

# JAPAN LABOR BULLETIN

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## General Survey

### **White Paper on National Life**

The 1993 White Paper on National Life, subtitled "Affluent Exchanges-Person to Person Human Contact Rediscovered," was approved at a Cabinet meeting. The annual report stresses the importance of deeper exchanges with a variety of people in daily lives, so that after retirement "company-men" will not find themselves at a loss of purpose in their homes or local communities. Toward this end, the report recommends that they actively participate in volunteer activities.

The annual report consists of two parts, first, affluent life and exchanges and second, trends in household consumption expenditures and exchange-related consumption trends. It analyzes that due in part to the effects of the recession, there has been a growing tendency recently for people to have second thoughts about excessive spending behavior and awaken again to the importance of spiritual affluence. Household consumption expenditure in 1992 was sluggish in the face of slackened growth in income and stock adjustment of durable consumption goods, amidst the prolonged recession. Consumers are sharper-eyed on prices and prefer to enjoy the growing amount of free time. The report calls for realization of diversifying exchanges among people to build the basis of an affluent national life.

Men in particular have so far found something to live for in work and have become company-oriented due to the comfortable atmosphere of the workplace. Work, however, is not always sufficient, and establishing broader human relations with people from all walks of life is instrumental in sustaining life in old age, as the report indicates. To this end, the report recommends that participation in volunteer activities is one effective way of making heart-to-heart contact with people.

### **The Worst Recession Since WW II Appears Certain**

On December 12, the Economic Planning Agency (EPA) formally announced that the "Heisei business boom" which began in December 1986 has ended and that the economy turned downward in April 1991. The nation's economy underwent a snowballing change from hefty expansion to severe recession and still remains lackluster. In January 1994 the economy entered the 33rd month of the current slump, almost equaling the postwar record of 36 straight months of recession between March 1980 and February 1983 when the country experienced the second oil-supply crunch.

Under these circumstances, major private research institutes made their 1994

predictions in annual reports based on the outlook for trends in real gross domestic product. The majority see real growth for fiscal 1994 at around 0.5 percent. Nomura Research Institute of Technology and Economics made the most pessimistic prediction that the economy will grow by a negative 0.4 percent in fiscal 1994, followed by the Research Institute of Daiichi Life Insurance, which forecasts growth of minus 0.3 percent, and the Long-Term Credit Bank of Japan Ltd., which expects growth of minus 0.2 percent. On the other hand, the Research Institute on the National Economy again this year expects the economy to achieve high growth of plus 1.6 percent.

In light of the 1994 economic forecast, almost all research organs anticipate an income tax cut of 5 to 6 trillion yen in 1994, and the eighth discount rate cut by the Bank of Japan of 0.5 percentage points from its current level of 1.75 during the January-March 1994 quarter. Nissei Basic Research Institute, for instance, based its predictions on a combined income and local residents' tax cut of some 6 trillion yen and a boost in the consumption tax rate, but said these latter measures should be taken only after the full-fledged recovery in the overall economy has taken place. Even if such measures are taken, "the economy will at best remain lackluster through the second half of fiscal 1994 and is not likely to bottom out," the Research Institute notes, thus predicting real GDP growth of zero percent in fiscal 1994.

## **Working Conditions and the Labor Market**

### **A Survey on Labor Economy Trends**

The percentage of establishments implementing employment adjustment in some form or another in the July-September 1993 period stood at 46 percent in manufacturing, 36 percent in wholesale and retail trades, and 24 percent in services, according to a Labour Ministry Survey on Labor Economy Trends. The survey thus found that in all industries, the percentage continued to rise from the April-June 1993 period and that in the manufacturing sector, nearly half of the establishments implemented employment adjustment measures.

The survey was carried out on November 1, 1993, covering 4,123 private establishments with 30 and more regular employees in manufacturing, wholesale and retail trades, eating and drinking places and services across the nation. The quarterly survey is aimed at gaining deeper insight into production and sales activity and the present situation and future prospects for employment including work hours.

