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Working Conditions and the Labor Market

Rate of Promised Employment for High-School Students at Lowest Levels in 20 Years

The unemployment rate in November 1998 reached a record high of 4.4 percent, reported the Management and Coordination Agency. In this regard, the percentage of high-school graduates in March 1999 who were promised employment stood at 62.7 percent, the lowest level since the second oil crisis in 1978 when the figure fell to 59.5 percent, according to a Ministry of Education survey.

In Japan, high-school students find employment under the system in which jobs are made known to individual high schools via public employment security offices (PESO). Those responsible for giving students vocational guidance at each school then help students select the most appropriate jobs. Every year, the Ministry of Education conducts a survey to find out how many high-school students have been promised employment upon graduation. About 690,000 high-school students graduated in March 1999. Twenty percent (139,000) wanted to find work. Of those 139,000 students, 62.7 percent have been promised employment by October 1998.

This was seven percentage points below the figure reported the previous year. By gender, 65.4 percent of the male students had been promised jobs (down 6.2 percentage points), while 59.7 percent of the female students had received such an offer (down 7.8 percentage points over the previous year). Graduating high-school students who had not found work numbered 55,000 for males and 56,000 for females.

By region, Okinawa Prefecture registered the lowest rate promised employment for new graduates (29.3%), followed by Hokkaido (35.3%), Miyagi Prefecture (43.6%) and Aomori Prefecture (46.1%). Shiga Prefecture registers the highest employment rate (83.4%), followed by Mie, Aichi and Gifu prefectures, which all had rates over 80 percent. By study stream, the rate was highest for those in professional courses, 74.9 percent for those in industrial courses, 64.3 percent for those in the commercial courses and 60.9 percent for those in agricultural courses. The figure was 55.7 percent for those in the general course.

The recession resulted in fewer jobs being available. This was especially true in terms of clerical jobs for female high-school students. The Ministry of Education plans to send the results of its survey to employers' associations and prefectural boards of education, and to ask them to assist in locating job opening for graduates.

The percentage of high school students who were promised employment upon graduation

in the preceding year was 69.7 percent but had risen to 82.5 percent by December 31, 1997, and was 92.9 percent on March 31, 1998. The rate for last year's graduates was the lowest since 1985. The rate was the highest at 98.3 percent in 1990, and then gradually began to decline from 1991 when the bubble economy burst.

Human Resources Management

Toyota to Reduce Production Capacity through Employment Maintenance

Toyota Motor Corp. plans to phase in reductions to the group's domestic production capacity of 3.8 million units per year over a three-year period starting in 1999. The company produced 4.21 million units in 1990 when production peaked. Production dropped below four million units in 1992; it fell below 3.5 million in 1997 and then 3.2 million in 1998. Toyota had so far continued to expand its domestic production capacity. However, less ebullient domestic sales and a shift to overseas production make it unlikely that the company will further expand domestic production in the near future.

The company plans to integrate and reduce some production lines, and it will conduct a careful review of models to be produced at domestic plants. It will consider the introduction of several models that can be produced on the same assembly line when it plans new models. The company will shut down plants and cut back on production lines with outmoded or run-down production facilities.

Referring to Toyota's reduced production capacity, President Hiroshi Okuda clearly stated that while aiming for the global standard of management, the company would maintain its current staffing levels. He says that production of 3 million to 3.5 million units per year will enable Toyota to retain its present staff. Okuda criticized Moody's Investors Service, which downgraded securities issued or guaranteed by the Japanese government and cited Toyota's lifelong employment as one reason for its move. On the other hand, Okuda told Toyota's labor unions that Toyota needed to overhaul its working conditions, including its pay scales, to curb total labor costs. Many observers will be waiting to see if Toyota can come up with a plan to simultaneously achieve high levels of employment maintenance and reduce labor costs in this year's *Shunto* wage talks.

Commenting on Japan's firm groupings, which had developed out of the interpersonal networks that have emerged from transactions among companies, Okuda said Toyota plans to develop a new system that sees related enterprises drawn together by the force of capitalism.

