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General Survey

Adverse Effects of the Great Hanshin Earthquake on the National Economy

Center for Industrial Renovation of Kansai, in cooperation with a private think tank, compiled a report on damage from the Great Hanshin Earthquake of January 17. In the report the Center estimates that in the 1995-97 period stimulus to the economy, which combines the temporary expansion of demand for public works projects related to construction and civil engineering as well as the ripple effects on other production sectors, will come to 12.2354 trillion yen in the Kansai area alone and 21.0678 trillion yen across the nation.

According to the report, the earthquake in the Hanshin region caused a total of 10.0065 trillion yen worth of damage to household effects and social capital in the overall Kansai area. Furthermore, distribution via Hyogo Prefecture has been disrupted due to severe damage to the Kobe port, and this will decrease nominal gross domestic product (GDP) by 7.833 trillion yen even if traffic infrastructure is smoothly restored to its pre-quake condition in the months to come. But with "emergency demands" for reconstruction of the quake-ravaged Kobe region starting in fiscal 1995, production in the Kansai area will increase 6.1177 trillion yen in fiscal 1996 when special procurement orders will peak. The volume of increased production due to emergency demands outside the Kansai region will top 4 trillion yen, contributing to a large extent to GDP expansion, the report analyzes.

Meanwhile, the Japan Economics Research Center said in a very short-term economic forecast that because of the earthquake, the nation will see its real GDP in the January-March quarter of 1995 fall 3 percentage points from the preceding quarter and remain at a low 1.1 percent growth rate. Severe damage to the port of Kobe and the negative effect on consumer psychology are factors likely to lower the growth rate.

The Center predicted that without the earthquake, GDP growth in real terms would have reached 4.1 percent in the January-March period of 1995. Sluggish exports were the foremost contributing factor to the decline of GDP to 1.1 percent. Without the quake, the Center estimates that exports would have increased 1.4 percent over the previous period, but will fall 2.3 percent due to the impact of the trembler. This is because "it takes time to change customs-clearance procedures and more than 3 percent of the overall external trade business will fall into the after April-June period rather than the first quarter," the Center forecasts. In addition, the Center expects consumer spending to be frozen and housing investment will be stagnant particularly in the quake-shattered region. Public works investment was expected to drop 2.8 percent from the preceding quarter prior to the impact of the tremor but is now

expected to be off 1.8 percent. Thus the earthquake will further reduce the extent of investment declines due to reconstruction and restoration projects, the Center predicts.

The government is likely to incorporate emergency quake-work expenditures of some 900 billion yen into the second supplementary budget for fiscal 1994. With expenses to be shared by local governments included, quake related expenses will top 1 trillion yen. To finance the reconstruction of areas damaged by the quake, the government will issue a total 1.5 trillion yen in national bonds, including construction bonds to provide for expenditures for public works and deficit-financing bonds to make up for an expected tax revenue shortfall. This represents the first deficit-covering bond issue in 5 years as revenue sources, excluding those related to the income tax cut.

Working Conditions and the Labor Market

Quake's Impact on Employment

A rapidly increasing number of people and companies have been forced to reduce jobs and discontinue operations, respectively, due to the January 17 Hanshin earthquake. It was certain that by February 21, public employment security offices in Hyogo Prefecture would receive more than 10,000 cases of dismissal and temporary business shutdown. With a considerable number of small scale business managers and part-timers having probably failed to pay into the unemployment insurance fund, the number of unemployment people and employers forced to suspend office activities and business operations will climb to 50,000-60,000, according to government estimates.

Maintaining employment is becoming a serious problem for distributors forced to suspend their operations due to damaged stores and for industrial circles as a whole. Mitsukoshi, Ltd., which will pull down its Osaka store, has decided to offer lucrative early-retirement measures to its employees over 50years old. Supermarket chain operator Daiei Inc. will help 630 part-timers at its 10 Kobe stores find work in its affiliated firms. The 10 Daiei stores in the quake-stricken Kobe are now unable to continue operations. Sumitomo Rubber Industries has decided to shut down its headquarters in Kobe and will transfer 850 employees to other plants. Kobe Steel, Ltd. expects recovery of its steel production facilities to be postponed until mid-April, affecting 35,000 workers, including those in affiliated companies.