Looking at the excess and shortage of workers as of November 1993 when the survey was taken, 11 percent of establishments in manufacturing answered "shortage of labor," while on

the other hand, 30 percent responded that labor was excessive, indicating that the percentage of those establishments replying "excess" surpassed by 19 percentage points that of those answering "shortage." In wholesale and retail trades and eating and drinking places, 13 percent replied "shortage" but 20 percent answered, "excess", with the former being up 7 point from the latter. Meanwhile, in services, 14 percent replied "shortage," while the same 14 percent answered "excess."

In the July-September 1993 period, the highest percentage of establishments in all industries resorted to "overtime restrictions" to adjust employment-36 percent in manufacturing, 23 percent in wholesale and retail trades and eating and drinking places and 15 percent in services. The second highest percentage "cuts in or suspension of midcareer recruitment" - 20 percent in manufacturing, 14 percent in wholesale and retail trades and eating and drinking establishments and 8 percent in services. Those carrying out "relocations" represented 13 percent in manufacturing, 9 percent in wholesale and retail trades and eating and drinking places and 5 percent in services.

Compared with implementation of employment adjustment in the April-June period of 1993, the percentage of establishments conducting "overtime restrictions" rose in all industries, while that of those establishments conducting "reductions in and suspension of midcareer recruitment" and "relocations" grew in wholesale and retail trades and eating and drinking places but leveled off in services.

### **Winter Bonuses for All Major Firms Fall**

Bonuses for major private-sector firms decreased from the year before, the first such decline in 18 years since 1975, the Ministry of Labour said in its Survey on Year-end Allowance Settlements at Major Private-sector Firms. The survey covered 298 major companies with 1,000 and more employees and with capital of 2 billion yen and over listed on the first sections of the Tokyo and Osaka Stock Exchanges.

The average bonus totaled 786,656, yen down 0.3 percent from the year before. Both the summer and winter bonuses dropped from a year earlier for the first time since 1975 when the Ministry started compiling statistics.

By industry, workers in construction received the largest average bonus, of 1,650,110, yen followed by 961,294 yen for those in broadcasting and telecommunications, 898,296 yen for those in newspapers and printing, 892,255yen for those in food and beverages, as well as tobacco and 888,509 yen for those in land transport. Meanwhile, workers in textiles received

the lowest average bonus, of 613,473 yen followed by 670,629 yen for electrical appliance manufacturing personnel, 673,744 yen for steel workers, 675,702 yen for securities employees and 676,192 yen for paper and pulp workers.

The year-on-year bonus growth was large at 5.6 percent for oil-products workers, followed by 5.5 percent for securities personnel, 3.6 percent for broadcasting and telecommunication employees and 2.5 percent for land transport workers. On the other hand, the growth was low at minus 4.7 percent for workers in rubber products, minus 4.6 percent for those in newspaper and printing, minus 4.5 percent in autos, minus 4.3 percent in services and minus 3.1 percent in electric appliances.

Rengo (Japanese Trade Union Confederation) made a final compilation of winter-bonus negotiation settlements as of December 17, 1993. According to the survey, workers received a weighted average bonus of 701,263 yen or 2.59 months of regular income, down 0.8 percent, or 5,830 yen from the previous year.

Meanwhile, according to Nikkeiren's (Japan Federation of Employers' Associations) final compilation of winter-bonus negotiations settled as of December 14, 1993, workers received a weighted average bonus of 774,193 yen decreasing 7,083 yen or 0.91 percent.

## Labor-Management Relations

### Spring Wage-Hike Requests

On November 24, IMF \* JC (Japan Council of Metal Workers' Unions; President: Teruhito Tokumoto) called a meeting of regular officials to decide on its policy for the 1994 Shunto, or wage hike talks. IMF \* JC, comprised of unions in the electrical-machinery, auto and other sectors, acts as a pace setter for spring wage talks. In its policy, IMF \* JC set this year's wage increase request at 5 percent. It added the demand of "including a 2percent hike equivalent to the annual automatic increase." This indicates that the organization made a substantial 3 percent demand equivalent to the net annual automatic boost, thus allowing for a margin resulting from the disparity of the annual automatic raise between individual unions. The IMF \* JC appears to have tried hard to take into account individual unions' situations in microeconomic terms as well as the IMF \* JC's joint struggle from a macroeconomic perspective.

