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## General Survey

### Population Projections for Japan: 1996-2050

In January 1997, the National Institute of Population and Social Security Research recently published its estimates for the nation's population growth. The prefectural breakdowns were released in May 1997. The Institute estimated that the Japanese population, which stood at 125.57 million in October 1995, will grow to 126.89 million by 2000, peaking at 127.78 million in 2007 and then declining to 100.50 million in 2050. The Institute estimated using three types of hypotheses, based on different assumptions about the birth rate which results in a high, medium and low estimate. Other factors were the increase in the age at which first marriages occurred, the percentage of persons who never married, the number of children born to each couple, and the number of children all women are expected to bear in their lifetime.

According to the middle estimate, the population aged 0-14 will decrease to 18.23 million in 2004, and then increase slightly, by peaking at 18.31 million in 2010 before falling to 13.14 million by 2050. The estimates show the population aged 15-64 declining steadily from 1995, falling to 71.98 million by 2025 and 54.90 million by 2050. This would leave Japan with a population of 33.12 million aged 65 or over in 2050.

Between 1990 and 1995, the population dropped in 13 prefectures. By 2020-2025, the population in 44 prefectures will have dropped. In 1995, Tokyo accounted for 9.4 percent of Japan's population; Osaka accounted for 7.0 percent. However, it is estimated that Tokyo will account for 7.8 percent, and Osaka for 6.0 percent of Japan's population in 2025. The percentage of the population in prefectures around Tokyo and the other large cities will continue to rise.

## Working Conditions and the Labor Market

### Over 50 Percent of Retail Employees are Employed on a Non-Regular Basis

On April 24 the Ministry of Labour released the results of its Industry Labour Situation Survey for 1996. The survey asked about the impact of further deregulation and lower prices on management and employment in wholesaling and retailing.

The survey was mailed to approximately 4,000 private companies with 10 and more regular employees and to about 10,000 employees. About 80 percent of the companies and 65 percent of the employees replied.

The survey of firms found that profits had declined at 46.3 percent of the firms since 1993, had remained the same at 29.3 percent of the firms and had risen at 24.1 percent of the firms. As to employment status, 65.8 percent of the employees were regular employees, while 34.2 percent were employed as non-regular employees (which included part-timers, temporary workers, dispatched workers and those on transfer from other firms). In wholesaling and retailing, the percentage of regular employees was high at 53 percent. Part-timers and temporary workers accounted for 41.6 percent of all non-regular employees. Retailers were actively hiring employees with different kinds of status to reduce costs. Looking to the future, 72.2 percent of the firms said they would have difficulty "securing outstanding people"; 44.2 percent cited likely difficulties in "maintaining and enhancing a willingness to work" and 33.6 percent mentioned the need to "overhaul their personnel system and introduce ways to rewards individuals according to their performance."

The survey of individuals found that 78.7 percent of employees claimed the content of their job had changed in last three years. They mentioned "broader job content" (68%), "increased job responsibility" (56.8 %) and "more difficulty, in their jobs" (31.6%). Many employees (81.2%) wanted changes from their companies: 36.3 percent of the regular employees wanted their company to "introduce shorter working hours, and the five-day workweek"; 24.1 percent of non-regular employees wanted firms to treat them according to their performance with opportunities for promotion and upgraded working conditions.

## Human Resources Management

### Ban Lifted on Stock Option Systems

On June 1, the revised commercial code and other special legislation came into effect. The changes are aimed at lifting the ban on the stock option system and at making flexible purchase by management of their own company's shares which is a prerequisite for lifting the ban on the stock option system. The stock option system allows corporate managers and employees to purchase shares in their own company at a predetermined price. Increased business results and higher stock prices increase remuneration, thus enhancing corporate executives' as well as employees' consciousness of participation in management.

Toyota Motor Corp. is planning to remunerate its executives by giving them shares in the company beginning in 1998. The aim is to motivate its executives to perform even better since higher share prices will result from increased business results. On the other hand, lower share prices will result in management taking responsibility for any downturn in the profitability of the firm. The current system rigidly remunerates executives based on the

number of years they have served in their posts. The salary of ambitious executives does not necessarily increase even though they have shown results. Many executives thus end up dissatisfied. The stock option system will provide more shares to the more capable executives based on their ability.