Meanwhile, a Ministry of Education survey found that the January 17 quake in Kobe and surrounding areas resulted in some graduating university, junior college and high school

students losing tentative contracts for employment. As of February 20, 35 university and junior college students have lost job offers, 5 were asked to wait at home until further notice and 4 were holding negotiations with future employers, the survey said.

Human Resources Management

Corporate Volunteer Work in Quake-Ravaged Area

Corporate volunteers have been actively engaged in relief operations in the quake-stricken Hanshin areas since the January 17 disaster. Individual corporations gave the utmost priority to recovery of their own facilities and assistance to their employees' lives immediately after the quake-jolted Kobe and vicinity. But they also launched voluntary relief activities as more details about the disaster become known. The role companies played at the time of the disaster is getting the attention of the general public. Workers use the volunteer leave program to help quake victims, and some companies have immediately adopted the program.

On January 19, liquor maker TAKARA SHUZO CO., LTD. 40 percent of whose employees live in Hanshin areas, recruited in-house volunteers to work for relief activities and about 160 responded to the company request. On January 21, they supplied water, radios and daily necessities in the vicinity of the Nada factory. Starting on January 23, some 30 employees worked in rotation to cooperate in the activity program organized by municipalities, such as the city of Kobe.

Sekisui House, Ltd. is daily sending 60-70 employees on duty to Kobe City and the Hanshin regions, to help transport relief supplies by car. On holidays 50-60 Sekisui workers walked around the quake-hit areas to deliver food and water. ITOCHU Corp. and Sanyo Electric Co., Ltd. recruited in-company volunteers. ITOCHU extended the paid 3-day volunteer leave to 5 days for relief work in quake-ravaged areas, with 253 employees taking part. SUMITOMO CORP. did not inaugurate a volunteer leave system, but the president devised a plan to allow workers to participate in a week-long volunteer work while on duty. The company will pay round-trip travel allowance and accommodation expenses for volunteer workers and will offer compensation equivalent to that provided under Workmen's Accident Compensation Insurance, in case they are involved in accidents. Some companies used their organizational power to send their staffers to quake-hit areas. DAIHATSU MOTOR CO., LTD. provided 10 of its light transport vehicles to the Hyogo Prefecture earthquake countermeasures headquarters, simultaneously dispatching 20 employees to serve as drivers. Labor unions at Matsushita Electric Industrial Co., Ltd. opened their own relief centers in

Kobe and Sannomiya and plan to send a maximum of 100 union members from across the country to serve in quake-stricken areas.

Labor Management Relations

1995 *Shunto* Wage-Hike Requests Presented

In February the 1995 *shunto*, or annual wage negotiations, got underway in earnest. Expansion of domestic demand via higher consumption is necessary for steady economic recovery and thus, a monthly wage raise "averaging 14,000 yen" is desirable, said Rengo (Japanese Trade Union Confederation), the national center of labor unions. Nikkeiren (Japan Federation of Employers' Associations), the center for management strategy, meanwhile, noted "there is no room for wage hikes this year," setting forth a wage increase of zero percent. Thus indicating that labor and management are widely divided over this year's pay raise. Labor wants to base its wage increase averaging 14,000 yen on setting the nation's economy on a path of gradual recovery, while management is negative regarding labor's demand, maintaining that the wage hike should not allow for a margin stemming from general price increases. In the forthcoming *shunto*, Rengo will switch from its traditional stance of asking for percentage-based increases and toward one based on monetary amounts, with the major goal of narrowing the gap in amounts of wage hikes between large firms and smaller-scale ones. Specifically, both labor and management are seen settling for pay hikes of a little over the record low of 3.17 percent set last year. They find it difficult to gain higher wage increases than the year before despite emerging signs of recovery in the economy.

