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General Survey

A 1992 White Paper on International Trade

The 1992 White Paper on international trade won approval at a May 8 Cabinet meeting. The White Paper, aimed at comprehensively analyzing the current state of the global economy as well as international trade issues. It addresses the following four topics: first, trends in world trade and economy; second, dynamic development of trade structure; third, efforts directed toward a free and clear global trade system; and fourth, future directions of trade policies.

In the first chapter dealing with trends in world trade and economy, the annual paper refers to how Japan's corporate management and behavior should be.

Japanese businesses had thus far utilized success-oriented management, putting emphasis on long-term relations with customers, employees and shareholders. Furthermore they had found this structure economically rational during the high-growth period. However, in recent years they have faced mounting criticism from foreign countries that this structure works exceptionally in favor of Japanese businesses' competitiveness. What is more, voices of dissatisfaction have been raised domestically that businesses have enjoyed affluence while Japanese individuals barely feel that they have achieved a comfortable living standard. Furthermore, with the nation's economy now running a course of stable growth, seniority-based pay and lifetime employment system hinder the development of firms and make it difficult for them to hire young people at low wages. This problem is exacerbated by the increase in people finding or leaving midcareer jobs.

With these issues in mind, the annual report proposes a new style of business behavior and points out the desirability of Japanese firms taking diversified approaches to personnel policy in the years to come. They have so far sacrificed immediate interests for future interests, but in coming years they should rather place emphasis on immediate considerations.

In the second chapter entitled "Dynamic Development of Trade Structure," the annual paper reports on progress in the international division of labor in Japan. Since the late 1980's, the nation witnessed rapid progress in the international division of labor as the strong yen accelerated domestic businesses' advance into foreign markets. Analyzing the structure of division of labor in the U.S., the nations in the European Community and Asian regions as well as Japan, the paper concludes that as the complex division of labor further intensifies,

international dependence among these areas (including Japan) has resulted in a situation in which industrial business activities are going beyond national boundaries.

In the third chapter, the white paper makes a recommendation regarding the Uruguay Round of multilateral trade talks. Now that many individual countries are moving toward protectionist trade policies, failure to conclude the Uruguay Round might threaten free trade itself, the paper concludes.

Finally, referring to Japan's international trade and economic policy, the white paper stresses the need to expand consumer interests through promotion of imports and creation of greater access to the domestic market for foreign businesses as well as encouraging expansion of domestic demand, in order to maintain a free trade order.

Target Figures Set to Achieve a Better Quality of Life -A Report by the Economic Council's Committee-

A report which incorporates measures and policies aimed at achieving a better quality of life in Japan was submitted on May 21 by the Quality of Life Committee, attached to the Economic Council, which advises the prime minister. The report, a pillar for a new five-year economic plan for 1992-96, points out the need to review Japanese society with the aim of making policies citizen-oriented instead of corporate-oriented, in order to allow the nation to achieve affluence and enable the people to live comfortable lives. The report proposes two specific targets as the foremost objectives for the five-year plan: first, allowing the average home buyer in the major metropolitan areas such as Tokyo, to purchase a high-quality house for about five times his or her annual income. Second, shortening total annual working hours to 1,800 through the spread of a five-day workweek and encouraging workers to take annual paid holidays.

The report, prepared by the Quality of Life Committee, defines a "quality-of-life-oriented country" as a "society which allows people to enjoy a comfortable and affluent living standard and which provides simplified lifestyles in a beautiful living environment." Though materially affluent, the country has yet to achieve living standards befitting its powerful economy, the report says.

The report sets target figures for housing prices, concluding that reaching a solution to housing problems is the nation's foremost concern. In 1991 the average housing price soared to 8.2 times the average salaried worker's annual income. To allow the average home buyer to

purchase a house for about five times his or her annual income, the report proposes the following. Raising the appraisal value of fixed asset taxes; expanding the supply of land available for housing use by controlling land prices through constant monitoring of land-related financing; and finally promoting the effective use of unused or poorly used sites, such as farmland, in city-planning designated areas.

