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General Survey

1995 White Paper on Working Women

The Ministry of Labour recently published its 1995 report on working women (White Paper on Working Women). In this year's paper, the Ministry clarifies the realities and features of working women over the past year. It deals, as a central theme, with the changing situation of female employment during the 10-year period following application of the Equal Employment Opportunity Law (EEOL) and future tasks to be tackled.

In 1994, the number of employed women was 26.14 million, an increase of 40,000 (up 0.2%) from 1993. The previous year 1993, had registered the first drop in number of employed women in 18 years. The number of unemployed women, particularly among young women, showed continued growth. The annual average number of jobless women stood at 800,000, with the rate of unemployment for women rising 0.4 point from the year before to 3.0 percent, the highest level since 1953, the first year in which the government was able to make a valid statistical comparison. The government concludes that the difficulty for young women in landing jobs, stems from the prolonged recession.

Referring next to changes in employment of women taking place in the 10 years since enforcement of the EEOL, the report points to the dramatic change in attitudes of women toward occupations. Women were asked to choose an employment form which they consider most desirable from among the following 5 choices: "had better not take a job," "had better work until marriage," "had better work until childbirth," "had better stop working upon childbirth and resume work after finishing childbearing" and "had better continue to work even with a young child." When compared to replies to the same question asked women in 1984 before application of the EEOL, the percentage of those who chose "had better continue to work even with a young child" rose from 20.1 percent to 32.5 percent. On the contrary, the percentage of those who chose "had better not work" and "had better work until marriage" dropped from 6.1 percent to 4.1 percent and from 11.1 percent to 7.4 percent, respectively. Thus, the number of women who said they want to continue working after marriage and childbirth has been vastly increasing during the 10-year period, and corporations need to review employment management premised on this fact, the report points out.

In addition, pointing out the gap in attitudes between the two sides - companies want women who take jobs in business operations and sales, while many women express a desire to work in clerical jobs, the report proposes that flexible attitudes of women toward work will lead to an improvement in their future employment prospects.

New Minister of Labour

Prime Minister Tomiichi Murayama, chairman of the Social Democratic Party of Japan (SDPJ), officially declared the resignation of his cabinet on January 5. The main reason for his resignation is said to be the controversial expenditure from the national budget to assist in liquidating "jusen" or housing loan firms. On January 11, Ryutaro Hahsimoto, chairman of the Liberal Democratic Party of Japan (LDP), was elected Prime Minister by the diet, and installed 20 members of a new coalition cabinet. The new Prime Minister appointed Takanobu Nagai, a member of the SDPJ, to be the new Minister of Labour.



Nagai became a diet member after having served in the leadership of the National Railway Workers' Union and as head of the political affairs section of the General Council of Trade Unions of Japan. He has been specializing in the labour field throughout his career as a parliamentary vice-minister of labour and as chairman of the Party's Department of Labour. Nagai decided to remain in the Party to take charge of reconstruction of the devastated Hanshin region while other SDPJ diet members based in Hyogo Prefecture left the Party due to their differing positions on the SDPJ and formed a new political party.

Since last September, Nagai has served as chairman of the party's diet affairs committee. His motto is, "Make a decision with the common sense of ordinary people."

Working Conditions and the Labor Market

1995 Wage Hike Drops Below Level of Year Before

According to a 1995 Survey on Wage Increases released on December 22, 1995, by the Ministry of Labour, the rate of wage hike for enterprises with 1,000 and more employees fell for the fourth straight year to 2.7 percent, a record-lowest figure since the Ministry began compiling statistics in 1969. The monthly wage-increase amount also dropped from the year earlier level for the fourth consecutive year to 7,206 yen in 1995. The survey covered 3,164 firms with 100 and more regular employees, of which 2,274 responded. The survey showed that the weighted average rate of wage increase, after posting 6.0 percent in 1990, continued to fall as follows: 5.9 percent in 1991, 5.1 percent in 1992, 3.7 percent in 1993 and 3.0 percent in 1994. By company size, of the 2,274 respondents, firms with 5,000 and more employees had

the highest amount of monthly wage increase 7,964 yen (2.7%) while those with 100-299 employees had a wage increase of 6,154 yen (2.6%).

