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## General Survey

### **FY1998 Real Growth Forecast Revised Downward to Minus 1.8 Percent**

The nation's real economic growth rate in the April to June quarter dropped 0.8 percent from the previous quarter to mark a fall for the third consecutive quarter. Reflecting on this, on October 1, the Economic Planning Agency (EPA) revised the government's earlier forecast of 1.9 percent growth in real GDP during fiscal 1998 downward to minus 1.8 percent. A growth rate of minus 1.8 percent would be down 0.7 percentage points on the rate for fiscal 1997, and is the worst growth figure ever recorded. Also, it was the first since the end of World War II that a minus growth rate had been recorded for two years running.

A variety of data shows that the Japanese economy continues to be in recession. On October 1, the Bank of Japan published the results of its Short-term Economic Survey of Enterprises in Japan for September. Each quarter the survey asks Japanese enterprises to comment on their corporate results. The tabulations yielded a diffusion index, or DI, of minus 51 for major manufacturing firms, the lowest figure since February 1994. The DI is calculated by subtracting the percentage of enterprises replying that business conditions are "bad" from the percentage of those answering "good." The DI was minus 36 for non-manufacturing firms, and was the lowest since May 1994. Furthermore, the DI was negative for all 22 industrial sectors involving major enterprises, the first time since November 1989, when the current definitions of sectors began to be used. The DI for smaller enterprises was below that for larger firms. It was minus 57 for small manufacturers and minus 44 for non-manufacturing firms. These figures were the lowest since the government started compiling the statistic.

The Family Income and Expenditure Survey for July (conducted by the Management and Coordination Agency [MCA]), indicated that real consumption expenditures of families dropped a sharp 3.4 percent over the previous year before the effects of price fluctuations are considered. Such expenditures dropped another 2.4 percent in August and a further 1.5 percent in September.

The consumption expenditures per family averaged ¥330,559. Although expenditures for furniture and domestic utensils grew 9.6 percent over the year before, expenditures for others item shrank. It should be noted that educational expenses decreased sharply by 22.9%. The EPA concluded its monthly economic report for November by noting that the trends in personal spending can be attributed to "the overall drop in income, as well as to the fact that consumers are keeping a tight hold on their purse strings."

## Working Conditions and Labor Market

### Preliminary Results from the Survey of Labor Economic Trends: Severe Unemployment

In order to keep apprised of the present situation and of the future short-term prospects for production and sales activity, employment and working hours, four times a year the Ministry of Labour conducts a survey among 5,358 private firms employing 30 or more regular workers in construction, manufacturing, transportation and telecommunications, wholesale and retail trade and eating and drinking establishments and services. This year's survey was taken on August 1. Of the 5,358 firms surveyed, 3,180 (59%) responded.

The diffusion index (DI) for this survey was minus 17, up seven percentage points over the figure for the January to March quarter. The DI is used to estimate the number of regular employees in major enterprises. It is calculated by subtracting the percentage of those establishments answering that they had "excess labor" from the percentage of establishments reporting a "shortage of labor." By industry, the DI stood at minus 25 both for construction and for manufacturing, minus 13 for firms in wholesaling and in retailing trade and in eating and drinking establishments, minus one for services and plus three for transportation and telecommunications, indicating that workers were in excess rather than in short supply in all the sectors, excluding transportation and telecommunications. The tendency was more notable in construction and manufacturing. The DI for labor excess was the highest among non-skilled workers (minus 21), followed by managers (minus 18), clerical workers (minus 16) and skilled workers (minus 8). Professional and technical workers were in acutely short supply, with their DI at 19 points (up 10 points from the previous survey).

In the April to June quarter of 1998, 28 percent in all firms adjusted their employment levels, up from 25 percent in the previous January to March quarter. By industry, 36 percent of the companies in manufacturing, 25 percent of those in construction, 21 percent of those in transportation and telecommunications, and in wholesale and retail trade and in eating and drinking establishments, and 20 percent of those in services adjusted their employment levels. Compared with the previous quarter, the figures were up six points from 15 percent in transportation and telecommunications, and five points from 31 percent in manufacturing.

The largest number of firms (16%) adjusted their employment levels by limiting overtime. Nine percent did so by redeploying workers to other workplaces. Seven percent cut back on hiring mid-career workers and six percent temporarily transferred their workers to subsidiaries and other related companies. Very few used short-term layoffs and solicited

voluntary retirement (1%) or dismissals (2%). This means that even in a severe recession, the majority of Japanese companies do not rely on drastic short-term measures, such as layoffs or dismissal, to adjust their employment levels.