Japan's largest pesticide maker, Sanix Inc., plans to introduce a stock option system for all its 2,500 employees over the next year. It is now preparing to issue shares worth more than one million yen per employee.

Sanix was established in 1978, and offered over-the-counter shares last year. This benefitted greatly employees who held shares through a holding company, due in part to subsequent expansion of the workforce. The company decided to inaugurate the stock option system as a new incentive for its staff and executives.

Professor Tatsuo Uemura of Waseda University has noted that "the stock option system will likely allow for insider dealings." The company's purchase of its own shares on the market reduces the volume of shares, normally raising stock prices. If executives who hold their company's shares under the stock option system can learn beforehand the right time when they purchase shares in their own company, they can execute their rights to purchase shares and then sell them when share prices rise. On the other hand, all they get from their company are rights to purchase their own company's shares, and they must have funds ready to purchase shares on their own in actually executing the rights. Therefore, the possibility is that unless they have enough funds, they cannot exercise their rights. Consolidation of the stock option system is necessary in its adequate operation before it takes roots.

## International Relations

### **Deregulation of Job-Placement System and the 85th ILO International Labour Conference**

Efforts to deregulate a job placement system have reached the peak. In response to the proposal on revision of the job placement system made in December 1996 by the Central Employment Security Council, the Ministry of Labour began consolidation of related systems in April 1997. The gist of the revision incorporates the following four points: first, reducing years of experience needed to conduct job placement business in inaugurating a system of granting permission to private job placement agencies to do the business; second, allowing by reporting to the Minister of Labour, collection of commission fees in addition to job placement fees; third, expanding job categories and de facto liberalizing placement of those less than a year out of college or equivalent educational Institutions and high school in white-collar jobs;

and fourth, incorporating provisions for prevention of unfair, unlawful and discriminatory job placements in government guidelines. The amendment will virtually liberalize placement of white-collar workers and a way of regulating job placement agencies after granting them permission to conduct the business.

Meanwhile, at the 85th International Labour Conference of the International Labor Organization (ILO), held in June 1997, the current ILO Convention No.96 with job placement services by the public sector as a basis was amended from a fundamental perspective of "cooperation between the government and the private sector." The amendment to the Convention No.96 will be intended also for private and job-placement services, worker-dispatch services and handling of job information magazines and papers. The "Convention Concerning Private Job Placement Agencies" was adopted with the approval of the majority of participants. The Japanese government and the Japanese representatives from labor and management also approved of the Convention, but the representatives from management non-voted for the recommendation accompanying the Convention. In order to ratify the Convention, Japan needs to again overhaul paid job-placement and worker-dispatch services.

## Public Policy

### **Bills Revising EEOL and LSL Clear the Diet: Protective Provisions for Female Workers Scrapped**

The Diet passed two bills to revise the Equal Employment Opportunity Law (EEOL) and the Labour Standards Law (LSL). The laws will take effect from April 1999. The EEOL will now "prohibit" employers from discriminating against women in hiring, promotion and retirement. The original law only required employers to "make an effort" to provide equal treatment. Revisions to the LSL will scrap protective provisions for female workers which restrict women's overtime, night work and work on holidays. Concerns that working conditions for women will worsen have been voiced by some labor unions. The issue of gender equality will likely spark hot discussion in many workplaces, in the lead-up to April 1999.

The revisions are designed to enhance the effectiveness of the EEOL which came into force in April 1986. The present law requires labor and management to agree to form a mediation committee to deliberate on discrimination against women. Under the revised law, however, either labor or management can require that the committee be convened. Companies that ignore orders from the authorities to stop discriminating against women will be publicly identified by the Minister of Labour under the amended law. The new law will also require employers to step up efforts to prevent sexual harassment at work. The law currently limits

overtime work by male workers to 360 hours a year, but allows labor and management to freely set the amount of overtime through a collective agreement.