Steel and auto makers implemented short-term suspension of work and all reported deteriorating corporate earnings. Under these circumstances, both labor and management

agreed that they are confronted with a situation far more serious than that of the high-yen slump of 1987. Thus, they found it difficult to unify IMF \* JC member unions regarding positive demands and were strongly affected by the situation of individual unions.

Individual unions made the following wage-hike demands. Tekkororen (Japan Federation of Steelworkers' Unions) decided to seek a 12,500 yen or 4.34 percent, wage increase (including a 3,500yen annual automatic hike) for the standard worker aged 35 with 17 years of service. The net annual increase of 3 percent, or 9,000, yen which they considered was within a range of the standard demand made by the organization. In the discussions of wage-hike requests, some officials stated "the demand is set at a rather high level given current conditions in the industries." But the union members of the steel industry, the major force in the IMF \* JC, said they could not very well deviate from the IMF \* JC's target and decided to set the net annual increase at 3 percent which includes 1 percent stemming from general price increases plus 2 percent from economic recovery. Steel industry production dropped below the 10 million-ton boom-or-bust line in 1993. All major steelmakers reported losses in ordinary profits in September 1993 and are experiencing a severe situation comparable to that of the strong-yen slump of 1986. In the previous recession, union members of the steel industry capped wage-hike requests.

Jidoshasoren (Confederation of Japan Automobile Workers' Unions) decided to demand an average 5 percent boost (including the annual automatic hike). The auto industry has reported a drop in domestic sales for the third straight year and has also seen sluggish exports due to the rising yen. Four of the 11 major automakers expect earnings to be in the red when they close their books for the current business year ending March 1994. In this situation, they are unable to make an aggressive wage-hike demand. The "5-percent target" is exactly a macroeconomic request aimed at business recovery. Tadayoshi Kusano, secretary-general of Jidoshasoren, noted that "we will further strengthen our stance of making a sound macroeconomic based wage-boost demand."

Denkirengo (Japanese Electrical Electronic & Information Union) also plans to set an average wage-hike demand at 5 percent based upon the macroeconomic perspective. Furthermore, Zosenjukiroren (Japan Confederation of Shipbuilding and Engineering Workers' Unions) plans to make a 14,000, yen or 4.8 percent, wage increase demand, including a 5,000yen annual automatic boost. Kinzokukikai (National Metal and Machinery Workers' Union of Japan) has decided to request monthly pay of 258,000 yen or a 6.3 percent boost, for the 30-year-old standard worker. Zenkinrengo (Japanese Federation of Metal Industry Unions) decided to demand an average 5 percent wage increase.

## Public Policy

### Employment Situation of Foreign Workers

On November 16, the Ministry of Labour unveiled the outcome of its first survey on the Employment Situation of Foreign Workers. Of the 90,000 foreign workers who were confirmed as lawfully employed in Japan, 60 percent were working in production jobs. Foreign workers rapidly increased when the nation experienced the worker shortage resulting from the "bubble economy." The number of foreigners both lawfully and unlawfully employed in Japan is estimated at 600,000, accounting for more than 1 percent of total employed workers. Meanwhile, affected by the recent faltering economy, the number of jobless foreign workers has climbed. Also, troubles have increased between foreign workers and employers over languages and differences in customs, thus posing a social problem. To gain deeper insights into the situation of foreign labor, the Ministry inaugurated a system of reporting on the foreign employment situation. Under this system, those establishments which hire foreign workers are asked to report to public employment security offices the number of such employees.

