

JAPAN LABOR BULLETIN

ISSUED BY THE JAPAN INSTITUTE OF LABOUR

Vol.32 No.07

July 1993

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General Survey

Small Business White Paper —Centering Around Paucity of Workers—

The 1992 Small Business White Paper received Cabinet approval on April 23. First analyzing the nation's economy for 1992 in a comprehensive manner, the annual government white paper states that the economy remains lackluster. The paper states that although housing starts showed signs of recovery and public investment was firming, low growth continued in personal spending. Amidst this situation, recovery of business conditions is slow also for smaller-scale firms, and prompt and adequate responses are called for amidst structural moves to word a new economic society.

Citing stringency of capital investment as the foremost cause of delayed recovery of business conditions for smaller-scale firms, the white paper expects private financial institutions to smooth the flow of financing to small and midsize firms, while highly evaluating lending by governmental financial institutions. Furthermore, smaller companies should place emphasis on structural issues, such as the long-term labor crunch and processed with investment in labor-saving measures on a planned basis, the paper says. With the economy remaining in a protracted adjustment phase, differences in labor demand have emerged between large and smaller-scale corporations. Large firms continued to recruit a significant number of people in the period of business expansion. As a result, they feel less a sense of labor shortage in the period of economic downturn. On the other hand, smaller-scale firms feel a strong sense of worker shortage. Whereas large companies are now substantially reducing the number of new recruits, smaller-scale firms notably show a positive stance toward new recruitment. Small companies want to secure regular employee and new school graduates who will be future successors and top executives in the field of business management and planning as well as research and engineering/ But demand for such white-collar workers remains strong also in large corporations, and in actuality, they are not reducing the number of new recruits. Thus, small-scale firms are confronted with a difficult recruiting environment. During the period of economic expansion small-sized companies could note secure sufficient numbers of regular employees and five vacancies with part-time and temps. But in the period of economic adjustment, they have a strong intention to recruit regular workers with lack of part-time largely mitigated.

Under these circumstances, the white paper introduces those smaller-scale firms which have devised methods to actively utilize people to overcome the labor shortfall. To develop workers' ability and vitality, one smaller enterprise actively recruits older persons from large firms at the mandatory retirement age and posts them on the front of line as advisors with

professional knowledge or as promoters. Other companies post female four-year of college graduates at business offices to promote active utilization of the female workforce, and also place female workers in managerial and supervisory posts. Furthermore, companies have adopted the employee stock ownership scheme to enhance incentives. Also, some firms endeavor to substantiate welfare facilities and system and promote in-house communication as a base for such systems. Active utilization of people in these ways is now called for at small-and medium-sized firms.

Working Conditions and the Labor Market

Wage Trends

On April 29, the Ministry of Labour released its 1992 Basic Survey on Wage Structure. The survey was conducted in June 1991 among approximately 1.18 million workers at about 45,000 establishments altogether. These included private firms with five and more regular employees and public entities with 10 or more regular employees. The survey covered regular workers, who were classified as general workers and part-timers (workers who put in fewer daily work hours or fewer weekly working days). The figures shown below are for general workers.

Scheduled earnings in 1992, excluding bonuses and overtime allowances, averaged 275,200 yen for both male and female workers aged 38.6 with 12.5 years of service. Earnings rose 3.3 percent over a year earlier, representing the second straight year at lower year-on-year slackened growth. By sex, the average 39.7-year-old male worker with 12.5 years of service earned 313,500yen, up 3.2 percent over the year before and the average 36-year old female worker with 7.4 years of service earned 192,800yen, up 4.6 percent from a year earlier. By job status, scheduled wages earned by male workers who hold the post of department manager (average age: 50.8 years old) averaged 598,800yen. Scheduled wages earned by male section managers (average age: 45.6 years old), on the other hand, averaged 485,900yen and those earned by male chief clerks (average age: 41.1 years old) averaged 367,300yen. With earnings (191,000yen) for male workers in the 20-24 age groups as 100, the gap in scheduled earnings by position level stood at 314 for department managers and 192 for chief clerks.

