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## **General Survey**

#### Survey on Population Movements

About 70 percent of men and women live in the prefectures of their birth. Many move to change housing rather than to take up new business or professional assignments, according to a survey on population movements taken by the Ministry of Health and Welfare's Institute of Population Problems. Furthermore, 90 percent of these males who took over their parents' homes continue to stay in the prefectures of their birth where the houses are located, making it clear that the parents' residence constrains population movements. The survey, the third of its kind, covered whole family members for the first time, while the previous two surveys covered only family heads and their spouses.

The institute sent out in November 1991, 13,999 questionnaires to those families throughout Japan, selected by random sampling, who had moved before Nov. 1 of that year, and received replies from 11,387 families. A high of 73.4 percent of men and of 72.5 percent of women live in their birthplaces, clearly indicating that the birthplace greatly affects their subsequent places of residence. Six point seven percent of the males made a "U-turn" (which means city dwellers who relocate to rural areas to live and find work there) to their birthplaces, and 26.8 percent made a "U-turn" to their birth prefectures. On the other hand, the females made such U-turns in lower percentages than those for the males: 2.4 percent to their birthplaces and 21.5 percent to the prefectures of their birth. The higher rate of males returning to their birthplaces or the vicinity of their birth places was due to a strong tendency for a man to succeed his father in the uniquely Japanese paternal-side household or due to taking the initiative in making a living, the institute said.

Asked why they moved, 32.7 percent of these surveyed replied "housing," followed by "marriage" (21%) and "to live together with the family" (14%). The combined percentages which cited occupational reasons such as "taking up new business or professional assignments," "transfers," and "job change" totaled only 8.7 percent.

Regarding the effects of taking over the parents' houses on moving, the institute reported that over one-third of the men who inherited their parents' houses never moved. A high of 92.4 percent stayed in their birth prefectures, and even 56.5 percent remained in their birthplaces. Japanese family structure, which includes succession of the eldest son to head of household or relation with parents, for example, exerts a strong influence on the pattern of Japan's population movements, the institute said.

## Working Conditions and the Labor Market

#### Recent Employment Situation & 1993 Survey on Employment Trends

Japan's unemployment rate and jobs-to-applicants ratio in July, announced by the government, reached closely to the worst-ever levels due to the nation's current recession. The July jobless rate, seasonally adjusted, rose 0.1 percent point to three percent, reaching the 3-percent mark for the first time in the seven years and one month since June 1987. It was only in January (3.0%), May (3.1%) and June (3.0%) 1987, following the *endaka* slump that the unemployment rate climbed to the 3-percent level in the 40 plus years since 1953 when the Management and Coordination Agency (MCA) began compiling these statistics.

The closely watched jobs-to-applicants ratio, announced by the Ministry of Labour, showed there were only 62 jobs at public employment security offices for every 100 applicants. The figure posted a decline for the third consecutive month to the lowest level in the seven years and five months period since February 1987. Employment indicators show labor market conditions are deteriorating despite brighter signs of recovery for the economy as a whole. "Employment improvement following a recession is usually delayed by more than half a year after the actual economic recovery, and the labor market is unlikely to continue to worsen," the ministry officials said.

Analysts predict, however, that the job situation will be worse. In the wake of this situation, the government released the outcome of a 1993 survey on employment trends. The year 1993 witnessed a tough job situation due to the effects of the recession. The aggravating employment situation was also reflected in the rate of job change. Both rates of job hires and separations dropped from the year before. The rate of new hires dipped 1.6 percent points to 14.2 percent, while that of job separations fell 0.6 percent point down to 14 percent. The large decline in the rate of new hires resulted in a 2.2point drop in the labor mobility rate to 28.2 percent, representing the second consecutive yearly decline.

The Survey on Employment Trends is carried out twice a year, first covering the January-June period and the second for the July-December period, to gain deeper insights into the migration of workers (those who found, switched and left jobs) in the labor market. The 1993 survey outlines employment trends both in the first half and the second half of the year. It covered about 14,000 establishments selected from firms with five and more employees in the nine major industries and about 130,000 newly hired workers and 120,000 separated workers in the surveyed establishments during the 1993 period. Replies were received from 91.1 percent of the 14,000 establishments.

