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General Survey

National Medical Costs will Soar 6.9% to 23 Yen Trillion

Japan's medical costs will total 23.17 Yen trillion-the highest level in 10 years and an increase of 1.49 Yen trillion from a year earlier-according to estimates of 1992 national medical costs, released on April 19 by the Ministry of Health and Welfare. The annual per capita medical bill was estimated at 186,000 Yen, an 11,000 Yen increase over the 1991 level.

National medical expenses, calculated on the basis of medical care unit costs, comprise all payments made for treatment of diseases and injuries. However payments for birth related services, health checkups and complete medical checkups, which are not covered by health insurance, as well as over-the-counter drugs and partial payments for hospital beds made by patients themselves, are not included in these figures.

Total medical costs will include 1.14 Yen trillion, or 4.9 percent, paid from public funds to those on relief and tuberculosis patients; 12.55 Yen trillion, or 54.2 percent, paid from health insurance funds; 6.55 Yen trillion, or 28.3 percent, paid from the health insurance plan for the elderly; and 2.93 Yen trillion, or 12.6 percent, paid by patients as their share of medical care costs. Noteworthy, is the expected increase during 1992 of 0.9 percent points in the share of payments made from health insurance funds for the elderly, from the 1989 level.

The Ministry attributed the total increase of 6.9 percent over the year before to a 0.3 percent jump from the expanding population, a 1.6 percent rise stemming from the graying of society, 2.5 percent growth resulting from a medical care unit cost revision implemented on April 1 and a 2.4 percent climb attributed to progress in utilization of sophisticated medical technology and drugs.

The Ministry had thus far aimed at limiting increases in the medical health bill to less than the rate of growth in national income. However, this year's medical increase will top the government-projected national income increase of 4.6 percent for the year by 2.3 percent. If so, the government will fail to achieve its policy goal set for national medical costs for the first time since 1988. The Ministry's Health Insurance Bureau noted "that the 1992 national medical bill increase may top growth in national income resulting from a real 2.5 percent increase in the medical care unit costs. However, with the proportion of the medical bill to national income stable at around 6.1 percent, the rate of growth will remain less than national income growth in the mid- and long-term."

Working Conditions and the Labor Market

Business Increasingly Cautious on Hiring of New Graduates

The Ministry of Labour reported that the ratio of job offers to job seekers in February stood at a seasonally adjusted 1.25-to-1, representing the 11th straight month-to-month drop, and the lowest level since April 1989. This means the faltering Japanese economy has begun to affect the overall labor market. In addition, there has also emerged a phenomenon not seen in recent years, that is job hunting by new graduates. In the past several years, "finding and keeping talented personnel" has become a household word and corporations have continued to actively recruit new graduates. According to Nihon Keizai Shimbun's emergency survey on the hiring of new graduates, a shade over 40 percent of firms replied that they would cut their recruitment of new graduates next year. Middle-ranking and smaller companies are eager to secure talented people but have failed to achieve substantial results. Job hunting by new graduates, until recently a "super-seller's market," amid the severe labor shortage, seems about to reach a turning point.

Moves to cut back on hiring of university and college students who are scheduled to graduate next March are widespread among businesses. Nihon Keizai Shimbun reported that 29, or 42.6 percent of the 68 major corporations decided to reduce hiring of new graduates next spring because "the economic slowdown forces them to cut personnel costs" and because "they have hired many new graduates during the economic boom." Also 32, or almost half of the 68 replied that "they would recruit about the same number of new graduates as this year." No firms said that they would "increase" the hiring of new graduates.

Fewer job offers made by big businesses formerly resulted in the best opportunity for middle-ranking and smaller companies to secure new talent. However, subcontracting manufacturers are unexpectedly less eager to recruit people. Some firms frankly say that "we find introduction of machines and equipment more efficient unless we can find and keep the personnel best suited to us." Others stress that "the problem is lack of talented people rather than a shortage of hands. We have no intention of hiring new graduates who were pushed out of big firms."

