Economic Crisis and Employment Issues in Japan –
Significance of the Global Jobs Pact for Japan

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1. Introduction

The objective of this paper is to review the current status and ongoing shifts in the Japanese labor market and examine the application of several key points from the Global Jobs Pact, which was adopted by the International Labour Conference in June 2009, to employment policy in Japan.

Over the past decade, the labor market in Japan has drastically changed. Moreover, the Lehman Shock hit the market in 2008 amidst this change. The Japanese society is experiencing a structural change as well as an economic cyclical change. The question in such environment is how the employment policy should be developed going forward.

Although there may be some discussions about the quantity and the appropriateness of various countermeasures, many possible actions have already been implemented by a number of governmental organizations, including the Minister of Health, Labour and Welfare in order to cope with issues in the current labor market. However, the problem with these actions is that they seem to be mere ad hoc or emergency solutions. How are Japanese organizations going to lead the employment market for the future? In other words, how are they thinking about the employment strategies and the employment policy rather than the employment countermeasures? These are the questions that need to be answered.

In order to think about this issue, we will first take a look at the impact of the financial crisis that was led by the Lehman Brother’s bankruptcy on Japanese employment. We will also look at how the Japanese labor market developed and changed over the long-term.
There are four aspects in the Global Jobs Pact that seem to be applicable and important to the Japanese employment conditions.

The first aspect is the proposal to think about an employment policy that focuses on vulnerable people. In Japan, it should include the issues of young workers, the support that should be provided to female workers, and the implementation of safety nets for all workers.

This leads to the second point. The Global Jobs Pact introduced the idea of integrating gender viewpoints in all measures. The positioning of this topic going forward should be discussed in the transformation of the labor market as well as in the daily lives of Japanese citizens.

The third point is to pursue decent work for all especially work that is meaningful for people to have. Problems with working hours and salary should be addressed. How do we improve the quality of work in addition to expanding the quantity of employment opportunities? Such structural employment policy-related issues should be thought through. The discussion should include not only the employment policy in a narrow definition, but also issues with the social security system and the tax system.

The final point is how to support businesses as well as middle-level organizations such as nonprofits to maintain and create employment. The roles that in-between entities such as nonprofit and societal organizations can play have not been discussed widely. With the crisis, conventional employment strategies and discussions have changed partially due to a larger say by nonprofit organizations. If we look at other countries, employment creation by nonprofits or the roles that nonprofits play in job support such as employment support are becoming more and more important.

2. Movement in Unemployment in Japan

It is important to understand the current employment status in Japan by looking at some statistics. Figure 1 shows the shift of the unemployment rate in Japan. It shows you the long-term and the short-term analyses separately.
First, the graph on the left side shows the movement of the annual data from 1985 to 2008. The unemployment rate was said to be stable and very low in Japan. Even if there was a downturn in the economic cycle, there was not much negative impact on the unemployment rate because employment was relatively well maintained. However, the Plaza Accord was closed in 1985 and there was a recession due to the appreciation of the Japanese yen. There was a slight increase in the unemployment rate then, but it declined after that from 1987. This was during the bubble economy period, which experienced a shortage of labor. As a result, the unemployment rate declined. With the burst of the bubble of the economy, however, the unemployment rate rose again. In 2002, it reached its worst record, 5.4% per annum. Although there was a slight recovery of the economy and an improvement of the rate after that, the Lehman Shock hit the market in 2008 and the unemployment rate picked up again.

The graph on the right shows the monthly data since January 2008. The unemployment rate that used to be relatively flat started rapidly increasing from September. The monthly shift in the unemployment rate during 2008 and 2009 indicates that the unemployment rate fluctuates quite a lot even in Japan.

### 3. Turning Point in 1997-98: Employment by Gender

In this shift of unemployment, many researchers believe that the period over 1997 and 1998 was the turning point for the labor market in Japan. There were several factors that dramatically changed the Japanese labor market and made it significantly different from that in the past.

The first significant difference is in the unemployment rates of male and female workers. While the overall unemployment rate declined from 5.7 to 5.5 percent in August, the gap between men and women has become extremely large. As Figure 1 shows, the unemployment rate of men is rapidly exacerbating. Although it is also worsening for women, the rate of decline for women is relatively better than that of men.

