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General Survey

Political-Reform Bills Pass Diet

On March 4, amendments to four pieces of political reform legislation passed into law in the plenary session of the Lower House. The new legislation contains as its pillar a switch of the Lower House electoral system from the present multiple-seat constituencies to a combination of single-seat electoral districts and proportional representation. Thus, the six-year-long debate over political reform initiated during Liberal Democratic Party (LDP) rule has finally closed. Amendments were passed following rejection in the Upper House plenary session in late January and followed last-minute compromises by Prime Minister Morihiro Hosokawa and LDP President Yohei Kono. Mr. Hosokawa's coalition government will now turn its attention to the anticipated next round of realignment of Japan's political world with cooperation in elections based on single-seat constituencies as its core.

The new political-reform laws include creating the 500 Lower House seats divided among 300 seats for single-seat electoral districts and 200 seats for 11 proportional representation blocs. Also, lawmakers are allowed to designate one fundraising group to receive corporate and group donations (a maximum of 500,000yen donation per firm), capping public subsidies for political parties (250yen per person and a total of 30.9 billion yen) and limiting the amount of public funds that can be received to 40 percent of its previous year's income. The laws also stipulate that measures will be taken in five years to end donations to individual lawmakers.

Labor and business leaders had agreed on early Diet approval of political-reform measures. They wanted the government to galvanize the implementation of political-reform laws in order to stabilize the political climate, and to formulate a new package of stimulus measures in order to pull the nation's economy out of the worst recession in decades. Both labor and management asked Mr. Hosokawa's ruling coalition to avoid a policy vacuum which might develop from a large-scale Cabinet shake-up and dissolution of the Lower House for a snap election resulting from the botched bills on political reform.

In the course of Diet debate, lawmakers of both the ruling and opposition parties successively rejected decisions by party leaders. Government draft bills, which barely cleared the House of Representatives, were sent to the Upper House special committee but were turned down in its plenary session. Thus the complex process of passage of the political-reform bills made it clear that coalition unity is difficult to achieve.

Business leaders commented on the way political reform legislation was passed into law. Gaishi Hiraiwa, chairman of Keidanren (Japan Federation of Economic Organizations) said

"The effects of political unease are clearly visible in the economy. We want political reform to be achieved from a broad-based perspective." Yu Hayami, representative of Keizai Doyukai (Japan Association of Corporate Executives) noted, "Great expectations have been placed on the smooth implementation of political reform laws. We therefore fear that failure to enact the reform legislation will make employers and consumers uncomfortable." They thus strongly urged a compromise by both the ruling and opposition parties for early passage of reform bills, expecting the Hosokawa administration to embark on its program of stimulus measures.

Advocating the creation of "a force that could take the reins of government", Rengo had asked for the implementation of political reform. In the course of consensus building within the coalition, Rengo, which now backs the ruling government, maintained that political-reform bills will be passed into law at an early date while going for compromise. It leaned more toward the single-seat constituency system. In the final stage of consensus-building in particular, anticipating that some would revolt against the government-proposed bills from among members of the Socialist Democratic Party of Japan (SDPJ) backed by Rengo umbrella industrial organizations, the organization strengthened its efforts to shore up lawmakers through individual industrial organizations. The revolt of seven SDPJ members supported by Rengo in the Upper House plenary session played the decisive role in voting down the reform bills, bringing about a workable compromise and concession between the government-proposed package and the position of the LDP.

Be the matter what it may, Rengo will fight a forthcoming election in single-seat constituencies and will be pressed to establish its specific political policy regarding how it will build a system for cooperation in elections, in connection with political realignment.

Business circles too are urged to grope for a new approach to involvement in politics on the occasion of change of government. One such example is that in September 1993, Keidanren decided to stop acting as a political fund channel.

Working Conditions and the Labour Market

Ongoing Reduction in Working Hours

According to a Monthly Labor Survey published on February 1 by the Ministry of Labour, average annual hours of work per person in 1993 decreased by 59 hours to 1,913, down 2.4 percent from the previous year. Of the 1,913 hours, scheduled hours totaled 1,780 (down 1.7% from the year before), falling below 1,800 hours for the first time since the Ministry began compiling statistics. Overtime hours totaled 133 (down 11.3% from the year before), 16 hours less than in the previous year. This was the fourth straight year-on-year drop.

