

JAPAN LABOR BULLETIN

ISSUED BY THE JAPAN INSTITUTE OF LABOUR

Vol.38 - No.05

May 1999

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General Survey

Family Income and Expenditure Survey for 1998 — Sixth Straight Year of Declining Consumption Expenditures —

The Management and Coordination Agency (MCA) conducts the Family Income and Expenditure Survey among a nationwide sample of households to obtain basic data for the government to draw up the nation's economic and social policies.

The recently released survey figures for 1998 show that real consumption expenditures of all households averaged ¥328,186 a month, down 2.2 percent in real terms from a year earlier. Expenditure was down for the sixth straight year. This was the sharpest decrease since 1974, when the figure dropped 2.6 percent following the first oil-supply crunch. The drop in consumer expenditures was larger among self-employed worker households (down 2.8%) than for households of salaried workers (down 1.8%).

The decrease rate was the largest (down 8.7%) for housing expenses, particularly for repair and maintenance expenses. The decrease was also large for apparel and footwear (down 8.1%), and for education (down 5.8%). On the other hand, expenditures were up for transportation and telecommunications (up 2.2%), and for heat and water (up 1.3%).

Behind the drop in expenditures in 1998 was the decrease in real income of householders, down 1.8 percent for salaried workers, the largest drop since 1963 when the government started compiling the present statistics. Temporary income and bonuses showed especially large decreases (down 5.6%). Regular income dropped 1.3 percent, the biggest drop since the government began compiling its current statistics. In non-workers' households, expenditures dropped most noticeably for education (down 11.3%), housing (down 10.1%), and apparel and footwear (down 9.8%). Substantial decreases were also noted in culture and entertainment (down 4.4%), beverages (down 2.5%) and health and medical care (down 0.3%).

Working Conditions and the Labor Market

Employment in 1998: Results of the Labor Force and Monthly Labor Surveys

The nation's unemployment rate in 1998 was at its highest-ever level. The 1998 Labor Force Survey published by the MCA revealed that the average unemployment rate in 1998 was 4.1 percent, the highest recorded since 1953 when the government started compiling its statistics on unemployment. The nation's average unemployment rate in 1997 was 3.4 percent

and the increase in 1998 represented the largest annual rise since 1954.

The population of 15 years old and over stood at around 107.28 million, an increase of 670,000 over 1997. Of the 107.28 million, 65.14 million were employed (down 430,000 from 1997), 2.79 million were unemployed (an increase of 490,000), and 29.24 million (an increase of 610,000) were not in the labor force. The decrease in the number of those employed and the increase in the number of unemployed were both record figures. The male labor force (both employed and unemployed) numbered approximately 40.26 million, a decrease of about 10,000 from a year earlier, while the female labor force totaled some 27.67 million, an increase of about 70,000. The labor force participation rate for the population stood at 63.3 percent, 77.3 percent for men and 50.1 percent for women.

By employment status and industry, the number of employees not in agriculture and forestry was about 53.34 million, a drop of about 240,000 from the previous year. This was the first decrease ever in this sector. Employed people in agriculture and forestry numbered 3.17 million, a drop of 70,000 from the previous year. Regular employees numbered 47.26 million (a drop of 420,000), another first decline since the government began compiling these statistics.

The Ministry of Labour's Monthly Labor Survey for 1998 revealed that regular workers at establishments with five or more employees numbered 41.323 million, up 0.1 percent from 1997. Of that figure, 34.602 million were general workers (down 0.8% from 1997), and 6.721 million were part-time workers (up 4.4% from 1997).

Average monthly wages totaled ¥366,481 (down 1.3% from 1997), the first drop ever in this figure. Of total wages, ¥287,853 were basic wages (down 0.3%), non-scheduled wages were ¥18,127 (down 7.1%), and various allowances were ¥78,628 (down 5.0%). Real wages fell 2.0 percent from the previous year.

Monthly working hours totaled 155.9 (down 1.1%). Of the total hours, non-scheduled hours worked totaled 9.6 (down 7.6%), while scheduled hours worked totaled 146.3 (down 0.6%). Non-scheduled hours worked in manufacturing fell by 12 hours (down 15.0%).

Human Resources Management

The Revised Labour Standards Law Enables Recruitment of Women Workers

The revisions to the Labour Standards Law, which came into effect on April 1, 1999, have

loosened restrictions on working women. They allow women to work at night between 10:00 p.m. to 5:00 a.m. the following morning, a practice which had been generally prohibited in the past. As a result, automakers are increasing the number of women working in their factories. The increased use of women workers is seen as a means of offsetting the decline in the number of young people coming into the labor force and the further aging of the population.

Mazda Motors, for instance, hired 60 women in skilled jobs this spring. The company had not hired female skilled workers since 1995, but it assigned women to the engine and transmission assembly lines at a plant near its head office and at its Hofu plant in Yamaguchi Prefecture. From 2000, it plans to assign female skilled workers to the body assembly line. Mazda has expressed its intention to increase its hiring of skilled women workers. Local people look forward to seeing these plans implemented, making it less difficult for local women to find jobs.

Toyota Motor Corporation has started a line in each of two plants where women constitute the major work force. Already, approximately 440 women are engaged in skilled jobs in the company. This spring, the company employed 120 skilled women workers and plans to increase its female skilled labor force to around 1,000 early in 2000. At Nissan Motors about 120 female skilled workers are working in its plants. The company hired another 60 in skilled jobs this spring.

Individual automakers are responding to the increased hiring of females by further improving their dorms for single people, women's bathrooms and locker rooms. They are also improving the work environment and reviewing safety standards in their production divisions, investing in lighter tools and reducing operations which involve stooping.

Public Policy

Employment Security Law Revised: Job-Placement Services Liberalized

On March 17, the Central Employment Security Council presented its draft guidelines and recommendations for revising the Employment Security Law to the Minister of Labour. The council is headed by Shunsaku Nishikawa of Shumei University and is an advisory organ to the Minister of Labour, Akira Amari. The draft guidelines call for the liberalization of a number of professions currently restricted in terms of job-placement services. It also suggests penalties for agents who leak private information of job applicants. In response to the recommendations, the Ministry of Labour has drafted a bill revising the law, and submitted it to a Cabinet meeting on March 26 and then to the current Diet session.

