, substandard living conditions, and no benefits or governmental aid.

All of these factors are important in the context of considering the broad spectrum of Japanese discriminatory practices. The purpose of this analysis is not to unduly criticize Japan because all countries are guilty of discrimination to some extent or another. However, Japan is unique in its discriminatory practices because of the fact that it is beginning to occupy a prominent position in the world. Whether or not the Japanese are truly racist or just unfamiliar with acceptable behavior in the international community, an understanding of the context in which the Japanese discriminate is necessary if any country is ever going to understand Japan enough to deal with them in the world community. Only through understanding can other countries help Japan see how its actions are hindering its possible success in the internationalization process.

D. Discrimination and the "Learned" Response in the Context of U.S.-Japanese Relations

Understanding Japanese characterizations of African Americans necessitates an examination of the context in which discrimination occurs. Discrimination initially begins as a learned response to a certain category of persons that are perceived to be different from the so called norm established by society. Although this process manifests itself in essentially the same manner from

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42. Id. at 261.
society to society, the discrimination in the Japanese context is unique to the extent that it is usually premised upon cultural traditions of order and identity.\textsuperscript{43} Since the Japanese achieve identity by fostering homogeneity, they have historically driven persons who are different or who disrupt the social order to the periphery of society marking such outcasts as polluted persons by various terminology originated in the Japanese language.\textsuperscript{44} Moreover, the ideal of homogeneity makes this outcasting process even more severe because it forces members of the in-group, deprived of their individuality by society as a whole, to express frustrations with the system outward in the form of suspicion towards the outsider. In this manner, the outsider becomes the scapegoat for all frustrations and tensions.\textsuperscript{45} Discrimination can be tied to culture.\textsuperscript{46} Hence, many Japanese attempt to explain away their discriminatory proclivities by relying on their cultural development under which the historical roots of homogeneity and the peripherization of outsiders began. As such, the Japanese insist that they are not intentionally racist, especially against African Americans, but that they have become insensitive to other people because their historical preference for homogeneity has discouraged contact with different races.\textsuperscript{47} This explanation ignores the fact that the Koreans and the Ainu have co-existed with the Japanese in the same country for a number of years. Experience dealing with other groups and races suggests that Japan's insensitivity is actually the result of a close-minded attitude which prophesizes that the ideal of homogeneity is tantamount to the effective functioning of the nation.

An understanding of the out-group/in-group process does not answer the larger question of how these groups are created. On a simplistic level, the out-group is defined by the in-group to be composed of individuals who are distinguishable from the in-group by physical appearance, lineage and blood ties. How the in-group is developed must be nothing more than majority rule. The fear of being overtaken or becoming a member of the out-group leads to the subjugation of the out-group to the oppressive rule of the majority. The out-group, feeling inferior, becomes submissive and defenseless and withdraws to the periphery of society. In this way, order and harmony are maintained. This process characterizes how the Koreans and Ainu were chosen as the out-group. It also demonstrates how the Japanese may justify their belief in the non-existence of minorities in Japan. Perhaps more significantly, however, it clarifies discrimination against foreigners. By identifying foreigners both by physical appearance and non-Japaneseness, the Japanese are able to identify all foreigners as members of

\begin{itemize}
  \item \textsuperscript{44} \textit{Id.}
  \item \textsuperscript{45} Wagatsuma \& Rosett, \textit{supra} note 17, at 465.
  \item \textsuperscript{46} Mihashi, \textit{supra} note 43, at S19.
  \item \textsuperscript{47} Greenwall, \textit{supra} note 5, at 25.
\end{itemize}
the out-group.