Labor-Management Relations

Estimated Unionization Rate Down to 22.4 Percent – Preliminary Report of the 1998 Basic Survey on Trade Unions

Japan's Ministry of Labour conducts a survey of all Japanese trade unions in order to obtain a clear picture of labor unions in terms of their distribution by industry, company size and affiliation. The results of the survey carried out on June 30, 1998, are outlined below.

First, there were 12.093 million union members in 1998, a decrease of 192,000 from 1997 (down 1.6% over the year). This is the fourth consecutive yearly decrease. Second, the estimated unionization rate stood at 22.4 percent, down from 22.6 percent in 1997, thereby continuing a long-term decline. Third, by industry, union membership increased in the construction sector, leveled-off in the services sector and decreased in manufacturing, finance, insurance and real estate, and transportation and telecommunications. The number of union members declined in firms of all sizes, but especially in companies with 99 or fewer employees. Fourth, the unionization rate and union membership of part-timers have increased. There are 240,000 unionized part-timers, accounting for two percent of the total union membership. Fifth, each national center experienced a drop in its affiliated membership: Rengo (Japanese Trade Union Confederation) had 7.476 million members, Zenroren (National Confederation of Trade Unions) had 837,000 members, and Zenrokyo (National Trade Union Council) had 270,000 members.

While the unionization rate and union membership have declined, with the development of info-communications technologies, some unions have organized a "cyber-union" in which workers can be unionized on the Internet. Zenkoku-ippan (National Union of General Workers) under the umbrella of Rengo launched a cyber-union on December 15, 1998. By January 25, 1999, 4,399 people had accessed its home page and about 100 people had become members of this cyber-union. In April 1997, Zenkoku-ippan established the *otasukenetto* (a help network) to provide labor counseling services on the Internet. According to a questionnaire administered in April 1998 to those who accessed the *otasukenetto*, many replied that labor unions need to be active on the Internet. The cyber-union was inaugurated to meet this need. By December 1998, 6,449 workers accessed the *otasukenetto* on a monthly basis.

Although the unionization rate has been steadily falling since the mid-1970s, unionization of part-time workers and the use of the Internet have caused observers to speculate as to whether such developments may work to stop further declines in the unionization rate.

Public Policy

Study and Training Benefits System Launched

In December 1998, the Ministry of Labour introduced a system to subsidize the education and training of working people in order to actively develop their skills and to encourage employment stability and re-employment. Under this system those covered by employment insurance - (employees on payrolls) or the ex-insured person (the separated worker) - who take and finish an education and training program designated by the Ministry of Labour are reimbursed by the ministry's PESO for up to 80 percent of the expenses paid to education and training facilities.

The specific procedures for using the scheme are as follows. First, to qualify one of two conditions must be met and a training program designated by the ministry must be completed. Applicants must either (1) have been covered by employment insurance for more than five years, or (2) be a separated worker who has been insured for more than five years and has started an appropriate training program within a year from the day he or she left work.

Many training courses are designated under the scheme to help working people update their vocational skills. They include courses for information-processing engineers, accountants, social insurance and labor consultants, and for a range of white-collar and professional careers. Those who have undergone training are reimbursed up to 80 percent of fees charged by a training facility, to a maximum of ¥200,000.

Japan provides a number of support schemes for companies that implement education and training programs, but there are few that provide support directly to the individual. One exception is a scheme for granting subsidies to middle-aged and older people for such training. The scheme was limited to those aged 40 or over and required a certificate from previous employers. It was thus cumbersome for individuals to use. The new scheme is considerably better than the old subsidy program.

Wage Freeze and Job Cuts in the Public Sector

With the economy currently in recession, local governments (including the Tokyo Metropolitan Government, the Kanagawa Prefectural Government and the Osaka Prefectural Government) are being financially pressed due to the reduction in their tax revenues. To cope with the situation, the Tokyo Metropolitan Government has decided to freeze wages for one year retrospectively from April 1998.

Labor unions consented to the decision and called off a two-hour strike scheduled on the morning of December 17, 1998. Accordingly, an earlier recommendation by the Metropolitan Government Personnel Commission in October 1998 to grant an average 0.79 percent (or ¥3,488) pay raise to employees will not be implemented. Already, the Kanagawa, Okayama and Saitama prefectural governments have decided to freeze pay for their employees for three to nine months. The Aichi Prefectural Government has proposed a one-year wage freeze and negotiations are now occurring between labor and management.

