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New Minister of Health, Labour and Welfare

On December 5, 2000, Prime Minister Yoshiro Mori unveiled his new Cabinet. Chikara Sakaguchi (New Komeito), a member of the Lower House, was appointed both Minister of Labour, and Minister of Health and Welfare. On January 6, 2001, Sakaguchi was appointed the new Minister of Health, Labour and Welfare.

Born in 1934, Sakaguchi studied medicine at the Graduate School of Mie Prefectural University (currently Mie National University) and is a licensed medical practitioner. Since becoming a member of the Lower House in 1972, he has had wide experience, serving in various governmental and party posts, including Minister of Labour, Chairman of New Komeito's Policy Board, member of the Committee on Labour of the Lower House, and Vice Representative of the party's Policy Research Council.

General Survey

Ministry of Health, Labour and Welfare Founded

On January 6, 2001, the Ministry of Health, Labour and Welfare came into being. The new Ministry resulted from a merger of the Ministry of Labour (MOL) and the Ministry of Health and Welfare (MHW), in accordance with the June 1998 Basic Law on Administrative Reform of the Central Government, which aimed at reorganizing the central government into 12 Ministries and a Cabinet Office. Mr. Chikara Sakaguchi (New Komeito), a member of the Lower House, was appointed to head the new Ministry.

The newly-launched Ministry of Health, Labour and Welfare will supervise a vast range of administrative policies related to all stages of people's lives: from childbirth and child-care to employment; work-related issues, from initial recruitment to retirement; together with general health and welfare concerns, including pensions, and other policy issues affecting the elderly. It will aim to evolve comprehensive policies taking full advantage of the merger, setting as its specific policy targets: “the promotion of comprehensive policies to deal with a shrinking population;” “the realization of vitality within an aging society;” “the enactment of social welfare measures combined with employment measures for the disadvantaged and others;” and “measures to encourage people to be aware of their own health throughout their lives at the workplace and in the local community.”

In merging the two Ministries, the number of secretariats and bureaus was reduced by

four. The Labour Relations Bureau of the MOL was abolished, with a newly established Director-General for Policy Planning and Evaluation henceforth taking responsibility for issues involved in labor management relations, while the Health Service Bureau, the Environmental Health Bureau, and the Pharmaceutical and Medical Safety Bureau of the MHW were reshuffled into a Health Service Bureau and a Pharmaceutical and Medical Safety Bureau. In addition, the Women's Bureau of the MOL and the Children and Families Bureau of the MHW were combined into an Equal Employment, Children and Families Bureau in the new Ministry. The aim is to achieve efficient administration through a slimming-down of the organization. The number of personnel involved totals about 100,000, with a budget on the order of ¥17 trillion in the general account and ¥67 trillion in the special account.

Ministry of Labour (staff of approx. 24,800)	Ministry of Health, Labour and Welfare (staff of approx. 100,500)	Ministry of Health and Welfare (staff of approx. 75,800)
Minister's Secretariat	Minister's Secretariat	Minister's Secretariat
Labour Relations Bureau		
	Health Policy Bureau	Health Policy Bureau
	Health Service Bureau	Health Service Bureau
	Pharmaceutical and Medical Safety Bureau	Environmental Health Bureau
		Pharmaceutical and Medical Safety Bureau
Labour Standards Bureau	Labour Standards Bureau	
Employment Security Bureau	Employment Security Bureau	
Human Resources Development Bureau	Human Resources Development Bureau	
Women's Bureau	Equal Employment, Children and Families Bureau	Children and Families Bureau
	Social Welfare and War Victims' Relief Bureau	Social Welfare and War Victims' Relief Bureau
	Health and Welfare Bureau for the Elderly	Health and Welfare Bureau for the Elderly
	Health Insurance Bureau	Health Insurance Bureau
	Pension Bureau	Pension Bureau

Working Conditions and the Labor Market

High Labor Turnover and Increased Long-term Unemployment

At the end of October 2000, the Management and Coordination Agency released the preliminary findings of a Special Survey of the Labour Force Survey. According to the results of the survey which was conducted in August, five percent of Japan's employees switched their jobs during the year. This was the highest percent doing so since the survey was first conducted in 1984. Among Japan's 3.1 million unemployed (as of August 2000), 800,000 had

been unemployed for one year or longer, an increase of 90,000 over the number reported for August 1999.

At the same time, 530,000 more people were employed in August 2000 than in August 1999. The total number employed, excluding company executives, in August 2000 stood at 50.08 million. During last year the number of regular employees increased by 70,000 to 36.95 million; that of non-regular employees (who work on a part-time basis or in a side job) increased by 620,000 to 11.31 million; and that of temporary workers from worker dispatching firms increased by 100,000 to 380,000. The number of other types of temporary workers (such as *shokutaku*), dropped by 270,000 to 1.44 million.

The number of people who had left jobs during the year from September 1999 to August 2000 totaled 3.21 million, an increase of 280,000 over the previous year. Five percent of the labor force switched their jobs during the year, up from 4.5 percent the previous year. The turnover rate rose for all age groups for males, excluding those aged between 45 and 54. The rate rose for all age groups for females. Some 40.5 percent reported that job-switching had resulted in them earning less income, whereas for 34.0 percent the job change was accompanied by an increase in their income. A large proportion (40.4%) of those who had already been offered their next job before quitting the first one reported that they would be receiving a higher income from their new job. Among those who left their previous job without an offer of employment in hand, 47.7 percent reported a drop in income.

As for the duration of unemployment, among the 3.1 million unemployed people in August 2000, 1.08 million had been unemployed for less than three months; 800,000 had been unemployed for one year or more; 680,000 for three to six months; and 480,000 million for 6 to 12 months. As for the reasons given for being unemployed, the majority under 35 answered that they could not find jobs with the desired wages or salaries. Most people over 35 replied that they did not meet advertised age criteria. In particular, 50 percent of those aged 45 to 54 and 60 percent of those aged 55 and over cited the "age mismatch" as the primary reason for their failure to obtain employment.

The 1999 General Survey on Wages and Working Hours System Reveals Increasing Difficulty in Taking Paid Leave

At the end of December 1999, the Ministry of Labour conducted its *General Survey on Wages and Working Hours System*. The survey was sent to 5,297 private firms with 30 or more regular employees. The effective response rate was 92.9 percent.

An average of 50.5 percent of paid annual leave was taken at firms with 30 or more regular employees, down from 51.8 in 1998. This was the fourth consecutive annual decline. The drop was attributable to the fact that although the average paid leave per annum increased to 17.8 days, up from 17.5 days, the second consecutive increase, the average paid leave actually taken decreased by 0.1 day to nine days, the second consecutive decline. It has been long pointed out that the proportion of annual paid leave actually taken in Japanese firms is low. This is attributable to a tendency for Japanese workers to keep their paid leave for emergencies such as sickness, for which there is no institutionally provided leave. At the same time, at small and medium-sized enterprises which do not, in general, have employees to spare, the proportion of paid leave actually taken to the total allowed for each employee inevitably tends to be lower than in large firms. Commenting on the survey findings, the Ministry of Labour notes that despite the expansion of paid leave schemes, the number of employees has been shrinking in many firms due to restructuring. One result is a climate in the workplace which makes it difficult for employees to take paid leave.

The survey also revealed that 53.0 percent of the firms surveyed had revised their wage system over the past three years. Among these firms, the largest proportion (30.1%) across firm-size groups contained wage increases as the measure of their revision. Another 15.8 percent expanded the amount of wage outlay which was determined by ability in performance against position descriptions. A further 15.5 percent increased the weight given to achievement and performance in the determination of remuneration for employees. Nearly 40 percent of the firms surveyed were planning to revise their wage system during the coming three years. Among these firms, 22.3 percent planned to increase “the proportion of wages determined by achievement and performance,” and 20.8 percent planned to link their remuneration packages to the ability of employees to carry out their duties.

Just over 40 percent of the firms surveyed had measures supportive of employees' activities outside the firms themselves; 35.9 percent (as opposed to 16.4% in 1996) were helping employees participate in seminars and training courses held outside the firms. Of these firms, 79.8 percent provided financial support. Another 14.2 percent (as opposed to 7.7% in 1996) reported that they were helping employees enjoy “refreshing activities.” Just under 80 percent, 79.3 percent, of the firms with refreshing programs provided “holiday schemes.”

Human Resources Management

Geographically Tied Employment Schemes

As the economic recession becomes more prolonged, an increasing number of firms have

introduced employment contracts which allow employees to accept lower salaries in return for a guarantee that they will not be transferred to a different locality.

The Matsushita Electric Group, for example, has such a scheme in place. Developed with the consent of the union, the Matsushita contract stipulates that employees will not be transferred to workplaces that would require the worker to move house, but also provides that the worker will receive a wage which will be 10 to 20 percent below that of other similarly placed employees. The exact percentage depends on the locality. The Group expects that about 12,000 of the 70,000 employees in its six major affiliated companies will choose to be employed under this kind of contract.

NTT East and NTT West are reorganizing their businesses to prepare for the further development of information technology (IT). As part of their overall strategy they have adopted a similar scheme with the agreement of the union. This scheme is aimed at employees in rural areas who do not wish to be transferred to the company's growth divisions located in Japan's large cities. The scheme developed by these two companies calls for those on this type of contract to receive wages some 30 to 40 percent lower than that they would otherwise.

This approach to the differentiated needs of employees results in a type of employment relationship which can more generally be described as hiring and managing employees by "track." The track approach exists when firms offer differentiated "career tracks" in accordance with the nature of the duties and whether those duties require a certain flexibility (such as accepting transfers which also involve a change of residence). Employees in different tracks are often treated differently in terms of the allocation of work, promotion, training and so on.

Career tracks are rather well-known and two types are commonly found in Japanese firms: the management career track (*sōgōshoku*) and the general track (*ippanshoku*). Typically the management career track is for employees who are engaged in core duties, that is, duties requiring the comprehensive decision-making involved in project planning, negotiating with other companies, etc. Employees in this track often find it necessary to experience a number of different work places (some of which will require them to shift their residence for varying periods of time). Employees in the general track are largely engaged in routine work and are not reallocated to workplaces which involve a change of residence. Many companies have an "in-between" track (*chūkanshoku*) for employees who are engaged in duties which are similar to those constituting the management career track but which do not require position holders to be transferred away from the area in which they are currently

residing.