Furthermore, the report calls for shorter working hours. Efforts were made to "reduce to about 1,800 hours," but in fiscal 1991 average annual work hours stood at 2,008, well in excess of those in Western countries. Stressing the need to attain the goal of annual work hours of 1,800 hours by fiscal 1996, the report urges spreading a thorough-going five-day workweek, raising the rate of increase in wages for non-scheduled work hours and establishing practices to insure that consecutive holidays are actually used as vacation time.

In addition, to realize a quality-of-life-oriented country, the report proposes the improvement of sewage systems and parks, good traffic and communications networks to ease congestion, completion of welfare facilities to cope with the problems brought on by the aging of society as well as the promotion of recycling of waste and other materials.

Working Conditions and the Labor Market

Employment Adjustment Widespread

With a growing sense of economic slowdown, businesses which have begun to review management plans because of deteriorating corporate performance are launching schemes to cut their workforces. Affected directly by the moves are temporary workers, foreign labourers and seasonal workers who are all non-core workers. An increasing number of workers at manpower business firms have seen their contracts terminated one-sidedly. A majority of temporary workers are contracted on a yearly basis and therefore, termination practically means that they are fired. Lawyers whom temporary staff turn to deal with problems related to the dispatching business are being bombarded with a barrage of complaints. Most relate such grievances as "so far employers have quickly renewed a contract, but now they refuse to do so. It does not make sense." Lawyers and labor union leaders argue that "firing staffers just because of the flagging economy reflects the self-centered attitudes of firms." Meanwhile, worsening business performance is making firms in the auto and electrical-machinery industries increasingly reluctant to renew contracts or enter into a new agreement with South Americans claiming Japanese ancestry.

In the economic boom period they employed a large number of South Americans with

Japanese ancestry to step up production. The changed situation, however, prompted a rapid increase in foreign workers visiting public employment security offices. Furthermore, some foreign laborers are baffled finding themselves unable to save up the money as they had intended.

The "honeymoon" relationship between businesses which were formerly plagued by labor shortages stemming from the economic boom and for foreign workers who dreamed of working in "Japan, a golden country is now at a turning point."

Signs of widespread employment adjustment are clearly visible in the increased numbers receiving unemployment benefits. According to a Ministry of Labour survey, the number who receiving unemployment benefits in February was 130,000, up 11.2 percent from the year before, the second consecutive month to show a marked year-on-year climb. Those who are paid unemployment benefits are unable to find another job after leaving an employer, despite their desire to find reemployment. Of the separated workers (excluding elderly workers), the number of those who lost work because of worsening business performance or bankruptcy, not because of personal reasons, grew particularly in the manufacturing sector in June 1991. Then, in February 1992 the number soared by 40.1 percent over the previous year. The Ministry of Labour's Employment Stability Bureau analyzes that "In northern Kanto regions as well as in Tokai and Chubu areas which had flourishing electrical-machinery and auto industries, small-to-medium-sized companies and subcontracting firms are notably dismissing seasonal workers as well as South Americans with Japanese ancestry. The number will likely further increase in line with the economic downturn.

International Relations

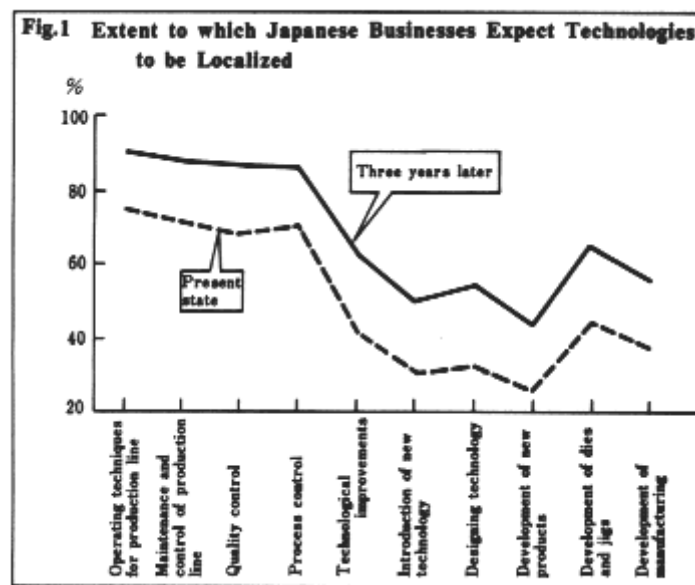
A Survey on Technological Transfers to Asian Regions

