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General Survey

The Current Level of and Prospects for Total Annual Work Hours in Japan

A Ministry of Labour Monthly Labor Survey (preliminary release), published in January, found that in 1991 the average Japanese worker put in total scheduled hours of 168.5 a month, down 2.1 percent from a year earlier, at firms employing five regular workers or more (168.0 hours, down 2.0 % from the year before at firms with 30 and more regular employees). Computed per annum, the average employee worked total hours of 2,022 a year (2,018 hours at firms employing 30 regular workers and more). If reduction in working hours progresses at an annual rate of 2.1 percent, these will decline to 1,818 in 1996 and the government will basically achieve its 1800 hours goal. On the other hand, it is difficult to achieve the government's goal of 1800 working hours by 1992 mentioned in the new five-year economic plan, or Rengo's goal predicted to be reached in 1993.

In fact, a survey of attitudes toward shorter hours, compiled by the Research Institute of Labour Affairs Administration, a private research organ, also showed that both labor and management believe that total annual work hours of 1800 will be realized in the late 1990s. The survey covered 200 union chiefs and 500 personnel managing directors at firms listed on the first section of the Tokyo Stock Exchange as well as 120 informed people. Regarding the way 1800 work hours should be realized, just 23 percent replied "it should be realized early." The majority, or 84.7 percent of managers opted for "the gradual realization of 1800 hours". Also 67.5 percent of top union leaders supported the same approach, twice the percentage of those who said "early realization" (at 30 %). As reasons for "phased achievement of 1800 hours," managers said "an abrupt change in working hours will hamper labor productivity" and "the situation is different by individual company, making it impossible to promote shorter hours in the same manner." Union leaders, on the other hand, said "the early achievement of 1800 hours is difficult as Japanese workers still put in many hours of overtime" and "no specific measures have been taken to realize 1800 hours at an early time." A little more than 56.6 percent of the total respondents predict that 1800 hours will be realized "in the late 1990s" followed by the 23.7 percent who said "in the mid 1990s", and the 16 percent who noted "after the year 2000." Only 2.3 percent replied that 1800 hours will be realized "in the early 1990s." The survey concludes that an overall consensus has been built regarding when the goal of 1800 hours is to be achieved among labor, management and informed people.

Behind this lies the fact that a reduction of labor time requires a large workforce, while a rapidly aging population will slow the pace at which the number of workers rises in the years

ahead. Responding to changes in business activity through overtime work - a common practice in Japan - to assure employment makes it difficult to shorten work hours during an economic boom. Attempts to realize 1800 hours while achieving adequate economic growth would cause a shortage of about 5 million workers in the year 2000, according to a Japan Development Bank report.

Working Conditions and the Labor Market

"Non-Paid Overtime" should be Reduced, Says Metropolitan Labour Standards Bureau

The situation is common in any nation with large numbers of whitecollar workers, and career-oriented ones in particular who work longer than legally stipulated, trying to do as well as or better than colleagues. It is not usual practice in Japan for workers to leave their office at a predetermined time and finish their own tasks back at home. Most workers remain at the office to finish their tasks.

"Non-paid overtime, "which does not pay workers for hours of overtime actually worked, is posing a problem. By January 28, the Metropolitan Labor Standards Bureau conducted an on-the-spot investigation on the basis of the Labor Standards Law at 80 head and branch offices of 12 financial institutions, including city banks. The investigation showed that one third of the financial institutions questioned failed to adequately pay their employees for overtime hours actually worked. The Bureau urged 12 banks to rectify the situation. Also, it will ask the National Federation of Banking Associations (Head: Kenichi Suematsu President of the Taiyo Kobe Mitsui Bank) to improve the actual situation regarding non-paid overtime at all banks.

Eighty offices of 12 banks, including local banks and credit unions, as well as five city banks, were investigated on the spot. The Bureau required the 12 banks to submit wage ledgers and asked those responsible for labor affairs about the realities of non-paid overtime.

It was found that 28, or one third, of the 80 offices surveyed did not pay their workers for the exact amount of overtime hours worked. Furthermore, sixteen percent encouraged their employees to work more than the allowable limit of 36 hours of overtime, stipulated an agreements between labor and management. Also, 38 percent failed to select those responsible for health control of workers, and 15 percent did not report to the Labor Standards Bureau a change in working rules, despite their introduction of a new vacation

scheme.

