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General Survey

Poll- A Record 72.8% contented

Despite of the stalled economic recovery, nearly one in four Japanese are content with their present life, posting a record-high percentage, according to a government opinion poll. In the past, the ratio of those who reply "I'm satisfied with my living standard" fluctuated in proportion to business trends. The "historic high degree of satisfaction" amidst the yen's rapid rise and the faltering economy is a new phenomenon. "Perhaps many people have begun to acknowledge that they can no longer hope for better standards of living," wondered a government official.

The nationwide opinion poll on national life was taken by the Prime Minister's Office among 10,000 adults across the country. Replies were received from 73.5 percent of the 10,000. Asked about the extent to which they are content with their present living standard. Of these, 10.4 percent responded that they "are satisfied" and 62.4 percent are "largely satisfied," bringing the total to 72.8 percent, the highest figure since 1958, when the government began to compile these statistics. By sex, 70.5 percent of women questioned are "content," characteristically exceeding the 70.1 percent of men. By sector, 78.3 percent of those polled are content with durable goods and 72.0 percent with their housing. By occupation, the percentage of those who are satisfied with their present living standard is high among those engaged in managerial, professional and clerical jobs(74.3%). Of them, the largest, or 81.1 percent are engaged in professional jobs. On the contrary, the percentage of those expressing dissatisfaction is high among those engaged in commercial and industrial services (self-employed persons) and labor affairs.

Questioned "What aspect of life do you want to stress in future years?," the highest, or 35.3 percent replied "leisure and pastimes," followed by "housing"(25.1%), "dietary life"(15.4%), "durable goods and furniture" (4.4%) and "clothing"(1.3%). By sex, more men want to stress "leisure and pastimes" and "housing," while more women wish to stress "dietary life." Regarding the future way of living, they were asked "Which do you stress, spiritual richness or material affluence?" Fifty-six point eight percent answered that "We would like to put emphasis on spiritual richness and comfortable living in the years to come now that we are largely materially affluent," while 28.1 percent replied that "We still want to stress affluent life in its material aspects."

Working Conditions and the Labor Market

A Report on Migrant Workers from Brazil

The Japan Institute of Labour (JIL) published a research and study report on employment in Japan of Japanese-Descended workers from Brazil. Five years from revision in 1990 of the Immigration Control Act (hereinafter called the Act), the report, titled "Supply-Demand System of Japanese-Descended Workers and Their Employment Experience--Centering on Field Research in Brazil on Migrant Workers," provides deeper insights into the realities of Brazilians claiming Japanese ancestry who work in Japan and consolidates tasks involving their employment.

The number of foreign workers rapidly increased along with appreciation of Japanese yen, after the late 1980s. To cope with this, the Japanese government set forth a policy of "prudence in coping with the issue of non-skilled workers" and enforced the revised Act in 1990 to consolidate qualifications for residency in Japan. These measures enabled second- and third-generation Japanese-Descended workers and their spouses to qualify for stay in Japan. No restrictions on activity in Japan are imposed on those in this category, which resulted in a tide of migrant workers from Brazil. The report points out the following four aspects involving migrants.

(1) Attributes of migrants

Before enforcement of the revised Act, Japanese-Descended workers from Brazil were chiefly "male adults of Japanese nationality, engineers and those living in metropolitan areas". But after enforcement of the Act, there was a rapid increase in "females, students, unemployed workers and those living in rural areas." Many came to Japan "in order to acquire real estate in their mother country."

(2) International system of migrant labor supply and demand

Consolidation of official employment routes between Japan and Brazil is currently underway. The supply-demand system for migrant labor through underground brokers or organizations dies hard. It is multiplexed and broad-ranging. Those wanting to migrate to seek employment go through a maximum of four stages of intermediation before they are introduced to Japanese businesses.

(3) Employment management of Japanese corporations

Employment system of Japanese-Descended workers is becoming complex. Foreign workers claiming Japanese ancestry, such as those dispatched from subcontracting firms, who are employed in different forms, work together with other employees within the firm.

Corporate responsibility is blurred in some workplaces. What is more, foreign workers of Japanese descent are employed directly by the firm, while the company commissions employment administration of these workers to those organizing employment management of such workers. In many cases, the employer is not the manager of these workers.