The 0.79 percent pay raise proposed by the Metropolitan Government Personnel Commission is the lowest ever made, the previous low being 0.92 percent in 1994. Tokyo expects a deficit of ¥440 billion in 1998 and an even larger deficit in 1999. Moreover the government needed to take steps to implement the recommendation of the National Personnel Authority, which was not covered by the initial budget for 1998. By freezing wages for its remaining employees after 4,000 employees retire at the end of the current fiscal year, the government can save about ¥14.5 billion.

The Tokyo government is simultaneously pushing ahead with a plan to abolish 8,000 jobs between 1996 and 2000, and it will raise the number of jobs to be slashed to 10,000. Many jobs in the Bureau of Social Welfare will be transferred during the next year to the newly established Tokyo Metropolitan Social Welfare Project Foundation. Fewer new teachers will be hired at public schools, reflecting a decrease in the number of students.

On April 1, 1998, there were about 3.249 million local public employees, a drop of 0.5 percent (17,500 employees over the year before), according to the Ministry of Home Affairs. The decrease is the largest ever, far exceeding the drop of 7,363 recorded in 1997. Presently, the number of local public employees is 30,000 above the 1988 figure, when the number was the lowest since 1982. The ministry has indicated there is a need for further job cuts. The decline in the number of public employees in local government is attributed to on-going personnel cuts in local governments, and in particular reflects a decrease of 13,400 schoolteachers due to the decreasing number of students in the population. In addition, 5,700 clerical jobs have been cut as a result of administrative reform and related measures. Welfare, fire fighting and policing were trimmed of around 1,000 positions each.

Special Topic

The Changing Employment Structure

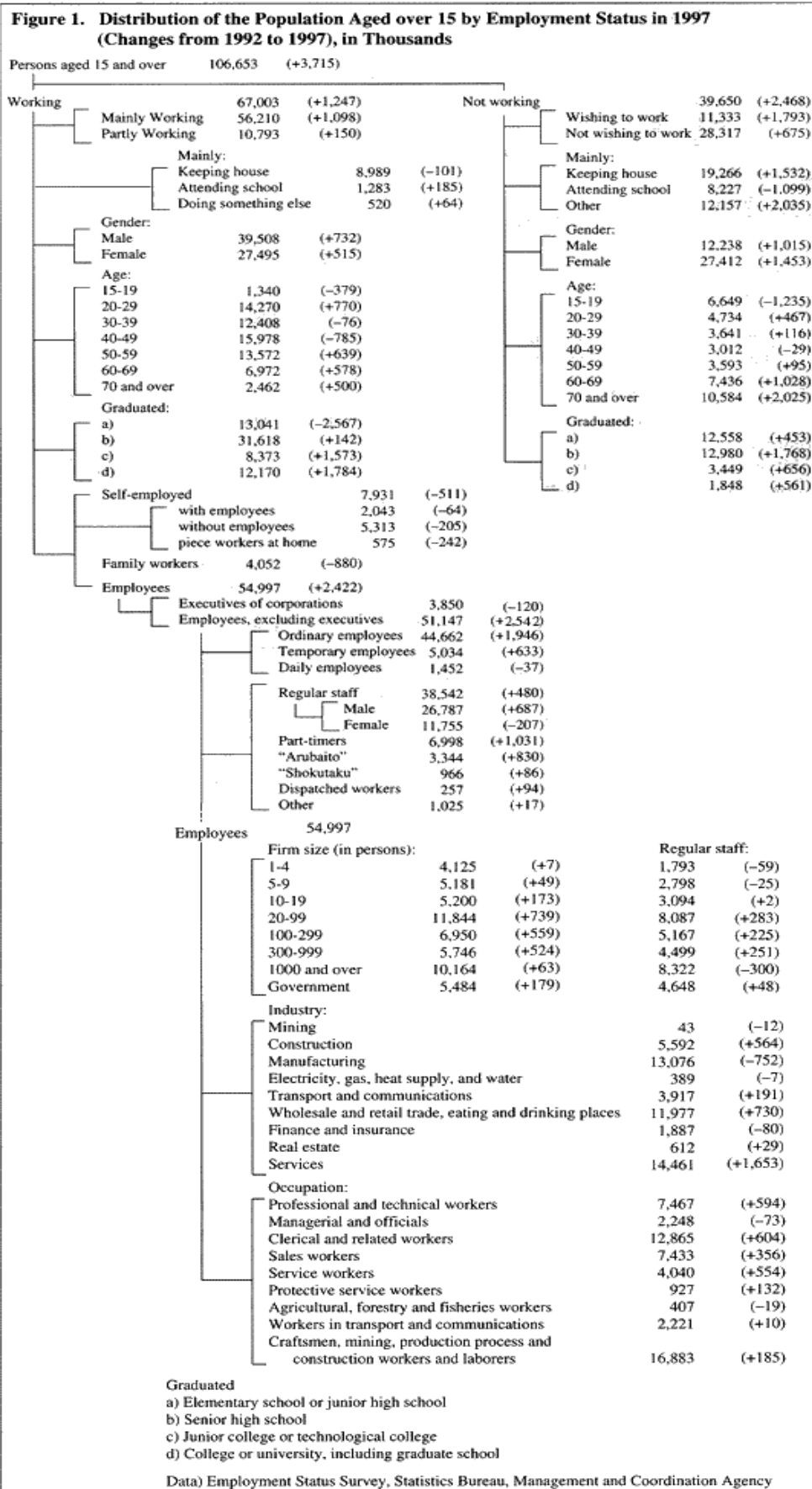
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The year 1998 will come to be seen as a turning point for Japan. Great changes occurred in employment 1998. In the 1990s, the Japanese economy experienced rapid changes: unprecedented prosperity, the collapse of the bubble economy, the stronger yen, the financial slump and the increase in the consumption tax. Reflecting these changes, the employment structure is also shifting. Behind the changes in 1998 are longer-term trends that have been occurring in the employment structure in the 1990s. This paper first discusses some of these trends by referring to reports from the government and various research bodies. It then considers, unemployment and other aspects of the labor economy in 1998 as it responded to the shifts occurring in the way in which employment is structured.