By industry, the largest, or 1.48 million people were employed in the services, followed by wholesale and retail trades and eating and drinking places (1.34 million) and manufacturing (1.18 million). Meanwhile, the largest number, 1.35 million workers left manufacturing and service jobs, followed by 1.27 million workers who left the wholesale and retail trades and eating and drinking jobs. The largest number, 860,000 workers job-hopped in the services, followed by 650,000 in manufacturing and 610,000 in wholesale and retail trades and eating and drinking industries.

#### **Human Resources Management**

#### Commuter Quandary in Metropolitan Areas-70% "Feel Exhausted"

In three metropolitan areas workers spend an average of 71.5 minutes on packed trains getting to work, and 70 percent "feel exhausted" from commuting, reported Rengosoken (Research institute for Advancement of Living Standards), a think tank of Rengo (Japanese Trade Union Confederation), in its survey.

The survey was taken in the January-February 1994 period in a questionnaire administered to 2,000 workers at firms in Tokyo, Nagoya, and Osaka as well as 300 establishments in these areas. Replies were received from 60.9 percent of those workers and 56.3 percent of those establishments.

Tokyo commuters spend an average of 74.5 minutes getting to work, while Nagoya counterparts spend 65.2 minutes and Osaka counterparts 69.8 minutes. Also, 46.5 percent of the respondents spend over 75 minutes and 25.9 percent over 90 minutes each way in commuting to and from work.

Thirty-two percent of the respondents said they "swayed back and forth with the train, with no freedom of movement, every time they were roughly jostled," which describes a train filled to 250 percent of the capacity. Twenty-nine point six percent noted they were "jammed together with other passengers but could read weekly magazines," indicating that the train is filled to 200 percent of the capacity. In total, over 60 percent of the respondents regularly use such crowded trains. Furthermore, about 70 percent complained of fatigue from commuting; 61.7 percent of the respondents "felt a little tired but not to a degree affecting their work," while 9.2 percent said they were "exhausted to such an extent as to affect their work."

Flextime has been institutionalized at a little less than 40 percent of establishments. However, it does not seem to be utilized very much. Twenty-three point nine percent said the system is used once or twice and 28.2 percent noted it is not used at all. Reasons cited for failing to utilize flextime efficiently include "to contact and coordinate with other divisions within the firm and have preparations" (47.2%), "to contact and coordinate within the workplace and have preparations" (44%) and "superiors and co-workers in the workplace are at work" (23.6%). Thus, it was clear that failure to utilize flextime frequently was attributable to the intrafirm situation rather than the situation outside the company.

#### Japanese Airlines' Issue of Hiring Contract Flight Attendants

Japanese airlines, plagued with serious financial difficulties, are being forced to restructure. To cut personnel costs as part of rationalization and streamlining efforts, they had all set forth plans to freeze the recruitment of regular cabin crew and instead, hire contract flight attendants whose wages are to be considerably lower than those for regular attendants. To this, Transport Minister Shizuka Kamei summoned and asked officials of three major airlines through the Civil Aviation Bureau to give up such plans, noting the use of contract stewardesses "could pose safety risks." Kamei had said "cooperation between regular and contract stewardesses, especially in terms of a sense of unity and mission, could be disrupted, jeopardizing the safety of passengers."

Also, he earlier suggested that the ministry would not authorize flight increase plans for airlines that failed to follow its administrative guidance against hiring contract cabin attendants. The issue of hiring contract cabin crew thus was held in suspense. Japan Airlines (JAL) reviewed its original plan to recruit contract flight attendants and decided to report to the ministry on it. JAL had planned to employ contract stewardesses on a one-year contract basis for a maximum of three years, but it revised part of its employment plan to win the Transport Ministry approval, giving the contract staff the option of becoming full-time flight attendants through a screening test after three years. Under the modified plan, JAL will not apply to contract attendants the age limit for regular attendants and will make contract staff eligible for promotion to full-time status in depending on job performance. The change also includes assuring contract workers a pay hike, twice-a-year bonuses, and lump-sum retirement allowance and a variety of insurance schemes, including health insurance, workers' accident compensation insurance, and accident compensation, that compare favorably to those for regular staff. The ministry accepted JAL's modified plan.

