# JAPAN LABOR BULLETIN

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CONTENTS

## General Survey

### 1993 White Paper on Health and Welfare-Childcare Costs 20 Million yen from Birth Through College Graduation-

The 1993 white paper on health and welfare first analyzes factors behind the declining birthrate and its effects. It then makes the recommendation for enhanced social support for childcare, recognizing fewer children as a challenge to society. The report states that childcare is a "major cost which should be commonly shared by society in order to forge the next generation." The white paper, titled "For Children Who Will Open Up the Future," analyzes factors behind fewer births, citing the causes of the falling birthrate such as increasing responsibilities which come together with childrearing and the rising rate of the unmarried and difficulty in owning homes. The paper also calculates on a trial basis the costs of rearing children until they come of age.

According to the calculations, about 20 million yen is required to raise one child until the end of the college education. For a family with two children, the financial burden of childrearing is especially heavy if both are attending college at the same time, accounting for 45-70 percent of disposable income. Take a family with a husband who is a general worker, wife who is a part-time worker and two children, for instance. The proportion of the costs of childrearing when the husband is 30 requires 26.7 percent of the total disposable income of the family, and this shoots up to 69.3 percent of the total when he is 50, indicating that as the husband's age rises the costs of childrearing squeeze the family budget.

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### 1994 White Paper on International Trade

The 1994 white paper on international trade, compiled recently, consists of three chapters. It deals with trends in global trade and economy in Chapter 1, trends in Japanese trade and economy in Chapter 2 and the Japanese economy and firms amidst the yen's appreciation in Chapter 3.

Discussions which merit attention in Chapter 1 are on relations between the current account and unemployment. The paper says that it is a misleading argument that a nation's current account surplus robs other nations of their jobs. If the current account surplus leaves a trade partner's workers jobless, it should mean that a drop in a nation's trade surplus or a rise in its trade deficit causes its job losses to mount and its trade partner's job losses to decline. In actuality, however, there is no correlation between the current account balance and unemployment levels in individual countries, the paper points out.

Chapter 2, which discusses trends in Japanese trade and economy, takes up the issue of sluggish direct investment into Japan from abroad, pointing out its small level in comparison with Japanese direct investment abroad. In Japan, domestic direct investment from abroad stands at $15.25 billion, only one fifteenth the amount in Britain and one twenty-seventh that of the U.S. The foremost reason why direct investment from abroad into Japan remains at low levels is the difficulty in making profits because of the high cost and keen competition with domestic businesses, the report points out.

Chapter 3 discusses the present state of Japanese businesses which are strengthening its relation with East Asia. With investment in the U.S. and European countries plummeting in recent years, Japan's investment in East Asia has followed a relatively firm trend, and particularly its investment in China has been surging.

## New Minister of Labour

The resignation en masse of Prime Minister Tsutomu Hata's government put the nation's political landscape in disarray. Election of socialist leader Tomiichi Murayama as Japan's new prime minister on June 29, however, brought the tumultuous situation to an end. Murayama's election was supported by the Liberal Democratic Party, the Social Democratic Party of Japan (SDPJ) and New Party Sakigake. Hata's minority government tried to bring the Socialists back into the fold to produce a working majority in the Diet but was forced to resign en masse after realliance talks with the Socialists ended in failure. The Hata government was short-lived, with Hata in office for just two months.

With the inauguration of the new Murayama Cabinet on June 30, Mr. Manzo Hamamoto, a SDPJ member, was appointed the mew Minister of Labour. Mr. Hamamoto, born in Onomichi, Hiroshima Prefecture in 1920, worked for Chugoku Electric Power Company for about 40 years and was active as a leader of labor movement in Hiroshima. In 1974, He was asked by the SDPJ to enter a political world and has since been active as a central figure in social labor fields within the party.

## Working Conditions and the Labor Market

### Mid-Term Employment Vision

The Ministry of Labour's Study Group Regarding Employment Policy compiled its "Mid-term Employment Vision," which presents its expectation for the mid-term industry and employment situation until the year 2000 as well as the appropriate direction for employment policy on the basis of it.

