

Hans H. Bass, Toshihiko Hozumi, Uwe Staroske (Editors):
**Labor Markets and Labor Market Policies between
Globalization and World Economic Crisis.
Japan and Germany**

ISBN 978-3-86618-479-4, ISBN 978-3-86618-579-1 (e-book pdf)
Rainer Hampp Verlag, München u. Mering, 2010, 275 S., € 29.80

This publication focuses on studies on Japan and Germany, as well as on comparative studies. The consequences of globalization and of the world economic and financial crisis are the recurrent theme: How did the labor markets cope with the crisis and what are the resulting challenges for labor market policy and social policy?

On the brink of a global employment crisis following the global financial and economic crisis, this publication analyzes the development of labor markets and labor market policies in two countries which during the second half of the 20th century were among the most successful in terms of economic growth and social inclusion. The recent history of labor markets and labor market policies in Germany and Japan can be divided into four phases: (1) a phase of strong institutional co-ordination of labor markets before the onset of globalization; (2) the emergence of an employment crisis related to both the challenges of globalization and to nation-specific factors, notably the burst of the real estate speculation bubble in Japan and reunification in Germany; (3) since 2003 an attempt to solve the employment crisis by a market-optimistic approach; and (4) finally new challenges arising from the Global Financial and Economic Crisis of 2009.

This book is the outcome of the conference “The flexibilization of labor markets between globalization and the global economic crisis: Comparing Japan and Germany” which was held at the Bremen University of Applied Sciences in June 2009.

Keywords: Labor market, labor market policy, globalization, financial markets, world economic and financial crisis, comparative studies, Japan, Germany

Hans H. Bass, Toshihiko Hozumi, Uwe Staroske
(Editors)

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Japan and Germany

Gedruckt mit freundlicher Unterstützung der Deutschen
Bundesbank, Hauptverwaltung Hannover.

**Bibliographic information published
by the Deutsche Nationalbibliothek**

Deutsche Nationalbibliothek lists this publication in the Deutsche
Nationalbibliografie; detailed bibliographic data are available in the
Internet at <http://dnb.d-nb.de>.

ISBN 978-3-86618-479-4 (print)
ISBN 978-3-86618-5791 (e-book)
DOI 10.1688/9783866185791
First published in 2010

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Rainer Hampp Verlag München, Mering
Marktplatz 5 86415 Mering, Germany
www.Hampp-Verlag.de

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Foreword of the Vice President, Research and Development, Bremen University of Applied Sciences

Uwe Apel

International Institutions, such as the International Monetary Fund and the International Labor Organization, have recently warned that the global financial crisis which started in 2008 and has turned into a contraction of global economic activities in 2009 will enter a third phase in 2010 – a global employment crisis. Against this background, the topic of the German-Japanese Conference of June 2009 and the publication resulting from this conference is of utmost importance, not only for the scientific community but also for policy makers, enterprises, society's stakeholders, and the general public. Bremen University of Applied Sciences was delighted to host this conference with its international and national participants and to have assisted in the publication of this volume.

Research conducted in Universities of Applied Sciences focuses on current affairs and is geared towards solving practical problems. During the past decade, Bremen University of Applied Sciences has increasingly developed its problem solving capacities both with regard to socio-economic issues and technical processes. Focus areas include globalization and management, logistics and finance, as well as space technology, information technology, photonics, imaging technology, bionics, and micro systems technology. These focus areas well reflect the structure of the economy in our region with its strong international component and its orientation towards world markets, including modern air, water and land-bound transport, and its already visible potential as a location of 21st-century production and service industries.

More and more enterprises, governmental and non-governmental institutions are taking advantage of the capacities provided by researchers from Bremen University of Applied Sciences. Furthermore, external funding has been increasingly provided to researchers from our University to enable their participation in national and international research projects. The impact of such funding on the regional economy should not be underestimated.

Vibrant applied research is also of great importance to maintain our 70+ Bachelor and Master degree courses and our life-long learning programs on their present high-

quality level by introducing students of undergraduate, graduate and extension studies level to up-to-date methodology and motivate them by exposing them to “real life” questions.

Questions, in fact, are the driving force in scientific progress, or, as Albert Einstein put it, “To raise new questions, new possibilities, to regard old problems from a new angle, requires creative imagination and marks real advance in science”. On behalf of Bremen University of Applied Sciences I would like to congratulate the editors and contributors of this volume on applying a comparative approach as they take a fresh look at the labor market problems and labor market policies in Japan and Germany under the impact of the global economic crisis, and wish them every success in their scientific endeavors.

Foreword of the Vice President, International Affairs, Bremen University of Applied Sciences

Jutta Berninghausen

The economic, social, political, and ecological challenges of the modern world increasingly demand responses which transgress national boundaries. Therefore, the international cooperation of scientists as well as international components in academic education have gained increased significance.

More than two decades ago, Bremen University of Applied Sciences recognized these necessities and began to internationalize nearly all of its study programs, at the same time furthering the endeavors of its faculty to seek research alliances with partners outside of Germany. Today, Bremen University of Applied Sciences is, according to a recent study by the German Academic Exchange Service and the Alexander-von-Humboldt Foundation (Profildaten zur Internationalität von Hochschulen, 2009) among the most internationalized large German Universities of Applied Sciences, being ranked first place with respect to the number of international degree courses, the counseling of foreign students, international cooperation agreements, and faculty exchange in the European-wide Erasmus framework.

