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## General Survey

### Number of Children Drops Below 20 Million - New Low since First Census in 1920 -

As of April 1996, the number of children under 15 in Japan's population was 1.987 million, falling to below 20 million for the first time since the government began compiling the national census in 1920, according to a Management and Coordination Agency report. The percentage of children under 15 in the total population was 15.8 percent, down 0.3 points from the previous year.

The ratio of children to the overall population hovered around 36 percent in the prewar period, but has decreased consistently in the postwar years. At one time, the percentage turned slightly upward, reflecting the second baby boom, but then dropped to below 20 percent in 1990. In 1995, the number of newborns increased 50,000 over 1994 to 1.24 million. This was attributed to the fact that members of the second baby-boomer generation have now reached marriageable age and that many women in their 30s had babies. In 1996, however, the number again decreased to 1.19 million, a drop of 50,000 from a year earlier, indicating that the tendency toward fewer children halted only temporarily.

The nation seems to feel a sense of crisis over this tendency for couples to have fewer children, according to an awareness survey of population problems released on May 4 by the Ministry of Health and Welfare. Asked to evaluate on a 5-point scale whether the decline in the birthrate was desirable or not, 46.9 percent, or half of those surveyed responded "Can't say one way or the other;" however, 42.3 percent gave a negative answer saying "Not desirable," or "Extremely undesirable." As reasons for the negative answers, the largest, or 52.4 percent cited "the graying of the population will be a more serious problem."

## Working Conditions and the Labor Market

### 1995 Basic Survey on Wage Structure

In April the Ministry of Labour unveiled its 1995 Basic Survey on Wage Structure. The survey covered about 73,000 private establishments with 10 or more regular workers and about 1.57 million workers in such companies. What is significant about the 1995 survey is that the year-on-year rate of increase in average wages (scheduled earnings) stood at 1.0 percent, the lowest increase since 1978 which can be compared by time sequential data. Average wages totaled 291,000 yen for both male and female employees; they were 330,000 yen for men and 206,000 yen for women. The average rate of increase in wages stood at 1.0

percent for both men and women, 0.8 percent for men and 1.6 percent for women. There is a gender gap in the average wages, but the rate of increase was higher for women than for men. In the 10-year period following 1985, the rate of increase peaked at 3.1 percent in 1991 and continued to fall thereafter. In 1995 the rate stood at about 0.1 percent and therefore, the rate of increase in real wages for both males and females was around 0.9 percent.

A look at age-related wage differentials, with wages for regular employees who are recruited upon graduation and remain with the same firm until retirement as a base, reveals a change in seniority-based wages. In 1995 wages for male employees by age group were the highest for those with college educations in the 55-69 age bracket and for those with high-school educations in the 50-54 age bracket. Wages for each age group were 3.1 times and 2.8 times that of those in the 20-24 age group. The gap in wages for those in individual age groups as compared with wages for those in the 20-24 age group has narrowed in the past five years, indicating an easier gradient of wage profiles for elderly workers. Furthermore, age-related wages for women in 1995 were the highest for those with college degrees in the 55-59 age group and for those with high-school degrees in the 50-54 age group, showing the same trend as for males. However, the highest wages for college-educated women and high school-educated women were respectively 2.7 times and 2.2 times that for women in the 20-24 age group, showing a further gentler wage curve than that for males.

## Labor-Management Relations

### **An Interim Report of a Survey on Next-Generation Union Leaders**

The Conference for Labor Research, a research and survey body on labor issues, conducted a survey on next-generation union leaders between September 1995 and February 1996 to clarify the attitudes of those who will be at the helm of labor unions in the 21st century. It published as an interim report the outcome of the questionnaire. On union executive officials at 12 industrial organizations, such as *Denkirengo* (Japanese Electrical Electronic & Information Unions) and *Zensendomei* (Japanese Federation of Textile, Garment, Chemical, Mercantile, Food and Allied Industries Workers' Unions) and their affiliated industrial unions, the survey questioned would-be union leaders expected to rise to the forefront of their organizations in 10 years and 12,679 persons under age 44, particularly those in their 30s, answered the questionnaire. According to the interim report based on 2,715 of the 12,679 respondents, 90 percent were males with average ages of 34.8 years and about 5 years in positions as union officers.