Conventionally, it was said that the increase in the unemployment rate of women was smaller when the economy goes south. However, the reasons for the recent case have changed from those in the past.
Traditionally, when the economy went into a recession, women were not able to find good jobs even when they looked for employment. This is the discouraged worker effect, which pushed women away from job searching to become non-labor participants. Once these women gave up looking for employment, they were no longer counted as the unemployed. It is important to note the difference between the term unemployment in a wider definition and that in a narrower obvious sense. The tendency of discouraged worker effect in Japan is significantly large, compared to that of other developed countries.

However, the labor force participation rate of women has not declined in this round of recession. It is rather flat as shown in Figure 1. Instead, the labor participation rate of the young people – those in their 20s – declined. This is where the hidden unemployment is taking place.

The question is how the unemployment rate for women managed to stay low. In addition, why has the unemployment rate of men significantly exacerbated? It seems that the labor demand is the cause rather than the labor supply. In other words, the industrial structure has been and is dramatically changing in addition to a better utilization of female workers by individual companies.

Figure 2 shows the numbers of both male and female workers in companies. The movements of the numbers of male employees and female employees are significantly different. The number of male workers – although the relative size, which is based on the scale on the left, is larger – peaked in 1997. However, the long-term downturn of the Japanese economy led the decline in the total number of male employees. The graph also shows a slight pick-up with some recovery in the economy.

The number of female employees is shown with the scale on the right. Although the absolute number is smaller than that of men, the employment of female workers is increasing all the way. There are some flat years temporarily, but the number of women employed is increasing in the long-term.

The question is why this is happening. While many companies are trying to utilize more female workers, there is a dramatic change in the industry overall. As shown in Figure 3, the total industry employment was 53.68 million. In 2008, ten years after that, the number reached 55.24 million: an increase of approximately 1.56 million overall.
However, the industrial structure has changed. The construction industry employed 5.48 million in 1998 and 4.37 million in 2008 with a decrease of 1.11 million. The manufacturing industry also used to employ 12.58 million but the number shrank to 10.77 million – a decrease of 1.81 million over the 10 years. Employment declined by 3 million in the construction and manufacturing industries alone.

This decline is covered by the tertiary industry. In particular, increases are seen in employment in the healthcare and welfare services such as nursing care. The number was 4.69 million, which increased by 960,000 to 5.65 million. When the size of employment of the healthcare and welfare industry and that of construction in 1998 are compared, the latter is bigger. However, the positions have flipped now and the healthcare and welfare industry has 1.3 million people more than the construction industry in recent years. This is the large industrial structural change that occurred in the past decade.

Employment in the male-oriented industries, such as construction and manufacturing, has declined. On the other hand, the healthcare and welfare industry, in which the ratio of women is more than 80%, has increased the number of employment. These changes in the industrial structure are reflected in the total employment trend of both genders.

In the past, employment policies in a wider definition usually had a purpose to create jobs by adding public works spending in the construction sector. Public works have been working and influential in creating regional jobs in construction. The current measures have the same purpose, but the target now is the sectors that will be necessary in the future such as healthcare and welfare rather than constructions of roads and railways. In other words, the focus of the government’s measures for employment creation has shifted.

This structural change in industry also reflects the change in the roles of genders. Conventionally, men were expected to work outside the home and women took care of their families and homes. In addition, at companies, men were the main labor force and women merely supported them. This was the conventional division of roles by gender and a norm in Japan. However, the need for a transformation has become prevalent around the world.

In the United States, the social participation of women increased dramatically from the 1970s. In other words, women obtained the right to work while the
responsibility of women for earning income became heavier. Economists think that as the heads of households, typically male, lost jobs or earned less income, the need to revisit the gender roles increased.

Figure 4 shows the trend of public works spending in Japan to the total GDP. Jobs were created with the increase of the public works spending in the late 1970s, the recessionary phase immediately after the first oil crisis. In the early 1980s, it stabilized to some extent due to the bubble economy.