The nation's job-placement services are provided mainly by Public Employment Security Offices (PESO). Private job-placement services do not play a major role due to many restrictions. They can only deal with certain professions outside protective services, agriculture, forestry, fisheries, transportation, telecommunications, manufacturing and construction. Also an upper limit is set on the commissions they may charge.

Recently, however, the mismatch between job offers and job applicants in the labor market has become more pronounced in terms of age and job type due to changes in the industrial structure and the attitude of job applicants toward work. In fact, the unemployment rate is deteriorating and the period required for jobless people to find employment is becoming longer.

As a result, calls to ease restrictions on private job placement companies have been getting louder. Economic circles in particular have wanted to encourage private companies to provide job-placement services and substantiate the services. There is another reason for the Ministry of Labour to propose revision of the law. In June 1997 the ILO's General Assembly adopted Convention Number 181 which acknowledges the important role played by private job-placement companies. The Japanese government would like to ratify the treaty, but must revise the law to do so.

The bill sent to the Diet would allow private job-placement companies to be involved in all areas except construction and port cargo services. Meanwhile, the rules protecting workers eligible for job placement will be strengthened. Agents will be penalized if they violate the confidentiality of workers' personal information. Furthermore, guidelines for collecting and preserving personal information on workers will be clearly detailed by the Minister of Labour.

Rengo (Japanese Trade Union Confederation), the nation's largest national labor center, has remarked that the revised law is still inadequate in terms of protecting workers' rights and its effectiveness. However, it also accepted the inevitability of liberalization given the ILO's ratification of Convention Number 181.

Shinjuku PESO to be Expanded and Moved

In a bid to cope adequately with the severe employment situation, the Tokyo Metropolitan Government decided to move and expand its job counseling services at its Shinjuku PESO (Public Employment Security Office). The new PESO opened on April 27.

The job counseling services were begun in 1960. The number of those coming for advice has increased rapidly since last year, and the office has always been jam-packed. Sometimes visitors had to wait for several hours to be served. Worse yet, much of the job application information was filed away, meaning that more than one visitor could not access it at one time.

The new PESO is located on the 23rd floor of the Shinjuku L Tower, and has a floor space of about 1,300 square meters, making it 2.6 times larger than the old office. It is equipped with 150 touch panel-type terminals which can retrieve information on job openings. This enabled users to input specifications and other information for the type of jobs they want.

The hours for providing job information and counseling services were also extended. The old office was open from 8:30 a.m. to 5:00 p.m. on weekdays. The new office is open until 7:00 p.m., and on Saturdays from 10:00 a.m. to 5:00 p.m.

A Shinjuku PESO official recently commented that a growing number of people had decided to seek better working conditions by changing jobs. These were in addition to those looking for work as a result of restructuring. The new office is designed to meet the needs of all these people.

Special Topic

The Origins and Destinations of Japan's Union Leaders

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1.0 Union Organization and Enterprise-based Labor Unions

To understand the Japanese labor union movement, it is useful to know the origins of its leaders, their attributes, and the directions in which they are headed.

The nation's unionization rate has steadily dropped since 1976. The rate first dropped below 30 percent in 1983, and by 1998 stood at 22.4 percent. Changes in industrial structure and employees' attitudes toward labor unions are often cited as causes of the declining

unionization rate in Japan.* The most significant cause of the nation's falling unionization rate, however, is the inadequate unionization of small enterprises and newly-established enterprises, a failure which reflects the organizational structure of the nation's labor unions.

About 70,000 labor unions in Japan organize 12 million workers. Over 90 percent of the unions are enterprise-based. As in the other countries, Japan has industrial and craft unions, with national centers such as Rengo (the Japanese Trade Union Confederation) and Zenroren (the National Confederation of Trade Unions). Union organizations in Japan consist of industrial unions and enterprise-based unions with national centers at the top. However, enterprise-based unions provide the basis for union activity, and 91.2 percent of the nation's union members pay their dues monthly to an enterprise-based union. Industrial unions are financed by their affiliate enterprise-based unions; national centers by their affiliate industrial unions. Funding is normally based on a per-capita amount.

Because enterprise-based unions provide the financial base for the nation's labor movement, industrial unions and national centers cannot initiate programs to the extent which is necessary. One result is an inability to unionize workers in unorganized enterprises. Forming a labor union in an enterprise requires a large outlay of manpower, time and money. Enterprise-based unions engage in activities designed exclusively for their own members, and do not show much interest in issues that are not directly related to their members. Very few enterprise-based unions try hard to organize their own part-time workers, and have little interest in organizing workers at other enterprises.

The task of organizing new enterprise unions has been left to industrial unions and the national centers. However, because industrial unions and the national centers are financially weak, they rely heavily on staff who are "dispatched" from enterprise-based unions.

There are exceptions to this situation, and Zensen Domei (Japanese Federation of Textile, Garment, Chemical, Distribution and Allied Industry Workers' Unions) and Zenkin Rengo (Japanese Federation of Metal Industry Unions) are good examples. Though they are industrial federations with enterprise unions at their base, they employ their own organizers. Zensen Domei was originally formed by industrial unions in the textiles industry. In the 1960s and 1970s, the textile industry gradually lost its international competitiveness, with the number of workers in the industry sharply declining. Zensen Domei decided to organize employees in chain stores, which were then expanding, in order to secure its membership base. Today, it is pushing ahead with organizing workers in such emerging fields as the computer industry and the aerospace industry. Zenkin Rengo also employs its own organizers and is organizing workers in smaller-scale metal machinery manufacturers.