Asked about why they became union officers, the highest, or 61.5 percent answered "Recommended by union officials," followed by 24.9 percent who said "Recommended by

co-workers, seniors and superiors." Only 2.7 percent replied "On my own initiative." As for the way they were selected, around 10 percent were chosen by runoff elections. Most were picked without contenders, and 60 percent were given votes of confidence. Regarding the reason they accepted the post of executive officer, "Thought that I would be able to broaden my horizons"(64.3%), "No reason not to accept the offer"(42.6%) and "Could acquire skills difficult to have in the workplace"(30.6%) were the top three reasons cited. A mere 3.6 percent said that they wanted to devote themselves to reforms of society and policies. This trend was especially notable among younger people 34 years and under.

On the benefits from officer ship, the highest, or 63.8 percent replied "Can grasp an overall view of corporations and municipalities," followed by 39.2 percent who said "Have a wider circle of acquaintances," 35.6 percent who noted "Could collect information about other matters than companies and municipalities." However, when asked about whether they would continue serving as officers, they were split in their views and opinions. 36 percent said "I want to" or "I could continue," 36.2 percent said "I don't want to" and 27 percent "I don't care either way." Questioned about where they wished to demonstrate their abilities in future years, a shade over 70 percent gave work-oriented answers, 45.9 percent responded "On the job," 26.9 percent replied "In the company or in the municipality." Only 1 percent wanted to find their place in union activities.

Referring to the survey outcome, the Conference concluded, "In the midst of a larger percentage of white-collar workers in the workforce and higher education levels, attitudes of young union leaders are changing. There is a need for future union activities to respond properly to these changes."

## Public Policy

### Lifting of Holding Company Ban Postponed

With the Liberal Democratic Party (LDP) and the Socialist Democratic Party (SDP) split on the issue of the proposed lifting of a ban on holding companies, the government has decided to postpone a revision of the Antimonopoly Law. The moves to lift the ban on holding companies had been emerging as part of deregulatory measures. This indicates that the issue had been postponed substantially, until a year later.

Holding companies hold shares in other companies and control those companies' operations. Holding companies are common in the United States and Europe; in Japan, however, the Antimonopoly Law was enacted in 1947 to totally ban holding companies. This was a measure intended to prevent companies like the zaibatsu, or aristocratic financial

monarchs, that ruled prewar Japan, from gaining an excessive concentration of power as a result of "armies of companies." Against the background of recent moves toward deregulation, the Fair Trade Committee has been studying whether to lift the holding company ban at a study group set up in 1995 at the request of businesses. Removal of the ban on holding companies would make it possible for holding companies to spin off business divisions of a given company and control all of the subsidiaries thus created. They could thereby set salaries and working conditions that differ according to business results of individual subsidiaries and close down subsidiaries that do not run efficiently.

In February 1996, the ruling coalition consisting of the LDP, the SDP and New Party Sakigake, established a project team to study measures that would lift the holding company ban. The LDP wants to "lift the ban in principle, "while the SDP argues that only "a limited number of holding companies should be allowed." The lingering coalition rift persists. Worse yet, there were the opinions of concerned labor and business circles about labor problems expected to result from the proposed lifting of the holding company ban, making the matter even more complicated.

A study team, comprised of three groups, *Rengo* (Japanese Trade Union Confederation), *Nikkeiren* (Japan Federation of Employers' Associations) and *Keidanren* (Japan Federation of Economic Organizations), was inaugurated in April 1996, to discuss matters concerning labor laws.

The three groups of the study team shared an agreement on the following matters. First, ownership and management should clearly be separated to respect the autonomous management of subsidiaries. Second, lifting of the ban on holding companies will likely trigger labor-management problems, and both labor and management should endeavor to eradicate concerns over the possible occurrence of the problems. Third, holding companies could be responsible for the employees of their subsidiaries as employers. And fourth, bankruptcy laws should be studied to secure wage bonds. The third item was a particular issue of contention. *Rengo* insisted that the Trade Union Law should be amended to allow employees of subsidiaries to collectively bargain with the management of a holding company. But the business groups opposed *Rengo's* stance, arguing that the problem can be dealt with under existing laws when the occasion arises. They took the position that holding companies could "hold no realistic and specific control over working conditions at subsidiaries." Both sides failed to come to a conclusion on the matter, only making sure that holding companies should bear responsibility for the matter.

## Special Topic

# Regulation of Working Hours for White-collar Workers Engaging in "Discretionary Activities"

Takashi Araki  
Associate Professor of Law  
University of Tokyo



## 1. Introduction

The "discretionary work scheme" is currently attracting attention in labor and business circles. This scheme, stipulated in the Labor Standards Law (hereinafter "LSL"), allows an employer to calculate the number of work hours based on the conclusive presumption of hours worked that were agreed upon between the employer and the representative of workers irrespective of hours that were actually worked. For example, if a written agreement stipulates the conclusively presumed hours as 8 hours, the employer can deem a worker's working hours as 8 hours even if the worker actually worked 10 hours.

