

Jobless rate woes to drag on

August figure unlikely to show signs of quick recovery; DPJ must avoid exacerbating problem

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The Ministry of Internal Affairs and Communications will announce the August unemployment rate on Oct. 2, following July's all-time high of 5.7%. Although industrial production seems to have touched bottom recently, unemployment — an index that tends to lag behind economic trends — remains high and is unlikely to recover quickly. High unemployment and flat or declining incomes are casting a shadow over Japan's economic future.

The Democratic Party of Japan's campaign manifesto promised a higher minimum wage. But while it is important to pay attention to low-income earners, a higher minimum wage could lead to job cuts at companies that do not want to carry heavier labor costs. It could even discourage firms with positive earnings prospects from hiring, driving them overseas instead.

The DPJ's plan to ban temporary work in manufacturing, meanwhile, is also myopic, raising concerns about possible deterioration of the employment situation. Instead, the DPJ should encourage the private sector to take the lead in increasing job opportunities while its poli-

cies help low-income earners with tax breaks and the social security safety net.

In Japan and many other countries, unemployment is highest among younger generations. And with more child-care allowances and the like, the

Yukio Hatoyama government is demonstrating its concern for younger generations, who have been overlooked by previous administrations. It raises hopes of giving a spark to the Japanese economy by reaching

out to them.

In this sense, it would be ironic and tragic indeed if DPJ-sponsored labor regulations dashed the prospects of job opportunities for young working people.

Hatoyama's buzzword *yuai*, or "fraternity," is reportedly



People search for work at a job placement center in Tokyo in July. Japan's unemployment rate hit an all-time high of 5.7% in the month.

meant to imply self-reliance and harmonious living. In order to live harmoniously together, we need to help young people to stand on their feet.

Let us hope that the new administration will be wise enough to avoid the mistakes of its predecessors, which seemed

indifferent to the pain of the younger generations that will have to carry a larger share of the nation's debt burden. In the area of labor market policy in particular, it is time for the DPJ to establish as its highest priority the interests of future generations.