Two other major carriers, All Nippon Airways and Japan Air System Co., also revised their plans. Meanwhile, Kamei retracted an earlier statement in which he said he would reject carriers' requests for increased flights. He valued the airlines firms' modified plans, but added that they should consider employment of stewardesses who protect the safety of passengers apart from restructuring efforts.

## **Labor Management Relations**

#### Rengo Chief Yamagishi Steps Down

Akira Yamagishi, president of the 8-million-strong Rengo, announced that he would step down before his term expires in October 1995, citing "poor health." Yamagishi announced his decision to resign at a central executive committee meeting of Rengo, held on Sept. 8.

On Sept. 28, an official recommendation committee met to hold consultations on who to succeed Yamagishi, followed by formal decision made on the issue at the central committee meeting on Oct. 6. Jinnosuke Ashida, currently acting president, has succeeded Yamagishi as head of the nation's largest labor organization. Ashida heads Zensendomei (The Japanese Federation of Textile, Garment, Chemical, Mercantile, Food and Allied Industry Workers Unions), a major industrial union which supports the Democratic Socialist Party (DSP). To strike a balance between the Social Democratic Party of Japan (SDPJ) and the DSP, Morishige Goto has assumed the post of acting president. Goto heads Jichiro (All Japan Prefectural and Municipal Workers' Union), which exerts the strongest influence on the SDPJ.

Yamagishi told at a press conference on Sep. 8 that "the SDPJ will be the leading power in the political climate and that the new ruling troika should be established with the man who can make straightforward remarks to the SDPJ as an acting president."

Showing his medical certificate that says he is afflicted by high blood pressure, diabetes, and other maladies, he told reporters that "my doctor has concluded that I have no difficulty leading a daily life but will have a tough time doing hard work." Yamagishi, having a strong voice in politics, had endeavored to unite the SDPJ and the DSP; but criticism was voiced that "he had intervened too heavily in politics." He cited "poor health" as the reason for his resignation, but he must have been shocked that the Liberal Democratic Party and Prime Minister Tomiichi Murayama's SDPJ formed a coalition government in June. Formation of the coalition government was contrary to Yamagishi's hope that the DSP and the SDPJ should merge with each other. The SDPJ and the DSP, both of which Rengo supports, are the current ruling and opposition forces, further prompting realignment of the political world. In this situation, resignation of Yamagishi, who has a strong influence on the SDPJ, will likely cast a subtle shadow over Rengo's influence on politics.

Yamagishi assumed the post of president of Zendentsu (Japan Telecommunications Workers' Union) in 1982. In 1986 he also held the post of chairman of Joho-roren (Japan Federation of Telecommunications, Electronic Information and Allied Workers). He was elected the founding head of Rengo in 1989 when the giant body came into being with the merger of both public-sector and private-sector federations. His third two-year term of office was due to end in October 1995.

#### **Public Policy**

#### Basic Policy for Measures to Deal with Short-time Workers

Ministry of Labour unveiled Basic Policy Measures to Deal with Problems of Short-time Workers aimed at promotion of welfare provisions for part-time workers. The number of part-timers has increased rapidly as a result of the recent trends toward a more flexible work force and progress in shortening working hours. In 1993 the number of part-time workers reached 9.29 million, accounting for 18.2 percent of total employed persons, according to the Labor Force Survey. Thus, part-time workers make up a large segment of the nation's labor market. Yet the image of part-timers as "workers of an auxiliary nature" dies hard and they are regarded as an adjustment value of the economy for employment and dismissal.

