

JAPAN LABOR BULLETIN

ISSUED BY THE JAPAN INSTITUTE OF LABOUR

Vol.32 No.05

May 1993

CONTENTS

General Survey

- ▶ Economic Indicators Vary; Economy Bottoming Out?

Working Conditions and the Labor Market

- ▶ Measures to Cope with Recession; From Cost-Cutting to Employment Adjustment

Labor - Management Relations

- ▶ 1993 *Shunto* Passes Climax; Lowest Wage Increase since 1987 and Delay in Shortening of Hours

International Relations

- ▶ Second Tokyo Seminar on Comparative Labor Laws

Public Policy

- ▶ Surge in Illegal Foreign Residents Wanes

Special Topic

- ▶ Recent Conditions for White-Collar Workers

Statistical Aspects

- ▶ Recent Labor Economy Indices
- ▶ Trends in Medical Expenses for Elderly

General Survey

Economic Indicators Vary —Economy Bottoming Out? —

According to a preliminary report of the *Monthly Labor Survey* for January released on March 1 by the Ministry of Labour, nonscheduled work hours (overtime) per person at an establishment with 30 or more employees decreased to 10.8 hours, down 15.0 hours from the year before period, showing double-digit year-on-year declines for the 14th straight month.

Among other important indicators, *the Short-Term Economic Survey of Enterprises in Japan* (Tankan) for February, published on March 3 by the Bank of Japan (BOJ), an index for judging future business trends, registered a diffusion index or DI of -49. The DI is calculated by subtracting the number of major manufacturing firms replying business conditions are "bad" from those answering "good." The figure was five points down from that of the previous survey conducted in November 1992. Plant and equipment investment programs for fiscal 1993 in major corporations in all industries are also expected to drop 4.2 percent from the expected actual results for 1992, thus indicating that the economic downturn will be prolonged. On March 1, the Management and Coordination Agency (MCA) unveiled results of its 1992 *Family Income and Expenditure Survey*. According to the report, Japan's living expenditures by all households showed a 2.0 percent year-on-year rise and a real 0.4 percent advance for a monthly average of 330,000yen. The figure was the lowest rate of growth posted in the eight years since 1985. MCA concludes that "Collapse of the bubble economy has also affected personal spending."

On the other hand, the survey results suggest that a bottoming out of the economy may have begun to take place. According to MCA's Labor Force Survey released on March 2, the unemployment rate declined 0.1 percentage point from the preceding month to a seasonally adjusted 2.3 percent. In the previous month, the figure had reached the highest level since 1989.

Meanwhile, the Ministry of Labour said on the same day that the ratio of job openings-to-job seekers in January edged up 0.01 point from December to a seasonally adjusted 0.93. It was the first such rise in 22 months.

Mining production trends in February, released on March 26 by Ministry of International Trade and Industry, showed that both production and shipments turned positive, relative to the previous month, for the first time in five months. Also, auto sales, which has continued to slump, turned upward in March, for the first time in nine months. Some analysts view this as

a temporary phenomenon ahead of the-end-of-the-fiscal-year settlement season. Furthermore, the Economic Planning Agency is cautious, noting that "it is too early to say that the economy has bottomed out." But public works projects incorporated in the economic stimulus package launched in the summer of 1992 have begun to kick into high gear. In coming months, the Japanese economy is expected to continue its mild recovery if the new stimulus package announced in April successfully overcomes the effects of the rising yen and a plunge in land prices.

At a March 7 press conference, BOJ Governor Mieno pointed out "Though the economy is still mired in a slump in some regions, industrial circles see supply adjustments and rising stock prices as favorable." He thus expressed the view that "changes are certainly taking place in business attitudes."

Working Conditions and the Labor Market

Measures to Cope with the Recession —From Cost-Cutting to Employment Adjustment—

Moves toward downsizing have clearly emerged since last summer, first in the form of cuts in costs, relocations, transfers to subsidiaries and other related firms as well as restrictions on overtime. Thereafter, a growing number of corporations are proceeding with full-fledged rationalization and streamlining plans, including slashing or suspension of employment of new school graduates and midcareer hiring, as well as cuts in executives' remuneration and bonuses.