When asked about the items to which they attached the greatest importance in determining wage hikes, fewer firms cited "business performance" and "general trends." On the contrary, "stabilization of the work force," "stable industrial relations" and "price increase" were cited by more firms than the year before (see Statistical Aspects). Asked about the kind of corporations they referred to in determining the size of pay hikes, the largest share, or over 40 percent cited "general trends" referring to "the same rank of companies in the same industry." 6.3 percent answered they referred to "other industries." Of these, the highest share, or 28.9 percent responded they based their pay hike on the standard set in the electrical machinery sector, followed by the steel industry (27.5%) and auto industry (15%).

Labor-Management Relations

Unionization Rate Drops to 23.8%

The estimated unionization rate in 1995(the number of union members in total employees) sank to 23.8 percent to mark a record-lowest, the Ministry of Labour said in a preliminary report released in December 1995. The unionization rate has shown a downward trend annually, and posted a fall for the 20th consecutive year, according to the Ministry's 1995 Basic Survey on Trade Unions.

The survey has been conducted since 1947 among Japanese labor unions in order to determine the number of organized workers at the end of June of each year.

In 1995, the number of union members was 12.61 million, a decrease of 85,000, or down 0.7 percent, from a year earlier. In the past several years the unionization rate has tended to fall because the rise in the number of employees has slightly exceeded growth in the number of unionists. In 1995, however, the number of union members dipped below the level of the previous year. Meanwhile, the number of employees has shown an increase for the 20th year in a row since 1975, rising in 1995, by 300,000 to 53.09 million.

By industry, the manufacturing sector, which has about 30 percent of all unionists, witnessed a notable drop in membership of 68,000. In the sector, the number of employees also declined 1.3 percent from a year earlier, suggesting Japanese manufacturing now is at a crossroads.

Nikkeiren Sets Plans for *Shunto*

On January 12, Nikkeiren (Japan Federation of Employers' Associations) released a report by the Study Group on Labor Issues which will set the ground for this year's plans for labor negotiations, known as *shunto*, scheduled for April. In the report Nikkeiren notes that pay raises are impossible unless higher productivity can be expected. Also, it calls for the regular salary hike system based upon age and seniority to be reviewed and for starting pay scales to be frozen. In the report, the federation says that decisions on wages "will be made on the basis of productivity-based principles at the macroeconomic level and will be made in view of each corporation's capacity to offer pay on a microeconomics level." Incidentally, the productivity-based principle means that the wage increase rate is based on the real growth rate of gross domestic product (GDP) over the year. With growth in GDP remaining stagnant in the past several years, "wage hikes are impossible, considering the influence they could have on the overall economy on a macroeconomic level," the federation says. It goes on to say that the system of determining wage raises should be operated in such a manner that wages are set according to individual workers' ability and performance beyond certain qualifications, indicating that it will review the present wage-scale system. Under the current system, wages increase automatically for all employees at a certain stage of their career.

As in the past year, Nikkeiren notes that it is difficult to raise wages but insists that better living standards for workers should be realized through "rectification of price level differentials between Japan and other countries." Noting the need to overhaul high prices and wages by international standards, the federation also refers to the vicious circle that wage hikes push up prices.

In light of the deteriorating job situation, the federation remarks that "work sharing should be studied as an emergency step," while stressing the need to maintain jobs. Thus, it urges that work-sharing as observed in European countries, such as in Germany's Volkswagen AG which introduced a 28.8 hour week in form the fall of 1993, to be examined.

Public Policy

Eighth Basic Plan on Employment Measures

On December 14, 1995, the Economic Council submitted its recommendations on employment policies, which extend to fiscal 2000, to the Minister of Labour. In the Eighth Basic Plan for Employment Measures, which constitutes new medium- and long-term employment policy guidelines, the advisory panel to the Minister of Labour stresses job creation and consolidation of the labor market. It is believed that these measures will enable

Japanese workers to smoothly change jobs, in order to avert higher unemployment due to changing industrial structure. The advisory panel's report also incorporates expansion and strengthening of vocational ability development so that workers may take jobs as they wish. Restrictions under the Labour Standards Law prohibiting women from doing late night work should be removed, except for the clause regarding the protection of mothers, the panel also clearly states in the report.