This approach to human resources management was institutionalized following the implementation of the Equal Employment Opportunity Law in 1986. The legislation required firms with nationwide branches such as financial institutions and large supermarkets, which had had personnel management systems based on gender, to revise their approach to differentiating among employees. The development of the employment track approach has provided Japan's large firms with a certain opportunity to make use of female workers. The further development of this system has now come to be attributed as well to the obvious fact that many workers have begun to prefer living and working in the areas they have always lived.

The recently introduced contracts for geographically tied employment highlight the “in-between” track. At the same time, many firms are finding that the “new” track is also providing them with a means of countering some of the effects of the prolonged recession. In the case of the Matsushita Electric Group, the introduction of the system made it possible for them to curb total labor costs without cutting labor by replacing wage levels uniformly determined across the country with a new wage system which took into account differences in the cost of living and labor market conditions in different areas.

Labor-Management Relations

Survey of Care Workers

During June and July 2000, a survey was conducted to clarify the situation of care workers. The survey was sent to 2,354 employees at firms organized by the Nippon Care Service Craft Union, an affiliate of Zensen (Japanese Federation of Textile, Garment, Chemical, Commercial, Food and Allied Industries Workers' Unions), and individual members of the union. The response rate was 61.1 percent.

The results of the survey revealed that a substantially large proportion of care workers are women, and that they got their jobs after qualifying through a “helper training course.” The average care worker is married (thus sharing a double income) and aged between 20 and 40, who had previously been interested in work related to care and welfare, and had wished to play a useful role in society, thinking also of acquiring higher qualifications to become a “certified care worker” or a “care manager.” Asked what their greatest concern was, 49.8 percent of home care workers indicated a concern about their own health; 47.5 percent pointed to a desire to improve their own skills so as to provide better service; and 33.7 percent

mentioned a need for better methods to handle difficult cases. Among care workers involved with bathing invalids, 39.7 percent answered that the pay is too low compared to other jobs.

As for the primary duties of care workers, 21.5 percent mentioned “bodily assistance,” and 15.8 percent answered “help with housework.” As for the length of time they had been in care work, 43.5 percent reported that they had been involved for less than one year, though the time in care work was longer for those with higher qualifications. With regard to remuneration, 44.5 percent claimed they were on a fixed rate; 53 percent earned ¥150,000 to ¥200,000 per month, and 23 percent earned ¥200,000 to ¥250,000 per month.

Non-regular contract “helpers” do not have a fixed contract term and are vulnerable to the vagaries of the labor market. Some 23 percent of the care workers surveyed were part-time “helpers,” and 15.2 percent of the “helpers” were registered at care service-providing firms and worked on demand. It seems that quite a few care workers felt that they were unable to work as regular employees but wished to take advantage of their free time (e.g., when they were not engaged in their own housework or care of their own children) to undertake employment in the care industry.

Public Policy

Cases Involving Unpaid Wages Increases

Under the prolonged recession, the number of firms failing to pay employees has been increasing. According to a Ministry of Labour survey, 17,125 unpaid wage cases were newly reported or brought in for consultation to Labour Standards Inspection Offices across the country during 1999. This was an increase of 5.1 percent over the previous year, and represents a record high. The number of cases includes firms which did not pay wages and those which did not pay retirement allowances.

The number of workers involved in these cases totaled 56,676, a 4.8 percent increase over the previous year. However, the total amount of unpaid wages fell by nine percent (about ¥2.14 billion) to about ¥21.716 billion, the first drop in three years.

The largest proportion of the unpaid wage cases (23.9%) was in the construction industry, followed by the commercial sector (19.5%), and services and entertainment (14.3%).

Manufacturing accounted for 25.4 percent of the unpaid workers, followed by construction (19.0%), and the commercial sector (15.5%).

Manufacturing accounted for 33.4 percent of the total amount of unpaid wages, construction for 20.7 percent, and commercial firms for 16.0 percent.

The number of unpaid wage cases either reported in 1999 or reported the previous year but handled in 1999 totaled 19,968, an increase of 7.4 percent compared to the previous year. Over the same period, the number of workers involved in such cases increased by 6.1 percent to 67,800. The total amount of unpaid wages increased 1.6 percent to some ¥28.36 billion.

Employees with unpaid wages may be compensated in two ways. One results in employers paying the workers under the guidance of the Labour Standards Inspection Office. The other is for the company to declare bankruptcy, with the Security of Wage Payment Law being applied, and a certain proportion of the unpaid wages are then paid by the government. The law provides for the government to pay part of unpaid wages in accordance with the Workmen's Accident Compensation Insurance System to workers who have left their jobs on account of their company going bankrupt. The government manages this scheme as part of its worker welfare measures. It covers one part of the back wages for six months prior to the employees' losing his job as a result of the firm's bankruptcy (up to 80% of the unpaid wages and retirement allowances owing, with an upper limit of ¥560,000 to ¥1.36 million depending on the age of the worker).

In 1999, the number of cases where workers were compensated for unpaid wages under the guidance of the Labour Standards Inspection Offices increased to 10,170, 3.4 percent above the number for the previous year. The number of workers involved increased by 4.2 percent to 24,687. The amount of unpaid wages totaled some ¥6.48 billion, an increase of 4.1 percent.

The number of cases where workers were compensated under the Security of Wage Payment Law totaled 2,654, an increase of 17.2 percent over the previous year. These cases involved some 46,000 workers, an increase of 22.5 percent over the previous year, with payments totaling ¥207.8 billion (an increase of 40.7%).

In these circumstances, the Ministry of Labour (currently the Ministry of Health, Labour and Welfare) has sought to deal swiftly with unpaid wage cases and to safeguard workers who are eligible for government payment on behalf of bankrupt employers but have difficulty in getting the money due to the disappearance of the employer.

Special Topic

Employment Projections for the 2000-2010 Period

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1.0 Introduction

This article presents the Japan Institute of Labour (JIL) employment projections for the 2000—2010 period. These projections are based on the Population Census of Japan that are more up-to-date than those used in previous JIL projections⁽¹⁾. The data provide a description of the Japanese economy within the first decade of the 21st century (from 2000 to 2010), from the viewpoint of employment by industries and occupations. These are shown by an analysis of the number of people working in each of the major and specific industrial and occupational categories. While this article provides an extensive coverage, further detailed data and information are available from the author. This article aims to provide a brief review of the projections overall and then to focus on a key issue that is raised by these projections, regarding computer-related employment.

2.0 Overview

There are two major factors that determine labor force growth: changes in population, and changes in the rate of participation in the labor force. The JIL projections are based on the 1995 Population Census and on the moderate growth scenario for projected populations that have been developed by the National Institute of Population and Social Security Research⁽²⁾.

Projections assume that the economic growth per capita will be two percent annually between 2000-2010.

The proportion of young people in the population has declined, and is projected to fall further, while the older population is growing. The growth of the Japanese labor force is expected to slow between 2000 and 2010. Compared with the labor force in 2000, of 64.3 million people, the labor force that is estimated for 2005 is 65.0 million, and for 2010 is 64.3 million.

2.1 Employment by Industry (Table 1)

It is projected that the Japanese economy will add another 73 thousand jobs by 2005, but will produce a reduction of 47 thousand by 2010. This will bring the figures for 2010 back to almost the same level as those for 1995. The projection of slower growth is directly linked with the expectation of a reduction in labor force expansion in the forthcoming period.

The new jobs are expected to be added primarily to the service sector. In contrast, employment in the manufacturing sector is projected to shrink slightly.

Total job growth is expected to average 0.2 percent a year between 2000 and 2005, and —0.2 percent annually between 2005 and 2010. The anticipated growth in jobs parallels the projected growth in the labor force. In broad terms, the slowdown in labor force growth that is projected for the first decade of the 21st century is a continuation of a trend that started in the late 1970s. Together with the smaller number of new, young workers emerging in the next decade, however, there is the expectation of a growth in the rate of labor force participation by women and by older workers.

Table 1. Historical and Projected Data by Industry — Continued

Category		Projected data				
		2000	2005	2010		
Employment	Number (thousands)	Total	6,430.7	6,503.9	6,425.8	
		Agriculture, forestry, fishery, hunting and trapping	335.2	309.2	261.8	
		Mining	57.1	54.3	51.6	
		Manufacturing (excluding machinery)	6,428.3	5,840.8	5,457.6	
		Machinery	5,672.1	5,808.0	5,689.9	
		Construction	6,534.7	6,386.9	6,242.4	
		Utilities	325.5	345.0	359.8	
		Wholesale trade, retail trade, eating and drinking establishments	15,237.0	15,069.6	14,863.7	
		Finance, insurance, and real estate	2,718.8	2,823.6	2,803.6	
		Transportation, communications	3,996.6	4,039.6	4,087.4	
		Services	19,984.4	21,570.0	22,085.1	
		Percent distribution (%)	Total	100.0	100.0	100.0
			Agriculture, forestry, fishery, hunting and trapping	5.2	4.8	4.1
	Mining		0.1	0.1	0.1	
	Manufacturing (excluding machinery)		10.0	9.0	8.5	
	Machinery		8.8	8.9	8.9	
	Construction		10.2	9.8	9.7	
	Utilities		0.5	0.5	0.6	
	Wholesale trade, retail trade, eating and drinking establishments		23.7	23.2	23.1	
	Change	Number (thousands)	Total	125.1	729.9	-777.0
Agriculture, forestry, fishery, hunting and trapping			-492.2	-253.3	-480.5	
Mining			-2.0	-2.8	-2.7	
Manufacturing (excluding machinery)			-974.2	-587.5	-383.2	
Machinery			-299.6	135.9	-118.1	
Construction			-176.2	-147.8	-144.5	
Utilities			-28.8	19.5	14.9	
Wholesale trade, retail trade, eating and drinking establishments			339.9	-167.4	-205.9	
Finance, insurance, and real estate			-0.4	104.8	-20.0	
Transportation, communications			40.1	43.0	47.8	
Services			1,718.5	1,585.6	515.1	
Average annual rate of growth (%)			Total	0.0	0.2	-0.2
			Agriculture, forestry, fishery, hunting and trapping	-2.7	-1.6	-3.3
	Mining	-0.7	-1.0	-1.0		
	Manufacturing (excluding machinery)	-2.8	-1.9	-1.3		
	Machinery	-1.0	0.5	-0.4		
	Construction	-0.5	-0.5	-0.5		
	Utilities	-1.7	1.2	0.8		
	Wholesale trade, retail trade, eating and drinking establishments	0.5	-0.2	-0.3		
	Finance, insurance, and real estate	0.0	0.8	-0.1		
	Transportation, communications	0.2	0.2	0.2		
	Services	1.8	1.5	0.5		

2.2 Employment in Major Industries

Total employment is projected to rise from 64.18 million in 1995 to 64.26 million by 2010. Most of these jobs will be in the non-farming sector. Service industries are projected to rise to 69 percent of all non-farming jobs, as compared with 63 percent in 1995. Manufacturing industries are expected to show a reduction in their share of the employment figures.