The survey also found that the index of expected production and sales profits for the October to December quarter (a figure obtained by subtracting the decrease from the increase) was minus eight for manufacturing, minus seven for wholesale and for retail trade and for eating and drinking establishments, and minus 10 for services. These findings suggest corporate management does not expect an immediate upturn in their profits. About 33 percent of all enterprises predicted that the number of workers will decrease during the coming year. Accordingly, the prospects for employment are extremely dim.

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### **The 1997 Basic Survey of the Employment Structure**

The Management and Coordination Agency (MCA) released the results of its Basic Survey of the Employment Structure for 1997. Carried out on October 1, 1997, the survey asked about 1.1 million men and women aged 15 or older a variety of questions about employment and the prospect of finding work. It threw light on how the labor market had changed amidst the prolonged recession. The previous survey was conducted in 1992. Estimates for the entire population were made based on the survey findings.

The number of workers had increased to 67.003 million in 1997 (up from 65.756 million in 1992), but the number of self-employed and family workers had decreased by 1.171 million during the same five-year period. The ratio of the self-employed to workers was 11.8 percent in 1997, down one percentage point from 1992. Employees numbered about 54.997 million, a rise of 2.422 million from 52.575 million in 1992. Of the 54.997 million employees, regular officers and employees accounted for 70.1 percent; part-timers for 12.7 percent; temporary workers and other part-time workers for 7.8 percent, and dispatched workers for 0.5 percent.

Compared with the 1992 survey, the number of part-time workers and temporary workers increased sharply by 1.031 million and 916,000, respectively. The number of regular employees grew by 480,000. However, the number of regular female employees decreased by 207,000, while the number of part-time female employees increased by 923,000. Furthermore, the number of female dispatched workers grew by 90,000, reaching 204,000, almost twice the 1992 figure.

The survey also asked about employment the year before. Those who had switched jobs,

had during the year numbered 2.911 million, a drop of 75,000 from the 1992 survey. Those who were jobless at the time of the survey, but had been working a year before numbered 3.379 million, an increase of 759,000 from the 1992 figure. Of the 6.29 million who had quit a job they held the year before, 46.3 percent had changed jobs, down seven percentage points from the figure for 1992.

Approximately 39.65 million were not working at the time the survey was conducted. Among them 11,333 million (28.6%) wanted to work. In 1992, 25.7 percent of those not working wanted to work. The percentage of men wanting to work was up 6.1 percentage points. Furthermore, as for job hunting, 24.5 percent of those not working had been seeking work for more than a year; 38.4 percent had been seeking work for less than three months. Compared with the previous survey, those who were job-hunting for more than a year had risen by 5.7 percentage points and those who were doing so for less than three months had fallen by six percentage points. The results confirmed that the employment situation had deteriorated.

## Labor-Management Relations

### **Zensen-Domei Draws Up Guidelines for Preventing Sexual Harassment**

When the revised Equal Employment Opportunity Law (EEOL) comes into effect in April 1999, employers will be obligated to take adequate steps to prevent sexual harassment. Zensen-Domei (ZENSEN), a union in the textiles, distribution, food and beverages industries, accepted guidelines for sexual harassment at its October 1998 annual meeting. While ZENSEN recognizes the enterprise's responsibility to take appropriate action to deal with sexual harassment, from the standpoint of union, it sees a role for unions to be involved. The guidelines commit it and its affiliated unions to take a stand on such harassment. This is the first time that an industrial union takes action to deal with sexual harassment.

ZENSEN will actively hold seminars to prevent sexual harassment from occurring, and will make its position fully known to its members. It will also establish a telephone counseling service and a complaints-handling system. Moreover, it will draft manuals and materials to be used for consciousness raising activities and for consulting. In addition, in response to revisions to the EEOL, the union will clarify its policy concerning the prevention of sexual harassment and will study its contents to work together with management.

ZENSEN will stress the importance of having its affiliates engaged in consciousness raising, to prevent the occurrence of sexual harassment, counseling and a proper response to

complaints. As part of its efforts in this regard, ZENSEN sent questionnaires to its affiliated unions in 1997 and received replies from about 5,300 members. It plans to hold seminars for union officers and members, to administer questionnaires in the workplace and to publish papers and brochures concerning sexual harassment. Also, ZENSEN's policy is for its members to actively tackle the issue by establishing a position specifically for dealing with complaints, to solve problems arising from harassment, and to put in place a labor-management committee for dealing with complaints on sexual harassment.