1.0 Long-Term Changes in the 1990s

A report based on the Employment Status Survey was published at the end of 1998 by the Statistics Bureau of the Management and Coordination Agency. Figure 1 provides some idea as to how employment was structured in 1997 as compared to 1992. The labor market expanded significantly from 1992 to 1997, reflecting an increase in the population aged 15 or over. Employees account for about 80 percent of the gainfully employed; their number increased by 2.42 million between 1992 and 1997. Following the bubble years, the Japanese economy slowed down and the unemployment rate rose gradually. Although the total number of workers was increasing, several downward trends also characterized employment during that period.



1.1 The Decrease in Self-Employed People

About 12 million self-employed people and family workers (slightly less than 20 percent of the labor force) were gainfully employed in 1997, down about 1.2 million from 1992. The decline in the number of self-employed people has been occurring since the early 1980s when 7 million self-employed people and 3.5 million family workers were in the non-agriculture and forestry sector. In 1998, however, 6.05 million people were self-employed outside agriculture and forestry, along with 2.4 million family workers.⁽¹⁾ The drop in the number of self-employed people in recent years has been unique to Japan. In the 1980s, most advanced economies experienced an increase in the number of self-employed people.⁽²⁾ Only three countries - Denmark, Luxembourg and Japan - saw them decrease.

The drop in the number of self-employed is particularly noticeable among those aged under 60. In 1997, the total number of self-employed people increased temporarily, but that was due to the rise in the number of entrepreneurs aged over 60. The number of self-employed aged under 60 continues to fall. According to an analytical research, the falling value of assets is responsible for the drop in the number of self-employed. Traditionally, the more real wealth a self-employed family possessed the greater security it enjoyed, and the greater the likelihood that it could earn high income by effectively using its assets. However, due to the dwindling value of assets brought on by the bubble's collapse, the tendency has been for self-employed people with few assets to close their business. The self-employed could expect high profits from high-risk businesses as they aged and accumulated experience and know-how. In the 1990s, however, fewer people have been willing to take on the business risks that go with higher profits. Those in their 40s and 50s have tended to opt for the security that goes with employment.⁽³⁾

Whereas the number of self-employed people has decreased markedly, the total number of employees has increased dramatically in the 1990s, contributing to an overall increase in the number of employed people. However, the way in which people are being employed is changing drastically.