According to the results of the first survey, as of June 1993, the number of establishments legally authorized to employ foreign workers was 11,624, in which 96,528 foreigners worked. By industry, the largest number, or 6,076 establishments in manufacturing hired foreign workers, making up 52.3 percent of the total, followed by 2,776 in services and 1,498 in wholesale and retail trades. By size of establishment, firms with 100-299 employees represented 32.5 percent of those surveyed, while those with 50-99 employees stood at 24.9 percent, showing that a slightly less than 60 percent were smaller-scale. Only 6.6 percent were large companies with 1,000 and more employees. By type of work, the largest share, or 62 percent of foreign workers were engaged in production jobs, followed by 14.5 percent employed in professional and technological as well as managerial jobs, 7.4 percent in sales, cooking, catering and entertainment services. By nationality, the number of workers from Central and South America, particularly those with Japanese ancestry, was the highest at 60,778, followed by 15,916 from East Asia. Regarding the purpose of their visit to Japan, 90 percent of the total foreign workers surveyed replied "to work." Of them, 68.3 percent claimed Japanese ancestry. A little less than 10 percent were students who did part-time jobs. By prefecture, Tokyo, Osaka, Aichi, Kanagawa and Shizuoka occupied a shade over 50 percent of both establishments and workers. Furthermore, the number of foreign workers employed by establishments in the past year was 59,431, surpassing the number of those who left work (42,754). The number of separated foreign workers was higher in manufacturing than in other industries. In construction, wholesale and retail trades and eating and drinking places, the

number of newly-hired workers far exceeded that of those who quit work. On the basis of the survey, the Ministry plans to hold nationwide seminars and give employers guidance aimed at improving in employment administration.

## Special Topic

### Employment Adjustment of Middle-aged and Older White-collar Workers

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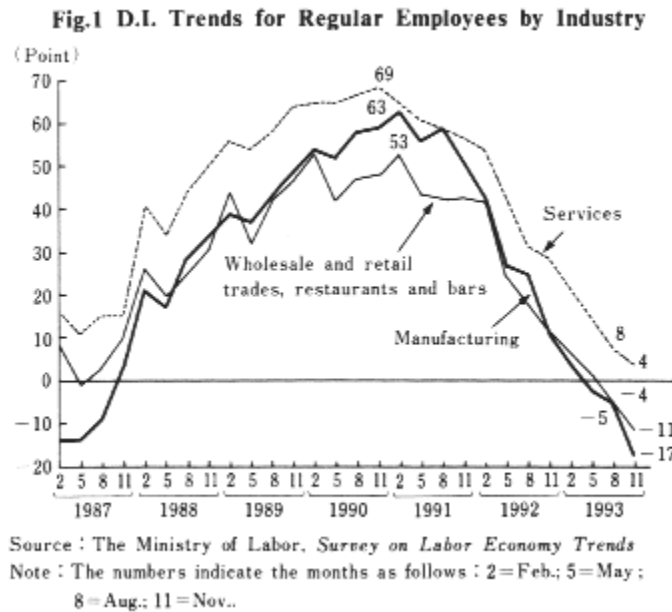


With a growing sense of excess white-collar workers, especially middle-aged and elderly workers and managers, corporations are implementing employment adjustment measures. In this paper, I will introduce the realities and background reasons for the development of surplus middle-aged and older white-collar workers and managers and the present state of employment adjustment.

#### 1. Excess Employment of White-collar Workers and its Background

Let us look at the *Survey on Labor Economy Trends*<sup>(1)</sup>, which shows trends in surpluses and shortages of employees-not just limited to white-collar workers (Fig. 1). This survey shows the excess or shortage of regular workers by a diffusion index, or DI.<sup>(2)</sup> The DI is an index for judging supply and demand conditions for regular employees at principal enterprises. By industry, the figure peaked between the end of 1990 and the beginning of 1991 and has continued to decline since then. In the manufacturing sector, for instance, the same trends were observable regardless of the size of company. In a November 1993 survey, the figure turned negative except for firms with 30-99 employees in the services and manufacturing. The DI for firms with 30-99 employees in the services and manufacturing was on the positive side but only to a negligible degree. In short, in almost all industries and in all sizes of firms the percentage of establishments replying they are experiencing a surplus of workers surpassed that of establishments answering they are experiencing a shortage of workers.