The advance of Japanese firms into Asian regions, including the Newly Industrializing Economies (NIES) and ASEAN nations, has contributed to the process of Japan's technology and knowhow steadily taking root in these areas. On the front line, however, Japanese corporations are faced with many problems, in particular ill-prepared material and training programs and a high job separation rate for local employees. A survey, conducted by the Study Group Regarding Technological Transfer Issues in Asia, Nikkei Industrial Consumption Research Institute (Head: Toshio Watanabe, professor at Tokyo Institute of Technology), reveals the true picture of Japanese corporations going abroad, still on a trial-and-error basis.

The survey, which focuses on technological transfer to Asia, is based upon responses of

top leaders of Japanese firms (joint venture businesses and subsidiaries) advancing into NIES and ASEAN countries. Of the top leaders that were sent questionnaires in four industries, machinery, electrical machinery, auto and precision machinery, 133, or 40.8 percent responded.

To gain a clear grasp of the present state and future realities three years from now of technological transfers, the survey divided technologies into 10 different levels from the basic level of "technology for production-line operations" to the applied level of "development of manufacturing equipment" and probed the current extent to which technologies are localized for each level.



The survey thus found that transfers of technologies essential to starting operations have gone further, but higher level technologies have spread at a slower pace. On the level of production engineering, there was a significant gap in the localization of technological transfer between "process control" and "technological improvements."

Japanese firms transferred such technologies as operating techniques, maintenance and control of production lines as well as quality and process control to local production sites at the stage of start-up operations, the survey showed. However unlike the four production-engineering technologies, transfers of technologies beyond "technological improvements," it is predicted, will not advance rapidly in the next three years. Transfers of technologies, such as "development of dies and jigs" and "development of manufacturing equipment," however, are going smoothly. It seems that Japanese companies which have gone abroad are transforming themselves from substitute production sites for their parent companies into strategic production facilities.

Public Policy

Public Pensioners Top 25 Million

The number of children 15 and under in Japan was 21.64 million as of April 1, according to a survey on "the number of children in Japan" released of May 4 by the Management and Coordination Agency (MCA). The figure is a drop of 570,000 from the year before. The percentage of children in the total population has also decreased to 17.4 percent, 0.5 percentage point, lower than last year and a postwar record low figure. In addition, a 1990 Basic Survey on National Life, unveiled on May 2 by the Ministry of Health and Welfare, found that childless households topped 60 percent of the total and that the number of households consisting only of elderly people (either made up of men over the age of 65 and women over 60 alone or that of households with children under 18) was nearly three times as high as in 1975. The survey thus shows that the graying of Japanese society will be progressing further in the future years due to fewer children and more households consisting only of aged people.

Under these circumstances, the number of public pensioners as well as the sum of pensions are soaring. According to a 1990 annual report on projects, compiled on May 4 by the Social Insurance Agency, the number of those who are paid public pensions, such as private firm's pensions, and the national pension, exceeded 25 million at the end of 1990. Also the sum of public pensions paid hit an all-time high of 21.6 Yen trillion during the year. Of those who started to receive in 1990 the basic old-age pension which is paid at 65 as a rule, the number of those who wanted to receive it between the ages of 60 to 64 stood at 60.1 percent, and was the lowest figure in 10 years.