One odd attribute of establishing out-groups is the tendency to find some members of the out-group more acceptable than others. For example, the Japanese view white people as being advanced and civilized while fellow Asians and other races are seen as backward and inferior. There are two possible explanations for this anomaly: whites, who have historically dominated other people, are in the business of creating in-group/out-group classifications and have become more powerful in the international community; and/or, the Japanese are learning discriminatory practices from nations dominated by white people. Although the latter possibility may seem a little tenuous, further discussion will illuminate that it is possible that the discriminatory comments Nakasone, Watanbe, and Kajiyama made regarding African Americans, Hispanics, Puerto Ricans and other American minorities may have been a learned response from American practices. The difference is that the American government attempts not to overtly admit their discriminatory tendencies or proclaim the superiority of the white race.

American discrimination against minority groups need not be highlighted in this commentary; everyone knows that it exists. Similar to the Japanese, American racism is rooted in culture. In light of the long period of isolation, the initial exposure to African Americans occurred in World War II at which time the Japanese saw that black and white American soldiers were housed in separate facilities. After the war, the Japanese picked up the racial attitudes and stereotypes regarding African Americans from U.S. movies, television, books and American acquaintances. Hence, just as in America, African Americans face discrimination in housing and employment opportunities, so too do African Americans visiting or working in Japan experience similar difficulties. Likewise, just as African American soldiers were depicted unfavorably, so too have the Japanese begun to portray African Americans in the same light. In department stores, black mannequins are displayed with distorted stereotypical faces and Little Black Sambo dolls and other black dolls with large eyes and big lips are being sold.

All of these factors were essentially ignored by minority groups until Nakasone’s statement regarding minorities was publicized. The consequences of the comment would be widely felt by Japanese people all over the world. The reality of this is not difficult to comprehend since the discriminatory comment was leveled at a number of different groups of minority people and against the United States as a whole. Such comments are not easily forgotten. The response to the comment in Japan was the comparison by the Japanese Socialist Party of Nakasone’s statement to the espousement of

48. Id.
49. Id.
51. Yoshimi, supra note 1, at 47.
“narrow racism and nationalism in the style of Hitler.”\textsuperscript{52} In the United States, some Japanese businesses were threatened and, in a few cases, vandalized. The practices of allowing Japanese investment in the United States were questioned with a renewed vehemence and many Japanese Americans and businesspersons in the United States feared that they would have to boycott Japanese goods in order to denounce Nakasone’s comment.

The apparent insensitivity of the Japanese government officials to this situation was clarified a few years after Nakasone’s comment when the former Finance Minister Michio Watanabe publicly noted that African Americans were irresponsible and that they accumulated debts only to refuse to pay them off.\textsuperscript{53} This comment again revived criticism of Japanese racist tendencies and, together with Nakasone’s comment, served as the impetus for a national boycott of Japanese products. This boycott, organized by the National Newspaper Publishers Association, stressed that “World race prejudice must be destroyed”\textsuperscript{54} and emphasized that the United States does not need to import discrimination from other countries. Additionally, the Congressional Black Caucus and National Urban League were influential in attaining a political apology and a removal of black mannequins and stereotypical black dolls from department store shelves.\textsuperscript{55}

The impetus has been refueled as a result of Justice Minister Kajiyama’s statement comparing prostitutes in Tokyo to African Americans: they both drive out the good people. The response to this comment in the U.S. was reminiscent of previous responses. The U.S. House of Representatives’ Foreign Affairs Committee along with the Congressional Black Caucus considered calling for Kajiyama’s resignation; this appeal was, for obvious reasons, denied since Kajiyama apologized for this remark and informed the offices of the Japanese Justice Ministry to increase public education regarding minority and racial issues.\textsuperscript{56} Despite this apology, Kajiyama’s comment lends further credence to the previously mentioned contention that the Japanese belief in homogeneity and the learned attitudes from the U.S. keep Japan from giving up its racist tendencies. Instead of recognizing the problem in the red-light district as being the result of economic and racist problems, the Japanese, as their American counterparts do, automatically assume that it is because Asian women are bad that the red-light district is disintegrating; likewise, the Japanese attribute white-flight to the undesirability of African Americans in general, thereby ignoring the fact that the flight occurs because certain whites are racist.\textsuperscript{57}


\textsuperscript{53} Greenwald, supra note 3, at 25.

