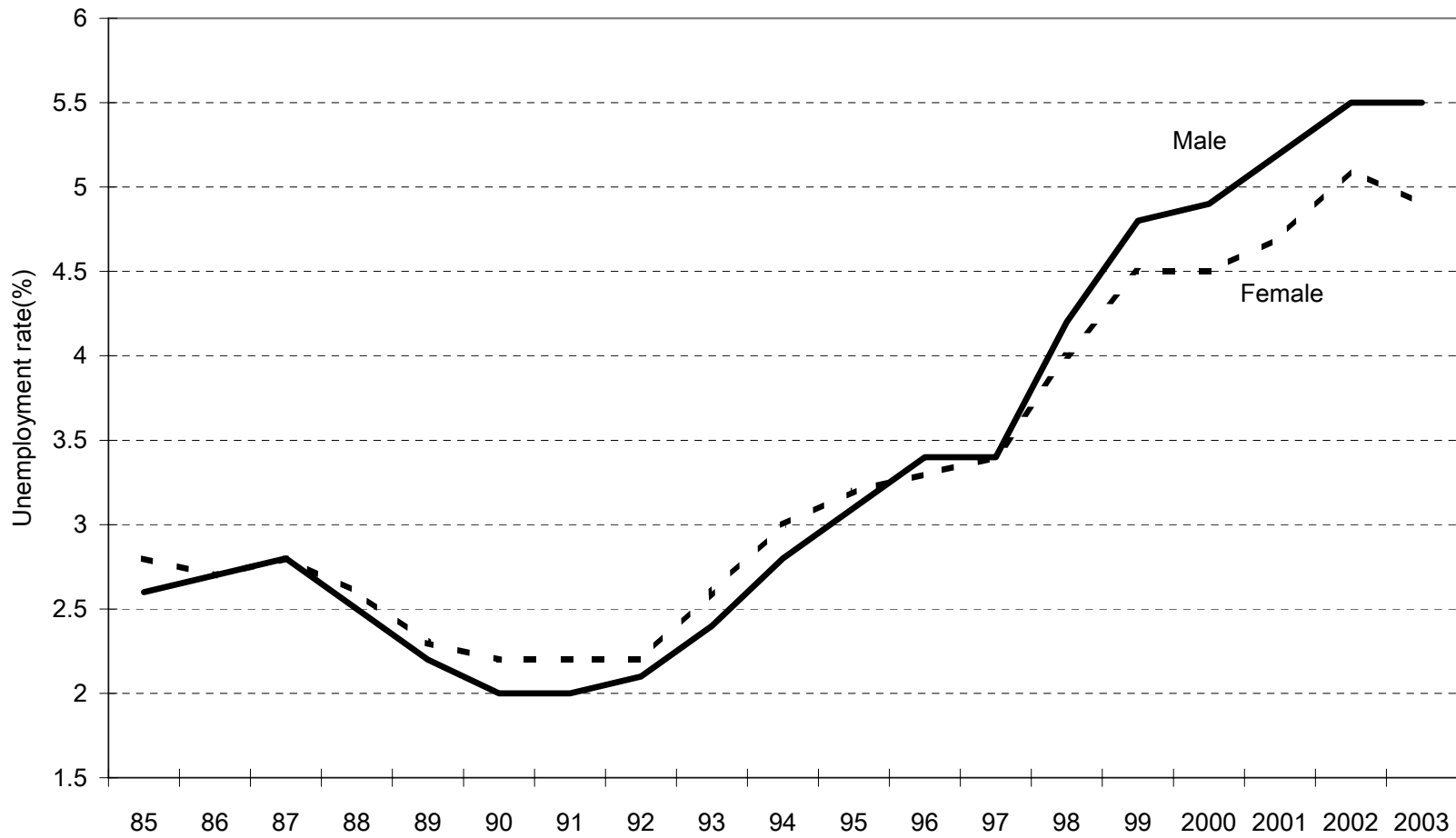
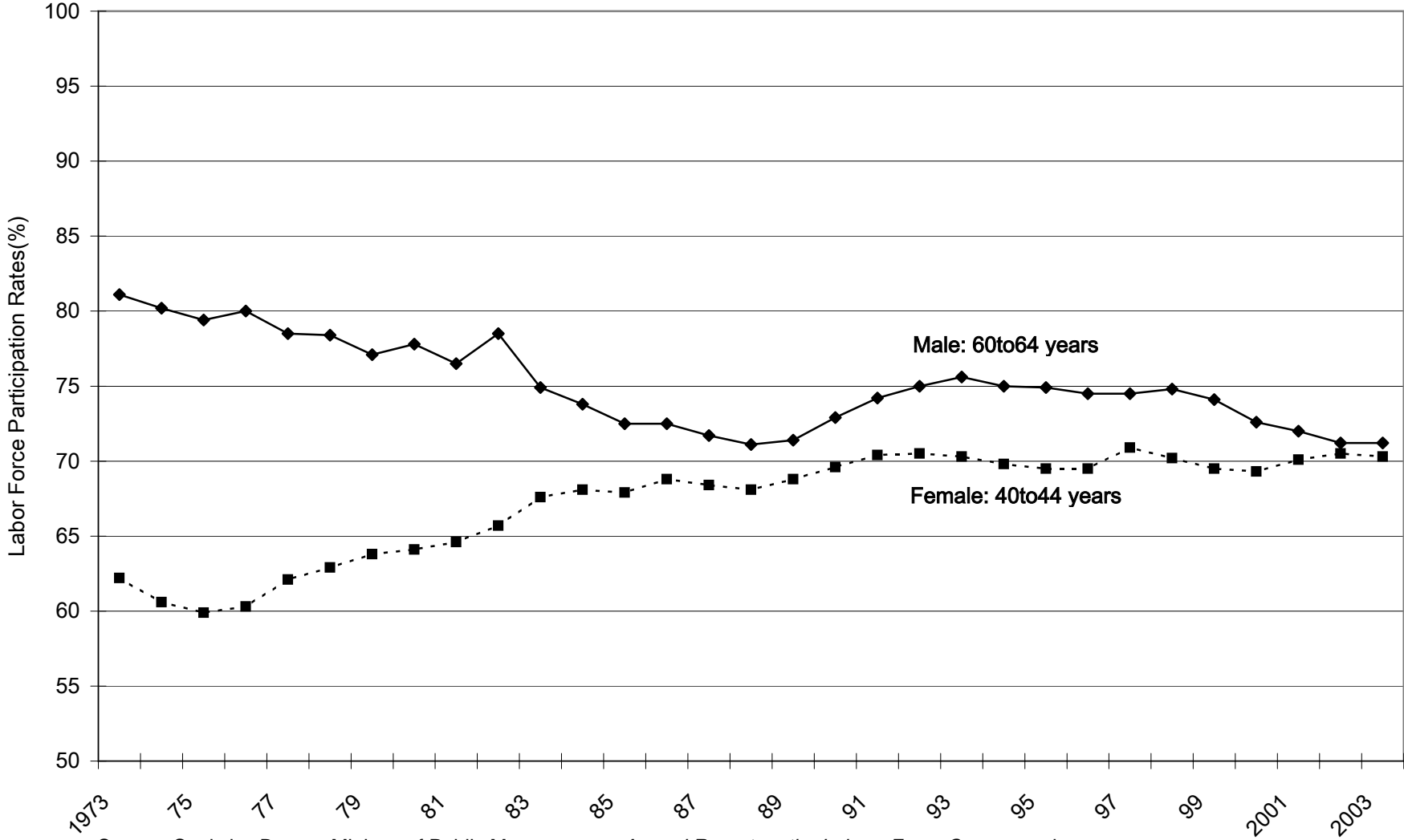