Students have felt keenly the extraordinary change brewing in the labor market and have moved more quickly than before. Individual colleges and universities give new seniors job-hunting seminars, some with substantial success. It appears that firms' expected hiring reductions. As a result, they set a firm date to initiate formal recruitment after reviewing their gentlemen's agreement on this matter, thus fanning student's worries about the labor market.

Labor-Management Relations

Shunto Interim Reports

According to interim reports on wage increases in this year's *shunto*, compiled separately by Rengo (Japanese Confederation of Trade Unions) and Nikkeiren (Japan Federation of Employers' Associations), labor settled for a weighted average 4.06 percent, or 13,081 Yen wage hike (as of April 24), down 0.69 percent, or 1,289 Yen, from the year before. Nikkeiren, on the other hand, said that management provided a weighted average pay raise of 4.92 percent, or 13,347 Yen, down 0.68 percent point, or 1,282 Yen from a year earlier. While Rengo's survey covered 1,146, or 80.6 percent of the unions, Nikkeiren's covered 291, or 80 percent of the 327 major firms. By industry, labor unions, including JC, in the metal sector accepted a weighted average wage increase of 4.71 percent, or 12,036 Yen; those in the resources and energy sector, such as electric power and gas, accepted 4.95 percent, or 14,150 yen; and those in the chemicals sector settled for a weighted average 5.02 percent, or 13,482 Yen wage hike. What is more, labor in the tertiary sector, including commerce and hotels fared conspicuously better. Workers in hotel and leisure industries accepted a weighted average pay increase of 6.16 percent, or 16,904 Yen while those in the commerce, finance and insurance industries received 5.83 percent, or 13,649 Yen increase. By type of business, employees at newspaper companies accepted the highest wage raise of 21,384 Yen, followed by 18,691 Yen in oil, 15,990 Yen for private railways and 15,004 Yen for commerce and distribution. Workers in the commerce and distribution sectors won the highest wage increase rate of percent, followed by 5.82 percent for hotels and 5.66 percent for newspapers.

A survey of smaller companies with fewer than 500 employees, conducted concurrently with the above survey, found 262, or 35 percent of the firms reached agreement with their unions. Of these 252 firms, or all these excluding the 10 which failed to report a weighted average wage hike, offered a weighted average pay increase of 11,462, yen or 4.82 percent, down 1,314 Yen, or 0.71 percent from the previous year. The Rengo survey, on the other hand, showed that workers at smaller companies with 300-999 workers won a 5.05 percent wage increase, while those at firms with 299 or fewer employees accepted a 5.10 percent wage hike, thus keeping above the percent average.

80,000 Nurses Go on Strike

Amidst ever-aggravating working conditions resulting from a severe shortage, nurses belonging to Iroren (Japan Federation of Medical Workers' Unions, 155,000 members) went on strike across the country on April 3 to press their demands for average monthly wage

increases of over 40,000 Yen and a large increase in the number of nurses. About 80,000 nurses working at 748 hospitals and clinics throughout the nation participated in the strike, a demonstration and a rally while on duty. In total, these lasted 8 hours at longest. However, medical consultation for outpatients, receptions and inspection services were not affected. The chronic shortage of nurses forces 5.5 percent to work night shifts more than 9 times a month and some hospitals must close down wards or reduce the number of beds, Iroren says. What is more, the number of those nurses who worked at national hospitals and who died from overwork has been rising in the past 10 years.

In this year's *shunto*, Iroren member unions asked the Ministry of Health and Welfare and hospitals that the number of nurses be increased, that the average monthly pay be raised by more than 40,000 Yen and that the number of night shifts be reduced to less than 6 days a month. On April 14, Iroren unions again walked off their jobs nationwide, expressing dissatisfaction with a wage offer. Some 836 hospitals and clinics were affected by the strikes and the rallies, attended by about 100,000 nurses, lasting from 30 minutes to 4 hours.