By company size, workers aged 38.5 with 15.5 years on the job at big enterprises with 1,000 and more employees received 353,000yen, those aged 38.9 years old with 5.5 years of service at middle-ranking enterprises with 100-999 employees were paid 302,100yen and those aged 41.8 years old with 10.4 years of service at smaller-scale enterprises with 10-99 employees earned 287,100yen. With wages for large enterprises as 100, the level stood at 86

for midsize enterprises and 81 for small-size ones.

International Relations

Strong Interest Shown in Japan's Industrial Relations—ACFTU Seminar Held

For three days from May 4, All-China Federation of Trade Union (ACFTU) hosted a seminar on the "transition to an industrial free market amidst a market economy and industrial relations" in Beijing. The Japan Institute of Labour (JIL) responded to ACFTU's requests by dispatching lecturers to the seminar in order to evidence its cooperation.

At its National People's Congress in March, China revised its Constitution which endorses the Socialist market economy, thus more clearly setting forth its policy of reform and opening.

Economic reforms are now in progress thanks to adoption of market principles. In 1992 China's gross domestic product grew at an annual rate of 12 percent. At the National People's Congress, the country made an upward revision of its growth rate to 8-9 percent from 6 percent set in the 8th five-year economic plan for 1991-95. Along with economic growth, average national consumer prices rose 8.6 percent, and some industrial circles express fears that the economy will overheat. In addition to wage hikes, there have arisen new problems to be coped with in labor fields as a result of the market economy. The emerging problems are a transition to contract-based labor from lifetime employment at state-owned firms, solutions to labor issues between labor and management in enterprises instead of labor unions' negotiations with the government, procedures to smooth solutions to labor disputes and unification and consolidation of the social security system. To cope adequately with these issues, the nation is presently consolidating legal systems.

The seminar, sponsored by the ACFTU, was intended to refer to Japan's past experience in solving the labor issues China will face in moving to the market economy. Akira Takanashi, JIL research director-general and former professor at Shinshu University, Nobuo Ishihata, JIL supervisor and former vice chairman of the Central Labor Relations Committee and Tomohisa Maekawa, chairman of Matsushita Electric Industrial Co. Ltd's labor union, participated in the seminar. They lectured on "High Economic Growth and Development of Industrial Relations in Japan," "Framework of Japanese Industrial Relations" and "Ideas and Management of In-House Industrial Relations," respectively. The participants asked many questions regarding wages, higher productivity, management of labor unions and proposal of rationalization and streamlining plans in enterprises.

Following Beijing the seminar met also in Dailin.

Public Policy

Rengo's Survey on Political Attitudes

Rengo (Japanese Trade Union Confederation) published the results of its first survey on political attitudes covering the members of affiliated unions.

Between February and March 1993, Rengo sent survey questionnaires on political topics to 79,450 members, roughly 1 percent of total membership, and received replies from 81.6 percent.

The survey found that 45.3 percent believe the Self-Defense Forces (SDF) "is constitutional," while 43.8 percent said the existence of the forces "violates the Constitution." Thus the survey showed unionists hold two largely differing views on the constitutionality of the SDF. The treatment of the SDF under the Constitution has significant meaning in determining Rengo's political policy.

About 70 percent of those who consider the SDF unconstitutional replied "we believe the existence of the SDF violates the Constitution, but cannot help endorsing it." A greater majority of the members, whether they support the SDF or not, want to see the SDF "clearly recognized under basic security law and not by revising the Constitution." In comparison, only a small number insisted that "the Constitution be revised," saying that "the State's right to defend itself should be included in the Constitution."

Regarding the current political climate, as for support for a political party, nearly half of those polled, or 49.8 percent said they "do not support any political party." They cited as reasons for not supporting any particular party as "Every party lacks eagerness to break the deadlock, and is hampered by established rights or practices" (43.5%), "Cannot trust parties and politicians" (38.5%) and "No political parties have policies or take action" (37.8%).

A low of 17 percent said they support the Social Democratic Party of Japan, which nonetheless won the largest support of any single party. Furthermore, 11.3 percent said they favor the Democratic Socialist Party, 8.6 percent back the LDP while 5.8 percent support the Japan New Party.