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## **The Increasing Number of Unified Industrial Labor Organizations**

### **- Ongoing Unification to Strengthen the Organizational Base of the Union Movement -**

More intensive efforts are being made to unify and realign industrial labor unions. The nation's labor union organizations are three-layered - consisting of the independent unions at the lowest level (enterprise unions are the mainstream), industry-level organizations and national centers. The enterprise union remains the basic unit for organization. There are more than 100 industry-level labor organizations, but only five have over 500,000 members. Many of these organizations do not satisfactorily function as industry-level bodies. They are unable to adequately survey their members, to formulate industrial policy or to unionize the labor force. Many are understaffed and inadequately financed.

Following the end of World War II there was a long period when four national centers competed. They were particularly divided ideologically and in terms of their support for political parties. One result was the creation of competing organizations within the same industry. However, with the formation of Rengo (Japanese Trade Union Confederation) in 1989, a move was made to unify and to realign union organizations at the industry level under the umbrella of one national center. Furthermore, transformation of industrial structure has in recent years rapidly altered the way industries are categorized. Kiyoshi Sasamori, Rengo's general secretary, says that he wishes to have the 76 Rengo-affiliated labor organizations at the industry level merged into about 20 in the years to come.

In 1996 Zenka-domei (Japanese Federation of Chemical and General Trade Unions) and Ippan-domei (National Federation of General Workers' Unions) were merged into a new body called CSG-rengo (CSG represents the initials of chemistry, services and general). The grand unification of two entities (each with more than 100,000 members) attracted much attention in labor circles. In September 1999, two other industry-level organizations in metals and machinery will merge. The new body will represent a membership of more than 500,000

unionists and become the nation's sixth-largest industrial organization.

Zensen-domei (ZENSEN), includes workers in the distribution sector in supermarkets, for example, plans to unify with Shogyo-roren (Japanese Federation of Commercial Workers' Unions), which has organized department stores, with CSG-rengo and with food-industry unions.

Advanced industrial countries have, with a few exceptions, experienced a continuous decline in the unionization rate. Labor unions thus face a deteriorating financial situation and diminished influence. To pave the way for this dire situation, European countries and the United States are pushing ahead with the unification of industrial labor organizations. In the United States, the United Steelworkers of America (USWA), the International Association of Machinists and Aerospace Workers (IAM) and the United Auto Workers (UAW) will join together in 2000 to create a large organization with two million members. Deutscher Gewerkschaftsbund Bundesvorstand (DGB) in Germany merged its affiliated industrial entities into 13 bodies in 1997. In February 1998, labor unions in the service industry agreed to merge in 2000. If that merger eventuates, the new body will be the largest industrial union in the Western world with about 2.7 million members.

According to Ministry of Labour statistics, Japan's unionization rate dropped to 22.6 percent as of June 1997. The inability of Japan's unions to cope properly with changes in the employment structure is seen as being one source of the problem. The decrease in the number of regular employees brought on by restructuring and the rapid increase in part-timers are seen as two outcomes of restructuring. Unionizing non-regular employees in enterprise labor union organizations is difficult, and strengthened industrial organizations are called for. It is inevitable that the labor movement will move to unify its membership and realign its overall approach to union organization.

## Special Topic

### **The Public Insurance System for Long-Term Care and the Development of a Workforce to Supply its Services**

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Keio University



## 1.0 Introduction

The Japanese government is about to introduce the Public Insurance System for Long-Term Care. Under this system, people with income who are aged 40 or older are required to pay insurance premiums for long-term care. As participants in the system they are eligible to receive benefits to assist with long-term care. The benefits will depend on their needs. Insurers are supposed to be local governments (cities), and care service is to be supplied by local governments and by private care providers (including profit corporations).

There are two major reasons for the introduction of the Public Insurance System for Long-Term Care. First, the risk of having to provide long-term care for someone is increasing for everyone in Japan as society ages. One aim of the new system is to provide comprehensive care service to all the people who need long-term care. Because the introduction of the Public Insurance System for Long-Term Care is expected to expand the supply of professional care providers, it should reduce the burden currently being placed on family members who are responsible for looking after those who need long-term care at home. The other reason is to reduce the number of "socially hospitalized" older people by transferring them from hospitals to care institutions or to their own homes. Under the Public Medical Insurance System in the past, many older people who need long-term care have been taken care of by hospitals that need to concentrate on providing intensive medical services rather than long-term care.

The current welfare scheme that provides long-term care services for older people has operated with a built-in means test. Because the present scheme is conceived as part of the welfare system that is financed by a general budget, the idea of a means test is necessary to its operation. One result is that only older people with a low level of income who are basically without close family members are eligible to receive benefits. Moreover, the current welfare system allows only local governments and non-profit social welfare organizations to provide the services. Therefore, the number of beneficiaries and the amount of services provided for each beneficiary have been limited.