The discretionary work scheme was introduced by the 1987 revision of the LSL. At that time, the scheme attracted relatively little attention. The current arguments concerning the discretionary work scheme relates not only to the technical aspects of calculation of hours worked but also to the restructuring of employment management of white-collar workers in Japan after the burst of bubble economy.

This article overviews the introduction and current regulation of the discretionary work scheme, reviews the recent debate on its expansion, and examines the significance of the debate for the future prospects of Japan's employment relations.

## 2. Introduction and content of regulations on the discretionary work scheme

### 2.1 Introduction of the "discretionary work scheme"

Work hour regulations were initially established in 1947 when workers covered by the LSL were mostly factory blue-collar workers. At that time, the universal application of rigid work hour regulations in general did not cause serious problems. Its unsuitability has surfaced, however, in accordance with the increase of white-collar workers who are free from concrete directives from their employers and who are given wider discretion in performance of their work.

Since such workers' productivity cannot be appropriately measured by the amount of hours worked, application of the traditional regulations on work hours, especially overtime regulations, has become problematic. For example, a competent white-collar worker who has finished his/her task in the scheduled work hours is paid less than a less competent one who has only finished his/her task by doing overtime since the LSL mandates payment of an overtime premium (25%) in accordance with performed overtime (Art. 37, LSL). Such regulations induced more efficient workers to work slowly to work overtime and receive the premium. This explains one reason for Japan's notoriously long working hours and the lower productivity of white-collar workers as well.

It is true, however, that not all white-collar workers have discretion concerning means of accomplishment of his/her duties and allocation of work hours.

The 1987 revision of the LSL, therefore, did not exempt all white-collar workers from general work hour regulations but modified the method for calculation of the hours worked by those engaged in "discretionary work" such as research and development.

## **2.2 Discretionary work scheme under the 1987 revision**

Article 38-2 Paragraph 4 (before the 1993 revision) of the LSL prescribed as follows: "In the event that an employer, pursuant to a written agreement with [a majority representative at the workplace], has stipulated that calculation of the working hours of workers engaged in research and development activities or other duties (which shall be limited to duties specified in the agreement as duties on which no concrete directives have been given regarding matters such as means for accomplishment, allocation of time and the like, because, due to the nature of the duties, the methods for accomplishment must be largely left to the discretion of the workers engaged in such duties) shall be in accordance with such agreement, the working hours of workers who have been assigned to such duties shall...be regarded as the number of hours set forth in the agreement."

To adopt the scheme, an employer must have met three requirements: 1) the employer must conclude a written agreement with a majority representative at the workplace (a majority union or, where no such union exists, a person representing a majority of workers); 2) the duties in question must not entail concrete directives from the employer and be discretionary in nature; and 3) the agreement must be submitted to the Labor Inspection Office.

Under the 1987 revision, an employer and a majority representative at the workplace were able to determine which duties were regarded as "discretionary work," although the

parties to the agreement could not deem a duty which was not objectively free from concrete employer directives and not discretionary in nature as "discretionary." The Ministry of Labor set forth five typical activities considered to be discretionary work in an administrative notice for the interpretation of the LSL. Such examples were: 1) research and development of new products and technology, 2) planning and analysis of information-management systems, 3) gathering information and editing in the mass media 4) designing, and 5) producers and directors in TV or movie production. These five activities were merely examples of discretionary work and the parties were able to specify other activities as discretionary and hence apply the discretionary work scheme.

### **2.3 Discretionary work scheme under the 1993 revision**

The above-mentioned 1987 revision was criticized for treating non-discretionary tasks/duties as "discretionary" and for allowing workers performing such tasks to be illegally deprived of their rights to overtime pay. Accordingly, in 1993, Article 38-2 Paragraph 4 was once again revised by the legislature.

The 1993 revision prescribes that the duties covered by the discretionary work scheme must be "*duties stipulated by order* as duties for which it is difficult for the employer to give concrete directives regarding such decisions as the means of accomplishment and allocation of time..."(emphasis added) The Enforcement Order of the LSL stipulates the aforementioned five activities available under the scheme as not an *exemplified* but a *restrictive* enumeration (Art. 24-2 Par. 6 No. 1 to 5).