On relations between the labor unions and political parties, the largest number of replies, or 44 percent said they "do not support any particular party," surpassing the 32.8 percent who said they "support a particular party." Those who said they do not support any particular party consider it desirable to determine which party to support "through policies" (54.6%) or "through politicians" (34.7%). In fact, some of Rengo's major industrial unions have set forth a policy of deciding upon which party to support "based upon policy and or a politician."

Report by Study Group Regarding the Labour Standards Law

On May 10, the Labour Standards Law (LSL) Study Group, which advises the Minister of Labour (Head: Churoi Chairman Kiyohiko Hagiwara), compiled and submitted a report to the Minister of Labour calling for review of the LSL regarding labor contracts and rules of employment.

In the report, the Study Group concludes that the LSL now fails to conform to such changes as the growing weight of the service sector in the economy, internationalization, the aging population, women's advance into society and diversified ways of working. The LSL has not been revised on a large scale since it went into effect in 1947. The Study Group aims to review the LSL and rewrite it completely in order to fit into current the socioeconomic situation.

Under the present LSL, matters concerning wages alone require the employer to clearly state them in writing when concluding a labor contract. The employer, it was considered, had only to orally explain such areas as work hours and retirement allowances, to the employee. The report, however, says that clear statement in writing of working conditions, wages and benefits as a whole is appropriate to avert troubles over labor contracts.

Presently, the LSL stipulates that a labor contract with a definite period shall be concluded for a period not longer than one year. The report asks for extension of the upper limit of the period to five years.

The report lists transfers to subsidiaries and other affiliated firms, relocation, office regulations and disciplinary actions as matters which should be incorporated into the rules of employment. It also cites, as matters to be described, systems to respond adequately to the graying of society. These include the mandatory retirement age, the reemployment system and the continued employment system.

The Ministry of Labour plans to study legal consolidation of the LSL on the basis of the report while considering the views and opinions of the Central Council on Vocational Standards.

Rengo Proposes "Partial Employment, Partial Payment of Pension"

With the ongoing aging of society, in 1993 the government will launch a full-scale revision of public pension schemes as these will continue to grow in importance. In 1994 it will submit the draft revision which incorporates as a pillar the raising of the pensionable age (presently 60 years old). Then in 1995 it will "unify" various pension programs into one major scheme. Rengo, the national center of Japanese labor unions, on the other hand, insists that the system of "partial employment, partial payment of pension" be introduced to uphold the current pensionable age of 60 and enable the worker to receive his or her pension while at the same time earning income from work.

The foremost reason why Rengo opposes raising the pensionable age to 65 involves employment. According to a Ministry of Labour survey, 77 percent of enterprises surveyed implement the 60-years-of-age limit for retirement and 22 percent continue to employ workers until 65 in some form or manner. In view of this situation, Rengo is of the opinion that the present pensionable age of 60 should be upheld.

In addition, Rengo stresses the possibility of stabilizing pension financing sources by elaborating on some adequate plans. One such plan is called "partial employment and partial payment of a pension." "Partial employment" means to work shorter hours a day or fewer days a week. Individual differences in terms of health become wider as people reach their early 60s. Thus, it is not uncommon for people to want to work part of the day or a shortened workweek rather than full-time.

Under the current system, payment of Employee's Pension Insurance is suspended for those who continue to work after they have reached 60. This reduces the will of older people to work. Rengo's proposal calls for supplementing as a pension a certain proportion of reduced wages for those aged 60 and over who have switched to working part-time. It is expected that the soon-to-be established program will enable elderly persons 60 and older to select different forms of employment while at the same time lightening the burden on pension financing sources.