(4) Contents and Results of Migrant Workers

An overwhelming number of workers of Japanese descent worked in production process sites in machinery industry-related manufacturing firms. According to the finding of questionnaires sent to Brazilian workers, they sent an average of \$20,000 a year back home and stayed in Japan for a little less than two years, on average. Most said they were satisfied with their income, but found working in Japan hardly useful after returning home.

1994 Survey on Employment Trends by Ministry of Labour

The nation's rate of labor mobility was at a record low level, the Ministry of Labour said in its report, 1994 Survey on Employment Trends. The rate of labor mobility represents the ratio of those who participated in some form of labor mobility such as finding employment, switching jobs and quitting jobs in the past one year.

The survey is conducted every six months annually to gain deeper insight into the mobility of workers in the labor market. The finding released recently covering the first and second half of 1994 is based on replies from 87.1 percent of about 14,000 establishments employing five or more regular workers across the country.

The survey found that a total of 10.22 million persons entered and left the job market in the past year. Of these, 4.94 million were newly hired and 5.28 million were separated. New hires accounted for 12.9 percent of all regular workers while job separations were equivalent to 13.8 percent. The rate of job mobility, which indicates the degree of overall labor mobility, represented 26.8 percent, down 1.4 point from a year earlier. Both the rate of new hires and that of job separations declined. The rate of new hires in particular showed a larger drop of 1.3 point, whereas the rate of job separations dropped 0.2 point. The figures, excluding the construction industry were used to enable comparison of the results of the current survey with those of past surveys. The 26.5 percent rate of labor mobility was, the lowest level since 1964, when the government started compiling these statistics.

Looking at the rate of new hires due to job change and those who had previously not been employed, the job turnover rate was 7.4 percent, down 0.5 point from the year before, while

the rate of new hires from non-workers dropped 0.8 point to 5.5 percent. By sex, the rate of new hires of men fell 0.8 point to 10.9 percent, while that for women dropped 3.1 point to 16.2 percent, showing a larger decline of the rate for women than that for men. In particular, the rate of new hires of women was a record-low, apparently mirroring the particularly severe employment situation for women and sluggish hiring of part-timers.

Meanwhile, job separations were 11.4 percent, down 0.21 point from the year before for men and 17.6 percent, down 0.5 point for women.

Reflecting economic fluctuations, the labor mobility rate tends to rise in times of business expansion but fall in times of recession. The Ministry of Labour concludes that "the survey results were affected by corporations' restrictions on new hires in addition to their restructuring efforts in the face of the prolonged recession."

The Slicing-Away of Bank Staffers Underway

According to a survey conducted by Federation of Bankers' Association of Japan, the number of employees at 150 banks across the nation, such as city banks, long-term credit banks, trust banks and local banks, was 457,700 at the end of March 1994, a decrease of 13,700, or 2.9 percent, from 471,400 at the end of September 1994. This seems to come from drastic restructuring efforts, including cuts in personnel costs, as a result of illicit bond deals and other problems.

As of the end of March 1995, there were 292,300 male bank staffers, down 1.6 percent compared with the figure for the end of September 1994, and 165,400 female workers, down 5.1 percent. This suggests further cutbacks, particularly of women staffers, in tandem with progress in rationalization and streamlining as well as computerization of office work.

Public Policy

NPA Recommends Pay Raise for National Government Employees

On August 1, the National Personnel Authority (NPA) recommended an average of 0.9 percent fiscal 1995 pay raise for national government employees. As of April 1995, employees of the private sector received salaries averaging 3,097, yen or 0.9 percent larger than those for national and local government employees. The basis of this comparison is for monthly pay of 342,847 yen for the 39.5 year-old government employee as against 345,944 yen for an

employee of the private sector of similar age and education. The NPA proposed an increase of 2,786 yen in pay, 125 yen for allowances and of 186 yen for other categories. The proposed 0.9 percent raise, which reflects the smallest wage increase rate settled for this year's private sector wage talks, is the smallest since fiscal 1960 when the personnel authority began making recommendations on pay. This follows the average 1.18 percent fiscal 1994 pay hike which was the smallest ever recorded.