International Relations

A White Paper on Overseas Labor Situation-A Foreign Labor Influx from Asian Region Rising-

In 1990 the number of migrants workers all over the world was 25 million, up 25 percent in the 10 year period from 1980, when the figure stood at 20 million. Internationally are inflows and outflows of workers, particularly in North America, Europe and the Mideast. Besides legal workers, there are 30 million illegal migrants and 15 million refugees.

On March 31, the Ministry of Labour unveiled a 1991 white paper on the overseas labor situation which analyzes the economy, employment and industrial relations in individual foreign countries. In its 1991 report focusing on international labor mobility, the Ministry said that the Asian region saw the largest number of emigrants, or approximately 12 million, into other regions, mainly into the Mideast, or into other Asian areas. The number of emigrants grew sharply in the late 1970's and in the 1980's to number around one million annually. By country, the Philippines, India, Thailand, South Korea and Pakistan saw a mass emigration of workers, the greater portion of which was accepted by Mideast countries.

The paper also analyzes the effects of international labor mobility. Migrant workers remit part of their earnings to their home countries, but this does not necessarily lead to economic development nor creation of job opportunities in their home countries; nor does it contribute much to higher incomes back home. Recipient countries, for their part, express concern over

the adverse effects migrant workers may exert on the indigenous labor force. Specific concerns include segmentation of the market and low wages, rising social costs such as for housing and social security, and cultural friction in local communities.

Despite all this, a further outflow of workers from developing nations, the former Soviet Union and East European countries is expected to continue because of political unrest, staggering economies and national disasters. With the advanced industrial nations, including the United States, tending to control the inflow of foreign workers, Japan and newly industrializing economies in Asia will face mounting pressure to receive more foreign workers, the paper points out.

Public Policy

5-Day Workweek for Public Servants

Central government workers will enjoy taking Saturdays off starting in May. Prime Minister Miyazawa, who wants the nation to create a quality of life commensurate with its increasingly prominent economic position, urged that the five-day workweek for public servants start in May, a month earlier than originally planned. Central government employees currently number 480,000, make up a little over 7 percent of the total working population. Thus, this action is expected to exert great influence on moves toward the five-day workweek system for workers at private firms as well as at local governments.

In the 1970's the number of corporations which introduced a five-day workweek began to grow rapidly. According to a Ministry of Labour survey, in 1970 only 5 percent of all firms with 30 and more employees provided a two-day weekend once a month, but in 1974 more than 40 percent implemented the five-day workweek system. The same survey, conducted at the end of 1990, found that 56.9 percent of all companies had adopted the scheme. By company size, 96.8 percent of big businesses with 1,000 or more workers have implemented the five-day workweek, but the percentage drops to 60.3 percent at smaller companies with fewer than 100 employees, thus manifesting a notable gap based upon firm size.

How the five-day workweek is implemented varies from company to company; some firms give their employees a two-day weekend once a month, but others adopt a genuine five-day workweek with every Saturday and Sunday off. Those firms which provide two days off each week remain at 11.5 percent of the total. To encourage shorter work hours at private companies, the government revised the Labour Standards Law and has promoted reduced legal working hours moving toward the 40-hour workweek in a phased manner. Implementation of the five-day workweek for central government workers, following

introduction of the full-fledged five-day workweek at financial institutions, will likely further accelerate adoption of the scheme at private corporations.

Introduction of the five-day school week is currently under study. The government measures for shorter work hours, if fruitful, will likely respond adequately to criticism from foreign countries that "the Japanese are workaholics."

Special Topic

Changing the Concept of Employment Policy

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Introduction

In the mid 1980's, the Japanese economy went into a tailspin, marked by turbulent currency fluctuation as the yen soared and the dollar plummeted. During this period of yen appreciation, commonly called the *endaka* economy, Japan's employment and unemployment situation entered a new phase characterized by the sudden emergence of the issue of worker shortages as a socioeconomic problem.