Labor unions have taken a cautious stance, arguing that relaxing the ban on women's overtime and night work will force women to work longer hours. Rengo claims it will make an all-out effort to establish across-the-board restrictions on overtime, holiday work and night work for all workers irrespective of sex.

Some working women have praised the amendments of the laws, commenting that the scrapping of protective provisions will lead to the removal of an important disparity between the sexes in the context of promotion and wages. Others fear that adequate measures have yet to be taken to promote gender equality. They call for steps to promote an equal sharing of domestic duties. Without more basic change, they argue, abolition of the protective provisions for female workers will result in women working longer hours with no reduction in their domestic work load.

## Special Topic

### Work and Family Life

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#### 1 Introduction

As Japan's on-going industrialization progresses to even higher levels, family life has come increasingly to stand apart from life in the workplace. Each domain seems to operate under its own set of rules. The workplace and corporate society more generally is organized solely for profit-making purposes; the family exists to raise children and to satisfy certain needs of each family member. The workplace and the family are also complementary: the family receives an income in return for the labor it supplies. However, the relationship between the family and the workplace has begun to change. While various problems have resulted from the clearer division of the two domains, it is also clear that a new relationship between the workplace and the family is emerging.

This paper first examines the relationship between work and family in Japanese society today, with special attention being given to the increasing number of double income couples. It then considers some of the issues currently being discussed.

## **2 Reviewing the Relationship Between Work and Family**

Reviewing the relationship between work and family in Japan is ultimately connected to the Japanese way of work, which is now being thought through from a variety of perspectives as a result of the debate which has occurred on several aspects of Japanese society in recent years. One such debate has focused on what constitutes a comfortable life style. The balance between work and family has also been raised in discussions about women's changing role in the workplace. A third concern has been with ways to modify the rules which uphold corporate society. These are all important issues in Japanese society today. What should be noted in the discussion of these issues, however, is that the way the Japanese work has been questioned from many angles. The common conclusion is that the relationship between work and family will be a key to any review of the way Japanese work.

### **2.1 What Constitutes a Comfortable Life Style?**

The "debate on affluence" significantly altered the consciousness of many Japanese concerning the relationship between work and family. No longer is the relationship an issue of concern primarily for women. Men too have begun to be concerned about problems in the relationship (Economic Planning Agency, 1991; Ministry of International Trade and Industry, 1992; Watanabe, 1990). Many have noted that Japanese do not feel very rich even though Japan's GNP per capital is the highest in the world. Economic success has not produced a commensurate standard of living or sense of fulfillment. One view has been that Japanese do not feel rich because the way they work is problematic, and that the proper balance between work and family has not been maintained. Overemphasis on working life and long hours of work have made it difficult for many Japanese to enjoy, or to participate actively in their own family's life and the life of their community. The result is that they have attained high incomes but have not been able to enjoy a comfortable life with an abiding sense of fulfillment

### **2.2 The Expanded Employment of Married Women**

Traditionally many married Japanese women have had to juggle work and family commitments. Today married women enjoy expanded opportunities for employment (Takayama, & Arita, 1992; Imada, 1991). Once married women are employed outside the home, they find it difficult to balance work commitments with family commitments, including childbirth, the raising of children, domestic duties, and nursing care for elderly parents. Married women were traditionally not only homemakers; they worked alongside men in many agricultural and entrepreneurial households. It was quite common for wives in farming families and for those in family-run enterprises to engage in the family business. However, working in a family business and outside employment differ in important ways. On the one hand, family workers are subject to unlimited demands. Nevertheless they had much more discretion in terms of when to work and in structuring their work load. Those in family-run businesses worked with the assumption that their work could be done side by side with

childrearing and household duties. Employed persons, on the other hand, are allowed much less freedom to adjust their working hours or to design their jobs. For the most part it is assumed that one's responsibility in the home will not impinge upon their commitments at work.

Simply put, the increased involvement of married women in paid employment outside the home poses a problem for the sex-based division of work in the family. The proposition that men should work outside the home and women in the home is now being questioned; so too is the relationship between work and family life now being challenged.

