

## **CHAPTER IV: LABOUR FORCE STATUS**

### **1. Trends in the Population in Labour Force**

**Japan's population in labour force is 65.40 million, showing a labour force participation rate of 61.5%.**

According to the status of economic activities of the population 15 years of age and over reported in the 2005 Population Census, out of 109.76 million aged 15 years and over, 61.51 million are employed and 3.89 million are unemployed. The labour force consisting of the employed and the unemployed is, therefore, 65.40 million, which is a labour force participation rate of 61.5% (proportion of the population in labour force among the population 15 years of age and over, excluding "labour force status not reported"). Examining these figures by sex gives a male labour force of 38.29 million, or male labour participation rate of 75.3%, and female labour force of 27.11 million, or female labour participation rate of 48.8%. (Tables 4.1 and 4.2)

**Labour force declined by 1.1%.**

Comparing the population in labour force in 2005 with that in 2000 shows that the labour force shrank by 0.7 million or 1.1% from 2000 to 2005.

Japan's labour force increased by over 4 million in every five-year period during the high-growth period from 1955 to 1970, with a high increase rate in each five-year period of 9 to 10%. This growth had slowed by 1975 in the wake of the economic slump triggered by the oil crisis in 1973: from 1970 to 1975 the labour force increased by only 1.07 million or 2.0%. From 1980, the labour force increased by 2.84 to 3.42 million, or around 5%, in every five-year period, but decreased in 2000 for the first time since the end of World War II, and the downtrend has continued to 2005. (Table 4.3)

**Table 4.1 Trends in the Population 15 Years of Age and Over by Sex and Labour Force Status: 1995 to 2005**

Sex and labour force status	Population 15 years of age and over (thousands)			Population change over five years			
	1995	2000	2005	Number (thousands)		Rate (%)	
				1995-2000	2000-2005	1995-2000	2000-2005
Both sexes <sup>1)</sup>	105,426	108,225	109,764	2,799	1,540	2.7	1.4
In labour force	67,018	66,098	65,400	-920	-698	-1.4	-1.1
Employed	64,142	62,978	61,506	-1,164	-1,472	-1.8	-2.3
Unemployed	2,876	3,120	3,894	243	774	8.5	24.8
Not in labour force	37,881	40,386	41,008	2,505	621	6.6	1.5
Male <sup>1)</sup>	51,239	52,503	53,086	1,264	582	2.5	1.1
In labour force	40,397	39,250	38,290	-1,146	-960	-2.8	-2.4
Employed	38,529	37,249	35,735	-1,280	-1,513	-3.3	-4.1
Unemployed	1,868	2,001	2,555	134	553	7.2	27.6
Not in labour force	10,490	12,080	12,568	1,589	488	15.2	4.0
Female <sup>1)</sup>	54,186	55,721	56,679	1,535	958	2.8	1.7
In labour force	26,621	26,848	27,110	226	262	0.8	1.0
Employed	25,613	25,729	25,771	117	41	0.5	0.2
Unemployed	1,009	1,118	1,339	109	221	10.9	19.7
Not in labour force	27,391	28,307	28,440	916	133	3.3	0.5

1) Includes "Labour force status not reported".