Meanwhile, virtually all the five city banks questioned deny the fact that they encourage employees to work overtime without pay. What is worse, even the Federation of City Bank Employees' Unions refuses to admit that "non-paid overtime" is practiced at the workplace, thus tending to regard such a common practice as a "necessary evil." Behind this lie the following factors. First, awareness that overtime pay is already included to some extent in wages which are well above those of other industries. Second, the fear that losing a battle with the competitors will jeopardize pay and benefit levels as well as employment security. Third, personnel administration practices that stress process in which tasks are over achieved.

Labor-Management Relations

Important Issues for 1992 *Shunto*

The foremost characteristic of this year's "*shunto*" spring labor offensive is that a debate over a review of "Japanese-style management" and "Japanese-style industrial relations" has come to the fore, requiring serious consideration of Japan's position in global society.

Akio Morita, Sony Corp. chairman and deputy chairman of Keidanren (Federation of Economic Organizations), released an article, titled "Japanese-style Management in Jeopardy," in a magazine. He says that "Japan can no longer be allowed to continue to compete in the world market with a management style which is incongruous with that of the international community." Takeshi Nagano, president of Nikkeiren (Japan Federation of Employers' Associations) which acts as a business department for the *zaikai*, or major business organizations, argued against the Morita article. This debate has caused a stir in the mass media.

Changes in attitudes have become notable among labor circles. Kinzoku rokyo (IMF-JC) (Japan Council of Metal Workers' Unions), which consists of labor unions in the steel, auto, electrical machinery and shipbuilding industries, has led the *shunto* for the more than 10 years, following the outbreak of the first oil-supply crunch. To eradicate the vicious cycle of wage increases and inflation, IMF-JC put forward a "planned wage hike in line with economic growth," thus setting forth the principle of wage determination related to economic performance, with the purpose of control wages. This meant that labor and management agreed that reconstruction of the Japanese economy was an urgent task. On the basis of such industrial relations, the Japanese economy successfully weathered the two oil crises and a

recession brought on by the strong yen. But in recent years Japan has received increasingly severe criticism from Western nations, causing the Miyazawa administration to set forth the slogan "creating a quality of life in Japan commensurate with its powerful economy."

This year's *shunto* is characterized by the fact that IMF-JC which spearheaded a wage hike in line with labor productivity, was asked to reflect on its traditional approach to start the annual wage talks. The Council unveiled its view that shorter work hours and wage hikes should be promoted even at the expense of the nation's industrial competitiveness. It had never before referred to "at the expense of the country's competitiveness" in such a context. Jidoshasoren (Confederation of Japan Automobile Workers' Unions) IMF-JC's major member union, also made the proposal that they go through model changes and changes in types of cars and decrease the output of cars when occasion demands, noting that "excessive competition hampers achievement of shorter working hours."

It may safely be said that Japan's *shunto* wage-hike talks have begun to change from the traditional ones which are devoted only to the nation's economic success. Rather they now seek to establish a symbiosis with the rest of the world. These moves spurred further reduction of labor time in comparison with the previous year. Wage increases, however, left workers dissatisfied, mirroring a 20 percent drop in major business firms' ordinary earnings from the year before.

Public Policy

Improve Foreign Worker Conditions, MCA Recommends

With a growing number of foreign workers, the issue of medical expenses for illnesses and injuries has arisen in many areas. On January 15, the Management and Coordination Agency (MCA) compiled the results of a survey on the realities of foreign workers and made the recommendation that the Ministry of Health and Welfare study foreigners' smooth and adequate utilization of the medical system. The MCA survey, conducted among foreign workers, found that of about 1,400 workers who underwent treatment at hospitals questioned, 53 percent failed to carry a public medical insurance policy or were not covered by it due to the fact that they were illegal workers (most of them had not even purchased private insurance). Of those who were not insured or covered by public insurance, 34 persons had not paid a total of 9.8 million yen for medical costs, which were covered by the hospitals.

Japan's public medical insurance can cover foreigners regardless of nationality. Regular

foreign employees with Japanese firms are obligated to carry a public health insurance policy. In addition, those who expect to stay in Japan for more than one year must purchase national health insurance.