1.2 The Restructuring of Japan's Large Enterprises

Although the number of employees at Japan's large firms has increased, the number of regular employees at large enterprises has declined. While the number of employees has grown in enterprises of all sizes, the number of regular staff has decreased by about 90,000 in enterprises with fewer than 10 employees, and by 300,000 in large enterprises with 1,000 or more employees. Changes in the total number of employees are determined by the gap between the newly filled jobs and the jobs that have vanished. A look at the number of jobs lost in large enterprises owing to job creation and those owing to job destruction is revealing. In large enterprises, 4.1 jobs were created for every 100 ordinary employees in 1991, but that

figure fell to 1.9 jobs in 1995. In the same firms, 2.1 jobs lost per 100 ordinary employees in 1991 rose to 4.2 jobs in 1995.⁽⁴⁾

The process of decreasing levels of employment in Japan's large enterprises is called "employment restructuring." This restructuring cannot be understood apart from the aging of the labor force. Of full-time workers in large enterprises, the percentage of those aged 45 or older has risen from 30.5 percent in 1990 to 35.7 percent in 1996.⁽⁵⁾ The Ministry of Labour's Survey on Employment Trends shows that the higher the percentage of employees aged over 45, the higher the rate at which jobs are lost.⁽⁶⁾ It is thus presumed that restructuring in large enterprises will continue into the next century as the "senior baby boomers," born between 1947 and 1949 come to their retirement age.

1.3 The Graying of the Labor Force and the Decrease in the Number of Managerial Positions

There has been a steady increase in the number of employees aged over 50. At the same time, more employees than ever before now have a college or university education. The graying of Japanese society and rising educational levels have led to a surplus of middle-aged and older people with college degrees in Japan's large enterprises. This has put a brake on their wages.⁽⁷⁾ From the early 1990s to the mid-1990s, workers aged over 50 increased markedly while those in their 30s and 40s decreased. This decrease is due primarily to the fact that the bulge of senior baby-boomers are now moving into their 50s rather than to a drop in the labor force participation into of the next generation. In fact the number of non-workers in their 40s has dropped. Along with the drop in the number of employees in their 40s has come a drop in the number of managerial posts.

While the number of managers has declined, the number of professional and technical workers has increased by nearly 600,000. Managers in their 40s have decreased by 80,000 while professional and technical workers in that age bracket have increased by 340,000. The cutback in managerial positions in Japan's large enterprises has given way to the "employment fear of middle-aged and elderly white-collar workers," which has received major media coverage in recent years. The emerging tendency is for more middle-aged and older people to work as professionals rather than as managers.

1.4 The Decline of Manufacturing and the Growth of Services

Changes in industrial structure have been accompanied by a drop in the number of employees in manufacturing. They numbered 13.82 million, (or 27% of all employees) in 1992, but fell to 12.58 million (24%) by 1998.⁽⁸⁾ The number of craftsmen and laborers, who may be called "blue-collar workers," has hardly grown.⁽⁹⁾ The White Paper on Labour 1997 reports that changes in the composition of Japan's trade due to the increased international division of

labor are responsible for the decline of Japan's manufacturing sector.

Globalization is not the sole factor contributing to the contraction of employment in manufacturing. Intensified competition among smaller-scale enterprises that have moved overseas has clearly revealed a sharp contrast between enterprises that have expanded and those that have shrunk rather than a simple process of employment displacement.⁽¹⁰⁾

Whereas employment has decreased in manufacturing, the service industries have expanded considerably. Employees in services grew by 4 million from 1987 to 1997 while employees outside agriculture and forestry increased by 9.59 million.⁽¹¹⁾

1.5 The Drop in Regular Female Workers and the Growth of Non-regular Employees

Although the 1990s witnessed a growth in the total number of employees, much of that growth can be attributed to the increase in the number of part-timers and temporary workers. Although the number of full-time workers increased, the number of full-time female workers declined by 200,000 from 1992 to 1997. Dispatched workers numbered 250,000 in 1997, a figure equivalent to the drop in the number of full-time female workers. Nevertheless, the ratio of dispatched workers to all employees remained at around 0.5 percent in 1997. The major change in the 1990s had been the increase in the number of part-time and temporary workers.