Though Article 24-2 Paragraph 6 No. 6 of the Enforcement Order of the LSL also provides that the Labor Minister can designate other activities upon deliberation within the Central Labor Standards Council, the tripartite body which proposes modifications of the LSL and Enforcement Orders, such a designation has not yet been made.

As a result, under the current regulation, the availability of the scheme is strictly limited to those five types of activities designated by the Enforcement Order. In fact, very few companies have introduced the scheme. According to the Ministry of Labor, the ratio of companies that use the discretionary work scheme was 0.3% in 1988, 0.6% in 1990, 0.7% in 1991 and 0.5% in 1994 (The Ministry of Labor, General Survey on Wages and Working Hours System).

### **3. Current discussion on expanding designated discretionary activities**

There is strong contention among business circles strongly contends that the scheme should be made available to more tasks and, in the long term, for most white-collar duties. Namely *Nikkeiren* (the Japanese Federation of Employers' Association) proposes a list of



activities which should be designated as discretionary activities by the Labor Minister based on the under Article 24-2 Paragraph 6 No. 6 of the Enforcement Order of the LSL. The list contains 1) duties of planning, investigation and analysis, 2) duties of sales and public relations, 3) duties requiring professional knowledge such as law, tax, finance, accounting, patent, public relations, advertisement, stock, and real estate.

The labor side, by contrast, opposes expansion of the scheme for fear that the scheme could deprive workers of their rights to overtime pay. However, it is a loose expansion of the scheme that the labor side explicitly opposes and it seems to acknowledge the propriety of the scheme for discretionary activities presently enumerated. It is interesting that some unions take a positive attitude towards the discretionary work scheme because the scheme allows individuals to work autonomously and enables them to develop their own abilities.

The argument for the expansion of the discretionary work scheme can be regarded as being based on the following reasons.

### **3.1 *Quid pro quo* for white-collar exemption**

The most basic reason for the employers' request to expand the availability of the discretionary work scheme is to exempt white-collar workers from the regulation of overtime.

International comparison shows that the LSL's work hour regulation has broader coverage with fewer exemptions. In the U. S., the Fair Labor Standards Act exempts white-collar workers "employed in a bona fide executive, administrative or professional capacity or in the capacity of outside salesman" from its overtime regulation (Sec. 13, FLSA). According to one study<sup>1</sup>, about 22 percent of all employees fall under the white-collar exemption.

In France, employees in managerial positions or with discretionary authority called "*cadres*" are not exempted from work hour and overtime regulations whereas lump sum pay (*forfeits*) for overtime is a common practice. It is generally understood that upper-class *cadres* have no right to demand overtime premiums because of their function, discretion concerning work hours and high remuneration<sup>2</sup>.

In comparison, the white-collar exemption in the LSL is strictly limited to "persons in positions of supervision or management or persons handling confidential matters"(Art. 41 No. 2, LSL). The Ministry of Labor and the courts have restrictively interpreted this exemption because it is the exception to the fundamental regulations on work hours.

Though the precise number of exempt employees in managerial positions that fall under

Art. 41 No. 2, LSL is not available, some data indicate approximate figures of employees in managerial positions. According to the census by the Management and Coordination Agency, the percentage of employees in managerial positions is 4.1 percent. According to the Labor Force Survey by the Ministry of Labor, the ratio as of 1995 is 4.4 percent.

The lump sum pay in lieu of overtime premium is interpreted as not permissible when the premium calculated by the actual number of overtime exceeds the amount of lump sum pay. In such a case, the employer is required to pay the difference.

Such a situation causes a phenomenon called "*service overtime*" meaning that overtime exceeding a certain amount of hours is regarded as being done on a voluntary basis and thus employees are not supposed to report performance of such overtime. Legally speaking, an employer who knew of such overtime and did not prohibit it must pay the overtime premium. In reality, however, unreported overtime is not uncommon among white-collar workers. From the employers' point of view, the discretionary work scheme compensates for the discrepancy between the reality of white-collar workers' practice and the law. The labor side, on the contrary, regards the discretionary work scheme as the legalization of the illegal *service overtime*.

### **3.2 Evolution towards a performance-oriented wage system**

The second reason for advocating the discretionary work scheme lies in the management's intention to modify the traditional seniority-based wage system into one that is based on performance or results.