In this situation, the ministry drew up the Bill Concerning Improvement of Employment Management of Short-time Workers (Part-time Labor Law) in view of a report by the Study Group Regarding Part-time Worker Issues and presented it to the Diet. The bill became law and went into effect on Dec. 1, 1993. The Basic Policy, formulated in August 1994, clearly sets forth the future direction of measures to deal with short-time labor issues based upon Article 5 of the Law. The Basic Policy gains deeper insights into trends in awareness of part-time workers and analyzes current issues. Recognizing part-timers, who have tended to grow even in the 3-year-long recession, as an important form of employment, the Basic Policy points out such measures to be taken as the following. First, assuring adequate working conditions including working hours, wages, and physical checkups. Second, improving the work environment, through implementation of education and training or improvements in welfare provisions. Third, resolving lack of information and knowledge about the labor market. Despite growth in the number and importance of part-time workers, many employers hire these workers, telling them working conditions only orally, not in writing, which causes troubles constantly. Pointing this out specifically, the Basic Policy recommends the spread of "notices of employment" which clearly states important aspects of working conditions, such as wages and working hours, and "model rules of employment" for part-timers.

Furthermore, the gap in education and training as well as welfare provisions still remains wide. In view of this, the Basic Policy suggests that the ministry actively develop support measures and policies such as "subsidies for improvement in employment management of short-time workers at smaller-scale firms." Also, it suggests enterprises be given guidance to voluntarily tackle rectification of the gap between part-time and regular workers on condition that part-timers be treated in the same manner as regular staff. The Basic Policy also incorporates more substantive vocational training courses to be offered at public vocational ability development institutions to upgrade the ability of part-timers.

#### **Special Topic**

### Why Has Union Density Declined in Japan?

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#### I. Introduction

Many OECD countries have experienced declines in union density since the late 1970s and early 1980s. The country that experienced the most dramatic union decline following France and the U.S. is Japan (Visser, 1991).

In Japan, postwar labor reform stimulated a burst of union organizing activity so that 45.3% of employees were union members by 1947. Following this initial wave, the level of union density declined to a little more than a third of employees by 1955. Subsequently, union density remained remarkably stable for the twenty-year period of high economic growth between 1955 and 1974. Since 1975, however, union density has declined sharply from 34.4% in 1975 to 24.2% in 1993.

While declining union density might be irrelevant to economies in some countries, this is not the case with the Japanese economy. Enterprise unionism, an idiosyncratic structure of organization in Japan, has been considered a key institutional pillar of the Japanese labor market, along with long-term employment, intrafirm skill formation, and the seniority wage system. Given this structure, the decline in union density signifies the erosion of an important labor market institution in Japan.

To investigate the reasons for the decline in union density, I have organized a research project for the Japan Institute of Labour (JIL). The full results are reported in the Japan Institute of Labour (1993) and Rebitzer and Tsuru (1994). This essay summarizes the main results based upon a sample survey of individual workers and their attitude towards unions and potential unionization.<sup>(1)</sup> The paper proceeds as follows. The second section reviews major factors which have been identified in the foregoing literature. The third part focuses on the process of union organizing. Special attention is paid to the incentives for employers to resist unions and the incentives for employees to join unions. The paper closes with a brief summary of the implications of the analyses.

#### II. Employment Shifts or Failure of Union Organizing?

#### 1. Determinants of the Decline in Union Density

To better understand the nature of "de-unionization" in Japan, it is important to describe the process of declining union density. Two factors have played a critical role in the process: (1) the changing composition of employment in heavily and lightly unionized groups (employment shifts), and (2) the slowdown of organizing activity by unions in the union organizing process.

In Japan, unionization rates differ widely by gender, firm size, and industry. From this perspective, it is possible that sectorial shifts of employment among these groups is the primary cause of the declining unionization rate. However, previous statistical studies have revealed that the employment shifts account for only a modest proportion of the change in union density. For example, the shifting composition of the labor force between the secondary and tertiary industries explains only 20 to 30% of the drop of union density since 1975 (Freeman and Rebick, 1989; Ito and Takeda, 1990).