The new Public Insurance System for Long-Term Care has been created as a universal system. All insured people who need long-term care are eligible to receive benefits regardless of their income or family situation. The amount of service provided will depend solely on an assessment of the level of need. The provision of services will no longer be the preserve of local governments and non-profit social welfare organizations. Under the new legislation other types of non-profit organizations, medical institutions and private profit-oriented corporations will also be allowed to provide care services as long as they are designated as qualified providers. This de-regulation of the provision of care services will immensely increase the number of older people who can enjoy the benefits of long-term care and the



amount of services they can receive.

The problem is that the current capacity to supply long-term care is not sufficient for the future. In this sense, the real feasibility of the Public Insurance System for Long-Term Care have not yet been adequately assessed, though there does seem to be a consensus that some sort of system along those lines is needed.

The feasibility of the Public Insurance System for Long-Term Care will basically depend on the amount of long-term care that can reasonably be provided. And the amount of long-term care service that can be provided will in turn be determined by the number of people who can be hired to provide the service. A key question concerns the workforce that can be employed to give long-term care. This paper will consider the basic dimensions of such a workforce. It will comment on the ability of the labor market to allocate a workforce to the care service industry. It is hoped that such a discussion will assist in assessing the feasibility of the Public Insurance System for Long-Term Care.

## **2.0 The Workforce Needed to Supply Long-Term Care for the Indigent in Japan**

Older people needing long-term care require many kinds of services. The most important function of the Public Insurance System for Long-Term Care is the coordination of such services. The workforce necessary to supply these services would include:

- (1) care workers
- (2) care managers
- (3) nurses and
- (4) medical doctors.

The supply of medical doctors and nurses is to some extent assured. Because of past "shortages" in medical doctors and nurses, the capacity to educate and train such professionals has been expanded over the past few decades and there will likely be an over-supply of people in these occupations. However, labor shortages will be much more seriously felt in terms of care workers and care managers. Trained professionals are needed in these areas to play major roles in providing long-term care for the elderly, and moves are now being made to develop the necessary formal education and training programs to supply such people.

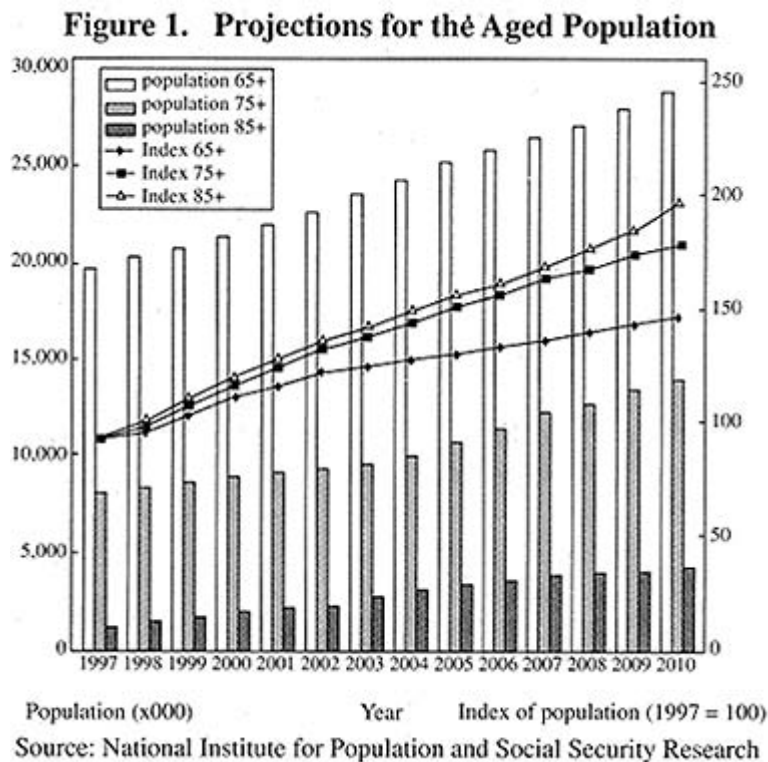
Care workers may be divided into two categories. One group provides home-based care services. The other group works within care institutions. The home-based care worker is to play a key role in the new system. A supply of these care workers is essential for the new

system to work.

Care managers will perform a very wide range of tasks, including assessing, planning, monitoring and reviewing each case under their care. Care managers would write care plans to meet the needs of each beneficiary. Beneficiaries usually need a variety of services, and care managers would coordinate those services. The care manager's role will in many ways determine how efficient the new system becomes.

The demand for workers in this area will ultimately depend on two factors. One is the number of people who will need long-term care; the other is the extent to which the Public Insurance System for Long-Term Care will allow the elderly to consume such services.

