

4 Changes in Employment Structure

Continuous Decline in Number of People Employed in Agriculture and Forestry

An examination of recent changes in the employment structure by industry reveals that the number of people employed in primary industries (agriculture, forestry and fisheries) has continued to decline, falling to 2.52 million in 2010 (equivalent to 4.0% of the total number of employed persons) (see Table II-14). According to data for 2011, the number of workers employed in primary industries had fallen further to 2.23 million, equivalent to 3.7% of total number employed. However, it should be noted here that a direct comparison cannot be made, as figures for Iwate, Miyagi and Fukushima Prefectures have been omitted.

A more detailed examination of the long-term longitudinal statistics for agriculture and forestry, which is the main category of primary industry, shows that whereas 14.87 million people (38.0% of the total) were employed in this category in 1953 when the Labour Force Survey was first conducted in its present form, the migration of labor from rural to urban areas during the postwar recovery of the Japanese economy and the subsequent high-growth period has caused a non-stop decline in the number of persons employed in agriculture and forestry, with the number falling below the 10-million in 1967 and below 10% of the total to 9.6% (5.32 million) in 1980. In 2010, the number stood at 2.34 million, or 3.7% of the total.

A year-on-year comparison of the number of persons employed in agriculture and forestry shows the number to be in a declining trend (see Figure II-15). The same trend can be seen in data for 2011 (excluding Iwate, Miyagi and Fukushima Prefectures), when the number fell by 1.9% year-on-year, followed by a further decrease of 1.4% in 2012.

Number of People Employed in Manufacturing Also Now Declining

The number of people employed in secondary

industries (mining, construction, and manufacturing) continued to increase from the end of World War II, peaking at 21.94 million in 1992. It then went into decline, and stood at 15.49 million (24.8% of the total) in 2010 (see Table II-14). For the same reason as shown above, a definitive comparison cannot be made, but data for 2011 show that the number was 14.73 million, 24.6% of all persons employed.

A more detailed analysis of the situation in manufacturing, which represents the largest category of secondary industry, shows that the number, which stood at 7.20 million (18.4%) in 1953, surged during the 15-year period of manufacturing-driven high economic growth beginning in the late 1950s, and had doubled to 14.43 million (27.4%) in 1973 compared with 1953. When the economy slowed and entered a period of stable growth following the 1974 oil crisis, however, the number declined for almost 10 years. The number then entered a modest upward trend at the beginning of the 1980s to reach a peak of 15.69 million (24.3%) in 1992. The collapse of the so-called bubble economy in the same year, however, plunged the economy into a protracted recession. The number of employed persons began to decrease, falling to 10.48 million (16.8%) in 2010 without ever subsequently increasing again.

According to the Labour Force Survey, the number of people employed in manufacturing industries is in a declining trend (Figure II-15). The data for 2011 do not include Iwate, Miyagi and Fukushima Prefectures, and care should therefore be taken when comparing with previous figures. Nevertheless, judging from the figures excluding these three prefectures, the number fell by 0.7% year-on-year in 2011 and by 1.7% in 2012. Thus, the data show a declining trend from 2010 onwards, and this trend is expected to continue in future.

Regarding their presence in the economy as a whole, however, they could hardly be described as insignificant; indeed, their presence could be seen as strong. In terms of added value, for example,

manufacturing industries account for around 20% of all industries. As this reveals, their status as important industries in the Japanese economy remains unchanged (see Table II-16).

Conspicuous Growth in Medical Health Care and Welfare

The number of people employed in tertiary industries (comprised of industries other than primary and secondary industries) has gradually increased since 1953. It increased from 35.8% (14.38 million) of all employed persons in 1953 to over 50.5% (26.46 million), i.e., more than half, in 1974. The proportion continued to grow, reaching over 60% (60.3% or 38.94 million) in 1994 and over 70% (70.3% or 43.95 million) in 2010. For reference, the data from 2011 set this number at 42.25 million, equivalent to 70.6% of the total number employed.