Since the burst of bubble economy, rationalization of white-collar management has become a pressing issue for Japanese companies. Since there exists de facto consensus between the management and labor that employment security should be maintained, wage systems were targeted as the object of rationalization. The introduction of the yearly salary system entailing individual wage determination based on his/her performance is a typical example of such movements. According to a recent survey, 78 percent of the surveyed companies have already introduced or plan to introduce the yearly salary system<sup>3</sup>.

However, the introduction of the performance-based yearly salary system is limited to those workers in managerial positions who are exempted from the legal overtime provisions. For other white-collar workers, the current regulation of the LSL requires overtime pay in proportion to the amount of overtime. Therefore, the discretionary work scheme is the sole option to introduce the yearly salary system for non-managerial white-collar workers.

### **3.3 Toward creativity-oriented performance**

Amidst increased international competition in the globalized market, creativity, rather than loyalty or a harmonious work attitude as traditionally emphasized by Japanese management, is being demanded of Japanese employees. Introduction of the discretionary work scheme may have a symbolic impact on the workers' perception of the kind of work that is henceforth expected.

### **3.4 White-collar workers' changed attitude towards individual ability**

Though the labor side principally opposes expansion of the discretionary work scheme, some white-collar workers or unions<sup>4</sup> show their support. First, they regard the traditional seniority-based wage system which has resulted in equality among workers in the same age group with the same educational background as unreasonable. Rather they see a wage system that reflects an individual's ability or performance as being fair and desirable.

Second, for some white-collar workers, typically researchers or others engaged in creative activities, a discretionary work scheme provides them with alternatives of autonomous and independent work methods. Since the workers can independently decide allocation of work hours, the scheme can help them work effectively and harmonize working life and family life.

In this way, expansion of the discretionary work scheme is not only advocated by the management-side but also by some white-collar workers as a more autonomous working style.

## **4. Discretionary Work Scheme Study Group Report**

To deliberate on further designation of the discretionary activities under Article 24-2 Paragraph 6 No. 6 of the Enforcement Order of the LSL, the Discretionary Work Scheme Study Group<sup>5</sup> was established in the Ministry of Labor. Considering both the request for and opposition against the expansion of the discretionary work scheme, the Study Group published a report on the issue in April 1995 (hereinafter the "Study Group Report").

### **4.1 Short-term measures**

The Study Group Report recommends both short-term and mid-term measures. As short-term measures, the Report recommends the following seven activities to be designated by the Labor Minister: 1) research and development of new non-product goods such as financial products; 2) copy-writing; 3) public accounting; 4) duties of lawyers; 5) duties of first-grade architects; 6) duties of real estate appraisers; and 7) duties of patent agents. These activities are similar to the already-designated five activities. With respect to each activity, it is difficult for the employer to give concrete directives regarding decisions to be made such as the means of accomplishment and allocation of time, and thus worker's discretion is

appropriate. The Central Labor Standards Council is deliberating on the issue but so far has not reached any consensus.

#### **4.2 Mid-term measures**

More important is the Report's recommendation on mid-term measures because it proposes fundamental revisions of the current regulations of the discretionary work scheme.

First, the Report points out that duties which require highly professional or creative abilities which the worker can autonomously accomplish because the employer's directives remain abstract and general should be covered by the discretionary work scheme. "Professional duties" refer to those requiring highly professional abilities that can only be acquired through practice after on-the-job or off-the-job training concerning the prerequisite necessary knowledge. The Report suggests that planning of business administration strategies, legal duties, patent-related duties, or economic analysis can fall under this category. "Creative duties" refer to those activities which produce products that entail a high degree of artistry or creativity in which intelligence or inspiration that cannot be acquired through general training or education is utilized.

Second, for the method of specifying available activities for the scheme, the Report implies that the present administrative order designation might be too rigid and slow to cope with rapid socio-economic changes. It indirectly suggests that the law should confine itself to a comprehensive definition of discretionary work and should entrust specific designation to the parties at the workplace. Third, the Report proposes procedural requirements to introduce the discretionary work scheme. In addition to the conclusion and submission of an agreement between the employer and the majority representative at the workplace, the Report proposes to make an individual's consent one of the requirements to apply the discretionary work scheme to the individual.

Fourth, the Report proposes important changes in the legal effects of the discretionary work scheme. Considering that the purpose of the scheme is to enable remuneration based not on the amount of hours worked but on the end result, the Report suggests that the legal effect of the scheme should be exemption from normal work hour regulations rather than the current conclusive presumption of the number of hours worked.

Further, the Report mentions employer consideration for maintaining and developing workers' occupational abilities. Namely, due consideration should be paid to workers' health, holidays, leaves and remuneration. An establishment of a dispute resolution committee consisting of labor and management is also proposed to keep in check inappropriate implementations of the scheme.