\textsuperscript{54} Fitzgerald, Black Publisher Group Leads Boycott of Japanese Products, 122 EDITOR AND PUBLISHER 21, 44 (Feb. 4, 1989).

\textsuperscript{55} Treece, supra note 50, at 41.

\textsuperscript{56} Jones, supra note 4.

Unfortunately, the continuation of these racist comments and practices can also be attributed to the lack of response from officials in Japan who represent the U.S. Specifically, the U.S. ambassador, Michael Armacost, and the U.S. consul general to Japan, Gregory Johnson, who is African American, have said nothing about the racial slur, which happens to be the third slur in four years; apparently, these representatives have forgotten that they represent all American people and not just the white businessmen and economic leaders of America. Moreover, influential businesspersons in Japan and African American athletes living in Japan have neglected to publicly respond to these comments. The lack of public response and the refusal of the U.S. to push harder for the resignation of these leaders suggests that these racial slurs are acceptable and that U.S. leaders are not concerned about inequities since the persons who are in positions of influence have done nothing about the comments.

The comments of Japanese leaders have served to spiral the fear regarding Japanese investment and have resulted in concern over racist business practices in the United States. Despite a few gains from the boycott and international media attention, the controversy has not seemed to diminish Japanese racist practices. The configuration as a racist nation is not to the advantage of Japan, especially in the context of the world community and Japan’s efforts at internationalization. Learning that the whole world is not Japanese may be of the utmost importance in the continued affluence of Japan. Consequently, a movement has begun to aid the Japanese in shedding their shield of racism. Forefront in this movement is the Black Caucus that was responsible for urging Prime Minister Noboru Takeshita to persuade Japanese executives to abolish “the negative stereotypical representation of African Americans once and for all.” Unfortunately, the culture of homogeneity pervading Japan is so ingrained and inculcated into the mindset that the Black Caucus efforts as well as the boycotts will not have significant impact when considered alone. Perhaps the only way to achieve any true reform is to hit the Japanese where it hurts the most: their economic base. Part of the resurgence of the Japanese economy can be attributed to foreign direct investment as well as to the open door policy of the United States to Japanese business and goods. By focusing on these factors and targeting reform at these areas, much more pressure will be put on the Japanese to change. The Japanese cannot ignore these efforts; for contrary to the cultural predisposition of Japanese minorities to be silent, American minorities are anything but silent. Additionally, most Americans do not have a favorable

59. *Id.*
60. *Id.*
attitude towards the amount of investment nor to the amount of goods coming into the country without reciprocation of a Japanese open door.

E. Japanese Employment Practices in the United States and Discrimination

The reality of Japanese discrimination against minorities is felt directly in this country through the employment practices of Japanese firms doing business in the United States. When a foreign business invests in a host country, it initially expects to be able to carry on operations in the host country just as it does in the home country. To some extent this is true. However, this supposition is flawed in its failure to account for the different operating procedures and practices of the host country. The largest area of controversy lies in the application of host country laws to foreign multinational corporations (MNCs) doing business within its borders. Specifically, there are two areas of law that a MNC must abide by when doing business: international laws and the laws of the host country.

On an international level, the Organization for Economic Cooperation and Development (OECD), of which both the United States and Japan are members, adopted a policy of nondiscrimination in labor practices proclaimed in the Declaration of International Investment and Multinational Enterprises. The Universal Declaration of Human Rights espouses equal pay for equal work for everyone without discrimination. Additionally, Japan and the United States have signed a Friendship, Commerce, and Navigation (FCN) treaty that designates the rights of each country to practice business within the national boundaries and to accord each business the respect that it deserves. Part of this respect includes the nondiscriminatory or equal treatment of each national in the host country. The controversy in this regard revolves around the amount of attention the MNC must pay to the host country’s laws. Logically, it seems sound to suggest that if foreign nationals are to be treated equally, then the MNC should abide by the laws of the host country. Nevertheless, the controversy is usually over the extent to which Japan must obey labor laws of the United States.