In the 1990s, the government expanded the fiscal spending once again to create jobs through public works spending. The government played the direct role of creating employment. However, the government decreased the public works spending since the late 1990s. The public works spending to GDP used to be above 6%, but it is now only a little over 3%. The current ratio is approximately a half of what it used to be and the economic stimulus package is expected to drastically change accordingly.

Figure 4 also shows the comparison of the shifts of the ratios of the public works spending in GDP amongst various developed countries. In the 1970s, the ratios of public works spending to GDP were not so different amongst these countries. However, each country started suppressing the ratio, resulting in such large differences with Japan whose rate was still relatively high.

In this process, other countries experienced a decline of the construction industry as well, and lost employment – especially in rural areas – became a major challenge. The kinds of measures taken then included developments of rural areas or creations of employment in those areas. These were the recovery strategies various countries implemented. The changes in the amount governments spent in the public works spending reflect the shift in their mindset from only having short-term economic stimulus to implementing more long-term strategies. We could say that Japan postponed this until the late 1990s.

When we think of an employment policy, we tend to focus on companies. However, it is also important to look at households and the changes they experienced. Figure 5 shows the head of household’s income. How did the nominal income trend move? The bold line shows the annual income of a head of a household.

You see a significant decline after the peak in the to late-1990s. Then, 5.85 million Japanese yen was the average income of a head of a household. However, it dropped
to 5.1 million yen. In other words, the number declined by 750,000 yen in the mid-2000s, 15% in percentage points.

In order to make up for this gap, women’s participation in the labor market – especially part-time working housewives – increased. This is the change on the labor supply side. As mentioned earlier, in a conventional economic downturn, women were pushed out of the labor market and became dedicated housewives. However, the opposite is happening now.

Since last year, many people especially with young children are increasingly willing to work, resulting in an emerging issue of long waiting lists for childcare facilities. This is a reflection of the transformation as well. It seems that we are in a new era where the stability of employment of men no longer guarantees a sense of security for families.

4. Diversification of Employment Styles

Another change that the Japanese labor market saw around the late 1990s was the shift in people’s mindset regarding maintaining employment and restructuring companies during tough times. The focus is on the chaotic state that the Japanese financial institutions fell into after going through the last financial crisis, the previous Asian currency crisis. The Hokkaido Takushoku Bank and the Yamaichi Securities Company went bankrupt. These incidents triggered major changes.

In the late 1990s, Nippon Keidanren’s (Japan Business Federation) then-chairman, Mr. Okuda, made different statements regarding employment practices of Japanese business owners. One of the most famous quotes was “The management who cannot maintain employment should cut their stomach (hara-kiri) and die.” On the other hand, he also mentioned, “The Japanese economic community is changing. How did the society respond to companies that conducted restructuring or a reduction of their headcount? They used to think that those companies were doing so badly that they had to eliminate employment. But after 1997 and 1998, the reverse started happening. In other words, when companies announced restructuring, the stock prices went up. If companies said that they would maintain employment, people thought that there was no hope for reconstruction and as a result their stock prices
went down.” The relationship between the stock price and the restructuring of a company started to change drastically from this point onward.

I believe this was the globalization effect. The conventional indirect financing by the main banks, which was the main channel of funding for companies, switched to a direct financing system. It changed to using the issuance of equity and bonds. Additionally, the equity holdings by foreign investors increased dramatically from 1998. Against this backdrop, the mindset of Japanese toward employment and that of the foreign stakeholders started to get mixed.

Triggered by this trend, many Japanese business owners started saying that they of course would want to maintain employment and they would not want to let go of people. However, the question was whether the economic situation allowed them to do so. This was where the dilemma existed. Unfortunately, the Lehman Shock occurred amidst this dilemma.

One of the solutions Japanese business owners implemented to cope with the economic instability was to utilize irregular workers. According to Figure 6, the number of irregular workers, one of various types of employment styles, was 11 million in 1997 when the number of regular workers was at its peak. But now it increased to 18 million with an increase of 7 million.