Although considerable debate focuses on the merits and demerits of the enterprise union, and exceptions can be cited, at the present time the future of the labor movement in Japan cannot be understood without reference to the enterprise-based structure, which characterized its union movement. Another factor likely to shape the labor movement in the future will be its leadership.

2.0 Data on Union Leaders

There have been few surveys on the careers of Japan's union leaders. Only five nationwide surveys come to mind, although several have been conducted on union leaders of industrial organizations. This paper utilizes the results of a survey on union leaders conducted between December 1992 and February 1993. The survey was of 2,437 individual unions, consisting of 1,333 unions without branches of all private industries with over 500 members, and 1,104 unions with single branches and a headquarters as of the end of June 1992. Questionnaires were sent to general secretaries of the unions. Twenty-two unions no longer existed, due to mergers or disbandment, by the time the survey was concluded, bringing the total number of unions surveyed to 2,415. Replies were received from 43.5 percent of the unions (1,050 unions), representing 47.4 percent of the unions without branches (580) and 43.1 percent for the unions with branches (470).

3.0 Present Profile of Union Leaders

3.1 Overall Profile

Table 1 shows the average profile of those who serve as one of the three union key officials. Union chairmen had an average age of 44.8, with 23.2 years of employment at the company, and 4.8 years as a union leader. He or she had been a full-time official for 7.1 years. The proportion of women chairmen is extremely low at 0.6 percent.

Table 1. Profile of Union Leaders

	Age	Years at the current job	Years as a full-time officer	Years of service	Percentage of women union leaders	Number of unions which replied
Chairman (of headquarters office)	44.8	4.8	7.1	23.2	0.6%	1028
Vice-chairman (of headquarters office)	42.6	3.5	3.2	21.0	1.2	987
Second vice-chairman (of headquarters office)	39.4	3.1	2.0	17.5	2.2	571
General secretary (of headquarters office)	39.7	3.6	4.5	18.2	0.6	1028

The first of the vice-chairmen were approximately two years younger than the chairman, and correspondingly employed by the company for fewer years. However, the first vice-chairmen had been a full-time official for only 3.2 years, approximately four years less than the chairman. This probably reflects a view that some vice-chairmen are not yet full-time members of their union leadership. The same would also be true for the second vice-chairman.

At the level of the vice-chairmen, a slightly higher proportion of women are active: 1.2 percent of first vice-chairmen were female and 2.2 percent of those second vice-chairmen. Although the percentages are low, the notable trend is perhaps that vice-chairmanship is seen as being suited to women.

The average age of general secretaries is 39.7, with 3.6 years employed in the present job and 4.5 years as a full-time official. The general secretary serves as an inside coordinator, crucial to the functioning of the union. Only 0.6 percent of the general secretaries are female.

3.2 Comparison of Traditional and New Unions

Two types of unions (traditional unions and new unions) were distinguished based on the chairman's educational background and the industry. The traditional union was defined as one in the manufacturing sector whose chairman had at most a high school education. This occurred in 327 of the 497 unions in the manufacturing sector. The new union was defined as one in the finance and insurance sectors whose chairman had a college or higher education (80 of the 89 unions).

Manufacturing firms have traditionally hired the bulk of their employees from among the nation's middle-school and high-school graduates. For such employees, the union movement provided one way to climb up the corporate ladder. The labor union took on a huge significance for such workers and the union's cooperation was necessary for management. Making one's way up to the top of the enterprise union was thus as difficult as getting promoted to executive positions in management and was possible only for the brightest and most hardworking unionists. Officials with middle-school and high-school degrees in manufacturing became the mainstay of the nation's labor movement.

With the rise in educational standards, however, the proportion of employees with tertiary qualifications rose, and chairmen with such educational backgrounds emerged. Generally speaking, college graduates are union members only for a short while after joining the company. As soon as they are promoted to a managerial post, they leave the union. This tendency has traditionally been most entrenched in finance and insurance firms. Most of the recent new employees in leading banks and insurance companies have college degrees or even higher qualifications. None believe they will complete their careers as a union official. The way unions function in such companies is quite different from traditional unions in manufacturing. The rising ratio of employees with a college education is now also notable in manufacturing. Thus, a comparison of union leaders in these two types of unions may throw light on the future of the enterprise-based union movement in Japan.

Table 2 provides some vital statistics on chairmen and general secretaries in both traditional and new unions. The chairmen in traditional unions are on the average 10.1 years older than their counterparts in new unions. General secretaries in traditional unions are 5.7 years older than their counterparts in the other unions. In traditional unions, leaders assume the chairmanship in their 40s and 50s, while in new unions they usually become chairmen in their 30s. These findings indicate that traditional unions tend to be administered by experienced union leaders, whereas new unions are managed by unionists without such experience.

Table 2. Profile of Chairmen and Vice-chairmen in Traditional and New Unions (by age group) (%)

Chairman	Traditional Unions				New Unions		
	Total	30-39	40-49	50 and over	Total	30-39	40-49
Age	48.1	37.4	45.7	53.4	38.0	36.9	42.8
Years at the current job	5.9	3.8	5.6	6.8	2.9	2.8	3.2
Years as a full-time officer	9.1	2.8	7.0	13.0	3.4	2.8	5.0
Years of service	28.7	18.9	26.8	33.4	15.7	14.6	19.8
Number of unions	327	27	166	133	80	64	12

General Secretary	Traditional Unions				New Unions		
	Total	30-39	40-49	50 and over	Total	30-39	40-49
Age	40.8	34.3	39.6	43.6	35.1	34.6	37.3
Years at the current job	4.2	3.5	4.0	4.5	2.2	2.2	2.0
Years as a full-time officer	5.1	2.3	4.3	6.6	2.0	1.8	2.7
Years of service	20.6	12.9	19.5	23.6	12.9	12.4	15.3

The younger the chairman, the less work experience he will have had at other companies. This is true for both types of unions. Chairmen aged 30-39 in traditional unions joined their present company at an average age of 18.5. Those aged 40-49 entered their current company at an average age of 18.9, and those aged 50-59 at an average age of 20. In other words, the age of entering the firm was slightly higher for younger leaders. The same trend also occurs among chairmen of new unions. Chairmen aged 30-39 joined their company at an average age of 22.5; those aged 40-49 did so at 23. This shows that leaders in new unions entered as new school graduates.