Figure1: Unemployment Rates



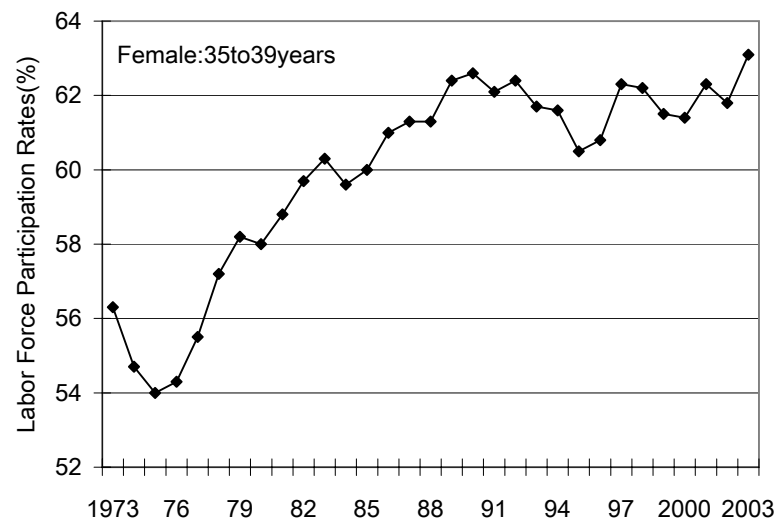
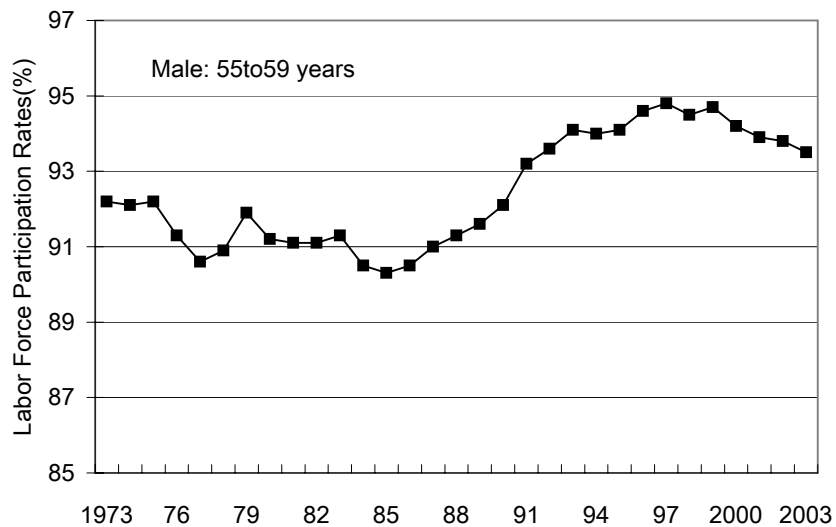
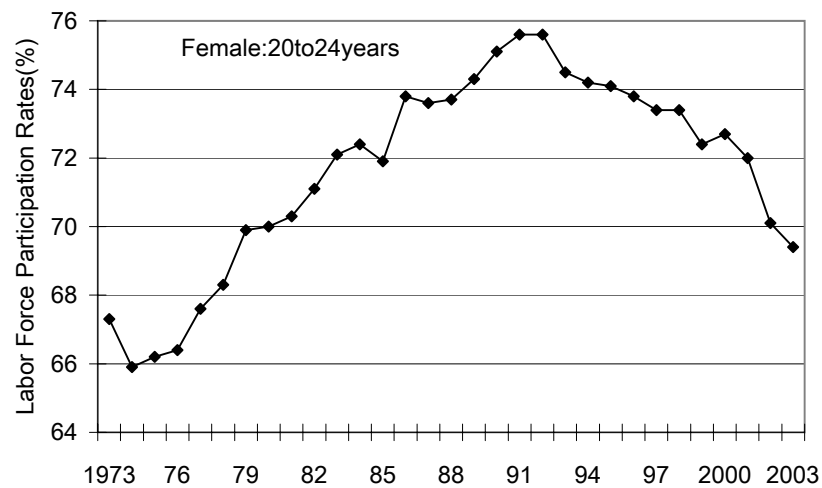
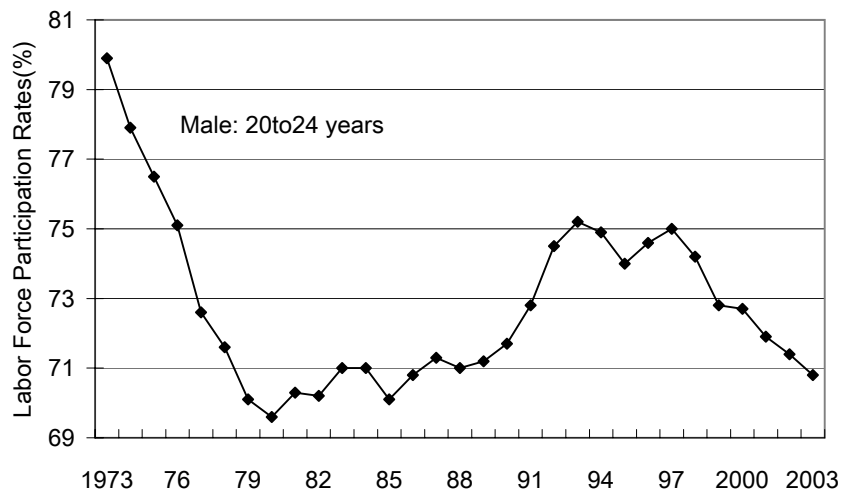
Source : Statistics Bureau Ministry of Public Management, Home Affairs, *Annual Report on the Labour Force Survey* , various years