In order to clarify employment and working situation in 2000, the report calculates projected labor supply and demand based on the decrease in the labor force stemming from the plummeting birthrate. It points out the need for 3 percent economic growth to maintain the balance between the supply of and demand for labor. The simulations show that the labor force will still tend to be in surplus when the economy grows at the 2.1-2.5 percent level in real terms.

The report highly evaluates the system of long-term employment, or traditional Japanese-style employment practices, in that it offers both labor and management such merits as stable management and employment and qualitative improvement in human resources through long tenure. The report stresses continued efforts to respond adequately to changes in industrial structure with the long-term employment system as an axis of employment policy.

The report, however, predicts a stronger tendency toward corporate restructuring and slimming efforts among middle-aged and elderly workers, thus proposing that employment should be assured by amending the system of pay based on seniority, such as by stressing merit-based pay, while actively utilizing the "internal labor market" as practical as possible.

Furthermore, the report points out the fact that recessions force employment adjustment, if unavoidable, on middle-aged and older persons as well as on women, making it difficult for them to find reemployment. It thus calls for measures and policies that will alleviate the need for these people to switch jobs.

In July 1992, the Study Group formulated the 7th Basic Plan for Employment Measures with the assumption that the economy will grow 3.5 percent and that labor will be scarce. The Basic Plan was submitted to and approved by then Miyazawa Cabinet as part of the Five-Year Plan for Achieving Better Quality of Life. "The economic bubble burst, altering the economic landscape completely. We therefore made a revision of labor supply-demand projections in the report," said an official at the Ministry of Labour's Employment Policy Division. The Ministry plans to formulate employment policy in light of the "Vision" report.

## Human Resources Management

### Mid-and Long-term Prospects for Japanese-style Employment Practices

In May, Keizai Doyukai (Japan Association of Corporate Executives) published a report on future prospects and policies regarding Japanese-style employment. The report consists of four major portions entitled "the current state and background of Japanese-style employment practices," "environmental changes in employment," "future employment" and "responses to current employment issues."

First, expounding on misunderstandings about the lifetime employment rule and the seniority system which constitute what has traditionally been called "Japanese-style employment practices," the report points out that the lifetime employment rule means long-term stable employment but sometimes includes massive dismissal and that the seniority system takes into account age and years of service as well as ability and achievements to a considerable degree. Based upon this, the report says that Japanese-style employment has gained flexibility within corporations, while sacrificing rigid relations with outside firms. As factors likely to affect Japanese-style employment practices, the report cites the following four points: 1) the matured Japanese economy, and structural reform, 2) further internationalization of corporate activities, 3) changes in the nation's values and attitudes toward work resulting from the development of the Japanese economy, and4) changes in the composition of the labor force. In light of this, the report notes the need to respond, in the mid-and long-term, to immediate issues confronting Japanese-style employment practices. To maintain traditional one company-based employment from a wider perspective, the report states that "establishing a system under which people with diversified professional backgrounds can work with willingness and consolidating an environment targeted at a flexible labor force." Specifically, the report points out the need for such practices as set places of employment and work, flexibility in length and place of employment and employment practices that can utilize the ability and desire of older persons and women. Meanwhile, the report also points out the need to consolidate lifelong development of vocational ability and to overhaul corporate pensions and the private-sector system of labor supply and demand.

## Public Policy

### Law Concerning the Stabilization of Employment of Older Workers and Employment Insurance Law Revised

The revised Law Concerning the Stabilization of Employment of Older workers and the revised Employment Insurance Law were approved at the 129th regular Diet session which adjourned on June 29.

## ◎Revision of the Law Concerning the Stabilization of Employment of Older Workers

With the full-fledged greying of Japanese society, the Law was revised to enable older persons to work at least until 65 and assure them diverse job opportunities as desired. Toward this end, the revised Law first ruled out the mandatory retirement age at 60 starting in 1998. The provision that "the employer should endeavor not to set the mandatory retirement age at 60 and younger" was revised to that the employer must not set the mandatory retirement age at 60 with the exception of businesses in which the elderly find it hard to work.