Special Topic

Relocation Arising from the Gradual Close of Nissan's Zama Plant Production Line

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1. Attention Focuses on End to Car Production at Zama Plant

The bursting of the speculative bubble and the rapidly ongoing rise in the value of the yen are forcing Japanese manufacturers, who have been accustomed to continuous economic growth, to make further restructuring efforts. Amidst this severe economic environment, Nissan Motor Co., the world's No.4 carmaker, announced on February 23 that it would undertake "major restructuring." The announcement drew wide media attention both at home and abroad, for the restructuring program included suspension of passenger car production at the Zama plant which has been regarded as Nissan's "mother plant." The Zama factory utilized many robots since its very early days, which were active in the spot-welding and painting processes. The scene of robots performing manufacturing operations was televised and widely known to the general public. Furthermore, the plant had easy access from the metropolitan area and was noted for its visits by celebrities. The announcement that the company will stop car production at its "symbol" plant in the spring of 1995 has inevitably attracted considerable attention, in part due to its impact on the local economy.

2. Restructuring Program and Development of Labor-Management Consultations

In the one year fiscal period ending in March 1993, Nissan recorded its first operating loss since being listed on the first section of the Tokyo Stock Exchange. Reasons for the red ink were: first, because demand was so weak following collapse of the bubble economy, passenger car production volume dropped to 2.11 million units in 1992 from the peak of 2.3-million units, which then resulted in a surge in per unit manufacturing costs; second, efforts to recoup the multimillion-dollar investment in the company's state-of-the-art second plant in Kyushu have become painful; third, there has been a continued large loss from financial operations, due to high debt. Even in the 1992 mid-term management program which aimed to turn out 2.35 million units, the company had begun to tackle the issue of

improving its cost structure by means of common use of parts and components and slashes in the number of models and specifications. In the 1993 streamlining plans which include such major tasks as closing of car production at Zama, strengthening of domestic sales and that of overseas projects, the carmaker aims to transform itself in order to secure an adequate level of profits even if domestic production volume falls to the 2 million-unit level.

Nissan plans to cut its workforce of 53,000 (average age: 37.3 years old) by 5,000 workers, or nearly 10 percent of the current total payroll, by curbing new recruits and not filling retirement vacancies. To strengthen domestic sales, the company will increase by 900 to 2,500 those who will be transferred from business operations divisions to sales firms.

Furthermore, the carmaker will stop producing small cars *Sunny* (14,000 units a month) and *Presea* (6,000 units a month) in the Zama plant. *Sunny* production will be moved to the Kyushu plant and *Presea* to the Murayama plant to enhance the rate of operation of both factories. The resultant 2,500 excess workers at the Zama plant will be absorbed into the company's other plants through relocation. Moreover, Nissan plans to reduce the number of models which now number over 2,000 by 35 percent and that of parts and components used by 40 percent by 1995 to cut costs of purchased parts. Together with other cost-cutting efforts, the company will also slash a total of 200 billion yen in manufacturing costs by that time.

News of the carmaker's "major restructuring," made public on February 23, were preceded by consultations between top management and leaders of the labor union executive council to give top priority to stable industrial relations. Consultations on the company's policy, which led to the decision to shut down Zama, including background discussions, had been top-secret until final decisions were made.⁽¹⁾ This was because decisions involved management strategies and included moves which would affect the stock market (the company took care to prevent leaks from insider information). But once the decision was made on the Zama plant closure, the carmaker rather promptly unveiled its reorganization plans. It explained its plans to all employees, concurrently with the February 23 announcement. Thereafter, labor and management energetically held consultations, as will be discussed later, to thoroughly let each and every employee know the policy as well as to listen to his or her wishes. But news of the company's drastic restructuring were abruptly made public, and they exerted a large social impact on local governments as well as related government agencies. Also, there was commotion amidst media circles speculating that Nissan would implement employment adjustment measures, including lay-offs.

3. Transfer of Production Facilities from Zama to Other Plants and Relocation between Establishments

Nissan has five passenger car production factories, the Zama plant (staffed with 4,000 workers), the Oppama plant (4,500 workers), the Murayama plant (4,000 workers), the Tochigi plant (7,500 workers) and the Kyushu plant (6,550 workers). In addition, it has two other factories which turn out components for engines and axles, one in Yokohama (5,300 workers) and the other in Yoshiwara (5,000 workers), as well as the Ogikubo and Mitaka establishments, currently staffed with 1,500 workers, which manufacture textile machinery. Characteristically, all the plants, except for the Kyushu factory, are concentrated in the Kanto and Tokai region within about 100 km from Tokyo. Zama City, where the Zama plant is located, has a population of 110,000, of which 49,000 are employed persons. Many are salaried workers who commute to the Keihin area and central Tokyo. Of the 15,000 who work in the manufacturing sector in the city, 6,300 are engaged in the manufacture of transportation equipment (23 establishments). Although the percentage of all Zama's workers employed in Nissan's Zama plant is quite high, the City is not exactly a corporate castle town.