Many establishments see a portion of their regular employees to be redundant, but the degree of that payrolls are padded differs considerably by occupation. The sense of excess labor is particularly strong among managers and clerical and related workers in all industries (Table 1). Furthermore, take a look at a survey conducted by the Research and Study Group Regarding Excess Employment at Firms, which shows the excess or shortage of employees by occupation and age. This survey tells us that corporations strongly sense that redundancies exist among managers as well as clerical and related workers 45 years or older. Over 40 percent of the firms said that those aged 45 or over are in surplus.<sup>(3)</sup> Among regular employees, particularly redundant are middle-aged and older white-collar workers in office work.

**Table 1 Excess/Shortage of Workers by Job (November 1993)**

Industry	(% and D.I.)																				
	Managers and officers			Professional and technical workers			Clerical workers			Sales workers			Service workers			Skilled workers			Non-skilled workers		
	Shor-tage	Ex-cess	D.I.	Shor-tage	Ex-cess	D.I.	Shor-tage	Ex-cess	D.I.	Shor-tage	Ex-cess	D.I.	Shor-tage	Ex-cess	D.I.	Shor-tage	Ex-cess	D.I.	Shor-tage	Ex-cess	D.I.
Manufacturing	2	24	△22	14	10	4	1	23	△22	9	6	3	1	5	△4	15	20	△5	11	29	△18
Wholesale and retail trades, restaurants and bars	3	23	△20	14	6	8	3	19	△16	22	11	11	10	10	0	19	8	11	9	18	△9
Services	5	10	△5	19	9	10	5	12	△7	15	3	12	21	8	13	17	3	14	17	10	7

Source: Same as Fig. 1  
Note: See the text for D.I.

It was pointed out that surplus labor is being increasingly felt among firms against the backdrop of the recession. Why are white-collar workers in office work, and middle-aged and older ones in particular, redundant? This is ascribable to a factor behind the recession as well as the effects of a structural factor aside from the recession. The latter, or the structural factor, it is fair to say, is something that will not improve immediately in tone with economic recovery and is the more serious pause. In that same survey, why excess employment was brought on was divided into two different factors: the factor of lackluster demand arising from the

recession (economic recovery would lead to virtually elimination of excess labor arising from this cause) and the structural factor (economic recovery would relieve this cause of surplus labor). Then, corporations were asked about the percentage of each factor by job and age. The majority or 85 percent of the firms pointed to the structural factor as the cause of surplus employment for those in managerial and clerical work, particularly those aged 45 and older (Table 2).

**Table 2 What Generated Current Sense of Surplus Labor (%)**

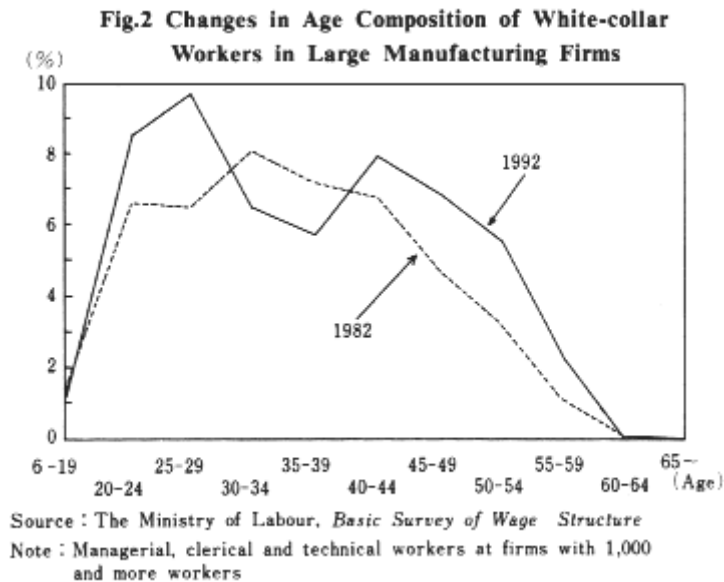
Classification	Total	Recession-induced factor	Structural Factor	Unknown
All employees	100.0	29.5	40.9	29.5
Managerial and clerical workers				
under 35	100.0	40.0	40.0	20.0
35 to 44	100.0	11.1	66.7	22.2
45 to 54	100.0	5.8	86.5	7.7
55 and older	100.0	10.0	82.0	8.0

Source: Research and Study Group Regarding Excess Employment at Firms  
The Report *Corporations' Idea of and Response to Excess Employment* (Surveyed in May 1993)

Let us see in greater detail the factors that generated surplus employment of white-collar workers, middle-aged and older ones in particular. First, slimming down the indirect and administration divisions, which were bloated by the increased demand and diversification efforts of management in the business boom, and the flattening of organizations for prompt decision-making caused redundancies among white-collar workers. This was created by corporate restructuring and may be classified as a factor resulting from slackened demand. But flattening the organization was brought on not only by the recession but also by changes in management strategies.

