

Some of these large corporations are the multinational giants like Toyota, Matsushita, Sony or group companies affiliated with Mitsubishi, Mitsui and Sumitomo. The Keidanren has considerable clout in the formation of Japanese National Economic policy along with MITI and the Ministry of Finance. It embraces approximately 130 subsidiary industrial organizations representing the specific interests of various industrial sectors.

Approximately 2,000 SMEs form the strong core of companies running the “engine” of the Japanese economy, part of which in turn are listed in the Second Section of the Tokyo Stock Exchange and over the counter (OTC) market. In addition to this, there are approximately 28,000 enterprises which are classified as unpublished stock companies. Some of these companies are large (privately held), and others are SMEs.

The Japanese Chamber of Commerce and Industry embraces approximately 1,800 distinct industrial associations, and together with these so-called excellent SMEs, including unpublished stock companies, approximately 1,400,000 firms belong to the Chamber of Commerce and Industry. In short, Japanese industry is highly regimented and well organized.

4. CHARACTERISTICS OF JAPANESE ENTERPRISES

Paternalistic — Lifetime Employment System

In Japan, once an employee is hired (normally immediately following one's graduation from college or university), he is expected to stay with the company until he reaches his retirement age (retirement age differs according to the size of company from 55 to 60; the larger the company, the longer the service years).

Generally, no employee is laid off, even in recessions. During recession years, those in management positions take considerable pay cuts so as not to affect the earnings of the majority of their employees. Those that must be laid off are retrained. Every employee is considered a member of the corporate family. It is no