

JAPAN LABOR BULLETIN

ISSUED BY THE JAPAN INSTITUTE OF LABOUR

Vol.37 - No.01

January 1998

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General Survey

Working Women in Quest for a New Social System: White Paper on National Lifestyle

On November 4, the Economic Planning Agency published its White Paper on National Lifestyle for fiscal 1997. Subtitled "Working Women in Quest for a New Social System", the report argues that Japanese women will continue to integrate themselves into the society's corporate sector. It acknowledges, however, that the social system is based on the assumption that men are the breadwinners, and that this impedes women's efforts to combine a job with a family responsibilities. It thus calls for a reform of the pension and tax systems which work to reinforce the employment practices of Japanese firms and thereby to disadvantage working women.

On corporate employment practices, the report claims that Japanese firms are reluctant to hire women who will likely quit their jobs because of childbirth and child-care. That reluctance negatively affects women's chances for promotion and their long-term earning capacity. The labor force participation rate for college-educated women remains very low at 60 percent, compared with slightly over 80 percent in the U.S., France and Germany. In order for the nation's overall economy to more actively utilize these women, reforms of personnel management and welfare systems and a revolution in the consciousness of male employees are seen as being necessary. Also, the report estimates that women who quit their jobs to have and to raise children and then return to work earn about 63 million yen less than women who work continuously without such an absence from the labor force.

The white paper also discusses the deductions offered to the spouses of male wage earners and exemption of full-time homemakers from having to pay national pension premiums. Under the existing tax system, the full-time housewife whose annual income is less than 1.03 million yen is exempted from paying income tax. The husbands of housewives whose annual income is less than 1.4 million yen also pay a reduced amount of income tax. The pension program allows the wife of the salaried worker to pay no pension premiums but still receive the same amount of premium money as her husband. Many full-time housewives favor the scheme, while many working women do not. Given the fact that women are having fewer children on the average and that the population as a whole is aging, The white paper concluded that more social support for women wishing to work and to raise children at the same time was necessary in order to maintain the size of the workforce.

Currently the Ministry of Health and Welfare is promoting measures for dealing with the

declining number of children, and the Ministry of Labour is promoting ways to increase the availability of child-care and to provide for leave to care for invalids living at home. The Ministry is also working to have provisions of the Equal Employment Opportunity Law better known. The law serves to promote equal employment opportunities.

Working Conditions and the Labor Market

Forty Percent of Firms Adopt Working Hours Averaging Scheme: General Survey on Wages and Working Hours Systems

On November 20, 1997 the Ministry of Labour reported on the 1996 General Survey on Wages and Working Hours System. Based on a sample of 5,300 firms with 30 and more regular employees, the report indicated that 40.5 percent of those firms had adopted the working hours averaging scheme. The scheme was conceived as a means of lending flexibility to working hours, for which upper limits of eight hours a day and 40 hours a week are set. The figure was up from 30.1 percent in the 1995 Survey. One factor was the 1994 revision of the Labour Standards Law which facilitated the introduction of working hours averaging scheme. Another factor is the relatively high percentage of workers employed in the service industry where the volume of work fluctuates considerably. By company size, 69.1 percent of firms with 1,000 or more employees, 45.1 percent of those with 100-999 employees, and 37.6 percent of those with 30-99 employees have adopted a working hours averaging scheme. Furthermore, 22.4 percent of the firms (up from 18.3% in 1995) have introduced a scheme by which monthly tallies are utilized; 15.1 percent (up from 8.7% in 1995) have adopted the scheme which relies on annual calculations; and 4.8 percent (up from 4.3% in 1995) have introduced some form of flexitime.

Meanwhile, 44.1 percent of workers (up from 39.4% in 1995) are subject to a working hours averaging scheme: 50.3 percent in firms with 1,000 or more employees, 40.5 percent in firms with 100 -999 employees, and 37.4 percent in firms with 30-99 employees. By the type of scheme, 22.7 percent of workers (up from 21.1% in 1995) were subject to a monthly scheme; 11.6 percent of employees (up from 9.5% in 1995) worked with a year-based scheme, and 9.8 percent of employees (up from 8.7% a year earlier) had flexitime. The figures indicate clearly that the averaging of working hours over longer periods is spreading as the main means of calculating hours of work.