Among the major sectors in industry, the service sector is expected to continue to dominate the job growth picture. Employment in that sector is projected to rise from 18.3 million in 1995 to 22.1 million in 2010. The service sector includes such diverse categories as health, business, personal services, information service, research and advertising. The three largest of these alone (information, research and advertising services) are projected to employ more than 1.8 million by the year 2010, an increase of almost one million over their current level. The rate of growth in service industries overall, however, is expected to be slower than it has been in the past.

Wholesale and retail trade is expected to be the second largest of the major sectors by

2010, overtaking manufacturing as a source of employment. Jobs in these two areas of trade are projected to increase by 0.35 million between 1995 and 2000, increasing employment in this sector to 15.2 million. This will be followed by a projected decrease of 0.17 million between 2000 and 0.2 million between 2005 and 2010, falling to 15.0 million and 14.9 million, respectively.

The government sector, which has not been included in Table 1, is projected to reduce jobs by 0.2 million on the national and local level.

Other service industries are projected to provide a total of seven million jobs, with 2.8 million in the areas of finance, insurance and real estate, and 4,087 in transportation and communications. As with the other major sectors, the rate of increase in jobs that is expected in this sector for the 2000—2010 period is less than the rate recorded for it over the previous 25 years.

Within the manufacturing sector of the economy, jobs are projected to decline to 1.2 million in 2000, and to 1.1 million in 2010. This is despite a recovery in this sector's employment level of up to 1.45 million in 1990. Restructuring, plant closings, and layoffs have dominated the news. Some production, however, is projected to show very healthy growth during the 2000—2010 period, in products such as beverages, tobacco, food, electrical machinery, transportation and other equipment and supplies.

Among the other manufacturing industries, construction is projected to lose 0.3 million jobs between 2000 and 2010, to reach the 6.2 million level. Construction activity is expected to shrink at a 0.5 percent annual pace.

Table 2. Historical and Projected Data by Major Occupational Group

Category		Historical data							
		1970	1975	1980	1985	1990	1995		
Employment	Number (thousands)	Total, all occupations	52,110.2	53,015.4	55,778.2	58,336.1	61,679.3	64,181.9	
		Specified fields	3,427.6	4,024.2	4,881.3	6,387.8	7,268.1	8,125.9	
		Management	2,052.3	2,278.9	2,667.1	2,360.9	2,542.9	2,716.6	
		Administration	7,279.8	8,840.5	9,299.2	10,468.3	11,767.2	12,386.5	
		Sales	6,253.2	7,042.3	7,988.0	8,299.4	8,795.5	9,350.6	
		Maintenance of safety, service occupations	4,013.0	4,464.8	4,680.3	4,981.1	5,346.0	6,046.0	
		Agriculture, forestry, fishery, and related	10,008.9	7,290.1	6,075.9	5,380.4	4,356.7	3,813.1	
		Transportation, communications	2,325.4	2,398.4	2,416.2	2,335.9	2,330.6	2,442.2	
		Mining	139.2	83.2	72.7	60.5	43.6	44.2	
		Skilled work, manufacturing and construction	15,141.3	14,985.3	15,608.3	15,576.7	16,047.2	15,711.8	
		Laborers	1,469.6	1,607.7	2,089.2	2,485.3	3,181.5	3,545.1	
		Percent distribution (%)	Total, all occupations	100.0	100.0	100.0	100.0	100.0	100.0
			Specified fields	6.6	7.6	8.8	10.9	11.8	12.7
			Management	3.9	4.3	4.8	4.0	4.1	4.2
	Administration		14.0	16.7	16.7	17.9	19.1	19.3	
	Sales		12.0	13.3	14.3	14.2	14.3	14.6	
	Maintenance of safety, service occupations		7.7	8.4	8.4	8.5	8.7	9.4	
	Change	Number (thousands)	Total, all occupations	-	905.2	2,762.8	2,557.9	3,343.2	2,502.6
			Specified fields	-	596.6	857.1	1,506.6	880.3	857.8
			Management	-	226.6	388.2	306.2	182.0	173.7
Administration			-	1,560.7	458.7	1,169.1	1,298.9	619.3	
Sales			-	789.1	945.7	311.3	496.1	555.1	
Maintenance of safety, service occupations			-	451.9	215.4	300.8	365.0	700.0	
Agriculture, forestry, fishery, and related			-	2,718.9	1,214.2	695.5	1,023.7	543.6	
Transportation, communications			-	72.9	17.9	80.4	5.3	111.6	
Mining			-	56.0	10.5	12.2	16.8	0.6	
Skilled work, manufacturing and construction			-	156.0	623.0	31.6	470.6	335.4	
Laborers	-	138.2	481.5	396.1	696.2	363.6			
Average annual rate of growth (%)	Average annual rate of growth (%)	Total, all occupations	-	0.3	1.0	0.9	1.1	0.8	
		Specified fields	-	3.3	3.9	5.5	2.6	2.3	
		Management	-	2.1	3.2	2.4	1.5	1.3	
		Administration	-	4.0	1.0	2.4	2.4	1.0	
		Sales	-	2.4	2.6	0.8	1.2	1.2	
		Maintenance of safety, service occupations	-	2.2	0.9	1.3	1.4	2.5	
		Agriculture, forestry, fishery, and related	-	6.1	3.6	2.4	4.1	2.6	
		Transportation, communications	-	0.6	0.1	0.7	0.0	0.9	
		Mining	-	9.8	2.7	3.6	6.3	0.3	
		Skilled work, manufacturing and construction	-	0.2	0.8	0.0	0.6	0.4	
Laborers	-	1.8	5.4	3.5	5.1	2.2			

Table 2. Historical and Projected Data by Major Occupational Group — Continued

Category		Projected data				
		2000	2005	2010		
Employment	Number (thousands)	Total, all occupations	64,307.0	65,037.0	64,260.0	
		Specified fields	8,984.7	9,698.8	10,014.7	
		Management	2,463.6	2,252.4	1,990.5	
		Administration	12,920.3	13,557.0	13,761.7	
		Sales	9,053.7	8,800.2	8,370.0	
		Maintenance of safety, service occupations	6,757.2	7,332.3	7,669.0	
		Agriculture, forestry, fishery, and related	3,450.6	3,073.1	2,580.9	
		Transportation, communications	2,333.5	2,296.1	2,212.3	
		Mining	35.0	32.5	30.8	
		Skilled work, manufacturing and construction	14,668.9	14,043.7	13,456.9	
		Laborers	3,639.5	3,950.9	4,173.2	
		Percent distribution (%)	Total, all occupations	100.0	100.0	100.0
			Specified fields	14.0	14.9	15.6
			Management	3.8	3.5	3.1
	Administration		20.1	20.8	21.4	
	Sales		14.1	13.5	13.0	
	Maintenance of safety, service occupations		10.5	11.3	11.9	
	Change	Number (thousands)	Total, all occupations	125.1	730.0	777.0
			Specified fields	858.8	714.0	315.9
			Management	253.0	211.2	261.9
Administration			533.9	636.7	204.7	
Sales			296.9	253.5	430.3	
Maintenance of safety, service occupations			711.2	575.1	336.6	
Agriculture, forestry, fishery, and related			362.5	377.5	492.2	
Transportation, communications			108.6	37.4	83.8	
Mining			9.2	2.5	1.7	
Skilled work, manufacturing and construction			1,042.9	625.2	586.7	
Laborers			94.3	311.4	222.4	
Average annual rate of growth (%)			Total, all occupations	0.0	0.2	0.2
			Specified fields	2.0	1.5	0.6
			Management	1.9	1.8	2.4
	Administration	0.8	1.0	0.3		
	Sales	0.6	0.6	1.0		
	Maintenance of safety, service occupations	2.2	1.6	0.9		
	Agriculture, forestry, fishery, and related	2.0	2.3	3.4		
	Transportation, communications	0.9	0.3	0.7		
	Mining	4.6	1.4	1.1		
	Skilled work, manufacturing and construction	1.4	0.9	0.8		
	Laborers	0.5	1.7	1.1		

2.3 Occupational Employment (Table 2)

In accordance with the two percent assumption of growth by JIL, changes in the industrial composition of employment will have a major impact on the occupational structure, as will changes in technology, business practices, and other factors. In general, occupational growth will result in opportunities for workers at all levels of education. However, opportunities in the higher-paying occupations will necessarily be limited to people with the appropriate level of education and other training that such jobs require. This effectively bars an attractive and growing segment of the market to those with low educational attainment or few practical skills.

The remainder of this section focuses on a discussion of projected changes in the occupational structure of employment over the 2000—2010 period. It includes analyses of the

impact on occupational employment of industry employment trends, technological change and other factors.