The third conclusion from Table 2 concerns the relationship between job content and educational background. In many traditional unions, the general secretaries are college educated, whereas in many new unions the general secretaries are high-school graduates.

4.0 The Career Path of Union Leaders

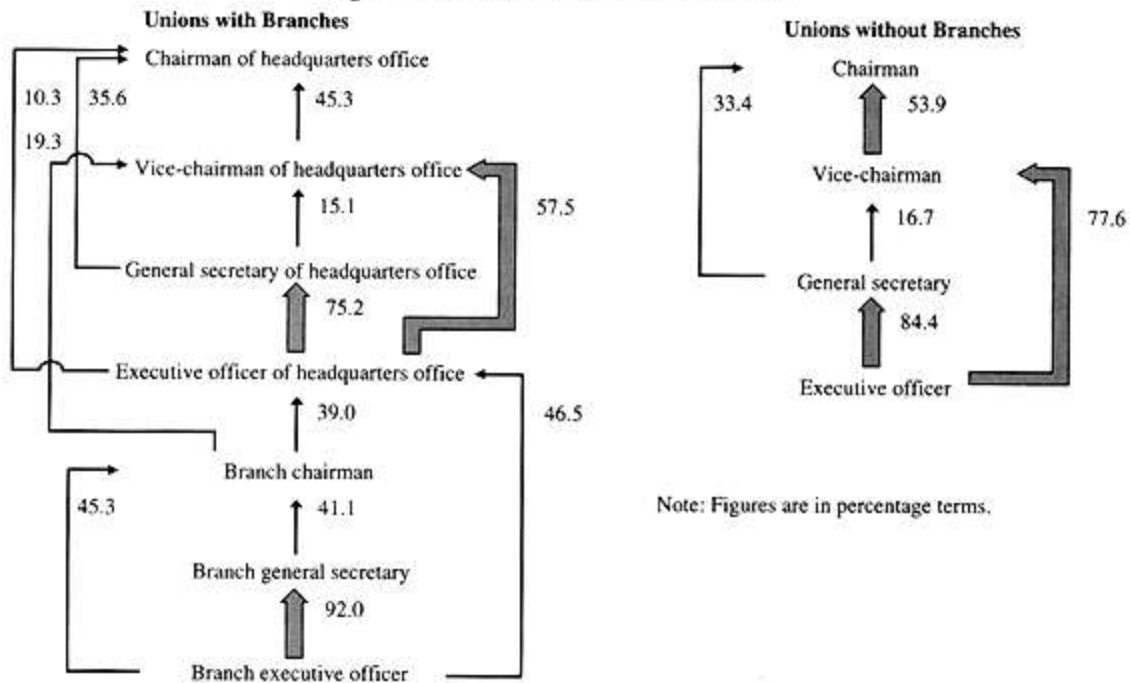
4.1 A Comparison of Unions with Branches and Unions without Branches

Where do union officials in Japan's enterprise-based unions come from?

Figure 1 shows the career path of union leaders in unions with branches and unions

without branches. Unions were asked about the previous position of each of their officials. The higher the position, the more likely the incumbent office holder had served in a previous position in the union. The figures show that 45.3 percent of the chairmen of unions with branches had advanced to the position from the vice-chairmanship of the headquarters office, 35.6 percent from having been the general secretary of the headquarters office, and 10.3 percent from a position on the executive. This means that 8.8 percent of such chairmen had been recruited from other functions within unions.

Figure 1. Career Paths of Union Leaders



A closer look reveals that union leaders do not necessarily come from the position immediately below them. Only the chairmen of the headquarters office, the general secretary of the headquarters office and the general secretary of the branch are recruited directly from the positions immediately below them. Other posts are filled with persons one or two steps further down in the union hierarchy. The vice-chairmen, for example, tend to be appointed directly from the executive of the headquarters office, with 19.3 percent coming directly from the branch level. Moreover, a high percent of the executives at the headquarters level come from the executives at the branch level. A high percent of the branch chairmen come from the branch executive.

Nevertheless, it is a fact that a good number of unionists move up the hierarchy shown in Figure 1 step by step. The major exception is the jump to the vice-chairmanship of the headquarters office. Only 15.1 percent of the vice-chairmen come via the position of general secretary. While the vice-chairmanship at the headquarters office is seen as a preparatory post for becoming chairman of the headquarters office, it is also seen as the final career move

for many union leaders. Many of those who become vice-chairmen of the headquarters office without having been the general secretary of the headquarters office seem to end their union careers at that level and do not make the final step to become chairman of the headquarters office.

The same tendency appears in the unions without branches. In the main, union leaders excluding the vice-chairman climb the ladder step by step. Again a large percentage of vice-chairmen (77.6%) come directly from the executive committee without serving as secretary. The vice-chairmanship again seems to be a final career goal for many of the union leaders.

4.2 Comparing Traditional and New Unions

Figures 2 and 3 separate out the career paths in traditional and new unions. In Figure 3 the diagram for unions with branches is truncated as the flows from the lower level were small. Five conclusions may be drawn from these two figures.