Looking at trends in the main components of tertiary industries, one finds that while the wholesale and retail trades and eating drinking establishments made up 47.6% of tertiary industries as a whole in 1953, their share began to decline in 1961 at the start of the high-growth period, and stood at 34.8% in 2002. While the 2002 revision of the Japan Standard Industrial Classification renders direct comparisons between 2003 onward and earlier years difficult, the statistics show that the share of the wholesale and retail trade (excluding eating and drinking establishments) among the tertiary industries declined from 26.6% in 2002 to 24.1% in 2010.

Regarding changes in these figures between 2008 and 2010, the ratio temporarily increased year-on-year in 2010, but was in a declining trend in 2008 and 2009 (Figure II-15). Meanwhile, although a simple comparison is not possible, it has returned to a declining trend since 2011, registering year-on-year decreases of 0.3% in 2011 and 1.5% in 2012. From this, it can be gleaned that the wholesale and retail trade is in a generally downward trend.

Conversely, a sector in a markedly increasing trend is medical health care and welfare. Here, the number of persons employed grew from 4.74 million (11.4% of the total number employed) in 2002 to 6.53 million (14.9%) in 2010. This trend can also be seen in year-on-year increases (see Figure II-15). To break

this down further, the number of self-employed workers has trended steadily from 250,000 to 240,000, but the number of employed workers is increasing year by year. As in other sectors, care is required when comparing with past figures, but in terms of year-on-year change, the increasing trend is continuing, with growth of 3.7% in 2011 and 4.0% in 2012.

A sector where this trend is not so transparent is information and communications. Until 2002, this was classified as “Transport, storage & communications” and was continuing a gradual increase. The sector was then reorganized into “Transport” and “Information and communications”, as part of the revision of industrial classifications. The transport sector has been trending on a par since 2002, but information and communications increased from 1.58 million workers (3.8% of all those in tertiary industries) in 2002 to 1.96 million (4.6%) in 2010. In terms of year-on-year changes in the number of persons employed, similarly, there were increases in 2009 and 2010 (Figure II-15).

In year-on-year comparisons for 2011 and 2012, however, the number fell by 3.6% in 2011 and by 2.1% in 2012, thus returning to a declining trend. As has already been pointed out more than once above, care is required when comparing with previous figures, but in any case, this is a sector where these trends are rather dim.

Professional and Technical Occupations Experience Continued Increases

Finally, let us look at the employment structure in terms of occupations. Table II-17 summarizes changes between 2000 and 2010, while Figure II-18 shows year-on-year changes from 2008 to 2010.

First, workers in the agriculture, forestry and fisheries sector (15.19 million) accounted for 38.8% of all persons in employment in 1953. Reflecting changes in the industrial structure, however, they have continued to decrease since then, falling to 4.9% (3.21 million) in 2000 and 3.9% (2.47 million) in 2010 (Table II-17).

Next, the ratio of construction workers, machine operators, manufacturing and production workers (mainly consisting of workers in manufacturing

industries) to the total number of persons employed stood at 25.9% (10.13 million) in 1953. The ratio then underwent a gradual upward curve through the eras of postwar reconstruction and high economic growth, peaking at 32.0% (16.71 million) in 1973¹. Thereafter, however, it turned to a downward trend, decreasing to 24.5% in 2000 and 20.4% (12.77 million) in 2010 (Table II-17). The same declining trend can also be seen when comparing figures for the same occupation (see Figure II-18).

By contrast, professional and technical workers have increased more or less continuously since 1953

(4.4% of all workers, 1.73 million), breaking through 10% of all workers in 1986. By 2010, they accounted for 15.8% of the total (9.86 million) (see Table II-17). The same rising trend can also be seen within the same occupation (see Figure II-18). Even when replacing with compatible time-series data to link with the results from 2012 (figures calculated retroactively or corrected based on the final population estimate from the 2010 Census), they increased from 9.44 million in 2009 to 10.10 million in 2012², and this trend is expected to continue in future.