In general, the proportion of people needing long-term care will increase as the population ages. Figure 1 gives projections for the aged population in Japan to 2010 as estimated by the National Institute for Population and Social Security Research in 1997. As seen in the figure, the proportion of the population aged over 65 will continue to increase. Particularly noticeable is the rapid increase in the population aged over 75 and that aged over 85. It is very clear that the population likely to need long-term care will increase in the first decade of the 21st century.

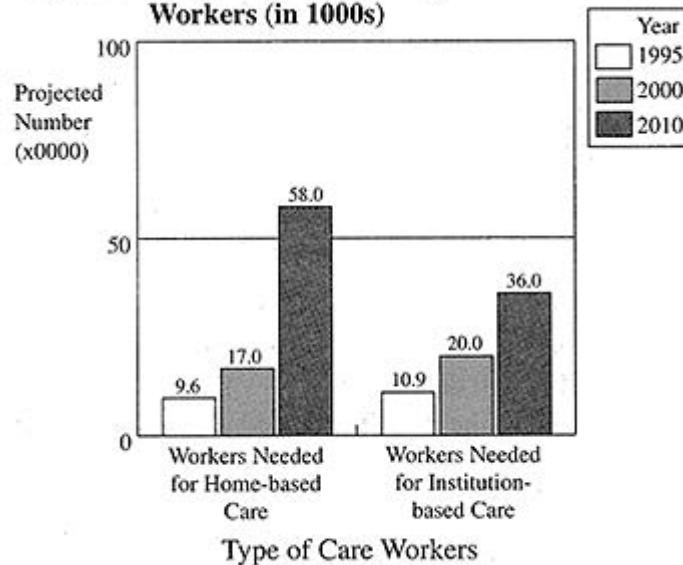


On the other side of the equation is the extent to which the aged will be allowed to enjoy such welfare services. This will depend upon how the system works. If those running the new insurance system assess each need of each applicant relatively strictly, the amount of services provided will not increase immensely. However, if assessors assess needs more generously, the amount of services provided will expand substantially. Accordingly, projections of the demand for care workers must be based on some assumptions about the services that the Public Insurance System for Long-Term Care will allow beneficiaries to consume.

The Ministry of Health and Welfare worked with several assumptions in making its projections for the number of care workers to be required in 2010. First, it has assumed that the amount of benefits paid by the system will total 6,070 billion yen, and that beneficiaries will consume another 840 billion yen of services at their own expense. The monthly premium of participants is assumed to be 3,600 yen. The estimates call for 60 percent of the benefits paid to be for home-based care.

Figure 2 shows the current numbers and the number needed by types of workers for the Public Long-Term Care Insurance System by the Ministry of Health and Welfare given the above assumptions. The current number of care managers is not yet available because the first cohort of certificated care managers is still in training. The figures for 1995 are the actual numbers and those for 2000 and 2010 are projected numbers. Figure 2 shows that 580,000 care workers will be needed for home-based care and 360,000 care workers for institution-based care in 2010. Since the number of care workers for home-based care and for institution-based care will be about 170,000 and 200,000, respectively, when the system is launched, a substantial number of care workers will need to be trained during the coming decade. In particular, the number of home-based care workers needs to be increased about three times (by more than 400,000 workers) during the next decade.

**Figure 2. Projection of Necessary Number of Care Workers (in 1000s)**



Source: Ministry of Health and Welfare

### 3.0 The Cost of Providing Care Workers

It will be impossible to employ a sufficient workforce immediately. This is particularly true in terms of the skilled workers who will provide the specialist services. Such workers require a longer period of training at a high cost. For example, medical doctors must attend medical school for at least six years before being able to practice.

In this sense, an appreciation of the skill requirements for each kind of long-term care service is important when trying to forecast the likely supply of skilled workers to this labor market. The time lag before each of the specific labor markets can be fully supplied will depend on the skill requirements for each type of care service.

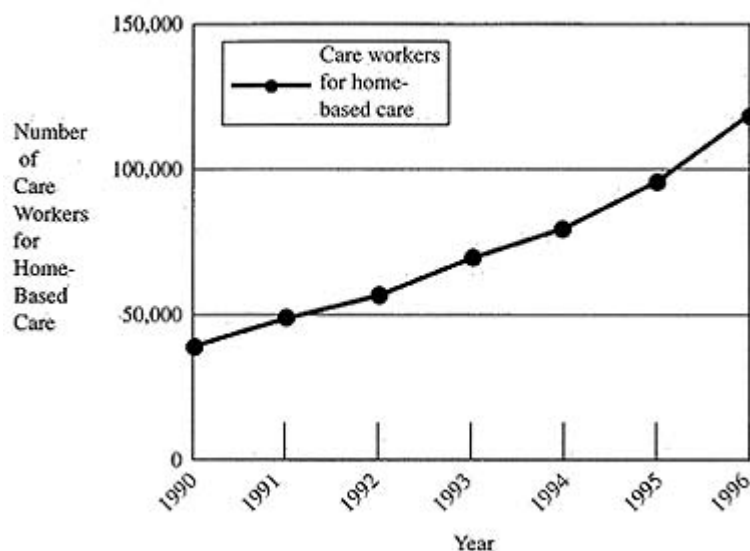
If individuals are to invest their time and resources in acquiring the skills required in the human care industry, they will have to be adequately compensated. The difficulty of obtaining a sufficient workforce will therefore depend on the balance between the time and money required to train people in the provision of each kind of care service and the remuneration they are likely to receive.