The Report of the House Committee on the Judiciary 88th Congress, 1st Session, on November 20, 1963, declared that “All persons within the jurisdiction of the United States have a right to the opportunity for employ-

65. Sethi & Swanson, supra note 11, at 511.
1991] Japan’s Attempt at Internationalization

ment without discrimination on account of race, color, religion, or national origin. It is also declared to be a national policy to protect the right of a person to be free from such discrimination. The enforcement mechanism alluded to in the final statement is Title VII of the Civil Rights of 1964. Under Title VII, once a plaintiff establishes a prima facia case of discrimination on the basis of race, color, religion, sex, or national origin, the burden shifts to the employer to refute the discrimination. On its face, application of this law to MNCs operating in the United States seems clear—no discrimination in employment practices. However, the application of the FCN treaty confuse matters in that Article VIII of the treaty specifically gives MNCs the freedom to choose executive personnel and other specialists of their choice. The difficulty arises when Japanese MNC officials hire Japanese nationals for top and middle level managerial positions at the exclusion of American employees. Other examples of Japanese employment practices reveal the discrepancies: Japanese male executives have no compunctions about asking female executives and employees to “fetch them coffee;” the Japanese tend to discriminate in promoting and providing benefits as well as equal pay among Japanese and American workers; the common employment practice in Japan of relegating persons over the age of 55 to minor jobs is not favorably received in the U.S. The FCN treaties do not give Japanese MNCs the right to disobey and ignore American labor laws.

The problem is magnified by the fact that Japanese management systems are designed according to Japanese law systems and cultural traditions to foster a sense of group cohesion and order. Thus, not only do Japanese business persons not believe in adjudicating disputes, but they also do not understand a concept of individual rights and equal pay for equal work and try to employ persons who will be in harmony with the corporate environment. Together, these practices have the effect of limiting employment opportunities for American workers. Unfortunately, the brunt of this job discrimination is carried by minority workers because they are deemed to present the greatest threat to the organization. This occurs not only because minorities are more obvious members of the out-group, but also as a result of the development of management techniques that reflect societal values. Japanese employers are looking for workers that will not disturb the administrative system. Those who pose no threat to the system are termed good employees. This terminology extends beyond that of not rocking the boat to include a connotation of trainability or capacity for self-administration.

68. Sethi & Swanson, supra note 11, at 485.
70. Brown, supra note 12, at 288-89.
72. Id.
73. Sethi & Swanson, supra note 11, at 503.
which is determined by educational training.\textsuperscript{74} Considering the Japanese attitudes towards minorities, it is not difficult to predict the effect of this phenomena: minorities are labeled as members of the out-group, and regardless of educational training, membership in that group clouds the vision of the Japanese employer, thereby reducing the chances of a minority being considered for employment to a near nullity; and in the off-chance that a minority is hired, she/he most certainly is not considered for promotions.