#### 2. The Decline in New Union Organizing

An alternative explanation for declining union density is changes in the rate of new organization within sectors. The rate of new organization, which is defined as the ratio of newly organized workers divided by the number of employees, declined sharply from 0.45% in 1975 to 0.14% in 1993. Freeman and Rebick (1989) demonstrate that nearly 70% of the drop in union density can be accounted for by the falling rate of new organization.

However, the difficulty of organizing new members might be attributed to the fact that new, non-union firms are found in inherently non-union sectors in the Japanese economy. This structural explanation suggests that the decline in the rate of new organization is the natural result of sectorial shifts rather than changes in the incentives influencing the actions of employers and non-union workers. To evaluate this possibility, I estimate the determinants of the probability of union membership. After controlling for individual characteristics (such as gender, educational attainment, firm size, etc.) of workers, the probability of being union workers in new firms is substantially lower than the probability in old firms. This indicates that much of the decline in the rate of new organization is not the result of employment shifts. In the next section, I look more closely at the determinants of organizing success.

#### III. Employer Resistance or Employee Disinterest?

#### 1. Employer Incentives to Resist Unions

Employers have an incentive to resist unions to the extent that unions increase the cost of labor. In the United States, for example, high and increasing union wage differentials have been mentioned as the primary cause of increased employer resistance to organizing efforts in the 1970s and 1980s (Blanchflower and Freeman, 1992).

Investigations of the importance of employer resistance in the decline of unions in Japan have been hampered by the absence of precise estimates of the union-nonunion wage differential. Using the data from the JIL survey, it is now possible to estimate the union wage premium at the level of individual workers. Table 1 summarizes the results. For men, the effect of unions on monthly salary and annual earnings are virtually non-existent. Similar results are obtained for women. On this basis, it appears that Japanese employers have little incentive to resist new union formation.<sup>(2)</sup>

Additional data also suggest that employer resistance is not very strong. The number of unfair labor practices complaints as a percent of the number of employees dropped from 0.20% in 1975 to 0.06% in 1993 (Rebitzer and Tsuru, 1994). According to this indicator, the level of employer resistance appears to have declined, rather than increased, in the 1970s and 1980s. In sum, employer resistance is not the determining factor in the decline in union density in Japan.

	M	en	Women		
	Monthly Earnings (1)	Annual Earnings <sup>b</sup> (2)	Monthly Earnings (3)	Annual Earnings <sup>b</sup> (4)	
Union Member	-0.04 (-1.21)	-0.04 (-1.08)	0.03 (0.63)	0.03 (0.39)	
Log Firm Size	-0.00 (-0.13)	0.02 (1.94)	0.01 (1.42)	0.02 (2.19)	
Control Variables <sup>c</sup>	Yes	Yes	Yes	Yes	
Number of Observations	536	483	364	279	
Adjusted R <sup>2</sup>	0.49	0.48	0.58	0.65	

Table 1 Union Wage Premium for Private Sector (Dependent variable is the log of earnings.)

(Note) <sup>n</sup> All estimates are ordinary least squares, and numbers in ( ) are t-statistics.

 <sup>b</sup> This equation is estimated for those with one or more year of tenure.
 <sup>c</sup> Control variables include educational attainment, years since

graduation, full-time, regular status, straight time hours, overtime hours, and tenure.

#### 2. Employee Incentives to Join Unions

The preceding observation leads us to the other aspect of the process of union organizing: the attitude of workers towards unionization. The JIL survey asked non-union respondents whether or not they thought it would "be better for workers at your workplace to form a union?" 43% of male, non-union workers and 38% of female non-union workers answered "yes" to this question.

Non-union workers are more likely to support unions if they are dissatisfied with wages, benefits, and other working conditions. For this reason, those who support unions are also more likely to believe that unions improve wages and other working conditions than those who do not support unions. Table 2 compares the perceived consequence of the formation of a union on various aspects of working conditions. Only 14.9% of non-union men who would not support unions believe that a union in their firm would improve wages. In contrast, 54.0% of non-union men who would support a union believe that a union would improve wages. A similar pattern is observed for every aspect of the employment relationship for women as well as men.