Why has the number of part-time workers increased? The percentage of those enterprises using part-timers simply because the nature of the job or to meet increased work load was down while those citing the need to lower labor costs was up. At the same time, about half of the total female part-time labor force have indicated their wish to work at their own convenience.⁽¹²⁾ Furthermore, the percentage of women part-time workers who continue to work at the same enterprise for more than five years is rising.⁽¹³⁾ This tendency is particularly noticeable in smaller firms with 10-99 employees, and in the manufacturing sector as more firms move to utilize part-timers as part of the "permanent" labor force.

1.6 Separated Female Workers Staying in the Labor Market

As job opportunities for part-time and dispatched workers increase, so too is the employment behavior of women changing. For example, there is a stronger tendency for women to stay in the labor market. The White Paper on Labor 1998 reports that the Labor Force Survey shows that women who leave a job are less likely to withdraw from the labor force. Accordingly, the percentage of women who are unemployed but still in the labor market is rising. The Employment Status Survey confirms that the bulk of non-working adults are female, but indicates that the percentage of women who leave the labor market but want to work is rising dramatically. Why women now wish to stay in the labor market is still unclear,

but the greater demand for female labor stemming from growth of the service sector, the higher educational levels of women, and the growing number of households unable to meet their target income may be cited as reasons.

Additional reasons may be founded in the spread of child-care leave programs within firms. Only 19.2 percent of firms had child-care leave programs in place in 1988, whereas that figure had risen to 50.8 percent by 1993. (The year after the Child Care Leave Law took effect). It is likely that more women will stay in the labor market in the future as such programs are introduced at even more firms.⁽¹⁴⁾

2.0 Changes in 1997-98

Following the gradual changes throughout the 1990s that have been mentioned above, the labor market experienced further changes from mid-1997. Some of those changes took the labor market into uncharted territory.

2.1 First Decline in the Total Number of Employees

In 1998, the total annual number of employees decreased for the first time since the government began compiling current statistics in 1953, although it had been steadily increasing in the 1990s. The number of employees dropped from 53.91 million in 1997 to 53.68 million in 1998. Though the number of female employees decreased in 1973-74 immediately after the first oil crisis, 1998 was the first time since the end of World War II that the number of both male and female employees dropped. Employees, self-employed people and family workers all decreased in 1997-1998. The total number of gainfully employed people dropped by 430,000 from 65.57 million to 65.14 million.⁽¹⁵⁾ The decline in the number of employees revealed some characteristics not seen in Japan before the early 1990s. These are discussed briefly in the sectors that follow.

2.2 Sluggish Employment at Smaller-Scale Enterprises

Employment in small enterprises has grown slowly. Although they experienced a steady increase in the number of employees they employed in the 1990s, in 1997-98, firms with 1-499 employees experienced a leveling off or even a slight decline in the number of people they employed.⁽¹⁶⁾ Comparisons of the number of employees with the number of newly hired employees and with the number of separated employees more clearly shows how sluggish employment at these smaller enterprises has been. Firms with 30-99 employees hired fewer new employees in the first half of 1998 than a year earlier. The separation rate is highest in Japan's smaller enterprises, but is particularly growing for firms with 5-29 employees and firms with 100-299 employees.⁽¹⁷⁾ Behind these facts is the rapidly deteriorating environment in which Japan's smaller enterprises have to struggle to survive. A growing number of small- and medium-size enterprises went bankrupt in 1998.