Second, the revised Law stipulates that the employer should endeavor to continue to employ workers until they are 65 and will implement the new provision beginning in 1995. Continuous employment is a system to continue employing workers who have passed mandatory retirement age in the form of reemployment. A Ministry of Labour's survey finds that a little less than 20 percent of enterprises are currently providing employment until the age of 65. The revised Law enables the Ministry of Labour to instruct enterprises to revise their rules and to remonstrate against those who fail to follow it. Moreover, the revision expanded the scope of worker dispatching businesses (presently 16 job categories) stipulated in the Worker Dispatching Business Law to make it possible for those over 60-year-olds alone to engage in all categories of work with a few exceptions, such as construction and security guards. This is intended to create more diverse job opportunities for the elderly so that they can put their storehouses of know-ledge and experience to good use. But the dispatching period is limited to one year in order to protect employment opportunities for regular workers.

## ◎Revision of Employment Insurance Law

Revision of the Employment Insurance Law led to inauguration of a system of benefits for continuous employment of the elderly, in order to supplement diminishing wages after retirement and to encourage continuing employment of the elderly until the age of 65 through revision of the Law Concerning Employment of Older Workers. The benefits will be paid from contribution to employment insurance and those aged 60-65 are entitled to receive the benefits. Furthermore, they must continue to be with the same firm, and they should continue to work at their new jobs without receiving unemployment benefits. Even in the case the recipient of unemployment benefits later found reemployment, the remaining basic allowance is to be paid for two years if they are over 200 days remaining and for one year if they have more than 100 days of benefits remaining.

The basic allowance covers 25 percent of the individual worker's wage. This new action, however, applies only to those who continue employment and whose wage is relatively low and does not include 80 percent of the former wage received at age 60 even if 25 percent of the

current wage is included. In the case of those whose present wage is relatively high and tops as 85 percent of the former wage paid at age 60, when the 25 percent benefits are included, the rate will be lowered until the total of the present wage plus the benefit is 85 percent. Thus, those who currently receive more than 85 percent of their former wage at age 60 will not benefit from the new action.

In introducing the new scheme of benefits for the elderly who continue to work, the unemployment benefit plan was also overhauled to enable middle-aged and older persons to enjoy the privilege of receiving better benefits.

Another pillar of the revisions is inauguration of a childcare leave allowance aimed at encouraging the taking of childcare leave and assisting workers on leave in their efforts to return to work smoothly. The Childcare Leave Law, enforced in 1992, did not guarantee workers income while on leave. The revision allows workers on leave of absence to receive 25 percent of their income through employment insurance. Each month they receive 20 percent of their monthly wage and the remaining 5 percent after they have finished childcare leave and have thereafter continued to work for 6 months.

The revised Law, with some exceptions, will go into effect in 1995.

## Special Topic

# Characteristics of Regulations on Dispatched Work (Temporary Work) in Japan

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## I. Introduction

In Japan, temporary work (travail intérimaire) rendered by a person sent from a temporary agency to a client company is called "dispatched work." Since the legalization of worker dispatching by the enactment of the Worker Dispatching Law of 1985[1] (hereinafter "WDL"), the worker dispatching industry expanded rapidly. In 1992, the number of dispatched workers was 654,000, up from 145,000 in 1986. Though the number itself accounts for only about 1% of the total workforce in Japan, the nature of this type of employment relationship is unique in terms of the duration of contract (a contract for an indefinite or

definite period), the duration of work (full time or part time), and the parties concerned (bilateral or trilateral relations)[2]. Government regulation of dispatched work also draws attention because such regulations extend to several areas of labor legislation, such as labor market regulations, individual employment relations law and collective labor relations law.

The development of the worker dispatching industry leading up to the enactment of the Labor Dispatching Law of 1985 and its content has already been discussed by previous authors[3]. This article attempts to clarify the characteristics of the regulation from a comparative perspective through a review of the formation of the regulations.