Of course, the labor shortage, which has been a controversial issue for the past several years, was caused by excess demand for labor resulting from what is called the "bubble economy." The bubble economy resulted largely from the overheated economy due to speculation. Accordingly, Japan has yet to usher in an age characterized by a full-fledged manpower shortage.

To be sure, following the start of the *endaka* economy, the active job-opening-to-job applicant ratio topped 1.4, with unfilled job offers increasing rapidly, and the result was a growing paucity of workers.

However, this also was a period of an expanding labor supply with 1.2 to 1.3 million new school graduates joining the workforce each year. What is more, thanks to a gigantic reservoir of other categories of additional labor supply, both the total number of workers and employees also continued to grow annually by 1.2-1.5 million. Therefore, market wages which are determined by labor supply and demand continued to grow moderately. Despite the fact that small businesses were greatly hindered by the labor shortage, the gap in wages by company size did not narrow but rather continued to widen.

Several factors may be cited as being behind the growing "sense of labor shortage" despite the large supply of labor. First, was the excess demand for labor brought on by the overheated economy due to speculative business activities as mentioned above. Second, was "lack of professional talented personnel" in newly advanced industrial fields stemming from abrupt changes in the industrial structure which, in turn was accelerated by the *endaka* economy. Third, was the shortage of labor in what are called the bottleneck industries-these being firms slow in responding adequately to changes in the industrial structure and in improving wages and working conditions. In other words, in these industries there was not a lack of talented people but a "shortage of hands." Fourth, were changes in factors affecting labor mobility, which further accelerated the shortage of labor resulting from a relative income gap. These include not only wage differentials but such nonmonetary factors as the work environment, including the length of and flexibility in work schedule, interesting work and something to work for, labor safety. These factors resulted in the shortage of workers notably observable in so-called "3 K, or 3D (difficult, dangerous and dirty)" work fields. Fifth, was the increase in job offers as a hedge against the expected increase in mobility particularly among young workers. It may safely be argued that because of all these factors, the sense of worker shortage did not coordinate properly with changes in wages stemming from labor supply and demand.

The new supply of labor will begin to diminish from the late 1990's. In the early 1990's 1.2-1.3 million school graduates will enter the labor market each year. It is certain, however, that reflecting declining birth rates, the number of new recruits will gradually drop to around one million in the late 1990's. On the other hand, the middle-aged and elderly population will rapidly increase, as mirrored in the term "the age of 80-year life." Thus, the supply-demand relationship in the labor market will gradually lose its flexibility and will become increasingly rigid. This means that labor shortages will develop in a full-fledged manner.

It must be said that quantitative changes in labor supply coupled with qualitative structural changes will inevitably call for an overhaul of the traditional concept and measures of employment policy.

Below, the author will express his own views on what changes concept of employment policies are called for and what kind of policy measures are expected to be developed.

1. Traditional concept of Employment Policy and Policy Measures

The general definition may be that what was intended by laws and schemes as the basis of employment policy, such as the Employment Security Law and the Unemployment Insurance Law enacted after the end of World War II, were based upon a policy concept of adapting excess supply of labor to structural changes in the demand for labor.

The Unemployment Insurance Law provides unemployment benefits to jobless and displaced workers to maintain their income when they are out of work and encourage them to find new jobs. A public job-placement policy develops distribution and re-distribution of the workforce, including new school graduates, between regions and industries. All these measures are designed to adapt the supply of labor to changes in labor demand, and they have served as the basis to promote Japan's traditional employment policies.

These employment policies, to put it in another way, were *post facto* measures to cope adequately with the jobless, but with the oil crisis as a turning point, new employment policies were conceived. A set of employment and unemployment measures laws were enacted, including the Employment Insurance Law, which was approved at the end of 1974. This led to initiation of new policy measures to restrain dismissals and prevent unemployment. In addition, together with these measures, a policy for creating employment opportunities started to be implemented on a large scale to counteract unemployment stemming from lack of labor demand which was caused by the oil crunch.