**Table 4.2 Trends in Labour Force, Not in Labour Force and Labour Force Participation Rate by Sex :1950 to 2005**

Year	Both sexes			Male			Female		
	Labour Force	Not in labour force	Labour force participation rate (%) <sup>1)</sup>	Labour Force	Not in labour force	Labour force participation rate (%) <sup>1)</sup>	Labour Force	Not in labour force	Labour force participation rate (%) <sup>1)</sup>
1950 <sup>2)</sup>	36,748	19,407	65.4	22,579	4,461	83.5	14,169	14,947	48.7
1955 <sup>3)</sup>	40,360	19,609	67.3	24,617	4,287	85.2	15,744	15,322	50.7
1960	44,384	21,472	67.4	27,018	4,756	85.0	17,367	16,716	51.0
1965	48,627	25,031	66.0	29,693	5,993	83.2	18,933	19,038	49.9
1970	53,321	26,188	67.1	32,467	6,042	84.3	20,854	20,146	50.9
1975	54,390 <sup>4)</sup>	30,283	64.2 <sup>4)</sup>	34,306	6,806	83.4 <sup>4)</sup>	20,084	23,477	46.1
1980	57,231	32,099	64.1	35,647	7,744	82.2	21,584	24,355	47.0
1985	60,391	34,407	63.7	37,072	8,964	80.5	23,319	25,443	47.8
1990	63,595	36,786	63.4	38,523	10,183	79.1	25,073	26,603	48.5
1995	67,018	37,881	63.9	40,397	10,490	79.4	26,621	27,391	49.3
2000	66,098	40,386	62.1	39,250	12,080	76.5	26,848	28,307	48.7
2005	65,400	41,008	61.5	38,290	12,568	75.3	27,110	28,440	48.8

1) Labour force participation rate = labour force / (labour force + not in labour force) × 100

2) Population 14 years of age and over excluding Japanese in Okinawa-ken who have legal residence in mainland Japan and foreigners in Okinawa-ken.

3) The figures for Okinawa-ken refer to the population 14 years of age and over based on the results of sample tabulation.

4) Includes "Labour force status not reported".

**Table 4.3 Trends in Population Increase and the Number of Change in Labour Force: 1950 to 2005**

Year	Number of Change (thousands)					Change rate (%)				
	Total population	Population 15 years of age and over	Labour force			Total population	Population 15 years of age and over	Labour force		
			Both sexes	Male	Female			Both sexes	Male	Female
1950 - 1955	5,962 <sup>1)2)</sup>	3,812 <sup>1)2)</sup>	3,613 <sup>1)2)</sup>	2,038 <sup>1)2)</sup>	1,575 <sup>1)2)</sup>	7.1 <sup>1)2)</sup>	6.8 <sup>1)2)</sup>	9.8 <sup>1)2)</sup>	9.0 <sup>1)2)</sup>	11.1 <sup>1)2)</sup>
1955 - 1960	4,225 <sup>2)</sup>	5,898 <sup>2)</sup>	4,024 <sup>2)</sup>	2,401 <sup>2)</sup>	1,623 <sup>2)</sup>	4.7 <sup>2)</sup>	9.8 <sup>2)</sup>	10.0 <sup>2)</sup>	9.8 <sup>2)</sup>	10.3 <sup>2)</sup>
1960 - 1965	4,908	7,812	4,242	2,676	1,567	5.2	11.9	9.6	9.9	9.0
1965 - 1970	5,456	5,832	4,694	2,773	1,921	5.5	7.9	9.7	9.3	10.1
1970 - 1975	7,274	5,160	1,069	1,839	-770	7.0	6.5	2.0	5.7	-3.7
1975 - 1980	5,121	4,809	2,841	1,341	1,501	4.6	5.7	5.2	3.9	7.5
1980 - 1985	3,989	5,492	3,159	1,425	1,734	3.4	6.1	5.5	4.0	8.0
1985 - 1990	2,562	5,824	3,205	1,451	1,754	2.1	6.1	5.3	3.9	7.5
1990 - 1995	1,959	4,627	3,423	1,874	1,549	1.6	4.6	5.4	4.9	6.2
1995 - 2000	1,356	2,799	-920	-1,146	226	1.1	2.7	-1.4	-2.8	0.8
2000 - 2005	842	1,540	-698	-960	262	0.7	1.4	-1.1	-2.4	1.0

1) The figures for 1950 refer to the population 14 years of age and over excluding Japanese in Okinawa-ken who have legal residence in mainland Japan and foreigners in Okinawa-ken.

2) The figures for Okinawa-ken for 1955 refer to the population 14 years of age and over based on the results of sample tabulation.