The new mid- and long-term employment policy guidelines are characterized by the assertion that labor mobility among enterprises and industries is expected to increase because of changing industrial structure stemming from globalization and informationalization as well as because of the shrinking number of young people brought on by greying of the population. To prevent unemployment resulting from higher labor mobility, the panel stresses the need to provide subsidies for wages and training expenses to companies under the Law Concerning Security of Labour Force for Small and Medium Enterprises. Also, it stresses the need for the private sector to make active use of the know-how on job placement which is the province of public employment security offices (PESOs). Specifically, the panel recommends the present job placement system should be reviewed and areas of activities for private employment agencies should be expanded, showing its stance of moving toward minimizing joblessness and shortening of the unemployment period through structuring a labor market which allows for smooth job change.

Meanwhile, the Subcommittee on Deregulation of the Administrative Reform Committee, on December 7, presented a report calling for promotion plans for fiscal 1995. In the report, the Subcommittee clearly states that it is necessary to switch drastically away from the conventional system under which the government adjusts supply and demand of the work force as a rule and allows some private employment placement agencies as an exception to find jobs for workers, toward one in which private job agencies make efficient use of their creativity, flexibility and diversity - by relaxation in principle the restrictions on dispatching manpower, for instance. But this does not deny the need for PESOs, it says, stressing the need for PESOs to help find employment for workers free of charge and offer better services as part of the public infrastructure. In addition, the Subcommittee positively evaluates expansion of new flexible employment forms such as flextime, the discretionary work system, the home based work system and the satellite office system, in order to enable workers to give full play to their autonomy, creativity and to achieve a balance between family life and work.

Special Topic

Multiple-Job Holders in Japan ⁽¹⁾

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1. Introduction

Shortening of the workday together with the increase in number of holidays are providing workers with more time for taking second jobs. Meanwhile, the increasing amount of economic activity which takes place operates every day of the year or a round the clock will provide workers with more opportunities to enter other professions apart from their main jobs in their free time.⁽²⁾

Even though working hours of individual workers at corporations and other types of establishments are being shortened, the growing number of multiple-job holders will likely spur longer working hours for individuals. Furthermore, there is a possibility that the increase in the number of multiple-job holders who work full-time at a major job and part-time at a second job, will threaten the employment opportunities of part-time workers. In addition, present labor laws and regulations are premised on the fact that the employee is hired by a single employer and therefore, the rising number of workers employed by several employers will necessitate some form of change in labor legislation.⁽³⁾

2. Who Are Multiple-Job Holders?

The multiple-job holder, defined broadly, is one who earns money from several jobs. To make the discussion simple, let me limit these several jobs to two. When one holds two different jobs, it normally means one is the principal job and the other is the second. The problem is the yardstick for dividing the first job from the second one. Three possible yardsticks for dividing the principal and the second job are: first, to define the job which produces more income to be the major one; second, to define the job with longer work hours to be the major one; and third, to define the major one as the job which the individual himself considers the major one. These three yardsticks may all agree on which is the principal job in some cases but not in other cases. For instance, the job the worker holds is the major one in terms of income and working hours but the worker himself regards it as the second one.

Another problem involving the definition of the multiple job-holder is concerned with the

period in which several jobs are done simultaneously. Several unit periods, such as year, month, week and day, are used for judging those that are holding several jobs. If the period of observation is longer, the number of employed workers classified as multiple-job holders will increase. For example, if the period for determining multiple-job holders is determined on a yearly basis, migrant workers will also be included as multiple-job holders. On a monthly basis, as well, employees who earn income by helping a friend with his accounting at his company once a month are included as multiple-job holders.