Nissan will stop operations in the Zama plant for the following reasons. First, it would be more efficient and advisable to close one plant and bring production facilities together in the remaining four plants than to keep five assembly factories going in order to cut fixed costs. Second, *Sunny* would be the best model to concentrate production facilities in the Kyushu plant which turns out Pulsars sharing many parts and components with *Sunnys*.⁽²⁾ Third, the 528,000-square-meter Zama plant site, close to the metropolitan center, can be more advantageously put to good use.

Currently, 2,500 people work on Zama's assembly line. In addition, 1,500 more work in the industrial machinery division responsible for the design and manufacture of production equipment, in the development division responsible for production engineering, in the division manufacturing electronic parts and components and at the distributing station for completed cars. All will stay in the Zama area. By around the summer of 1994, Nissan plans to switch half of *Sunny* production facilities to the Kyushu factory, where it will gradually increase production volume, while at the same time decreasing its Zama production. This means a gradual transfer of workers and production facilities to the plant in Kyushu. It is expected that Sunny production facilities will be totally transferred to the plant in Kyushu and *Presea* facilities to Murayama in the spring of 1995. Thus, the transfer plan will be the biggest in scale announced so far by a Japanese automaker.

The Kyushu plant started its operations in 1976, when the company transferred considerable numbers of workers, particularly those who were from Kyushu, in order to move

pickup truck production facilities there. Also, the carmaker closed its first plant in Zama in June 1992 and transferred a fairly large segment of its workforce from there to the Kyushu factory. This implies that those workers who wear easily transferable have already moved to other Nissan plants. The average age of those 2,500 workers to be relocated to other factories is 42, three years older than the company-wide average. Of the 2,500, 2,200 are skilled workers, 100 are female clerical workers and 200 are engaged in clerical and technological jobs which are to be transferred to other plants across the nation. Of the 2,200 workers, 200 are superintendents and 1,600 are married. Furthermore, 1,400 are directly involved in production ("direct workers") and 800 are "semi-direct workers" engaged in equipment maintenance and inspection. Whereas the stamping, body assembly and painting processes are all highly or fully automated by operators, the final assembly processes following the trim line have yet to be fully automated with much of the work being labor-intensive. Accordingly, many of the direct workers are on the final assembly line.

4. Concrete Selection of Those Subject to Relocation to Other Factories

Prior to the February 23 announcement, Nissan held an earlier-than-usual central labor-management council meeting, and gave detailed explanations of the reorganization program to the labor unions. Normally, the council had met regularly around March of each year. Since the streamlining plan is intended to change which plants will produce which model, the issue questioned by the labor side was "Is it possible to establish the 2-million-unit production system in such a manner as to maintain production at the Zama factory?" At the meeting, management presented a variety of data, and both sides, it is reported, held in-depth consultations involving the details of the plan. After the end of the labor-management council consultations, labor had several rounds of workshop meetings with all the union members to hear the views and opinions of members at the workplace and to assert them in subsequent meetings with management. Thereafter, three more rounds of special councils gathered, attended by 6 to 7 members from the management side, including senior executive managing directors in charge of production, officials in charge of labor management and department and section managers concerned, as well as the same number of people from labor.

Through several rounds of council meetings, labor showed its understanding of the Zama shutdown but with the following conditions. First, the company should not ask for voluntary retirements nor should it force dismissals. Second, it should not let workers leave their jobs because of forced relocation. Simply put, labor unions decided to bring maintenance of employment forward as the principal requirement for dealing positively with the issue of the Zama closing.