Also, problems arising from the aging of white-collar workers can be cited as a structural factor. Incidentally, the bloated number of middle-aged and older white-collar workers in firms can be confirmed in Fig. 2, which shows a 1982 and 1992 comparison of the age composition of white-collar and blue-collar workers at large manufacturing firms with 1,000 and more employees. It is clear from the Figure that the share of those in their late 40s and early 50s is large. The bloated number of middle-aged and older white-collar workers led to a stronger sense of surplus employment on the basis of the following two mechanisms. First, an increasing number of middle-aged and older white-collar workers made it more necessary to promote them to managerial and supervisory posts. On the other hand, slimming down and flattening the organization has shed management posts which, in turn, led to fewer posts available for middle-aged and elderly workers, thus making it difficult to treat them in a manner commensurate with their age (Option 1 in Table 3). Second, a stronger recognition was that under the seniority-based wage system, middle-aged and older employees resulted in corporations bearing a heavier burden of labor costs, while at the same time middle-aged and

elderly white-collar workers' contribution to the company was not commensurate with their wage levels (Option 3 in Table 3). The latter mechanism constitutes a factor behind employment adjustment as well as wage adjustment of middle-aged and older white-collar workers. Thus, moves to revise the wage scheme loom larger in order to make the level of wages commensurate with the contribution to the company.



**Table 3 Factors behind and Reasons for Surplus Employment of Middle-aged and White-collar workers (%)**

	Total	100.0
Lack of posts available commensurate with age	26.5	
Doing jobs hampered by delayed decision-making resulting from a rise in no. of mid-level managers	16.5	
Excessive high labor costs as compared to contribution to the company under seniority based wage system	39.2	
Unable to respond properly to new technologies and marketing	2.5	
No. of firms which accept transferees has reached the limit	6.3	
Organization to be downsized through overhaul of management strategies	2.5	
Other	2.5	
Unknown	3.8	

Source: Same as Table 2

Furthermore, the seniority-based treatment system has taken root more firmly in large firms than in smaller-scale ones. Thus, surplus employment of middle-aged and older workers is more deeply felt in the big firms. Let us see the Ministry of Labour's *Survey on Employment management* (conducted in January 1993) and look into those firms which cited "assignment and treatment of middle-aged and older white-collar workers" as an issue regarding employment administration at the time the survey was taken. Sixty-one point eight percent of those firms with 5,000 and more employees, 35.1 percent of those with 1,000-4,999 employees and 22 percent of those with 300-900 employees cited "assignment and treatment of middle-aged and older white-collar workers" as a problem involving employment administration. On the other hand, 11.3 percent of those with 100-299 employees and only 4.7

percent of those with 30-99 employees did so. Many more large firms, in which seniority-based treatment is well established, listed the above item as an issue for employment management. It is safe to say that redundant employment of middle-aged and older white-collar workers is an issue concerning employment administration that big companies must face.

## **2. Employment Adjustment of Middle-aged and Older Workers and Revision of Personnel Management Policies**

As more establishments experience redundant regular workers, they are implementing employment adjustment measures in some way or another. According to a *Survey on Labor Economy Trends*, in the July-September 1993 period, employment adjustment was carried out in 46 percent of manufacturing establishments, in 36 percent of the wholesale and retail trades and in 26 percent of the service establishments. Even in manufacturing, the proportion of establishments which conduct employment adjustment remains at a level higher than in the strong-yen slump. Though a high proportion of establishments are conducting employment adjustment, a low or meager 1 to 2 percent have implemented recruitment of voluntary retirees and dismissal. The major forms of employment adjustment include reduction in or suspension of new-graduate or midcareer hiring, overtime restrictions, relocation and temporary transfers to subsidiaries and other related firms. Temporary transfers to subsidiaries and affiliates and relocation, and the former in particular, are actively taken as measures to shunt unwanted middle-aged and older white-collar workers.