At the end of 1990 the number of those who were insured under public pensions, such as the private firms' pension, the national pension, the welfare pension and various mutual-aid pensions, was 66.31 million, a slight increase of 630,000 (1%) over a year earlier. On the other hand, pensioners numbered 25.01 million, an increase of 820,000 (3.4%) from the year before. Mirroring the aging population, the number of pensioners has been increasing by 800,000 annually since topping the 20 million marked in 1985.

Thus, the proportion of pensioners among insured persons stood at a record high of 37.7 percent (36.8% for the year before), indicating that approximately five insured persons support two pensioners.

Special Topic

Management Restructuring and Multi-faceted Manpower Procurement-Development of Annual Pay System and Contract-based Employee System

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1. Development of New Personnel Management System

Since the 1970s, Japanese corporations have been dealing with a variety of new challenges regarding employment management. The responses to these challenges have produced the concept of the "new personnel management" referring in entirety to the fact that changes encompass a wide scope of areas. The phenomenon called "diversification of employment and job patterns," it is fair to say, constitutes the central part of the new approach to personnel administration. This topic has already been dealt with in the Vol.29, No.10 issue of this *Bulletin* and the reader is asked to refer to it for further information on the topic. This paper will examine the annual pay system and the contract-based employee system that are the recent characteristics spreading among Japanese companies.

April 1992 newspapers reported the introduction of an annual pay system at Honda Motor Co., one of Japan's leading automakers. The articles in the newspapers stated that, "Starting in June, Honda will introduce an annual pay system for about 4,500 employees in managerial posts. Under this plan, once a year employees will meet with their supervisors on the amount of annual remuneration together with their qualifications and performance. No consideration will be given to length of service in determining annual pay." Many overseas readers perhaps wondered at validity of this news, as foreign companies generally adopt the annual pay system for management as well as non-management workers. K07C In Japan as well, before WW II remuneration of salaried workers in the upper echelon was determined on an annual basis. Even today "executives" generally receive remuneration determined on an annual basis.

But in the process of democratization following WW II, in the wake of societal calls for abolition of the sharp status distinctions between "workers" and "staffers," it became common for ordinary employees to be paid by the month. Let us take a look at Table which shows a 1980 Ministry of Labour survey on wages and working hours. The survey, though old, is

useful for the following two reasons. First, the annual survey itself continues to be carried out, though some of the items given here have not been listed since 1980. Secondly, no changes have presumably occurred that would vastly altered the ratio shown. It can be seen from the survey that nine out of every 10 Japanese workers receive a monthly salary and that about half of them do not have pay deducted due to days off for some reason or another. Approximately 10 percent are paid on a daily or hourly basis, and slightly less than two percent are remunerated according to piecework. The percentage of workers receiving annual pay is too small to be statistically represented. This is true, however, when the survey is worker-based. According to a firm-based survey, conducted by the Research Institute of Labour Affairs Administration (RILAA), a private research organization, 8.3 percent of firms have already adopted annual remuneration systems. By company size 10.1 percent of companies with workforces of 3,000 and more regular employees, 6.8 percent of those with 1,000-2,999 regular employees and 8.7 percent of those with fewer than 1,000 regular employees have introduced such schemes. The survey, carried out between September and November 1991, covered a total of 2,840 corporations, of which 2,090 were listed on stock exchanges.

Table : Percentage of Workers by Wage Pattern (Firms with 30 or more regular employees)

Firm size	Percentage of Workers by Wage Pattern (Firms with 30 or more regular employees) (%)									
	Total	Daily wages-hourly wages	Fixed Pay		Monthly wages		Pay according to piece work			Others
			Total	Deduction due to day(s) taken off	No deduction due to day(s) taken off	Total	Pay according to piece work	Fixed pay and pay according to piece work		
Total	98.2	12.1	86.0	49.0	37.1	1.8	0.6	1.2	0.1	
1000 or more employees	99.0	2.7	96.3	55.3	41.1	0.9	0.0	0.8	0.1	
100~999 employees	99.0	13.7	83.6	47.2	36.3	2.7	1.1	1.6	0.0	
30~99 employees	98.2	27.6	70.7	39.9	30.8	1.7	0.6	1.2	0.0	

Source: Ministry of Labour, *Survey on Systems of Wages and Working Hours* (September 1980)

1. Of the workers who receive "fixed pay and pay according to piece work", those who they receive over 50% on a fixed bases are included among those who receive "fixed pay".