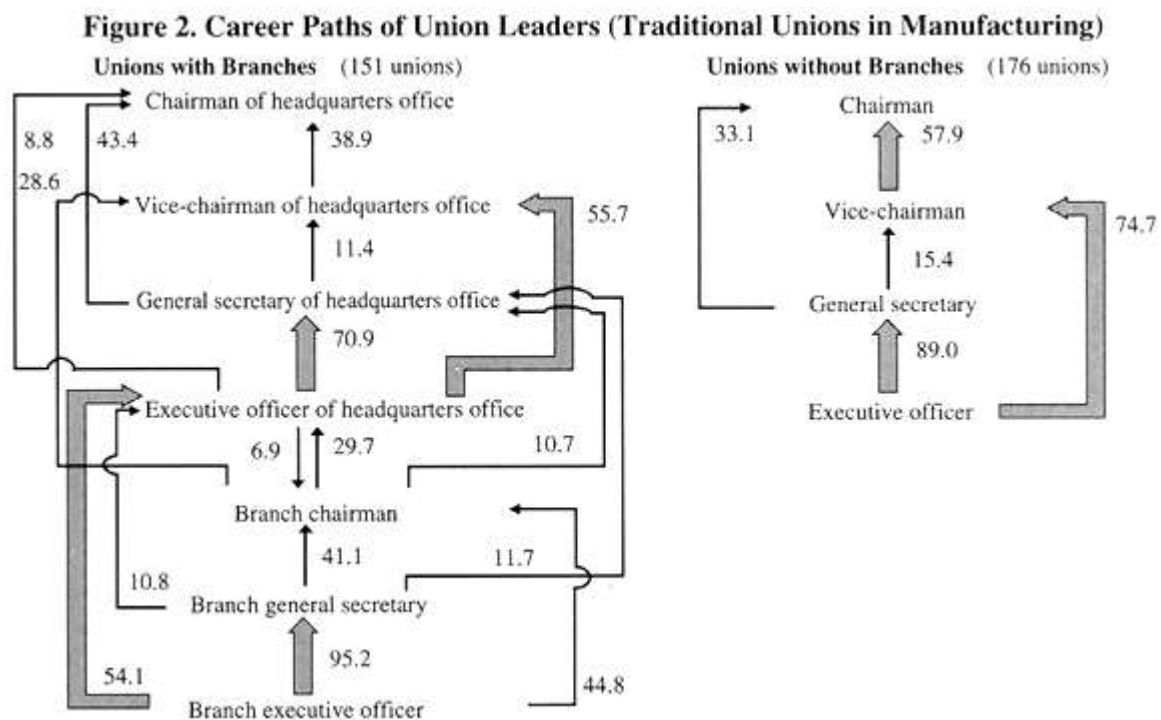
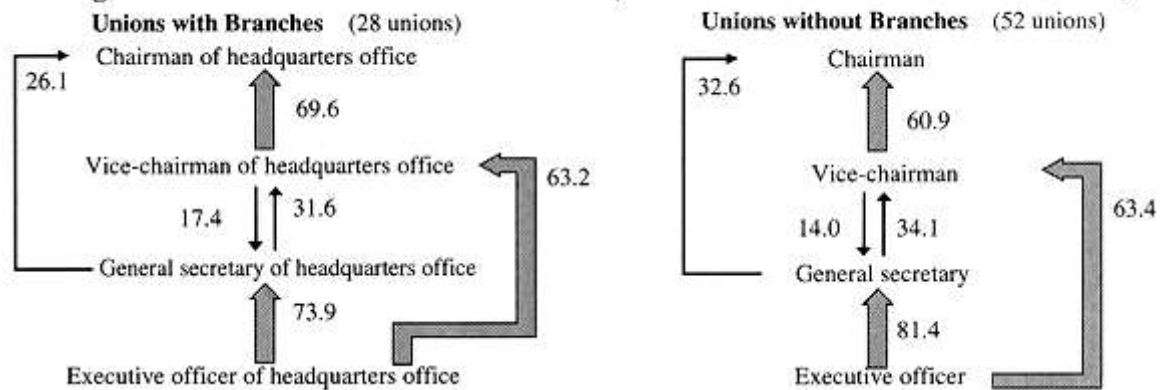


Figure 3. Career Paths of Union Leaders (New Unions in Finance and Insurance)



First, in the traditional unions with branches, the general secretary of the headquarters office is the key position for those aspiring to be chairmen of the headquarters office (43.4%), followed by the vice-chairmanship of the headquarters office (38.9%).

Second, the general secretaries of traditional unions with branches (70.9%) have come directly from the executive board, while 10.7 percent were previously branch chairmen and 11.7 percent were branch secretaries.

Third, some branch chairmen in traditional unions (6.9%) are recruited from the head office executive board.

Fourth, the same trends are visible in both unions with branches and unions without branches.

Fifth, in new unions, a certain percent of the general secretaries (17.4% and 14%) had been vice-chairmen. There are a variety of career paths for union leaders in the traditional unions with branches. While all paths may not exist in any one union, career paths suited to individual organizations have emerged during the long history of the union movement. In the new unions, on the other hand, there is virtually no difference in the career paths of union leaders between unions with branches and unions without branches, perhaps reflecting the fact that individual officials stay in office for only short periods of time. Normally, the career path of union leaders depends upon organization form.