Labor unions of major metal industries which lead the country's *shunto* made the following wage-hike demands. Major unions under the umbrella of Tekkororen (Japan Federation of Steel Workers' Unions), such as Nippon Steel, decided to seek a 5,500 yen wage hike (including a 3,500, yen or 1.9 percent, annual automatic hike) for the standard worker aged 35 with 17 years of service, down 7,000, yen or 2.43 percentage points from last year's 12,500, yen or 4.33 percent demand. Mirroring the severe business environment comparable to that of the strong yen slump of 1987, the unions will strive to maintain real wages with a wage hike of 200 yen equivalent to a 0.6 percent increase rate of consumer prices for 1994. They will ask for summer and year-end bonuses totaling 1.38 million yen for 39-year-old employees with 21 years on the job, the same amount as last year's.

The unions of Kobe Steel Ltd., due to delay in *shunto* discussions, forwarded to management their demand for a pay increase two weeks later than the unified date of wage-hike requests set by Tekkororen. Kobe Steel, hard hit by the January 17 earthquake,

suffered a total of around 74 billion yen worth of damage. Because of the direct effects of the tremor, the firm's unions had drawn attention from other unions as to how they will set their wage demands. They will follow in the footsteps of other key member unions which will unify wage requests and will negotiate summer and year-end bonuses alone in this year's *shunto*. They will postpone talks on wage hikes and shorter working hours until after the summer when their company sets up a reconstruction plan. Unions affiliated with 5 steelmakers, including Kobe Steel, had traditionally joined together under the Tekkororen umbrella for the *shunto*. The unions of Kobe Steel, however, will be an exception this year.

Unions of 8 major firms, such as Mitsubishi Heavy Industries, affiliated with Zosenjuki submitted to management their wage hike demands averaging 12,000 yen (including 5,000, yen or 4 percent, annual automatic hike), down 2,000, yen or 0.79 percentage points from the previous year, and summer and yearend bonuses totaling 750,000 yen plus 3.5 months' pay-which are the pillars of their wage requests. Labor unions of the shipbuilding industry are positive about a wage raise because of relatively favorable business conditions, while management stress uncertain prospects for the industry as the ongoing rise of the yen has resulted in a fall in ship prices. Labor unions at Kawasaki Heavy Industries, hard hit by the Hanshin disaster, focused their spring wage-increase negotiations only on such unified requests as a wage increase and postponed setting its demand for reduction of working hours.

Denkirengo (Japanese Electrical Electronic and Information Union) decided to request a 13,500 yen boost for the 35-year-old standard worker with 17 years of service (including the annual automatic raise), down 1,000 yen from last year. This was the organization's first wage-increase request for individual workers. Semiconductor manufacturers are doing well in the electrical machinery industry. Management, however, is expected to respond that weakening international competitiveness resulting from the yen's steep rise will cause a financial burden on them. Thus, labor and management are likely to face tough wage negotiations.

Eleven major labor unions of Jidoshasoren (Confederation of Japan Automobile Workers' Unions), which include the unions of Toyota Motor Corp., and Nissan Motor Co., demanded a monthly 12,000, yen or 3.9 percent, wage increase (including an annual pay raise as measured by Toyota's standard wages). Concerning bonuses, Toyota's workers union asked for bonuses totaling 5.8 months' pay. Nissan's and Honda's, on the other hand, sought 5 months' pay and 5.6 months' pay, respectively, almost the same level as last year's.

The unions of private railways, power companies and Nippon Telegraph and Telephone Corp. decided to abandon their usual strike tactics during this year's wage talks with

management, stating that priority should be placed on restoration and reconstruction work because of the effects of the quake. They act as pace-setters for wage negotiations together with labor in metal industries. Leaders of Rengo expressed the view that "there is no impact of the trembler on the overall wage struggle," but they will inevitably have to tone down their demands for this year's wage struggle. The Hanshin quake will thus likely cast a long shadow over wage negotiations as a whole.

Public Policy

Labor Policy to Cope with Hanshin Disaster

The employment situation is deteriorating in areas affected by the Great Hanshin-Awaji Earthquake that struck on January 17. At a Cabinet meeting held on February 24, the government decided on additional bills aimed at relief for quake victims and sent them to the Diet for approval.

