

On Sexual Harrassment

By Uehara Yosuke

In April 1996, The United States Equal Employment Opportunity Commission filed a lawsuit against Mitsubishi Motor Manufacturing of America (MMMA) at the Illinois Federal District Court. The EEOC charged the company had violated Title VII of the Civil Rights Act of 1964 by allowing an atmosphere of sexual harassment. The direction of this case is drawing attention for two main reasons. First, because it is a class action suit which, if decided for the plaintiffs, is expected to reap the largest total compensation package in EEOC history, and second, because of the media's interest in the MMMA employees' "voluntary" protest demonstration was held in front of the EEOC's regional office in Chicago several days after the suit was filed. Initial suspicions that this demonstration was actually "staged" were sparked by reports that company employees received a day's pay, a free meal and free transportation to participate. Widespread coverage of the story incited criticism of MMMA by groups including U.S. Congresswomen and human rights organizations. The issue ballooned into both social and political ones.

This issue again highlights the differences in corporate and legal culture between the U.S. and Japan.

Corporate culture in Japan remains male dominated. Similar to the glass ceiling career-minded women face in the U.S., there remains a formidable barrier to promotion and advancement for women in corporate Japan. It is true, however, that the ratio of women active in fields across the employment spectrum is higher in the U.S.

Also, in terms of sexual harassment, the U.S. women's liberation movement encouraged those experiencing sexual harassment to file suits and achieved a favorable position for these victims in court decisions. This process gradually clarified sexual

harassment itself and in 1980, the EEOC, an organization that monitors discrimination in employment, issued guidelines on sexual harassment. Thus, efforts to protect women from sexual harassment are a relatively recent occurrence.

In Japanese corporations, many women put up with the current employee status and male employees feel no discomfort with the situation. In some companies only female employees serve tea or clean desk tops. Even when sexual harassment occurs, cases are usually handled within the company and measures tend to be more stringent on women.

In respect to differences in legal culture, Japan has no specific employment non-discrimination act while the U.S. has instituted Title VII of the Civil Rights Act as well as numerous other non-discrimination acts including The Age Discrimination in Employment Act of 1967 and the Pregnancy Discrimination Act of 1978. Non-discrimination laws also exist at the state level.

Development of the U.S. and Japanese systems was based on each country's historical and cultural circumstances and in each are merits as well as demerits. However, I hope this incident provides us an important opportunity to reconsider "women's rights," "women's right to work" and "women's consent in sexual matters."

Hashimoto Forms New All-LDP Cabinet

Prime Minister Hashimoto Ryutaro launched his second administration on November 7, appointing experienced politicians to key Cabinet posts with an eye on comprehensive administrative and financial reform.

Former Foreign Minister Mitsuzuka Hiroshi was appointed finance minister to take charge of financial reform, including reorganization of the powerful Ministry of Finance, and Muto Kabun, former trade minister, was named to push for administrative reform—Hashimoto's top priority—in his capacity as director general of the Management and Coordination Agency.

Foreign Minister Ikeda Yukihiko was retained to ensure continuity in foreign policy and deal with pending diplomatic issues, including relocation of the U.S. bases in Okinawa and a review of the Japan-U.S. security arrangements. Chief Cabinet Secretary and de facto deputy premier Kajiyama Seiroku was

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COMING UP

The TRIPS Agreement of 1995 spurred an epoch-making advance in the international intellectual property rights system. However, high-speed growth in information exchange across the globe has raised new problems the current system cannot solve. Also, creation of systems concurrent with the TRIPS Agreement system is delayed in developing countries, creating a situation that includes "imitation" goods rampant in the marketplace and endless damage to corporations. The next issue will highlight problems in the current system and discuss aspects of an improved intellectual property rights system.

Also, with resolved semiconductor negotiations between Japan and the U.S., "New Era" is true in both name and reality. The next issue's special feature focuses on the semiconductor industry and market in this "New Era."



Second Hashimoto Cabinet.

also named to stay on as general policy coordinator.

Other key appointments: Koizumi Junichiro as health and welfare minister for the third time (he will be in charge of the pending introduction of a nursing-care insurance system for elders); Sato Shinji, former construction minister, as minister of international trade and industry; Kamei Shizuka, former transport minister, as construction minister; and Horinouchi Hisao, former minister of agriculture, forestry and fisheries, as posts and telecommunications minister, responsible for the proposed division of Nippon Telegraph and Telephone Corporation.

The cabinet is the first one made up entirely of members of the Liberal Democratic Party since Miyazawa Kiichi's cabinet was ousted in July, 1993.

The formation of the new cabinet followed the October 20 general elections in which the LDP, headed by Hashimoto, emerged as the largest party, winning 239 seats, 28 more than it had in the previous house, though it failed to win a majority of 251, while the main opposition party Shinshinto fell just short of the pre-election strength of 160 seats. The Social Democratic Party, the main partner in

the pre-election coalition, lost half of its seats to finish with 15. The newly formed middle-of-the-road Democratic Party retained its pre-election strength of 52.

Hashimoto launched his second administration after he was reappointed prime minister by the House of Representatives. With support from the SDP and other friendly parties, Hashimoto won 262 votes in the first round of balloting, easily beating Shinshinto leader Ozawa Ichiro, who garnered 152 votes.