Table II-14 Trends of Employed by Three Industry Divisions (Total of Male and Female)

Year	Real Count(10,000 persons)				Year-on-Year Difference(10,000 persons)				Year-on-Year Difference(%)				Proportion(%)			
	Total	Primary Industry	Secondary Industry	Tertiary Industry	Total	Primary Industry	Secondary Industry	Tertiary Industry	Total	Primary Industry	Secondary Industry	Tertiary Industry	Total	Primary Industry	Secondary Industry	Tertiary Industry
1994	6,453	373	2,157	3,894	3	-10	-19	31	0.0	-2.6	-0.9	0.8	100.0	5.8	33.4	60.3
1995	6,457	367	2,125	3,940	4	-6	-32	46	0.1	-1.6	-1.5	1.2	100.0	5.7	32.9	61.0
1996	6,486	356	2,121	3,979	29	-11	-4	40	0.4	-3.0	-0.2	1.0	100.0	5.5	32.7	61.3
1997	6,557	350	2,134	4,039	71	-6	13	60	1.1	-1.7	0.6	1.5	100.0	5.3	32.5	61.6
1998	6,514	343	2,050	4,084	-43	-7	-84	45	-0.7	-2.0	-3.9	1.1	100.0	5.3	31.5	62.7
1999	6,462	335	2,008	4,078	-52	-8	-42	-6	-0.8	-2.3	-2.1	-0.1	100.0	5.2	31.1	63.1
2000	6,446	326	1,979	4,102	-16	-9	-29	24	-0.2	-2.7	-1.4	0.6	100.0	5.1	30.7	63.6
2001	6,412	313	1,921	4,133	-34	-13	-58	31	-0.5	-4.0	-2.9	0.8	100.0	4.9	30.0	64.5
2002	6,330	296	1,825	4,158	-82	-17	-96	25	-1.3	-5.4	-5.0	0.6	100.0	4.7	28.8	65.7
2003	6,316	293	1,787	4,176	-14	-3	-38	18	-0.2	-1.0	-2.1	0.4	100.0	4.6	28.3	66.1
2004	6,329	286	1,738	4,236	13	-7	-49	60	0.2	-2.4	-2.7	1.4	100.0	4.5	27.5	66.9
2005	6,356	282	1,713	4,284	27	-4	-25	48	0.4	-1.4	-1.4	1.1	100.0	4.4	27.0	67.4
2006	6,382	272	1,723	4,318	26	-10	10	34	0.4	-3.5	0.6	0.8	100.0	4.3	27.0	67.7
2007	6,412	272	1,721	4,345	30	0	-2	27	0.5	0.0	-0.1	0.6	100.0	4.2	26.8	67.8
2008	6,385	268	1,684	4,359	-27	-4	-37	14	-0.4	-1.5	-2.1	0.3	100.0	4.2	26.4	68.3
2009	6,282	262	1,593	4,366	-103	-6	-91	7	-1.6	-2.2	-5.4	0.2	100.0	4.2	25.4	69.5
2010	6,256	252	1,549	4,395	-26	-10	-44	29	-0.4	-3.8	-2.8	0.7	100.0	4.0	24.8	70.3

Source: Statistics Bureau, Ministry of Internal Affairs and Communications, *Labour Force Survey*

Notes: 1) Primary industries are Agriculture and forestry, and Fisheries.