Figure 2: Labor Force Participation Rates by Sex and Age



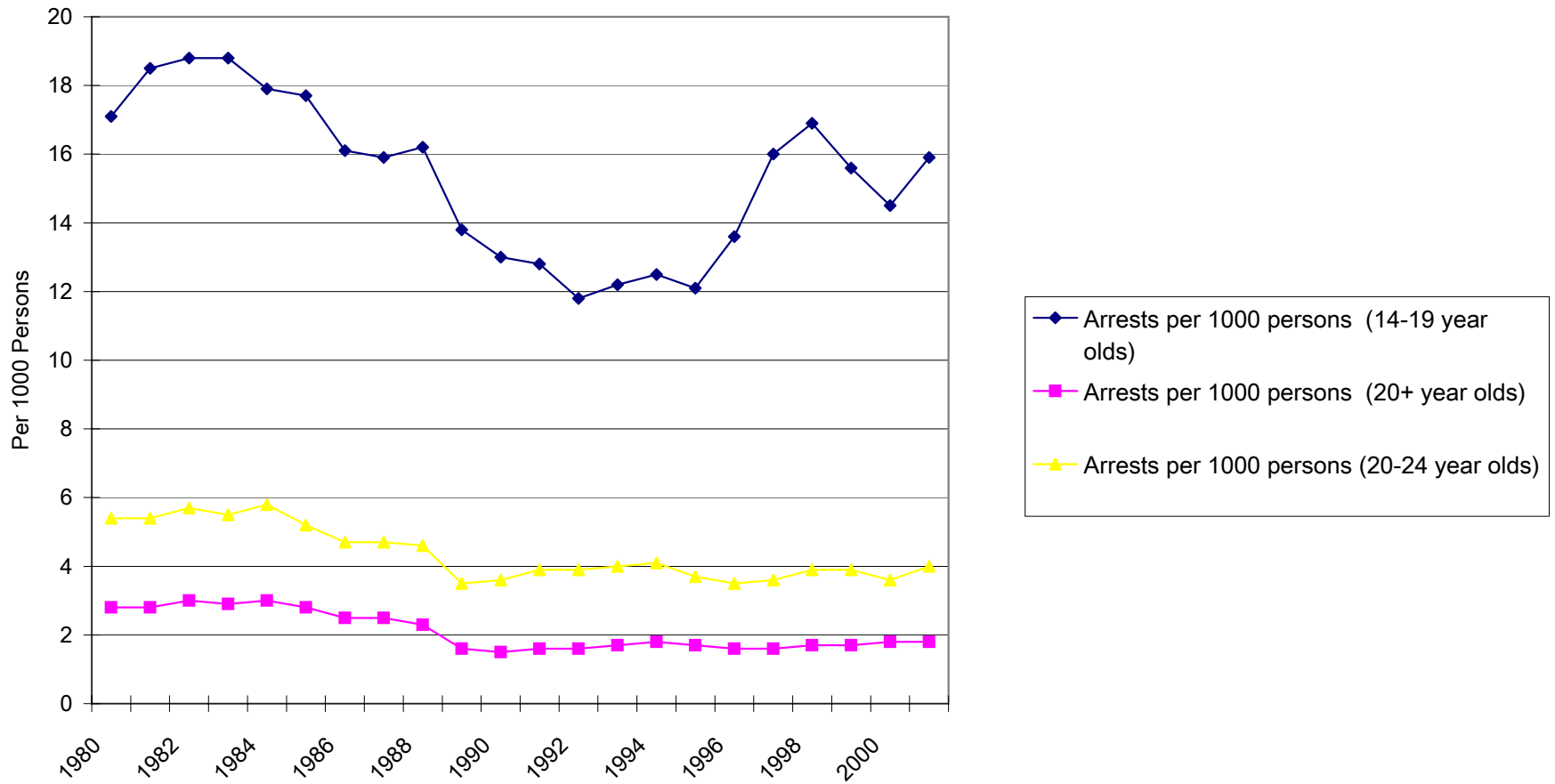
Source: Statistics Bureau Ministry of Public Management, *Annual Report on the Labour Force Survey*, various years

Figure 2 Continued: Changes of labor force participation rates by sex and age(%)



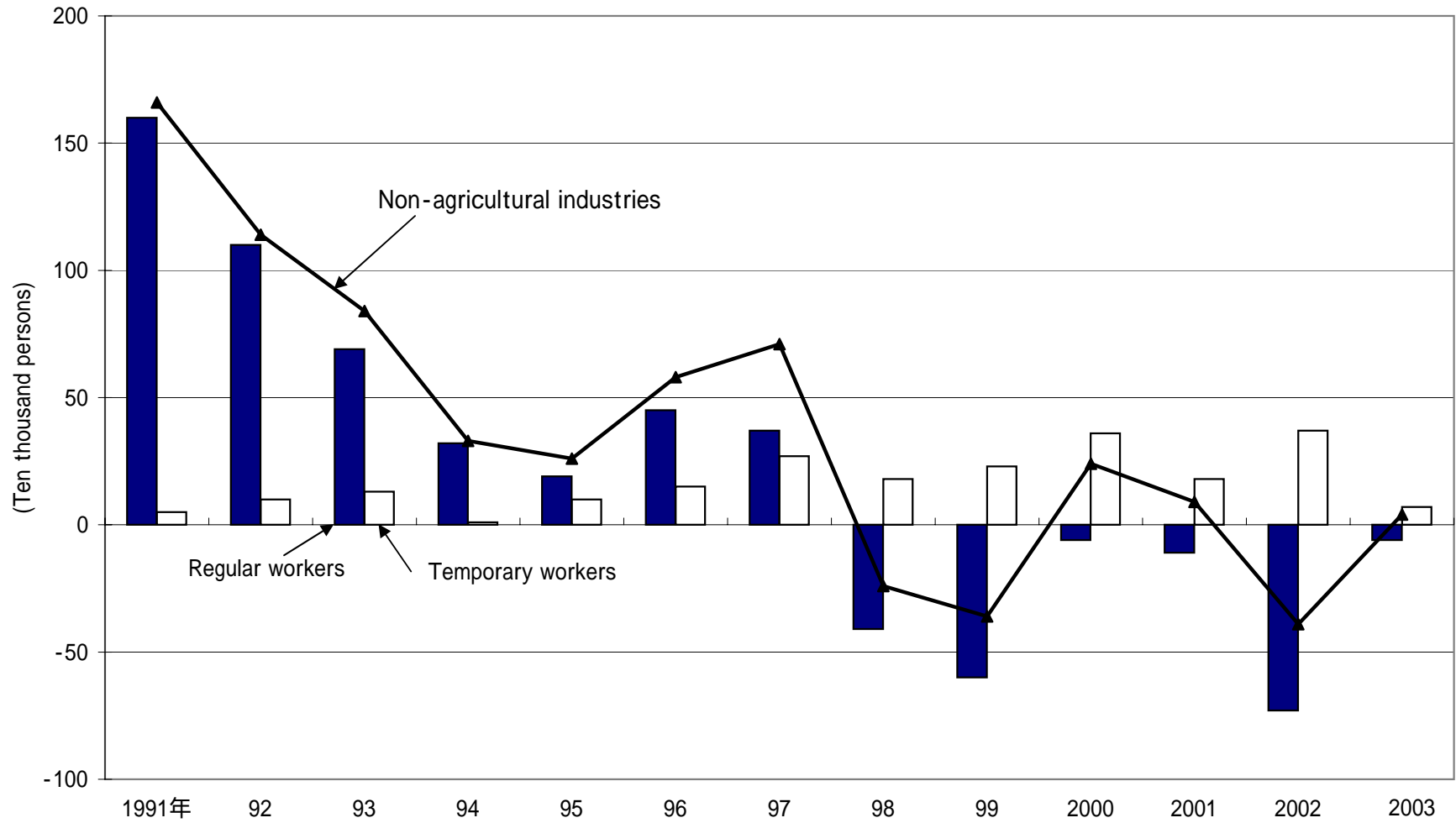
Source: Statistics Bureau Ministry of Public Management, *Annual Report on the Labour Force Survey*