In many cases, white-collar workers in indirect divisions are shunted off to business-operations divisions. In the case of farming-out workers to subsidiaries, many are transferred to related firms and to firms with which they have business transactions. Many are even farmed out with the assumption that they will change their permanent employment place of record in future years. The poor business performance of related firms and business partners, however, makes it impossible for many companies to secure as many places in subsidiaries and affiliates as needed to farm out their workers within corporate groups alone. This forces them to actively farm out unwanted workers even to firms outside the corporate groups, or to formulate plans to do so in coming years. How many positions subsidiaries parent firms can secure in order to transfer their workers both within and without of their groups will determine the future of job opportunities for middle-aged and older white-collar workers.<sup>(4)</sup>

Furthermore, to reduce the pressure to promote to employees to managerial posts and prevent a heavier burden of labor costs ascribable to seniority-based wages, some firms have devised a personnel treatment scheme. On promotion, some have introduced a dual career system aside from promotion to management positions. In terms of wages, they have reduced

the weight of seniority-based elements and have adopted the annual pay scheme. Nissan Motor Co. announced that it would review the wage system for those in managerial and supervisory posts, including section and department managers, to be implemented in July 1994. Under the present wage system, about 40 percent of pay is determined by age and year of service, while under the new system, only about 15 percent is determined by the two elements and 85 percent by ability and performance. A shift to the new scheme will not change the total amount of wages paid to managers, but the disparity of wages between those in managerial posts will become wider.

However, a considerable amount of time will be needed for the revised seniority-based system to take root and function.

### **3. Employment Adjustment by Recruitment of Voluntary Retirements**

Few firms, as stated earlier, recruit voluntary retirees. But what can be pointed out as one of the features of employment adjustment practices currently underway is that some corporations offer premium retirement conditions to recruit voluntary retirees from among middle-aged and older employees in particular. Almost all firms, including NTT and DEC Japan, limited the period of recruiting voluntary retirees. But later some firms, such as IBM Japan, made this system a regular one. Among those firms which recruited voluntary retirees for a limited period of time, some had far more voluntary retirees than initially expected. Take DEC Japan, for example. The firm had planned to recruit 200 voluntary retirements but ended up with 500. IBM Japan, on the other hand, had planned to recruit 1,200 and the result was 1,600.

IBM Japan launched a "Second Career Program" between November 1992 and June 1993, offering employees 50 years and older a series of retirement options. To find re-employment at a firm outside the corporate group, the company is ready to pay its 50-year-old employees the regular retirement allowance plus a lump sum payment of twice the annual income at the time of retirement. To transfer their permanent domicile to an affiliate, the company's 50-year-old workers are offered the lump sum pay which is 1.5 times their annual income at the time of retirement. What is more, they are allowed to continue to work longer than at the parent company until 62-65, which is the mandatory retirement age. DEC Japan and NTT also offer a similar program to encourage voluntary retirements under which employees receive about twice their annual income in addition to the regular retirement allowance. Highly lucrative retirement conditions constituted one factor behind the increase in the number of voluntary retirees. The cost of retirement allowances and additional lump sum payments is tremendous, but corporations concluded that in the mid-and long-term, it would reduce the burden of annual personnel costs and ease the shortage of managerial posts

available, thus reinvigorating the organization.