Minorities and women are taking action against the racist business practices of Japanese employers by filing discrimination suits. Over the last three years, at least a dozen discrimination suits have been filed.\textsuperscript{75} One source contents that “[a]lmost every major Japanese company in the U.S. has a lawsuit against it” (approximately 500 of the 1,000 Japanese subsidiaries doing business in the U.S. are “major”).\textsuperscript{76} It is therefore not surprising that the Japanese Labor Ministry reports that 57 percent of the 331 Japanese companies operating in the U.S. indicated that they were worried about employment discrimination suits.\textsuperscript{77} Such concern, which seems to have been prevalent in the last few years, should have been anticipated in light of the U.S. Supreme Court’s examination of Japanese employment practices in \textit{Sumitomo Shoji America, Inc. v. Avagliano}.\textsuperscript{78} This case involved a group of female employees bringing suit against the wholly-owned subsidiary claiming sexual and national origin discrimination in violation of Title VII. Their complaint alleged that they were unreasonably and without cause relegated to clerical jobs and not trained for or promoted to executive, managerial, or sales positions that Japanese nationals occupied.\textsuperscript{79} In this case, Sumitomo argued that the freedom to choose provision (Article VIII) of the FCN treaty between the United States and Japan gave them the right to choose their “executive specialists” and the discretion to exclude members of society who would not understand Japanese practices. The United States Supreme Court, rejecting this argument, reasoned that Sumitomo was a subsidiary of an American corporation since its parent company was incorporated in the United States. Given this status as an American corporation, Sumitomo could not use the freedom to choose provision as a means of circumventing the mandates of Title VII; a corporation, foreign or local, organized under the jurisdiction of a state in the United States is the creature of that jurisdiction and is, therefore, not immune from the laws that any other corporation operating in that jurisdiction must obey.\textsuperscript{80} The lesson

\textsuperscript{74} Mihashi, \textit{supra} note 43, at S27.


\textsuperscript{76} Roel, \textit{Japanese Firm Settles Suit by U.S. Employees}, Newsday, Nov. 9, 1990 (Nassau & Suffolk ed.).

\textsuperscript{77} \textit{Id}.

\textsuperscript{78} 457 U.S. 176 (1982).

\textsuperscript{79} Franklin, \textit{supra} note 67, at 115.

\textsuperscript{80} \textit{Id}. at 112.
that the *Sumitomo* decision teaches is that regardless of the fact that some positions may truly require Japanese national's expertise and knowledge, the freedom to choose provision does not permit a corporation incorporated in the United States to compel the non-enforcement of labor laws. More-
over, the use of the freedom to choose provision cannot be used as a pretext to prevent the employment of minorities.

The *Sumitomo* case provided the legal framework for the application of labor laws to Japanese MNCs operating in the United States. As a result of the decision, all MNCs operating in the United States should be warned that their discriminatory business practices will not be tolerated. Unfortunately, there is not extensive research on the employment patterns of Japanese MNCs operating in the United States. Nevertheless, the studies that have been done suggest that the Japanese have not learned the important lesson of *Sumitomo*. The true amount of discrimination against minorities by Japanese MNCs has slowly, but surely, come to the attention of the United States.

More persuasive testimony to this effect was provided in the recent settlement secured by a number of African Americans and women employees of the Honda Corporation. The Equal Employment Opportunity Commission (EEOC) worked a deal with Honda of America Manufacturing Inc. for a settlement in which Honda has agreed to compensate 370 African American and female employees a sum of six million dollars in back pay at its Marysville, Ohio plant. Moreover, Honda promised to enlarge its recruiting area to Columbus, Ohio which, prior to settlement, had been excluded from the recruiting area despite its close proximity of 22 miles from Marysville; change its promotion procedures in order to accommodate more African American and female production employees; educate Honda managers on the requirements of United States anti-discrimination laws; and allow the EEOC to monitor its compliance with this settlement for a period of five years.

The settlement by Honda prompted a study of the situation conducted by Robert E. Cole and Donald R. Deskins, Jr. the results of which appeared in the Fall 1988 issue of the California Management Review. The year and a half long study sought to analyze the behavior of Japanese auto-related firms in choosing plant locations and employment practices regarding African Americans by making comparisons with American firms. Using the auto industry as a basis for the study was premised upon the realization that the American auto industry serves as a major source of jobs for African Americans workers. Unfortunately, the study notes that there has been a significant displacement of American auto workers as a result of competition from foreign firms. Citing findings by Richard Hill and Cynthia Negrey on the deindustrialization in the Great Lakes area, Cole and Deskins point