The survey, conducted among about 16,700 establishments with 30 and more workers and approximately 33,000 establishments with five and more employees in nine major industries including mining and construction, examines monthly wages, working hours and changes in employment. The annual average hours were compiled for establishments with 30 and more employees to enable comparison with past figures.

Total annual hours of work in 1993 dipped 10 percent from the peak bubble period of the late 1980s in the auto industry, said Jidoshasoren (Confederation of Japan Automobile Workers' Unions). The three automakers, Toyota Motor Corp, Nissan Motor Co and Mazda Motor Corp, saw their annual working hours fall below 2,000 hours for the first time. The protracted recession in the auto industry resulted in a drastic cut in overtime, making it possible for automakers to "unintentionally achieve a reduction in work hours". Jidoshasoren estimated total hours of work for the average union member in 1993 in 12 major affiliated firms. Annual work hours averaged 2,012, 95 hours less than the 1992 actual results of 2,017 hours. They fell 10 percent from the 2,253 hours registered in 1989, the peak in the period of asset price inflation.

By manufacturer, at Honda Motor Corp, the forerunner of shorter work hours, workers put in the shortest on 1,916 hours (1,942 hours in 1992), followed by 1,943 hours (2,054 hours in 1992) for Toyota workers and 1,982 hours (2,140 hours in 1992) for Mazda workers. In the auto industry where workers clock the longest annual hours on the job and have the typical "worker bee" image of the Japanese, the fact that total annual hours for one top automaker after another have dropped below 2,000 receives much attention.

A Rising Tide of *Tanshinfunin* Persons MCA's Basic Survey on Employment Structure

Tanshinfunin (transferred alone) persons currently number 481,000, said the Management and Coordination Agency (MCA) in its Basic Survey on Employment Structure. The percentage of *tanshinfunin* persons among male employees was 1.5 percent. The number rose by 14.8 percent, or about 62,000 from the previous survey taken five years ago.

By profession, the percentage of *tanshinfunin* among men employees was the highest, or 2.9 percent, for "managers and officials" followed by "protective service workers," such as policemen and guardsmen, at 2.7 percent.

By age, *tanshinfunin* persons numbered 177,000 among those in the 40-49 age groups, accounting for 36.8 percent of the total. This was followed by 167,000 among those in the

50-59 age bracket, making up 34.7 percent of the total. Thus employee in the 40-49 and the 50-59 age group represent a shade over 70 percent of the total *tanshinfunin* employees. Furthermore, the proportion of *tanshinfunin* persons among male employees by age group was 2.2 percent for those in the 40-49 age bracket and 2.7 percent for those in the 50-59 age bracket, thus showing a higher percentage than in other age groups.

By size of the work force, the larger the size, the higher the percentage of *tanshinfunin* persons among men employees. Major firms with more than 1,000 employees have the largest number at 158,000 *tanshinfunin* employees (2.3% of the total). This was followed by 1.5 percent or 51,000 for firms with 300-999 employees and 1.4 percent, or 54,000 for firms with 100-299 employees. Government agencies have 65,000 *tanshinfunin* persons which account for 1.9 percent of their total male workers.

By prefecture, Tokyo has the largest number (59,000), occupying more than 10 percent of the nation's total, followed by Kanagawa (35,000), Chiba (30,000), Hokkaido (29,000) and Osaka (28,000).

Human Resources Management

More Handicapped Persons Have Jobs

Increasing numbers of disabled persons are employed, according to two different nationwide surveys released recently by the government. One is a survey on the realities of the physically-handicapped conducted in 1991 by the Ministry of Health and Welfare. The survey outcome found that the number of physically handicapped persons over 18 totals 2.72 million, of whom 900,000 are working. The rate of employment (ratio of physically-handicapped persons engaged in work in total physically-disabled persons over 18) stood at 34 percent, up 5 percentage points from the 29 percent recorded in the previous survey in 1987. Of the total physically-disabled persons second study engaged in work, 28 percent, or 250,000 were regular workers. This is a Ministry of Labour survey on employment of both physically handicapped and mentally retarded persons, which is taken annually among private firms with 63 and more regular workers. Results of the 1993 survey showed 190,000 handicapped persons were employed by private corporations, representing a 3 percent rise from the previous year. The rate of increase was higher than that of all regular employees.