Suppose that multiple-job holders hold two jobs, the principal job and the second one. The two are further classified into employment and non-employment opportunities. Thus emerge the following four types of multiple-job holders. Here I will discuss Type A and Type B multiple-job holders.

Type of Multiple-job Holders

Major Job	Second Job	
	Employed	Non-employed (Self-employed)
Employed	A	B
Non-employed (Self-employed)	C	D

3. Employment Situation for Multiple-job Holders in Japan

The only survey providing deeper insight into the employment situation of multiple-job holders in Japan is the Employment Status Survey compiled by the Statistics Bureau of the Management and Coordination Agency (MCA). The principal job, in the survey is determined by the judgment of the person surveyed. To the question "Do you usually work and earn some income?" these who reply "Work" from among several choices considers himself or herself employed. This means he or she has a major job. In the survey, when the people surveyed hold two or more second jobs, their job position or the industry in which they are engaged, is based on the major one. Accordingly, the survey does not reveal us all of their second jobs.

The Employment Status Survey provides the following about second jobs as follows. In the 1992 Survey, of 52.58 million employees, 2.54 million, or 4.8 percent, have second jobs. This indicates that the rate of employees who have second jobs is 4.8 percent. In the 1987 survey, the percentage of employees who had second jobs was 5.0 percent. Taking errors into account, it is believed that no major changes took place in the rate of those with second jobs

over the five-year period. On the other hand, the number of those employees who are engaged in second jobs rose from 2.32 million in 1987 to 2.54 million in 1992. By sex, the percentage of employees having second jobs in 1992 was 5.4 percent for men and 4.0 percent for women.

Concerning industries in which they have second jobs, 45.8 percent are engaged in jobs of agriculture and forestry sector. This is due to the fact that many employees having second jobs are from part-time farming families. The weight of those in the agriculture and forestry sector with a second job, by sex, is considerably larger for men at 51 percent as compared with women at 34.6 percent. Once again the weight of agriculture and forestry is large because of a large number of part-time farming families. In 1987, the percentage of those engaged in agriculture and forestry among all moonlighters stood at 53.8 percent although this decline sharply by 8 points to 45.8 percent in 1992. This decline was observed for both men and women. In comparison with 1987, the 1992 figure the percentage by sex and age of those engaged in farming and forestry who were moonlighting fell in almost all age groups. The decline was particularly large for those aged 34 or below and especially for men. The weight of services (19.8%) and wholesale and retail trade and eating and drinking establishments (13.8%) is also larger than in other sectors except for agriculture and forestry.

When classifying employees into regular and non-regular ones in order to check the rate of those having second jobs for each category, the percentage is higher for non-regular employees than for regular employees. The rate was 3.8 percent for regular employees while it was 9.3 percent for non-regular employees.

By working hours in the first job, employed persons who clock 200 days and under a year show a high rate of moonlighting at 8.5 percent. There is not a big difference in the rate of moonlighting between employed persons who put in 200-249 days annually and those who put in 250 days and more, with the latter having a slightly higher rate than the former. Furthermore, for those employed persons with the same number of annual work days, there is no particular relation observed between length of weekly working hours and the rate of moonlighters. However, the rate of moonlighting is higher for those who work less than 35 hours a week. This suggests that reduction of weekly work hours to less than 35, if other conditions are met, will possibly increase the number of moonlighters.

4. Job Opportunities for Multiple-Job Holders

What kind of second jobs can full-time employed workers do? To get a glimpse this, jobs that full-time regular employee, can engage in during their free time were sampled from job-search magazines. Specifically, the following six different kinds of job opportunities were selected. First are the jobs which can be done once or twice a week in the daytime during

weekdays. Second are the jobs worked in the evening. Third is late-night work. Fourth is early morning work. Fifth is short-time or one-day work. Sixth are jobs for full-time workers such as business people already employed by other firms. Positions not described as "employment opportunities" but listed as "job opportunities" including piecework or subcontracting jobs, also including in the analysis of jobs sampled here.