Figure 3: Arrests for Violations of Criminal Law



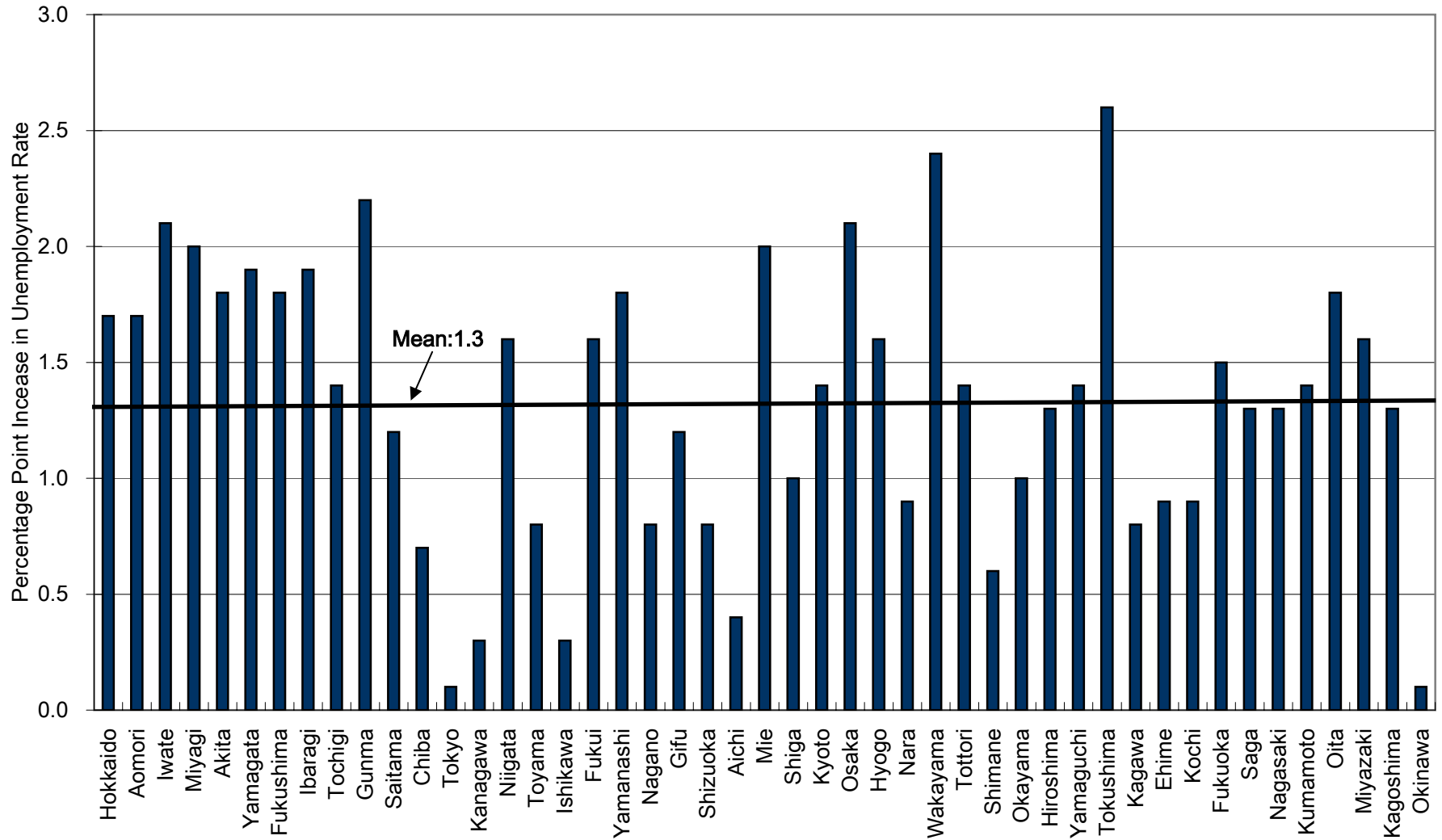
Source: National Police Agency, *Annual Report on Crime*

Figure 4: Annual Change in Number of Workers



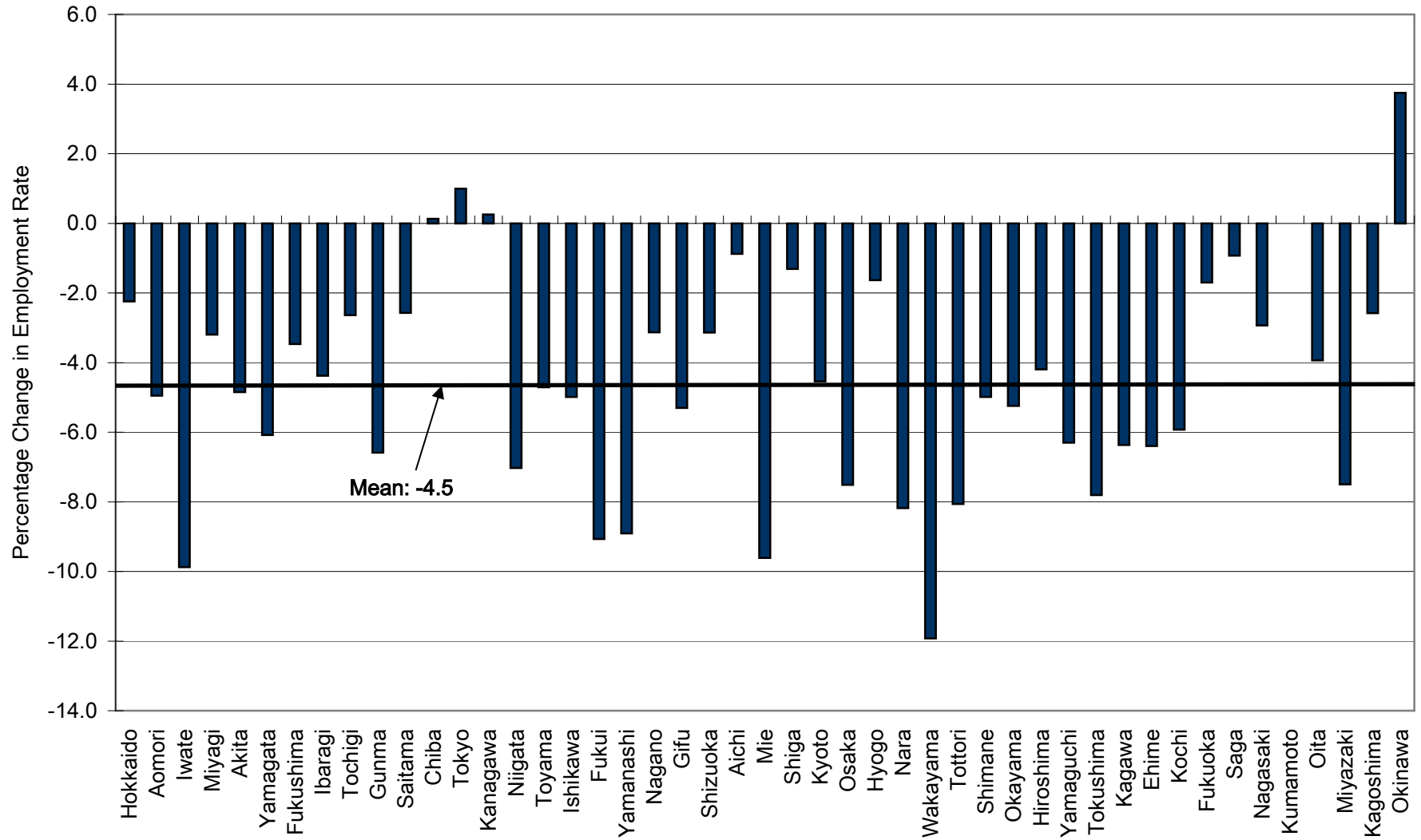
Source: Statistics Bureau Ministry of Public Management, *Annual Report on the Labour Force Survey*, various years