Care workers whose skills will be relatively basic and easy to perform can be employed in relatively large numbers at fairly low wages without a long lag time. Workers to provide this kind of service can be recruited from other sectors of the economy relatively easily, and they will easily move from one employer to another who might offer better working conditions. This type of care worker will be more susceptible to demand and supply conditions (including the going wage rates) in the labor market.

Care workers whose jobs require longer training at greater cost cannot be recruited without paying the higher wages that will allow them to recover the income lost or foregone as a result of their training. However, once into their professions, these people will tend to stay in their profession because they have invested so much in terms of their own human capital and do not wish to lose that investment. They are less likely, therefore, to move to another business and their wages may not increase easily even though the labor market as a whole may be tightening.

Figure 3 shows the recent trend in the number of care workers for home-based care that would require relatively basic skills. This type of worker will be most important for the new system. Since 1990, the number has increased from about 40,000 to about 120,000. The increase has been about 10,000-20,000 new workers each year. Though this seems to be a relatively good flow into the labor force, it reflects the general slackness in the labor market following the years of the bubble economy. One cannot be too optimistic that the trends of the 1990s will continue into the future. If the total number in the labor force declines as expected over the coming decades because of the sharp decline in the size of the youth population, it may become considerably more difficult to recruit care workers in the years to come. There should be effective policies to ensure that there will be a sufficient supply of care workers. As the labor market tightens, it will be increasingly impossible to obtain sufficient numbers of care workers without markedly improving working conditions in that sector.

**Figure 3. Recent Trends in the Number of Care Workers for Home-Based Care**



#### 4.0 The Allocation of Labor

Of course, care workers in the labor market will not be the only providers of long-term

care. To some extent family members can also provide care services. Historically the family has been the most important carer for older people in Japan.

The involvement of family members has in the past been reinforced by the absence of a publicly financed long-term care. Previously only a limited range of care services has been available outside of the home. Traditionally, therefore, family members have had to provide care for older people who are usually their parents or parents-in-law. In some cases, the elderly have preferred to be cared for by the family even where outside help was available. Where family members are willing and able to provide such care, the family will be the main ongoing provider.

The supply of long-term care by the family can be expensive from both the individual and the social points of view. This is because the productivity in providing care services is lower for family members than it is for professional care workers. The opportunity cost for many family members is that they have to give up outside work from which they can earn wages. This opportunity cost is particularly great for family carers who have accumulated their own professional skills. Apart from the lost income, their skills can "become rusty," thereby putting them in the margins of their own profession. If family members are working in the labor market instead of taking care of the elderly at home, the government will collect the insurance premiums along with any additional taxes that might be levied in order to further support the system.

Volunteer workers may also be able to provide long-term care, and many volunteer organizations have begun to provide such services already. This is generally acceptable as long as the voluntary activity benefits both the provider of service (the volunteer workers) and the receiver of service (the elderly who are taken care of). However, as in the case of family members providing care, the use of volunteer organizations may also have a cost to society because it too involves opportunity costs.

Volunteer workers also tend to be less dependable than the professionals in the labor market. The provision of services by volunteer workers is wholly dependent on the goodwill of the provider. This means that there isn't a real choice for the consumers. In other words, improvement in the quality of services offered is unlikely to be achieved by market competition.

## **5.0 The Labor Market as a Key Factor**

Although family workers and volunteers are major contributors to the long-term care of the elderly, the labor market is the only reliable source of labor in terms of long-term care.

Because there is a general difficulty in persuading people to work in the long-term care service industry, the only solution in the labor market is to offer the right economic incentives. Higher wages may have to be offered to attract people into the sector. It is not possible or fair to regard any kind of workforce as being in short supply until a wage increase has been considered and implemented (i.e., market value of that labor has been increased).