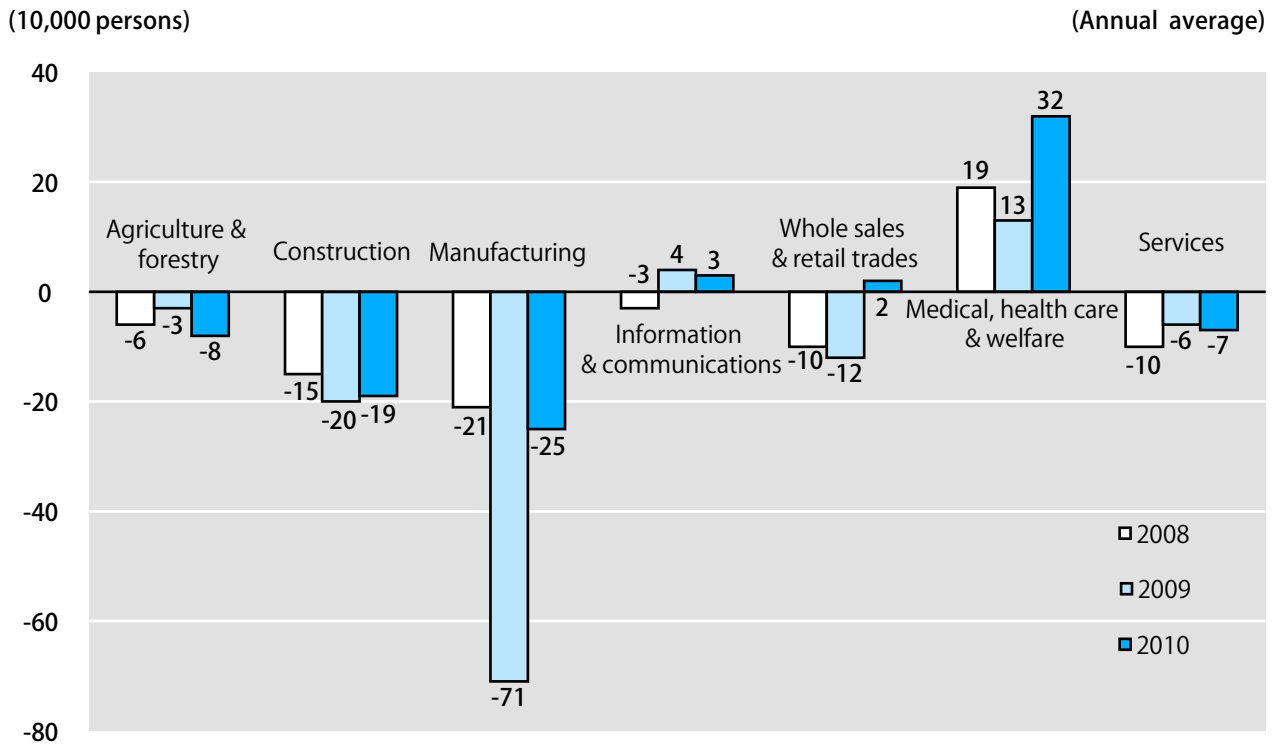
2) Secondary industries are Mining and quarrying of stone and gravel, Construction and Manufacturing.

3) Tertiary industries are other than those detailed above. (Industries unable to be classified are not included. Consequently, the actual combined total for primary, secondary and tertiary industries does not add up to the grand total).

¹ In 1953, "Construction workers, machine operators, manufacturing and production workers" included the figures for "Laborers", but in 1973 and 2010 these were not included.

² From the January 2012 results, the base population for calculation was switched to an estimated population (new benchmark) based on the final estimate in the 2010 National Census, and the figures for 2009 and 2010 therefore differ from those previously announced.

Figure II-15 Number of Year-on-year Difference in the Number of Employed by Principal Industries (Total of Male and Female)



Source: Ministry of Internal Affairs and Communications Statistics Bureau, *Labour Force Survey*

Note: "Service Industry" shows the total for the "academic research and professional and technical service", the "lifestyle-related services and entertainment", the "combined service sector" and "service (otherwise unclassified)".