out that African American laborers suffered the most from this competition as evidenced by a 36 percent job loss rate from 1979 to 1984 as compared to a 27 percent loss rate for whites for the same time period.\(^\text{84}\) One of the reasons for this job loss was the southerly migration of investment whereby firms are locating in the south in order to access southern markets, take on cheaper building and operation costs, and have access to a more larger labor supply. Cole and Deskins point out that location is a prime contributor to the job loss specifically because they tend to invest in areas that have less than a 30 percent minority population. Japanese investors ask for community profiles that categorize by ethnic and religious background and professional makeup. Moreover, Japanese officials responsible for making information available to Japanese investors admit that such investors cite racial composition as one of the factors considered in the location decision. This, combined with a general aversion to recruiting and hiring African American employees, contributes to the low percentage of African American employment.\(^\text{85}\) In this regard, American plants in all categories scored higher percentages of African American employment than Japanese plants. Examining the labor composition of a particular area, Cole and Deskins concluded that 10.5 percent of Honda employees should have been African American whereas only 2.8 percent are African American. Similarly, 14 percent of Nissan employees were African Americans compared to an expectancy of 19.3 percent, and 14.1 percent of Mazda employees were African American as compared to an expectancy of 29 percent.\(^\text{86}\)

An additional consequence of Japanese investment is the possible closing of the Big Three plant employers from the increased competition. The plants that have the highest risk of being shut down are those that are located in areas of a high African American employment ratio.\(^\text{87}\) The National Association of Minority Auto Dealers estimates that only 20 of the 250 import dealerships are owned by African American businesspersons. In contrast to this figure, GM, Ford, and Chrysler all espouse an active recruiting and development program for minority managers, dealers, and suppliers.\(^\text{88}\) In response to these practices, Lee Iacocca, the Chairperson of Chrysler Corp., aligned his company with the NAACP and various American civil rights groups to form public outcry and pressure denouncing the racially inspired hiring practices of Japanese U.S. car manufacturers.\(^\text{89}\) The Iacocca contingency base their claims on the location practices outlined by Cole and Deskins in their study citing the fact that all seven of the major Japanese auto

\(^{84}\) Id.

\(^{85}\) Id. at 13.

\(^{86}\) Id. at 15.

\(^{87}\) Id.

\(^{88}\) McQueen & White, supra note 82.

plants in the U.S. are located in rural areas in the Midwest and South.90 In contrast, Iacocca contends that the majority of Chrysler plants are in urban areas. Supporting Cole and Deskins' contention that U.S. auto makers fare better in the composition of African American employees, Chrysler's workforce is comprised of approximately 26 percent minorities in hourly paid jobs and 35 percent minorities in white-collar positions.91 Statistics reveal that the other major U.S. manufacturers fare similarly: 23 percent of General Motor's hourly employees and 15 percent of its administrative employees are African American and other minorities; 20.5 percent of Ford's work force is composed of African American and Hispanics and 9.1 percent of its executives are minorities.92

In analyzing their findings, Cole and Deskins comment that Japanese employers in the United States are having a difficult time adjusting to American operations. They explain that they view African Americans as being different from whites in regard to managing their work. They view the lower levels of education as a poor worker risk, and cite language and communication barriers to employment. In accordance with Japanese stereotypes and beliefs regarding the out-group and their view of minorities in America, it is not surprising that the African Americans are considered to be "streetwise, rioting, stealing, or drugged."93 These findings lend credence to the initial proposition of this paper that the Japanese imbibe in racist practices. Furthermore, in light of the Japanese culture, these findings are easier to understand.

