

Labor Market Reform — Key to Enhancing Individual Creativity

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Cover lead

Labor market reform to ensure that innovative workers, in particular women and non-Japanese, are actively employed in companies is an important part of Japan’s growth strategy. In the Cover Story of this issue, Kotaro Tsuru, a chief advisor to the Japanese government on labor market reform, introduces the background and his own assessment of this planned reform, which is important not only in ensuring innovation but also in dealing with the “labor shortage” already apparent in Japan and Europe.

As population aging continues all over the world, this issue could become a common one globally. The smooth integration of more women and non-Japanese into the labor force and achieving greater diversity among workers is now considered an urgent policy in Japan. Shintaro Okuno, managing director of Bain & Company Japan, Giovanni Ganelli, senior economist of the Regional Office for Asia and the Pacific at the International Monetary Fund, and Randall Jones, head of the Japan/Korea Desk of the OECD, have also kindly contributed their views on Japan’s labor market reform. In addition, we include interviews with three distinguished non-Japanese businessmen at foreign affiliates who have been active in Japan for a long time on their concerns about the “labor shortage” in Japan – Dietmar Kielnhofer, general manager of the Westin Hotel in Tokyo, Danny Risberg, CEO of Philips Japan, and Bruce Stronach, dean of Temple University, Japan Campus.

Immigration policy may seem to some readers to be a key to

realizing diversity in the labor force but at the same time as a challenge to socioeconomic stability, depending on the measures implemented. We referred to the case of Germany in this context, since Germany is a nation with a notable immigration policy and an assessment of its outcome could be a good reference point for Japan. Nobuyuki Kinoshita, senior advisor to Aflac Japan and a former BOJ executive director, and Steffen Angenendt, senior associate of *Stiftung Wissenschaft und Politik*, the German Institute for International and Security Affairs, introduce their views on it.

Finally, we have an article by the head of a “Future Design” venture whose mission was to introduce non-Japanese students in Japan to Japanese companies. It is encouraging that the number of non-Japanese employees hired by Japanese firms is today rapidly increasing, according to Keiji Takehara, president & CEO of Future Design Lab Corporation.

With this labor market reform, we hope that various synergies among the workforce can create a new culture that stimulates individual creativity and puts an end to people’s blind imitation of their superiors. Innovation would thus be achieved more easily, leading us onto a growth track in spite of the ongoing aging and depopulation of society. More importantly, this is not a unique issue for Japan but will become increasing common worldwide.

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