## 2. Labour Force Participation Rate by Sex and Age Group

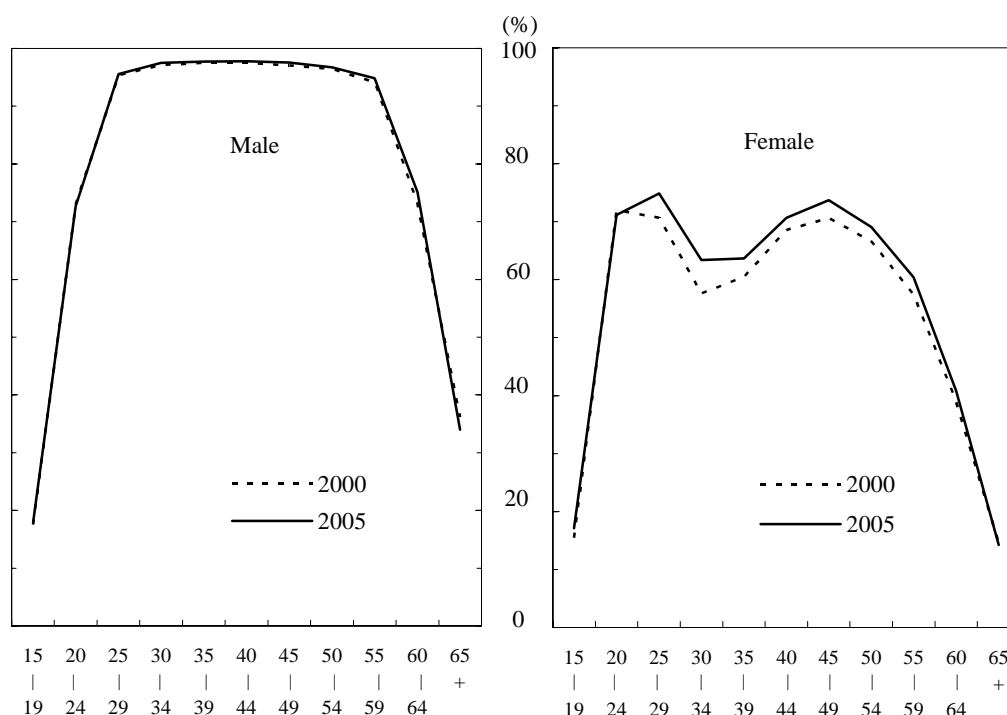
### **The labour force participation rate among men is in a downtrend.**

From 2000 to 2005, the population not in labour force increased while the labour force decreased, reducing the labour force participation rate from 62.1% to 61.5%, or a 0.6 point drop. Examining the labour force participation rate by sex indicates that the rate among men decreased from 76.5% in 2000 to 75.3% in 2005, or a 1.2 point drop, whereas the rate among women remained almost flat, changing from 48.7% to 48.8% in the same period. In the long view, the labour force participation rate among men has been in a downtrend steadily, from 84.3% in 1970. Among women, the rate continued to rise, from 46.1% in 1975, but then started to fall slightly after reaching 49.3% in 1995. (Table 4.4)

### **The labour force participation rate among women is rising in respective age groups among people 25 to 64 years old.**

Comparing the labour force participation rate by age group in 2005 with that in 2000 reveals that in men, the rate among the 60 to 64 year-old age group rose by 2.1 points, and the rate among the age group of 65 and over dropped by 2.1 points. In general, however, each age group in men shows no big change in the labour force participation rate. Among women, the labour force participation rate dropped in the age group of 20 to 24 years old and of 65 and over, while it rose in respective age groups among people 25 to 64 years old. In particular, the rate among the 30 to 34 year-old age group went up from 57.6% in 2000 to 63.4% in 2005, a 5.8 point rise, and the rate among the 25 to 29 year-old group went up from 70.7% in 2000 to 74.9% in 2005, a 4.2 point rise. This has lifted the bottom of the M-shaped curve. (Table 4.4, Figure 4.1)