Manufacturing firms implementing employment adjustments, such as restrictions on overtime, between October and December 1992 surged to 40 percent of the total, comparable to the peak figure in the 1986-87 *endaka* (or rising yen) recession, according to a Ministry of Labour report announced on March 11. Compared with the *endaka* recession, a sense of oversupply of white-collar workers, such as those in office management and clerical jobs, is relatively strong in the present recession. Furthermore, according to a survey of concrete measures to cope with the recession, conducted by the Research Institute of Labour Affairs Administration, a private research organ, between October and December 1992, one out of every four firms has already implemented or is planning a relocation of surplus workers from divisions and about 40 percent have cut or eliminated overtime. Replies were received from 485, or 11.1 percent of the 4350 stock exchange-listed, middle-sized and smaller-scale firms polled across the nation. The survey also found that over 40 percent of the firms had slashed entertainment expenses. This year the corporations recruited 36.2 percent fewer college

graduates than the previous year, and 16.7 percent of the firms questioned have cut executive pay. If those planning to do so are included, the figure exceeds 20 percent.

Corporations cutting costs by slashing or eliminating overtime account for 40 percent of the total. The larger the manufacturing firm, the higher the percentage taking such action. In addition, 14 percent have stopped contracting for dispatched workers; 8.3 percent suspended renewal of contracts with or dismissed temporary and part-time workers; 7.4 percent have implemented transfers to subsidiaries and other related firms including *tenseki* (literally transfers of permanent domicile) and seven percent are offering special early-retirement packages.

However, the percentage of those firms which have taken these measures remain characteristically at a low level. A little less than one percent of firms have implemented layoffs, active recruitment of voluntary retirees and/or dismissal.

Labor-Management Relations

1993 *Shunto* Passes Climax; Lowest Wage Increase since 1987 and Delay in Shortening of Hours

The 1993 spring wage negotiations will likely end up with an increase in the 3.3-3.9 percent level, down one point from the preceding year. This increase is the second lowest on record, following only the 3.56 percent in the 1987 *endaka* recession. This results from the outcome of labor-management negotiations in the metal industries, such as auto, electrical machinery and steel, which lead the *shunto* wage talks. Negotiations in these industries were settled at a one percent lower wage raise than the year before level.

Manufacturers in the electrical machinery, steel and auto industries decided upon wage hike levels, in this order, around March 24, the reply date on which all the unions affiliated with Kinzokurokyo (IMF-JC) asked for final wage hike offers. It seems fair to say that agreements in the electrical machinery industry which led those in the remaining industries froze the level of wage hikes. In the electrical machinery industry, four of 17 major firms posted pretax losses in the 1992 business year amidst the industry-wide slump. Wage negotiations in electric power and private railways as well as Nippon Telegraph and Telephone Corp. (NTT) were also strongly affected by results of the IMF-JC settlement, with wage offers one percent lower than the previous year.

In the final stage of wage talks, insisting that they be assured of last year's settlement

rates, individual industrial unions tried to secure a 4-percent hike but were forced to give in to management's "philosophy of patience."

Labor and management in the electrical machinery industry agreed upon a wage increase of 9,084yen, or 3.6 percent, down 2,484yen, or 1.1 percent from last year's raise. At the final stage of their talks they argued for the 3.57 percent level awarded in the *endaka* recession year. Denkiroren (Japanese Federation of Electrical Machine Workers' Unions), sensing a crisis in the process of wage negotiations, decided to set a level at which a strike could be averted at 3.6 percent, or at least 3.57 percent. Thus, management accepted labor's demand. Five major steel firms offered the average standard worker aged 35 with 17 years of service, a wage increase of 7,500yen, or 2.65 percent, (including an automatic rise due to an additional year of seniority of 3,500yen). This was down 0.98 percent point, or 2,500 yen from the previous year's level of 10,000yen, or 3.63 percent. At the final stage of the negotiations, both labor and management brought up wage hikes and bonuses as a "trade-off;" issue. Management offered annual bonuses of 1.34 million yen, 180,000yen less than last year's level and a pay raise of 7,500 yen. Labor, on other hand, wanting to limit bonus drops, insisted that bonuses of 1.35 million yen be offered, 60,000 yen less than last year's level. Finally, labor accepted management's last minute proposal of annual bonuses of 70,000yen less than the previous year's level.