Did this occur at each workplace? Or did it happen through the change in the industrial structure? Quantitative analyses tell us that it was a fifty-fifty split in Japan. The number of irregular workers in the sectors such as healthcare and welfare, wholesalers, and retailers increased. The higher ratio of irregular employment in those sectors impacted the overall composition. At the same time, each industry is experiencing an increase of irregular workers in general.

Influenced by this structural change in the labor market, the speed of employment adjustment also rapidly accelerated in Japan. Figure 7 shows the employment adjustment function that our research lab collected. We calculated the time that is required to resolve the excess in employment when it happens.

Up until the turning point of 1997, it took 2.9 years to resolve excess employment. This means that it took 2.9 years for the impact that the decline of demand had in the economy to be resolved in the labor market. This number is 1.2 years for the United States and 3 to 4 years in Europe. Japan was in between them.
However, once irregular workers, especially fixed-term contract and dispatched workers, enter the market and adjustments become easier, the time required to resolve the excess employment is shortened. The data after 1998 shows that the number is shortened to 2.2 years, which means that the employment adjustment is much easier under the current environment. Then the Lehman Shock occurred. Immediately after September 2008 when this happened, the unemployment rate rose. Many people had already lost jobs in October, November and December.

While the number of irregular workers increased, the gap between employment conditions, especially the hourly wage, for regular and irregular workers was not addressed by the society. Not only companies, but also households always assumed that the husband was the chief head who earned the main income and the wife supplemented the gap by taking on part-time jobs. Since most of the irregular workers were these housewives who took on part-time jobs, the society did not need to question the gap in employment conditions.

However, the composition of irregular workers now includes not only these housewives, but also young people. Moreover, the group includes both student part-time workers and those who take on fixed-term contract jobs after graduating from schools. Unfortunately, their situation does not usually improve and they continue to not have permanent jobs even when they reach their 30s. Many people used to say that this was just the new mindset of the new generation. However, it does not necessarily seem to be only the mindset change any more. The decline of the overall labor demand and the structural set-up seem to be stimulating this type of trend.

After the Maekawa Report came out in Japan, the shortening of working hours became one of the national goals. The target was to reduce the average annual working hours to 1,800 hours and various measures were taken to achieve this. Measures to shorten the weekly working hours to 40 hours were also implemented. As a result, the total actual working hours, which had reached 1,900s in 1993, were shortened to 1,800 hours. On the surface, it seems that the commitment by the government was attained.

However, it is important to note that the working hours shown in Figure 8 are the total actual working hours which include that of part-time workers. It is possible that the higher proportion of irregular workers reduces the total working hours even though the regular workers’ working hours did not change. In fact, according
to the “Monthly Labor Statistics Survey”, the total annual working hours only limited to regular workers and full-time workers slightly dropped in the 1990s, but it actually increased after this. If that is the case, the drop that is shown is due to the increased proportion of part-time workers and it was not because of the reduced working hours of full-time employees, a better working environment, or a better quality of employment.

Then, what is the situation in the current crisis? If we look at the employment trend by gender, employment of female workers only declined by 200,000. On the other hand, the employment of male workers dropped by 700,000 and this is reflected in the increase in the unemployment that we saw earlier. As seen in the annual analysis earlier, the long-term trend in which the employment of men declines while that of women increases is evident in the current recession.

On the other hand, what are the working hours like this time? Figure 9 shows the year-to-year change of overtime hours. This includes business enterprises with five or more regular workers or employees. The lines show the total industry and the manufacturing sector, respectively. They used to show a slight decline or be flat. However, they rapidly declined after the Lehman bankruptcy happened. In manufacturing, the overtime hours were shortened to 50%. It seems that they tried to absorb the shock in demand by shortening the overtime hours. Employment indeed decreased, but the speed of employment adjustment, in terms of the number of people, was not so rapid in Japan compared to the United States. The impact of the crisis is not clear in the form of unemployment, but it had an effect on reducing the working hours.