Of the bills, the Ministry of Labour set forth an employment-related bill that provides special measures to promote employment for public works of those who were left jobless because of the tremor. The bill is designed to obligate employers to hire quake victims on a priority basis for public works to reconstruct and restore the quake-stricken area. With the quake expected to produce a large number of unemployed persons, the bill is in response to growing public works job offers, such as for reconstruction and restoration of roads, port facilities and streets. To be more specific, the bill calls on contractors and employers to hire on a priority basis those who are out of work due to the quake, making them 40 percent of the prospective workforce, through Public Employment Security Offices (PESO). The bill applies only to non-skilled workers.

Furthermore, the Ministry will expand the scope of special employment adjustment subsidy programme. Under the program designed to prevent job losses in designated sectors hurt by an economic downturn and a change in industrial structure, the Ministry pays a portion of wages for employees who are farmed out to subsidiaries and other related firms, those who are away from work and those who undertake training. The program, however, excluded jobless persons due to disasters and new school graduates with promised job offers not qualifying for employment insurance. Under the situation, PESOs in quake regions were sought for their advice on new school graduates losing tentative contracts for employment particularly at small-and mid-size companies.

Taking the problem seriously, the Ministry decided to take measures under a special

financial aid bill, to allow smaller-scale firms to receive the adjustment subsidy program immediately after employing new graduates, thus saving them from postponing employment of these prospective employees. Also, the Ministry will revise the enforcement regulations relative to Employment Insurance Law (EIL) to offer the adjustment allowance even to stricken subcontractors as well as those subcontractors forced to suspend their operations due to their parent companies' shutdown. The Ministry has amended an ordinance pertaining to the regulations relative to application of EIL, allowing companies in quake areas, which have already downsized and have let workers go, undertake training or transfer to other firms, to receive the adjustment subsidy program regardless of sector.

Other special measures the government took to cope with the unprecedented disaster caused by the Hanshin earthquake include: first, allowing workers, forced to stay at home and unpaid due to damaged places of work, to receive jobless payments while maintaining employment, and second, enabling workers who resigned for personal reasons to enjoy the shortened period of restrictions on benefit payments from three months to one month. On January 24, the government designated the quake a top-priority disaster under a law that provides special financial assistance for such situations.

Prior to these measures and policies, the government on January 23 enforced measures based on the Basic Law on Disaster Relief, which offers unemployment benefits also to those unauthorized jobless workers who will be re-employed.

Special Topic

Employment Practices and Unemployment in Contemporary Japan

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Introduction

The worker shortage was a major social issue during the latter half of the 1980s when the nation was in the midst of the so-called bubble economy. Now in the mid-1990s, as a result of the burst of the financial bubble the issue of a surplus rather than shortage of workers has come to get the attention of the government, business and labor, making job creation and re-employment serious socioeconomic problems.

Let us raise employment and unemployment issues which will occur in the process of the changing economic environment both at home and abroad.

1. Continuing Structural Unemployment

Emerging job losses have two sides; one is economy-driven unemployment resulting from the business cycle, which is especially pronounced due to the bubble economy. This is, unemployment resulting from lack of demand and will be short-lived as it will be resolved by recovery in investment and consumer spending. The Japanese economy has been slowly picking up since the end of 1993 as a result of passing on windfall gains from the strong yen to consumers.

The other to aspect of the current phase of unemployment is structural and this occurs in the process of transformation of industrial structure. In the wake of the first oil-supply crunch, the country witnessed industrial structure transformation from an economy based on mass consumption of resources and energy to a knowledge-intensive, high value added structure based on saving resources and energy. The subsequent fall in crude oil prices slowed this transformation of industrial structure. However, this accelerated due to frequent rounds of rapid and sharp yen appreciation against the dollar.

With transformation of industrial structure generating changes in production engineering, workers' skills and vocational knowledge have become progressively outdated, resulting in inadaptability to and friction with new technologies. What is more, this process spurs a large decline in some industries and occupations, which then leads to a growing need for labor re-allocation between industries and occupations. The structural joblessness, has been centerpiece of the nation's unemployment issue during the past 25 years.