## II. From Prohibition to Legalization

Until 1985 worker dispatching activities were prohibited as labor supply business under the Employment Security Law of 1947[4]. Behind the prohibition of such labor supply business was the harsh exploitation of workers by labor-suppliers before World War II. Therefore the legalization of worker dispatching agencies with the enactment of the Worker Dispatching Law caused severe criticism.

Reality, however, went far beyond ideological discussions. The underground, or legally questionable, worker dispatching industry expanded rapidly in the late 1970s and the early 1980s because it met the needs of both employer and employee, especially for females and older persons. On the one hand, to slim down the workforce and to save personnel expenses, employers wanted to contract out certain categories of work, such as technical work, professional work or clerical work, which can be performed well by external labor. On the other hand, female workers who had difficulty in finding suitable jobs to utilize their education or abilities and who were unable to, or at least reluctant to, join the severe competition for promotion among male regular employees, welcomed dispatched work as a new alternative mediating private life and working life. Dispatched work also provided employment opportunities to those older workers who would otherwise have had difficulty finding a job.

At the same time, inherent problems of dispatched work, such as a lack of employment security and ambiguity of legal responsibilities of both the dispatching agency and the client company, called for proper regulations to protect those atypical workers. Considering these developments in practice, the government reversed the prohibition policy and enacted the Worker Dispatching Law to legalize and properly regulate the worker dispatching industry.

## III. Factors Affecting the Regulations

Several factors were considered in the process to legalize and regulate dispatched work.

### (1)Legalization as a New System of Adjustment of Labor Demand and Supply

First, dispatched work was recognized as a new employment system facilitating the proper adjustment of labor demand and supply. Though dispatched work was understood to be one form of traditional labor supply businesses, under certain conditions, it was separated from the notion of labor supply business and excluded from the prohibition[5].

Dispatched work is a triangular relation among a dispatching agency, a dispatched worker and a client company. However, this employment relationship must be distinguished from other similar forms of triangular employment relations, namely subcontracting or "contract for work"[6], fee-charging employment placement[7] and transfer of workers[8]. Though theoretical distinctions are possible[9], it is not easy to demarcate these other forms of employment from dispatched work[10].

## 1. Specification of prohibited and allowed activities

In many European countries, dispatched work is allowed when there exist objective grounds to utilize temporary employment, e.g., for the purpose to replace a permanent worker who takes maternity leave for several months[11]. The unique character of the WDL lies in the specification of those activities allowed as well as those prohibited[12].

The WDL stipulates two standards to permit worker dispatching (Art. 4 par. 1): i) activities which require special knowledge, technique or experience, and ii) activities which require special management of the worker because of the characteristics of the form of employment. At present a Cabinet Order designates 16 forms of work: 1) computer programming; 2) machinery design and drafting; 3) machinery operation for producing sounds and images for broadcast programs; 4) production of broadcast programs; 5) operation of office machinery; 6) interpretation, translation and shorthand; 7) secretarial work; 8) filing; 9) market research; 10) management of financial affairs; 11) the drafting of foreign exchange documents; 12) the presentation and explanation of manufactured goods; 13) tour conducting; 14) cleaning of buildings; 15) operation and maintenance of building equipment; and 16) building receptionist and guide.

Most of these activities require relatively high skill or experience. The last three forms of work (14-16) are allowed because these activities are not suitable for regular employees, who are hired fresh from school and supposed to develop their career through in-house training and education. In addition, workers engaged in these activities require special treatment because their working location or working hours are different from those of regular employees[13]. These restrictions are closely related to the consideration not to erode the position of regular employees and established employment practices.

## 2. Two types of worker dispatching business

The WDL admits two types of dispatching business and establishes corresponding regulations. Regular employment type worker dispatching (specified worker dispatching), where a dispatched worker is hired on a permanent basis, is required to notify the Labor Minister. The second type is registration type worker dispatching (general worker dispatching[14]), in which the agency has workers register with it in advance and concludes an employment contract with the worker at the request of a client company. This type of worker dispatching is more unstable because employment relations depend on the contract between a dispatching agency and a client company. Therefore, rather than mere notice, permission from the Labor Minister is required. If the dispatching agency violates the conditions attached to the permission, the Labor Minister may revoke the permission.