In their study, though, Cole and Deskins are appreciative of the fact that Japanese auto manufacturers are not the only businesses guilty of discrimination. As a matter of fact, they specifically point out that the findings suggest that many American businesses possess racist tendencies also. Japanese practices are more apparent because they have not learned to disguise their tendencies as American businesses have and they have no compunctions talking about race.94 These findings raise another issue in the on-going U.S.-Japanese relationship. To what extent does the United States, as a nation and as a people, exhibit racist attitudes towards the Japanese? Obviously, Japan and the United States have not always been on "friendly" terms. Prior to World War II, there was a significant degree of animosity and dislike directed at Japanese persons in America. As a matter of fact, many historians suggest that these frictions were the culminating factors that led to World War II. During the fighting in World War II, Japanese-Americans were deprived of their land and belongings and forced into relocation camps in a declaration of a national emergency order to safeguard

90. Id.
91. Id.
92. Id.
93. Cole & Deskins, supra note 83, at 18.
94. Id. at 20.
the nation against the threat of traitors maintaining a relationship with Japan. After World War II, the animosity on the part of the United States decreased somewhat to the extent that the United States was now in a position to help remodel Japan. Japan, although receiving the aid openly, did not appreciate the position that it was in or the control that the United States had over their country. Little did both powers know that this love-hate relationship would be reversed with the resurgence of the Japanese economy, the touted Economic Miracle, and the free flow of goods from Japan to other countries without similar reciprocation of the flow of goods into Japan.

Now the tables are turned and the United States must learn to cope with the fact that Japan is not only becoming a world power, but also with the fact that it was a primary contributor to this process in more ways than one: the United States contributed to the economic growth, it provided a market for Japanese goods, and it taught the Japanese a few things about operating in the United States, not only in terms of production methods, but also in terms of discriminatory practices. The situation today is different that it was 40 some years ago. The Japanese are still working and conducting business in the United States, but they are now affluent instead of poor and struggling, openly proud instead of silently disguising their nationality, the employers instead of the employees. Needless to say, people in the United States, for the most part, are not reacting favorably to this situation. For most people, it is bad enough that the Japanese are competing on an equal, if not better, footing with the United States, but many feel that they are doing so through the help of the United States. As the criticism goes, Japanese investors are buying America wholesale. Americans refer to this criticism as a response to the large amount of investment in the United States. The Japanese call it racism, and it is possible that their contentions are correct. As one commentator pointed out, Americans tend to ignore the fact that Britain has more money invested in the United States and Canada controls 26 percent of all foreign owned real estate compared to 15 percent control rate for Japan. However, when these countries are investing in the United States, we do not say too much; it is only when Japan enters the picture that Americans start to get riled up. Not to mention the fact that nationally renowned television and newspaper commentators alike overtly vocalize their hostility towards Japan. 95 Thus, as Japan begins to examine their position in the international community, the United States might be advised to do likewise.

CONCLUSION AND SOLUTIONS

Japan is not exactly blind to the intricacies of operating in the international environment. They are beginning to reassess their role in the global arena in an attempt to contribute to the development of the international community. This effort is beginning in Japan itself where the forces of discrimination

are being challenged by minorities and oppressed groups that are beginning to fight back, and they are targeting the legal and regulatory system that serves as the underlying fabric for the discrimination. The Ainu minority has exerted pressure on the government to change its treatment of the Ainu people and to recognize them as a people, thereby invalidating the theory of a monoethnic society. The status of third- and succeeding-generation ethnic Koreans as permanent residents has been recognized thereby exempting them from the fingerprinting requirement imposed on all foreign residents. The Nationality Law of 1950 was modified in order to allow children of non-Japanese fathers and Japanese mothers born after January 1985 to assume nationality. The boycott from the United States induced department stores to stop selling black sambo dolls, and influenced the Ministry of International Trade and Industry to ask Japanese advertisers to respect different races and avoid stereotypical portrayals in advertising.