One of the reasons behind this phenomenon is the change that was made to the conditions for companies to qualify for receiving subsidies. The previous conditions for receiving subsidies for employment adjustments were stringent: subsidies were provided if the employment was maintained by shortening the working hours within the prescribed criteria. However, the conditions were loosened to allow companies to receive subsidies by shortening even the over time working hours. With the more lenient conditions for receiving the subsidies, there has been a decline in the over time hours up until February or March of 2009. The working hours have picked up a little after that.
I believe the maintenance of employment should be assessed not only from an economic perspective, but also from a human rights perspective. In other words, individuals feel worthwhile and energetic by securing places to work. Losing jobs not only has an economic impact but an issue related to human rights. Therefore, policies to maintain employment are extremely important. That being said, it is also important to address the issue of relatively long working hours even with the decline of 50% or the issue of perpetual long working hours.

5. Safety Nets and Unemployment Insurance in Japan

The next theme is the safety nets or the unemployment insurance. With the diversification of employment styles, it is important to revisit how the safety nets are working. In thinking about safety nets, we should also consider what to do with the employment insurance for irregular workers that reached 18 million in size.

Figure 10 shows somewhat shocking statistics: the ratios of people who do not receive unemployment benefits to the unemployed for each listed country. The number indicates those who are unemployed but are not under the unemployment benefit in each country. The number you get after subtracting this figure from 100% represents those that are covered by the unemployment benefit. For example, Brazil has 93% people who are not covered. In other words, only 7% are receiving the unemployment benefit. China has 84% uncovered and only 16% covered.

According to the statistics for Japan, 77% are not receiving the unemployment benefit and only 23% of the unemployed are receiving it. This number is calculated by taking the gap between the number of unemployment based on the labor force research and the number of beneficiaries taken from the employment insurance statistics. These numbers indicate that Japan has the lowest ratio of people receiving the available unemployment benefits to the number of people unemployed amongst the listed developed countries.

In the United States, only those who became unemployed through lay-offs that were caused by employers are eligible for the unemployment insurance. Those who became unemployed through both permanent lay-offs and temporary lay-offs qualify to receive the benefits in many states since the cost of unemployment insurance is fully covered by employers. Nevertheless, 57% are not receiving the
benefit and 43% are receiving it. This means that a higher percentage of people in the United States are receiving the unemployment benefits than in Japan.

In France, 18% are not receiving and 82% are receiving. In Germany, 13% are not receiving and 87% are receiving. This does not only include the unemployment insurance, but also the unemployment assistance. The unemployment assistance is a system where people can receive benefits that are paid from the general tax revenue account even if they were not enrolled in any employment insurance plans. In UK, France, and Germany, it can be assumed that there are many beneficiaries of this unemployment assistance. I believe Japan should consider implementing such systems in order to cope with the current situation.

Figure 11 “Unemployment, Unemployment due to Job Loss, Employment Insurance Beneficiaries and Ratio of Employment Insurance Beneficiaries to the Unemployed due to Job Loss” shows the trend of subscribers to employment insurance packages and that of those who received the unemployment benefits, based on the Japanese statistics.

The blue line that is sideways or somewhat increases shows the percentage of employment insurance coverage among all employees in non-governmental companies. It does not include public servants because they are not under the employment insurance scheme, but includes irregular workers. We can see that approximately 70% are covered, but 30% have not subscribed to the employment insurance although they are employed.

My view is that the ratio is relatively well maintained for the diversification of the employment styles and the rapid increase of irregular employment. The requirements for subscriptions have been alleviated and the minimum annual income, which used to be set at 900,000 Japanese yen, has been abolished. In addition, the criteria which used to only include those who had a potential of employment for more than one year was loosened up to include those with employment over six months, starting this April. Overall, the subscription conditions have been quite lenient in responding to the diversification of employment styles.

On the other hand, the green bars show the percentage of people who have benefited from the insurance system amongst the unemployed. In 2008, the ratio of beneficiaries of the employment insurance to the unemployed due to a job loss was 30%. You can see that it has rapidly declined. From 1996 to 2000, approximately
50% among the unemployed benefited from the insurance. After that, some changes to the unemployment insurance system and to its operation were implemented. In addition, the government shortened the payout period of such benefits. This resulted in an increased number of people unemployed beyond the payment period. These changes are believed to be influencing the percentage downwards.