The percentage of firms implementing contract-based employee systems exceeds these figures. The RILAA survey found that 12.5 percent of the companies questioned have adopted the system. By company size, 17.7 percent of firms with 3,000 and more employees, 15.1 percent of those with 1,000-2,999 employees and 14.0 percent of those with fewer than 1,000 employees have implemented the contract based system, indicating that it is equally widespread among companies. A very interesting Ministry of Labour survey on the actual situation of diversifying job patterns, conducted in October 1987, also dealt with the contract-based employee system. The survey, covering 8,500 enterprises with 30 or more regular workers and a total of 30,000 regular workers, shows that 7.7 percent of the enterprises "employ workers under contract or registration conditions in professional jobs." There is a wide gap in the percentage of enterprises adopting the contract-based employee system between the former RILAA survey and the latter Ministry of Labour survey; this, however, is due in large part to the difference in the time when the surveys were carried out. Back in 1987, the RILAA survey also revealed that only 7.9 percent of the firms had implemented contract-based employee systems. In the meantime, the system, it is safe to say,

has become rapidly diffused.

Of course, the contract-based employee system is not a common word among of individual firms. It is only a general term which covers a variety of systems adopted by each of the firms. What is common about the system, then? The definition used in the Ministry of Labour survey is suggestive, incorporating two elements, one "engage in professional jobs" and the other "under contract or registration conditions." The feature of this system is, first of all, making a contract with individuals. Individual workers enter into a contract with such conditions as the employment period, job content, wages and working hours as well as days of work all specified. The Labour Standards Law (LSL) prohibits employment contracts for a period longer than one year, and as a result the period of employment contract is one year or shorter. Part-timers also come under the same category as contract-based employees as long as employment contract for a fixed period of time is concerned, and there is nothing new in particular about the contract-based worker system. The system, however, is different in terms of making a contract individually. The second feature of the system which deserves attention is job content. In relation to this, a research and study report on labour patterns in new industries, new technologies and new occupations (Employment Information Center, 1989) notes as follows. Judging from the nature of the work, the contract-based employee is in many cases engaged in, so to speak, intermediate jobs and duties between the regular worker and the part-timer and the temporary worker. Also, the contract worker is not the full-time regular worker who does key jobs and duties, nor does he or she do peripheral jobs and duties like the part-time worker. At the same time, the contract-based worker is employed over a long period of time until he or she reaches the mandatory retirement age and is engaged in jobs and duties which cannot be done fully by the regular worker and which are not compatible with working conditions of the regular worker."

2. Background and Purpose of Implementation of the New Personnel Management System

Why, then, are Japanese firms trying to introduce this new personnel administration system? The reasons are twofold: procurement and motivation of personnel. These two factors have always been the central focus of new personnel management. These factors are now especially important because of managerial issues confronting Japanese corporations. Efforts to deal with these issues are resulting in the adoption of the annual pay system and the contract-based employee system.