### **2.3 Modifying the Rules of Employment**

Practices such as lifetime employment and seniority wage system (which have been seen as an integral part of Japanese-style management) are presently undergoing profound change. These changes in employment practices will affect the fundamental rules which underpin corporate society. Citing "assurance of living as a fundamental norm" or organizational principle in Japanese enterprises, Inagami maintained that Japan's large and small companies have implemented personnel practices which assure employees that their day-to-day needs would be covered (Inagami, 1992). He suggests that Japanese companies have not relied only on market forces, but that they have oriented themselves toward providing a long-term safety net for their employees. For the system of guaranteed assurances to work, however, Inagami argued that a number of structures had to be in place. In addition to having a long-term employment system and a remuneration system based on seniority, the organization could give its guarantees only to regular full-time employees. Moreover, the equality was stressed within each group segmented. The categories were defined only among persons in the same category, by sex, age, education and years of service.

In addition to these devices which Inagami cited, we must mention as a significant factor the larger framework or supra structure which set the relationship between the company and the family.

The rules of employment are premised on the family's existence. As a consequence, it has taken a variety of measures to quarantine the family as much as possible from the everyday functioning of the enterprise. The provision of family allowances, company housing and housing allowances were some of the more obvious measures taken to support the family. Also, at the national level, the notion of the family as a key unit in society was supported by the social security system and by the tax system. The family was thus seen to be a basic element like water or air which made life and the corporate organizational setup possible. However, it was never considered as part of the corporate organization itself when the rules of employment came to be formulated.



Today a number of developments have occurred which highlight problems in way work is currently organized. For example, the phenomenon known as *tanshinfunin* (the practice of having the employee transferred to a post apart from a family), the desire that husbands share home duties and child care as the employment opportunities expand for married women, and the need to provide nursing care at home illustrate certain contradictions whereby the needs of the family conflict with the needs of workplace. In organizing the way people work, companies must now begin to incorporate the family as a significant variable. The result will be a new framework based on a new relationship between work and family. The design of such a system is currently a major challenge for Japanese firms (The Japan Institute of Labour 1995; Ministry of Labour, Labour Relations Bureau 1996).

### **3 Contemporary State of Working Household**

As the preceding three sections suggest, the way people work is now being questioned from a variety of vantage points, and the relationship between work and family has become a key issue in Japanese society.

A first step in considering that relationship is to look more carefully at how the family itself is evolving. It should be noted, that the number of double income households (in which both the husband and the wife are working) is steadily growing. Such households now outnumber the households in which the wife is a full-time homemaker.

#### **3.1 Increase in Double Income Households**

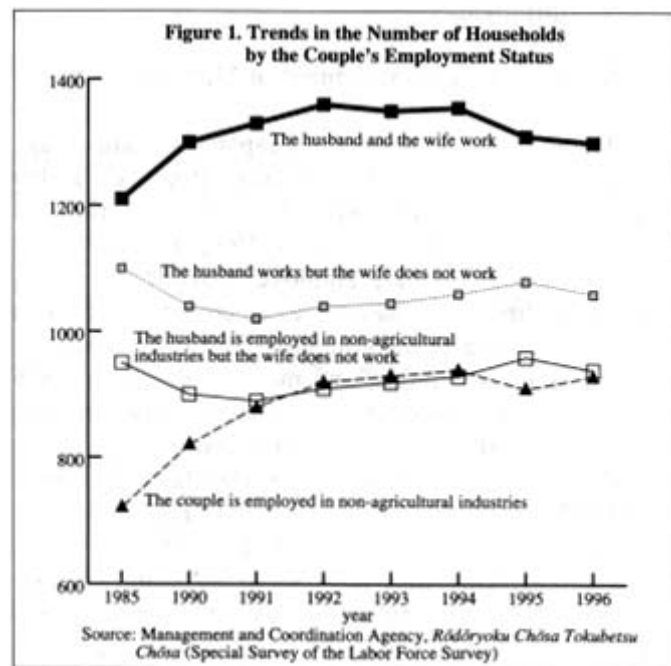
Figure 1 shows changes in households after 1985 and is based on data from a special questionnaire administered as part of the Labor Force Survey. Samples for Figure 1 are composed of households comprised only of husband and wife, households comprised of a couple and one or more of their parents, households comprised of the couple and their children, and households consisting of the couple, children and parents. The figure was constructed to delineate between (i) double-income households in which the husband and the wife were working (including those in which one or both are engaged in running their own farm and or other family business) and (ii) single income households in which only the husband was working. The analysis sought to contrast (iii) households in which both the husband and the wife are employees in non-agricultural sectors to (iv) households in which only the husband is employed in non-agricultural sectors.