My analysis found that there are considerable numbers of job opportunities which correspond to the above-mentioned six criteria. The following are examples of jobs at which the full-time employees can work as a second job. First comes teaching jobs, such as a tutor, a cram-school instructor and instructors in a variety of fields. The highest possibility is that one can take a teaching job as a second job because it takes relatively short hours of time at work. Also, one can accept the job in person from the customer without having to take an employment form. Second, are jobs during the period from evening to night. It includes many jobs at eating and drinking establishments and also includes cleaning, office moving, telephone sales activity targeted at individuals at home in the night. Third are jobs whose demand peaks on the weekend and jobs which operate every day of the year and a round the clock. At these jobs, part-timers are employed only for a short period of time when demand peaks or own employees are on vacation. For instance, demand for waiters or waitresses at a restaurant peaks on the weekend while attendant at gas stations are needed 24-hours a day all year long. Also, classification of goods for delivery and that of security guard are also the work which operate round the clock and every day of the year. Fourth are one shot, short-time job only for a specific period of time, such as spectators of TV programs and demonstrators for a campaign. Fifth comes piecework which can be done while doing the first job. This includes many sales jobs intended to sell a variety of merchandise. Also, it includes sales business on a subcontracting basis which is done along with the principal sales business.

5. Multiple-job Holders and Rules of Employment

When the regular employee takes a second job, what may pose a problem are provisions prohibiting a second job under the rules of employment. Prohibited for regular employees by many firms.

According to a survey of enterprises on employment rules⁽⁴⁾, many enterprises either prohibit their regular from doing another paid job (excluding farming) in their free time or the requirement that they receive permission to do so. Specifically, 38.6 percent of firms prohibit their regular employees from taking another gainful job and 37.1 percent required their employees to get permission to do so. Furthermore, 5.8 percent ask their employees to report to management. Only a few, or 18.0 percent, said they do not prohibit employees from engaging in paid work (excluding agriculture) in their free time.

Concerning second jobs, furthermore, the majority, or 83.6 percent, of firms stipulate handling of the employee's second job under the rules of employment. Major sanctions against regular employees who have violated provisions prohibiting second jobs or asking for permission include are dismissal (41.3%), reprimand (31.1%), warning (22.5%), decrease in wages (19.5%) and suspension of reporting to work and temporary retirement from office (19.0%). Strict measures are taken for those who have broken the provisions in the rules of employment.

Many firms prohibit their regular employees from engaging in second jobs or require them to get permission for doing so, but a negligible 3.0 percent says that they had employees who were punished in some form or another for having taken a second job in the past five years.

"Want them to devote themselves to their job" was cited by 77.8 percent as the major reason for prohibition of taking a second job or requiring permission from or reporting to the firm of doing so. Engaging in a second job, however, does not always exert a negative effect on the first job. Accumulated fatigue from a second job which results in the worker being unable to perform his first job would pose a problem, but all second jobs do not necessarily affect the principal job in such a manner.

Provisions for moonlighting were quite strict as they included restrictions on a second job and dismissal for violations. But the judgment of whether the provisions per se for regulating the worker's second job in the rules of employment are valid by way of precedents shows that many regulate only those second jobs which will likely hamper availability of labor, corporate order or trust in and the reputation of the company. To put it in another way, many provisions regarding second jobs are those under which the company regulates the worker's private life away from work and are different from many provisions prohibiting second jobs under the rules of employment.

Furthermore, a judicial precedent in which provisions prohibiting second jobs are considered proper also shows that justification of dismissal resulting from infringement of the provisions prohibiting second jobs is greatly restricted, for such reasons as employment at a competitive firm, hindering provision of labor at a person's first job and strong profitability of a second job. In other words, judicial precedents show, it can be said, that even if prohibitive provisions exist provided in the rules of employment, the possibility is low that a step taken based on regulations in a person's principal job.