Labor-Management Relations

Discrepancy Observed in Bonus Offers in Electronics

On November 6, 17 major electronics companies offered a slight increase in the absolute amount of their bonuses for this winter and next summer. However, the offer represented a drop as a multiple of the monthly base salary. The bonuses combined averaged 1,469,481 yen (approx. US\$ 11,700)* or 5.09 months of the monthly base salary. For 1996 the offer was 1,418,158 yen or 5.11 months of the monthly base salary.

A major characteristic of this year's offers was in the variation among firms based in the Kanto region. Although the firms had each year offered the same multiple since 1987, this year Fujitsu and NEC (which had enjoyed relatively strong earnings) maintained last year's multiple in offering bonuses equal to 5.10 months of the monthly base salary. However, other large companies such as Hitachi, Toshiba and Mitsubishi Electric offered bonuses equivalent to only 5.06 months pay, down from the previous year's level. This variation in offers among companies based in the Kanto region occurred for the first time since 1986. Matsushita Electric Industrial Company, Sanyo Electric and other companies based in the Kansai region normally pay larger bonuses than those in the Kanto region. Their average this year was 5.25 months of the monthly base salary, the same multiple as in 1996.

Labor unions had requested an increase in bonuses equivalent to 0.1 month's base salary. When they began to formulate their demands in July, the 17 major companies were expected to achieve an annual rise of 15 percent in their pretax profit for the current year to March 1998. However, the business outlook later worsened, as a result of dampened sales of home electronics appliances due to the rise in the consumption tax from three to five percent in April. The home electronics appliances sector was also affected by cuts in capital investment in the electric power industry. Nevertheless, sales of information-communications equipment, especially mobile phones, tended to increase the revenue of the industry.

In this regard, it should be noted that high-bonus companies such as Fujitsu and NEC draw a larger proportion of their sales from information-communications equipment than do synthetic firms like Hitachi and Toshiba. With some of the Asian nations rapidly catching up in electronics, the industry in Japan is now restructuring itself to maintain its international competitiveness. In the wake of this situation, the industry federation Denkirengo (Japanese Electrical Electronic Information Unions), has adopted a policy whereby all firms in the industry assure their employees the same wage levels and reflect variation in business results in the payment of bonuses. The union's stance has come to be that variation in bonuses is inevitable.

Downsizing Dampens Union Finances

An increasing number of labor unions are facing financial difficulties due to the drop in union dues stemming from the decline in the number of union members owing to downsizing. Accordingly, more unions are withdrawing from strike funds as one means of coping with their financial crisis. Those were the findings published in September by the Institute for Social Affairs in Asia (ISAA). The institute had conducted a survey in 1995 on union dues among 513 unions (mostly enterprise-based unions) under the umbrella of Rengo (the Japanese Trade Union Confederation). According to the survey, union dues averaged 4,797 yen (approx. US\$38) per person, up 45 yen (approx. US\$36¹) from the previous survey in 1993. The amount of revenue received into the general account for day-to-day union activities averaged 308.61 million yen (approx. US\$2468,000) per union, down 6.71 million yen (approx. US\$53,000) from 1993. Decreases in union members due to downsizing was reflected both in the drop in overall revenues and in the rise in per capita union dues.

Nearly 80 percent (79.8%) of the unions surveyed have established a special fund for strikes, apart from general accounts. Strike funds averaged 7.586 million yen (approx. US\$5,600,000) enough to cover 17.6 days of lost wages when the union were to go on strike. Nearly 30 percent (29.9%) answered that they would use the strike funds for other purposes than covering lost wages. Although plans for how strike funds would actually be used are unknown, the institute surmises from interviews with union officials that the unions are using such funds to make good shortfalls in their general accounts. There has been a continuing drop in the number of strikes since 1981. In 1995, the unions called 685 strikes which resulted in a loss of 76,971 workdays. Those figures compare with 3,783 strikes and 1 million and 1,224 workdays lost in 1980 (according to the Ministry of Labour's statistics on labor disputes). This situation has allowed unions to reallocate their strike funds in order to make up for tighter general accounts.