The unemployment rate, which stood at somewhere around 1 percent in the high-growth period of the 1960s, rose to the 2-percent level following the oil-supply crisis and stayed above 2 percent even during the period of business expansion. This was primarily structural unemployment. The current strong-yen crisis further exacerbated structural joblessness, pushing unemployment rate up to the 3-percent mark.

2. Surplus Labor from Deregulation of Non-Export Industry

The prolonged rise of the yen has weakened the international competitiveness of the export industries which have been mainstays of the Japanese economy, and this is a serious problem facing the nation's economy today. Export industry, with its international

competitiveness stemming from remarkable technological progress and high productivity, has been the prime mover of the country's economic growth. The large trade surplus has generated a huge inflow of foreign currencies. Non-export industry, meanwhile, is mostly low in productivity and depends mainly on maintaining prices and rates for improvement in wages and income. This was made possible by restricting competition under the government-sponsored policy of protecting industries.

Salaried workers engaged in export industries are estimated at around 8 million at most, while those engaged in non-export industries number a little over 40 million. Today the former industries are diminishing so that they are unable to sustain the latter industries.

For the nation's economy to get on a path of further growth, the following should be expected.

First, is revising the protective policy for non-competitive industries-many of which are non-export industries-which is the major cause of the domestic-foreign price gap. In short, deregulation should be carried out to stimulate competition and to raise productivity and lower prices.

Second, is encouraging the smooth transfer to developing countries of those low wage-dependent goods industries which are low in value added content. This will allow Japan to realize industrial structure transformation, the core of which is knowledge-intensive, high value added industry and to play a part in the international division of labor with free trade as an axis. Further, this will contribute a large extent toward development of the global economy.

Of course, during this process Japan will inevitably confront surplus re-allocation of labor between industries and occupations. It is necessary to smoothly switch those surplus workers resulting from higher productivity in more competitive the non-exporter sector and also from the transfer of production facilities offshore. It should be noted here, however, that a large number of unemployed and needy will not result quickly in low-productivity agriculture and small-scale retail trades as they are rigorously protected by the policy and regulations.

3. Questions about the "View of Flexible Labor"

Some economists and critics argue that the nation should rethink Japanese-style employment practices which curb free mobility of workers, and prevent transformation of industrial structure which goes along with overhaul of businesses and restructuring. But there is much to be desired as to the way they theorize and recognize the flexibility of the

labor market. If we take the view that the labor market will be flexible at its face value, it follows that smooth progress in labor mobility stemming from new hires and job separations will facilitate realization of corporate restructuring and transformation of industrial structure. But this is not so easy. For workers, it means that corporations can readily hire and dismiss, making employment unstable in order to facilitate structural transformation.

Those who opt for the view of the flexible labor market predict that deregulation will generate excess labor from some industries and reduce job opportunities, but that emerging industries will create more employment and will in effect increase the net number of jobs. However, I see no guarantee that redundant workers will find employment in new industries. Middle-aged and older workers in particular will find it very tough to get jobs, and even if they find new jobs they will inevitably see lower wages and poorer working conditions than before.

Continuous employment and steady income bring employees stable living standards and a sense of security. On the other hand, avoiding easy-going dismissal and assuring long-term employment enable employers to expect better work performance and morale of workers through on-the-job training (OJT).

The flexible labor market is based on the standpoint that what is desirable for the labor market is to allow workers to resign easily and companies to let them go freely in midcareer. The first to be cut off is perhaps corporate investment in training of people. Frequent hirings, dismissal and separation will likely waste corporate investment in training, and the companies will inevitably step back from investment in education and training programs, whether they are OJT or OFF-JT (off-the-job training).

4. Mistaken Concept of Lifetime Employment

Another thing about the view of the "flexible labor market" that is incomprehensible is: Have the so-called Japanese-style employment practices been so conducive to creating a rigid market as to hamper Japanese-style employment practices from changing? This seems off the mark, however.