The Ministry of Labour survey also revealed the actual results of the "legally set employment quota of physically-handicapped persons" (under which severely disabled persons are double-counted). The current legally set employment quota represents 1.6 percent

of all regular employees. The 1993 ratio was 1.41 percent and has yet to attain the legally set 1.6 percent target, but is 0.05 percentage points higher than the 1.36 percent for the year before.

The Ministry of Health and Welfare's survey shows the employment situation of handicapped persons during the period of business expansion, while the Ministry of Labour survey reveals this during the recession. The two surveys show wider job opportunities for disabled persons, manifesting the fact that the employment of handicapped people has grown steadily grows amidst the overall ongoing employment adjustment.

Presently, approximately half of private companies surveyed have yet to attain the legally set employment quota of 1.6 percent. Thus attaining the 1.6 percent rate is an important task to be tackled by firms. They are endeavoring to expand employment opportunities for handicapped people by establishing subsidiaries where the work environment is appropriate to enable the severely disabled to work with ease. Also introducing flexible forms of short-time employment for the handicapped to allow them to work with ease. Incidentally, employment of persons with disabilities by the abovementioned subsidiaries is counted in the employment quota. The government also is implementing policies with emphasis placed on vocational rehabilitation.

Labor Management Relations

Policy for 1994 *Shunto* Presented

Annual wage negotiations climaxed on March 24. Labor was faced with tough negotiations with management amid the prolonged recession. The wage increase rate is bound to be less than the previous low of 3.6 percent registered in 1987.

The current slump began in May 1991 and in April 1993 the nation's economy equaled the postwar record of 36 straight months of recession which followed the second oil-supply crunch. In February the government decided to implement a comprehensive economic stimulus package totaling 15 trillion yen, including 5.4 trillion yen in tax cuts. However, Japan and the United States failed to reach an agreement in trade talks held immediately after the announcement of the package. The two countries' failure to wrap up agreements under the bilateral framework of trade talks thus prompted the yen to soar in Tokyo.

Rengo (Japanese Trade Union Confederation), the national center of labor unions, decided to ask for a wage-hike demand of between 5 percent and 6 percent. Rengo claimed that expansion of consumption, which accounts for 60 percent of domestic demand, is

indispensable for boosting the economy and thus stated that an adequate wage raise is needed in addition to tax reduction. Nikkeiren (Japan Federation of Employers' Associations), the center for management labor strategy, stressed the "virtual difficulty of a wage increase. This was based upon the pinch felt by most firms facing lower corporate earnings for the fourth consecutive year. Nikkeiren maintained that priority placed on jobs and the lives of workers should be improved by lowering prices through deregulation.

In Japan, wages negotiations are generally held between labor and management from individual industries. Labor's clarion call for a "buoyant economy through wage hikes" has not been well accepted because negotiations depend to a large extent on trends in corporate business performance.

Fearing that traditional tactics will force labor to accept a small wage rise, leadership groped for new tactics for this year's wage struggle. Four pace-setting metal industries (steel, shipbuilding and heavy machinery, automobiles and electrical machinery) suffered from the sharp appreciation of the yen. Accordingly, the collective bargaining led by unions of the metal industries amid the current situation will tend to set the trend for wage talks at lower levels. Labor therefore studied tactics such as receiving management offers in public-interest industries, such as major private railways, power companies and Nippon Telegraph and Telephone Corp (NTT), which are relatively immune to economic conditions. However, management refused to accept this approach and labor eventually adopted its traditional tactics as the management of these industries are not allowed to set rates at their own.

On March 24, management of four leading metal industries made their wage offers and on the following day, workers at the major private railways, in the power industry and NTT agreed to accept them. Thus, wage settlements were reached in a concentrated manner, as usual. The 1994 wage talks have climaxed and settlements will follow in other sectors, such as manufacturing, tertiary industry, and in small businesses.

Wages for employees at national enterprises such as postal services are also decided upon in labor-management negotiations, but are actually determined by Churoi, a third-party arbitration body, based upon private-sector wage-hike trends.

Public Policy

50% of Women Utilize Childcare Leave

The spread of a childcare leave system has progressed particularly at big businesses since enforcement in 1992 of the Childcare Leave Law and approximately half of private companies

have introduced the system, the Ministry of Labour said in its 1993 basic survey on female employment management.

The survey, however, found less than half, or 48.1 percent of women who had a child and only 0.02 percent of men utilized the system.