A clear example of this basic principle is the so-called "shortage of nurses problem," which arose a few years ago. At that time, the management at many hospitals and many doctors in private clinics complained that there was a shortage of nurses. They demanded that the government increase training facilities for nurses or even allow foreign nurses from developing countries to work in Japan to reduce the shortage. However, there was no evidence that any increase had occurred in the wages of nurses over and above the average wage increase observed across the total workforce. This meant in effect that the "shortage of nurses problem" was not a problem of serious long-term shortages at all, but a mere reflection of the fact that without an increase in the level of wages for nurses, an insufficient number of people would want to become nurses.

The "mobilization" or "allotment" of the workforce is not allowed in the market economy. Workers cannot be commanded by some authority to work at specific tasks. Given that Japan operates through a market economy, care workers can only be obtained through labor market mechanisms. Accordingly, the Public Insurance System for Long-Term Care will not be able to achieve its purpose without giving serious thought to the conditions that prevail in the labor market.

In addition to the workforce, equipment is the other important source in providing care services. Some equipment has already been introduced into the support care industry, and an increase in the demand for such equipment may induce manufacturers to invest in R & D in order to improve the relevant technologies and their application to the design and production of new products.

The labor market mechanism that would increase the wages of care workers in short supply is very important, and those planning for the industry must have a good understanding of how that machinery works. If care service providers introduced more machinery, the incentive for manufacturers to invest in R & D would increase. Because Japanese society will probably experience an overall labor shortage in the years to come, it is important to plan to maximize the use of machines where machines would suffice and to use people for services that only human beings can provide. This would apply across a whole range of businesses, and does not apply just to the long-term care industry.

## 6.0 Conclusions

The success or failure of the Public Insurance System for Long-Term Care will certainly depend on the workforce that can be attracted to the sector. The present number of care workers is far from the necessary level that the new system will require in the future. To cope with labor shortages in this sector, adequate economic incentives must be put in place. The improvement of working conditions for care workers could be the most effective and important measure to secure the necessary labor force in a tightening labor market, and with a sharp decline in the youth population.

Family members and volunteer workers will remain important in the provision of care. However, it should not be forgotten that such individuals and society as a whole will have to pay an opportunity cost for such contributions. The most basic and dependable workforce supplying that care will be paid professionals recruited only in the labor market.

Improved working conditions for care workers, particularly increases to their wages, will provide good incentives not only for workers but also for care service providers who must work to save on labor by increasing the use of equipment. There is ample leeway for equipment to be used in the care of the elderly, and more R & D will be necessary to further expand the use of such equipment. It is very important for us to concentrate the use of workers in those jobs that only humans are able to perform as we are now in an era when the total workforce will be declining.

## JIL News and Information

### **INTERNATIONAL INDUSTRIAL RELATIONS ASSOCIATION**

#### **IIRA - 12th World Congress**

**Global Integration and Challenges for Industrial Relations and Human Resources**

**Management in the 21st Century**

**May 29 - June 2, 2000**

**Tokyo, Japan**

At the IIRA's 11th World Congress held in Bologna from September 22 to September 26, 1998, Prof. Tadashi Hanami, Research Director General of the Japan Institute of Labour (JIL) was elected to the President of the IIRA.

The institute is pleased to announce that the IIRA's 12th World Congress will be held in



Tokyo from May 29 to June 2, 2000, under his presidency.

Since the end of the Cold War, the speed of globalization has increased. Information technology, as epitomized by the spread of the Internet, is advancing steadily. The result is an increasingly integrated and unified world. Against this backdrop, industrial relations and employment are facing a number of new challenges around the world.

The overall theme for the congress is "Global Integration and Challenges for Industrial Relations and Human Resource Management in the 21st Century." The congress will be organized around five subthemes or tracks. The congress will provide everyone with a wonderful opportunity to discuss in a friendly atmosphere various issues concerning industrial relations in the 21st century. The institute is most honored to be able to host this occasion in close collaboration with the officers, Secretariat, council and the executive committee of the IIRA.

#### World Congress General Theme

### **Global Integration and Challenges for Industrial Relations and Human Resource Management in the 21st Century**

As we approach the 21st century, many developments have taken place, which directly or indirectly influenced industrial relations. Most important are the various ways in which the world is being integrated. The end of the Cold War, market expansion, the development of information technologies, such as the Internet, and the movement of capital and workers across borders contribute to integration. Attention will be focused on how each country is adapting to these changes while maintaining its own approach to industrial and employment relations.

Another noteworthy development is the economic change occurring in emerging and developing Asian countries. In many respects, Asia is becoming a center in which many changes originate and influence other parts of the world. However, economic difficulties in many Asian countries in the late 1990s show that the region may be in for a period of turbulence. Few countries are immune from the implications of such developments. These may influence not only each country's industrial structure, but also its employment and industrial relations. The trend toward greater globalization will create pressures for change in the status quo and may require new theoretical approaches for analyzing work relations in the future. Industrial and employment relations are about to enter a new era in which a number of challenges will emerge.

