

MNCs - AGENTS OF WOMEN WORKERS' OPPRESSION

Tono Haruhi, TAIWANESE ACTIVIST

Introduction

Twenty years ago when Free Trade Zones/Export Processing Zones were first built in Asia, and multinational corporations (MNCs) began to establish their operations in Asia, it was claimed that such ventures would expand employment opportunities for women. Indeed, young Asian women were drawn into the industrial work force in an unprecedented manner. This phenomenon has led to discussions about the impact of industrialization on women in Asia. Some people suggest that Asian women are gaining economic independence, and the experience of working in factories also leads women out of their traditional role as mothers and as housewives.

While the above assertion may be true, it has also been expressed that MNCs are agents of women's oppression. In fact, years of experience have shown that the MNCs often manipulate the traditional role of women to their own advantage.

Japanese researcher Tono Haruhi has recently published a detailed study about the Shin-Shirasuna Electric Co., a Japanese multinational corporation. By exposing the management tactics of Shin-Shirasuna, Haruhi attempted to demonstrate how an MNC makes use of women's lower status in employment, to its advantage when restructuring its production for its profits.

Below we summarize the study of Tono Haruhi with additional information about recent moves of Shin-Shirasuna provided by Grassroots Women Workers Center in Taiwan.

Management tactics of Shin-Shirasuna

Shin-Shirasuna Electric Co. is a medium-sized Japanese electric company. Its predecessor, Shirasuna Electric, went bankrupt in the recession in 1957. Not long before the bankruptcy, the labor union had successfully forced the management to abolish the practice of requiring all female workers to retire at the age of 25. When Shirasuna Electric was replaced by Shin-Shirasuna, the new management started to plan for internal and overseas expansion.

In order to clear its way for expansion, the company had to break up the old pro labor union. It introduced a new pay scale which favored male full-time workers and discriminated against female workers. At the same time, a pro-management union was formed by 83 male workers. After struggling for three months against the new

pay scale, the old Shirasuna union began to lose members because the management promoted the workers who joined the new trade union.

After the pro-labor union was broken up, Shin-Shirasuna embarked on a new expansion. According to Haruhi, Shin-Shirasuna pioneered the following policies which many Japanese companies later copied. These policies were: 1. employing part-time workers (mostly housewives) in Japan; 2. establishing satellite plants in depopulated rural areas of Japan; 3. overseas investment in Asia.

Due to the shortage of labor, in 1968 the Japanese government established a labor policy to encourage housewives to join the labor force. Shin-Shirasuna took this chance to recruit housewives to work as part-time workers who were paid substantially less than the full-time workers, even though their work was only 35 minutes less each day. The full-timers were assigned to supervise the part-timers and made to feel that they had more responsibility.

Due to the management's tactic of divide and rule, the full-timers did not see the injustices suffered by their part-time co-workers who were hired and fired according to the production needs of the company. On the other hand, the part-timers continued to see themselves as housewives rather than working women. They therefore accepted the unfair treatment.

Between 1964 and 1968, Shin-Shirasuna established 5 satellite plants in depopulated rural areas of Japan, hoping to employ young women with lower wages. But in rural Japan, only married women remained. As a result, a large number of housewives were employed in the satellite plants of Shin-Shirasuna. They were paid much less than the workers working in the main plant, and when they reached 40 years of age, they were forced to become part-time workers.

Between 1978 and 1982, Shin-Shirasuna closed down most of its domestic plants because of the drastic appreciation of Japanese Yen and acute export competition. The Japanese workers of Shin-Shirasuna fought against closure of their plants. Workers at the Nagoya factory joined together in their struggle. Again the company used divide and rule tactics. The full timers who were in the minority were offered relocation while the part-timers were forced to retire voluntarily. As a result, the part-time workers were left to fight on their own.

Sexual discrimination in Taiwan Shirasuna

By 1984, Taiwan had become the main production base of Shin-Shirasuna which had started its Operation in the Kaohsiung

Free Trade Zone as early as 1966. During the peak of its Operation, Taiwan Shirasuna employed over 2,800 workers, most of whom were unmarried women.