The survey was carried out on May 1, 1993, to comprehensively determine the actual situation of employment administration of women workers in major industries. The survey revealed an overwhelmingly high ratio, or 91.3 percent of the firms permit women workers to take leaves of absence until a child is one year old. In actuality, however, about 60 percent offer their women workers less than a six month leave.

Approximately 30 percent of the firms pay workers on childcare leave. Of them, 60 percent pay them monthly and three quarters offer "an amount equivalent to social insurance premiums paid by the worker." Furthermore, at 86.7 percent of firms, workers on childcare leave "return to their jobs." In 1992 84.6 percent of women and 100 percent of men returned to work after the leave.

Meanwhile, 16.3 percent of all corporations allow their workers to take leave to care for invalid family members. The larger the company size, the higher the percentage of those which introduce the system; however, spread of the scheme is slower than that of the childcare leave system.

The Ministry said, "Since, enforcement in 1992 of the Childcare Leave Law, the spread of the childcare leave system is progressing. In July 1992 we drew up guidelines for encouraging leave to care for invalid family members and have been endeavoring to let them known thoroughly. However, smaller-scale firms have been slow in adopting both systems." Thus, the Ministry plans to go ahead with priority-based measures to spread and diffuse the systems among small businesses in the years to come.

According to Personnel Authority's survey on taking of childcare leave by government employees in the general category, in 1992, 4,201 (49.2%) of 8,538 women employees with a child of 12 months or younger took childcare leave, while 23 male employees took it. Almost all the female and all the male employees returned to their jobs after the leave.

Announcement

Beginning with the April issue, the annual domestic subscription rate will be raised due to an increase in postage (see note mentioned below)

on page 8). The new rate for domestic subscription is 4,200yen per year, 350yen per issue (incl.tax).

Special Topic

Retirement Support Services of Japanese Labor Unions

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It is said that Japan's employment is lifetime-oriented. However, the increasing life expectancy of the average Japanese worker means a longer life of retirement. It is thus appropriate to say that Japanese employment is long-term rather than lifetime and a growing number of Japanese labor unions are providing their members with support services for life planning in old age. In a survey sponsored by the National Workers Welfare Council, the author sent questionnaires to 5,000 labor unions of private-sector firms nation-wide and 2,012 replies were collected between September and October in 1992 from mainly firm-locals but some corporation-based and industry wide organizations.

1. Organizing Retirees

The retirement age compulsory, called *teinen*, is set by Japanese firms. But actually this practice promotes second or further job opportunities for employees, Retirees, even if they are called as such by Japanese companies; do not enjoy retirement life as is enjoyed by Western equals. Seventy percent of the unions polled said retired members are re-employed that a large number of other retired members were looking for jobs.

Thirty-nine point nine percent of unions have data-base of persons having retired after long-time employment. Of 803 unions with this data-base, 48.7 percent list only those who were union members when they retired, while 49.8 percent include those who were non-union members when they left the firms. Japan's labor unions keep track of even those who have left the union, became managers and then retired managers and supervisors, i.e. they tend to consider former unionists, their family members.

2. Assistance in Preparing for Retirement

Labor unions which are carrying out by themselves a variety of support services for their members prior to *teinen* are quite a few.

Seven hundred and seventy-seven unions which are involved in some form or another in pre-retirement education were asked about the details of their programs. More than half have pre-retirement education programs regarding pensions and life-insurance, mental preparation, money planning and health management.

Pension and health-insurance plan	89.7%
Preparations for post-retirement life	69.0
Money planning	56.4
Knowledge about better healthy life	50.2
Attitude and mental preparation	48.6
Personal property-building and-investing	36.7
Legal counseling on taxes and inheritance	33.6
Leisure, hobbies and volunteer work	30.8
Information on and training for new job opportunities	29.3
Family life and relationships	17.6
Children's education	3.6
Others	2.2

The average age at which pre-retirement education program starts is 49. Companies which offer preretirement education programs for all eligible employees represent 50.2 percent, while those which provide it only to those voluntarily participate in the programs are 42.9 percent. In 65.4 percent of the firms labor and management work together to provide pre-retirement education for all eligible. Shared recognition that giving assistance to retirees is to be jointly tackled by labor and management, would further the pre-retirement education to become compulsory.