2.3 Sluggish Growth in Male Regular Employees

The number of employees who clock 35 or more hours a week has been falling since 1995. The downward trend is observable among women and men. The total number of regular employees in 1998 dropped on an annual basis for the first time since 1974.⁽¹⁸⁾ Regular members of staff, male and female, have scarcely increased since 1996. The number of regular employees, men and women, dropped in 1998, the first drop since 1995. On the other hand, the number of part-timers and *arubaito* (temporary workers) grew for the fourth consecutive year, indicating that this long-term trend was likely to continue.⁽¹⁹⁾ But short-time employees, who normally increase dramatically toward the end of the year, were fewer at the end of 1998 than they had been a year before.⁽²⁰⁾

Dispatched workers who work as ordinary employees numbered about 160,000. More than 700,000 were registered at worker-dispatching companies in 1997. The number of dispatched workers in 1997 was 18 percent above that for the previous year, and the worker dispatching companies have been rapidly expanding during the past several years.⁽²¹⁾

2.4 Decrease in the Number of Construction Workers

The number of employed people in the construction industry has grown steadily during the past three to four decades, except immediately following the first oil shock in the mid-1970s and in the early 1980s when it declined. By 1997, the number was nearly one million more than in 1990. However, the number of construction workers dropped in 1998. Investment in public infrastructure has come under review as the financial structure has come to be reformed. Public investment in construction is declining. The number of employees in manufacturing and construction fell sharply from 18.7 million (who accounted for 34.9 percent of all employees not in agriculture or forestry in 1997, to 18.06 million (33.9%) in 1998. Meanwhile, the number of employees in services, wholesaling and retailing continued to rise, and the number of jobs in the tertiary sector registered a marked increase in 1998.⁽²²⁾

3.0 The Effects of Employment Changes

3.1 Effects on Unemployment

Changes in the way employment is structured are having a great impact on joblessness. In August 1998, 2.97 million people were unemployed. The unemployment rate reached an all-time high of 4.4 percent in November.⁽²³⁾ In December 1998, Japan's jobless rate was above that for the United States for the first time since World War II. The signs of serious unemployment are qualitative and quantitative. In 1998, people who have been without work for more than 12 months increased for the sixth straight year. Unemployed people, male and female, have increased. In 1993 and beyond, more men were jobless and the unemployment

rate for women dropped slightly.⁽²⁴⁾

Looking at the Management and Coordination Agency's Survey on Job Applications throws light on the job-search activity of 1.83 million people who were jobless in October 1998, but had some employment in the past year. The survey reviews several facets of unemployment in Japan that have so far been unknown. For instance, those who lost their jobs because their employer went bankrupt or closed for other reasons account for about 10 percent of all unemployed people. However, nearly 20 percent of the unemployed aged 35-54 were unemployed for those reasons. They were surpassed only by the 26 percent who had been retrenched. The survey also asked whether anyone had decided to leave their jobs because the working conditions (e.g. income, hours of work and holidays) were different from what they had expected before you took on the job. A little more than 10 percent of all the unemployed people claimed they quit their job because they were dissatisfied with their working conditions, about the same percentage as those who became unemployed when their company went out of business. Among those aged 15-34, however, 20 percent quit for those reasons. Why are jobless people unable to find new jobs? Thirty percent of the male unemployed claimed they did not wish to do any of the available jobs. Another 20 percent replied that the jobs on offer were not suitable for someone of their age. About 18 percent and 21 percent of unemployed females respectively cited those two reasons. Accordingly, the unemployment situation is aggravated by the graying of the labor force and the changes occurring in the industrial structure of the economy. Most unemployed men (25 percent of all unemployed males) are looking for work in manufacturing as production workers and in construction work, areas that have been sluggish in recent times. For those reasons "hard-core unemployment," seems to be on the rise.

3.2 Other Effects

With the unemployment rate rising, the decline in the total number of employees is impacting on the labor market in a variety of ways. First, the diminishing demand for labor has led to a sharp drop in overtime. Non-scheduled working hours have been dropping at all private establishments since October 1997. In manufacturing they have dropped by more than 10 percent since February 1998. This has produced a drop in total cash earnings in 1998, the first drop over the previous year since 1971 (when the Ministry of Labour started compiling such statistics).⁽²⁵⁾ However, although the employment structure has undergone major changes, the use of dismissals as means of adjusting corporate employment levels has yet to become widespread. According to a survey of private firms with 30 or more regular employees, 30 percent have adjusted their personnel levels in one way or another. About 18 percent have done so by placing limits on overtime; nine percent have redeployed workers; eight percent have reduced or suspended the hiring of mid-career workers; and six percent have transferred workers to other enterprises in the July-September quarter in 1998. Only

three percent used voluntary retirement and dismissal.⁽²⁶⁾ Moreover, salaries (scheduled earnings), which are unaffected by fluctuations of working hours, have yet to show a decline. Nor has the wage rate per se been adjusted downward.⁽²⁷⁾

