A Seam Is Seen Gaping in Toyota Global Strategy

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■ Toyota Philippines president Sugata issued July 2012 edition of his President’s Message under title “Ford Philippines Plant Closure.” In this statement Sugata behaved in a commendable manner by starting with saying to the effect that “I personally regret it very much as one in the same business society but it cannot be helped because it is a matter of another company’s business policy, but in fact it is not like that.

■ As it will be clear if you read what is written carefully, he is proud of having kicked out one of his rival companies. As far as the Philippines is concerned, Toyota Motor Corporation in Japan, as the mother company, is not planning to close its operations in the country, he said.

■ Following to it (Here is the most important part), what Sugata is really wanting to say (And he is actually emphasizing without reserve is Reinforce Cost Competitiveness as well as Pursue and Strengthen Cost Reduction Efforts. In short, he is saying to workers Work All-out Very Hard with Low Wage. From a purely economic point of view (that is, from simple plus/minus calculation), importing CBU cars from Thailand or Indonesia is less costly than assembling CKD cars so that cost reduction is a very crucial task for the company to increase the local manufacturing ratio of Vios from now taking also the expansion of Santa Rosa Plant into consideration, he said.

■ I want to say, Where is Local Production, Local Consumption gone? Saying, “From a purely economic point of view,” of itself indicates that Toyota is doing its business in the Philippines politically. It will never happen that Toyota, which has secured its bridgehead in the country by utilizing the core of the governmental regime, will pull out from the country, and also it is not the case that cost reduction is emphasized due to the shortage of money. Actually, Toyota is donating a huge amount of money for reforestation, etc. Quite recently, it is reported Toyota is donating money for house building to help move some habitants away from a settlement area of the poor in Santa Rosa city. This project itself may be seen as a kind of preparation for the expansion of Santa Rosa plant, and it would be needless to say that such donations are spent as sweet honey for the guys clustering around them.

■ While saying that Toyota Headquarters will not do closure or pullout and playing a goody-goody papa who generously spreads a huge donation, the very same Toyota is urging workers to work harder and harder with low
salary, and threatening them that, if you can’t do so, CBU cars will be
imported from other less costly countries so that we will not be able to
justify to maintain out operations in the country (leading to the closure of
our plant).

■ Though Toyota will not pull out from the Philippines, President Sugata
and all the other Toyota Philippines management official dispatched by
Toyota Japan themselves are always urged like “You will be thrown away
if you can’t reduce costs” and severely assessed in comparison with those
Toyotas in less costly countries. Here, a seam is seen gaping in Toyota’s
global strategy. Rather, this should be said to be nothing but Toyota’s
strategy, especially its Asian Strategy itself, isn’t it?

■ That is why no humanlikeness can be seen at all in President Sugata’s
statement. There is neither respect for human dignity or personality of
workers as human beings nor a bit of reference to their rights or their
humanlike work or life. But there is no wonder about it. In parallel with
this statement, what in the world is being brought to workers now in
Toyota Philippines actually? It is reported that security has become
severer, ranging from the reinforcement of watching workers entering the
plant for job everyday, up to the fast implementation from one to another
of such things as the increase of spy cameras, the rambling around
canteen of security guards wearing a gun, the chronological control of
workers going in and out of production area using another magnetic card,
and not permitting a worker enter production area with his belongings
unless he put them in a clear bag supplied by the company.

■ President Sugata and other management officials are surely left in
advance with a survival way out. But this is not the case with bitterly
living, hand-to-mouth workers. The truth is once a union is weakened,
the slavery of workers begins. Let’s set alarm bells ringing over this!!!