

Japan: Rising fuel prices lead to largest ever fishermen's strike

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In the largest strike ever in the history of the industry, Japanese fishermen brought the nation's 200,000-strong fishing fleet to a grinding halt on July 15 to protest against the high fuel prices that are crippling their livelihoods. It is estimated that nearly 400,000 fishermen refused to go to sea. In Tokyo, 3,600 marchers joined a protest to demand tax breaks and financial support in front of the Ministry of Agriculture, Forestry and Fisheries.

"Fishermen have exceeded the limits of what they can do on their own, and in the current situation face mounting losses when they set out to catch fish," the National Federation of Fisheries Co-operative Associations stated in a press release. It is estimated that fuel now accounts for 25 to 40 percent of the fishermen's overall expenses.

A smaller strike against fuel costs in which squid fishers stayed in port for a day took place in June. The protest was only supposed to include 900 smaller 10 to 30 ton vessels but large numbers of small boat owners demanded to be included in the strike, upping the number to 3,000. This represented over 60 percent of the 4,700 registered squid vessels.

The fishing industry in Japan has been especially hard hit over the last 10 years by a confluence of factors. While fish has traditionally played a large role in the Japanese cuisine, dietary shifts towards meat have weakened demand for fish. Fish stocks have been decreasing due to overfishing and international competition has dragged prices down.

A wave of similar strikes has taken place throughout Asia, Europe and the Americas in recent months as increasing prices squeeze workers in other fuel-intensive industries, especially transport industries.

Higher fuel prices have added to inflationary pressures. Japan's core consumer price index rose 1.9

percent in June from a year ago, the largest increase in 10 years. Economic and Fiscal Policy Minister Hiroko Ota said she believed the inflation figures reflected companies passing on higher energy prices to consumers.

Fishermen, however, cannot simply raise prices. They sell their fish through an auction system, making it impossible to pass on added fuel costs to consumers. The average price of fish has fallen from 240 yen (\$2.30) per kilo in 1990 to 178 yen (\$1.70) in 2007.

The government is reluctant to provide assistance to fishermen. Minister of Agriculture, Forestry and Fisheries Masatoshi Wakabayashi told reporters that he "understands the frustration of the fishermen" but added that it would be "difficult to compensate them for the hike in the price of oil".

According to Prime Minister Yasuo Fukuda the government is considering additional measures. Last December, the government announced a 10.2 billion yen package to assist the fishing industry to cope with fuel prices. Last month another plan was unveiled that included energy saving technologies.

However, Akira Takahama, a spokesman for the National Federation of Fisheries Co-operative Associations, described the plans as unclear. "We can't handle rising costs just with energy saving technologies," he said.

The federation has warned that if fuel prices keep rising as many as 20 percent of Japan's fishing companies will close and 85,000 fishermen could leave the industry. It predicted that the fish catch could fall by as much as half, undermining Japan's postwar policy of self-sufficiency in food production.

As in other countries, basic food costs in Japan have increased 10 percent to 30 percent over the last year. Prices for spaghetti are up 33.2 percent, instant noodles

21.4 percent, bread 18.5 percent, and chocolate 22.8 percent.

As Japan imports 99 percent of its oil and 79 percent of all its energy requirements, it is especially vulnerable to rising international oil prices. The price of the fuel used by the fishing fleet has tripled over the past five years. Price of some petroleum products has increased by 23.9 percent over the last year. Electricity prices are up 3.5 percent.

Increasing fuel prices has also begun to affect traffic patterns. According to the Metropolitan Expressway Company, operator of sections of Japan's toll expressway network, daily volume has dropped 3 percent in the last year. There has been a 3.9 percent drop on Saturdays, a 5.1 percent drop on Sundays, and a 2.4 percent drop for weekdays, indicating that Japanese drivers are reducing their leisure travel in response to rising fuel prices. The trend was first noted in December 2007 when fuel prices hit 150 yen (\$1.40) per liter.

The Metropolitan Expressway Co. report noted that the average total distance of congested traffic on Tokyo routes reached 44 km for the morning rush hour during the winter—a significant drop from 56 km in the previous year. The opening of a new tunnel is partially responsible for the drop in congestion, but one transport official told the *Asahi Shimbun* that higher fuel prices would inevitably affect expressway traffic.

Japan's expressway system is operated on a toll-fee system by quasi-governmental entities. Falling revenues have made it more difficult to pay their debt obligations to the government for building the expressways. To shore up profits, these corporations are likely to cut pay, particularly the bonuses that workers receive in summer and winter. For most Japanese salaried employees, these bonuses amount to two or three months' salary.

Rising prices are undermining wages and leading to lower spending. Consumer confidence fell in June to the lowest level in at least 26 years. A report this week is expected to show a fall in household spending of around 2.8 percent in June. Wages rose by just 0.8 percent in May.

The fishermen's strike is just one more sign of rising social tensions in Japan as inflation combines with low growth and continuing high levels of unemployment, hitting broad layers of working people.



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