	Percent of Respondents Indicating that Unions Would Improve the Following Working Conditions <sup>4</sup>			
	Men		Women	
	Support Unions <sup>b</sup> (1)	Don't Support Unions <sup>6</sup> (2)	Support Unions <sup>b</sup> (3)	Don't Support Unions <sup>b</sup> (4)
Wages	54.0	14.9	60.6	15.0
Hours, Holidays, Leave	65.0	25.4	53.9	16.2
Benefits	58.4	24.9	55.8	13.3
Job Security	44.5	13.3	41.4	11.6
Labor Manage- ment Commu- nication	56.9	12.7	43.3	10.4

#### Table 2 The Perceived Consequences of Unions for Non-Union Employees (%)

(Note) \* These variables are based on responses to the question"What do you think will be the effect on the following issues if you became a union member or if a union were to be formed at your workplace?"A dummy variable was constructed which was set equal to 1 if respondent answered "improve" to any of the issues listed in the table. The table records the means for this variable.
<sup>b</sup> Support is indicated if respondent answered yes to the question:

"Do you think it would be better for workers at your workplace to form a union?"

The expected effect of unions by non-union workers poses a dilemma for Japanese unions because, as seen in Table 1, Japanese unions do not have much effect on wages. Of course, unions might attract new members if they improve important, non-monetary aspects of employment relationships. In particular, unions might be able to improve communication between labor and management. This "voice" effect has, in other countries, been favored to reduce turnover by eliminating the sources of dissatisfaction (Freeman and Medoff, 1984).

I evaluate the importance of the union "voice" effect by comparing the proportion of union and non-union workers who do not tell anybody about problems that they have in their workplaces. The results are presented in Table 3. The proportion of union workers who do not communicate problems is substantially lower than non-union workers. Clearly, the presence

Don't Tell Anybody about Problems in the Following Areas (%)					
	Men		Women		
	Union	Nonunion	Union	Nonunion	
(1) Wages	22.1	32.6	19.1	38.1	
(2) Hours, Holidays, Leave	23.4	30.2	17.9	33.6	
(3) Benefits	25.2	40.1	17.9	44.8	
(4) Job Security	24.8	38.5	16.7	43.7	
(5) Personnel As sessment	25.2	35.7	22.6	45.1	
(6) Transfer Policies	20.8	35.7	22.6	48.7	
(7) Harassment	32.7	42.9	15.5	36.8	

Table 3 The Percentage of Employees Who

of unions alters the lines of communication in the Japanese firm.

the following issues at your workplace, which of the following measures do you resort to?" The choice of responses are:(1) to personally put views across to management;(2) to inform management together with another colleague;(3) to request that your superiors inform management;(4) to request that the employees' association inform management;(5) to channel grievances through the appropriate labor-management consultation mechanism;(6) to consult your labor union;(7) to consult a governmental body;(8) to consult another external body;and (9) do not inform anybody. The numbers in the table are the percentage of respondents who claimed they would "not inform anybody" about problems.

(Note) Respondents were asked "If you become dissatisfied with any of

The union voice effect is important because it might enable unions to attract non-union workers even if they do not improve wages substantially. To examine this possibility, I have estimated the union effect on an individual's job dissatisfaction and propensity for job change. Table 4 summarizes the coefficients of major variables. As shown, union membership does not have a statistically significant impact on either job dissatisfaction or propensity to quit. There is no doubt that Japanese unions "voice" various issues to management. It is not clear, however, that the effect of this voice is highly valued by individual employees.