2.4 Major Occupational Groups

Each of the three major occupational groups requiring the highest levels of educational attainment is projected to continue to grow more rapidly than the average for total employment over the 2000—2010 period. The three groups are:

- executive, administrative, and managerial occupations
- professional occupations; and
- technical and related support occupations.

The number of workers in professional, technical and related support occupations is projected to grow by one million, an increase of 10 percent. Much of this growth is due to the expected increase in demand for engineering, computer and health-related occupations. This group of professional occupations is expected to continue to grow faster than the employment rate overall, and to increase its share of total employment from 14.0 percent in 2000 to 15.6 percent in 2010.

Employment in executive, administrative, and managerial occupations is expected to decline to two million, which represents a decrease of 0.5 million jobs from 2000 to 2010. The growth rate for this occupational group is projected to be less than it was between 1970 and 1995, when there was a growth in numbers of executive, administrative and managerial workers.

Sales positions, which increased in numbers between 1970 and 1995, are expected to decrease slightly. The employment decrease is expected to be about 0.7 million workers. Occupations in this group are concentrated in those industries that are expected to have an average rate of growth: wholesale and retail trade (excluding restaurants, cafes and bars and similar establishments).

Employment in administrative support occupations is expected to grow more slowly than the overall average for employment between 1970 and 2010. However, this group is expected to add 1.3 million jobs over the period and to remain the largest major occupational group. The group grew in the previous 25-year period, but the future rate of growth is expected to be reduced by the greater use of office automation associated with technological changes. Within this group, however, there are some occupations, such as computer operators, which are expected to benefit from continued technological changes requiring their skills and to grow rapidly as a result of this.

Employment in jobs involved in the maintenance of safety and in service is expected to increase by 20 percent between 1995 and 2010, with an increase of more than 0.9 million jobs. From constituting 10.5 percent of the total employment in 2000, these jobs are expected to increase to 11.9 percent of the total in 2010.

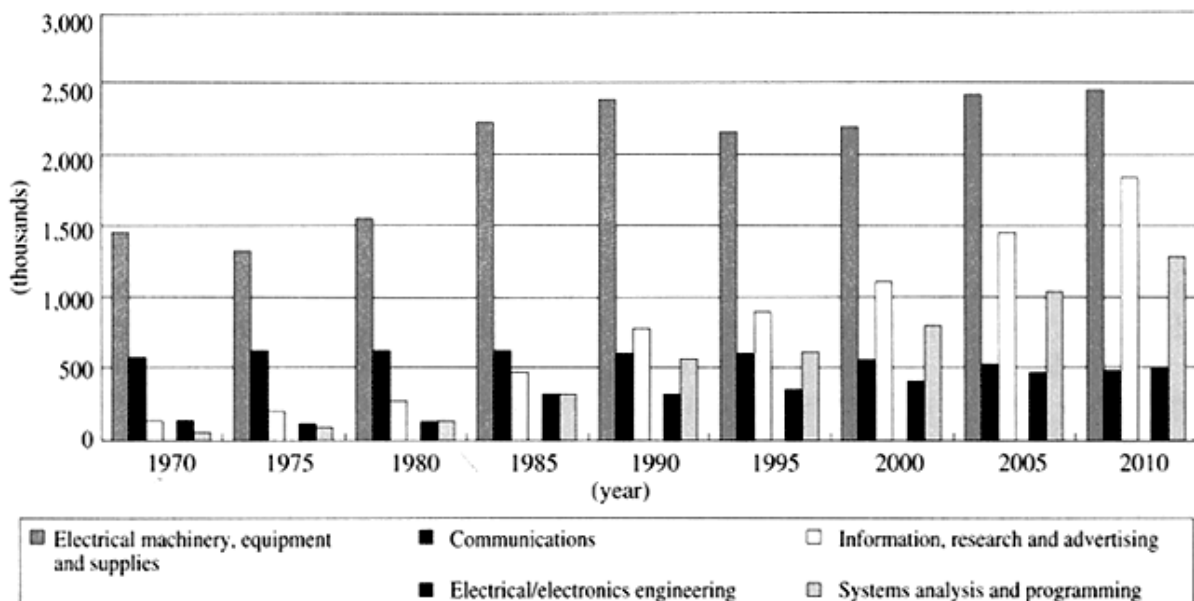
The number of agricultural, forestry, fishery and related workers is projected to decrease by one million between 2000 and 2010. Although continuing a long-term trend, this projected rate of decline is smaller than that which occurred between 1970 and 1995.

Employment in skilled work and in the mining, manufacturing, construction and laborers groups is projected to decrease up until 2010, and a large decline, of nearly two million jobs, is projected.

2.5 Specific Occupations

JIL has developed projections for 283 specific occupations. The changes in rate of employment among these occupations range from a increase of 0.5 million to a decline of 80 thousand, a much greater range than for the major occupational groups. The following discussion of specific occupations highlights those occupations that are expected to grow rapidly and to add large numbers of jobs over the 2000—2010 period. Selected historical and projected employment data on the detailed occupations are presented in Figure 1.

Figure 1. Selected Occupations with Fast Growth



2.6 Fastest Growing Occupations

Reflecting the rapid growth of the computer and information-related industries, the occupations with the fastest projected growth rate are information-related occupations. The computer and information-related occupations that are projected to grow most rapidly over the 2000—2010 period are computer programmers and computer systems analysts (nearly 40%). The number of data processing equipment repairers is also projected to increase rapidly, to maintain the growing stock of computer and related equipment.

Rapid growth of operations research analysts is also expected. These workers perform data analyses of the operations of manufacturing and other business organizations to improve efficiency. Their work often leads to changes in an organization's data processing methods. Computer systems analysts and computer programmers will also be needed to improve methods of satisfying the expanding data-processing needs of organizations.

The next fastest growing occupation, the other-health-related, will be in great demand to serve the needs of the increasing proportion who are aged. The third fastest growing occupation is the group working on electrical and electronic equipment, which also reflects the rapid growth of computer technology.

2.7 Occupations with the Largest Job Growth

In addition to those occupations with a rapid rate of growth, occupations having the largest numerical increases are also important in identifying careers that will provide favorable job opportunities. As can be seen in Table 2 and Figure 1, the growth rates of some of the occupations expected to have the largest numerical increase are less than for the economy as a whole. Size of employment, however, has a major impact on numerical growth. All of the occupations in Table 2 and Figure 1 are among the largest in employment size. In addition to numerical growth, employment size is also a major factor with regard to the number of openings that become available, because of the need to replace workers who either leave the labor force or transfer to other occupations.

Other occupations that are expected to have substantial job gains are other service occupations, such as cooks, waiters and waitresses, food counter workers and food preparation workers, and people employed in the maintenance of safety and related services.

On the other hand, most (but not all) occupations in skilled work, mining, manufacturing and labor sectors will decrease in number.

2.8 Declining Occupations and Worker Displacement

The differential growth of occupations has a variety of implications for the job market expected for the 2000s, especially regarding the characteristics of those workers who will have the best opportunities, compared with those who are likely to have the most difficulty in obtaining good jobs. The following sections discuss the likely consequences of occupations that are in decline.

According to JIL projections, many industries are expected to decline in employment between 2000 and 2010. Workers employed in occupations that are concentrated in those industries are potentially subject to displacement. However, such workers may have more favorable reemployment prospects if employment gains in their occupation in growing industries are greater than those in which losses have occurred in declining industries. Workers in occupations that are expected to decline in growing industries as well as in ones that are currently declining (partly because of the impact of widespread technological change) are also subject to potential displacement.

The analysis presented here deals only with potential job losses implied by the employment projections made by JIL for the period between 2000 and 2010. It should be noted that not all those workers who are in declining occupations and whose jobs are eliminated become displaced. Finally, the analysis does not attempt to account for effects of business cycles on worker displacement.

3.0 Trends for Computer-related Occupations in the U.S.

The projections have shown that computer-related jobs will lead all others in the next decade. Growth in the labor force working in this area is projected to be more than 40 percent between 2000 and 2010, and this will be accelerated by new policies, such as the information technology (IT) strategy that is expected to transform Japan into the most advanced country in the area of IT. It also means that there is the possibility of a labor shortage in that field⁽³⁾. How are we going to cope with it? This section refers to the U.S. experience as an advanced case.

It is hardly necessary to mention that growth in the output of computer, information, and communication-related jobs has surpassed all expectations. The shortage in labor that appeared in the IT-related field was on the way to computerize. As is well known, not only domestic but also foreign workers have played a major role in the growth of the U.S. information technology industries. In particular, specialized workers who are approved for Specialty Occupation Workers Applications (H-1B) have contributed towards the achievements that are typical of the current situation. Their expansion has been linked with

the fast-growth of the IT-related industry, and with the Year 2000 (Y2K) problem.

Some information on foreign workers has been compiled by the U.S. Immigration and Naturalization Service, in its document on Characteristics of Specialty Occupation Workers: October 1999 to February 2000. Of 81,262 workers named on the approved petitions, 42.6 percent of petitions were granted to people born in India, followed by 9.9 percent to people from China. Indians comprised about 37.5 percent of the H-1B petitions subject to the cap, but more than half of the H-1B petitions were not subject to the cap. The equivalent rates for people from China were 10.5 percent and 8.8 percent, respectively.

With regard to their occupations, computer-related occupations accounted for 53.5 percent of total H-1B petitions. The percentage of computer-related occupations differed by cap/non-cap status: nearly half of the cap petitions were computer-related compared with nearly 60 percent of the non-cap petitions. More than 47 percent of the approved H-1B petitions are for foreigners working as systems analysts or programmers. These occupations comprise nearly 89 percent of people working within the computer-related field. The next largest group comprises the workers in the electrical/electronics occupations, which account for only five percent of the approved H-1B petitions.

When academic qualifications are taken into account, it was found that nearly 57 percent of the H-1B workers have a bachelor's degree, nearly 41 percent have a master's degree or higher, and 10 percent have a professional degree or a doctoral degree. More than one-third of system analysts and programmers have a master's degree or higher.

In terms of salaries, the median annual wage of electrical/electronic engineers was \$54,000, and this is followed by occupations in architecture, engineering and surveying (\$51,000), and computer-related occupations (\$49,400). All of these are somewhat higher than the overall median annual wage of \$45,000.