### (2) Protection of Dispatched Workers

The tripartite relationship of dispatched work calls for the clarification of contractual relations and responsibilities under protective laws among the three parties.

#### 1. Regulation of dispatching contracts and their relation to employment contracts

The WDL requires clarification of the content of a dispatching contract between a dispatching agency and a client company. The dispatching contract must prescribe the content of work performed by dispatched workers, the location of the workplace, the individual who gives direction to the dispatched worker, the period of worker dispatching, the time at which work begins and ends daily, matters related to health and safety, persons who are responsible for the worker dispatching at the dispatching agency and client company, and conditions for overtime (Art.26).

Though working conditions of dispatched workers are regulated by employment contracts between a dispatching agency (employer) and a dispatched worker (employee), those conditions are in fact fixed by the dispatching contract between the dispatching agency and the client company. The same goes for the employment security of dispatched workers. Theoretically, the cancellation of a dispatching contract in the middle of its term does not affect the employment contract between the dispatching agency and the dispatched worker because the employment contract lasts until the fixed expiration date[15]. In reality, it is feared that the dispatching agency (employer) cancels the employment contract at the same time as the cancellation of the dispatching contract. Therefore the WDL prohibits discriminatory cancellation of the dispatching contract based on nationality, creed, sex, societal status, union activities, etc. (Art. 27).

### 2. Shared responsibilities of a dispatching agency and a client company under labor protection laws

Since an employment contract is concluded between a dispatching agency and a dispatched worker, in principle, the dispatching agency has responsibilities as an employer under labor protection laws. However, actual work is done under the direction of the client company. Therefore some provisions of protective laws apply not to the dispatching agency but to the client company (exercise of civil rights, working hours, hazardous work, mine work, etc.). Furthermore, responsibilities for equal treatment, prohibition of compulsory labor, prohibition of apprenticeship abuse and regulations on health and safety are borne by both the dispatching agency and the client company.

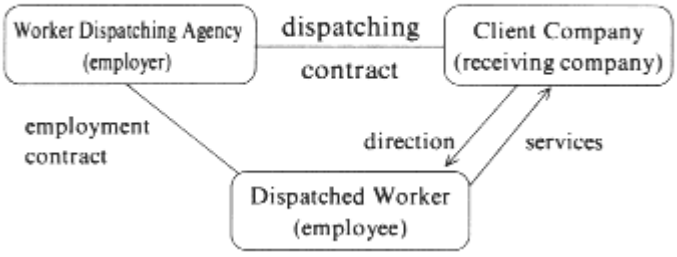
This allocation of employers' responsibilities is needed to ensure the protection of dispatched workers under the tripartite relations of dispatched work.

### (3) Impact on Regular Employment

The third factor influencing the regulations of the WDL is not to erode or adversely effect the regular employment relationship. As mentioned above, one of the reasons for restricting permitted work to those jobs requiring special skills or special treatment of employment is to prevent dispatched personnel from invading and replacing regular full-time employees. The restriction on the period of worker dispatching (nine month to one year according to the type of work) reflects the same consideration.

The renewal of dispatching contracts is, however, not restricted. Some foreign legislation transforms the temporary work relationship into a direct employment relationship between a client company and a dispatched worker when the client company renews the dispatching contract in order to avoid hiring regular employees. The WDL does not contain such provisions.