The austerity of union finances is also manifested in the decline in the number of full-time executive officers and staff. The number of full-time executive officers and staff members per industrial union fell by three from the previous survey to 15.9.

*125yen = \$1 (as of Dec. 14, 1997)

International Relations

International Club of Labour Law Journals (ICLLJ) Annual Meeting Held

On October 31 and November 1 1997, participants from Japan, the United States, Britain, Italy, Australia, Germany, Sweden and other countries met in Stratford, England, for an

annual meeting of the International Club of Labour Law Journals (ICLLJ). The ICLLJ is composed of member journals of the above mentioned nations. The *Japan Labor Bulletin* is the only Japanese journal to participate in the ICLLJ. The ICLLJ holds a meeting once a year to exchange information and materials pertaining to labor law in individual country and to expand and strengthen networks among the journals. The two days were spread between the Colloquium and the Labor Law Journals Meeting. At the Colloquium, scholars and researchers who edit the journals discussed the topic of "Social Clauses and Labour Standards." The Labor Law Journals Meeting, on the other hand, featured the exchange of views and opinions on the ICLLJ's future activities. The meeting decided to meet next in Bologna, Italy, in 1998.

Special Topic

Job Gains and Losses in Japan: A Comparison with Italy

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1.0 Introduction

This short paper compares the process of job creation and destruction in Italy and Japan. These countries share a labor market similarity in the sense that quite a high proportion of employees work in small-sized firms. More than half of all employees belong to firms with less than 100 employees in Italy and Japan (OECD 1994: 124). However, despite that similarity which Italy and Japan share, we have no idea whether the process of job creation would also be similar in each of the two countries. For example, to what extent do small firms contribute to job creation and destruction in each country? And, what kind of economic fluctuations affect creating and destroying jobs in the two countries? This paper examines these issues.

During the 1990s job creation and destruction have been researched in several countries. These researches suggest that substantial labor turnovers result from the creation and destruction of jobs even when there is modest net employment growth. They also find a great variation in how jobs are created and destroyed even within narrowly conceived groups by industry, firm size, region, and other demographic variables. Knowledge of the job creation process is important for economists and policy makers, who wish to create employment opportunities and reduce unemployment.

Here a new insight into the job creating process is sought by comparing job flows between Italy and Japan. The next section explains the concept of job creation and destruction and introduces the data used for this paper. Section 3.0 then considers how job creation and destruction are different between Italy and Japan. Section 4.0 examines to what extent job creation and destruction are temporary phenomena in each country. Section 5.0 provides some conclusions.

2.0 Concepts and Data

In the literature on job creation, gross job creation is defined as the overall gains of employment in the economy as results of establishments opening or expanding. Gross job destruction is defined as the overall losses of employment in the economy as results of establishments closing or contracting. Then, net employment growth is defined as gross job creation minus gross job destruction. Total job reallocation is defined as the sum of gross job creation and destruction.

The data used for this study come mainly from *the Employment Trend Survey (ETS)* (Koyo- Do-ko- Cho-sa) for Japan and records of *the Istituto Nazionale Previdenza Sociale (INPS)* (National Institute for Social Security) for Italy.⁽¹⁾

Annual gains and losses of employment at private establishments can be computed using micro data on the ETS. The ETS is the establishment survey that Japan's Ministry of Labour conducts biannually. The ETS records changes in employment at establishments in all industries except agriculture, forestry, and fisheries. It covers only establishments employing five or more workers.⁽²⁾ And, job creation and destruction by births and deaths of establishments are not examined by the ETS. Therefore, job creation and destruction recorded by the ETS may understate the true magnitude of job flows in Japan. The annual job flows owing to births and deaths of establishments, including those with less than five workers, are calculated using *the Establishment Directory Maintenance Survey (1994)* (see Genda forthcoming for details).