**Figure 4.1 Labour Force Participation Rate by Sex and Age (Five-Year Groups): 2000 and 2005**



**Table 4.4 Trends in Labour Force Participation Rate by Age (Five-Year Groups) and Sex: 1975 to 2005**  
(%)

Age (five-year groups)	Male							Female						
	1975 <sup>1)</sup>	1980	1985	1990	1995	2000	2005	1975 <sup>1)</sup>	1980	1985	1990	1995	2000	2005
Total	83.4	82.2	80.5	79.1	79.4	76.5	75.3	46.1	47.0	47.8	48.5	49.3	48.7	48.8
15-19 years old	23.3	20.4	19.3	20.0	18.8	17.5	17.9	22.6	18.8	17.4	17.4	15.7	15.5	17.1
20-24	79.1	74.9	75.0	76.1	76.4	72.9	72.7	66.8	71.3	73.4	75.9	74.6	72.0	71.2
25-29	97.8	97.7	97.5	97.5	96.9	95.4	95.6	43.5	49.5	54.2	61.5	66.7	70.7	74.9
30-34	98.8	98.7	98.5	98.6	98.3	97.1	97.5	43.2	46.6	49.3	50.8	53.4	57.6	63.4
35-39	98.7	98.7	98.6	98.6	98.5	97.5	97.7	52.8	55.6	58.0	59.5	59.4	60.5	63.7
40-44	98.4	98.5	98.5	98.5	98.4	97.5	97.8	59.7	61.9	65.8	66.8	67.5	68.6	70.7
45-49	98.1	98.0	98.1	98.2	98.2	97.0	97.6	61.9	62.4	65.9	68.4	69.3	70.6	73.7
50-54	97.5	97.4	97.1	97.4	97.7	96.5	96.7	58.6	58.8	59.8	63.1	65.2	66.6	69.1
55-59	94.7	94.0	93.2	94.3	95.5	94.1	94.8	50.9	50.8	49.9	51.6	56.0	57.4	60.4
60-64	85.4	81.5	78.4	76.5	79.5	73.1	75.1	39.2	38.9	37.9	37.5	38.9	38.9	40.8
65 and over	49.7	46.1	41.7	39.7	42.1	36.2	34.0	15.8	16.2	15.3	15.0	15.8	14.6	14.2

1) The calculation was made by including "Labour force status not reported" in denominators.

### 3. International Comparison of Labour Force Participation Rate

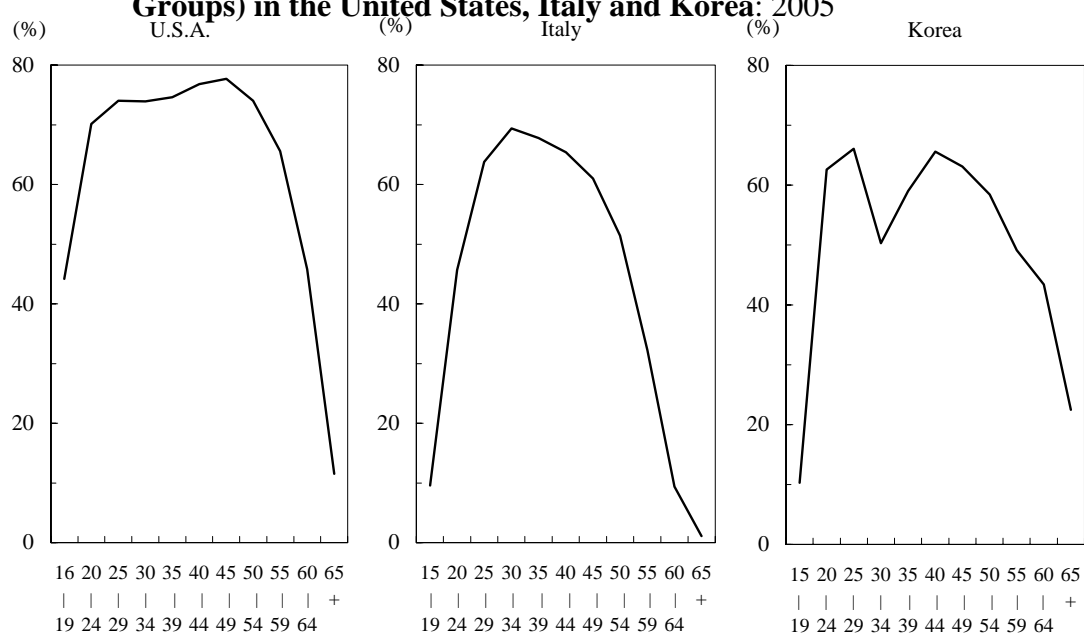
**The labour force participation rate in Japan is extremely high in the age group of 65 and over in comparison with Western countries.**