First, there is a growing need for the motivation of personnel in a different fashion from before. Fundamental and underlying management strategies in the high economic growth period from the 1970s to the 1980s were to expand the combined mechanism of mass

production, cost reduction and mass consumption. Consumers possessed a strong desire to purchase new products developed during the period, including home electric appliances and cars, and there was a gigantic market for such standardized, mass-produced goods. Efficient production and supply of these articles was a task of the greatest importance for companies, and workers were expected to work. The need for organizational harmony and balanced performance of duties was accordingly essential. Emphasis was placed on the "uniform" quality and level of labour. However, the spread of such standardized, mass-produced articles ultimately has saturated the market and brought about the need for the development and expansion of new markets as an urgent management issue. This would lead to what has been called the "management restructuring" since the late 1970s. The development of new markets requires the revitalization of diversified people with different ideas. Therefore, the fundamentals of personnel administration now emphasize on and the development of the ability of "individuals," not the organizational coherence of a homogeneous group to maintain efficiency.

The traditional wage system under which wages hardly are influenced by the ability and contributions of individuals, was rational in its own way in a period when "uniformity" was emphasized. The system, however, made it difficult to bring out workers' ability and will to work and treat them accordingly. Thus, the need to introduce a wage system, under which goals are set annually for individual workers and wages are revised according to the goals achieved, emerged. In other words, the wage system is shifting toward an individual worker-based pay standard according to the level of his or her ability and performance. Here lies the first reason for the inauguration of the annual pay system.

The introduction of the annual remuneration system produces another effect from the viewpoint of the motivation of people. As mentioned earlier, it was common for executives to receive their remuneration on an annual basis. With this system, executives are imbued with a sense of being a "member of the management staff" and are expected to participate in management and display their leadership. Of course, these are not expected of all the workers. Those in managerial posts are mainly asked to meet these expectations. This is why the introduction of the annual pay system, in many cases, is restricted to management.

The second purpose of the inauguration of the annual salary system and the contract-based employee system is to secure personnel. Of the two major aspects of securing personnel, one is assuring people as members who shoulder management restructuring while the other is securing persons who will be active in the international business arena. Management restructuring means that corporations make a radical turn from their main field, or the products and services field, on which they have developed, to enter a new and untapped

field. Naturally, firms have not accumulated knowledge and experience (professional ability) needed for the new field since they had no jobs, within the company, which called for such knowledge and experience. It is thus necessary to recruit personnel for the new job from other firms. Second, the new, untapped field is always unstable and is fraught with risk. But the existence of risk also holds possibilities. Therefore, when the company is forced to pull out of the new fields which have proven to be unsuccessful, "employment status" would be an impediment to those who conduct these new operations within the framework of Japanese-style lifetime employment practices. It is generally said that Japan's management and employment practices are flexible; in actuality, however, it is because of the rigidity of employment practices and regulations that the company is unable to dismiss employees except on extraordinary occasions. To cope adequately with such rigidity or to avoid dismissing workers, corporations must change their business fields in a flexible manner. Thus, when they launch into a business field with uncertain prospects, they try their best to be free from the rigidity of life time employment. Toward this end, they adopt the system of employing people with whom they enter into a contract individually which specifies the employment period and job content instead of hiring people as "regular full-time employees" without any definite employment period.

Furthermore, Japanese companies are presently promoting international development of their business activities. In this situation, recruiting people from an international sphere is becoming an issue. It is important to learn the commercial practices, legal systems and consumer attitudes in individual countries in conducting business activities abroad. Moreover, in order for Japanese employees to acquire a sense of internationalism, it has come to be significant for them to always be associated with non-Japanese workers. But to recruit foreign people, the traditional method of indicating wages on a monthly basis makes it difficult to compare wages in individual countries. In addition, for those wishing to find employment in Japanese corporations and to consider it as part of their career pattern, lifetime or long-term employment of an unspecified period is rarely appealing to them. This is another reason for the spread of the annual pay system and the contract-based employee system.

3. Adjusting with the Existing System and Practices

As we have seen, the new system, different from traditional Japanese employment and personnel administration systems, is gaining popularity. It cannot very well be free of traditional systems and practices, however as it requires adjustment with the latter. As a result, certain modifications are necessary of the initial consent or model intended for the new personnel management system. This is particularly notable in the annual remuneration system.