Table II-16 Number of Enterprises, Sales Turnover and Added Value by Industry

(Unit: monetary amounts, billion yen)

Industry	Number of companies		Sales turnover		Added value ¹⁾	
	2009	2012	2012	Ratio to all industries (%)	2012	Ratio to all industries (%)
All industries	4,480,753	4,096,578	1,302,252	100.0	242,666	100.0
Agriculture, forestry and fisheries (except individual proprietorships)	25,738	23,255	3,435	0.3	768	0.3
Mining and quarrying of stone and gravel	2,187	1,901	1,218	0.1	426	0.2
Construction	520,473	462,879	79,435	6.1	13,912	5.7
Manufacturing	450,966	436,646	342,443	26.3	53,261	21.9
Electricity, gas, heat supply and water	922	705	21,774	1.7	2,794	1.2
Information and communications	51,576	44,636	46,593	3.6	12,586	5.2
Transport and postal activities	82,970	72,955	49,475	3.8	12,885	5.3
Wholesale and retail trade	1,059,676	929,386	400,304	30.7	42,348	17.5
Finance and insurance	37,529	31,446	110,516	8.5	31,288	12.9
Real estate and goods rental and leasing	356,486	330,044	36,065	2.8	7,949	3.3
Scientific research, professional and technical services	209,160	185,387	26,331	2.0	9,206	3.8
Accommodations, eating and drinking services	606,517	541,375	20,036	1.5	7,575	3.1
Living-related and personal services and amusement services ²⁾	407,667	380,879	36,072	2.8	6,130	2.5
Education, learning support	122,497	114,352	13,482	1.0	6,326	2.6
Medical health care and welfare	272,217	268,479	69,074	5.3	20,229	8.3
Compound services	6,923	5,559	7,733	0.6	2,355	1.0
Services, N.E.C. ³⁾	267,249	266,694	38,267	2.9	12,628	5.2

Sources: Economic Statistics Division, Statistical Survey Department, Statistics Bureau, Ministry of Internal Affairs and Communications / Structural Statistics Office, Statistics Group, Minister's Secretariat, Ministry of Internal Affairs and Communications, *Economic Census for Business Activity (Preliminary Report)*

Economic Structure Statistics Division, Statistical Survey Department, Statistics Bureau, Ministry of Internal Affairs and Communications, *Economic Census for Business Frame*

Notes: Excluding central and local government. "Enterprises" are corporations engaging in business or activities (excluding foreign companies) or establishments with individual proprietorship. Sales turnover and added value are aggregated for enterprises from which figures on the necessary items could be obtained.

1) A value that is newly generated during the production activities of an enterprise, calculated by subtracting the intermediate input value, including costs of raw materials, from the value of production.

Added value = Sales value - total expenses + total wages and salaries + tax and public dues