Job creation and destruction in Italy are based on the results of Contiti and Filippi (1995) who used micro data from the INPS.⁽³⁾ Monthly observations of employment are transformed into annual job flows. The data cover all private firms with employees. It is noteworthy that data relate to the firm-level employment change instead of the establishment-level change as is observed for Japan. Job creation and destruction resulting from movement between establishments of same firms offset each other in the firm-level job flows. Hence, it is expected *ceteris paribus* that higher job reallocation will result from establishment data gathered in Japan than the firm data gathered in Italy.

3.0 Annual Job Turnover and Firm Size

Table 1 shows the job creation and destruction rates in Italy and Japan. The annual rate of job creation (destruction) is defined as the ratio of number of jobs annually created (destroyed) to the total number of employees in the economy at the beginning of a year.⁽⁴⁾

Both the job creation rate by expansion and the job destruction rate by contraction are much higher in Italy than in Japan. As a result, the job reallocation rate by expansion or contraction in all industries stands at 16 percent in Italy (1984-1993) while it is 8 percent in Japan (1991-1995). Looking at manufacturing, its rate is 14 percent in Italy and 7 percent in Japan, respectively. However, the job reallocation rate by opening and closure is not so much different between the two countries.

In order to find a reason for the difference in job turnover between Italy and Japan, the effect of firm size on gross job flows is examined. Table 2 shows job flow rates by firm size. Due to constraints in the data, only job flows by expansion and contraction are considered. It finds that the job reallocation rate for small firms with less than 100 employees is much higher for Italy than for Japan. For example, the job reallocation rate for Japanese firms with 30-99 employees is 8 percent while its rate for Italian firms with 20-99 employees is 14 percent. On the other hand, the job reallocation rate for large firms with 1,000 or more employees is about the same (6.5 percent) in Italy and Japan.

Table 3 shows that the share of employment in small firms with less than 100 employees is much higher in Italy than in Japan. This fact implies that higher concentration of employees in small firms in Italy may account for the higher overall job reallocation rate compared with Japan.

Table 1. A Comparison of Job Creation and Destruction Rates in Japan and Italy

	For All Industries		For Manufacturing	
	Italy	Japan	Italy	Japan
Job Creation Rate owing to expansion	8.1 (1984-93)	4.2 (1991-95)	6.8 (1984-93)	3.2 (1991-95)
owing to openings	3.8 (1984-93)	4.5 (1991-94)	3.3 (1984-93)	2.4 (1991-94)
Job Destruction Rate owing to contraction	7.4 (1984-93)	3.9 (1991-95)	6.9 (1984-93)	4.0 (1991-95)
owing to closures	3.7 (1984-93)	3.7 (1991-94)	3.6 (1984-93)	2.6 (1991-94)
Job Reallocation Rate owing to expansion and contraction	15.5 (1984-93)	8.1 (1991-95)	13.7 (1984-93)	7.2 (1991-95)
owing to openings and closures	7.5 (1984-93)	8.2 (1991-94)	6.9 (1984-93)	5.0 (1991-94)

Note: All rates are given as percentages.
Source: Contiti and Revelli (1995) for Italy, and Genda (forthcoming) for Japan.

Table 2. Job Creation and Destruction Rates by Firm Size for Japan and Italy

A. For Japan (1991-95)			
Firm Size	Job Creation Rate	Job Destruction Rate	Reallocation Rate
5-29 employees	4.9	5.0	9.9
30-99 employees	4.7	3.4	8.1
100-299 employees	4.4	3.8	8.2
300-999 employees	3.9	3.1	7.0
1000 or more employees	3.2	3.3	6.5

B. For Italy (1984-93)			
Firm Size	Job Creation Rate	Job Destruction Rate	Reallocation Rate
6-9 employees	10.1	10.4	20.5
20-99 employees	6.3	7.3	13.6
100-499 employees	4.7	5.8	10.5
500-999 employees	4.0	5.3	9.3
1000 or more employees	2.3	4.2	6.5

Note: All rates are given in percentage.
Source: Contiti and Revelli (1995) for Italy, and Genda (forthcoming) for Japan.