**Worker Dispatching Relationship**



**TWO TYPES OF WORKER DISPATCHING BUSINESS**

| type of dispatching business | period of employment | permission／notice required |
|---|---|---|
| specified worker dispatching (regular employment type) | indefinite or more than 1 year | notice |
| general worker dispatching (registration type) | only for the dispatched period | permission (valid for 3 years) |

## IV. Characteristics of the Regulation of Dispatched Work in Japan

Viewed from a comparative perspective, some comments can be made concerning the characteristics of the regulation of dispatched work under the WDL. In an international context, the regulation of worker dispatching can be categorized into three groups: prohibition (Italy, Spain), non-regulation (U.S.A., U.K., Denmark, Ireland), and regulation (Belgium, Germany, France, the Netherlands, Portugal)[16]. Japan belongs to the last category. In some respects, however, compared to those European countries with regulatory legislation, Japan's regulation of worker dispatching is different. The most significant point is that in Europe dispatched work is treated one form of unstable fixed term employment, whereas in Japan it is regarded as a new form of employment and treated accordingly.

Both in Europe and in Japan, the impact of dispatched work on regular employment has been considered. Since European countries have strict restrictions on the utilization of fixed term contracts, dispatched work, which is temporary in nature, is subject to the same regulations. Objective reasons for using temporary work are required, and the renewal of dispatched work is severely restricted in an effort to avoid replacing regular employees. When a contract for dispatched work is renewed repeatedly, direct contractual relations are imposed between the client company and the dispatched worker, by analogy, as a fixed term contract even though there exists no direct contractual relationship between them.

In Japan, where fixed term contracts can be utilized without any objective reasons and their renewal is also generally allowed[17], the WDL adopts a different approach to accommodate both the growing worker dispatching industry and traditional regular employment. The WDL confines permitted work to those jobs which require special knowledge or technique and those which require special treatment in employment.

These restrictions tend to result in a dispatched worker being a technically skilled professional. It is reported that the typical temporary worker in France and Germany is a male blue-collar employee[18]. The Japanese counterpart, however, is a female white-collar worker. In short, dispatched work in Japan is not unskilled or "cheap" labor and is distinguished from so-called part-time work.

Due to the so-called long-term employment practice[19] in Japan, the external labor market is less active relatively to other industrialized nations. Therefore females or older persons who had once quit their jobs and later reenter the labor market confront immense difficulties to find suitable jobs in which they can utilize their experience and education. Worker dispatching agencies function efficiently in adjusting labor demand and supply in such an area where the traditional labor market institutions do not function well. Through such a segregation, regular employment and dispatched work can co-exist as far as permitted work is concerned.

Will the present situations remain in the future? The answer is probably no. The problem lies in the type of work not on the list of permitted dispatched jobs. Since the distinction of dispatched work from other forms of tripartite work patterns is very delicate, the dispatched worker relationship is quietly expanding into other areas of employment. In business circles there is a strong opinion that the present restriction to 16 works is too narrow and not realistic.

On the occasion of legalization of dispatched work, the constitutionality of the prohibition of labor-supply businesses was not discussed very much. Recently, however, some contend that the narrow restrictions on permitted jobs raise constitutional questions because they intrude upon the constitutional right of freedom to choose an occupation without due grounds[20]. Political pressure to deregulate the Japanese market may also encourage reconsideration of the restriction on dispatched work.

Recent amendments of the Older Persons Employment Stabilization Law in June 1994 lifted the occupational restriction on worker dispatching for those older than 60. This may be the first step toward the reconsideration of Japan's unique restriction on worker dispatching.

1 July 5, 1985 Law No.88
2 As for the features of such atypical employment see Bruno Veneziani, The New Labour Force, in Roger Blanpain & Chris Engels, Comparative Labour Law and Industrial Relations in Industrialized Market Economies, pp.203f. (1993).
3 Yasuo Kuwahara, What does the Increase of Temporary Workers Bring to the Japanese Employment System?, Japan Labor Bulletin Vol.24 No.2 p.5 (1985); Akira Watanabe, Employee Dispatching Business Law, Japan Labor Bulletin Vol.24 No. 11 p. 5 (1985); Akira Watanabe, Outline of Government and Ministrial Ordinances for Implementing the Employee Dispatching Business Law, Japan Labor Bulletin, Vol.25 No.7 p.6 (1986).
4 The sole exception to the prohibition was labor-supply business by labor unions with the permission of the Labor Minister (Art. 45 the Employment Security Law). However, unions have been less active in the labor-supply business because most labor unions in Japan are enterprise based unions organizing employees of an individual firm only. See Akira Takanashi (ed), RODOSHA HAKEN HO (WORKER DISPATCHING LAW), pp.83 (1985).
5 Art. 5 par. 6 of the Employment Security Law stipulates that the term "labor supply" in this Law means having workers work under the direction and orders of another person based upon a supply contract, and does not include those corresponding to labor dispatch as stipulated in Article 2, item 1 of the Worker Dispatching Law.
6 Under the contract for work arrangement, workers are subject to the direction of the