Figure 5: Increase in Unemployment Rate by Prefecture (1998-2003)



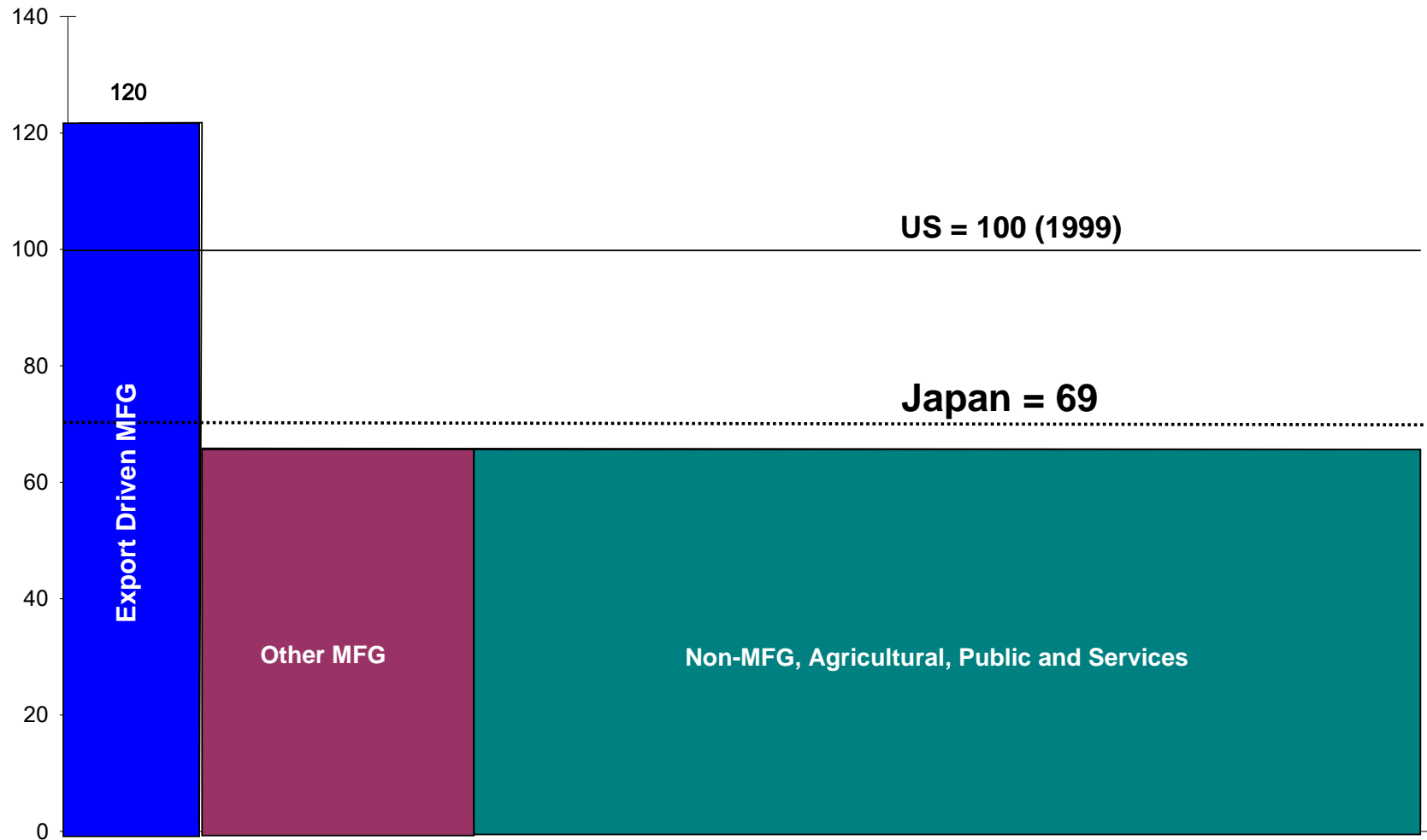
Source: Statistics Bureau Ministry of Public Management, *Annual Report on the Labour Force Survey*, various years

Figure 6: Percentage Change in Employment Rate by Prefecture (1998-2003)



Source: Statistics Bureau Ministry of Public Management, *Annual Report on the Labour Force Survey*, various years