Regarding the purchase of public insurance, MCA points out: first, employers, not wanting to pay premiums for foreign workers despite their eligibility for public insurance, may let them purchase national health insurance; and second, 40-80 percent of those eligible for public insurance have yet to purchase national health insurance because of the municipalities' failure to know the exact number of foreign workers. Furthermore, MCA recommends that corporations and local governments expound on the health insurance system to encourage foreign workers to participate.

Responding to the MCA recommendation, the Ministry of Health and Welfare will notify individual prefectures during fiscal 1992 that municipalities be given a full understanding of such criteria as "foreigners who are expected to stay in Japan for over a year." The municipalities serve as a window for foreigners to go through procedures for purchasing national health insurance. Moreover, the Ministry will ask them to inform aliens of the need to carry a national health insurance policy when applying for alien registration certificates.

Meanwhile, to cope adequately with those cases in which employers do not want to pay premiums for their foreign employees and who fail to have them insured under health insurance, the Ministry will strengthen its guidance of firms. Furthermore, it will take stop-gap measures to deal with the possible entanglement of problems between labor and management regarding the issue of whether or not foreign workers should carry a national health insurance policy. The Ministry is studying methods to incorporate these measures into the circular notice.

Special Topic

The Globalization of Business and the New World of Work

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Events which have proceeded dramatically toward the end of last year in Russia have awakened and reminded us once again of the critical phase of history in which we live. After 70 years of rigid reign, the Soviet Communist Party was dissolved in the wake of the unsuccessful coup. The demise of the Communist government was not entirely unanticipated.

It was expected to take place sooner or later in some form or other due to the economic hardship of the Soviet Union which was deepening well ahead of the introduction of Perestroika by Mr. Gorbachev.

The dissolution of the Communist Party and the termination of communism, however, will not bring about stability and restore economic well-being so easily. I am afraid that economic hardship in Russia and the other republics will become even more serious in the near future. This is because production will be disturbed by political chaos and administrative confusion, if not sabotaged by resistant elements. The decline of production will inevitably trigger inflation due to excess demand in the market and also due to an increasing fiscal deficit. People's daily lives will be threatened by both rapid inflation and a shortage of basic supplies. This may give rise to social unrest, even against the new regime. Although to different degrees, East European countries are also faced with similar challenges.

I sincerely hope that both the people and the governments of these countries and regions endure and overcome this painful process of transformation without defeating its purpose with destructive reactions. In this sensitive situation, it is extremely important for us to provide appropriate economic and other assistance to help their transformation efforts.

The series of events over the last few years ranging from the fall of the Berlin Wall up to the current "Russian Revolution" clearly symbolize the epochal change of the historical tide just about a decade before the turn of the century itself. The past century which was characterized by the confrontation of capitalism and socialism is now being replaced by a new era where the common principle of the game is market competition.

While market competition may appear to be a promising paradigm for assuring peaceful co-existence for all, it could also be a source of serious conflicts and confrontation. If some countries keep losing and others keep winning in the market place, or if some countries monopolize resources and opportunities, while others are deprived of them, the political implications could be serious. Confrontation may well grow between successful and unsuccessful countries, and between rich and poor countries. Resolving such confrontations and conflicts may be even more difficult than before because the rules of the game are now presumably same. We will no longer be able to blame easily the differences in political systems or ideologies as the cause of different economic performance.

The same general term, "market competition," however, may well have quite different meanings when it is interpreted in the context of specific national and local conditions. This is because every country, community and industry has its own history, values and traditions.

Economic performance may well differ even under the common denominator of market competition depending upon how these local conditions are organized and utilized for industrial activities. What is important under such circumstances is to find a way in which the merits of market competition can be most effectively realized under any given national and local conditions.

This conference on "Work Life in Transition" provides us with an unique opportunity for this purpose, where we can exchange and share valuable information and relevant experiences, and learn together to identify useful knowledge to construct better systems of work. Let me propose my own thoughts on this topic hoping to stimulate discussion at this conference. To do so, let me go back a little while to review a historical development of various alternative systems of work.