The authority gives yearly advice to employees of the national government, who are not allowed to negotiate their own salaries. The NPA's recommendation on pay is practically the only chance for them to get salary increases. It directly covers approximately 510,000 national public servants in the non-operational sector. However, it also substantially affects revision of salaries for a total of 4.52 million public servants--about 1.16 million national government employees and about 3.36 million local employees--plus employees of public organs such as special corporations and foundations.

Furthermore, a report published concurrently with the recommendation pointed out the following five tasks. First, expanding opportunities for exchange in and out of the public sector by consolidating conditions for exchange with the private sector. Second, assuring capable and experienced researchers to invigorate research activities and to reflect their research work in their salaries. Third, ensuring fewer transfers and alleviating economic and psychological burdens for transferees. Fourth, examining duty hours in consideration of smooth operations of public services and staff members' health and welfare and vacations for volunteer work. Fifth, measures to deal with the elderly in public services. Of the five tasks, in relation to measures to deal with the elderly the report stressed the need to keep public servants on the payrolls until they reach the age of 65. The NPA will set the mandatory retirement age at 60 and will study adoption of a system of re-employing public servants until the age of 65. Within a year, it will publish the framework of the system, which needs to be implemented in a phased manner starting 2001 when the revised national pension scheme will go into effect, the report said.

Special Topic

"The Tale of Cain and Abel?" -A Study of the Contemporary Japanese Labor Politics

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1. Japan's Turbulent Decade

Japanese politics have been tossed about by internal and external turbulence during the last decade.

The starting point of the turbulent decade was negotiations for opening Japanese markets between the Japanese and U.S. governments in 1985. Negotiations were necessitated by the long-standing and severe trade conflicts between both countries and the rise of protectionism in the U.S. This made confrontation with Japanese political interests, in which the ruling party LDP (Liberal Democratic Party), the strong bureaucracy and special interest groups put up a united struggle, unavoidable. Negotiations developed into the Japan-U.S. Structural Impediments Initiatives. In this way, the basic pattern of Japanese politics during this decade, in which domestic politics were twisted by the pressure over economic policies from foreign countries, started.

In this year, the committee of the finance ministers and the governors of the central banks in the U.S., Britain, West Germany, France and Japan (G5) agreed on strengthening cooperative intervention in the exchange market. Thus, the Plaza Agreement brought on the transition from a high dollar rate period to high yen rate period. The high yen rate since then has damaged Japanese export industries, while it has pressured the Japanese government into opening markets amidst the political pressure mentioned above.

These political and economic pressures from abroad brought clear results immediately. In 1986, the Research Council for Economic Structural Adjustment for the sake of International Cooperation in Japanese Government presented the "Maekawa Report" which emphasized the necessity to steer a national course from a "production orientation" toward a "living orientation" economy. And also, from 1986 to '87, the yen rate skyrocketed on the Tokyo

foreign exchange market.

On the other hand, tax reform shocked Japanese politics during this decade, too. The urgency of dealing with the financial crisis and the aging society has made this subject a key issue for governmental finances and social security. The first event was the setback in introducing a sales tax by Nakasone cabinet in 1987. Tax reform can't generally succeed without political trust in the government. However, the revulsion of people toward tax reforms was often amplified by political money scandals of the LDP and Bureaucrats. In 1988, the Recruit Scandal revealed that the burgeoning information service and real estate company had bribed many LDP politicians and bureaucrats and this hit directly a consumption tax which the Takeshita cabinet introduced in the year and forced the cabinet to resign. Furthermore, the Recruit Scandal and the consumption tax coupled with the issue of the liberalization of rice imports, which the GATT-Uruguay Round compelled from the Japanese government, damaged the LDP. In the 1989 election of the House of Councilors, the LDP was defeated decisively and lost a majority for the first time since forming the party.

Political indecision continued. The Persian Gulf War, which broke out in 1990, gave the Japanese government the dilemma of whether or not to dispatch Self-Defense Forces to the UN Peace-Keeping Operation. At that time, the Kaifu government paid enormous support money to the Multinational Force, while Cooperation in the UN Peace Keeping Operation was rejected in the Diet. In 1992, when the revised bill was passed in the Diet, severe cracks appeared among the opposition parties. As a result, opposition parties were defeated in that year's election of Councilors. This confusion over the "international contribution" issue revealed that Japanese politics had no fixed principle of diplomacy for the post cold war period.