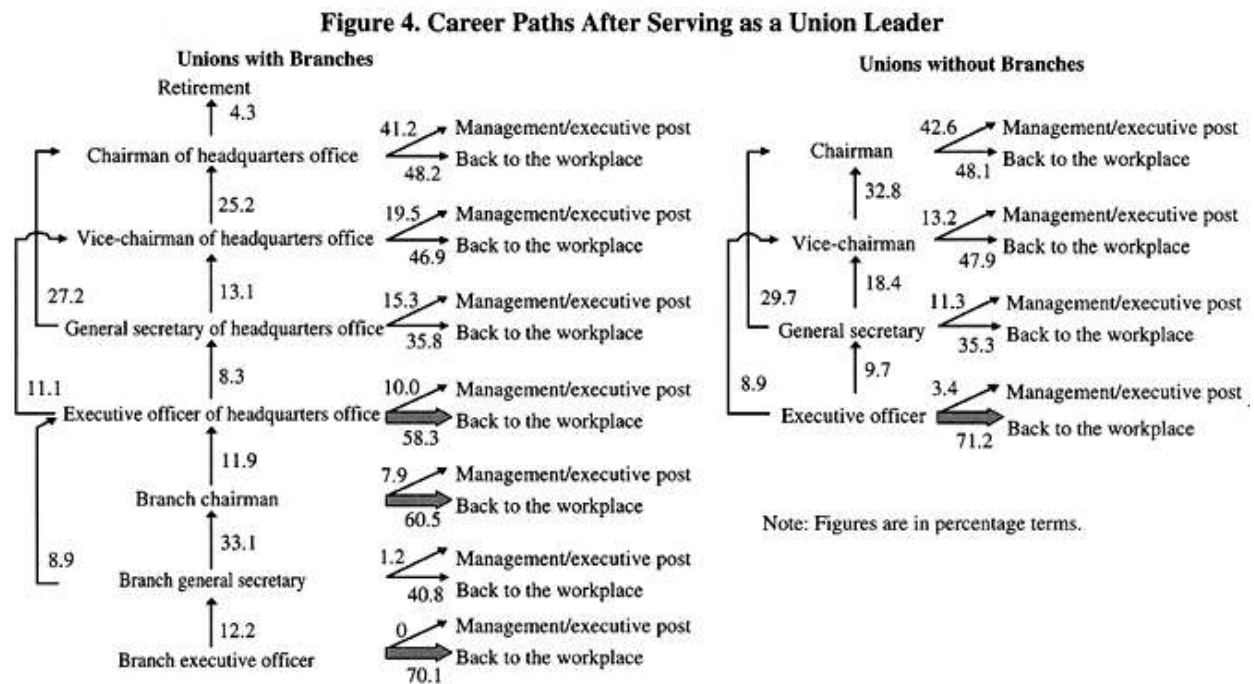
5.0 Life after Leading a Union

Where are Japan's union leaders headed after serving as officials in an enterprise-based union? The likely career path after being a union official will be an important consideration

for many individuals when they decide to pursue a career in the union movement.

5.1 Unions with Branches and Unions without Branches

Figure 4 indicates in percentage terms the direction in which union leaders will move. For example, 41.2 percent of head office chairmen of unions with branches will return to the management hierarchy in their company and become managers and/or executives while 48.2 percent will return as non-managers. Another 4.3 percent will retire from their office and their company. There are five main points which can be gathered from Figure 4.



First, most union leaders return to their former jobs at the company after stepping down as chairmen. Nearly half of those receive managerial or executive posts immediately after stepping down.

Second, in unions with branches, about 70 percent of union leaders, excluding general secretaries of the headquarters office and the branches return to their company after serving out their terms of office. General or branch secretaries are more likely to be promoted to upper-level posts within their unions.

Third, in unions with branches, about one in every four vice-chairmen and general secretaries at the headquarters level will be promoted to the chairmanship of the headquarters office. The tendency is slightly more pronounced for the general secretary. The probabilities of such movement for vice-chairmen is greater than for the general secretary in unions without branches.

Fourth, the lower the post, the lower the percentage of union leaders who return to their

company as managers. Nevertheless, except for members of the branch executive, a certain percent of those in all positions return to their company as managers.

Fifth, in both unions with branches and unions without branches, an extremely low percentage serve as officials of the enterprise-based union and then move on to an upper-level organization of the industry or the national level. Although not shown in the figure, 1.7 percent of the chairmen of the headquarters in unions with branches and 1.6 percent of those in unions without branches do so.

It is common knowledge in Japan that the chairmen of the headquarters offices step down as the union official and immediately return to the company as managers. However, the fact that the percentage exceeds 40 percent deserves attention. In many companies, top union leaders who are promoted to managerial positions leave the union and shift to the company's managerial team in a single day. While this may be considered to be a normal practice, this practice will likely affect the basis for union activity. It is hard to believe that general union members will reveal their real concerns to a leader who will soon be in a power relationship to them as their manager. This is an important problem that must be considered in any appraisal of the labor movement's future.

One more point that should be stressed in relation to Figure 4 is the importance of the post of general secretary as a training ground for the union's top leadership. Those who have served as general secretaries, whether at the headquarters or the branch level, are highly likely to remain in the union and become one of the top officials. Accordingly, the general secretary position must be regarded as more than a simple step forward on a career escalator.

5.2 Comparing Traditional and Ordinary Unions

Figure 5 summarizes the union leaders of traditional unions. Comparing Figure 4 and 5 reveals that ordinary and traditional unions show basically the same trends. However, two differences are conspicuous. First, the route to the vice-chairmanship of the headquarters office from the general secretary's position is narrower in unions with branches (13.1% to 8.1%). On the other hand, the flow from being the secretary to the chairman of the headquarters is greater (27.2% to 32.4%). In traditional unions, the general secretary of the headquarters office is a marginally more important position as a training ground for the chairmanship of the headquarters office.

Second, more than half of the chairmen of unions without branches have returned to their company as managers and executives. In Figure 4, 42.6 percent of the chairmen of such unions assumed managerial and executive posts. For traditional unions (Figure 5), the

statistic was 51.9 percent. Traditional unions are the unions in which chairmen with a high-school education or less predominate. For employees with a high-school education or less, becoming the chairman of a union without branches is one path to a managerial post.

Figure 5. Career Paths After Serving as a Union Leader (Traditional Unions in Manufacturing)