According to a comparison with other countries in the male labour force participation rate by age group, the rate in the 15 to 19 year-old age group is over 50% in the United Kingdom and Canada, and is over 30% in the United States and Germany, but is 17.9% in Japan, which is as low as the rates in France and Italy. The rate in the 20 to 24 year-old age group in Japan is 72.7%, which is fairly close to the figures in Western countries but is still low in comparison with the figures in Canada, the United Kingdom, the United States, and Germany. The rate in the 25 to 29 year-old group in Japan, however, is 95.6%, which exceeds the rates in Western countries, and this tendency continues in respective age groups covering people aged 30 to 64 years old.

The rate in the 65 and over age group in Japan is 34.0%, which is extremely high in comparison with the figure in Western countries but is still low in comparison with 41.3% in Korea.

Referring to the line graphs representing the female labour force participation rate by age, the graph of Korea is M-shaped, showing a clear drop in the 30 to 34 year-old age group as the graph of Japan does. The graphs of Italy, Germany, and France are single-peaked, with peaks occurring in the age groups of 30 to 34 years old, 40 to 44 years old, and 45 to 49 years old, respectively. (Table 4.5, Figure 4.2)

**Figure 4.2 Labour Force Participation Rate among Women by Age (Five-Year Groups) in the United States, Italy and Korea: 2005**



Source: International Labour Organization, *Yearbook of Labour Statistics* 2006.

**Table 4.5 Labour Force Participation Rate by Age (Five-Year Groups) in Selected Countries: 2005**

(%)

Sex and age	Japan	Korea	U.S.A. <sup>1)</sup>	Canada	U.K. <sup>1)</sup>	France	Germany	Italy
Male	75.3	74.6	73.3	72.8	69.8	62.2	65.9	61.2
15-19 years old	17.9	8.1	43.2	51.8	57.0	19.2	33.2	16.4
20-24	72.7	49.8	79.1	79.8	79.4	64.1	73.7	60.7
25-29	95.6	81.0	90.8	90.3	} 92.0	91.9	85.6	82.2
30-34	97.5	93.4	92.7	93.1		95.4	94.7	92.1
35-39	97.7	95.2	92.6	93.2	} 91.4	95.3	96.1	94.5
40-44	97.8	94.7	91.6	92.6		95.5	95.6	95.2
45-49	97.6	92.5	89.3	91.4	} 46.3	94.1	94.4	93.8
50-54	96.7	89.2	85.9	88.0		90.3	91.1	87.8
55-59	94.8	80.7	77.6	76.2	} 46.3	62.5	82.0	57.4
60-64	75.1	66.7	58.0	53.9		15.4	40.6	28.8
65 and over	34.0	41.3	19.8	12.1	}	1.6	5.0	6.0
Female	48.8	50.1	59.3	61.8	55.9	49.6	50.5	37.9
15-19 years old	17.1	10.3	44.2	54.9	56.1	11.5	26.8	9.6
20-24	71.2	62.6	70.1	76.1	68.2	55.3	66.3	45.7
25-29	74.9	66.1	74.0	81.2	} 76.0	78.7	73.4	63.8
30-34	63.4	50.3	73.9	81.5		79.5	74.3	69.4
35-39	63.7	59.0	74.6	81.4	} 78.7	82.0	78.7	67.8
40-44	70.7	65.6	76.8	83.1		82.9	83.4	65.4
45-49	73.7	63.1	77.7	82.2	} 32.0	83.2	82.9	61.0
50-54	69.1	58.4	74.0	77.1		77.3	78.2	51.4
55-59	60.4	49.1	65.6	60.4	} 32.0	53.4	64.4	32.2
60-64	40.8	43.4	45.8	35.0		13.4	23.0	9.4
65 and over	14.2	22.5	11.5	5.0	}	0.8	2.1	1.1

1) Age 16 and over.

Source: International Labour Organization, *Yearbook of Labour Statistics 2006*.

For Japan, based on the Population Census.