Modern employed labor was created on a massive scale with the advent of the Industrial Revolution in the 18th and 19th century in Western Europe, most notably in the United Kingdom. The introduction of steam-power, brought about a revolutionary change of production methods. Traditional craft jobs were broken down into many unskilled jobs, which were then organized together in a factory. This factory system increased productivity remarkably, and contributed greatly in enriching the economic power of the British Empire.

This system, on the other hand, also gave rise to a number of unexpected problems. The workers who lost control of their own jobs under the division of labor were alienated. A large mass of unskilled workers, who were created through industrialization, were impoverished in rapidly expanding urban ghettoes. Mixed messages of early industrialization such as this stimulated subsequent developments of different work systems in different parts of the world.

In Great Britain, union movement arose including general unions of unskilled workers. Ideas for gradual social reform such as the ones represented by the Febian Society increasingly gained popularity, and subsequently the Labor Party was established, which altogether contributed in forming the British model of modified capitalism.

In the United States, the factory system was developed further and much more systematically. In the early 20th century, it was completed as an American-style of mass-production system. This system, often associated with Henry Ford and given the symbolic name of Fordism, organizes a number of standardized semi-skilled jobs into an efficient production unit utilizing sophisticated managerial and engineering know-how in the tradition of Frederic Taylor. This production system was highly instrumental in developing the United States into the leading industrial nation of the world, surpassing European

competitors, and enriching both the people and the country.

On the other hand, however, the mass production system created a class of semi-skilled workers, who were not only alienated but also were easily replaceable because of the standardized nature of their jobs and thus had little job security. Industrial unions were organized to protect the job rights of these workers. Trade unions were recognized formally by the Labor Relations Act in the mid-1930s. With the support of this legislation, the American model of democratic and competitive industrial relations was established which embraces the collective bargaining system as a central organ.

In Tzarist Russia, insufficient industrialization and the tyranny of the Emperor aggravated the impoverishment of the peasants and urban workers. The Bolsheviks organized a revolution in the midst of World War I and constructed the communist regime. The Communist government designed and instituted a system whereby capitalism would never emerge again and workers would never be exploited. Under this system, therefore, property ownership was denied, and workers were assured of wages sufficient to maintain a living regardless of the efficiency of their work.

This centrally planned system was quite effective in satisfying the basic needs of people when the standards of living were low. Moreover, when the country was faced with a major crisis such as war, the system proved to be highly useful because it was able to mobilize resources easily through centralized commands. It was not surprising therefore that many developing nations right after World War II found the socialist system of central planning attractive.

However, as capitalist market economies recovered from the damage of the war and grew steadily being propelled by the stimulus of free market competition, the communist and socialist countries in contrast grew increasingly stagnant being trapped in their own vicious constraints. In a system which denies free competition, profits and meritocratic rewards, vigorous entrepreneurship and the incentive to work were also suppressed. Consequently, technological innovation and productivity improvement are diminished. After forty years, communist and socialist economies with these built-in deterrents lagged far behind capitalist market economies in terms of standards of living and levels of technology.

In contrast to socialism, some countries sought to develop a different paradigm known as the "Welfare State" in an attempt to circumvent the defects and problems associated with early capitalist economies. Sweden has been the forerunner of this model. Taking advantage of the prosperity which was attained without being disturbed by the two world wars, Sweden

has achieved admirably such major policy objectives as stability and efficiency of the economy and the welfare of people, by combining skillfully careful macro-economic policy, advanced structural policy and extensive social security programs.

Although this system seemed to be the most advanced and almost ideal model in the sense of combining the merits of both capitalism and socialism, in reality, heavy tax burdens to maintain such a system gradually undermined business activities, investment and work incentives. Penetration of what one might call "paper entrepreneurship" in the 1980s, by which business seeks to make profits by an easy way of selling and buying such assets as real estates, stocks and even corporations rather than by a more fundamental way of improving productivity, eroded the fundamentals of the Swedish economy even further. Under the new and more competitive market environment accelerated by the globalization of business, welfare capitalism may have to seek a more workable balance between economic efficiency and social security, as reflected in the difficult choice of the Swedish public in the general election of just two weeks ago.