Hashimoto agreed the previous day with the leaders of the SDP and the New Party Sakigake to continue to work together, but the two latter parties chose to stay outside the cabinet this time and cooperate with the LDP only in a loose alliance, through case by case cooperation in the Diet.

After inaugurating the new cabinet, Prime Minister Hashimoto issued a statement pledging to carry out a five-point priority program: 1) administrative reform focusing on realignment of ministries and agencies; 2) reform of the financial system, 3) reform of the economic structure, 4) reform of the financial structure, and 5) introduction of high-quality social security and promotion of welfare.

Uncertainty Seen in Clinton's Second Term

There is some uncertainty about U.S. President Bill Clinton's policies in his second term, according to assessment by Japanese diplomatic analysts.

In the November 5 presidential election, Clinton won 32 states and 379 electoral votes against 19 states and 159 votes for Republican candidate Bob Dole. Clinton's victory means that the Democratic Party will control the White House for two consecutive terms for the first time since John F. Kennedy's and Lyndon B. Johnson's administrations were in power from 1961 to 69.

Japanese mass media attributed Clinton's overwhelming victory over Dole to the continued growth of the U.S. economy on the back of the low jobless rate and long-term stabilization of monetary rates, which prompted American people to choose to maintain the status quo. Clinton's adoption of Republican advocated policies such as the importance of family values and improvement in education, which won the support of middle-class whites, is believed to be another factor behind his triumph.

Not a few Japanese U.S. watchers see hard times for Clinton in his second term due to his lame duck status and the continued Republican control of both chambers of Congress. Clinton's alleged involvement in scandals such as Whitewater and monetary donations from Indonesia, which cost him voters' trust, will also work against Clinton's second administration, they noted. In their view, the low voter turnout (only 49% of the voting age population cast ballot) in the presidential election is indicative of American people's apathy of politics and distrust of Washington.

Okamoto Yukio, a diplomatic consultant who formerly served as an elite official at the Foreign Ministry, commented in a TV interview that Clinton has already reached the pinnacle of his popularity among voters and he will be shackled by his lame duck status throughout his second term, just as other presidents were during their second term.



U.S. President Clinton, with Hillary and Chelsea, reacts to supporters at his re-election celebration in his hometown of Little Rock, Arkansas.

Officials of the Foreign Ministry and the Ministry of International Trade and Industry anticipate little change, if any, in Clinton's policy toward Japan as far as U.S. military bases and trade are concerned. Some private economists expect Clinton's new administration to attach greater importance to multilateral solutions, through the World Trade Organization, of trade problems than to bilateral solutions. Some others foresee the possibility of the new administration trying to strike a balance between China and Japan in settling trade frictions with the two countries. Such a policy derives from traditional conflicts between pro-Chinese and pro-Japanese groups in Washington, they point out. They are not sure yet, however, whether the new administration will adopt a tough stance against Japan or focus on China.

Reform Panel Proposes Financial Deregulation before 2000

A government advisory panel has recommended comprehensive economic deregulation in Japan before the turn of the century to ensure free competition based on market principles.

A draft report released on November 13 by the Action Plan Committee of the Economic Council said deregulation and structural reform in the six key areas of finance, labor and employment, telecommunications, distribution, health and welfare, and land and housing was essential to keep the Japanese economy going.

The council, an advisory body to the prime minister, is expected to submit a final report to Prime Minister Hashimoto Ryutaro by the end of the year. The final report is expected to be compiled in line with the draft paper.

The points of the draft report were basically the same as those outlined in six individual reports submitted by working groups in October, with only minor changes made in their wording.

In the telecommunications sector, the draft by the Action Plan Committee urged a "swift conclusion" of the debate over whether to split up Nippon Telegraph and Telephone Corporation, a point which was not included in task force proposals.

As to financial deregulation, which envisages a kind of "Big Bang" for Japan similar to the one in Britain, the report followed the instruction on financial deregulation given by Prime

Minister Hashimoto to Finance Minister Mitsuzuka Hiroshi on November 11 that reforms should be carried out as soon as possible on an individual basis when their way has been cleared and should be completed by the end of this century. However, it did not mention the time frame for its implementation, while the working group's paper stated that all steps would be concluded by the end of fiscal 1999 ending March 2000.

The report, however, incorporated proposals by the working groups for increased entry by financial institutions into each other's business areas and the creation of financial holding companies to spur competition.

As for medical and welfare issues, the panel report sought a review of the composition of the Central Social Insurance Medical Council, an advisory body to the Health and Welfare Ministry, which sets uniform prices for medical and pharmaceutical costs, as well as transparency of debates in the council. This is necessary as part of efforts to curb prohibitive medical expenses, which now total ¥27 trillion annually, the report said. The report also called for a comprehensive review of the certification system for welfare projects now monopolized by an organization subsidized by the Health and Welfare Ministry, which critics charge could hamper implementation of proposed health care services for elderly people.

Referring to labor and employment issues, the report called for a comprehensive review, possible scrapping, of the current system of putting limits on working hours for women, which tends to discourage women from working. It also sought deregulation of placement business.

On other issues, the draft paper called for relaxation of current building-to-land ratio restrictions to encourage better land utilization and a revision of land-related tax measures to encourage land transactions. Abolition of restrictions on domestic shipping services, truck transportation and harbor operations was also proposed.