In the auto industry, Toyota, which led wage negotiations as a representative of the industry, continued to conduct tough last-minute wage talks over an increase of 100 yen and agreed upon a hike of 11,200 yen, a 3.85 percent raise, down 1.02 percent (2,500 yen) from last year's level of 13,600 yen, or 4.83 percent. Responding to this, labor and management of Honda settled for a 3.84 percent, or 10,900yen wage hike, approximately the same increase as Toyota. Nissan, which is experiencing poor business conditions, offered a 3.68 percent or 10,400yen pay raise.

Wage increases awarded by electric power and private railway companies as well as by NTT, affected also by the one percent point drop from last year, were 12,100yen (3.83%, down 1.06 percent), 13,400yen (4.74%, down 0.96 percent) and 12,400yen (3.99%, down 0.99 percent from the year before), respectively. On the issue of reducing work hours, steel workers won three more paid holidays for those who work in shifts and two more days for those who work regular daily hours. Toyota, Honda and Yamaha workers won one extra scheduled paid holiday. They made some progress in this regard but negotiations ended up being tough for unions, nonetheless.

International Relations

Second Tokyo Seminar on Comparative Labor Laws

The Japan Institute of Labour (JIL) sponsored the second comparative labor law seminar in Tokyo on March 22-23. In the seminar, five foreign participants from Asian countries and some 20 Japanese attendants participated in often heated debates of the "Effects of Foreign Laws on Legal Policy Concerning the Rights of Labor Unions-the Case of Asian Nations." professor Kazuo Sugeno of Tokyo University and professor Yasuo Suwa of Hosei University, both senior JIL researchers, as well as Mr. Servais of the Bangkok branch office of the International Labor Organization (ILO), coordinated the four session seminar. In the first session which featured discussions of "Rights of Labor Unions in Asia-History and Framework", the participants overviewed the history and framework of legal systems for the rights of labor unions in the Philippines, South Korea, Taiwan, Thailand and Japan in this order.

Session Two featured discussions of "Freedom of Association." In this session, the participants discussed from a comparative viewpoint whether workers can organize a labor union freely or whether the government intervenes to some extent in the establishment of a trade union, through such mechanisms as the registration system. The discussion thus lay bare the fact that four countries, excluding Japan, have adopted a trade union registration system, though characteristics differ, in order to effectively screen potential unions. Behind this, it was pointed out, lie the government's intentions of trying to keep the labor movement under control in order to promote economic development through foreign investment.

The third session focused on the "Degree of Free Bargaining in Asian Nations." This session aroused attention in that despite the fact that both Japan and the Philippines advocate free bargaining, the former adopts the multiple trade union system while the latter adopts the American system of exclusive negotiation representatives. It was also revealed that South Korea and Taiwan have a bargaining law strongly colored by the Japanese example.

The fourth session featured "Industrial Relations in Asia and the Effects of Foreign Laws-Toward Future Years". Participants tried to agree upon "Asian characteristics" of labor union laws based on the preceding discussions.

Public Policy

Surge in Illegal Foreign Residents Stops

Foreigners unlawfully staying in Japan numbered 292,791 as of November 1, 1992, according to a Ministry of Justice report released on February 24. The number leapt by 13,899 from the 278,899 recorded in the previous survey, conducted on May 1992, and by 76,392 from the 216,399 registered in the July 1990 survey. The survey is the fifth of its kind and has been carried out every year since July 1990. It showed that the number of foreigners illegally staying in Japan has risen but the rate of increase has tended to decline. The rate of increase was 5.0 percent over the previous survey, thus showing only a single-digit percentage increase for the first time. The number of illegal residents is based upon records of those who enter and exit Japan, which are submitted by foreigners and processed by the Ministry. This figure represents the rough number of foreigners unlawfully staying in Japan. Some margin of error exists in this estimate due to such factors as an inability to precisely check all entry and exit records.