The cooperation between Aichi University in Toyohashi and Nagoya and Bremen University of Applied Sciences started in the early 1990s and led to a first agreement on cooperation dating from the 27th of January, 1994. This cooperation agreement was the basis for a series of joint activities between our two Universities, both with regard to student and faculty exchange. In addition to guest lectures, faculty cooperation included joint research projects, participation in academic conferences of the partner University, and contributions to edited books.

Preconditions for successful international cooperation are not only a shared interest in a field of research – be it economics, management science, social science, nautical science or engineering – but also the individual researchers' openness for dialogue across cultures and a long-term commitment on both sides. The cooperation between Aichi University in Toyohashi and Nagoya and Bremen University of Applied Sciences is an outstanding example of both – a very successful cooperation in

various sub-disciplines of economics and work in the spirit of mutual respect of each other's culture and promoted by personal friendship.

The present publication is further proof of this successful international cooperation. *Dealing with the Global Financial and Economic Crisis*, it addresses an issue of global concern and strives for a comparative approach, considering Japanese and German experiences and policy options, as a basis for learning from each other's experiences. On behalf of Bremen University of Applied Sciences, I hope that this publication attracts the attention of the scientific communities and policy makers, both in Japan and Germany as well as internationally.

Foreword of the President of Aichi University, Toyohashi and Nagoya

Motohiko Sato

In the present globalized world, any academic works are required of making a global contribution as well as having a global perspective. It is thus more and more important to do researches under a multinational team. Even a study on a certain country, say Japan, may not be highly evaluated unless it contains a perspective from outside or a global perspective. This is because academic fields such as International Chinese Studies, International Japanology, International European Studies and etc. are now very common among scholars.

Against this background, the international exchange program since 1994 between Aichi University, Japan and Bremen University of Applied Sciences, Germany can be evaluated as one of preceding and most successful joint research activities between two countries. While most of international exchange programs between universities focusing on a personnel side, i.e. exchanges of students and/or teaching staffs, this case has rather emphasized on research activities. Until now, academic cooperation between two Universities has produced two voluminous books in addition to many occasional single papers. The present publication, an outcome of the international workshop held at Bremen in 2009, is the third book, showing again how fruitful the academic collaboration between two Universities has been so far.

Its main topic, a comparative study of labor markets in Japan and Germany, is very important and timely in our age of globalization. The globalization, at least on its economic dimension, can be divided into three stages up to now. We faced the first stage in the 1970s and the early 1980s, of which important feature was the rapid increase of international trade of goods. The second stage has been characterized by transnational capital movement starting especially from the late 1980s. This second stage can be called as the period of financial globalization. We now face the third stage of which salient feature is global movement of human resources. In this sense, studies on labor markets by a multinational team has a very important and timely significance, and I do hope this publication will attract much attention not only from academic circles but also from policy makers globally as well as in both countries.

Finally, on behalf of Aichi University, I would like to express a sincere gratitude to our trustworthy partner, namely Bremen University of Applied Sciences, for their continuous and kind support for international exchange between two. I also would like to convey special thanks to the editors and the authors of this book for their important academic contribution.

Welcoming Speech of the President of the Bremen Chapter of the German Confederation of Trade Unions

Helga Ziegert

Dear Professor Wohlmuth (chair), Ladies and Gentlemen, thank you for your kind invitation to hold a welcoming speech at your conference.

Naturally, the consequences of globalisation, the impact of the current financial and economic crisis on the labour market and the arrangement of work relations are for us as trade unions of greatest importance. Moreover, the issue of globalisation needs to be addressed in the international dialogue. As such, the Japanese position on the social upheaval, to which globalisation has led on the Japanese labour market, is of great interest for us. This is not only due to the fact that, like Germany, the strongly export-dependent industrial nation of Japan is especially affected by the current crisis, but also because Japan was considered a model economy in terms of industrial modernization in the eighties and nineties of the last century, also by German trade unions and especially with respect to the automotive industry.

In a welcoming speech it is only possible to mention some aspects of this topic. Depending on one's perspective, the term globalisation arouses very different associations and emotions. While on the one hand economists repeatedly emphasize the fact that globalisation increases global prosperity and the opportunities to overcome global problems such as world hunger, the term has rather negative connotations for the majority of German employees. Unlike the so-called globalisation opponents we, the trade unions do not set out to fight globalisation but to shape it. Internationally our policy in the context of the ILO and the OECD as well as referring to the EU therefore aims to specify mandatory social and ecological minimum standards. However, we have to realize that the international power of trade unions is still underdeveloped in comparison to the power of the large corporations.

In this field we are seeking close cooperation with non-governmental organisations (NGOs) such as Attac but also with the church sector and we are trying to exert our influence on opinion and decision making at an international level via our national government. There are also examples of corporate works councils which have achieved social minimum standards for foreign production plants in cases of