Notes :

- 1) This paper introduces research results of a Study Group established by the Japan Institute of

- Labour(JIL). Research results were compiled in the form of *Employment Situation of Multiple-Job Holders and Tasks Involving Labor Laws and Regulations*(Series No. 55). JIL, February 1996.
- 2) A Report by the Study Group on the Labour Standards Law states "Along with changing industrial structure and diversifying employment forms, it is predicted that workers, such as multiple-job holders, employed in several businesses will increase in the years ahead." Labour Standards Bureau Inspection Section, Ministry of Labour, ed. *"The Future Situation Regarding Labor Contracts--A Report by the Study Group of the Labour Standards Law"*(JIL, 1993) p.22.
 - 3) Referring to multiple-job holders, the Report says that "the scope of responsibility individual employers assume in relation to control of working hours and accident compensation is not necessarily clear. Therefore, in view of the fact that the employer may not necessarily be aware of the worker's other job, it is necessary to further study the scope of responsibility individual employers assume if the worker who is employed by more than one business." Ibid., pp. 22-23.
- The increase in the number of multiple-job holders will likely pose the following legal problems in terms of labor laws and regulations. Paragraph 1 of Article 38 of the Labour Standards Law stipulates a system under which total hours worked are aggregated even if workplaces are different. "Even if workplaces are different" is interpreted to include also cases where the employer is different and strict application of the provision would create a technical difficulty such as computation of overtime hours worked. In addition, there is also a problem of whether accidents on a person's way to work at a second job would be recognized as labor accidents.
- 4) Firms, selected from among a list of 272,177 corporations by Teikoku Data Bank Ltd., a private research agency, through random sampling, were sent questionnaires. To be more specific, 2,000 firms with 299 employees or fewer, 1,200 firms with 300-999 employees and 800 firms with 1,000 and more employees were selected. A total of 1,306 companies responded to the survey conducted between May 15 and June 30, 1995.

Statistical Aspects

Recent Labor Economy Indices

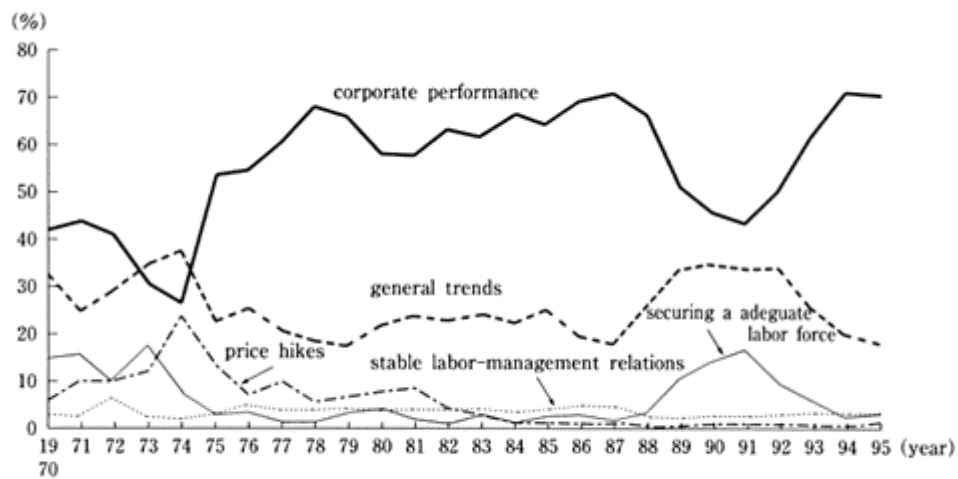
	November 1995	October 1995	Change from previous year
Labor force	6,657 (10thousand)	6,710 (10thousand)	64 (10thousand)
Employed	6,439	6,496	-19
Employees	5,289	5,296	35
Unemployed	218	214	33
Unemployment rate	3.3%	3.2%	0.5
Active opening rate	0.63	0.61	0.02
Total hours worked	162.6 (hours)	161.4 (hours)	0.1
Total wages of regular employees	(¥ thousand) 284.0	(¥ thousand) 283.1	1.4

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.

Changes in the ratio of reasons for wage increase which are considered most important by companies



Source : Ministry of Labour, 1995 Survey on Realities of Wage Increase
Note : Companies with 100 and more regular employees Surveyed