By nationality, those from Thailand illegally staying here were 53,219 (18.2%), followed by 37,491 South Koreans (12.8%), 34,529 Malaysians (11.8%), 34,296 Filipinos (11.7%), 32,944 Iranians (11.3%), 29,091 Chinese (9.9%), 8,161 Bangladeshis (2.8%), 8,056 Pakistanis (2.8%), 7,283 Taiwanese (2.5%) and 6,241 Peruvians (2.1%). Modest growth in the number of foreigners illegally residing in Japan can be ascribed to the fact that Japan suspended exemption of visas based upon an agreement with Iran on April 15, 1992. The number of Iranians illegally staying in Japan has dropped 17.5 percent from the May 1, 1992 survey which showed 40,001 illegal Iranian residents. In addition, illegal Malaysian residents have also decreased sharply. The number fell by 10.4 percent from the 38,529 recorded in the previous survey.

Special Topic

Recent Conditions for White-Collar Workers

Takenori Inoki
Professor of Economics
Osaka University



1. Introduction

The world economy is deep in the doldrums, creating the term "a worldwide recession." In this situation, when compared with Western nations, Japan is relatively less harmed by the

severity of the current downturn, although the tempo of falling growth has further slowed from 1991. Unlike the recession of 1974, which was triggered by the first oil crisis of 1973, and the slump of 1986, which was a reaction to the swift climb of the yen, as far as employment indicators are concerned, the present slump has yet to develop signs of turning into a severe recession. It seems certain, however, that the Japanese economy has developed some growth-restrictive factors that have yet to surface.

One major characteristic of the current downturn may be that white-collar workers and midlevel managers, in particular, have fallen prey to rationalization and streamlining plans. This is not just a temporary phenomenon, as it is predicted that the age of ordeals for middle managers, will continue well into the coming years. Thus, how voices of midcareer management will be heard amidst slow economic growth will pose a problem in the not-too-distant future.

In this paper I will expound first on the realities of treatment of midlevel white-collar managers during the course of slow growth. Then I will discuss the extent to which this issue will acquire significant meaning for future Japanese society.

2. Quantitative Importance of Those in Managerial Posts

First, it is necessary to clarify who are those in management positions supposedly victimized by corporate rationalization and streamlining efforts in recent years. Many of Japan's baby-boomers known as the *dankai*, or lump, generation-those born from 1947 to 1949-are in management posts. This fact, it is pointed out, is also related to rationalization plans. Although the distorted population distribution and the age-structure of the in-house labor force structure largely coincide with each other, the share of those in company managerial posts is another matter. Accordingly, it is necessary to probe the actual situation of the age structure of corporate managers apart from the population structure by age and to get deeper insights into the quantitative importance of those in management positions.

The 1990 Basic Survey of Wage Structure is available for this purpose, and let us briefly look at the figures given in this survey. The survey, covering private firms with 100 and more regular employees, classifies job statuses in a fairly strict manner. Here I will broadly define managerial posts as follows.

- (1) Department manager-a person generally called "*bucho*," or department manager, or "*kyokuchō*," or bureau chief, at an establishment, which he heads and which consists of two or more sections or 20 or more members.
- (2) Section manager-a person generally called "*kacho*," or section chief, in an establishment

which he heads consisting of two or more duties or 10 or more members.

(3) Chief clerk-a person generally called "*kakaricho*," or chief clerk, who leads in the performance of duties' a group consisting of 4 or more members.

(4) Other job statuses-deputy-department manager, assistant deputy-department manager, vice-department manager, deputy-section chief, assistant deputy-section chief, or other staffers like "*chosayaku*", or branch office general manager, branch office manager, plant general manager, business office general manager.

I would like to note the following points before referring to Table 1. In Japan women are continually advancing into society as employed workers. They account for about 40 percent of total employed workers. But the majority of those in supervisory and managerial positions are men. For instance, of male workers, about 30 percent hold managerial posts defined above, versus only five percent of women workers. Therefore, major attention is focused on male workers. By peak age, men aged 35-39 are chief clerks, those aged 40-44 section managers and those aged 50-54 department managers, thus representing a typical distribution.