Table 3. The Distribution of Labor Force by Firm Size in Japan and Italy

A. For Japan (1988)	
Firm Size	Percentage of Employees
1-29 employees	37.7
30-99 employees	17.9
100-499 employees	17.7
500 or more employees	26.7
TOTAL	100.0

B. For Italy (1988)	
Firm Size	Percentage of Employees
0-19 employees	58.2
20-99 employees	13.2
100-499 employees	9.9
500 or more employees	18.7
TOTAL	100.0

Source: OECD (1994: 124)

4.0 Persistence of Job Creation and Destruction

To what extent are job creation and destruction temporary phenomena in Italy and Japan? The persistence rate of job creation (destruction) is defined as the fraction of jobs created (destroyed) that continue to exist (disappear) in following years at the same establishments.⁽⁵⁾ Figure 1 provides four examples of persistence of job creation over next two

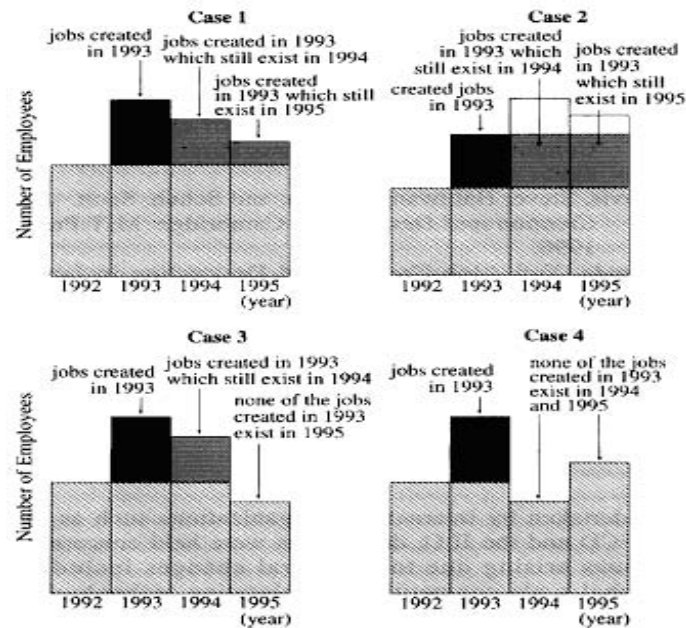
years.

Table 4 represents that job creation and destruction are much more persisted in Japan than in Italy. At Italian firms, 67 percent of newly created jobs survive for at least one year and 53 percent over two years. And 73 percent of destroyed jobs fail to reappear one year later and 64 percent over two years. At Japanese establishments, on the other hand, a higher proportion of newly created jobs tend to survive: 76 percent of newly created jobs survive over one year and 62 percent over two years. And a higher proportion of destroyed jobs fail to reappear in Japan: nearly 90 percent of destroyed jobs are not reconstituted after two years.

In other words, both job creation and destruction are more likely to be temporary phenomena in Italy. The transient shocks are more heavily linked to creating and destroying jobs in Italy than in Japan. This pattern is pervasive in manufacturing and service industries. By firm size, a higher percentage of newly created jobs continue to exist in Japan's small firms than in Italy's small firms. The two-year persistence rate for job creation at small Italian firms is less than 60 percent. At the small Japanese firms, its rate is close to 70 percent and it is even higher than at Japan's larger firms. The persistence rates for job destruction increase with firm size in each country. At large Japanese firms with 1,000 or more employees, almost 90 percent of jobs destroyed are not reestablished within two years.