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Looking at the coming decade, the U.S. Bureau of Labor Statistics (BLS) has presented industrial and occupational trends for the employment outlook up until 2008. It says as follows:

- The computer and data processing service industry leads other industries in terms

of employment, and is expected to add about two million jobs over 10 years.

- The manufacturing industry will continue to employ workers at its current level, especially in computer-related fields.

- Computer and health-related occupations will grow at a vigorous pace, with key categories being computer engineers, computer support specialists, systems analysts, database administrators, and desktop publishing specialists.

The BLS projections indicate that a larger foreign labor force will work in the IT-related fields.

4.0 The Possibility of Japan Catching up with the U.S.

In 1995, the number of employees who were working in computer-related industries in Japan was approximately 1.39 million, decreased from 1.53 million in 1990. At the same time, the number of telecommunication-related occupations is currently about 28 thousand, and has decreased by 23 thousand during the same period.

As we have seen, the computer and data processing service industry leads all others in the rate of employment growth, and is expected to expand by more than 0.6 million jobs between 2000—2010. At the same time, computer, health-related, and service occupations dominate the list of jobs which are on the increase.

Looking at the current situation in Japan, the IT Strategy Council has set a number of goals. They include the establishment of high-speed networks within five years, continuous and low-cost access to the Internet within one year, and the review of various regulations to promote electronic commerce.

Unfortunately, JIL projections do not include an analysis of the association between occupation level and demand and supply by industry. According to another projection, the shortage of computer-related workers is currently estimated at more than 0.2 million, and this will increase. How can a shortage in the computer-related labor force be filled? There are two possible ways. The long-term option is education and training (including retraining) and the short-term option, to serve present needs, is reliance on a foreign work force.

Although we do not have statistical data on the number of foreign workers in the computer-related field, the IT strategy program states that it needs to accept more than 30 thousand foreign computer-related workers in five years. It is, however, very difficult to employ workers in this field, because they are needed not only by Japan but also by other countries.

Whether or not Japan can catch up with the U.S. in the field of IT within five years may depend on highly educated and trained foreign workers.

Notes:

This article is based on employment projections for 2000—2010, made by the Statistical Information and Analysis Department, JIL. I would like to express my appreciation to that department for permission to use the results of those projections. At the same time, the responsibility for the content of this article is mine. More information on projections is available on the JIL's homepage, at <http://www.jil.go.jp>.

(1) For previous JIL projections, up until 2000, see Shiraishi (1995).

(2) See National Institute of Population and Social Security (1997).

(3) The 1999 White Paper on the Japanese Economy pointed out that labor-substitution effects were much larger: 1.94 million workers were substituted in Japan and 2.48 million in the U.S. However, the income effect, or the number of jobs created by the economic growth resulting from computerization investment, differed greatly between Japan and the U.S: only 1.72 million in Japan, but as many as 5.88 million in the U.S. Computerization investment reduced the number of jobs by 0.22 million in Japan, but in the U.S. it increased by as many as 3.4 million, and this accounted for about 30 percent of the new jobs created during the period.

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IIRA 12th World Congress Report

Rapporteur's Report

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

Tokyo, June 1, 2000

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Abstract

Extensive research has been done on how to combine fairness and security with flexibility. The objective here is not to cover all the research done, but to give a frame of reference for the

papers presented in this session. Flexibility is discussed from three perspectives. The first is the need to balance family and work and how this can be accomplished under the constraint of equality between women and men. The second issue concerns labor flexibility and social protection. The third area concerns labor market policy and new employment. In order to balance family and work, parental leave and working time arrangements have been explored. One conclusion is that the functioning of the labor market has to be analyzed from a gender perspective. Women's need for flexibility on the labor market is often met by precarious employment conditions. Another illustration can be found in the deregulation, downsizing and market liberalization processes. The situation for the labor force in sub-sectors of manufacturing industries is problematic. There are reasons to believe that the gendered structure of the labor market is slowly developing towards more equality. This development is of course dependent on whether economic and employment policies in the future can integrate the gender perspective and change male dominated power structures in politics and businesses.

INTRODUCTION

The search for flexibility while at the same time achieving fairness between different actors or groups on the labor market is of course filled with contradictions and conflicts. The areas to be covered under the headline for this session are broad and diverse and certainly not easy to summarize. And adding the condition of economic prosperity makes the task even more complicated.

The fields of research in these areas are too vast to be covered in this paper. The objective here is instead to give a framework for and summary of results from the different invited papers, which for this session have tried to discuss the concepts of flexibility, fairness and prosperity. Examples are given of employment policies pursued in different countries. The obstacles and contradictions are interesting and have to be placed in relation to existing national conditions and institutions. This means that a paper like this can fall very short of the specificities of regulations and traditions in different national contexts. At the same time, what is so fascinating is that we in this session can see how common, global trends are affecting different labor market conditions formed by historical, cultural and political traditions in totally different countries. I will in this discussion highlight gender relations and point to the importance of doing a gender-based analysis.

The concept employment policies is used in many different ways. It includes policies directed towards the labor market, workplaces or the individual, and the actors can either appear on the political scene, on the enterprise level, in organizations or as single individuals.

On the macro level, an active labor market policy and measures for increasing competence, skills and the employment possibilities for a single individual are important. It includes actions to facilitate mobility of individuals from one occupation or region to another. Job creation and measures to change working conditions at the work place and in organizations are also often seen as employment policies. From the organization's side, this includes policies aimed at changing the size and composition of the labor force. Finally, this wide concept is also used for measures directed towards the individual level, where different forms of leave and working time arrangements allow people to remain in the labor force, something which they otherwise would not have been able to do.

In this session we are discussing rules and regulations shaped for different types of flexibility, affecting not only the functioning of the labor market but also work organizations and the daily life of single individuals. One example is parental leave as a measure to regulate absence due to childbirth while maintaining the employment contract. Another is the right for elderly to remain in the labor force during restructuring and introduction of new technology: Individual rights versus employers' interests of maintaining a flexible and effective production.

Important Questions

One overall question is: Can equality and fairness in distribution of employment, income and power be reached in societies more and more open to globally operating market forces? And what role are international or supranational organizations playing? From a European perspective, the debate has been intense on the relations between national and EU-regulations. And, of course, the question of convergence is brought to the fore here. To what extent is it possible to have a specific national system of policies and regulations in an increasingly economically integrated world? And do institutions and regulations always have to be seen as obstacles to growth and prosperity?

The evidence is that the often-used direct relationships between labor regulations and economic rigidities are very difficult to find. Blank et al. (1994) show that labor market flexibility and speed of adjustment don't seem to be substantially affected by social protection programs. Examples are given from different areas like advance notice and severance pay, geographic mobility and economic growth, housing market regulations and mobility, health insurance and mobility, pension benefits and mobility. It rather seems to be the case that countries with more extensive social protection systems find other ways by which adjustment can occur. Also the OECD study on employment protection and labor market performance found little evidence of any relations between the degree of employment regulation and overall unemployment (OECD, 1999).

Flexibility and Gender Relations

Flexibility can be analyzed in a host of different ways. We will here discuss flexibility on three levels:

1. Individual/family/household level,
2. Organizational or work place level and
3. Labor market level.

Mainstream research on flexibility in the post-Fordist regulation school debate have been criticized for being gender blind (Pollert [ed.], 1991, 1996). Feminist critics like Pollert point to the fact that manufacturing industries have been in focus for the regulation school and stress that it does not follow that the same kind of changes will occur in the service sectors as in manufacturing. Flexibilization and new organizational forms of production lead to specific constraints in welfare state regulations. Not least, numerical flexibility is already built into the service sector, both private and public, through the large amount of part-time and temporary work, where women have been recruited as an ideal labor force. This also means that an intensification of the restructuring of the service sector does not necessarily lead to the same kind of results as in the manufacturing industries.

Women's position in the labor market has to be analyzed from both a gender and a power perspective. In a global perspective, employers have met women's demands for flexibility by offering temporary contracts. The result can be seen as an increasing casualization of the female labor force. Individual flexibility in order to be able to combine family and working life has mostly not been reached with employment security and a breadwinner wage for the female labor force (see, for example, Perrons, 1998). On the contrary, the term a-typical is used as an employment category, which actually has become very typical as the employment situation for women all over the world (UNDP, 1999). Where family related flexibility has been reached inside the employment contract and combined with employment security, this can be seen in countries where women have had a strong position both in the political field and in unions (Briskin and Eliasson [eds.], 1999).

Different Forms of Flexibility

Flexibility on the organizational and labor market level is often discussed as internal and external flexibility or functional and numerical flexibility (Rhodes, 1998). In the paper by **Baetge and Horstman** a third form is added, namely reward flexibility which links reward strategies more directly to the performance of the individual employee of the group and/or the profitability of the organization (**Baetge and Horstman**). In functional flexibility I also include individual mobility between different statuses in relation to labor market position and labor

market attachment. From a gender perspective this is particularly important. A family-friendly flexibility is being developed in many organizations to make it easier for individuals and households to combine family life and working life. This flexibility can come about either as a result of a deliberately strategy of organizations, as agreements between single individuals and employers, or as a result of agreements and regulations formed in collective agreements or on political levels (**Weiler**). But it is on the organizational level that institutions are tested as the individuals apply the rules and regulations and try to adapt to the demands from employer and market (Tyrkkö, 1999). And here the division between formal and informal flexibility is important. Is the organization so flexible that it can allow the individuals to change working hours and adjust to sudden changes in the family's timetable? (Holt and Thaulow, 1996).