Table 1 shows the structure of managerial posts by company size in 1980 and 1990 for comparison. It can be observed as a whole that while the number of those in managerial positions decreases, that of department managers, section managers, chief clerks and others has been rising considerably in the past 10 years. In addition, the Table also shows the fact that Japan's managers make up about 30 percent of all the male workers as noted above. Thus, the issue of treatment of this group is not at all negligible, quantitatively. Even department and section managers alone at firms with 1,000 and more employees represent approximately 10 percent of total male workers. Many others categorized into "other job statuses" in large companies, together with chief clerks, would bring the total to 30 percent.

Table 1 Trends in Managerial Post Structure by Company Size
(in industries covered) (Unit: %)

Classification		Male workers			
		Firm with 10 0 and more employees	Firm with 1000 and more employ- ees	Firm with 500-999 employees	Firm with 100-499 employees
Managerial post	1980	25.7	25.1	17.7	18.0
	1990	29.1	29.5	19.4	20.5
Department manager	1980	2.5	2.0	3.0	3.5
	1990	3.3	2.7	3.7	4.4
Section chief	1980	6.0	5.6	6.5	7.2
	1990	7.5	7.6	8.5	8.3
Chief clerk	1980	6.8	6.8	8.2	7.3
	1990	7.2	7.6	7.2	7.8
Others	1980	10.4	10.9		
	1990	11.1	11.6		
Non-job status	1980	74.3	74.8	82.3	82.0
	1990	70.9	70.5	80.6	79.5
Total		100	100	100	100

Source: Ministry of Labour, *Basic Survey of Wage Structure* (each year).

3. Issue of Rationalization and Streamlining of Those in Managerial Posts

Next, let me point out how those in management positions are forced to "bear the burden of adjustment costs arising from the economic downturn," while taking full-fledged employment adjustment currently underway, for instance. Cuts in executives' remuneration have been receiving wide press coverage, but what is more notable and serious is asking for early retirement of mid-level managers.

One steelmaker announced a plan to cut its white-collar work force in the steel division by about 20 percent, or 500. Some electrical appliance makers have set forth plans to slash unwanted workers by asking managers, particularly those aged 50-59, to retire early on condition that the company will pay additional retirement allowances. Also, they plan to lay off employees 50 years and older and make them wait for business recovery while offering them 90 percent of their salaries.

One major precision-equipment maker is to ask for 300 voluntary retirements from its 1,700 employees 40 years and older, who have also worked for the company 20 years or more. Even firms in the finance and insurance sector are taking such payroll-cutting measures among redundant managers. One city bank plans to slash over 1,000 jobs in the next few years; and one major securities house, it is said, plans to shunt 100 managers aged 35-55 to less important subsidiaries and affiliates. Headlines alone indicate that the number of payroll-cutting measures targeted for managers is quite large. At the same time, what has begun to pose a problem is how voices of middle managers can be made heard in the process of personnel cutting, to be reflected organizationally. This problem can no longer be solved by classic labor-management relations discussions, in other words, by the dualistic machinery of negotiations on disputes over the clash of interests between labor and management, for managers themselves are cooped up in the "chasm" or "vacuum zone" of corporate hierarchy since they are not union members.

The top-priority for unions is to "assure union members employment." Accordingly, employment of non-unionists is beyond their scope of influence. Besides, they do not oppose payroll-cutting as long as it comes from automated retirement and restraints on employment of new recruits. A giant auto manufacturer announced its restructuring plan to include closure of a major vehicle plant in two years and reduction in work force by 5,000. However, labor should not oppose the plan since it is based on the rule of automatic retirement and restraints on employment of new workers and does not directly infringe on "assurance of employment of union members."

Loss of the importance of labor unions in the classic labor-management confrontation

theory is ascribable not only to the social theory itself but also to the fact that the dualistic confrontation between management and the worker has ceased to offer an effective solution to subtle personnel matters within the corporate organization. Union leaders of the workshop, who may be called middle managers of the labor union, are said to be in a difficult position. The problem is particularly serious when union workshop leaders simultaneously hold supervisory posts. Those in managerial posts who are highly promotion-oriented do not try to report to their superiors the complaints voiced at the work place as this will adversely affect their future. This is because their ability to perform jobs as responsible persons in the workplace is evaluated. Also, their heavy workload does not allow them enough time for grievance handling at the workplace. This is perhaps a difficult situation of the same nature as experienced by middle managers under the classic corporate machinery of confrontation between labor and management. Middle management, pressured from above and below does not have channels to voice their opinions regarding their own lives, working conditions and personnel treatment. This is also related to the issue that the scope of union members as provided for under Japan's Trade Union Law (TUL) is narrow as compared with that provided for under European trade union laws (Note).