After World War II, the United States contributed greatly to two world industrial community in terms of providing economic assistance and an export market, and also in terms of providing a leading model of a democratic and efficient system of production. However, with the enormous success of the United States the system gradually became a rigid structure of vested interests, and as foreign competitors such as West Germany and Japan reconstructed their industrial strength, the shortcomings of American system have become increasingly apparent.

In West Germany, resources are effectively allocated by conscious government policy and orderly market arrangement, and worker's potential is fully realized by both a well-designed skill-formation system and by formal representation of labor's voice in corporate decision-making. By contrast, in the United States, management-labor relations grew increasingly adversarial and the government keeps refusing to take on the role of fostering important industries. While resources have shifted increasingly to speculative money markets, defense industries, and high-tech ventures, the United States competitiveness has been eroded in such basic industries as steel and automobiles, where the bulk of skilled and organized workers find their means of living.

Side by side with Germany another case which has attracted attention is the Japanese experience. Recovering from the ashes of World War II, Japan has successfully built itself into one of the world's leading industrial powers within a few decades. Japanese industries have penetrated into world markets selling their products with high quality and competitive prices.

This achievement is remarkable in view of the fact that Japan, up to the end of World War II, was a country which was comprised of a small but powerful group of people in military-industrial complex on the one hand, and a large mass of starving peasants, on the other, just like Tzarist Russia. What was the gimmick? What were the factors behind this remarkable and successful transformation?

There were two kinds of reforms, which, in my judgment, contributed greatly to enhancing the motivation of the people, which was the key to generating the remarkable development of Japanese industry.

One was a series of institutional reforms which were conducted forcefully by the Japanese government right after the war with the support and supervision of the Supreme Commander of the Allied Powers. A thorough land reform abolished large landlords, a critical element of prewar power structure, liberated peasants and created a large number of well-motivated self-employed farmers. Educational reform provided an equal opportunity for all children to compete for receiving the highest education unlike the prewar elitist system. Legal recognition of labor unions was instrumental for suppressing status differentiation, which had existed rigidly in Japanese corporate organizations before the war. In other words, these reforms created a highly egalitarian social structure, where people were provided equal opportunity or the same starting line. Under this new system, people were convinced that if they worked harder than others, they would be able to get ahead of others.

On the other hand, the government dissolved the military and the Zaibatsu, or the financial clans who had dominated Japan's industrial market. The government also enacted the Anti-Monopoly Law to foster competitive markets. As a result, markets with a large number of small competitors emerged. Under such circumstances, people were led to believe that competition is the sole lever needed to get ahead.

Some suspect that Japan's industrial success is being facilitated by cheap labor, copied foreign technology and government strategic support. It is true that Japanese industry was helped by these factors for a decade or two during postwar reconstruction period. In recent decades, however, these factors have largely vanished. Nowadays, wages of Japanese workers are among the highest in the world. Japan's technology exports almost match imports. Japanese industry is expanding into world markets beyond the reach of the Japanese government. How did Japanese industries do it?

This leads us to another type of important reform which took place within industry, particularly at the workshop. This is more of a reform of technology paradigm than sheer

institutional reform. This technology was developed most intensively in the fabrication-type of manufacturing industry, which exhibited remarkable advances in competitiveness in the last few decades. I call this technology Japanese-Style "Humanware" technology.

When we talk about technology, we usually think of hardware technology such as machines, or software technology such as computer programs. Equally important may be the technology which combines hardware, software and human resources, which I call humanware technology. One may imagine the importance of humanware technology in view of the fact that the same set of machines and computer systems could result in quite different production performance depending upon the way people involve in the system and operate them.

Japanese-style humanware technology is a model in which human control at the workshop is fully utilized. Technology is designed in such a way that every worker is required to find problems and solve them instead of passing them on to subsequent stages of the production line. In other words, every worker is supposed to perform both functions of production and inspection. This production method may be slower than speedy mass-production at each station, but as a total system, it is less costly and more efficient because it minimizes repairs and reworking. Japanese-style humanware technology has a quite different psychological effect upon workers relative to the humanware of the conventional mass-production method. The worker, who is expected to find and solve problems on the production line, is given a rather large discretion to control the work process, such as stopping the line or modifying work steps when he feels it is necessary.