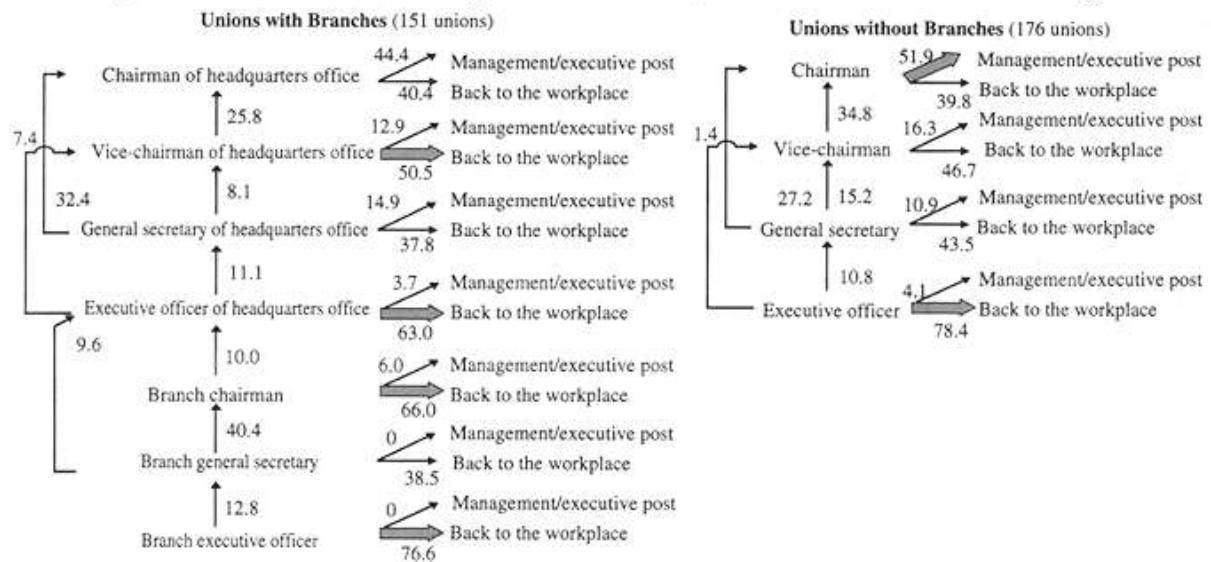


Figure 6. Career Paths After Serving as a Union Leader (New Unions in Finance and Insurance)

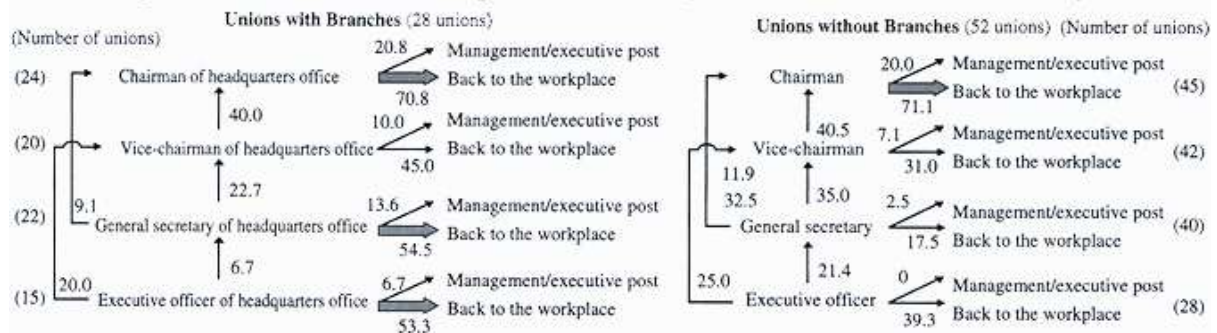


Figure 6 indicates the situation of leaders in new unions. The results of the survey on officials of branches in unions with branches were again omitted due to the small number of responding unions. The most marked difference between traditional unions and new unions lies in the fact that an overwhelming number of the leaders in new unions return to the workplace in non-managerial positions after serving as chairmen of the headquarters office (70.8% and 71.1% in Figure 6). This perhaps reflects the age difference. Table 1 showed that the average age of chairmen of the traditional unions is 48.1, while that of the chairmen of new unions is 38. Leaving the post of chairmanship at about 40 will naturally mean that fewer are able to come back into managerial posts.

Figure 6 also reveals that 11.9 percent of the vice-chairmen of the new unions without branches have become general secretaries. Furthermore, a solid 25 percent of executive officers have moved to the post of vice-chairmen. This seems to indicate that one option may

be for some union leaders to move from the executive to the vice-chairmanship, then to the position of general secretary and then to the chairmanship.

Another characteristic of the new unions without branches is that very few general secretaries return to their company. Only 20 percent in the unions without branches have returned to their company. This percentage is small when considering that over half of the general secretaries of unions with branches of both traditional and new type return to their companies. This means that general secretaries in unions without branches of the new type are likely to serve a further period in the union. In this type of union, the general secretary is not in his final union post.

6. Union Leaders in Future Japan

In this paper, I have summarized some characteristics of the leadership in Japan's enterprise-based labor unions. Many of the nation's union leaders are involved in union activity only for a specific period of their working lives, and then normally return to their companies. This is true of the chairman of the headquarters office in the union of the large enterprise.

Officials of enterprise-based unions uphold the nation's labor union movement, but most do not intend to devote their working lives to the union movement. In other words, "novices" tend to be the driving force behind the nation's labor movement. Can they reinvigorate the nation's unions? There is room to be skeptical. However, if there is a value in putting a break on the nation's plunging unionization rate, urgent attention must be given to fostering tomorrow's union leaders.

Notes:

* For more detail, see Hiroyuki Fujimura, "New Unionism: Beyond Enterprise Unionism?" in *Japanese Labour and Management in Transition*, edited by Mari Sako and Hiroki Sato (London: Routledge).

JIL News and Infraction

Revised Labour Standards Law Took Effect on April 1

The Labour Standards Law has been revised, with the majority of the amendments coming into effect on April 1, 1999. Below is a brief outline of the revisions. For a more detailed explanation, see "Special Topic" in the November 1998 issue of the Bulletin.

1. Fixed Term Contract

Previously, the maximum contract period for employees was one year. This was to prevent unreasonable conditions being imposed on workers. However, under the revisions, when it is necessary to newly employ skilled or professional workers — for example when developing new products, technologies or new businesses, or when employing those at the age of 60 or older — the contract period may be extended to a maximum of three years.

2. Clarification of Working Conditions

When concluding a labor contract, an employer has been obligated to state clearly the wages, working hours and other working conditions and to state in writing the wages to the worker. Under the new legislation, an employer must state in writing the period of the contract, place of employment, the job to be performed, the scheduled working time, rest periods, rest days and annual paid leaves in addition to the wages.