Note: In Japan as well, there is a "labor union consisting particularly of those in supervisory and managerial posts" which is qualified as a union as provided for under the TUL. Material on a trade union consisting of those in management positions at one local bank was obtained by this author. This is reportedly the first such union in Japanese banks. Inaugurated in 1978, the labor union is intended to cope properly with an increase in non-union members resulting from promotion of workers to management posts. It has succeeded in realizing the 60-years-of-age retirement for members.

Although a number of members is not large, the union, authorized under the TUL by the Prefectural Labor Relations Commission, holds collective bargaining. It is predicted that the number of this type of union will gradually increase in future years.

4. Issue of Evaluation of White-Collar Workers and the Annual Pay System

Various other issues regarding white-collar workers as a whole have surfaced. Here the annual pay system and the issue of the length of service will be discussed. With the nature of work shifting gradually from manual and skilled to knowledge-intensive ones, jobs demanding adequate judgment are occupying center-stage at most any workplace. In the traditional direct-production division of the manufacturing sector, workers' knowledge and skills could be measured, to some extent, through visible data in terms of how the quantity of high-quality products churned out. It is increasingly difficult, however, to individually measure and fairly evaluate the amount and quality of such "invisible work" as is required in white-collar jobs and where the element of teamwork is combined. Accordingly, it becomes necessary to seek systems under which just-the-average rule and the merit-rating rule are combined to give an incentive to middle-ranking employees. One automaker has introduced the following annual pay scheme. Applicable to managers who account for 10 percent of total

employees, the company assures them the same salary as before, offering them a bonus as pay for evaluated achievements twice a year. This is not "pure" annual pay system under which the employee is evaluated not by the length of work done but by the contribution made. Rather, it is a type of in-between system which is shifting from seniority-based wages of the long-term evaluation type to the annual pay of the short-term evaluation type. Sources at the automaker note that there is a gap in annual wages-twice the size of the former differential of about 2 million yen-between workers of around 40 years of age.

Not a few corporations have adopted "annual pay schemes" for those transferred to subsidiaries and affiliates who are department managers or above. However, the greater number have switched back to wage schemes used at the head office once those transferees return to their home offices. Perhaps out of some kind of fear of the annual pay system of the short-term evaluation type, it has met with no specific opposition.

To be sure, attempts at introducing such an annual pay scheme must be signs of slightly more pronounced elements of short-term evaluation. But it will still be a long time before the system will broadly take hold in Japan. One hears the talk of crisis-"the collapse of lifetime employment" or of "the fluidity of the job market." However, at the moment there remains unchanged the structure that people who will be the nucleus of the company, will be fostered inside the company and take firm control for many years. Notable phenomena, such as rising numbers of peripheral workers or those of an auxiliary nature, cuts in middle-aged and older workers of middle-management and the turnover of young workers, give one the impression that the Japanese labor market as a whole is becoming more fluid. Statistically (not shown here), however, years of service at the same firm for Japan's workers as a whole are lengthening.

It is true that the turnover rate among young workers is growing year by year. The percentage of new school graduates who entered the work force and left their initial job within one to three years is high also in Japan. In addition, it has been pointed out that these same workers are staying longer at their second jobs. Such trends, it seems, have grown stronger with the increase of white-collar workers. Data on this will be given at the end of this paper.

5. Permanence of New School Graduates

Generally, the degree of permanence and the rate of job separations are affected by the conditions in the external job market, or stated simply by, business conditions. Therefore, a direct comparison of time-series figures alone is not possible. Table 2 shows the rate of job separations by year of service for 1980 and 1988 both being years of economic recovery in terms of employment indicators. The 1980 data are not available for college graduates, but

from this data can be seen an even higher rate of new school graduates. Nearly 50 percent of high school graduates left work within three years after they graduated, although the industries cannot be specified. This shows how difficult it is for them to fit in to their first job. It is common knowledge that once they clear the hurdles of the first few years, they get over problems of adaptation to their jobs to a certain extent, and settle down at a surprisingly high rate.