With the consultations on the Zama plant now over, the labor-management experts

committee proposed by the labor side is presently studying smooth ways of conducting a transfer of workers in a concentrated manner. At the committee meetings, experts from management explain the transfer plans and ask labor for their views and opinions. From the end of March to April 20, 2,500 would-be transferees were interviewed individually by their supervisors to be surveyed about their hopes of where to move and their family situations. The transfer program is being drawn up on the basis of the survey results, although the final plan has yet to come along. The company is recruiting companywide those volunteers who want to move to the remote Kyushu plant and is adjusting the number to put them on the priority-based list.

Under the relocation plan now underway, workers "will be transferred, as a rule, to the Kyushu and the Murayama plant together with their jobs." However, in the event they find it difficult to move there, they will be transferred to the Yokohama or Oppama factories, to the development center in Atsugi or the parts center in Sagamihara, job sites to which they can commute. Specific problems, such as company houses and dorms at newly assigned jobs and transfer and commuting conditions, are now being discussed at the committee of labor-management experts. The subjects which would be called into question at this level, if necessary, will be dealt with at the labor-management council as well as at the collective bargaining table.

In transferring workers, during the period of expansion the company generally gave top priority to those who meet the needs of plants to which they are transferred and thus selected those who were easily transfer -able. Screening from among many workers offered the carmaker a wide selection of transferees, and workers, on the other hand, were given incentives, such as promotion. The current transfer of workers, however, will come together with a transfer of production facilities amid restructuring. Besides, when proportionally allocated in terms of car production size, 1,000 workers will be transferred to the Kyushu factory alone, greatly affecting the plant which accepts them. Both the sending facility and the receiving location must take care so that "those who will move from Zama will not be disadvantageously treated in terms of promotion. Also the receiver needs to take great care to insure that the transfer of workers from Zama could not possibly destroy the order of promotion."

In order to be multi-skilled workers, those in the production areas rotated their duties, including switching from the assembly process to painting. To what extent is it possible for workers to rotate their duties, then?

The pecking order of positions in the manufacturing division ranges from section chief,

supervisor and lead to worker. The lead has 14-15 subordinates and supervisor 40 to 60. For supervisor, experiencing relocation between establishments is a requirement for promotion. Accordingly, each year there are about 10 cases in which supervisors relocate between establishments companywide. In contrast, leads are seldom relocated between factories, though each year 7 to 8 percent are subject to relocation within the establishment. The technicians are divided into eight ranks from G1 through G8, depending on the level of skills. G1 is the level for new high-school graduates. G2 is a level in which tasks can be handled by seasonal workers and which can be followed in some way or manner in about two weeks and can be almost mastered in about two months. G3 is a level which requires 7 to 8 years of experience and to which the worker can respond on an irregular basis; this level also demands the worker to have some experience in other broad-based fields. G4 is a level which expects the workers to have 10 to 12 years of experience in a further wide range of job fields. G5 is a level which requires that the worker have at least 15 years of experience as a requisite for promotion.

Transfer from the car assembly line to the machine processing line or to the engine assembly line is interchangeable in terms of skills. It is, however, difficult for workers with the G3 level or up on the car assembly line to move to the industrial machinery division since the level of skills required differs considerably. Those who were once in charge of equipment maintenance (semi-direct workers) could possibly move to the industrial-machinery plant. Furthermore, those in charge of inspection (semi-direct workers), it is considered, have possibilities for a transfer to the experimental task forces in the development department.

The issue of workers' families looms large in decisions regarding relocation to remote places. Thus efforts are being made to take sufficient care in regard to the family situation at the stage of hearing workers' wishes. However, the reality is that workers' families expressed strong hope that they "do not want to move from where they now live." Thus, it is vital how precisely the worker himself (herself) or the family is kept informed regarding the place to which they are moving. Toward this end, the personnel division made videos and brochures to introduce the living environment surrounding the plant in Kyushu and the issue of children's education. Also, they have sent supervisors to the Kyushu factory in order to provide feedback on what the plant is like to the workers. They also ask those who have already moved to Kyushu from the Kanto area to come to Zama and give some explanations of the conditions at the Kyushu plant to families of those workers who are to move there. In actuality, however, families continue to strongly oppose moving. "The husband is always at the company and can understand what is going on there," says a personnel official, "but his wife and children argue 'why do we have to go to Kyushu for the company's convenience?' 'What's the use of moving to Kyushu?'" The carmaker will thus confront still more difficulty in responding properly to