	Men	Women	Men	Women
	Change Job <sup>5</sup> Probit (1)	Change Job <sup>5</sup> Probit (2)	Job Dissat- isfaction <sup>c</sup> Ordered Probit (3)	Job Dissat- isfaction <sup>c</sup> Ordered Probit (4)
Union Mem- ber	0.22 (1.13)	0.11 (0.40)	0.18 (1.49)	0.05 (0.28)
Log Firm Size	-0.08 (-2.20)	-0.00 (-1.11)	-0.08 (-3.31)	0.01 (0.27)
Log Annual Earnings	-0.20 (-1.01)	-0.28 (-1.24)	-0.37 (-2.85)	-0.16 (-1.14)
Control Vari- ables <sup>d</sup>	Yes	Yes	Yes	Yes
Number of Observations	475	276	511	337
Log Likeli- hood	-186.76	-112.82	-657.03	-377.15

#### Table 4 Determinants of Job Change and Job Dissatisfaction\*

(Note) <sup>n</sup> Numbers in ( ) are *t*-statistics.

<sup>b</sup> A dummy variable set equal to 1 if respondent answered yes to the question"Do you hope to change jobs in the next year or two?"
<sup>c</sup> The respondent's answer to the question"Generally

The respondent's answer to the question"Generally speaking, are you satisfied with your present working conditions?" Responses were coded:(1)=very satisfied; (2)=satisfied; (3)=neither satisfied nor dissatisfied; (4) = dissatisfied; (5)=very dissatisfied.

d Control variables are the same as in Table 1.

## **IV.** Conclusion

This essay examines why union density has declined in Japan. While various factors have contributed to the decline, one of the most significant determinants is the disinterest of non-union workers in unionization.

From this perspective, it appears that reversing the decline of union density may be difficult. To expand their membership, Japanese unions have recently begun to organize part-time workers and quasi-managerial employees who have traditionally been unorganized (Nakamura, Sato, and Kamiya, 1988). However, if union decline is largely due to the disinterest of regular, non-union workers, then current efforts by unions may not be sufficient to reverse the trend.

Notes

- \* I am grateful to the members of the JIL project, Hiroki Hayashi (Hitotsubashi University), Machiko Osawa (Asia University), and James B. Rebitzer (Massachusetts Institute of Technology) for their help.
- (1) A survey was conducted for the Japan Institute of Labour of union and non-union employees aged 18-59 who lived within 30 kilometers of central Tokyo.We randomly selected 2,800 names from municipal records for sampling. From this list, we excluded people who were not currently employed or who were self- employed or who were managers. Of the resulting 1,736 individuals, 1,104 agreed to be interviewed, yielding a response rate of 64%. All interviews were conducted in person at the residence of the respondents between July 2 and July 24, 1992.

(2) The similar conclusion that unions have little effect on wages is obtained by Tachibanaki and the Japanese Trade Union Confederation Research Institute for Advancement of Living Standards (1993).

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#### **Statistical Aspects**

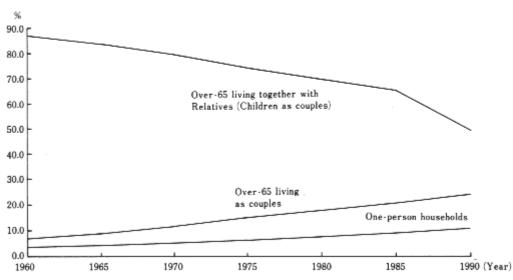
#### **Recent Labor Economy Indices**

	July 1994	June 1994	Change from previous year
Labor force	6,704 (10 thousand)	6,735 (10 thousand)	25 (10 thousand)
Employed	6,516	6,552	-4
Employees	5,257	5,279	-2
Unemployed	196	189	29
Unemployment rate	3.0%	2.9%	0.4
Active opening rate	0.62	0.63	-0.11
Total hours worked	164.8 (hours)	166.6 (hours)	-1.4"
Total wages of regular employees	(¥thousand) 279.0	(¥thousand) 280.0	2.2*

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.



## Population Over 65 (Rate of Over-65 Living Together with Children) by Types of Household

Source : Institute of Population Problems, Ministry of Health and Welfare. Latest Democratic Statistics 1992.