New policy measures for restraining dismissals included, for example, a large wage subsidy through employment-adjustment benefit payments, a subsidy paid to those employers without interrupting employment by continuing to employ workers through lay-offs and educational and training programs. They also include payment of premiums for extension of the compulsory age limit to the employers who extend the mandatory retirement age as well as payment of a subsidy to those firing who transfer workers to subsidiaries and other related companies. A shift in a policy toward restraint of dismissal, or an unemployment-prevention policy, it is safe to say, was epochal, and from the 1980's onward this began to be a further in-depth one, which was notable in two facets.

First comes extension and consolidation of continued employment as incorporated in the dismissal-restraining policy. This is evident in security of job opportunities for the elderly. In the 1970's the government's policy goal was to generalize the mandatory retirement at age 60, but in the 1980's the policy placed more emphasis on continued employment of, and creation of employment opportunities for, those in their early 60's. Presumably enactment in 1986 of the Law Concerning the Stabilization of Aged Workers Employment prompted this trend. Thus employment security for those in their early 60's, such as further spread of the 60-years-age limit and establishment of premiums for employment of many older people, as well as launching of a public subsidy for the Silver Human Resources Center which serves as a place to allow elderly workers to retire smoothly from the labor field, were realized to further expand measures to cope with the elderly.

What is more, measures to deal with problems of female workers were also implemented to expand job opportunities for women for continuous employment. This is reflected in the 1985 enactment of the Equal Employment Opportunity Law (EEOL). The legislation seeks expanded employment opportunities for women through relaxation and partial removal of special protective provisions for them as stipulated by the Labor Standards Law. It also provides for continued employment by prohibition of discrimination between the sexes in such matters as the age limit and collective education and training as well as prevention of women workers' separation from work by expanded protection of women at a time of childbearing, such extension of maternity leave before and after childbirth. In addition, the women re-employment system, implemented concurrently with the EEOL, encourages those women who left work upon marriage and childbirth to return to work.

Employment measures for female workers are also implemented, first, through enactment in 1991 of the Child Care Leave Law as measures to continuously employ female workers, and second, through promotion of part-time labor measures as part of female re-employment assistance policy (an 1984 outline of part-time labor measures and 1988 part-time labor guidelines).

Second comes consolidation of a policy aimed at resolving mismatch in manpower supply and demand and securing favorable job opportunities for those who seek work as well as assuring that necessary, talented personnel respond properly to job openings.

This is perhaps reflected in the 1985 enactment of the Worker Dispatching Law resulting from an overhaul of job placement policy. This has led to legalization, through permission or reporting, of the type of worker dispatching system which lets "one's own employees work under the direction of and by order of others" among worker-supply projects which were as a rule prohibited.

The author discussed elsewhere the process and significance of how the worker-dispatching service law went into effect as well as the realities of the manpower business and will not discuss it here. However, I will touch on the following regarding how the new concept of employment policy was conceived.

First, under the Law, those activities which can legally be practiced are currently limited to 16 categories of work. The principles for restrictions of categories of work require professional knowledge and experience, as well as skills. The Law is thus designed to balance out the worker dispatching business market with that portion of the labor market characterized by what are called lifetime employment and the seniority-based wage system. Thus, the Law enables the former market to offer good job opportunities.

Second, is introduction of a policy for controlling the industry, as well as limiting the entry of firing, by granting permission to, or by requiring reporting on the details of work and the relationship with dispatched workers. This, in effect, acknowledges worker dispatching service as an industry. It is fair to say that this is an epochal change in the concept of employment policy in that efforts to link employment policy with industrial policy were made.

Next, the Local Employment Development Promotion Law (1987) may be cited as a policy aimed at eliminating the mismatch in labor supply and demand. This was intended to respond properly to the stronger tendency among workers to settle down in rural areas and to make a U-Turn, or return to the countryside from the cities. Employment policy was gradually expanded to incorporate regional industrial location policy and national-land re-development policy in a comprehensive fashion.

