The Electrification of the Japanese Automotive Industry: Preliminary Results on the Reshaping of the Fordist Wage-Labor Regime

31st International Colloquium of GERPISA
Towards Sustainability? The Electrification of the Automotive Industry
June 27-30 2023, Brussels

Stéphane Heim
Kyoto University, Graduate School of Letters
heim.stephane.6s@kyoto-u.ac.jp

In Japan, the electrification of the automotive fleet has started already in the early 2010s, however most of the cars are hybrid or plug-in hybrid vehicles (35% of new car sales in 2021, and less than 2% for BEVs). Even though Toyota has by far the lead of global electric cars sales (more than 2 million) among traditional car makers, the firm trajectory is centered on its hybrid cars, and has so far few dedicated BEVs car platforms and models to be launched (6 in China, 5 in Europe, 2 in North America) even compared to the Renault-Nissan-Mitsubishi Alliance and Honda.

Considering first the institutional contexts in the three main BEV markets (China, Europe, USA) that give the primacy to BEVs, and the phasing out of internal combustion engines, and second the pressure of some shareholders to develop BEVs, one can ask whether the low growth of the BEVs development by Japanese makers might trigger organizational and labor tensions in the Japanese automotive industry. To understand the evolution of the Japanese labor regime, this presentation aims at analyzing the EV strategy and trajectory of Toyota.

First, the reshaping of its productive organization – in-house production of batteries, cooperation with its Keiretsu suppliers and independent battery and raw materials suppliers, car platforms and models development – is to be inquired considering its high-reliance on its suppliers group. We will here examine how Toyota co-develops batteries with Panasonic, and some of its historical core suppliers such as Denso and Aisin Seiki in Japan. Though Toyota relied on its JV with Panasonic, recent trends indicate that Toyota is now considering the internalization of some segments of the battery production. Does this evolution deeply impact its transactions with core suppliers?

Second, the transition from HEV to BEV also entails the re-organization of some core labor processes. In Japan, blue-collar workers on final assembly chains benefit from a Fordist wage-labor regime – high wages, social and employment security –, but wage differentials and employment conditions vary greatly in the entire supply chain. Besides, due to the emergence of new labor regimes with low wages and job insecurity in China, does this Fordist regime allow to keep competitiveness? This paper examines the new forms of labor that are threatening this fordist regime. It especially considers whether there is a "dualization of the labor market between good jobs (high-wages, unionized jobs, life-employment) and bad jobs (low-wages, non-unionized jobs, precarious labor contracts, and working environments)" along the supply chain of this new production regime, and the role played by labor unions to maintain sustainable social policies and working conditions in Japan.

This presentation is a preliminary inquiry of a research agenda devoted to the evolution of the productive and working organizations in Japan with the three research questions listed below.

RQ1. Do new forms of work (wages, labor contracts, working, employment and living conditions, etc.) in the EVs industry in Japan become more precarious?
RQ2. What are the respective roles of companies, local and central governments in Japan to protect workers and reframe social policies?
RQ3. How do labor unions and confederations in Japan act in an age of electrification of the automotive industry?

The main purpose of this research lies in the empirical and theoretical analysis of this emerging labor regime and its impacts on the Fordist one. Though the decline of jobs attracts most of the public and academic attention, this research shifts the focus to the transformation of the labor regime, and more specifically to "the further decoupling of working conditions by firm size and productive segments", and the bargaining power of workers in the lowest and weakest tiers of the automotive industry.