If his judgment is wrong, it may cause serious problems and cost to company. In other words, the worker bears a heavy responsibility in return for the employer's trust of his judgment. Recognizing employer's trust, the worker is motivated to learn and understand his job more deeply so that he can avoid or minimize mistakes and misjudgments. It is in this situation that mutual teaching and learning within the team and assistance of engineers and supervisors play a crucial role to enhance the skill and knowledge of the workers. In contrast, in a conventional mass-production system, production workers on the line do not worry about quality problems, and maintenance workers do not care about production, so that there remains little incentive for mutual learning and self-development.

The production system and methods are designed in such a way as to stimulate and take full advantage of the creative potential of the workers and solicit their active participation in the improvement of the production process. Minimizing buffer stocks or in-process inventory, an approach pursued persistently by Japanese fabrication industries, is of such example.

When the buffer stocks are low, accidents in the production line cause greater loss and cost because supplies cannot be drawn from the buffer stocks. Under such circumstances workers are motivated to find out and solve problems before trouble occurs. In other words, responsible workers are encouraged to do preventive maintenance in order to minimize problems. This reduces troubles and defects in products, or equivalently, increases product quality. This in turn will increase reliability of production. With higher reliability, buffer stocks can be further reduced, thereby reducing cost and equivalently increasing productivity. In this way, quality improvement and productivity increases are now simultaneously attained.

In a production system such as this, where conscious control and problem solving of workers plays a critical role, workers are required to have a rather high level of preparedness. They need to have skill and knowledge to handle each situation, motivation for active participation and involvement in problem-solving and adaptability to changes in technology and work assignments. Japanese management has developed comprehensive human resource development and management systems and programs to foster such capabilities of workers. They incorporate systematically such elements as on-the-job and off-the-job training, job design and organization, remuneration and promotion systems, and worker participation and information sharing.

In view of all this, it is not surprising that Japanese corporations place extraordinary emphasis on human resource development. It is not coincidence that presidents of many major corporations have been those promoted from personnel managers. And it is probably not coincidence either that more than two thirds of Japanese export consists of products from the fabrication type of manufacturing industries such as automobiles and electronics products where the Japanese model of humanware technology plays a critical role.

Every system, however, has both merits and demerits. One of the problems of the Japanese system is that strongly motivated workers who are keenly aware of their own responsibilities in the production system may run the risk of working and learning endlessly. Labor unions who are cooperating closely with the management in securing employment opportunities for their members primarily by means of trying to expand market share often fail to put a limit on the over-working of workers.

Highly motivated and responsible work is crucial of course for the economic development of the country, prosperity of the company and the well-being of the worker himself. But over-doing it may erode the quality of working life, and may even trigger international

conflicts. Indeed, it seems that the traditionally high motivation of Japanese workers itself is beginning to be shaken as workers have become increasingly disenchanted in recent years by sacrificed quality of working life such as prolonged overtime hours and prohibitively expensive urban housing.

The human race has been searching for a better system of work. We have worked and struggled together and sometimes even confronted each other in our efforts to find such a system under the given social, economic and technological conditions. Our efforts were sometimes welcomed and rewarded, but at other times, distrusted or even resisted.

Socialism was designed to save workers from exploitation and the destructive fluctuations of the capitalist system, but failed on the other hand to foster entrepreneurship and stimulate the incentives of workers. The capitalist market system, which was developed perhaps in its most genuine form in the United States, contributed greatly in increasing the productivity and enriching many economies of the world by taking advantage of competitive incentives.

Indeed, the American model of industrial relations system which is built upon the cornerstone of collective bargaining, proposed a prime model for industrial democracy in advanced industrial societies. However, this competitive and adversarial system was not necessarily advantageous in fostering cooperative and trustful management-labor relations. Welfare capitalism advanced by matured industrial countries such as Sweden aimed at combining the merits of both capitalism and socialism. But the heavy tax burdens to maintain extensive social security programs discouraged both corporate investment and worker's incentives.

Japan, which created a unique social system through postwar reforms by combining extreme egalitarianism and atomistic competition, fostered also a unique humanware technology in industry where worker's motivation and creative potentials are fully realized by management's strong commitment and dependence on workers. This system, however, runs the risk of over-doing it, if appropriate checks are not exercised by labor unions or by the working people themselves.