There was no end to political money scandal, though the LDP seemed to get back its support. After the Kaifu government failed to pass bills concerning political reform including the election system in the Diet in 1991, the cases of graft involving many important politicians and governors were disclosed one after another in 1992. In 1993, a vote of no confidence in the Miyazawa cabinet passed in the Diet at last because of the lack of political reform. Immediately after that, the group promoting reform left the LDP, the party lost a majority in the general election and a non-LDP coalition cabinet was formed for the first time in 38 years.

The Hosokawa coalition cabinet indeed succeeded in passing the political reform bill including the small constituency system in the Diet. However it strayed over the pending issues of tax reform and trade frictions between Japan and U.S. After Hosokawa resigned due

to a political money scandal again in 1994, the political situation changed quickly.

First, when the incoming Hata cabinet was formed, JSP (Japanese Socialist Party) left this cabinet due to aggravation of relationship among members.

Second, two months after, the JSP, LDP and NPH (New Party Herald), a group of ex-LDP politicians, formed a coalition cabinet. Prime Minister Murayama, whom JSP sent as their first prime minister in 46 years, abandoned JSP's principles of opposition to the Self-Defense Force, the Japan-U.S. Security Treaty and the existing national flag and anthem, in order to form the coalition with the LDP which JSP strongly had opposed for a long time.

Third, at the end of the year, a non-LDP coalition party group excepting JSP and NPH established NFP (New Frontier Party). NFP was composed of NBP (New Birth Party), based on what formerly had been the strongest faction of the LDP, JNP (Japan New Party), which made a comet like appearance in the 1992 election and sent Hosokawa to the prime minister's position, DSP (Democratic Socialist Party), backed up by big business unions, CGP (Clean Government Party), which was supported by a huge religious organization. NFP made preparations for elections under the influential politician, Ichiro Ozawa and achieved a great victory in 1995's election of Councilors.

Fourth, JSP's position became more and more chaotic owing to the anomalous way of participating in the cabinet. The conflict over the coalition with the LDP developed into a split involving related unions. After that trouble was put to an end, JSP was struggling to make a new democratic party with NPH due to a sense of crisis stemming from the situation that the Japanese political world was controlled by two big conservative parties. However, there is no telling whether this proposed new party will be realized or not.

How does policy develop amidst such confused political conditions? The so-called "living orientation" issue raised in the Maekawa report changed with rise and collapse of the "bubble economy" and the above mentioned political situations. In the middle of the "bubble", the government policy for "living orientation" was devoted to expanding domestic consumption including the promotion of imports and public investment. After collapse of the "bubble", the Miyazawa cabinet settled on "a five-years plan to improve living standards" whose main points were reduction of working hours and housing expenses and the front-loading of spending of public investment. Since then, interweaving measures for an "aging society", the "living orientation" policy has been colored by incrementalism and re-regulation which the LDP and JSP were good at in the past. On the contrary, the original structural adjustment, such as de-regulation or administrative reform, didn't go smoothly. Although some criticism

rose against the exclusive power of the business world and excess bureaucratic controls in public opinion through mass communications' campaign, the government didn't make drastic cuts in regulations and administration. The export industry, which was hit by the high yen rate as retaliation for slow structural adjustment, became increasingly discontented with government.

2. An Eventful Decade for Labor

It is very interesting that labor unions have played a key role in the vicissitudes of the political process. Therefore, the turbulent political situation threw unions into disorder. The ever-changing track of the new national center Rengo symbolizes this situation.

First, the beginning message of structural economic adjustment contained in opening market, Plaza Agreement and the Maekawa report in the latter half of 1980s was impressed on the identity of Rengo, which was established during this time. The key words "comfort", "affluence" and "fairness" which Rengo stated at its inaugural meeting in 1989 were strongly influenced by the "living orientation" of the Maekawa report. In 1987, Zenminrokyo (Japanese Private Sector Trade Union Council), the forerunner of Rengo, planned to make a similar statement to the Maekawa Report as a base for the DPCIR(Demand for Policy Changes and Institutional Reform), which was the activity by which national centers make demands and proposals concerning the governmental policies and attempt to influence cabinets, political parties and administrative bureaucracies every year.