Looking at this graph, I believe we need to create a guarantee system in which people can rely on safety nets if needed and re-challenge by taking advantage of the benefits that are available to them. However, it is crucial to keep in mind that many countries are facing a seemingly contradicting dilemma between avoiding people’s moral hazards and providing an environment where workers can work feeling safe and secure.

Various reform measures have been introduced in different countries. For example, the replacement rate, the percentage of unemployment benefit to the income that the beneficiary had from his previous job, is high in the beginning. However, it starts to decline as time passes. This should discourage people from staying unemployed for an extended period and motivate them to start receiving training for future reemployment. Requiring such conditions in order to qualify to receive unemployment benefits was one measure that some countries took to make the system work appropriately. Japan will need to revisit this unemployment benefit scheme and even the unemployment assistance system and think through how to cope with them.

One question is if the problems would be solved if we extended the payment period of unemployment benefits. Figure 12 shows the timing of reemployment for those who qualified for receiving unemployment benefits from year 2001 to 2004. Since the scheme has not changed much since then, these numbers should work for this analysis. According to this statistics, 5% of the unemployed were reemployed during the waiting period before the benefits started to be paid out. Some may have had applied for the unemployment benefit, but they started working again before receiving anything. Those who start working again while they are receiving the benefits are included in the following category. Those who leave their jobs voluntarily only qualify to receive benefits over three months. Hence, if they started working during this three-month period, they would be included in this category. What is more informative is the period after the payment is completed.
You can see that approximately one quarter of people started working within one month after the one-year payment period – the maximum payout period which is now defined as 330 days – was over. Those who started working while they received the benefit were relatively low. This means that there is a possibility that the number of people like this will increase if the payout period of unemployment benefits were simply extended without changing any other parts in the system.

In other words, the extension of the payout period could lead to the extension of the unemployment period. How can we balance avoiding moral hazards and providing social security needs? There are a number of schemes: reducing payment while extending the payment period, and having various qualification criteria in order to qualify for the benefits. The government has already started examining these strategies in order to revisit and improve the current system in Japan.

6. Conclusion - Implication of the Global Jobs Pact for Japan

Based on what we reviewed regarding the labor market in Japan, the question is what the Global Jobs Pact proposed by ILO means to this country.

First, it is apparent that the impact of the Lehman Shock was a significant social event. It became a big turning point for individuals, households, companies, and the Japanese society. It also led the mindset change that the society with gender equality should be realized through various measures and employment policies. Another core focus should be the achievement of a work-life balance for all workers. On the foundation of a good work-life balance, we can expand the quantity and quality of work to achieve gender equality as well as equality between regular and irregular workers. The Global Jobs Pact can be interpreted in the Japanese context in this manner.

Secondly, we should think about the function and the value of middle-level organizations, such as nonprofits and societal organizations, while maintaining the function of job placement services by “Hello Work” (public social security offices). In Europe and the United States, nonprofit organizations are creating jobs worth 10 million people's annual income and 3 million people’s jobs. We should not only consider the support for private-sector companies, but also think how to position
those middle-sector organizations that are neither private nor governmental in this market-based society.

What the government can do now is to provide support for those who visit the public employment service offices. The question is how we can create a system in which the supporters can proactively visit the homes of unemployed people and have motivated and competent people find workplaces where they feel safe and secure.

Thirdly, the transformation of the employment insurance system is necessary. In particular, we should take the second level of safety net, an unemployment assistance system, into concern.

Various measures are already being implemented in different forms. Needless to say, these are important and will most likely lead to productive outcomes. On the other hand, it is crucial that we think about what kind of long-term changes are necessary in the labor market and what we should do with our people's livelihoods.
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Keio University
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Global Jobs Pact

What does “Global Jobs Pact” mean to Japan?