Table 2 Rate of Job Separation by Year of Service (Unit : %)

	Rate of job separation three years after graduation	Rate of job separation during the third year of service	Rate of job separation during the second year of service	Rate of job separation during the first year of service
Those with middle school degree				
Those who graduated in March 1980	54.3	9.5	14.1	30.7
Those who graduated in March 1988	65.4	9.4	14.6	41.4
Those with high school degree				
Those who graduate in March 1980	38.9	10.3	12.1	16.5
Those who graduate in March 1988	748.7	11.8	15.2	21.8
Those with college degree (male)				
Those who graduate in March 1988	24.1	6.5	7.6	10.1
Those with college degree (female)				
Those who graduate in March 1988	45.8	15.1	15.1	15.7

Source : labor Market Center Operation Office, Employment Security Bureau, Ministry of Labour

Table 3 represents the degree to which school graduates settle down in two of the service sectors with many job hoppers. Needless to say, the extent to which school graduates settle down differs depending on the types of business in the same service sector.

Table 3 Rate of Tenure with Firm by Year of Initial Employment Firm (1987-1991) (Unit : %)

Year when they entered firm	Information industry		Fast-food restaurant industry	
	Male	Female	Male	Female
1987	67.4	50.0	31.5	7.5
1988	78.0	59.1	35.3	24.3
1989	81.6	67.0	50.0	37.2
1990	87.2	78.6	55.1	47.4
1991	92.7	88.7	65.5	76.0

Note : The number of firms covered in the information industry is 4,975 and that for the fast-food restaurant industry is 947 of the end of March.

Source : Research Institute of Labor Affairs Administration, "Realities of Rate of Job Continuation by Education, Sex and Year of Joining firm (1992)", No. 3,081 of *Rosei Jiho*, August 28, 1992.

From the data shown above, one may predict that the fluidity of Japan's white-collar workers will rise in the years to come. However, even though the rate of job separations and job changes is growing for what are called "flow workers", such as professionals, temporary and part-timers, as well as young workers who are "job hopping in search of their final position," practices under which the company fosters "core" workers over the long term are

least likely to give way. The recent slash in mid-level managers, dubbed "restructuring," is due largely to a slowdown in the economy, and it seems that those who stay at the company will further extend their years of service.

Statistical Aspects

Recent Labor Economy Indices

	January 1993	December 1992	Change from previous year
Labor force	6,449 (10 thousand)	6,566 (10 thousand)	44 (10 thousand)
Employed	6,296	6,422	32
Employees	5,099	5,181	89
Unemployed	150	158	11
Unemployment rate	2.3%	2.4%	0.2
Active opening rate	0.93	0.92	-0.29
Total hours worked	146.1 (hours)	164.3 (hours)	-2.5*
Total wages of regular employees	(¥thousand)	(¥thousand)	1.9*

Source: Management and Coordination Agency, Ministry of Labour.

Notes: 1. *denotes annual percent change.

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

Trends in Medical Expenses for Elderly

Fiscal Year	National Medical Expenses		Medical Expenses for Elderly		Medical Expenses per Older Person		Percentage of Medical Expenses for Elderly in National Medical Expenses	Percentage in National Income	
	100 million yen	Growth rate %	100 million yen	Growth rate %	Yen	Growth rate %		National Medical Expenses %	Medical Expenses for Elderly %
1985	160,159	6.1	40,673	12.7	498,637	8.1	25.4	6.17	1.57
1986	170,690	6.6	44,377	9.1	523,033	4.9	26.0	6.34	1.65
1987	180,759	5.9	48,309	8.9	548,680	4.9	26.7	6.42	1.71
1988	187,554	3.8	51,593	6.8	567,930	3.5	27.5	6.27	1.72
1989	197,290	5.2	55,578	7.7	593,606	4.5	28.2	6.20	1.75
1990	206,074	4.5	59,269	6.6	608,983	2.6	28.8	5.98	1.72
1991(Projected)	217,900	5.7	64,100	8.1	634,000	4.1	29.4	6.07	1.79

Source: Ministry of Health and Welfare, Rojin Iryo Jigyo Nenpo, 1992