First, the new annual pay system calls for adjustment with the LSL. Article 24 of the LSL stipulates five principles: first, payment in cash; second, payment of wages directly to the worker; third, full payment; fourth, monthly payment; and fifth, payment at a definite date. Of the five principles of payment of wages, the third and fourth create a problem. Payment of wages once a month does not cause a major problem since wages are normally paid every month at a definite date even though the total amount of earnings is stated on an annual basis. The third principle, or payment of wages in full, on the other hand, poses a somewhat complicated problem. Under this principle, wages must be paid in full for the work done monthly, but payment of wages on an annual basis includes extraordinary wages, such as bonuses which do not correspond to wages for the work done for each of the months. Accordingly, the rest obtained by subtracting bonuses from total cash earnings is divided by 12 to calculate the amount of payment for each month. The annual pay is divided into two portions, a monthly salary and a bonus.

This mechanism becomes clearer in calculating social insurance premiums. The social insurance premiums are computed relative to the monthly pay, and the bonus does not apply to this method. The bonus, if included in the annual pay, will result in expensive social insurance premiums when it constitutes the basis for calculating premiums. Consequently, some kind of manipulation is executed to subtract the bonus from the annual salary.

The introduction of the annual remuneration system is characterized by the fact that the annual salary changes with an individual's contributions and degree to which he or she attains performance goals. This implies that an employee's life will tend to be unstable. As stated earlier, the concept of "stability" is an element most cherished in Japanese companies' personnel management. Thus, to switch to the annual pay system, Japanese firms try to take measures to keep wages within traditional levels for several years or to avoid lowering wages although they are affected by the differing contributions of individuals. All these measures are the product of adjustment of Japan's employment practices or legal system, and the new personnel management system thus introduced will be strongly colored with a distinctively Japanese quality. As we have seen, the following two points may be summarized regarding the annual pay system and the contract-based employee system. First, only a few corporations have adopted the two systems and the workers who will have the privilege of enjoying the systems are part of the workforce within the firm. Second, in introducing the systems, companies have taken adjustment measures to avoid creating a major problem in relation to existing systems and practices. In this regard, it is inconceivable that the inauguration of the two systems will deal an immediate and heavy blow to traditional employment management and practices in Japanese corporations. However, the introduction of the new personnel management system underway in the meantime will unmistakably press for the amendment

of Japan's employment management system. What is more, workers affected by the new system are not peripheral workers but those engaged in key, strategic jobs. In these two senses, the future of the new personnel management will deserve much attention.

Labor-Related Bills Approved at the 123rd Session of the Diet

Title of Bill	Contents
Bills to revise the labor safety and hygiene law and the industrial accident prevention organizations law	The aims of the bills are to reduce industrial accidents, including deaths in the construction industry, and to create a safe and comfortable workshop environment in which working conditions and methods are properly controlled.
Bill to improve the employment management of nursing workers	In view of the increasing need for nursing workers to take care of the elderly, the bill is designed to secure such workers by improving their employment management. At the same time, the bill aims to promote the welfare of nursing workers.
Bills to revise the law concerning the collection of labor insurance premiums and the employment insurance law	In view of the revenue-expenditure situation concerning employment insurance in recent years, its premium rates and the state obligation rates concerning grants to job-seekers are to be reduced. At the same time, grants to the unemployed are to be improved.
Bill to revise the law concerning the promotion of the employment of handicapped people and other matters	1992 is the last year of the U.N. decade of disabled persons. In view of the fact that the employment of disabled people, particularly those who are badly handicapped, is lagging behind in this country, the issue needs to be further promoted in accordance with the extent of disability. Various measures are to be taken to provide the feeble-minded and mentally ill with jobs in accordance with their conditions.
Bill to revise the vocational ability development promotion law	The labor supply situation is changing, including the fall in the number of young workers. There is a growing tendency to shun technical work. In these circumstances, vocational abilities need to be further developed. The aim of the bill is to provide people with diverse, high-level vocational ability development opportunities by improving public educational and training facilities. At the same time, the vocational ability development system is to be improved, including the promotion of technical work, in order to create a workshop climate where technical workers are fully utilized.
Bill to enforce temporary measures for the promotion of shorter working hours	Since most Japanese companies have a strong tendency to follow the example of others, it is difficult to cut working hours on their own. In view of such a situation, legislative measures are needed to promote cuts in working hours in each industrial sector. Labor-management initiatives will be fully respected in the legislation.