This statement was really made by Rengo in 1993 under the title of "the course of Japan". It was noteworthy that there was a difference in tone between the lines used by Rengo and such forerunners as Private Rengo(Japanese Private Sector Trade Union Confederation), Zenminrokyo and Seisukaigi (Trade Union Council for Policy Promotion). For example, Private Rengo published its "general welfare vision for an aging society", which included the contents for extending social welfare and was succeeded to Rengo, just before the latter's establishment, while Seisukaigi and Zenminrokyo, which private sector unions led, insisted on a "cheap government" and supported the Nakasone cabinet's administrative reform. Administrative reform had the goals of reconstructing public finance without tax increases, restraining the tax burden in the social security system and privatizing public corporations in the first half of 1980s. In the background were Sohyo affiliated public sector unions' joining in the Movement for Labor Front Unification, which brought Rengo, and the encompassing organization orientation specifically to a national center as well as the social trend toward "living orientation". From this we can see the live coal, on which sector clashes to be mentioned later, were included.

Rengo's tone of policy change toward "living orientation" was colored by the political movement for change of the government after 1989. In 1989's election of Councilors, in which the LDP lost a majority, Private Rengo put up 12 candidates and supported the candidates of JSP and DSP, which included union related candidates, with the intention of beating the LDP. However, because Rengo's candidates unexpectedly won the signal victory, Rengo had to form RHC (Rengo in the House of Councilors) as a group within the House. This success obliged the newborn Rengo to change its political strategy from policy participation, which used the direct communication channel with ministries and government offices for DPCIR, to advocating change of government and thus it became involved in political turbulence. In 1992, Rengo made preparations for a large scale effort in the election of Councilors. LDP aimed its attack at Rengo and lured DSP and CGP into Cooperation on the UN Peace-Keeping Operations issue. As a result of the schism between the JSP and DSP, Rengo candidates were beaten thoroughly in that election. This defeat led the major affiliated unions to give up on the idea of reconciliation between JSP and DSP, which unions had expected at the birth of Rengo, and they moved toward more drastic party alignment positively. In the political change of 1993, Rengo and major unions broadly supported non-LDP parties including JNP, NPH and NBP in the election and they endeavored to establish the coalition cabinet from behind the scenes. Furthermore, Rengo was delighted with the establishment of a non-LDP cabinet as if it had been its own.

This happy time for Rengo, however, didn't last. When the Hata and Murayama cabinet happened to be born in 1994, Rengo had to express a policy of judging matters on their own merits to both cabinets because JSP and DSP split into ruling and opposition parties each time. This autumn, the first president of Rengo who had played a key political role during this period was replaced by a less political one. At the time of establishing NFP and the conflict in JSP over the coalition with LDP this winter, the reformists in JSP, who expected to merge with DSP, schemed a split, at the same time, the relations among the related unions supporting JSP became hostile. Furthermore two elections of 1995 shocked Rengo and its affiliated unions. In nationwide elections of the head of local governments, amateur non-partisan candidates defeated the professional candidates who local Rengo co-supported with almost all political parties. Mass communication estimated the result as the electorate's veto against all existing political parties and regarded Rengo as the ringleaders of the co-sponsored elections. In the election of Councilors, in which the lightest turnout in history was recorded, NFP achieved a great victory and JSP suffered a crushing defeat. Immediately after that, JSP related unions, which had a sense of impending crisis for the next general election, push forward with forming a new party to replace JSP. In opposition, ex-DSP related unions began to back NFP more than before. The political activity of Rengo reaches a deadlock in the face of the trend away from voting the existing political parties of the

electorate and the difficult situation where affiliated unions split into both sides of the NFP and JSP with the first general election by the small constituency system at hand.