① Employment policy with a particular emphasis on vulnerable people
② Integration of gender concerns on all measures
③ Implementation of decent work for all people (Humanly work that is meaningful)
④ Assistance for the preservation and creation of employment

Japan’s Employment Environment Today

Figure 1: Shift of Unemployment Rate

Change in Labor Market with Financial Crisis

Figure 2: Shift in Employment by Gender

Source: Ministry of Internal Affairs and Communications Statistics Bureau "Labor Force Survey"
**Figure 3: Shift in Employment by Industry (Tens of thousands)**

<table>
<thead>
<tr>
<th>Year</th>
<th>Total</th>
<th>Construction</th>
<th>Manufacturing</th>
<th>Finance/Insurance</th>
<th>Year</th>
<th>Healthcare/Welfare</th>
</tr>
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<tbody>
<tr>
<td>1998</td>
<td>5368</td>
<td>548</td>
<td>1258</td>
<td>238</td>
<td>2003</td>
<td>469</td>
</tr>
<tr>
<td>2008</td>
<td>5524</td>
<td>437</td>
<td>1077</td>
<td>159</td>
<td>2008</td>
<td>565</td>
</tr>
<tr>
<td>Change</td>
<td>+156</td>
<td>-111</td>
<td>-181</td>
<td>-79</td>
<td>Change</td>
<td>+96</td>
</tr>
</tbody>
</table>

**Figure 4: Shift in Public Works Spending in GDP by Country**

**Figure 5: Shift in Householder’s Income (Annual)**

Source: Ministry of Internal Affairs and Communications, Statistics Bureau “Household Budget Survey (Household Income and Expenditure)"

**Figure 6: Shift in Regular and Irregular Employment**

Source: "Workforce Survey Special Investigation" through 2001, "Workforce Survey Detail Summary" through 2002

**Figure 7: Accelerated Employment Adjustment**

<table>
<thead>
<tr>
<th>Time Required for Dissolving Excess Employment</th>
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<tbody>
<tr>
<td>1980-1997</td>
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<tr>
<td>1998 and after</td>
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</table>

<table>
<thead>
<tr>
<th>Time</th>
<th>Number of People</th>
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<tr>
<td>1980-1997</td>
<td>2. 9 years</td>
</tr>
<tr>
<td>1998 and after</td>
<td>2. 2 years</td>
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</tbody>
</table>

**Figure 8: Shift in Total Hours Worked**

Figure 9: Shift in Year-to-Year Change of Overtime Hours
(Institution size: Over 5 Regular Workers)


Figure 10: Ratio of People without Unemployment Benefits to the Unemployed by Country
(Japan, Canada, US, Germany-December 2008, France-The third quarter of 2008,
UK-September-November 2008, China-December 2008 in urban areas)

<table>
<thead>
<tr>
<th>Country</th>
<th>Ratio</th>
</tr>
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<tbody>
<tr>
<td>Brazil</td>
<td>93%</td>
</tr>
<tr>
<td>China</td>
<td>84%</td>
</tr>
<tr>
<td>Japan</td>
<td>77%</td>
</tr>
<tr>
<td>US</td>
<td>57%</td>
</tr>
<tr>
<td>Canada</td>
<td>57%</td>
</tr>
<tr>
<td>UK</td>
<td>40%</td>
</tr>
<tr>
<td>France</td>
<td>16%</td>
</tr>
<tr>
<td>Germany</td>
<td>13%</td>
</tr>
</tbody>
</table>

(According to congressional reports: 42%)


Figure 11: Unemployment, Unemployment due to Job Loss, Employment Insurance Beneficiaries and Ratio of Employment Insurance Beneficiaries to the Unemployed due to Job Loss


Note: Beneficiaries represent the number of people who are receiving the basic package. For 2008, the monthly average calculated based on the number of people included through November is used.

Figure 12: Employment Status of People Eligible to Receive Unemployment Insurance (All Ages) [Fiscal Year 2001-2004]


Note: Composition ratio assuming that the total number of people with jobs is counted as 100. For fiscal year 2001, data was collected in October 2003. For fiscal years 2002 through 2004, data was released in October 2005, and fiscal year 2005 through 2006, data was collected in December 2008.

"Global Jobs Pact" for Japan

1. At individual-, household-, enterprise-, and society-levels:
   - Implementation of gender-equal society
   - Promotion of Work-Life Balance
2. Assistance of job creation and skill development by non-profit organizations and societal companies
3. Restructuring of the employment insurance scheme – Consider the introduction of an unemployment assistance system

Thank you for your kind attention.