

ticipants and with queues to be established by the Ministry of Finance to prevent market “confusion.” Thus, the reforms will not trigger a “Big Bang” in liberalizing Japan’s financial system.

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## **4 Labor Law**

### **Temporary Act for Promotion of a Reduction in Working Hours.**

Promulgated on July 2, 1992. Ch. 90. Effective as of September 1, 1992.

#### *[Outline of the Act]*

The purpose of this Act is the smooth promotion of a reduction in working hours by means of measures which promote voluntary action by owners of enterprises for reducing working hours and also by establishing a government program known as the “Working Hours Reduction Promotion Program” (Article 1).

The Act is, as its name implies, temporary and, accordingly, will be in force only for five years from the day of enforcement.

The principal content of the Act is implementation of the three measures described below by the three main actors, that is, the Government, individual owners of enterprises, and multiple owners with in the same industry, respectively.

First is the Working Hours Reduction Program planned by the Government. The Minister of Labor shall draw up a draft of the Program, which should cover such matters as the working hours reduction target, guidance and aid to the parties concerned, and so on (Article 4). The Minister shall seek Cabinet approval of the draft. When approval is given, the Minister shall publish it without delay. The Minister may make requests necessary for carrying out the Pro-

gram from the organizations concerned (Article 5).

Second is the preparation of a system of promoting a reduction of working hours in enterprises. Owners of enterprises shall organize a committee (Working Hours Reduction Promotion Committee) composed of both worker representations and employer representations in their enterprises and endeavor to prepare a system as may be necessary for effectively carrying out a reduction of working hours (Article 6). When the owner of an enterprise has organized committee which satisfies the required conditions, he is exempt from application of certain regulations concerning working hours prescribed by the Labor Standards Law (Article 7).

Third is the “Working Hours Reduction Implementation Program” to be established by each industry. Two or more owners of enterprises from the same industry may draw up a Working Hours Reduction Implementation Program which covers the required matters and submit it to the Minister of Labor and other ministers who have jurisdiction over the industry to obtain their approval as to the appropriateness of the program (Article 8). In approving the program, if necessary, the Minister of Labor and the other competent ministers shall adjust differences of views with the Fair Trade Commission (Article 10). The ministers shall give such aid to the owners of the approved enterprises necessary for executing the program (Article 11).

### *[Comment]*

The policy of reducing working hours has made little progress so far. It is said that the causes of this are competition among enterprises, business customs, and so on. The Temporary Act for Promotion of a Reduction in Working Hours is designed to eliminate these obstacles and prepare the foundations of employers’ voluntary actions for reducing working hours.

The points to be noted about the three measures described above are as follows. In the first place, the aim of the Working Hours Reduction Promotion Program is to have the government establish a definite goal and ensure the means for its achievement. Next, the exemption of enterprise owners who organize Working Hours Reduction Promotion Committees from application of certain regulations concern-

ing working hours is an obvious incentive for the owners to create such committees. Finally, the purpose of the Working Hours Reduction Implementation Program to be established by each industry is to keep owners of enterprises in the same industry at the same pace in reducing working hours; otherwise, competition among them would keep them from taking action for reducing working hours.

The way in which the Act regulates working hours is quite new to the traditional manner of Japanese labor law in that it does not directly restrict working hours but rather, promotes voluntary action by enterprise owners for reducing working hours. This is a consequence of both considerations to clear away the obstacles to reductions in working hours as aforementioned above, and considerations to avoid pressure from employers' associations, which are averse to legal intervention. To make the policy effective, rather drastic measures will have to be taken by the government.

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## **5. International Law**

### **Treaties and Agreements**

#### ***[Multilateral]***

Agreement among the Government of the United States of America, Governments of Member States of the European Space Agency, the Government of Japan, and the Government of Canada on Cooperation in the Detailed Design, Development, Operation, and Utilization of the Permanently Manned Civil Space Station, promulgated on April 15, 1992, entered into force on January 30, 1992.

Convention 159, Convention concerning Vocational Rehabilitation and Employment (Disabled Persons), promulgated on June 19,