Another policy for eliminating the mismatch in labor supply and demand is one of the reinforced combination of employment policy and human resources development policy. The human resources development project was established by enactment of the Employment Insurance Law to enable employment insurance revenues to flow into vocational development projects. New jobs and skills arising from changes in industrial structure involved highly intellectual elements and required professional knowledge and experience, thus calling for development or re-development of vocational ability on an organizational and planned basis.

Lifelong Vocational Training Incentive Benefits and Paid Education-Training Leave Incentive Benefits were inaugurated in 1982. The Law Promoting Human Resources Development was enacted in 1985 by radically revising the Vocational Training Law, and furthermore, in 1986 the Ad Hoc Council on Education made a second recommendation aimed at "Building a Society Characterized by Lifelong Learning." Thus, laws and systems were consolidated and substantiated to provide workers with opportunities for continuous education and re-training through-out their lives. All this was intended to eliminate the mismatch in labor supply and demand in terms of vocational ability, with the result that even education and training issues were incorporated into part of the employment policies.

As pointed out earlier, employment policies were so restructured as to be developed into comprehensive socio-economic policy. As the concept of the policies was changed to seek restraint on dismissal and continued employment. Furthermore, the new policies were developed to eliminate the mismatch in manpower supply and demand, while linking with industrial policy, regional development policy and education and training policy.

2. Need to Switch toward Labor-Demand Restraint Policy

The Japanese economy, as we know, developed rapidly after the end of WW II, attaining a high year-on-year growth rate. Despite the problems which impeded economic growth, such as two oil-supply crises and several rounds of revaluation of the yen against the dollar, the Japanese economy successfully weathered these problems and registered favorable economic performance comparable to mature Western industrial nations.

But in the 1990's onward, with socioeconomic factors behind expansion and growth of the nation's economy more restrained, the country found it increasingly difficult to manage an economic policy which adheres to a higher rate of economic growth.

These restrictive factors on economic growth have now become pronounced. The first condition was brought on by Japan's huge trade surpluses. With constant trade friction with the U.S. and other nations, Japan is now beginning to confront a situation in which economic growth, dependent on exports of Japanese-made products to foreign countries, or external demand-oriented economic growth, is no longer desirable from the standpoint of international economic cooperation. Second, would it be possible that a switch toward domestic demand-oriented growth, away from external demand-oriented growth stimulates an economic expansion and further expands the nation's economy to achieve desirable economic results? Thus, this condition, too, involves several problems.

True, the trade conditions for importing raw materials and energy resources for domestic production are strongly in Japan's favor as a result of the strong yen. But, the ongoing environmental disruption, or rising external non-economic element, such as huge amounts of industrial wastes created by domestic production activity and air pollution as well as traffic congestion brought about by energy consumption and merchandise transportation, is now exceeding allowable limits. In Japan, a country endowed with limited national land with few plains and many mountains, it is not desirable to expand industrial production activity any further. As the Ministry of International Trade and Industry (MITI) stresses, Japan is asked urgently to switch to knowledge-intensive, high value-added industries which are resource and energy-saving-oriented. In other industries, a transfer overseas of funds and technologies, aids to economic development in developing nations and international cooperation through reorganization of the international division of labor are the issues confronting the Japanese economy.

The third condition is as follows. As mentioned earlier, in the late 1990's Japan will usher in an era of the full-fledged worker shortage. In the early 1990's the work force grew at a relatively high annual rate of 1.0 percent, but in the late 1990's the growth rate will rapidly drop to 0.3-0.4 percent. The number of new school graduates will be around one million, down

one third from the late 1960's when the number peaked at 1.5 million. Even so, the additional number is almost the same as in the 1950's and is still large.