Globalization and the Welfare State

The Human Development Report 1999 characterizes the present era of globalization as driven by competitive global markets (UNDP, 1999). Shrinking space, shrinking time and disappearing borders are key elements supporting this development. People's lives depend on events on the other side of the globe. Markets and technologies change in a speed, which is measured in real time. National borders are breaking down in almost every respect. Breakthroughs in telecommunication and biotechnology can benefit humankind. At the same time markets can go too far to oppress non-market activities. New markets, new tools, new actors and new rules are defining this era of globalization. The interaction between people and nations is more intense than ever. World exports, foreign direct investment and turnover on foreign exchange markets increase. People travel more, international migration increases in spite of strict limitations and Internet and media stimulate exchange of ideas and information. One could say that the driving forces behind the global integration are policy shifts to promote economic efficiency through liberalization and deregulation of national markets. The retreat of the state from many economic activities, as well as a restructuring of the welfare state (UNDP, 1999:25), follows from this.

Diagnosing the crisis of the welfare state Esping-Andersen offers three possible explanations (Esping-Andersen [ed.], 1996). One is the market-distortion component, meaning that the welfare state, by different types of social security regulations introduces rigidities in the market and decreases the incentive to work for the single individual. The second diagnosis concentrates on the consequences of an aging population on labor market relations and economic performance. The third discourse has the global economy in focus, and the global competition that makes it more difficult to pursue a specific national policy, particularly one with a high expenditure on social infrastructure. In our discussion it is important to say that all three lines of argumentation can be debated in one sense or the other

and they all are related to the “old” European or North American welfare state typologies. Not least, the last type of explanation is important to discuss where the issue of convergence in economic and social policies is addressed. From a European point of departure one might say that the economic integration has led to convergence in labor market performance on an overall level. It becomes, however, very clear when analyzing economic political measures and their effects that the national policies still matter. This was very evident in the project on benchmarking European economic policies in the 1990s from a gender perspective (Plantenga and Hansen, 1999).

A New Labor Force and New Employment Patterns

The composition of the labor force is changing. There is diversity by gender, age and ethnical background. Women make up between 40 and 50 percent of the labor force in most European countries. At the same time, women still have the main responsibility for the unpaid work. Increasing female educational levels has led to a situation like the one in Sweden, that women to a larger extent than men have higher education (Gonäs and Spånt, 1997). In European countries fertility rates have been decreasing steadily.

At the same time, as we find large proportions of employees in temporary employment and contingent work, work itself tends to loosen its boundaries and become flexible in relation to time, space and organization (Allvin et al., 1999). Working conditions become flexible as they become individually and contextually regulated. We can talk about work without borders or borderless work.

Within this global framework I will try to pick up the main threads from the invited papers. I will start with the need to find a balance between family responsibilities and work and how this issue has been tackled in different labor market regimes. The issues of flexibility and social protection, also seen from a gender perspective follow this. Finally, the third and last area is labor market policies and job creation.

BALANCING FAMILY AND WORK

The increasing female participation is one of the most clear and distinct changes in the labor market during the last three decades. Specifically women between the ages 25 to 44 have increased their participation rates. We can see this as changing labor market behavior. As women form families and have children they prefer to stay on in the labor market. The institutional support to women for establishing a functioning wage earner-motherhood role differs enormously between countries.

In her paper, **Tremblay** raises the question of how to reconcile work and family under the

condition of fairness and equality for women. Working time is a critical issue when trying to find a balance between work and family. Flexible schedules can be both a problem and a solution. If flexible or changing hours are imposed by the employer, often with short notice and not by the employee's own choice, this can interfere a lot in the structure of the whole family's situation. But on the other hand, an employee-chosen flexibility can be part of the solution. Flexible working hours are not enough. Childcare policies, with good care and a good supply of day care centers are important prerequisites to keep the balance, together with a changing role for the man in the family. The unpaid work in households has to be shared more equally between the woman and man (**Tremblay**). The importance of institutions and policies, laws and regulations, agreements and power relations on the work place level, together with a need to change the division of work in the household are ingredients which are touched upon in all the papers. National specificities make one area more important than the other.

Parental Leave

In Northern European countries, here represented by the Danish researcher **Holt's** paper, parental-leave framework has for many years been in existence. Both women and men have legal rights to a paid leave of absence for one year in connection with childbirth (**Holt**). Separate negotiations and agreements on the plant level around these issues are not frequent. The right to shorter working hours does exist until the child is 8 years old, as for example in Sweden (Bergqvist et al., 1999). On the other hand, the need to have flexible working hours and be able to take care of family members also makes women in these countries vulnerable in relation to employer driven flexibility and changing working hours. Even if the laws and regulations safeguard the rights to have both work and family for women and men, the deregulation in working life and increasing precariousness of the job situation makes the balance hard to reach. One can, as **Holt**, say, "Women give the family the flexibility that is necessary for men to be able to be flexible at their workplaces."

Gender Segregation and Flexibility

Women use the leave and flexibility possibilities that are given by the parental leave regulations to a much larger extent than men do. This has some negative consequences. Employers, when hiring women regard them all as potential mothers. And it might be as **Holt** notes that the longer legal provisions a government has given families, the more the employer will regard women as an unstable and expensive labor force. This might also be one of the explanations for the persistent gender segregation. But this should not be seen as a reason for not implementing laws on the right to parental leave and a payment system. In his elucidative paper on the Australian situation, **Ross** discusses two important questions that have to be tackled in the future: deregulation and paid parental leave. Increasing deregulation leads to a decreasing proportion of employees covered by negotiated agreements

and having award coverage. In the year 2000, awards will cover only 70 percent of all employees and only 60 percent in the private sector, the rest will not be covered by an award safety net. In Australia, as in many other countries, casual labor doesn't have access to arbitral and statutory family-friendly initiatives. The Convention on the Elimination of All Forms of Discrimination Against Women (CEDAW) has led to a discussion of paid maternity leave as a fundamental human right. But regardless of this, Australia together with the United States, Lesotho, New Zealand, Papua New Guinea and Swaziland are six of 163 signatories globally of CEDAW that do not provide any maternity leave (**Ross**). More than 100 ILO member countries provide at least 12 weeks of maternity leave.

Child and Elderly Care

Also the Japanese example, presented by **Maeda**, shows the importance of the interplay between working hours, parental leave regulations and the organization of the reproductive work, for example care of the young and elderly. Even though one can say that there are differences between countries in relation to women's position in the labor market and in working life, some tendencies are common. One is the risk for a polarization of working hours, where men tend to have very long working days, while women have part time and short working hours (**Tremblay**). This affects women's position both at the work place and in the household; it undermines the possibilities of reaching an equal division of the total workload in the families and prevents women from having equality in working life. The same results can be seen from the casualization of the labor force. Women have a higher proportion than men of temporary jobs, of part time jobs with less security than full time jobs. This polarization by gender has to be addressed by both employers and employee organizations.

Japanese women have an employment profile similar to continental Europe (Rubery et al., 1998). Career breaks in connection with childbirth are still common and one can see this in the M-shaped employment rate curve (**Maeda**). This pattern can no longer be found in Scandinavian or Anglo-Saxon countries. Childcare is in these cases either provided by the state or bought on the market. But in the cases where the family still is the main provider of care for children and in the Japanese case also for the elderly, women are more or less forced to return to the home during the child-rearing period. Women are a precious resource in times of a decreasing labor force and there is a need to form flexible and diverse working hours that include employment security and add to the social benefits. At the same time, the Japanese example also shows the need for development of a support system for child and elderly care (**Maeda**).

Family-friendly Policies and Internal Flexibility

Ng and Fosh discuss in their paper the importance of a family-friendly policy in the work

organization in order to make it possible for women to rise in the internal hierarchical levels (**Ng and Fosh**). Their case is East Asia Air and they ask the question whether it is possible to change the existing gender segregation in the company. The study concludes that it is not impossible for women to reach the higher levels but it will be difficult. One obstacle is the “men's club” and structural blockages like out-port posting policy. Women also feel that men's attitudes limit their opportunities. “Hiring a domestic helper is not a feasible solution for caring for a female employee's family while she is transferred to an out-port for a year if her husband refuses to relocate his career (**Ng and Fosh**).

Included in this section is also a paper that examines results of employment equity, affirmative action and experiences with quotas, positive actions policies and programs (**Jain**).

LABOR FLEXIBILITY AND SOCIAL PROTECTION

In the OECD overview of employment protection legislation (EPL) and labor market performance covering the period from the late 1980s to the late 1990s an assessment is made of the extent to which policy reforms have changed employment protection practices. The main question was whether a greater degree of EPL strictness affects employment and unemployment outcomes averaged over a number of years. There is a significant international variation in employment protection regulations. The southern European countries have very strict employment protection, and on the other side stand the United States, U.K., Canada and New Zealand as the least restrictive. During this decade there seems to have been a high degree of continuity in EPL practices. Exceptions are liberalization in the use of fixed-term contracts and temporary work agencies (OECD, 1999). Almost all countries enforced additional requirements on employers in relation to collective dismissals, although with national variations in the degree of change in the provisions.

Concerning the EPL effect on unemployment, a cross-country analysis suggests that there was no or very little effect on overall unemployment. There were effects on the demographic composition of unemployment, where countries with strict EPL had lower unemployment levels for “prime-aged” men than for other groups, such as younger workers. Also the employment to population ratio for the working-age population was lower in countries with strict EPL, suggesting that negative effects on employment were concentrated to women in prime-age, young and older workers. These results are interesting in many ways. One important thing to add is that the employment protection regulations that have been studied here are those in relation to employment security and dismissals.

To conclude that strict EPL has negative effects on women's employment participation rates is probably not correct. Many studies show that other types of regulations than

employment security also are important for women's employment, such as the supply of public day-care and parental leave (Rubery et al., 1999). These conditions, that are most often regarded as parts of the welfare state system, and not the industrial relations system as such, clearly shape the labor market regime of specific countries. An analysis of European differences in regional employment between women and men shows that women's regional employment differentiation follows national borders, while the male pattern seems to be determined by other factors like the regional division of the manufacturing industries (Gonäs, 1999). This result adds to the fact that a necessary ingredient for defining labor market regimes is the organization of the reproductive work. To what extent does the state provide provisions which make it possible for women and men to take part on equal basis in the labor market?