Originally, with the birth of Rengo a change in Japanese labor politics was expected. Really, Rengo's Political Committee released an interim report on political policy which included attempts changing the traditional relationship between unions and political parties, upholding a basic policy of forming a political force worthy of being entrusted with power. Rengo, concretely, launched the Rengo In-house Dietmen Round Table Conference, which mustered dietmen supported by affiliated unions, and the Rengo Political Forum, which was designed to confer with dietmen who supported Rengo's policies. This was done for the purpose of establishing a cooperative relationship with legislators, to a broader range apart from the conventional cooperative relationship with specific political parties. Furthermore, Rengo intended to promote functional separation of the union from political parties and to form voluntary support relations between parties and politicians and union members, replacing the traditional ones based on support for a specific party determined by a union. However, many affiliated unions seemed not to take these trials seriously, while Rengo continued to adopt measures for a transitional period and the actual proceedings of the Conference and the Forum have been suspended. But, the political experiences during this period didn't necessarily leave anything to unions. For one thing it became possible for unions to cooperate openly with conservative parties including LDP, and for another, unions understood the significance of being the party in power. These changes may bring transition from the "party orientation" to the "policy orientation" in Japanese labor politics as a result, which Rengo intended originally. In any case, Rengo and the affiliated unions may repeat more trial and error until that trend becomes concrete.

On the other hand, "How was Rengo committed to the policy issues during this period?" As mentioned above, it was an important matter that the structural adjustment policy had two sides; de-regulation and re-regulation or supply side and demand side. And the DPCIR of Rengo left a characteristic track about this.

Rengo continued to criticize indecisiveness of successive cabinets regarding deregulation and administrative reform during the period, while it was the actual condition that Rengo didn't reach a consensus on the matters internally. The conflict of interests within Rengo on the matters rose not only between public and private sector unions but also among processing, material and energetic industry unions within private sector. Among them, unions in the export processing industry such as automobiles and electronics, whose center is the JC (Japan Council of Metalworkers' Unions), became irritated with the situation and began to form a common front with Nikkeiren (Japan Federation of Employers' Associations) which took a

strong stance of promoting deregulation. For example, when president Nagano of Nikkeiren criticized the government about an increase in public utility charges in 1994, JC cheered on him. And on the discussion of reexamining *Shunto*, "self-determination of industrial federation of unions in the fight for wage increases" appears as the key word. JC uses this as a way to criticize low productivity industry unions taking a free ride on wages decided by the high productivity industry unions such as JC. At the same time, employers in the export industries put the blame for low wage increases on delayed deregulation. Furthermore, JC and Nikkeiren recently co-published the "big ten proposals of labor and management toward correcting the high yen rate and stopping deindustrialization" which clearly suggests deregulation, opening of markets and improving the low productivity sectors.

On the other hand, Rengo made a great contribution to the extension of social welfare, particularly under the difficult situation of business recession and curtailed budget after the 1990s. Almost all results which DPCIR of Rengo has obtained during this period includes establishment or revision of laws and policies regarding following issues: child care leave, nursing leave, reduction in working hours, part-time worker, employment for persons of advanced age, nurse securing, the handicapped medium and small sized enterprises support, insurance for the aged, public employee wage, reduction of income tax, 10-year plan for the aged welfare, 5-year plan for child care, and so on.

There was some background besides "social democratic turn" at the birth of Rengo mentioned above. First, governments sent out a lot of policies related to social welfare in rapid succession during this period. Rengo had to undertake all these policies as union's domain and the way of grappling with them tended to be a bargaining style and additional oriented because its activities such as DPCIR requested visible results. Second, Rengo's participation in the party in power since Hosokawa cabinet spurred this trend. The realization of the five trillion yen reduction of tax cut as Rengo's long-cherished desire from the Hosokawa cabinet and gaining concessions from the government on pension institutional reform of the Murayama cabinet were good examples. Third, there was backing-up of public sector unions. Needless to say, the extension of social welfare for an aging society bring on expansion of the public sector. Jichiro (All Japan Prefectural and Municipal Workers' Union) organized by local government employees, who were expected to be providers of social welfare services for the aging society under the condition that decentralization of power was making progress, played a key role in realizing Rengo's demands particularly by making full use of the pipeline with JSP, LDP and related ministries. Incidentally, we can understand the recent historic reconciliation of Nikkyoso(Japan Teachers Union), the LDP and the Ministry of Education, Science and Culture, as a scheme for the expansion of educational budgets in the similar context.