contracted person, namely his direct employer, whereas under the dispatched work arrangement, workers are subject to the direction of the client company, not that of the direct employer of the employment contract.

7 Japan ratified ILO Convention No.96 concerning Fee-charging Employment Agencies and, in principle, private fee-charging placement services are prohibited. Fee-charging replacement is different from worker dispatching in that a fee-charging replacement agency has no employment relations with a job seeker.

8 According to the Ministry of Labor, a transferred employee has double contractual relations with the original company and the receiving company, whereas a dispatched worker has no contractual relation with the client company.

9 See in detail, Akira Watanabe, Employee Dispatching Business Law, Japan Labor Bulletin Vol.24 No. 11 p. 5 (1985).

10 As for the same situation in EU countries, see Roger Blanpain (ed.), TEMPORARY WORK AND LABOUR LAW OF THE EUROPEAN COMMUNITY AND MEMBER STATES, pp.5 (1993).

11 Id., TEMPORARY WORK AND LABOUR LAW OF THE EUROPEAN COMMUNITY AND MEMBER STATES, p.10 (1993).

12 Port transport services, construction work and other works specified by Cabinet Order are prohibited.

13 Rodosho shokugyo antei kyoku (the Ministry of Labor, Employment Security Division), JINZAI HAKEN-HO NO JI-TSUMU KAISETSU (SHINTEI-BAN) (PRACTICAL COMMENTARY ON THE LABOR DISPATCHING LAW, NEW EDITION), p.54 (1987).

14 Precisely, the general worker dispatching is a dispatching business other than the specified worker dispatching which hires regular employees only. Therefore a dispatching agency that has both regularly employed dispatched workers and registered workers is regarded as a general worker dispatching agency, and thus is subject to the regulation for the registration type dispatching.

15 For the rest of the term of the employment contract, the dispatching agency will be obliged to dispatch him or her to another company or to guarantee the full or partial income that the worker would have had according to Art.536 par. 2 of the Civil Code or Art. 26 of the Labor Standards Law. The WDL itself has no provisions concerning this issue.

16 Cf.Roger Blanpain (ed.), TEMPORARY WORK AND LABOUR LAW OF THE EUROPEAN COMMUNITY AND MEMBER STATES, p.4 (1993).

17 Under established case law (Toshiba Yanagimachi Factory case, Supreme Court, July 22, 1974, Minshu Vol. 28, No.5, p.927), however, to refuse to renew repeatedly renewed fixed term contracts can be regarded as an abuse of the right. See Takashi Araki, Developing Employment Law in Japan, part 2: Legal Problems Concerning Non-Regular Employees, Labor Issues Quarterly, No. 21, p.15 (1993).

18 Masahiko Iwamura,Furansu no Hitenkei Koyo (Atypical Work in France), Ninon Rodo-ho Gakkai-shi vol.81 p.106 (1993) ; Yoichi Shimada, Furansu no Haken Rodo-hosei (Legal system regulating dispatched work in France), Kikan Rodo-ho Vol. 169 p.29 (1993) ; Katsutoshi Kezuka, NISHI DOITSU NO RODO JIJO (Labor Situations in West Germany) pp.172f (1989).

19 As for the long-term employment practice and its legal analysis see Takashi Araki, Flexibility in Japanese Employment Relations and the Role of the Judiciary, in Hiroshi Oda (ed.), JAPANESE COMMERCIAL LAW IN AN ERA OF INTERNATIONALIZATION, pp.249 (1994).