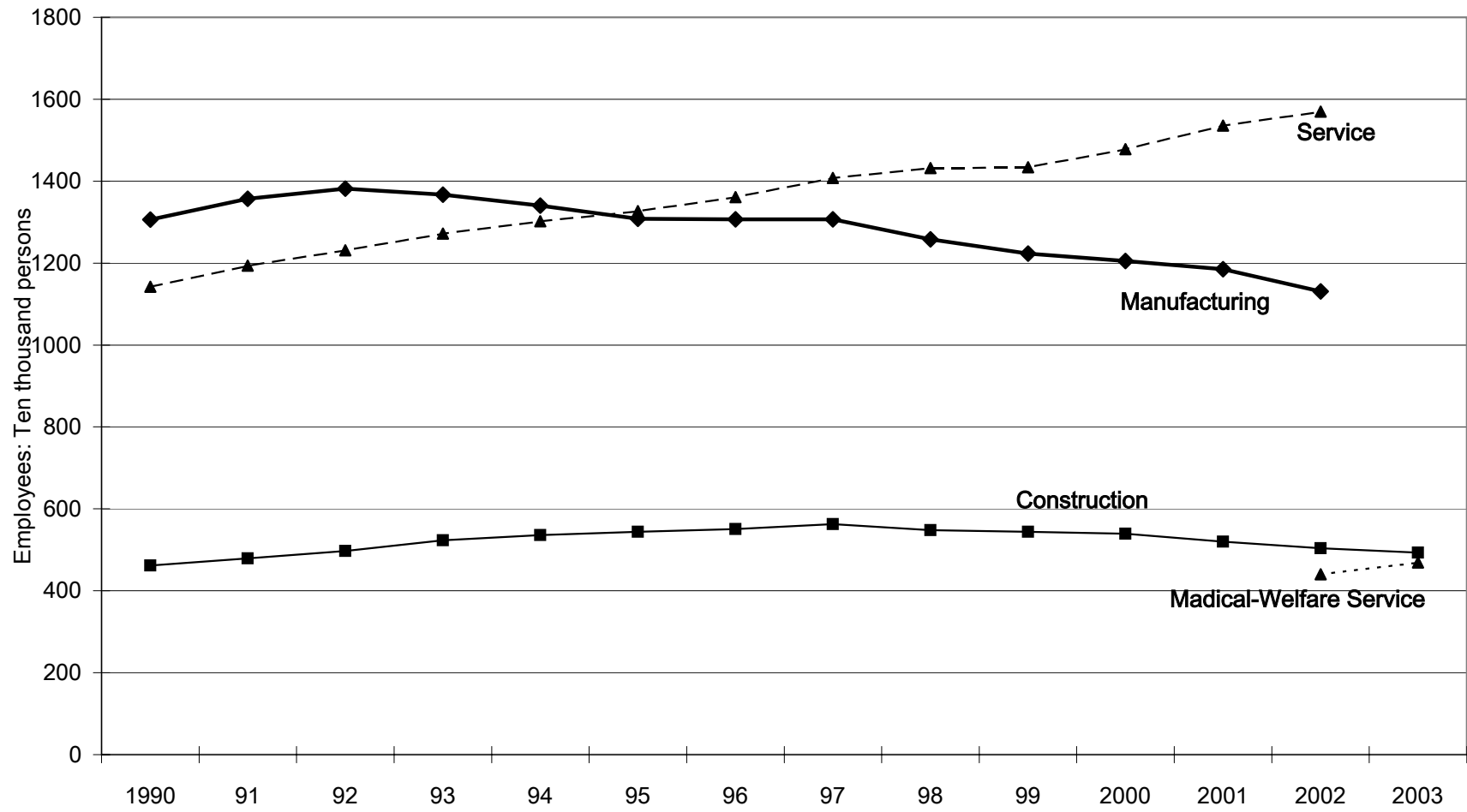
Figure 7: Japan's Dual Economy



\* Index: United States = 100 in 1999

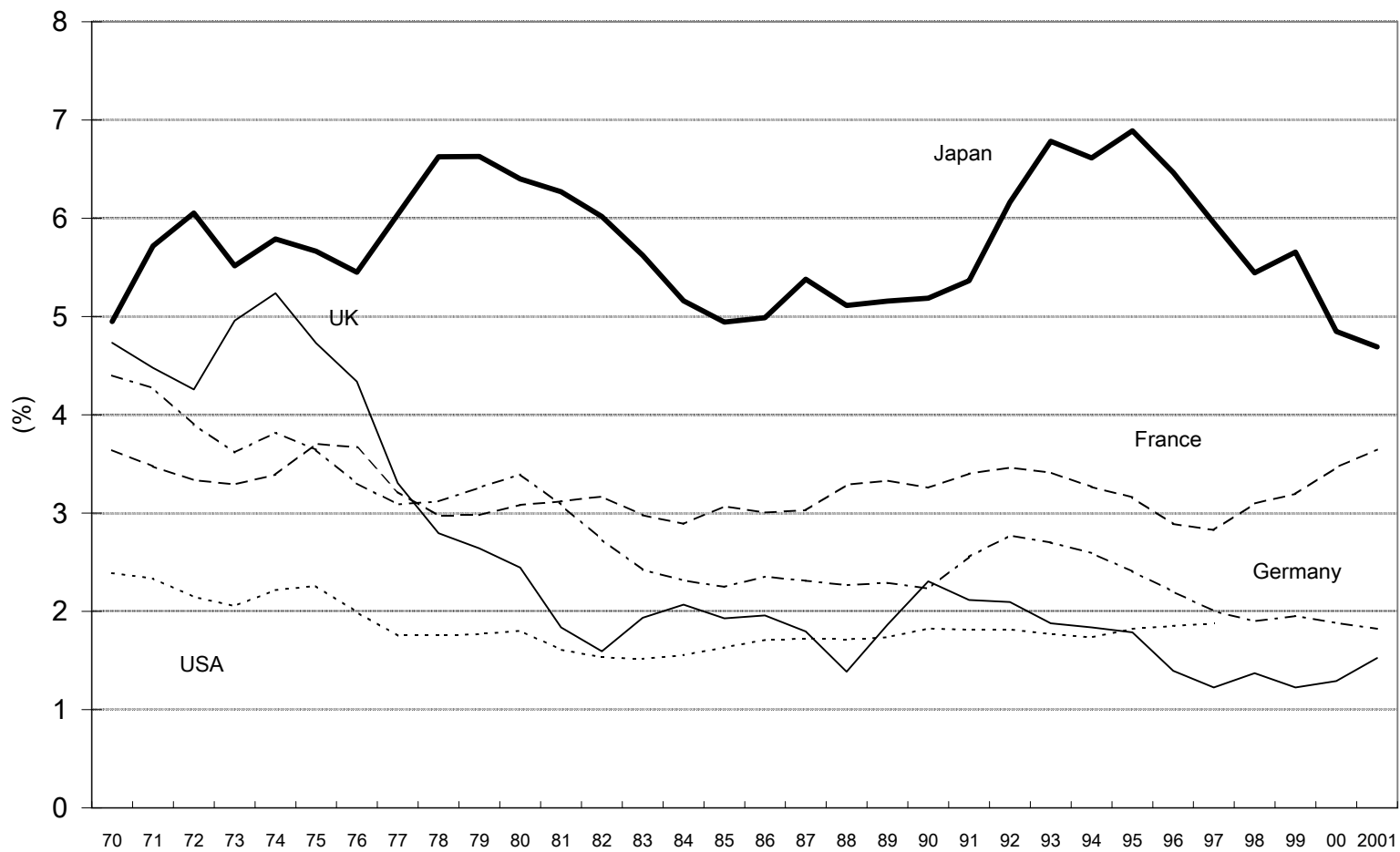
Source: OECD; O'Mahoney, Britain's Productivity Performance 1950-1996: an international perspective; Mckinsey analysis

Figure 8: Employees in Manufacturing, Construction, Services, and Medical-Welfare Service



Source: Statistics Bureau Ministry of Public Management, *Annual Report on the Labour Force Survey*, various years

Figure 9: Public Investment as Percent of GDE in Developed Countries



Source: Japan; Cabinet Office, *Annual Report on National Accounts*  
Other Countries; OECD, *Natinal Accounts*

