

## Synergy: Japanese Companies in Britain

By Geoffrey Murray  
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When it comes to the issue of trade frictions or economic conflicts with Japan, it is not easy today to find articles or books written by non-Japanese that do not adopt tones of criticism, accusation or bashing. In this sense this book by Geoffrey Murray is undoubtedly a rare product. It is a success story of Japanese companies in Britain—a success story which according to the author is hailed in Britain.

Murray, an Englishman, recalls those days from 1969 until the late 1980s when he was working in Japan as a journalist and free-lancing for British newspapers. Editors would beg, "Give us the dirt. Tell us how Japanese workers slave 12 hours a day for a bowl of rice to turn out cheap goods that undercut British products. Tell us about all these conspiracies between government and industry to dominate the world."

Returning home to Britain he finds a staggering change in the public attitude toward Japan. He admits there is still apathy toward Japan and there are still former prisoners of war and their families who will never forgive the Japanese. Yet the overwhelming impression is positive today, he says. In his view, the economic and political friction that began surfacing between Japan and the United States in the 1980s has found no echo on the other side of the Atlantic Ocean.

How has the change been achieved? What are the motives that have prompted Japan to move into Britain? Given past bitterness, why has Britain been so welcoming? These questions entail not only economic aspects of the matter but also political, cultural and even psychological complexities. In this book the author tries to answer these questions.

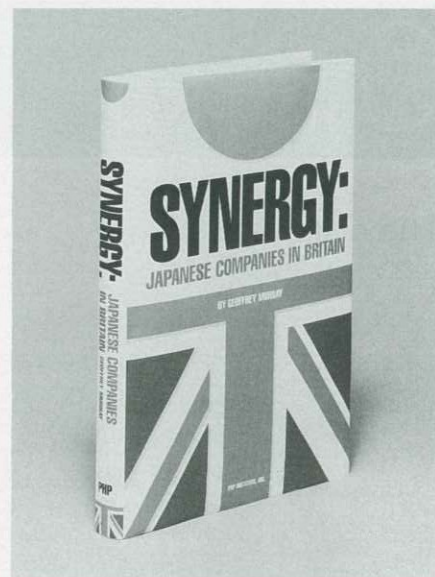
Almost one-third of total Japanese investment in Europe so far is concentrated in Britain. How has it happened? Murray

argues that one important advantage for Japanese companies was labor costs, which in 1989 were very much lower than those of West Germany and France. Another important factor was the advent of a Conservative government led by Margaret Thatcher. The argument is that Thatcher deliberately used Japanese companies as a "stalking horse" to bring about the drastic changes in management and worker thinking which she felt were necessary if British industry was to be revived. The author admits that there are other analysts suspicious about giving Thatcher too much credit, denying that there was any deliberate policy.

But he says there is no doubt that the lady, a great and outspoken admirer of the Japanese "economic miracle," wanted to shake British industry out of its complacency and lethargy by introducing in Britain some stiff competition from Japan. This analysis is rather new, but becomes convincing when the author points out that Japanese companies have been able to avail themselves of generous financial packages, including grants and tax incentives, in exchange for placing their factories in areas of high unemployment and accompanying social problems. Is it only then that the interests of Britain and Japan happened to coincide?

When Nissan announced in 1981 that it was considering a car plant in North-east England there was mixed reaction in Britain. But locally the Nissan move was undoubtedly popular. The author cites remarks by Marie Conte-Helm, head of the Japanese Studies Division at Sunderland Polytechnic.

She says, "The Japanese have done what they said they were going to do. When Nissan announced the move to the Northeast everyone said 'screwdriver operation... the Japanese are out to get what they can'... and, of course, the Japanese are in this for the money and it's not a charitable exercise... there is nothing wrong with that. But I think the fact that they have employed the number of people they said they would employ shows that this is obviously not a screwdriver operation. All in all it impressed a lot of people and raised the overall Japa-



nese image and established a feeling of local confidence."

Ed Robinson, director of architecture and planning for the local government where Nissan has established its plant, is quoted as saying that the biggest benefit of Nissan's decision was the tremendous psychological boost to the region, where the economy was almost on the floor.

In the early days of the Japanese "invasion," Britons who accepted a post in a Japanese company were regarded as something like enemies. The author says there were cases of British executives joining Japanese companies out of desperation because they were unable to find work with a Western firm. Others joined simply because they were unaware that it was a Japanese company until late in the interview process when they felt too embarrassed to change their mind. But today, British executives are taking jobs with Japanese companies for strongly positive reasons. It is seen as a good career choice.

In this book praises abound about Japan. The author rejects the Trojan horse theory about Japanese investment in Britain. He says that viewed from London, the tension of the past few years in Japan-U.S. relations seems a bit bewildering and there is a sense of exasperation in some quarters of Britain that Americans are using Japan as a scapegoat for their own failings. One can only hope that this book is a genuine reflection of the views of the British people and that it is not overevaluating Japan.

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