Thus Rengo's Janus-faced dealing with the structural adjustment issue accounts for the sector clash situation and political divergence within Rengo. And recently, affiliated unions, particularly private unions, which have complaints about the actual situation, put the blame on Rengo's weak leadership and ask the reason for Rengo's existence.

3. New Wine in Old Bottles?

How can we understand this situation of contemporary Japanese labor politics?

There are the opinions of both sides about the political commitment of unions during this period. However, although one is more enthusiastic than the other, some political commitment of unions is a logical result, as long as Japanese unions, particularly private sector unions, have taken a "real wage" orientation since the latter half of the 1970s, which was based on a limit of corporate welfare. The question is that the variables related to real wages became uncontrollable owing to environmental changes. The straightforward example is the high yen rate situation. Unlike domestic matters such as taxes or prices, the high yen rate is an international matter and particularly depends on the U.S.

Of course, it is not a situation where there isn't anything to do domestically. Structural adjustment was just the right subject. However, it unfortunately was beyond the ability of Japanese politics. Certainly, although a series of political disturbances started partially with the intent to abolish these situations, the dream hasn't yet come true. Even Rengo has similar circumstances, for DPCIR was originally based on the character of political process under the control of bureaucracy. Therefore, DPCIR is effective for incrementalistic politics, while it is unsuitable for "starting afresh" politics. And what is more, it is much more difficult than before for national centers to coordinate the interests of affiliated unions.

After all, the matters get back to a corporate welfare again in the way of reexamining Japanese corporate governance. And now the extension of social welfare has significance in compensating for "down-sizing" of corporate welfare. It may be suitable in the Japanese context of labor politics that "the micro level matters".

Statistical Aspects

Recent Labor Economy Indices

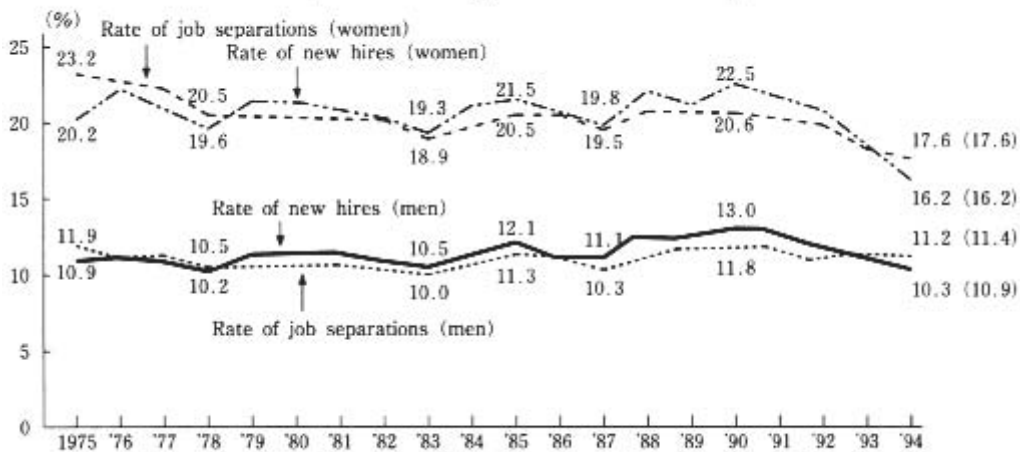
	July 1995	June 1995	Change from previous year
Labor force	6,744 (10thousand)	6,760 (10thousand)	40 (10thousand)
Employed	6,542	6,559	26
Employees	5,292	5,309	35
Unemployed	202	202	14
Unemployment rate	3.0%	3.0%	0.2
Active opening rate	0.61	0.61	-0.03
Total hours worked	164.5 (hours)	166.8 (hours)	-0.2*
Total wages of regular employees	(¥ thousand) 282.4	(¥ thousand) 283.1	1.3*

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 Rate of New Hires and Rate of Job Separations by Sex
(Total excluding construction industry)



Note: Figures in parenthesis denote the total including the construction industry.