Equal Opportunities and Collective Agreements

Equal opportunities, as a mechanism for change of transnational industrial relations, is one important point in our discussion on labor flexibility and social protection. In an EU-wide project on equal opportunities and collective bargaining, agreements on all levels have been collected (**Weiler**). The interest has been to study "leading edge" agreements in the context of equal opportunities. Areas covered are organizational culture, job access/sex segregation, pay equity, parental leave and working time arrangements. New areas have hereby been taken up for collective bargaining, such as organizational culture. Also, issues on recruitment and promotion have broadened the content of collective bargaining as agreements concerning sexual harassment, which have the potential to extend provisions on the organizational cultures. It seems to have become easier to achieve agreements in the area of equal opportunities than in the traditional core areas of collective bargaining. And, according to **Weiler**, it is no surprise that it was on parental leave and part-time work that the social partners in the European Social Dialogue could agree.

Numerical Flexibility

Baetge and Horstman present an evaluation of labor flexibility initiatives in a medium-sized public sector organization. They use three types of flexibility, functional, numerical and reward flexibility, concentrating on the numerical in the analysis of the decentralization and deregulation of the Library and Information Services of Western Australia (LISWA). Often the workforce is divided according to degree of stability in a permanent, full-time core group, a second group of temporary, contingent employees and a third group of contractors. To a fourth group customers can be counted, as they do a lot of work previously done by employees, like banking, policing and education (**Baetge and Horstman**). In their analysis **Baetge and Horstman** also include the customers of LISWA. Through the restructuring of the organization, the proportion of casual workers increased

with the highest proportion among women. The authors also distinguish between employer and employee driven flexibility and they specify both demand and supply factors relating to the different types of flexibility. In their case study of a female dominated organization, the employee driven numerical flexibility effecting the supply side has been very important. As the opening hours for the library service increased, the most cost-effective way of staffing was to increase the casual staff. One conclusion is that the decentralization and the deregulated industrial relations have been favorable for developing flexible employment. And the results indicate that there are possibilities of achieving positive effects for both the employees and the employer.

The Finnish case presented by **Peltola** gives examples of how the introduction of reduced working hours effected work organization, productivity and employment in both the private and public sector in Finland. The background was the deep recession in the 1990s and the need to find new tools to combat unemployment. But the reason also was to study the consequences of working time reductions in practice. Traditionally the economic calculations on the consequences of working time reductions are based on theoretical assumptions and relationships. Motives for taking part in the experiments were different between manufacturing industries and the public sector, here the health care and social services provided by the municipals on local level. In manufacturing industries better use of capital was one argument, another was to be better prepared for fluctuations in customer demand. For the municipals the motives were job sharing, better work endurance and extension of working hours. The chosen working time models also differed between the sectors. Manufacturing industries had six-hours shift while the public sector had a shorter working day, four-day week and three-week working month. And the wage compensation was usually full in the manufacturing companies, while partial in the public sector. Pay systems were also different with more and more incentive pay systems in the plants and not at all in the public service. Effects on employment seemed to be positive in both sectors, while the role of the new workers differed, where the private sector seemed to integrate while the public did not. Finally the possibilities for increased productivity was large in the manufacturing industries and small in the health care and social services. The gain in these latter areas seemed to be mostly in the service level and on the working conditions for the single individual, mostly women.

Reward Flexibility

Marsden, French and Kubo present the following question: “Do performance pay incentives lead to greater job flexibility?” Their study is about the impact of performance related pay on “salaried internal labor markets” in public services. The results are based on data from 5,000 civil servants surveyed between August 1996 and March 1997. In their first

report from the study, **Marsden and French** found that the overall effect of performance pay on motivation to improve performance was weak. It also seemed to have worsened workplace relations. The results from the more elaborated analysis point in the same direction. Opposition to performance pay in professional organizations seems to be rooted in the reactions of individual employee and their fear of moral hazard by management and conflicts over performance standards.

Chandra and Ratnam give in their paper experiences from labor-management partnerships in improving workplace relations in India. The paper focuses on success stories and some of the important points were the need for shared visions and values, information sharing and two-way communication, ensuring fairness and building trust, in situations of conflict it was important to open up for discussion. One conclusion from the authors is that if fairness is transparent and equity is established flexibility can be pervasive. But this also means that flexibility for one does not pose rigidity on the other.

Finally in this section professor **Swiatkowski** is presenting a paper on new designs for promoting labor flexibility and social protection in Eastern and Central Europe. The flexibility concept used in this paper is defined as “all arrangements and solutions tailored to the specific needs and wishes of the parties concerned, primarily ‘buyers’ and ‘sellers’ of labor, acting in unison or individually” (Fahlbeck 1998: 10). In the paper it is suggested that the system of industrial relations shall remain trilateral: employers, employees and their representatives, and the state. A new set of rules for promoting labor flexibility has to be implemented. Suggestions are made of solutions tailored to the specific needs of both employers and employees, and not based on normative guidelines. This would lead to a labor market where the full-time permanent job no longer is the typical form of work, but where there are a variety of employment forms. This creates a balance between security and employment opportunities where flexibility becomes a catchword.

LABOR MARKET POLICY AND THE CREATION OF NEW JOBS

The employment guidelines for the national employment action plans (NAP) are a good example of this wide definition of the concept. It defines four pillars for the European employment policy:

1. Improving employability,
2. Developing entrepreneurship,
3. Encouraging adaptability in business and among its employees, and
4. Strengthening policies for equal opportunities.

Through the employment title in the Amsterdam Treaty, employment policies shall be a

priority issue among EU-member states. In Luxembourg in November 1997 the European Council adopted the 1998 employment guidelines and the member states were asked to submit a first national employment action plan (NAP) in 1998.

A Swedish Example

In the Swedish NAP for 1998 it is clearly stated that the employment guidelines and the policies that follow have to be compatible with the fiscal policy that continues to be responsible for and a restraint in government expenditure . This means that any increased public expenditure will be financed by changing priorities within the bounds of existing financial resources. The economic policy shall promote high growth, increased employment and lower unemployment. The basis is to maintain macroeconomic stability through sound public finances and stable prices. This stability policy was combined with labor market policies, increased education efforts, and support for entrepreneurship to create a favorable business climate (NAP, 1998).

The government's employment policy is based on five points:

1. Unemployment will be reduced by more people getting jobs, training and education to increase their chances of finding work.
2. The major share of the employment increase shall be in the private sector.
3. Within the public sector, services are to get priority over transfers. School, health care and social service are the core of the welfare system.
4. A better functioning wage formation process is required.
5. Public finances will be sound and prices stable

The pressure on the public sector during the 1990s was strong, due to the deep recession, changing economic policy, and new strategies for producing services. One result was decreasing employment rates for women. Male dominated manufacturing and construction industries went through a deep recession that led to an even sharper decrease in the male than in the female employment level.

Restructuring Policies — Gender Perspective

One of the first major restructurings in the public sector occurred in the national school administration, where the National Board of School Administration was closed down in 1991. All employees were fired and had to apply for the new positions that were set up in a new organization for school administration (Gonäs, 1997). On the regional and municipal levels the ways the restructuring has taken place vary greatly. Local conditions have frequently been playing a role in deciding procedures and form of change (Gonäs, Johansson and Svärd, 1997). Different forms of labor market policy measures have been implemented to alleviate

the consequences of the job loss and to help the employees get a new job. One of the many programs, which started in 1997, was the Adult Education Programme, a five-year program where the target group is primarily unemployed adults who entirely or partially lack three-year upper secondary education (Skolverket, 1998). During the autumn of 1997 the program organized education equivalent to 147,500 full time-seats.

In an evaluation of the labor market policy from a gender perspective, the National Audit Board (RRV 1997:45) found that women and men were enrolled in labor market policy measures in relation to their proportion of the unemployed. The type of support they got varied, as well as the outcome of the different measures. Women took education and training into the female dominated sectors of the labor market, as did men. One result of the evaluation was that it is difficult to see labor market policies as a tool for changing the gendered structure of the labor market.

From a gender perspective this conservative role of the labor market policy becomes problematic. The employment expansion is supposed to take place in the private sector, through expansion of the small and medium businesses and business start-ups, and the employment policies are supposed to play an important role in these processes (NAP, 1998).

Employment is now increasing, but the unemployment level will probably continue to be around five percent for some years (Sweden's Convergence Programme, 1998). This means that large groups will be in transitional labor market statuses, like training, education or unemployment for longer periods of time. The full employment regime that has been pursued during the postwar period is being replaced by a labor market regime with lower activity rates and a larger proportion of the population in working ages in temporary labor market status which might be called permanent temporariness (Gonäs and Westin, 1993).

Transitional Labor Markets

The Swedish Labour Market Board now uses, following the discussion of Schmid (1995, 1999), transitional labor markets as a labor market policy concept. One reason why transitional labor markets became a policy area now is the need to be prepared for sudden shifts in labor demand. The objective is to transfer the individual back to the labor market as soon as possible through education and training, and keep the individual out of the circle of unemployment and different types of more or less effective labor market measures. The plan is to do this through special policy measures, like vocational training and within certain time limits.

Liberalization and Downsizing — An International Perspective

The problem of how to create an effective labor market policy is acute in many countries. The consequences of global competition, deregulation and downsizing have caused almost insurmountable problems. One example is given in the paper by **Reguri** on the massive restructuring in India during the 1990s. Liberalization has had a deep impact on the economy leading to industrial restructuring and plant closures. The consequences for the labor force have been pervasive with redundancies and unemployment as a result. There is a need to form a “comprehensive labor market policy, which combines prosperity and social justice in a bipartite set up.” The results from the Indian labor policy and its social protection programs presented by Reguri are depressing. The transformation processes have to a large extent left the employees unemployed and unable to get a new job. **Reguri** concludes that there should be complete transparency in how to handle the problems and the unions should be fully involved when restructuring the firms.

The paper by **Sun** gives another picture of the same problem. One million workers or one-third of the Chinese steel industry workforce is redundant (**Sun**). What policies that best could tackle the problems that arise might be too early to say, but **Sun** gives interesting information of the development of relocation policies and of Employment Transfer Centers (ETC) in China. Those employees defined as redundant are transferred to an ETC and offered retraining, combined with moral indoctrination, while at the same time getting a very drastic decrease in pay level. The centers function as small sub-centers to large steel-plants and the reemployment of redundant workers to the steel mills is low. But as long as there is no unemployment insurance the state-owned steel plants are forced to reemploy workers.