So far, considerable numbers of firms, and large ones in particular, have introduced so-called special early-retirement packages. They offered premium retirement allowances to employees who have passed a specific age and who retire voluntarily. However, only a few employees have enjoyed the privilege of using this system. The package was not exactly a lucrative one in that the age at which the system is available was set high, because the retirement for a reason attributable to the employees was included in special retirement requirements and because the employee received almost the same amount of retirement allowance as that he would receive when he reaches the mandatory retirement age. The possibility is great, it is considered, that the number of those who use the early-retirement package will rise if the age at which the system is applicable is lowered to 50 and under and the retirement conditions are made more lucrative. A Comprehensive Survey of Retirement and Pension Systems, conducted between October and December 1992, by the Research Institute of Labor Affairs Administration and covering large corporations, showed that the age at which the system is applied dropped from that of the 1980 survey. The percentage of those firms which set the age at under 50 rose 10 percent points.

Notes

- 1) The Ministry of Labor's *Survey on Labor Economy Trends*, conducted four times a year, covers private establishments with 30 and more regular workers in manufacturing, wholesale and retail trades, restaurants and bars and other services across the nation. The survey is intended to gain deeper insight into the present situation and future short-term prospects for production and sales activity as well as accompanying employment working conditions.
- 2) The DI is calculated by subtracting the percentage of those establishments answering "shortage" from that of establishments replying "excess." Size data is compiled not by the size of company but by the size of establishment.
- 3) The "Corporate Idea of and Response to Surplus Employment," a Report based upon a survey conducted in May 1993, by the Research and Study Group Regarding Excess Employment at Firms. Replies were received from 103 stock exchange-listed companies.
- 4) *Trends in Rationalization and Streamlining Efforts and Employment Adjustment Seen in Press Coverage and the March 12, 1993 and December 3, 1992 issues of Rosei Jiho* (Nos. 3,106 and 3,141) provide data compiled from press coverage of recent employment adjustment.

Statistics Aspects

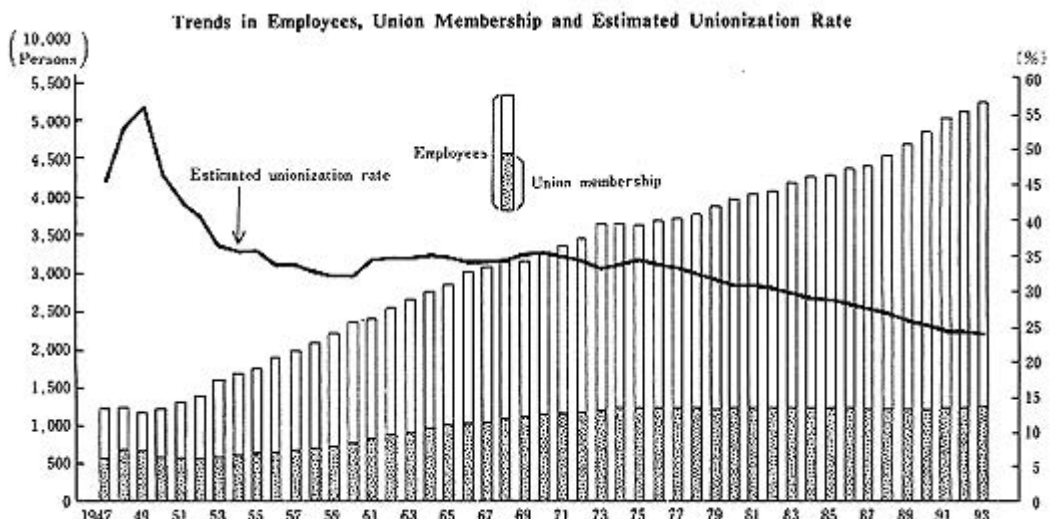
Recent Labor Economy Indices

	October 1993	September 1993	Change from previous year
Labor force	6,677 (10 thousand)	6,665 (10 thousand)	35 (10 thousand)
Employed	6,501	6,493	5
Employees	5,234	5,215	66
Unemployed	177	169	31
Unemployment rate	2.7%	2.6%	0.4
Active opening rate	0.67	0.69	-0.33
Total hours worked	160.6 (hours)	160.1 (hours)	-4.6*
Total wages of regular employees	272.4 (¥thousand)	271.5 (¥thousand)	1.4*

Source: Management and Coordination Agency, Ministry of Labour.

Notes: 1. \*denotes annual percent change.

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



Source: The Ministry of Labour, Basic Survey on Labor Unions, 1993