## **5. Future prospects of the discretionary work scheme**

### **5.1 Transitional regulation from direct regulation to exemption?**

As mentioned in the Study Group Report, the main expectation for the discretionary work scheme is to allow human resources management based on the result of workers' performance rather than on the amount of hours worked. In this context, current regulation that enables only conclusive presumption of number of hours worked is insufficient. For instance, current regulation does not provide exemption from the provisions on night work premiums (25%), rest periods, or holiday work. Therefore, employers must still observe and record how workers engaging in discretionary work allocate working hours.

In order to achieve the ultimate goals of the discretionary work scheme, its legal effects must be exemption from normal work hour regulations as in the case of employees in managerial positions. In this sense, the current conclusive presumption system for discretionary work can be evaluated as a transition stage from direct regulation to exemption<sup>6</sup>.

When the discretionary work scheme was introduced in 1987, the notion of discretionary work was novel and difficult to clearly define. It seems that the legislature saw risk in expanding the managerial exemption to those lower level white-collar workers. After nine years, however, the discretionary work scheme has started to gain recognition. In the future, on what conditions exemption may be allowed needs to be discussed. In this context, a proposal<sup>7</sup> for determination in consideration of a worker's hierarchical position as well as the nature of his/her duties is notable in bridging the discretionary work scheme and exemption for managerial workers.

### **5.2 Individualization of white-collar management**

As already discussed, the argument in support of the discretionary work scheme is intertwined with the transformation from a seniority-based to result-oriented management. In other words, adoption of the discretionary work scheme inevitably requires a shift from collective employment management to a more individualized one. This denotes a significant modification of Japan's traditional employment practices and helps to explain the attention which the debate on the discretionary work scheme has attracted.

An issue which raises much concern regarding the discretionary work scheme exempted from the overtime pay provisions is whether those workers to whom the scheme is applied are properly evaluated and remunerated. Since the external labor market in Japan is relatively inactive, workers who are unsatisfied with their evaluations would find it difficult to quit and

find another suitable workplace. Therefore, guaranteeing just treatment of workers in individualized employment management and properly resolving disputes arising therefrom will be another central issue for the discretionary work scheme.

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1 Hiroya Nakakubo, "*Amerika Kosei Rodo Kijun Ho ni okeru White-collar Exemption (White-collar Exemption in the Fair Labor Standards Act in the US)*" in Rodo Mondai Research Center, *White-Collar no Rodo Joken wo Meguru Sho-Mondai* pp. 145 (1993).

2 Yoichi Shimada, "*Furansu no Rodojikan Seido no Unyo Jittai (Actual Administration and Circumstances of working hours in France)*" in JAPAN INSTITUTE OF LABOUR, *Rodojikan Seido no Unyo Jittai*, p. 64. (1994).

3 Shakai Keizai Seisansei Honbu Wagakuni Nenpo-sei no Genjo to Tenbo (Current Situations and Future Prospect of the Yearly Salary System in Japan), p.6 (1996).

4 *See* Matsushita Electronic Labor Union, *Yomigaere White-Collar (Revitalizing the White-Collar Worker)*, 118 (1994).

5 The Study Group chaired by Professor Kazuo Sugeno, the University of Tokyo, consists of 6 professors including the author. Opinions expressed in this article are, however, the author's personal views and are not necessarily representative of those of the Study Group.

6 Ryuichi Yamakawa, "*Sairyō Rodo-sei no Shorai (Future of the Discretionary Work Scheme)*" *Jurisuto* No. 1066 p. 197 (1995).

7 Kazuo Sugeno, "*White-collar Jidai no Rodo-Hosei (Labor Law in an Era of White-collar Workers)*" *Keiei Hosō Kenkyū Kaihō* No.9 p.8 (1995); Yamakawa, *supra* note 6, 195.

## Statistical Aspects

<u>Recent Labor Economy Indices</u>			
	April 1996	March 1996	Change from previous year
Labor force	6,731 (10thousand)	6,627 (10thousand)	41 (10thousand)
Employed	6,496	6,398	21
Employees	5,302	5,280	68
Unemployed	235	229	21
Unemployment rate	3.5%	3.5%	0.3
Active opening rate	0.67	0.67	0.00
Total hours worked	286.9 (hours)	284.3 (hours)	1.4*
Total wages of regular employees	(¥ thousand) 166.8	(¥ thousand) 160.4	1.1*

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.