4.0 The Future of Employment

Changes in how employment is structured have been considered from several standpoints. Given the rapidly rising unemployment rate, Japanese corporations are now under pressure to drastically overhaul the way they employ people. The government is groping for ways to move away from its emphasis on deterring unemployment to a framework for actively creating jobs. But it is still in the process of developing specific measures toward this end. With the long-term decline in self-employment (which offers many job opportunities), the government is considering ways to support new businesses. Only time will tell if such an approach bears fruit. With the further graying of the labor force, more of the elderly will want to work than there will be suitable jobs until around 2010, when the senior baby-boomers will leave the labor market. Under these circumstances, present employment levels will be bolstered by the service industry and small enterprises. Non-regular employees, such as part-timers and dispatched workers, will become even more numerous. From now on, jobs will have to be created from a different perspective that is different from that which prevailed in the 1980s. In this regard labor mobility between enterprises must be facilitated when jobs are created while the means of developing skills must be maintained in terms of Japan's established internal labor markets.

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JIL News and Information

Asian Regional Meeting on the ILO/JIL Network of National Institutes for Labour Studies

The Japan Institute of Labour (JIL) has been organizing the ILO/JIL Network of Research Institutes from 17 Asian Countries since 1995. As the third stage of this project the JIL sponsored a meeting of this Network in Bangkok for three days from December 8, 1998. The goal of this Network is to organize joint research in order to facilitate the research ability of affiliated organizations in the Asian region. The project has been focused on the issue of globalization and its impacts on industrial relations in Asian countries.

In the first stage of this project, attention was focused on the effects of globalization on the social economy and the organization of work. The second stage considered issues related to globalization and equity. The third stage, which was launched in 1998, resulted in joint research being conducted on globalization and social adjustment, focusing on the role of social actors.

During the meeting in December, 1998, discussions were carried out on an interim report in order to produce a final report on the research results. The meeting was attended by researchers from 15 nations, including Australia, the People's Republic of China, Fiji, India, Indonesia, Japan, South Korea, Nepal, New Zealand, Pakistan, the Philippines, Singapore, Sri Lanka, Thailand and Vietnam. Participants also included, for the first time, representatives from labor and management in five nations. The JIL sent several staff to the meeting to assist with discussions and to cooperate with the ILO in the smooth management of the meeting. The participating countries were organized into three different groups to discuss the interim report. After those sessions, the individual groups drafted summaries for further debate at a general meeting. The series of meetings helped to highlight similarities and differences that characterize each country and were a useful means of developing a country-sensitive approach to thinking about future policies.

In drafting the final report over the next few months, experts from the ILO and individual groups will make detailed adjustments. The final report will be discussed at the final regional meeting of the project and the IIRA 12th World Congress that will be held in Tokyo in 2000. For detailed information, contact the following:

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The Japan Institute of Labour Fax: +81-3-5991-5710

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---CORRECTION---

Please be advised that the year of the Amendment of the Labour Standards Law was 1987, not 1907. Also, " Standard hours worked" as well as " Hours worked as part of the standard workweek" in Figure 1 should read " Scheduled hours worked," and " Other hours worked" in Figure 1 should read " Non-scheduled hours worked" (Page 11, JLB February 1999). We apologize for the errors.

Statistical Aspects

Recent Labor Economy Indices

	December 1998	November 1998	Change from previous year
Labor force	6,717 (10 thousand)	6,772 (10 thousand)	9 (10 thousand)
Employed	6,443	6,481	65
Employees	5,374	5,376	46
Unemployed	273	291	55
Unemployment rate	4.1%	4.3%	0.9
Active opening rate	0.47	0.50	0.19
Total hours worked	156.1 (hours)	158.7 (hours)	1.0
Total wages of regular employees	(¥thousand) 270.7	(¥thousand) 270.7	0.3

Note: *denotes annual percent change.

Source: Management and Coordination Agency, Ministry of Labour.