3. Work Hour Averaging Scheme

Following the 1987 revisions to the Labour Standards Law, a variety of work hour averaging schemes were introduced in order to make it possible for employers and workers to allocate working time efficiently according to seasonal business fluctuation thereby reducing working time eventually. To make working hours even more flexible, the requirements for the work hour averaging scheme were altered with the 1998 revisions.

- Changed requirements for the work hour averaging scheme on a monthly basis

Previously, an employer may average the working hours in one month if the employer stipulates certain matters under the rules of employment or the equivalent. The revisions now allow an employer to do so by concluding a worker-management agreement and by submitting it to the Director of the Labour Standards Inspection Office which has jurisdiction over the district where a workplace is located.

- Maximum number of hours and days changed for the work hour averaging scheme with a period not exceeding one year

The revisions set a maximum of 280 working days a year, if the period for averaging is more than three months. Under the previous law, there are upper limits of working time on the utilization of this scheme: (1) 48 hours a week and nine hours a day if the period for averaging is more than three months or (2) 52 hours a week and 10 hours a day if this period is three months or shorter. The revisions relaxed such limitations, and the upper limit of working time is 10 hours a day and 52 hours a week regardless of the averaging period so long

as each divided period is one month or longer. The previous law stipulated that an employer shall provide workers at least one rest day per week. But the revised law has set them at one rest day per six days.

4. Maximum Number of Overtime Hours

Previously, the Ministry of Labour issued a guideline that provided “standard” upper limits of overtime and holiday work as stipulated by worker-management agreement. However, as it has no statutory basis, employers are expected to abide by this standard voluntarily. The revised law grants the Minister of Labour the right to set a standard with respect to the limit of overtime work in consideration of the well being of workers and overall trends in overtime.

5. Overtime, Holiday and Late Night Work Restrictions for Women Abolished

Women workers continued to be prohibited from working overtime, on holidays and at night beyond certain limitations even after the introduction of the Equal Employment Opportunity Law (EEOL) in 1985. The recent revisions to the Labour Standards Law have abolished these restrictions in line with the 1998 revisions to the EEOL. The goal is to achieve equality in employment between the sexes and open up the number of jobs in which women can be employed. However, in order to avoid severe impacts of sudden changes on women with a family obligation of nursing a baby or taking care of the aged or the handicapped, the Ministry of Labour is entitled to set shorter standards of overtime and holiday work than that for workers in general described above.

Statistical Aspects

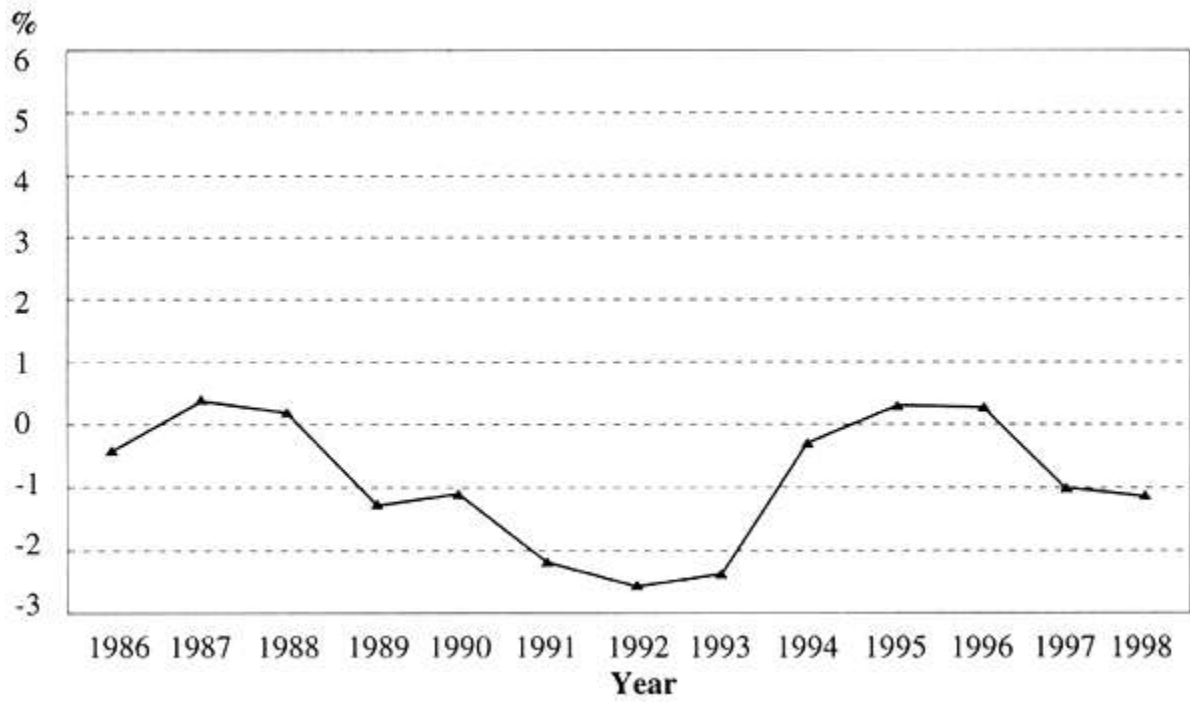
Recent Labor Economy Indices

	February 1999	January 1999	Change from previous year
Labor force	6,618 (10 thousand)	6,677 (10 thousand)	9 (10 thousand)
Employed	6,334	6,380	77
Employees	5,283	5,345	72
Unemployed	313	298	67
Unemployment rate	4.7%	4.5%	1.0
Active opening rate	0.50	0.47	0.13
Total hours worked	151.1 (hours)	140.6 (hours)	1.8
Total wages of regular employees	(¥ thousand) 361.6	(¥ thousand) 360.3	0.5

Note: *denotes annual percent change.

Source: Management and Coordination Agency, Ministry of Labour.

Trends in Working Hours: 1986-1998



Source: Monthly Labor Survey, Ministry of Labour

—◆— Year-on-year growth