Statistical Aspects

Recent Labor Economy Indices

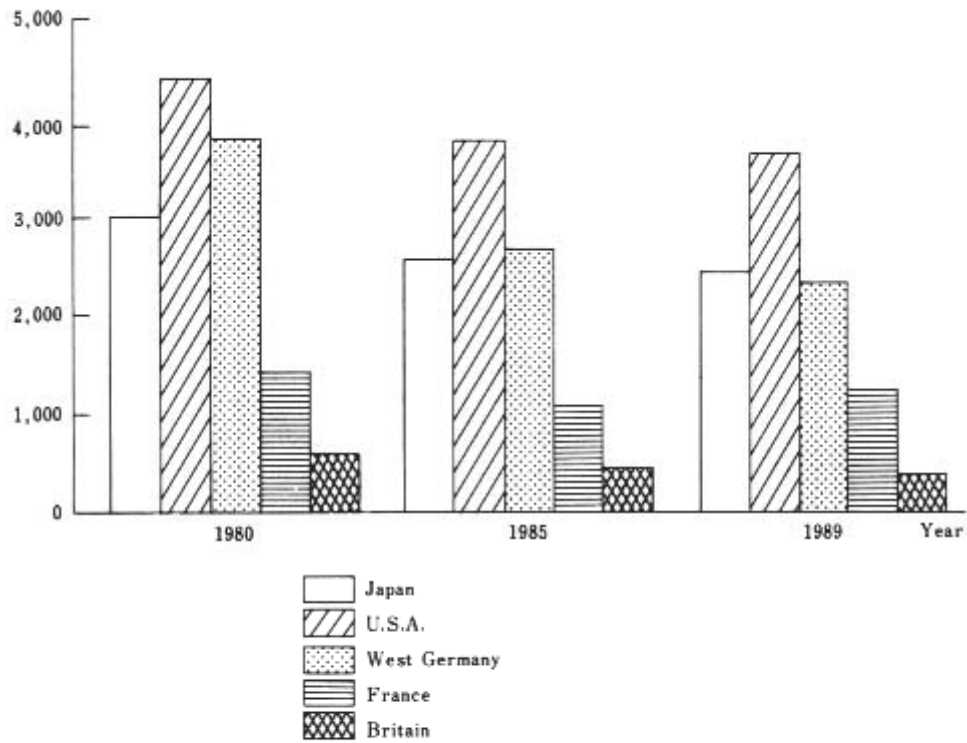
	March 1992	February 1992	Change from previous year
Labor force	6,502 (10 thousand)	6,448 (10 thousand)	141 (10 thousand)
Employed	6,350	6,311	84
Employees	5,053	5,041	128
Unemployed	136	132	-3
Unemployment rate	2.1 %	2.0 %	- 0.1
Active opening rate	1.22	1.25	- 0.26
Total hours worked	166.9 (hours)	166.9 (hours)	- 0.8*
Total wages of regular employees	(¥thousand) 265.1	(¥thousand) 264.6	3.7*

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.

An International Comparison of Industrial Injuries



Source: Compiled from *ILO Year Book of International Labour Economy Statistics*

Note: Bar graphs denote no. of deaths out of casualties. The 1989 figures for West Germany are based on the 1986 figures.

For reference, the number of employed workers in Japan is 48.35 million(1990), that in the U.S. 115 million(1990), that in France 18.5 million(1989), that in Britain 23.16 million and that in West Germany 24.82 million(1987).