Table 1 Unemployment Rate and the Rate of Idle Labor of Young Workers

	Year	Unemployment Rate			Rate of Idle Labor*	
		Age Group			Age Group	
		Total	15-19	20-24	15-19	20-24
Total	1990	2.1	6.6	3.7	14.6	11.3
	1997	3.4	9.0	6.2	18.1	13.0
	2002	5.4	12.8	9.3	24.3	17.0
Hokkaido	1990	3.0	12.5	3.8	12.5	12.9
	1997	3.8	14.3	6.5	25.0	14.7
	2002	6.0	16.7	11.5	28.6	20.7
Tohoku	1990	1.8	8.3	5.0	15.4	11.6
	1997	2.9	9.1	6.3	23.1	13.5
	2002	5.9	20.0	9.5	27.3	15.6
Minami Kanto	1990	2.2	5.6	3.8	13.6	10.6
	1997	3.8	10.5	7.0	19.0	13.0
	2002	5.4	9.1	8.7	21.1	16.0
Kitakanto/Koshin	1990	1.5	7.7	2.2	14.3	11.8
	1997	2.5	8.3	5.4	21.4	11.7
	2002	4.4	10.0	7.3	18.2	15.6
Hokuriku	1990	1.3	-	4.0	-	7.7
	1997	2.6	-	3.4	-	6.7
	2002	4.0	20.0	9.1	33.3	16.7
Tokai	1990	1.5	4.0	2.5	11.1	9.2
	1997	2.7	5.6	4.5	15.0	10.6
	2002	4.1	11.8	7.2	21.1	14.7
Kinki	1990	2.5	6.1	4.3	13.9	12.5
	1997	4.0	8.0	7.1	14.8	14.6
	2002	6.7	10.5	11.6	22.7	19.2
Cyugoku	1990	1.8	11.1	3.0	16.5	71.4
	1997	2.7	12.5	5.0	22.2	11.6
	2002	4.3	14.3	6.1	25.0	13.9
Shikoku	1990	2.3	-	6.3	-	11.8
	1997	3.2	-	5.3	-	18.2
	2002	5.2	33.3	13.3	33.3	23.5
Kjusyu	1990	2.7	6.7	5.2	17.6	14.1
	1997	3.8	13.3	6.6	23.5	14.5
	2002	6.1	20.0	12.1	29.4	19.4

\*Idle labor consists of those who are not in the labor force and not in school

Source: Statistics Bureau, Ministry of Public Management, *Annual Report on the Labour Force Survey*, various years

**Table 2:**  
Part-Time and Full-Time Workers by Age and Sex

Male Part-Time Workers/All Male Workers (%)

	All	15-24	25-39	40-54	55-64	65-
1980	6.1	8.9	4.2	4.9	9.6	24.2
1985	6.1	10.5	3.8	4.2	9.4	27.4
1990	8.3	14.9	4.9	5.7	11.2	30.3
1995	9.1	17.1	5.3	5.8	11.6	31.6
2000	10.5	23.3	5.7	6.1	13.1	35.8
2003	13.7	28.3	8.2	8.9	17.2	40.5

Female Part-Time Workers/All Female Workers (%)

	All	15-24	25-39	40-54	55-64	65-
1980	26.0	11.6	30.3	26.7	29.0	41.4
1985	27.9	12.4	30.9	29.3	31.5	45.7
1990	31.8	18.4	33.0	34.7	35.0	46.7
1995	33.9	22.7	31.4	38.0	36.3	48.6
2000	37.7	30.4	32.1	42.1	40.5	52.5
2003	41.6	35.2	34.7	46.1	46.6	56.0

Male Part-Time Workers/All Part-Time Workers(%)

	All	15-24	25-39	40-54	55-64	65-
1980	28.3	43.3	21.7	23.4	35.4	54.7
1985	25.8	46.2	18.5	17.8	34.3	50.0
1990	28.2	45.0	20.8	19.0	36.7	50.6
1995	28.7	44.4	22.4	17.9	35.4	53.2
2000	29.1	44.0	22.4	16.9	34.1	54.7
2003	32.3	45.5	26.9	21.2	37.0	55.4

Female Part-Time Workers/All Part-Time Workers(%)

	All	15-24	25-39	40-54	55-64	65-
1980	71.7	56.7	78.3	76.6	64.6	45.3
1985	74.2	53.8	81.5	82.2	65.7	50.0
1990	71.8	55.0	79.2	81.0	63.3	49.4
1995	71.3	55.6	77.6	82.1	64.6	46.8
2000	70.9	56.0	77.6	83.1	65.9	45.3
2003	67.7	54.5	73.1	78.8	63.0	44.6

Male Full-time Workers/All Full-time Workers(%)

	All	15-24	25-39	40-54	55-64	65-
1980	68.0	50.5	73.4	68.2	67.8	72.8
1985	67.3	50.9	72.1	67.3	69.8	69.1
1990	67.0	51.3	71.4	67.5	71.2	67.3
1995	67.3	53.3	70.4	68.4	70.3	69.9
2000	67.9	53.1	69.3	69.5	70.0	70.5
2003	68.1	53.3	68.5	70.1	71.2	69.9

Female Full-time Workers/All Full-time Workers(%)

	All	15-24	25-39	40-54	55-64	65-
1980	32.0	49.5	26.6	31.8	32.2	27.2
1985	32.7	49.1	27.9	32.7	30.2	30.9
1990	33.0	48.7	28.6	32.5	28.8	32.7
1995	32.7	46.7	29.6	31.6	29.7	30.1
2000	32.1	46.9	30.7	30.5	30.0	29.5
2003	31.9	46.7	31.5	29.9	28.8	30.1

**Source:** Authors' calculation using the data from Ministry of Public Management, Home Affairs, Posts and Telecommunications "Labor Force Survey"

**Table3: Annual Percentage Change in Employment by Sectors**

<b>Sectors</b>	<b>1981-90</b>	<b>1991-97</b>	<b>1998-02</b>
<b>Agriculture, Fishery, Forestry</b>	-2.4%	-3.3%	-3.7%
<b>Construction</b>	0.8%	2.2%	-2.0%
<b>Manufacturing</b>	1.1%	-0.6%	-3.3%
<b>Transport-Communication</b>	0.6%	1.4%	-0.5%
<b>Whole Sale and Retail</b>	1.2%	0.6%	-0.5%
<b>Finance, Insurance</b>	3.7%	-0.3%	-1.0%
<b>Service</b>	3.7%	2.4%	1.8%

**Note:** These magnitudes are the estimated coefficients for the dummy variables corresponding to the time period in the regression of the annual percentage change in employment

**Source:** Authors' calculation based on the data in Statistics Bureau Ministry of Public Management, *Annual Report on the Labour Force Survey*, various years

Table 4: Employment Created by Government Expenditure (Public Servants, Public Investment and Social Welfare) as Percent of Total Employment

	1985 ( % )	1990 ( % )	1995 ( % )	1999 ( % )	Changes (99 - 90) (percentage point )
Total	19.8	18.9	22.1	22.5	3.6
Metropolitan Areas	16.2	15.6	18.5	18.3	2.7
Tokyo Area	15.8	14.6	17.3	17.2	2.5
Nagoya Area	16.0	15.6	18.2	18.7	3.1
Osaka Area	17.0	17.4	20.9	20.1	2.7
Non-Metropolitan Areas	23.4	22.2	25.8	26.8	4.6