workers' families. Those in charge of personnel consider "As in past transfers to other factories, once it is decided that redundant workers are to move to Kyushu, we will take them along with their wives to the plant there and will show them around the area, including company houses, shopping centers, schools and hospitals. We will also post counselors for the sake of these workers' families." "By August 1993," they continue, "we would like to transfer 80 to 90 percent of all surplus workers and let them settle down in the new factory." The forthcoming summer will likely be a long one. Those in charge of personnel must work hard toward "positive restructuring" which distributes sources of management to highly profitable divisions on a priority basis.

Notes:

- (1) Let me introduce the outline of Nissan's labor-management council in order for readers to understand the nature of present negotiations. At the central level are collective bargaining and the central labor-management council. Collective bargaining is a forum for negotiations involving fundamental and underlying working conditions in which periodical pay hikes, salary increases and bonuses are the major agenda. The central labor-management council is a forum for explaining the core of management matters, not matters which ask labor unions and their members for understanding. The council is attended by 10 officials from management, including the president, the vice president and the senior, executive managing director and the same number of labor-union officials, including the executive committee chairman and the secretary-general. At the council, which has a biannual regular meeting, management's program for the fiscal year is explained in the spring, and in fall a review for the first half of the year and management's program for the second half are explained. Aside from the regular meeting, a special council meets several times a year. In addition, the council at the level of the operations headquarters regularly meets every month to check on production, sales, personnel programs and transfer plans for the subsequent month. It is attended by officials from the labor union headquarters (vice chairman in charge and members of individual experts committees, such as those involved in research, policy and organization) and by those from management (personnel department and section managers, production management-related section and department managers).
At the individual establishment level, the labor-management council meets biannually and the monthly council at the branch union meets regarding such matters as how to precisely coordinate with union headquarters. How paid annual leave is taken, for instance, is discussed on a branch union basis in view of the results from the consultations at the union headquarters.
- (2) The second factory in Kyushu began operations in the spring of 1992. It is a state-of-the-art plant with totally new images in anticipation of a future labor crunch-no heavy manual work and improved, comfortable working environments. Specifically, the Kyushu plant eliminates conveyors on the final assembly line and improper work posture at the assembly operation on the cart. Also, it actively uses assembly robots equipped with built-in CCD (Charge-coupled device) cameras for the process of attaching front wind-shield glass and doors. This is expected to cope adequately with the previous problem of workers' hip-aches. Furthermore, the factory is air-conditioned.

Statistical Aspects

Recent Labor Economy Indices

	March 1993	February 1993	Change from previous year
Labor force	6,522 (10 thousand)	6,443 (10 thousand)	20 (10 thousand)
Employed	6,355	6,286	5
Employees	5,142	5,126	89
Unemployed	153	154	17
Unemployment rate	2.3%	2.3%	0.3
Active opening rate	0.88	0.91	-0.35
Total hours worked	162.7 (hours)	159.9 (hours)	-2.2*
Total wages of regular employees	269.0 (¥thousand)	268.6 (¥thousand)	1.5*

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 5 to 30 employees.

1990 Annual Per Capita Income by Prefecture



Prefecture	Annual Per Capita Income by Prefecture in 1990(¥1,000)	Change from Previous Year (%)	Index (Tokyo=100)
Tokyo	4,467	5.5	100.0
Hokkaido	2,512	6.7	56.2
Miyagi	2,533	6.7	56.7
Aichi	3,242	5.4	72.6
Osaka	3,348	6.5	74.9
Hiroshima	2,901	6.5	64.9
Kagawa	2,686	6.5	60.1
Fukuoka	2,658	5.3	59.5
Okinawa	2,001	4.9	44.8
National average	2,944	6.1	65.9

Source: Based on Economic Planning Agency Materials

Note: Osaka and Aichi, together with Tokyo, are also major metropolitan areas,
though annual per capita income differs considerably from Tokyo.