Forces are also at work in the United States to persuade Japan to change racist practices in the United States. If the Court’s pronouncement in Sumitomo demanding that the Japanese companies abide by American labor laws when operating in the United States, and the settlement by the Honda Corporation were not enough indications of the pressure to change, other forces are at work including opposition from minority groups as well as skepticism about Japanese employment practices. Some Japanese officials have already responded to these pressures, most notably Toyota’s affirmative action program according to which Toyota named a African American-owned dealership, is actively seeking minority supporters, increasing advertising dollars in the African American owned media, and providing a scholarship through the United Negro College Fund. The Sumitomo Corp., although still facing pressure from employees claiming favoritism of Japanese workers, is attempting to continue its “ongoing process of Americanization” initiated as a result of the 1982 Supreme Court decision by creating an agreement to raise salaries and offer career development seminars for non-Japanese workers. Moreover, in a more general context, a recognition of the problem and a valid response seem to be more near as an economic mission from the Japan Chamber of Commerce and Industry meets with representatives of a African American group seeking changes in the Japanese treatment. Although the results of this meeting are yet to be seen, the meeting in and of itself is significant as it represents one of the first efforts

96. Takaaki, supra note 2, at 144.
98. Hirotaka, supra note 40, at 23.
99. Fitzgerald, supra note 54, at 44.
100. Treece, supra note 50, at 41.
101. Roel, supra note 76.
made by the Japanese to meet with African American leaders.

Unfortunately, these efforts at change are only satisfying mechanisms whereby the Japanese are responding on a minimal level to outwardly exerted pressure. In order for real change to take place, Japan is going to have to modify or re-evaluate its legal and cultural traditions so as to recognize that there is a world outside of Japan and that, in this new day and age, monoethnicity is a vision of the past. Integral to this realization will be not only the attempts of the discriminated against in Japan to propel mechanisms for change, but also the international community to instigate the tarnishing process whereby the Japanese will not have any other choice but to change their attitudes toward minorities. On an international level, Japan will have to learn that foreigners are not evil, that minorities are not inferior, and that an eminent status in the world depends on reciprocation of favors and privileges among nation states.

Likewise, the United States must also begin to re-examine its behavior toward the Japanese in an effort to stop Japan bashing and start cooperating openly with Japan. But more importantly, the image and position of African Americans in the United States must be improved in order for attitudes to change in Japan.103 Perhaps, just as the Japanese learned their discriminatory treatment for African Americans from the United States, so too may it be possible for them to learn to throw away the vestiges of discrimination. The importance of doing so for both the U.S. and Japan becomes evident upon the realization that many persons believe that by the 21st century African Americans, Hispanics, and Asians will constitute a majority of the U.S. population.104 As these minorities begin to move into positions of power and influence, countries and persons that espouse discriminatory attitudes will be extremely disadvantaged.105

Despite Nakasone’s blunder on September 22, 1986, and the blunders that followed, there is hope that both the American people as well as the Japanese people learned that there are problems on both sides of the ocean dividing these two peoples. Hints of Nakasone’s recognition of this were present in the concluding statements of his speech to the Liberal Democratic Party: “Just as zebras and rhinoceroses inhabit different parts of the African veld amicably, so should the mutual influence of the different people and cultures that share the earth lead to the greater prosperity of all—and the Japanese should contribute their bit.”106 In this world, it does not matter who is the stronger or who is the more affluent, for in the international community everything is based on mutual interdependence, especially between Japan and the United States. Both countries need to do away with the veils of superiority that mask their judgment so that they can see that a world based

103. Gilliam, supra note 57.
105. Id.
on racial tensions has no position in the grand scheme of the development of
the international community:

Those who maintain the superiority or inferiority of a given race
almost always come to a bad end. Political regimes built on the
premise of racial superiority are shunned by the rest of the world,
as the example of South Africa demonstrates. Private individuals,
politicians, governments, or nations that make an issue of race are
taken to task by history. By virtue of their own deeds they forfeit
power and honor.107

The necessity of realizing this reality cannot be overestimated for the war
that ended 45 years ago was based on the same feelings and animosities that
are present today. However, today those feelings and animosities are
misplaced for in the end, it does not matter who wins the war, but how
nation states, composed of different peoples, learn how to avoid the war.