These results imply that more job reallocation may be generated by temporary fluctuations in the Italian economy. Especially smaller Italian firms are more sensitive to transient business fluctuations than large Italian firms. In contrast, temporary shocks play a less dominant role in generating job creation and destruction in Japan. Creating and destroying jobs in Japan are more continuous activities even for small firms.

Figure 1. Persistence of Created Jobs: Four Examples



B. For Japan (1993-95)

	For Created Jobs		For Destroyed Jobs	
	After 1 year	After 2 years	After 1 year	After 2 years
All Industries	76	62	92	88
Manufacturing	73	56	93	89
Services	84	73	86	84
Whole Sale & Retail Trade	74	52	93	84
Construction	75	65	92	89
Firms with 30-99 employees	77	68	79	69
100-299 employees	77	65	87	78
300-999 employees	80	63	89	83
100 or more employees	75	62	93	89

Source: Genda (forthcoming)

Table 4. Persistence Rates for Job Creation and Destruction in Italy and Japan (Percentage)

A. For Italy (1984-93)

	For Created Jobs		For Destroyed Jobs	
	After 1 year	After 2 years	After 1 year	After 2 years
All Industries	67	53	73	64
Manufacturing	67	53	73	64
Services	69	57	70	60
Construction	59	44	73	61
Firms with 1-5 employees	63	48	70	60
10-19 employees	64	49	73	63
100-199 employees	72	58	77	68
more than 500 employees	75	61	79	72

Source: Contiti and Filippi (1995)

5.0 Concluding Remarks: Reasons for Differences

This short paper has compared job creation and destruction in Italy and Japan, focusing on variation by firm size. The sum of job creation and destruction (i.e., job reallocation) is much higher in Italy than in Japan. In both countries job reallocation is particularly large among small firms. The higher job reallocation rate and higher percentage of employees are observed for small Italian firms than for small Japanese firms. These facts can explain the inter-country difference in overall job reallocation between Italy and Japan.

At the same time, the findings are also likely affected by the nature of data. The data used for Japan do not include gross job flows at very small firms whereas such flows are included in the Italian data. Also, job turnovers by opening and closure have not been

examined because of the absence of data well-suited for the comparison.

However, the preceding discussion points to another important reason for lower job creation and destruction rates in Japan than in Italy: transient shocks seem to result in more job turnovers in Italy. This report finds that the persistence rates of job creation and destruction are much higher for Japan than for Italy. Jobs created in small Japanese firms are more likely to survive for a long time, compared with those in small Italian firms. Jobs in larger firms are less likely to be destroyed. But, once destroyed, few are reestablished. This seems to be particularly so in Japan's large firms.

There are at least two ways transient shocks have less impact on job flows in Japan than in Italy. First, the magnitude and frequency of transient shocks may be smaller in Japan for some reason. Job creation and destruction will become more substantial in Italy by larger size of such shocks. Second, even if the magnitude and frequency of temporary shocks are the same in Italy and Japan, different labor hoarding behaviors may also account for differences in job flows. Japanese firms, especially larger firms, tend to accumulate firm-specific skills through the intensive on-the-job-training (OJT). It will be costly for these firms to destroy jobs in response to temporary downturns because the investment in OJT has been already occurred. And, when an upturn occurs, it is costly for them to create new jobs and hire new employees because of the need to provide for additional training. The higher costs of hiring and firing at Japanese firms will tend to reduce both job creation and destruction owing to temporary economic fluctuations.

Note

- (1) All computations of gross job flows in Japan are based on the reports prepared for the two research projects conducted by the Ministry of Labour. All opinions and errors are the author's. See Genda (forthcoming) for more-detailed results concerning job creation and destruction in Japan.
- (2) Temporary workers working for less than 18 days in either of the last two months are not covered by the ETS.
- (3) See OECD (1994: 132) for details.
- (4) The definition used here is the same as the one in Blanchflower and Burgess (1996: 27).
- (5) Davis, Haltiwanger, and Schuh (1994: 191-92) give a precise definition for grasping persistency of job creation and destruction.