Among the households of non-agricultural employees, single income households of male employees outnumber the double income households in 1985. By 1991, however, each category had roughly a similar number of households. In 1992, double income households came to outnumber single income households. Among the households including in agriculture,

forestry and other forms of self-employment were already dominance by the double income pattern, with the distribution between the two types of households becoming even more skewed since then.

Two conclusions can be drawn. First, double income households represented a majority among all households. Second, single-income households are not now the majority even among households of employees.

As stated above, it was quite common in farming and self-employed households, for wives to engage in the family business as family workers. However, in the households of employees there were few opportunities for women to work in a family business; wives were engaged mainly in housework, with limited job opportunities outside the home. For example, according to National Census, the percentage of married women who were employed in 1960 was only 8.8 percent. It was rare that wives worked outside the home. However, the rapid economic growth of the 1960s created many job opportunities for unmarried as well as married women. Now, the number of households in which both the husband and the wife work as an employee in the non-agricultural sector has increased, surpassing that of households in which the husband alone is an employee, and the wife is a full-time homemaker.

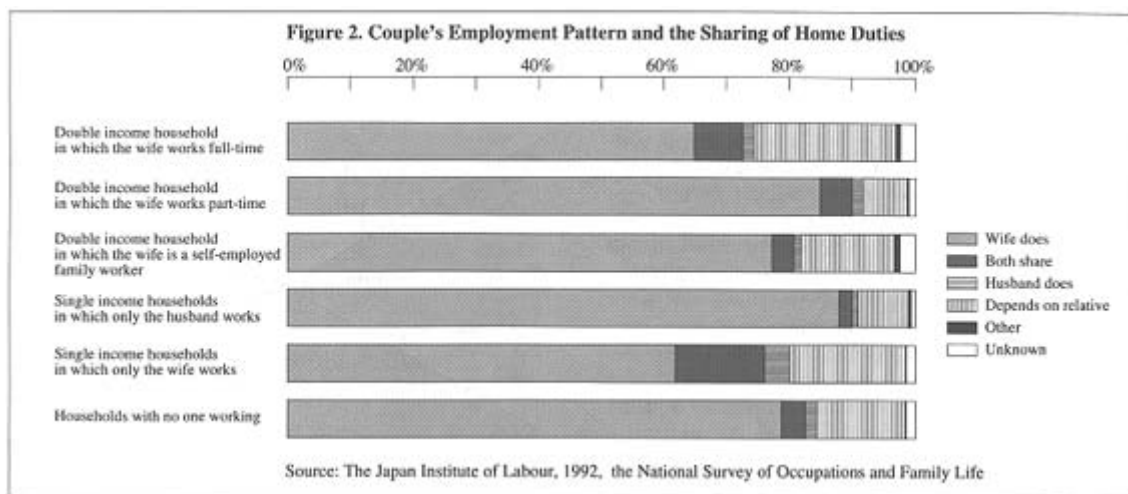


Such changes in the economic organization of the household impact on various areas. Particularly important are the implications for the sex-based division of housework and child-related duties. Unlike the situation when wives worked in the family business and were more able to juggle that work with child care and other home responsibilities, outside employment requires a clear trade-off between the domestic and the company domains. Once wives begin to work outside the home, who will look after the domestic domain? Such

questions focus attention on the division of labor at home.

### 3.2 Double Income Couples and the Sharing of Home Duties

Figure 2 shows the way in which home duties are shared and is based on data from the National Survey on Occupations and Family Life (the Japan Institute of Labour, 1995). The household classification used in that survey further divides double income households according to the type of employment assumed by the wife. Although there are differences in the sharing of domestic chores (depending on the household types), wives perform most of the home duties in all types of households. In other words, the sharing of home duties is traditionally structured and tends to be common in all types of households.