2) Excluding housekeeping services

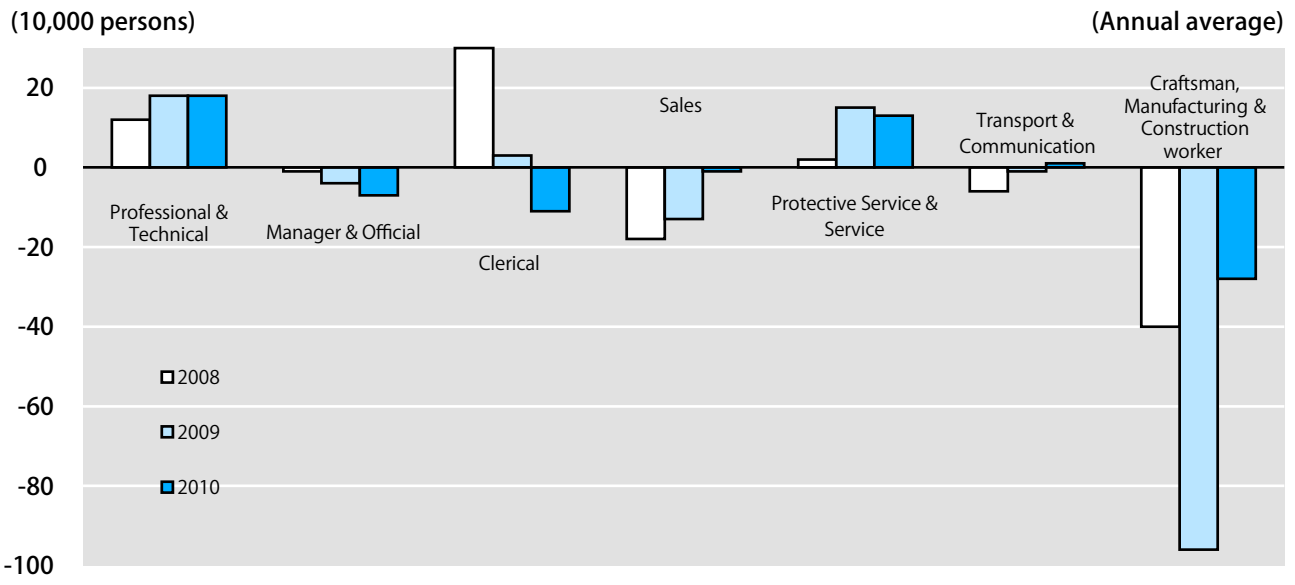
3) Excluding foreign official business

Table II-17 Number of Employed Person by Major Occupation

		Total	Professional & technical	Manager & official	Clerical	Sales	Protective service & service	Agriculture, forestry & fishery	Transport & communication	Mining worker	Craftman, Manufacturing & construction worker	Labourer
Real count (10,000 persons)	1998	6,514	844	222	1,290	928	654	340	232	3	1,634	333
	1999	6,462	846	215	1,273	921	668	332	228	3	1,604	334
	2000	6,446	856	206	1,285	911	677	321	221	3	1,580	347
	2001	6,412	873	202	1,249	968	693	309	214	3	1,506	353
	2002	6,330	890	187	1,228	934	717	291	211	4	1,468	349
	2003	6,316	906	185	1,230	917	729	289	210	4	1,437	353
	2004	6,329	920	189	1,244	901	748	284	201	3	1,415	360
	2005	6,356	937	189	1,247	892	757	279	204	3	1,416	363
	2006	6,382	937	185	1,260	881	772	269	206	3	1,432	370
	2007	6,412	938	173	1,262	888	787	269	205	3	1,441	376
	2008	6,385	950	172	1,292	870	789	264	199	3	1,401	377
2009	6,282	968	168	1,295	857	804	257	198	2	1,305	371	
2010	6,256	986	161	1,284	856	817	247	199	2	1,277	371	
Year-on-year difference (10,000 persons)	1998	-43	20	-4	17	-12	17	-6	-9	0	-72	5
	1999	-52	2	-7	-17	-7	14	-8	-4	0	-30	1
	2000	-16	10	-9	12	-10	9	-11	-7	0	-24	13
	2001	-34	17	-4	-36	57	16	-12	-7	0	-74	6
	2002	-82	17	-15	-21	-34	24	-18	-3	1	-38	-4
	2003	-14	16	-2	2	-17	12	-2	-1	0	-31	4
	2004	13	14	4	14	-16	19	-5	-9	-1	-22	7
	2005	27	17	0	3	-9	9	-5	3	0	1	3
	2006	26	0	-4	13	-11	15	-10	2	0	16	7
	2007	30	1	-12	2	7	15	0	-1	0	9	6
	2008	-27	12	-1	30	-18	2	-5	-6	0	-40	1
2009	-103	18	-4	3	-13	15	-7	-1	-1	-96	-6	
2010	-26	18	-7	-11	-1	13	-10	1	0	-28	0	

Source: Ministry of Internal Affairs and Communications, Statistics Bureau, *Labour Force Survey*

Figure II-18 Year-on-year Difference in the Number of Employed by Occupation



Source: Ministry of Internal Affairs and Communications Statistics Bureau, *Labour Force Survey*