Also, in the Australian case, de-regulation, internationalization and changing governmental policies affect employment composition and size. In the paper by **Burgess and Strachan**, the differences in labor relations between small and large business are discussed and special reference is given to the small business sector and women's employment. The authors summarize the development in the Australian labor market by comparing the group that gets the new jobs and the group that is losing the old ones. New jobs are more likely to be filled by women, working part-time or in casual jobs in the private tertiary sector, and not being members of a union. Full-time male workers, union members, working outside of the tertiary sector, sometimes in the public sector, filled the jobs being lost. In this context was support to small businesses also a support for women workers? Not obviously, according to the results from the paper. It was especially difficult for women to reach family-friendly agreements in situations where they had low rates of unification, fragmented work arrangements, and when working in the service sector where it is difficult to tie wage claims

to demonstrable productivity gains. And, as we already discussed, flexible working arrangements are not always family-friendly.

A very specific topic is taken up in the paper by **Lo** in relation to creation of new jobs. That concerns the rights to employee invention, specifically for employees who are working for hire. Finally in this section I want to mention the situation for the elderly workers highlighted by **Siegel**. In his paper he compares the situation for the elderly workers in Japan and the U.S.

A New Nordic Labor Market Regime?

Jørgensen in his paper takes up how to re-regulate the labor market. He shows how a new policy regime has been created around attempts to redesign the activation efforts in Denmark. The labor market regime has been widened with a de-central, co-operative network-based and need-oriented element. And the perspective is not one of “exchange” but one of “appropriateness,” and it is not simply a question of bargaining but of common understanding and problem solving. “Competitive employment conditions, active labor market policies and social justice rest in the co-ordination of public policies and private collective actions — not in the logic of “the wealth of the firm” are the concluding lines in **Jørgensen's** paper.

Researchers from the Swedish Labour Market Board (AMS) present in their paper an analysis of the performance of the labor market policies during the deep recession in the mid-1990s (**Harkman and Johansson**). In 1997 about 4.5 percent of the Swedish labor force was engaged in different labor market policy programs. The study analyzes most of the programs that existed in Sweden in 1996 with the objective of facilitating the transition from unemployment to work. One year after different programs were finished, the highest employment rate was found among participants in the program for recruitment grants. Vocational training and subsidized temporary employment programs also had good employment results. The opinions of the participants concerning the different programs were very much in line with the results from the statistical analysis, though on a lower level. Programs, however, that just offered a temporary activity did not seem to increase employment and were also evaluated by the participants as ineffective in relation to new job opportunities. **Räisänen** presents an analysis of recruitment problems in the Finnish labor market still characterized by high unemployment levels. The top 10 list of problem vacancies includes very different occupations where the reasons for the difficulties of filling them vary strongly. In short, term public employment services and targeted training are the most important measures to tackle the mismatches. These are, in a way, the same type of solutions, which are discussed in the Swedish debate in relation to transitional labor markets.

The Nordic experiences are different in many respects. Denmark was hit by economic crises much earlier than Sweden and Finland. On the other hand, the crises in the 1990s hit the two latter countries more severely than Denmark. During the crisis, the restrictive economic policy placed too large a burden on the active labor market policy. Almost five percent of the labor force was participating in different labor market programs. As a consequence, the need to monitor and evaluate different programs according to the efficiency and duration became increasingly important.

Conclusions

How can experiences of best practices be spread globally? Which institutions are willing to take on that mission? Employment policies differ between countries. Various policy tools are used, directed either to individual employees or enterprises. Flexibility as a means to balance family and work through different kinds of parental leave systems and working time arrangements have been used in many countries. The effects of different models have to be analyzed from a gender perspective. One illustration is how the need for family-friendly flexibility often have been met by the employers with contingent work arrangements and part-time work for large parts of the female labor force. There are reasons to believe that the gendered structure of the labor market is slowly changing towards more equality and fairness. But how this is done depends of course on the possibilities of changing the present male dominated power structure both in the political and economic sphere, and in the families.

Transitional labor markets can support restructuring processes by combining the employees need for education and training with the employers need for more skilled workers. Increased international exchanges of ideas and experiences between researchers and politicians is a necessary but not sufficient condition for combining fairness, security and prosperity during periods of strong economic change and development.

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JIL News and Information

The Employment System in an Aging Society — Abolishing the Mandatory Retirement System and Separating Employment from Age

On October 11, 2000 Atsushi Seike, Professor of Labor Economics at Keio University, gave a seminar on "The Employment System in an Aging Society — Construction of an Age-free Society" at the Japan Institute of Labour (JIL). With the labor force expected to shrink from 2005 onward due to the declining birth rate and the aging of society, Prof. Seike emphasized the need to revise the employment system and to build an "age-free" society by abolishing the mandatory retirement system. Below is a summary of his presentation.

Japanese society is rapidly aging at an unprecedented rate. It is estimated that by 2015 one-fourth of its population will be aged over 65. Currently, the ratio of such elderly people to

the population is less than 17 percent. The rate at which the population is aging is twice the rate being experienced in Western countries. Consequently, Japan must move quickly to reorganize itself.

While the number of older Japanese is increasing, the number of younger Japanese is rapidly shrinking. The number in their 20s currently totals 18.4 million, but this is expected to fall by one-third, to 12.48 million by 2015. The labor market will be affected by both the graying of society and the decreasing number of young people.

These trends point to the need to create an employment system whereby the employment of middle-aged and older workers is not tied to rising labor costs while they are still given more opportunities to continue working.

Fortunately, the older people in Japan seem to be more keen on working than their counterparts in many OECD countries. The general idea of constructing a society where older people with the willingness and ability to work are given job opportunities regardless of their age seems to have broad based acceptance. Nevertheless in many firms the specific arrangements to facilitate such employment are still not in place.

It can be said that “agism” is prevalent among many potential employers. The mandatory retirement system — which actually hinders the realization of life-long employment — is still adopted in many firms. More than 90 percent of firms with 30 or more employees have a mandatory retirement system. Among those firms, nearly 90 percent have a retirement age of 60. Some surveys show that mandatory retirement reduces probability of labor force participation by 18 percent, and that the job performance of those who resume working after once retiring is substantially below that of those who have never retired. This suggests strongly that the mandatory retirement system may have a negative effect on the utilization of the older workforce.

Japanese firms have not always had a mandatory retirement system. About 25 years ago such an approach was found in only two thirds of firms with 30 or more employees, and in small and medium-sized firms it has been introduced only quite recently. It seems likely that the decrease in self-employed people may partly account for the spread of the system.

At present, middle-aged and older unemployed people still have difficulty in getting jobs. A Special Survey of Labour Force Survey shows that the most prominent reason given for their difficulty is “age limit.” It is a matter for great concern that workers should be kept from reemployment because of age, a factor beyond their control. Why does this happen? The

reason is quite simple: the seniority wage system makes the cost of hiring middle-aged and older workers too high.

Also the mandatory retirement system provides firms with an important means of adjusting employment levels. If the mandatory retirement system is abolished, it will be necessary for firms to come up with alternative means of adjusting their employment levels.

Many labor unions are not keen for the mandatory retirement system to be abolished. One reason may be their wish to safeguard workers' jobs until the retirement age. However, with deregulation progressing and business competition intensifying both domestically and internationally, it will become more difficult for individual firms to guarantee that their workers will be employed from the time they are first hired until the time they retire. Hence there is the necessity of devising some mechanism that safeguards employment via the labor market as a whole rather than looking to each individual firm for a solution. It is vital that a broadly accepted approach to wages and other working conditions be accepted which does not link everything to the employees' age. It is essential a transparent system be created which allows the ability and achievements of employees to be properly evaluated so that workers can choose workplaces where their abilities can be fully utilized.

The government and administration should provide information related to employment and work to minimize the barriers to labor mobility. Although unemployment has dropped slightly, to 4.6 percent at the moment, concern still remains that it could go up to around five percent. Important for the future is the implementation of policies designed to help the unemployed. In other words, policies need to be adopted which will increase unemployment benefits for middle-aged and older workers, and which will make it easier for firms to take on such people as employees.

It is often said that Japanese people are extremely busy with work in their prime, but that they then have too much free time when they get old. To establish some balance, we need a society where people have the time to think about themselves, to develop more skills, and to take care of their health while they are still in their prime. This will help them to continue working even when they get old.

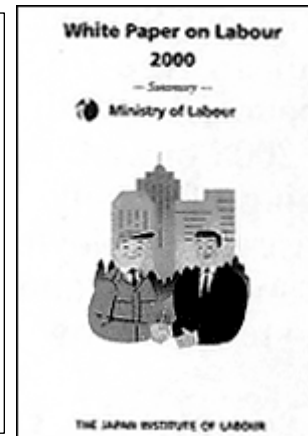
Publications

White Paper on Labour 2000

“The Best Mix of Young and Middle-Aged and Older Workers in an Aging Society by the Ministry of Labour”

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Statistical Aspects

Recent Labor Economy Indices

	November 2000	October 2000	Change from previous year
Labor force	6,811 (10 thousand)	6,822 (10 thousand)	35 (10 thousand)
Employed	6,502	6,508	21
Employees	5,429	5,425	72
Unemployed	309	314	14
Unemployment rate	4.5%	4.6%	0.1
Active opening rate	0.65	0.64	0.01
Total hours worked	157.5 (hours)	156.8 (hours)	0.1
Total wages of regular employees	(¥ thousand) 265.6	(¥ thousand) 265.8	0.6

Note: * Denotes annual percent change.

Source: Management and Coordination Agency, *Rōdoryoku Chōsa* (Labour Force Survey); Ministry of Labour, *Shokugyō Antei Gyōmu Tōkei* (Report on Employment Service), *Maitzuki Kinrō Tōkei* (Monthly Labour Survey).

Trends in the Number of Unpaid Wage Cases (Newly Reported Each Year)