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The Kobe Jobs Conference

1. Outline of the Kobe Jobs Conference

The Kobe Jobs Conference was held on November 28 and 29, 1997 at Kobe City. The Conference was attended by delegations from G8 countries and European Commission including ministers responsible for employment and industry. Minister of Labour Bunmei Ibuki and Minister of International Trade and Industry Mitsuo Horiuchi chaired the conference.

The conference came about according to a proposal made by Japan at the Lille Jobs Summit held in April, 1996, which was later supported at the Lyon Summit in June the same year and at the Denver Summit in June, 1997. The communiques of these two Summits included expressions of participants that they welcomed and expected discussion at the Kobe Conference.

Furthermore, the Kobe Jobs Conference was regarded as a part of the "Initiative for a Caring World" proposed by Prime Minister Ryutaro Hashimoto.

Based on the results of the two previous Jobs Conferences, the Detroit Jobs Summit in March, 1994 and the Lille Jobs Summit, and considering tasks being undertaken by international organizations such as the OECD and the ILO, discussions were held concerning issues arising due to structural changes including global-scale competition, accelerating technological innovation and the aging of societies, while searching for future directions regarding these matters.

At the Conference, the issue of employment was approached from two sides, demand and supply, with the former including how to prepare an environment which facilitates the creation of new industries and how to generate ample high-quality employment, and with the latter including how workers can be employed in a wide scope of fields. More specifically, the following themes were taken up for discussion.

I. Promotion of Smooth Adjustment to Structural Changes

II. Realization of an "Active Working Society"

- Effective Employment Measures in Accordance with the Life Cycles

(1) Promotion of Employment of Young People who Shoulder Responsibility for the Future

(2) Promotion of Human Resource Development to Empower Workers to Sustain

Economic Activities

(3) Realization of "Active Aging"

Delegations from international organizations which handle issues of employment and unemployment, that is the OECD and the ILO, also attended the conference and exchanged opinions with participants. Moreover, as the first attempt at a Jobs Conference, delegations were invited from the ICFTU and the IOE, international organizations representing labour and management, respectively. A dialog session between them and participants was held.

2. The Proceedings of the Conference

The conference began on the morning of November 28 with an opening speech by Minister Ibuki, which was followed by the dialog session with ICFTU and IOE representatives.

In the afternoon, a message for the given conference from Prime Minister Hashimoto was given and then a session of exchanging opinions with OECD and ILO representatives took place.

Successively, discussions were held on Theme I: Promotion of smooth adjustment to structural changes, and Theme II: Realization of an "Active Working Society". The contents of the discussions are summarized below.

Theme I

The discussion focused on how to solve problems of employment through promotion of smooth adjustment to structural changes such as the advent of an age of mega-competition and the rapid aging of society. At the Lille Jobs Summit in 1996, President Chirac of France raised the issue of seeking a "third path" to accommodate reduction of both wage differentials and unemployment. As one answer to the matter derived through the discussions, the Kobe Conference concluded that attention should be paid to the demand side of labour markets and that high-quality employment opportunities be generated by the creation of new industries or other means. Practically, participating countries agreed on and reached a shared perception of three important matters: preparing an environment which promotes the creation of new industries, realizing employment and corporate systems which encourage various challenges by companies and individuals, and securing compatibility between an aging society and the maintenance of vital economic activities.

The participants had an extremely strong awareness of preparing an environment which encourages the creation of new industries, and it was revealed that governments as a whole, with their best wisdom, are making various attempts at this. As new industries can be the driving force to generate employment, the importance of preparing an economic environment which makes this possible was confirmed and stress was placed on the need to implement

policies which regard management resources such as capital, technology and human resources.

Concerning the realization of employment and corporate systems which can encourage various challenges by companies and individuals, all participating countries are well aware of rapid structural changes and it was reported that they perceive the situation as a good opportunity for companies and individuals to challenge new fields. Also, it was made clear that Japan's idea of expanding the scope of options in reforming employment and corporate systems was also common in participating countries.