Having said that, two points should be made. First, in double income households in which the wife works full-time, her share of the domestic duties is lower than the case in other types of households. In more of those households the couples seem to share equally domestic duties, but the number of couples which depend on relatives for home duties shoots up. In other words, in households in which the wife works full-time, some of the housework is done by the husband, while on even larger share is picked up by relatives. Second, the pattern found in double-income households in which the wife works part-time was very similar to that found among single-income households in which only the husband was employed. In both types of households the wife did nearly all of the house work.

The wives' employment continues to take a variety of forms. In some households the wife is a full-time regular employee; in others she is a part-timer. Some wives are self-employed as entrepreneurs in their own right, and others work as family workers in a family business. In terms of sharing home duties, change in the family occurs extremely slowly. The traditional division of housework by gender has not yet changed greatly in many households. Housework and outside work together place a heavy burden on most Japanese wives. At the extreme one could even say that the growing involvement of wives in the paid labor force has not yet had an impact on the sharing of home duties. Changes in Japan's households have been uneven.

Outwardly many households appear to have changed dramatically. Yet many of their internal structures have hardly changed at all.

Two hypotheses may be advanced to explain this unevenness. One hypothesis is that the increase in part-time employment, which has been part of the outward appearance of change occurring in Japan's households, has served to retard inward change. This suggests that the employment of wives on a part-time basis has encouraged married women to think of their work in the manner which is consistent with the traditional sex-based division of labor. The other hypothesis is concerned with the role of the relatives. Wives who are employed full-time perform fewer home duties than their counterparts in other household patterns. The result is that there may have been a slight shift to a more equal distribution of house work among spouses. However, the tendency of the extended family to absorb the workload at home is even more pronounced.

#### **4 Conclusion**

Expanded employment opportunities for wives has yet to bring about fundamental change in the way household duties are shared, and housework remains overwhelmingly in the wives' domain. As seen above, households are moving in new directions as the number of "double income households" increases. The hypothesis that households with double incomes is bringing about a fundamental change in the division of work inside the home is only partly supported by data at the moment. Outwardly, the statistics shows that more wives have careers, but inwardly these changes have not worked to alleviate the wives' workload inside the home. Nevertheless, however small the changes in the sex-based division of work may be, we should not underestimate the effects brought on by the increased number of households with double incomes. The effects on how employment is organized by the firm have not been touched upon in this paper, but change is also occurring in the workplace, in the way many Japanese are working, and in the way work organization is conceived. Moreover, wives who are now working part-time and have not enjoyed changes in domestic roles, will increasingly be in the "front lines" as non-regular employment expands. Furthermore, although relatives will be able to provide backup in terms of doing housework for some working women, when they themselves become ill, the issue of their care will still remain. Close examination of these aspects will likely provide an important key to understanding how work will be organized in Japan in the future.

The issue between the family and the workplace, which is now becoming more pronounced, will be a force effecting change both at the workplace and the home. Japanese society is presently in the midst of a huge upheaval which will result in a radical review of the work organization. It is thus an opportune to overhaul the norms by which the family and the workplace are organized.

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Statistical Aspects

Recent Labor Economy Indices

	May 1997	April 1997	Change from previous year
Labor force	6,876(10thousand)	6,805 (10thousand)	106(10thousand)
Employed	6,632	6,574	102
Employees	5,399	5,383	73
Unemployed	244	231	4
Unemployment rate	3.5%	3.4%	0.0
Active opening rate	0.73	0.71	0.02
Total hours worked	156.2 (hours)	164.5 (hours)	1.1*
Total wages of regular employees	288.2 (¥ thousand)	291.9 (¥ thousand)	1.7*

Source: Management and Coordination Agency, Ministry of Labour.

Notes: 1.\*denotes annual percent change.

2.From February 1991 the data for "total hours worked" and "total wages of regular employees" are for firms with 5 to 30 employees.