### Themes of the Tracks

Track 1. Exploring Trends in Employment Relations and New Approaches to Work in the 21st Century

Track 2. The Impact of Globalization on National and Regional Systems of Industrial Relations and Employment Relations

Track 3. Changing Patterns of Employee and Union Participation: Toward New Systems of Industrial Relations?

Track 4. The Search for Flexibility, Fairness and Prosperity: Alternative Employment Policies in the 21st Century

Track 5. Asia in the 21st Century: Challenges and Opportunities in Work and Labor

### Call for Papers

Those who are interested in contributing a paper for one of the above tracks are invited to submit a one-page abstract (an English text will be appreciated) to the Secretariat no later than January 31, 1999, for consideration. Authors selected to present to the congress will be notified early in 1999. The deadline for the full text of papers to be presented at the congress will be around October 1999.

### Communication Papers

Communication papers are invited on topics that do not fall directly within any of the tracks, or from people we are unable to include as formal congress presenters.

Authors should submit a one-page abstract of less than 500 words with the author's name, affiliation, address, phone and fax numbers, and e-mail address by September 30, 1999 to the congress Secretariat for consideration. Besides, a diskette with files in text-style format should be submitted. E-mail attachment is also acceptable.

The abstracts for communication papers, as well as the address of each author, will be published in the congress proceedings. Full papers can be circulated at the author's own expense.

### IIRA 12th World Congress Information

Dates: Monday, May 29 - Friday, June 2, 2000

Location: Shinjuku, Tokyo

Organizers: IIRA 12th World Congress Organizing Committee The Japan Industrial Relations Research Association The Japan Institute of Labour

Secretariat: IIRA 12th World Congress Secretariat c/o The Japan Institute of Labour  
8-23, Kamishakujii 4-chome, Nerima-ku, Tokyo 177-8502, Japan Tel:  
81-3-5991-5195 Fax: 81-3-3594-1115

E-mail address: [iira12th@jil.go.jp](mailto:iira12th@jil.go.jp)

Official Languages: English, Spanish and Japanese

## Statistical Aspects

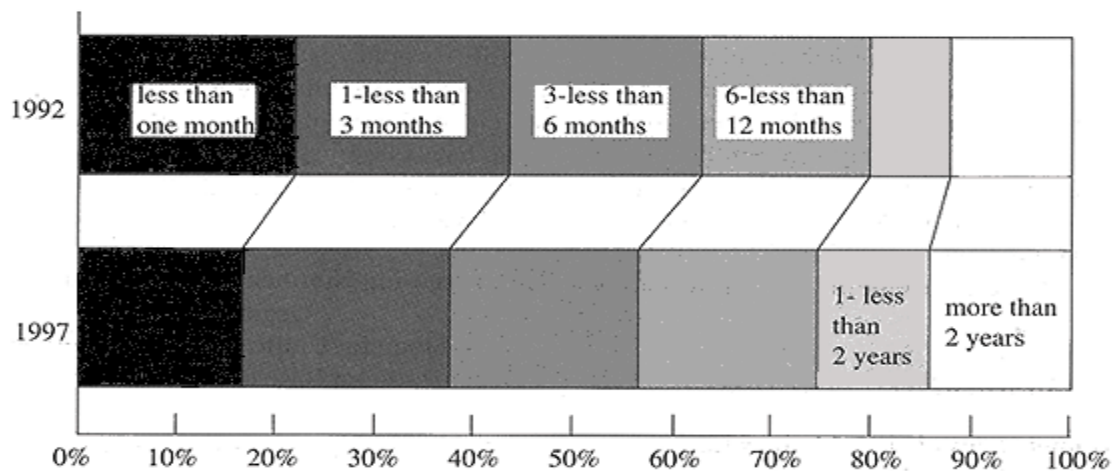
### Recent Labor Economy Indices

	September 1998	August 1998	Change from previous year
Labor force	6,821 (10 thousand)	6,842 (10 thousand)	11 (10 thousand)
Employed	6,526	6,546	70
Employees	5,347	5,359	35
Unemployed	295	297	59
Unemployment rate	4.3%	4.3%	0.8
Active opening rate	0.51	0.49	0.24
Total hours worked	155.1 (hours)	149.3 (hours)	1.8
Total wages of regular employees	(¥thousand) 269.2	(¥thousand) 268.7	0.1

Note: \*denotes annual percent change.

Source: Management and Coordination Agency, Ministry of Labour.

### Proportion of Job Applicants During the Job-Search Period (1992 and 1997)



Source: Basic Survey of the Employment Structure