Concerning compatibility between an aging society and the maintenance of economic vitality, participants confirmed among other items the importance of maintaining economic vitality by controlling increases in public expenditures such as for social security by means of reforming social security systems and by promoting the employment of older people. In particular, it was recognized that reform of social security systems helps establish sustainable social security systems and creates the firm economic basis which is required for the maintenance and creation of employment opportunities.

Theme II

Concerning the realization of an "Active Working Society," employment issues were discussed according to the life cycle of workers, namely, young, middle-aged and older brackets. The following outlines the content of discussions on the matter.

(1) Promotion of Employment of Young People who Shoulder Responsibility for the Future

The young generation has an important role in supporting the vitality of the socio-economy of the future, and therefore promoting employment of young people is an extremely important issue. With unemployment among young people currently at serious levels, discussion on how to cope with the matter continued. In particular, the importance of smooth transition from school to work was stressed and discussion continued concerning an attempt to develop ties between industries, educational and training organizations, and public employment security offices. As a practical measure, internship was introduced. Moreover, the importance of training to acquire job skills was emphasized. Also, the importance of employment generation in the fields of new industries was suggested.

(2) Promotion of Human Resource Development to Empower Workers to Sustain Economic Activities

Participants confirmed that lifelong learning is necessary to foster human resources with the expertise and professional skills to meet changes in the socio-economic structure. Among other items, participants showed interest in dealing with the human resource development from the aggressive perspective of investment, rather than in terms of social security. As specific measures, examples of educational leaves, which are regarded as investments in terms of time, the utilization of employment insurance funds as investments in terms of funding, and relevant taxation systems as incentives were explained by participants. Also, representatives of participating countries spoke about problems concerning their systems for vocational ability evaluation and the importance of improvement of them was stressed.

(3) Realization of "Active Aging"

Society is aging in almost all participating countries. Therefore, older people should be involved in productive activities according to their will and capacity in order to maintain the vitality of general economic society. Under these circumstances, discussion was held concerning policies which can promote the employment of older people. It was pointed out that various working styles should be provided according to individual capacity, and examples such as the promotion of part-time work were introduced. Moreover, the importance of utilizing the experience and capability of older workers as well as of developing their abilities such that their skills satisfy the requirements of companies was advanced. Other discussion included the importance of volunteer activities.

The active two-day discussion, as mentioned above, was summarized by the chair at the closing session. Furthermore, i) follow-up activities with the cooperation of countries in favor of this, and ii) individual action plans of each participating country with definite priority items were described in an appendix to the chair's conclusion. Thus, the firm will of the participants to implement prompt and practical action toward solving employment problems was expressed.

3. Conclusion

Recently, problems of employment and unemployment have become more serious than ever and an increasing number of discussions have been held at various international meetings including the Summit meetings. Under these general trends, the Kobe Jobs Conference was held to exchange the wisdom and experience of each Summit country with an attempt to obtain a prescription for problems in the eight countries.

As mentioned in the chair's conclusion, the results of the Kobe Jobs Conference, together with the results of the UK Conference on Growth, Employability and Inclusion which will take place in February, will be handed over for discussion by leaders at the Birmingham

Summit in May.

Statistical Aspects

Recent Labor Economy Indices

	October 1997	September 1997	Change from previous year
Labor force	6,833(10thousand)	6,832 (10thousand)	61 (10thousand)
Employed	6,597	6,596	52
Employees	5,390	5,382	61
Unemployed	236	236	9
Unemployment rate	3.5%	3.4%	0.1
Active opening rate	0.7	0.71	0.01
Total hours worked	160.6 (hours)	157.9 (hours)	0.5*
Total wages of regular employees	(¥ thousand) 289.1	(¥ thousand) 288.4	1.0*

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.
Source: Management and Coordination Agency, Ministry of Labour.

Percent of Firms Having a Hours Averaging Scheme by Type of Scheme (M.A.)

