Overseas Transfer to the UK

This chapter focuses on the overseas transfer of Japanese businessmen and their families to the UK by outlining the history of Japanese manufacturing and financial institutions, and the infrastructure that has developed to serving the Japanese community living there. As this book will show, the growth in facilities over the past forty to fifty years meets not only the practical needs of the male-dominated world of Japanese business, but it has also had a vital impact on the experience of Japanese wives, and the extent to which a UK assignment has become a source of opportunity for them. The focus is on those areas at the centre of this research – London, Telford, Cardiff and Plymouth.

THE HISTORY OF JAPANESE MANUFACTURING AND FINANCIAL INSTITUTIONS

The history of the overseas transfer of Japanese company men and their families to the UK can be traced in the establishment of Japanese manufacturing and financial institutions. This began when the Yokohama Specie Bank opened a representative office in London in 1905 to coordinate fund-raising efforts for the Russo-Japanese War (Newhall 1996). After the First World War, New York emerged as the global financial centre, and although several Japanese banks did open offices in London during the 1920s and early 1930s, they were all forced to close during the years leading up to the Second World War as a result of rising nationalistic sentiment (ibid.).

Japanese banks returned to London to help finance trade, and from the 1960s to finance the expansion of Japanese manufacturing
in the UK. The first records of the Japanese population in the UK, numbering 792 Japanese nationals, are recorded for 1960, but the Japanese presence in the City grew most during the 1980s. This was partly a result of the rapidly-expanding economy in Japan, reinforced by strong credit ratings for Japanese companies and large cash reserves generated by the high rate of Japanese consumer saving, as well as by rising property prices in Japan (Newhall 1996; Sakai 2000). By 1990, more than fifty Japanese financial institutions had established representative offices in London (Sakai 2000).

A massive increase in the number of Japanese companies locating in the United Kingdom was also seen in the 1990s. This reflected a pattern typical of Japanese investment overseas at the time, referred to as the ‘Japanese Strategy’, and led to Japanese investment overseas reaching record levels (Kojima 1985; Tsurumi 1976; Yoshihara 1979; Yoshino 1976). The strategy in question referred to the Japanese search for cheaper labour, raw materials and energy sources overseas. Joint ventures were valued, and emphasis was on export to ‘Western’ markets (Hamada 1992:138).1

In 1987, there were as many as fifty established Japanese projects in the UK, but in 1989 there were over ninety-five (Sasao 1990). The Japanese population registered with the Japanese Embassy in London grew from 25,230 in 1987 to 31,162 in 1988, to 37,335 in 1989 and 44,351 in 1990. According to the Japanese Ministry of Finance, by 1987 the total share of Japanese direct overseas investments in the UK, including financial and commercial subsidiaries, was higher than that of any other country apart from the USA. At first, emphasis was on electronic consumer goods but this was followed by an increase in the numbers of manufacturers producing semiconductors. During this period, all of the major Japanese consumer electrical companies had at least one plant in Britain, often sited in a regional development area, or in new towns, such as Milton Keynes in Buckinghamshire and Telford in Shropshire.

Reasons for locating in London, a global city and one of the major financial centres of the world, are easy to understand, but what of areas outside the capital such as those focused on in this research? Telford holds several attractions for Japanese manufacturing companies, not least incentives given by the Invest in Britain Bureau of the Department of Trade and Industry and from the Telford Development Agency (TDA). The latter was formed in 1991 to attract investment to Telford, which was designated a new town in 1968. There are currently 150 non-UK companies from eighteen countries