First, the "lifetime employment rule" is construed as a practice in which one enters the firm straight from school and continues to work there until he or she reaches the mandatory retirement age and in which he or she rarely leaves in midcareer and is rarely dismissed. The realities are, however, that very few follow such a career path and retire at a fixed age. Take large corporations which are considered typical in adoption of Japanese-style employment practices, for example. They, too, witness a significant number of their workers coming and

going in midcareer. According to a survey, the labor turnover rate for those who have logged less than five years on the job tops 50 percent due in part to their efforts to find an "ideal" job. Furthermore, one estimate says that only one in every five persons who join the company straight from school continues to stay in the same company or its related firms until he or she retires at a fixed age. Economic growth forces corporations to frequently embark on industrial restructuring, leaving a large number of workers jobless in declining industries. In addition, the retirement allowance scheme, while encouraging long-term employment on the one hand, has given priority to retirement of workers for the company's reasons in order to facilitate downsizing. Even the recently-instituted early-retirement packages have acted to encourage those who work long-term to retire.

Thus, lifetime employment is not a system which guarantees a long-term employment for everybody. It is an implicit contract between labor and management under which workers expect to work long-term and management, on their part, try to fulfill this expectation. It is a system which boldly eliminates those workers who fail to hone their ability and work efficiently.

5. "Seniority-based Wages" and Merit-rated Pay

Japan's seniority system does not allow for a rise in wages according to the advance in years and promotion which does not go along with ability evaluation. Periodical pay increases, for example, always come with personnel evaluations, and incapable persons are least likely to get promotion to management posts. Japan observes a system of long-term-based ability evaluation, and this makes everyone think he or she gets an automatic pay increase and promotion proportional to length of service. Corporate managers equally acknowledge that promotion by screening based on short-term ability evaluation is not advisable as it disrupts teamwork and negatively affects overall morale.

Corporate management is not charitable work which allows a wage hike and promotion according to increasing living expenses with advance most in years. In the intensifying heat of global competition, Japan, endowed with scarce natural resources, definitely needs development of human resources and efficient utilization of people.

Many Japanese workers are hardworking and highly motivated to make self-improvement efforts. The employment system which properly coaxes their willingness to improve their abilities has worked well, thus strengthening the international competitiveness of Japanese industry.

Enterprise-based unions are another target of misunderstanding. They are unions which

organize workers under employment practices such as the lifetime employment rule and the seniority-based wage system mentioned above. They are not "company unions" which are totally contented with labor-management cooperation and which have weak bargaining power, but are decent unions which hold elaborate negotiations and consultations with management to maintain and improve working conditions, including wage raises and wage distribution. In addition, some quarters say that "uniquely Japanese employment practices" are sentimental practices based on a uniquely Japanese principle of paternalistic management and should be revised. However, the view stressing Japan's uniqueness, like this one, is meaningless. What is called Japanese employment practices are the practices commonly observed in Western industrialized nations and are not unique to Japan alone. Thus, it may be more precise to call "Japanese-style" employment practices rather than Japan's own employment practices.

6. Development and Definition of Japanese-style Employment Practices

As seen above, under "Japanese-style," not "Japanese," employment practices employee increased rapidly in the economic high-growth era of the 1960s. These practices were primarily developed by big businesses in heavy chemical and machinery industries which mass-produced their manufactured goods and components through mechanization, automation and an assembly-line system.

In these industries labor was standardized along with standardized products and components, and traditional duties were subdivided into diversifying jobs. These jobs were ranked, and the system under which the worker took on an easy job first and then went on to a more difficult job through job experience with OJT at its core, was established. Jobs were ranked according to pay tied to occupations or to ability and the annual pay raise proportional to years of service spread in the 1960s. This was a system of employment management that responded adequately to the above-mentioned scheme.

When career development through OJT involves special skills to be acquired only within specific firms and corporate secrets, seniority of vocational ability is linked to "lifetime employment" based on long-term employment. Thus, major companies, which adopt such employment practices, allow their employees to bolt in midcareer to another company or another career but do not hire such personnel, inevitably contributing toward creation of "the enterprise-based, closed labor market." This is an employment system, typically practiced in large corporations, for blue-collar workers as well as for white-collar workers in clerical work and administration fields. It is unlikely to fall apart and collapse; nor is it desirable for it to disintegrate.