Table Implementation of Support Activity before Teinen (Multiple Answer %)

	implemented independently by the union	implemented by the company at the request of the union	cooperated by the union and the company
Pre-retirement education	15.1	11.0	17.0
Counseling for post-retirement life	10.1	5.3	11.8
Helping to engage in social activities such as volunteer work	3.3	1.0	2.8
Introducing to hobbies and leisure activities	8.3	2.3	6.6

3. Labor Union Assistance in Job-finding

Japanese labor unions have not been active in creating job opportunities. Nor have they been playing a part in offering placement services. They consider the company to be responsible for employment. What is more, they consider it normal for members to stay with the firm on a long-term basis.

Only a few labor unions offer some kind of assistance to those wanting to find reemployment after mandatory retirement. A negligible 1.8 percent have independent programs to help union members seek new jobs successfully. A small 16.4 percent cooperate with management to give counseling to pre-retirees to find another job. This service, however, seems to have evolved from union calls for counseling services to be initiated by management.

4. Organization of retired people

Twenty-two point one percent of unions have independently an association of retired employees and 14.1 percent have one in joint cooperation with management. What qualifies one to join the organization? Of the 727 labor unions which have an association of retired employees independently or jointly with management, 70 percent answered they also allowed those who were non-union members when they retired to join the association. However, 40 percent of those which have an independent association replied they permitted only those who were union members when they left the company part in the organization. The average rate of participation is 70 percent for qualified retirees. This rate, it is fair to say, is extremely high.

The question of why a retiree association was not established was posed to 1,102 unions which do not have or plan to have one. The following are the major reasons cited.

Too weak resource to support the association	36.4%
Not good number of retirees	29.7
Association of retirees, including retired union members, has created by management	16.7
Retirees do not want such an association	14.1
Would not infringe upon retirees' private life	13.9

5. Information and Retirees' Assistance Activities

Thirty-four point two percent of unions send some form of information to retired employees. Of the 689 which provide information, 61 percent send union bulletins and 47 percent, a brochure referring to reunion gatherings.

Union's bulletin	61.0%
Invitation to Reunion parties	46.6
Corporate inside news	36.3
invitation to union-activities	35.1
An invitation to leisure trips, and sports clubs	29.8
Daily news of retirees	22.6
Others	13.5

Half of the unions have a program to support retirees' personal life as shown below.

Labor union's savings and pension program	26.2%
mutual aid systems through association	19.1
Retirees' mutual aid scheme for marriages and funerals	17.9
aid services for savings in contact with financial institutions	11.3
discounts for goods and services in corroboration with private companies	2.7
Aid to the needy	1.1
Others	4.4
Do nothing	48.4

The popular view is that firms and unions should assist retired employees' efforts to join social welfare and community activities. But virtually no unions extend assistance for such activities.

6. Future Programs

The 1,545 unions which are currently implementing an assistance program for retirees or plan to do so in future years were asked about what they are going to provide support services for retired employees (multiple responses). As is apparent from the following, many unions want to conduct pre-retirement education, counseling for family-income planning and health education, offer a forum to promote leisure activities and to encourage retirees to participate in union activities. On the contrary, few stressed reemployment and involvement in care and social welfare activities.

pre-retirement education	29,3%
Union activity	28.3
Counseling on personal life, and legal affairs, taxes and pensions	25.0

Giving care for health maintenance and improvement	24.5
leisure activities, hobbies and volunteer work	22.8
Opening union and company facilities	22.7
General information on labor market and Job-Opportunities	16.2
Helping finding new jobs	13.5
aid in hospitalization	9.6
Counseling and assistance to the needy	4.7
Others	1.6

Conclusion

Japanese labor unions generally have a data-base of those who once worked for the firm not only labor union members, whether they retired as union members or whether retirement came after promotion to a management post. They provide information to these retired people and continue to foster a sense of comradery even at an advanced age. Furthermore, an increasing number of unions hold seminars to help retirees in money planning in old age.

Retiree support services, such as reemployment aid, which transcends the fostering of group-feeling, however, are minimal at this time. Dealing with requests from those who are currently active is the central issue of enterprise-based labor unions, and retiree support activity is still secondary concern. Even so, it is predicted that labor union activities in this field will grow in the coming years. Exceptionally small percentage of unions replied that each individual or the government is responsible for after-retirement life.