Our experiences reveal that there has been no single answer to our quest for a desirable work system. However, a review of the history of our efforts may suggest that a desirable system is one in which workers are happily motivated. And motivation depends not only on pecuniary rewards and promotion of status, but also on pride and control over the job, management's recognition and trust of workers' potential, equitable distribution of

opportunities and a moderate degree of job and social security.

To an extent all these variables are relative, both in terms of the different characteristics of various industrial societies, and in terms of their changes and development over time, there is no universally and eternally best system, as such. All we can aim to do in this heterogeneous and dynamically changing world is to constantly search for better systems and to improve our own systems toward such a goal.

(This article is an excerpt from my Speech presented at Symposium on "Work Life in Transition" organized by the Swedish Work Environment Fund in collaboration with the ILO 1-3 October, 1991, Stockholm.)

Statistical Aspects

Recent Labor Economy Indices

	December 1991	November 1991	Change from previous year
Labor force	6,504 (10 thousand)	6,543 (10 thousand)	136 (10 thousand)
Employed	6,377	6,412	127
Employees	5,079	5,078	152
Unemployed(S.A.)	142	138	8
Unemployment rate(S.A.)	2.2 %	2.1 %	0.1
Active opening rate(S.A.)	1.30	1.31	− 0.13
Total hours worked	169.1 (hours)	173.1 (hours)	− 2.3*
Total wages of regular employees	(¥thousand) 265.4	(¥thousand) 265.2	3.6*

Source: Management and Coordination Agency, Ministry of Labour.
Notes: 1. S.A. denotes seasonally adjusted.
2. * denotes annual percent change.
3. From January 1991, data of "Total hours worked" and "Total wages of regular employees" are for firms with from 5 to 30 employees.

Major Indicators

Items		All industries		Manufacturing	
		Actual number	Percentage from year before (%)	Actual number	Percentage from year before (%)
Total cash earnings	(yen)	345,423	4.5	336,715	3.7
(real)		—	1.2	—	0.4
Contractual cash earnings	(yen)	260,816	4.1	255,520	3.5
Scheduled earnings	(yen)	240,468	4.5	226,399	4.3
Non-scheduled earnings	(yen)	20,348	−1.5	29,121	−1.9
Special earnings	(yen)	84,607	5.8	81,195	4.2
Total hours actually worked	(hour)	168.5	−2.1	172.9	−2.3
Scheduled hours worked	(hour)	156.2	−1.6	156.8	−1.6
Non-scheduled hours worked	(hour)	12.3	−7.6	16.1	−8.2
Number of work days	(day)	21.1	−0.3	20.8	−0.3
Regular employees (thousand persons)		39,659	3.7	11,632	2.2
Ratio of part-time workers	(%)	12.83	0.53	11.04	0.19
Rate of newly hired workers	(%)	2.14	−0.05	1.59	−0.06
Rate of separated workers	(%)	1.94	−0.02	1.48	−0.01

(Surveyed at establishments employing more than 5 employees)

Notes: (1)For the number of work days, the ratio of part-time workers, the rate of newly hired workers and the rate of separated workers, percent change is from the year before.

(2)The percentage from previous year, calculated from revised indices resulting from a change of sample establishments surveyed, does not necessarily agree with figures computed from actual numbers.

(3)Real wages were obtained by dividing total cash earnings before taxes and social insurance premiums by consumer prices (overall prices excluding rent).

Trends in Annual Work Hours

(Unit:Hour)

	Total actual work hours	Scheduled work hours	Non-scheduled work hours
1975	2,064	1,937	127
1982	2,096	1,939	157
1983	2,098	1,937	161
1984	2,116	1,945	171
1985	2,110	1,932	178
1986	2,102	1,930	172
1987	2,111	1,933	178
1988	2,111	1,922	189
1989	2,088	1,898	190
1990	2,052	1,866	186
1991	2,016	1,841	175

(Surveyed at establishments employing 30 and more regular employees)

Notes: (1)Total actual work hours and scheduled work hours were obtained by multiplying average monthly actual work hours by 12.

(2)Non-scheduled work hours was calculated by subtracting scheduled hours from total actual hours.