20 Masaru Anzai, Rodosha Haken-ho Minaoshi no Shuyo Mondai (Main Issues for the Revision of the Worker Dispatching Law), Kikan Rodo-ho No.169 p.11 (1993). Art. 22 par. 1 of the Constitution stipulates that every person shall have the freedom to choose and change his residence and to choose his occupation to the extent that it does not interfere with the public welfare.

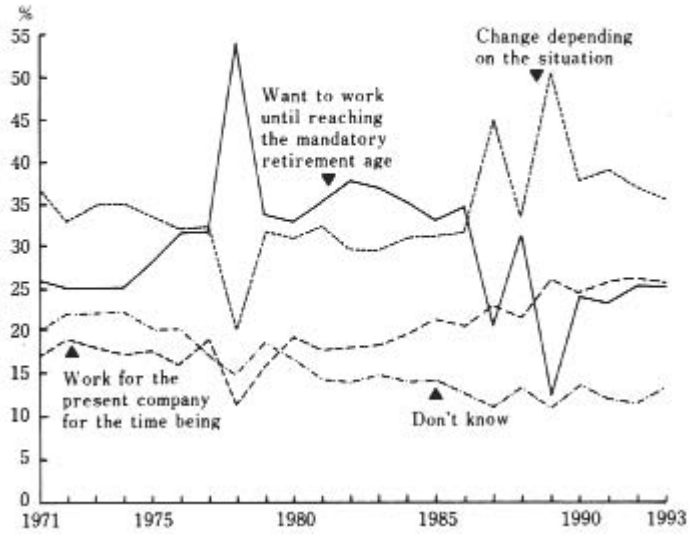
# Statistical Aspects

**Recent Labor Economy Indices**

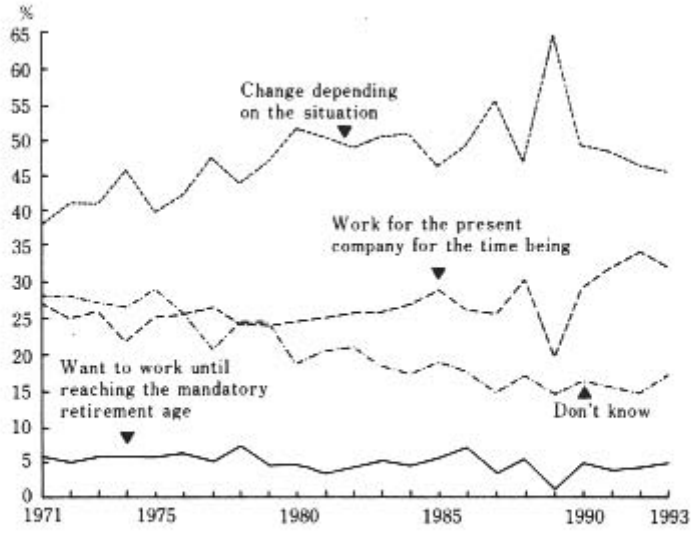
| | April 1994 | March 1994 | Change from previous year |
|---|---|---|---|
| Labor force | 6,690 (10 thousand) | 6,573 (10 thousand) | 60 (10 thousand) |
| Employed | 6,496 | 6,365 | 24 |
| Employees | 5,262 | 5,189 | 75 |
| Unemployed | 189 | 190 | 37 |
| Unemployment rate | 2.8% | 2.9% | 0.5 |
| Active opening rate | 0.66 | 0.66 | −0.17 |
| Total hours worked | 165.9 (hours) | 160.4 (hours) | −2.0* |
| Total wages of regular employees | (¥thousand) 279.2 | (¥thousand) 274.9 | 2.3* |

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.

**Trends in Sense of Belonging to the Company (Males)**



**Trends in Sense of Belonging to the Company (Females)**




Source: "Survey on Working Consciousness (1971－1993)",
*Survey on Working Conscjousness of the Newly Hired*, Japan Productivity Center
(Present Japan Productivity Center for Socio Economic Development)