Professional workers who are flexible and part-timers as well tend to stay in the same

company and work long-term. Of course, it is highly likely that some of them are the first to be kicked out in a recession but they are not a group of people whose employment is unstable.

Some analysts believe that the expanding dispatched worker market will erode Japanese-style employment practices, but under the nation's Worker Dispatching Business Law only 16 jobs which require professional knowledge, skills and experience are allowed to dispatch workers. Japan's dispatching system is different from that of Western nations which covers short-term temporary jobs. Thus, it cannot be said that expansion of the worker-dispatching market encourages Japan's employment practices to disintegrate.

Criticism is voiced that the government's employment policy is dismissal-restrictive and prevents the labor market from being flexible. However, Japan's employment policy also guarantees the freedom to leave a job, in short, the freedom to be jobless. For instance, unemployment benefits (job application benefits) are payable also to those who have left work for personal reasons, with loose requirements for benefit payments (1 to 3 months before benefit payments), and are not restricted only to those who resigned for the company's reasons as in Western countries. In addition, the duration of unemployment benefits is up to 300 days and is not long-term as in Western countries, thus preventing long-term unemployment. From this, the view that it is desirable to disintegrate Japan's employment practices into a flexible labor market is not justifiable. What is vitally needed in the future aging society is assurance of jobs for those in their 60s through longer employment. Thus, the view of the "flexible labor market" and that of disintegrating "Japanese" employment practices are not at all acceptable.

Statistical Aspects

Recent Labor Economy Indices

	December 1994	November 1994	Change from previous year
Labor force	6,587 (10 thousand)	6,642 (10 thousand)	- 20 (10 thousand)
Employed	6,410	6,458	- 22
Employees	5,259	5,254	18
Unemployed	189	191	2
Unemployment rate	2.8%	2.9%	0.1
Active opening rate	0.64	0.64	- 0.02
Total hours worked	161.8 (hours)	162.7 (hours)	0.8
Total wages of regular employees	281.2 (¥thousand)	280.0 (¥thousand)	2.7

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.

**Labour disputes, employees involved and working days lost
in terms of strikes for more than half a day and lockouts**

year	strikes for more than half a day and lockouts			year	strikes for more than half a day and lockouts		
	disputes	workers involved (1,000 persons)	working days lost (1,000 days)		disputes	workers involved (1,000 persons)	working days lost (1,000 days)
1946	702	517	6,266	70	2,260	1,720	3,915
47	464	219	5,036	71	2,527	1,896	6,029
48	744	2,304	6,995	72	2,498	1,544	5,147
49	554	1,122	4,321	73	3,326	2,235	4,604
50	584	763	5,486	74	5,211	3,621	9,663
51	576	1,163	6,015	75	3,391	2,732	8,016
52	590	1,624	5,075	76	2,720	1,356	3,254
53	611	1,341	4,279	77	1,712	692	1,518
54	647	928	3,836	78	1,517	660	1,358
55	659	1,033	3,467	79	1,153	450	930
56	646	1,098	4,562	80	1,133	563	1,001
57	830	1,557	5,652	81	950	247	554
58	903	1,279	6,052	82	944	216	538
59	887	1,216	6,020	83	893	224	507
60	1,063	918	4,912	84	596	155	354
61	1,401	1,680	6,150	85	627	123	264
62	1,299	1,518	5,400	86	620	118	253
63	1,079	1,183	2,770	87	474	101	256
64	1,234	1,050	3,165	88	498	75	174
65	1,542	1,682	5,669	89	362	86	220
66	1,252	1,132	2,742	90	284	84	145
67	1,214	733	1,830	91	310	53	96
68	1,546	1,163	2,841	92	253	109	231
69	1,783	1,412	3,634	93	252	64	116

Source : Ministry of Labour, "Labour Disputes Statistics."

Notes : 1) Including disputes beginning during the period as well as brought forward from the previous period.