As we have seen, along with the shrinking supply of new labor, rapid growth in middle-aged and older workers and population constitutes a restrictive factor on labor shortage. The younger the workers, the more adaptable they are to new technologies and professions. When they continue to work at the same job, they find their vocational ability remains the same as they are older and they would rather see it improve in almost all the cases. However, their ability to switch to other jobs tends to deteriorate as they are older. Thus, if an infrastructure with a giant reservoir of young labor, highly adaptable to new technologies and jobs is available, changes in the industrial structure which accompany technological advancements can progress relatively smoothly. It is safe to say that thanks to this infrastructure, the nation witnessed changes in industrial structure progress in a relatively smooth manner even in a high growth period of the 1960's as well as in the period of old-supply crises in the 1980's.

But the labor supply basis which has supported the flexible Japanese labor market is now going to be lost in the coming years ahead. Accordingly, future employment policies will require a switch toward labor-demand management with restraint on labor supply as a precondition. The concept of the employment policies must be a totally new one that adapts labor demand to restrictive conditions for labor supply rather than adapts labor supply to structural changes in labor demand.

The employment policies based upon such a concept have already been underway since 1991. One such example is the Law Securing Personnel in Smaller Firms which was approved jointly by the Ministry of Labour and MITI. The Law is designed to offer assistance for labor-saving investment, such as introduction of labor-saving technologies and improvements in equipment, and investments for improving the environment, including for promotion of safety of the workplace. Besides, the Law is strongly characterized by assistance to employers' groups which actively make such management rationalization and streamlining efforts.

Another such example is revision of part of the Regional Employment Promotion Law. It is intended to pave the way for public assistance to economic activity involving investment by employers who actively develop good job opportunities for local residents and is no longer one which designates wider areas as depressed regions to offer them public funds.

The need for employment policies in view of restraint on labor supply has been presented specifically in the form of a recommendation, submitted to the Minister of Labour on January 20, 1992, by the Round-Table Conference on Employment Policy. The recommendation is

titled "Toward Building a New Social System Befitting the Age of Respect for Human Beings." As a member of the Round-Table Conference, the author positively supports the details of the recommendation.

Commenting on the significance of the recommendation, the author would like to stress the following. First, a policy which further encourages labor-saving investment should be developed. Second, 24-hour operations, extended businesses hours and excessive services as typified by the Just-in-Time System in the distribution sector should be restrained to save labor. Third, training manpower for nursing and caring for elderly and sick persons who will grow in number in the years ahead, as well as improving working conditions and overhauling a supply-demand system are all important, but at the same time restraining the demand for nursing and caring for sick or older people, rationalization of medical services and welfare services and establishing an industrial basis for hospital management, toward this end are also necessary. Fourth, efforts should be made to encourage a transfer overseas of capital and technologies while bearing in mind international cooperation and contributing to fostering human resources through overseas training of workers and other means. To allow even unskilled foreign labor entry into the Japanese workforce would work against our national interests and would only damage international cooperation, and therefore these measures should not be taken.

The concept of employment policies must thus be changed to develop new policy measures, but it is needless to say that there is a need for traditional employment measures to be maintained while making improvements on them.

Statistical Aspects

Recent Labor Economy Indices

	February 1992	January 1992	Change from previous year
Labor force	6,448 (10 thousand)	6,405 (10 thousand)	141 (10 thousand)
Employed	6,311	6,264	140
Employees	5,041	5,010	151
Unemployed	132	139 (S.A.)	1
Unemployment rate	2.0 %	2.1 %	- 0.1
Active opening rate	1.25	1.28	- 0.20
Total hours worked	166.9 (hours)	150.1 (hours)	- 1.6*
Total wages of regular employees	(¥thousand) 264.6	(¥thousand) 261.0	3.5*

Source: Management and Coordination Agency, Ministry of Labour.

Notes: 1. * denotes annual percent change.

2. From January 1991, data of "Total hours worked" and "Total wages of regular employees" are for firms with from 5 to 30 employees.

Problems in implementing Education and Training. Reasons for Failing to Provide Education and Training(Multiple replies)