In Taiwan, Shin-Shirasuna again exploited the largely women workers employing gender tactics. Upon marriage, women workers were forced to retire. They would only be compensated with one month's salary for each year's service. However, a worker who resigned before she completed 25 years' service would not receive any

retirement compensation. So it follows that most women who "retired" upon marriage received no retirement compensation.

The Grassroots Women Workers Center in Taiwan reported a case of a woman worker who decided to resign from Taiwan Shirasuna after working there for 8 years. Since she would not be entitled to any pension nor bonus, she decided to marry her fiancée so as to claim the little retirement compensation she might get from the company.

In 1989, the company announced that women workers who were getting married could continue to work for the company, but they would have to forfeit their earlier years of service and start anew. Another practice in Taiwan Shirasuna which discriminated against women workers included unfair promotion opportunities. Usually women took 8 years to promote from line operators to assistant supervisors. This was because most of these positions were all reserved for men. For overtime work, women workers only received one-third of their basic wages which was usually only two-third of their overall income (including all the fringe benefits).

Before the Taiwanese government's promulgation of the Labor Standard Law in 1984, Taiwan Shirasuna started to employ contract workers because the Labor Standard Law would make it more difficult to retrench regular workers. Contract workers were recruited from smaller factories. They were contracted to work for a certain period of time and could be laid off without any compensation. In 1986 when Taiwan Shirasuna suffered from financial difficulties, the 300 contract workers which the company was employed were the first to be laid off.

With the downturn of the electronic industry in the 80s, Shin-Shirasuna decided to reduce its work force in Taiwan and opened a new plant in Malaysia. By 1988, only 930 workers remained in Taiwan Shirasuna. Workers from Taiwan were sent to Malaysia to train the workers there.

Since January this year, weekly working hours in Taiwan Shirasuna have been reduced. Soon workers discovered that orders and machines were being transferred to Malaysia. The company stopped operating its canteen and commute buses, forcing some workers to resign voluntarily. By the time the company announced its decision to sell 85% of its stock to a local entrepreneur, only 630 workers remained.

There was a labor union in Taiwan Shirasuna, but it was a pro-management union. Throughout the period when the management slowly reduced its work force, the union had never taken any action. Even when Shin-Shirasuna decided to move out of Taiwan, the union agreed to it without prior consultation with the workers. Only after workers organized a strike did the Japanese management agree to pay the workers their compensation, but the new management has yet to agree to collective bargaining with the workers' representatives.

Conclusion

By now, it is widely recognized that MNCs move into Asia to utilize its cheap and docile female labor force. In other words, the MNCs have come to Asia, expecting a

submissive labor force. While it is true that Asian women have for centuries been trained to sacrifice themselves for their families, they have been manipulated not because of their submissiveness, but more so because they have had no former experience working in industries. Moreover, our societies still see women's primary role in marriage and family, thus their low and insecure status in employment is rarely challenged and few trade unions see the importance of organizing women workers.

Thus Shin-Shirasuna has operated from its own country, then in Taiwan, and presently in Malaysia. On each occasion, the company has cleverly manipulated its female employees to maximize its profits.

Concluding her study of Shin-Shirasuna, Tono Haruhi commented that the management tactics of Japanese companies are based on the unorganized status of the women workers, discriminatory wages and by means of forced retrenchment, they regulate their female work force according to their production needs.

Indeed, while exploiting the low status of women in employment, the MNCs have also been reinforcing the traditional image of Asian women as docile and family-oriented with the way they treat their female employees and prevent them from organizing.

Two and a half decades have passed since the first Free Trade Zone was built in Asia, and trade unions are still banned and strike actions forbidden in most of the zones where mostly women are employed. In cases where women workers have succeeded in organizing, the MNCs are found to harass union leaders and members, sometimes to the extent of using outright violence. When all these fail, the MNC simply closes down its Operation and moves somewhere else a phenomenon which is what is happening in many Asian countries now.

Source : Tono Haruhi, 'Women Workers vs. the Multinationals : The Shin-Shirasuna's Case', Ampo, Vol. 20, No. 4 & Vol. 21, No. 1, Grassroots Women Workers Center, Taiwan.

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