It seems general, however, for unions to require that company management should carry out retiree support services rather than for the union to do this independently. Workers themselves rarely mention that they should prepare individually for life in old age. These views of unions as well as those of workers will impede the Japanese worker's ability to set themselves free from the mentality of "company man".

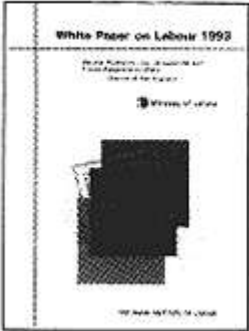
White Paper on Labour 1993


**Various Problems over Occupations and
Future Response to Them**

—Outline of the Analysis—

ed. Ministry of Labour


size: 280mm x 215mm 85 pages ¥2,000





JAPANESE WORKING LIFE PROFILE 1993-94

LABOR STATISTICS size: 95mm X 190mm 87 pages ¥1,000



THE JAPAN INSTITUTE OF LABOUR

Statistical Aspects

Recent Labor Economy Indices

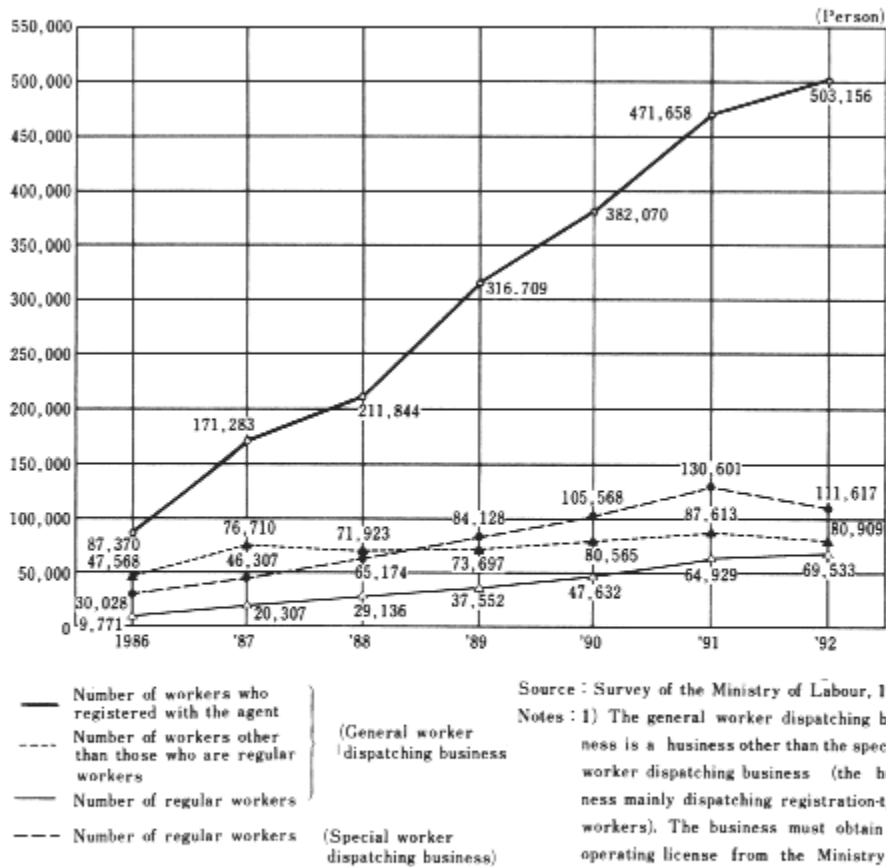
	December 1993	November 1993	Change from previous year
Labor force	6,607 (10 thousand)	6,659 (10 thousand)	41 (10 thousand)
Employed	6,432	6,483	10
Employees	5,241	5,244	60
Unemployed	192	184	31
Unemployment rate	2.9%	2.8%	0.4
Active opening rate	0.65	0.65	- 0.26
Total hours worked	160.7 (hours)	163.4 (hours)	- 1.8*
Total wages of regular employees	274.1 (¥thousand)	273.4 (¥thousand)	1.7*

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.

Dispatched workers based upon worker dispatching contract



Source : Survey of the Ministry of Labour, 1994

Notes : 1) The general worker dispatching business is a business other than the specific worker dispatching business (the business mainly dispatching registration-type workers). The business must obtain an operating license from the Ministry of Labour.

2) The specific worker dispatching business is a business in which workers dispatched are composed of regular workers alone. Such a firm must report its opening to the Ministry of Labour.