	1985 ( % )	1990 ( % )	1995 ( % )	1999 ( % )	Changes (99 - 90) ( percentage point )
Hokkaido	33.5	32.6	36.1	37.5	4.9
Aomori	29.6	25.6	29.5	30.3	4.6
Iwate	22.8	22.6	26.1	27.4	4.8
Miyagi	21.8	21.1	24.2	25.3	4.2
Akita	25.6	26.5	31.6	32.6	6.0
Yamagata	21.4	21.8	26.5	27.5	5.7
Fukushima	19.3	18.1	21.0	22.6	4.5
Niigata	23.1	22.3	26.4	28.0	5.7
Ibaragi	17.0	17.5	21.0	21.7	4.2
Tochigi	-	14.3	16.9	17.6	3.3
Gunma	-	15.1	18.4	19.0	3.9
Saitama	16.0	15.4	18.3	19.3	3.9
Chiba	20.0	18.5	20.7	19.7	1.2
Tokyo	14.0	13.2	15.7	15.6	2.4
Kanagawa	17.8	15.3	18.2	17.7	2.4
Yamanashi	19.7	18.0	23.3	23.1	5.1
Nagano	18.6	17.5	21.3	19.5	2.0
Shizuoka	14.9	13.9	16.2	16.6	2.7
Toyama	20.1	19.0	24.1	26.2	7.1
Ishikawa	21.2	19.0	24.7	26.7	7.7
Gifu	17.9	17.2	20.9	22.2	5.0
Aichi	14.8	14.6	16.9	17.2	2.6
Mie	18.3	18.0	20.6	21.3	3.3
Fukui	21.6	22.5	23.6	25.0	2.5
Shiga	-	16.8	18.6	18.7	1.9
Kyoto	18.6	19.2	22.1	22.1	2.9
Osaka	14.8	15.5	18.7	18.2	2.7
Hyougo	19.3	19.2	23.7	21.7	2.5
Nara	24.3	23.9	25.6	25.5	1.6
Wakayama	21.1	20.7	26.4	30.7	9.9
Tottori	-	24.1	29.6	32.1	8.0
Shimane	29.1	28.7	32.3	37.5	8.8
Okayama	21.2	19.9	25.8	26.8	6.9
Hiroshima	20.2	20.6	24.1	25.4	4.8
Yamaguchi	23.2	24.9	27.6	30.8	5.9
Tokushima	25.1	26.3	30.8	32.8	6.4
Kagawa	24.1	20.2	22.4	23.7	3.5
Ehime	21.2	22.3	26.5	27.9	5.5
Kochi	28.8	29.7	34.8	38.9	9.2
Fukuoka	23.3	20.6	22.8	24.0	3.4
Saga	24.5	25.6	29.3	29.5	3.9
Nagasaki	26.9	31.6	31.5	31.9	0.3
Kumamoto	24.8	25.1	29.5	29.4	4.4
Oita	24.6	24.2	28.5	28.2	4.1
Miyazaki	26.2	25.8	31.2	32.8	7.0
Kagoshima	26.9	27.1	32.0	33.3	6.2
Okinawa	36.3	33.4	38.4	38.4	5.0

Source: Higuchi, Y., T. Nakajima, M. Nakahigashi, and K. Hino (2002)

Table 5: Expenditures on Employment Policies as Percent of GDE in Developed Countries

	Japan		USA		UK		Germany		France	
	1990-91	98-99	1990-9 1	98-99	1990-91	97-98	1990	1999	1990	1998
Unemployment Rates	2.1	4.1	5.4	4.5	5.8	7.2	4.9	10.5	8.9	11.8
Public Employment Services	0.03	0.03	0.07	0.06	0.18	0.16	0.22	0.23	0.12	0.16
Job Training	0.03	0.03	0.08	0.04	0.21	0.07	0.38	0.35	0.33	0.31
Policy for Youth	---	---	0.03	0.03	0.17	0.12	0.04	0.08	0.20	0.32
Subsidy for Wage	0.07	0.02	0.01	0.01	0.02	---	0.17	0.40	0.09	0.46
Policy for Handicap	---	---	0.04	0.04	0.02	0.02	0.23	0.25	0.06	0.09
Unemployment Benefit	0.22	0.52	0.47	0.25	0.94	0.82	1.09	2.11	1.29	1.48
Early Retirement	---	---	---	---	---	---	0.02	0.01	0.55	0.32
Active Employment Policy ( ①+ ③ + ④ + ⑤ )	0.13	0.08	0.23	0.18	0.60	0.37	1.04	1.31	0.80	1.34
Passive Employment Policy ( ⑥ + ⑦ )	0.22	0.52	0.47	0.25	0.94	0.82	1.11	2.12	1.84	1.80
Total	0.35	0.60	0.70	0.43	1.54	1.19	2.15	3.43	2.64	3.14

Source: Unpublished OECD Study

Table 6: Effects of Social Capital on Total Factor Procutivity

	1975	1998	change %
Hokkaido	0.11323	0.0864373	-23.7%
Aomori	0.062478	0.0926678	48.3%
Iwate	0.025507	0.0993669	289.6%
Miyagi	0.25805	0.173778	-32.7%
Akita	0.057218	0.0843304	47.4%
Yamagata	0.10731	0.10022784	-6.6%
Fukushima	0.21697	0.1877784	-13.5%
Niigata	0.19212	0.1610562	-16.2%
Ibaragi	0.53093	0.273905	-48.4%
Tochigi	0.28225	0.1955032	-30.7%
Gunma	0.73279	0.385651	-47.4%
Saitama	0.55358	0.3700216	-33.2%
Chiba	0.59005	0.359521	-39.1%
Tokyo	0.6909	0.362023	-47.6%
Kanagawa	0.45998	0.2636428	-42.7%
Yamanashi	0.50469	0.231657	-54.1%
Nagano	0.35372	0.1636825	-53.7%
Shizuoka	0.73981	0.360816	-51.2%
Toyama	0.2715	0.1485236	-45.3%
Ishikawa	0.23858	0.1608055	-32.6%
Gifu	0.6031	0.30088	-50.1%
Aichi	0.52173	0.3418746	-34.5%
Mie	0.51417	0.233984	-54.5%
Fukui	0.30283	0.1628704	-46.2%
Shiga	0.82082	0.361947	-55.9%
Kyoto	0.61502	0.312363	-49.2%
Osaka	0.46271	0.2891313	-37.5%
Hyogo	0.36683	0.2139145	-41.7%
Nara	0.40656	0.2514963	-38.1%
Wakayama	0.13262	0.12223205	-7.8%
Tottori	0.21978	0.1437627	-34.6%
Shimane	0.25116	0.1265414	-49.6%
Okayama	0.36447	0.1892652	-48.1%
Hiroshima	0.29778	0.1724162	-42.1%
Yamaguchi	0.17021	0.1391209	-18.3%
Tokushima	0.056167	0.1298176	131.1%
Kagawa	0.057899	0.1446734	149.9%
Ehime	0.26849	0.1719337	-36.0%
Kochi	0.15749	0.0956867	-39.2%
Fukuoka	0.13962	0.14446012	3.5%
Saga	0.13921	0.1120033	-19.5%
Nagasaki	0.33104	0.174088	-47.4%
Kumamoto	0.32173	0.1573191	-51.1%
Oita	0.29097	0.1795235	-38.3%
Miyazaki	0.1633	0.1226981	-24.9%
Kagoshima	0.34515	0.1660168	-51.9%
Okinawa	0.12262	0.063441	-48.3%

Source: Higuchi, Y., T. Nakajima, M. Nakahigashi, and K. Hino (2002)