

Commuting Time for Tokyo Workers

The Industrial Structure Council, an advisory panel to the minister of international trade and industry, has issued a report on Japan's trade and industrial policy in the 1990s (see Cover Story) that calls for improving the welfare of the people rather than further building up the nation's formidable economic muscle. The report specifically calls for reducing the exces-

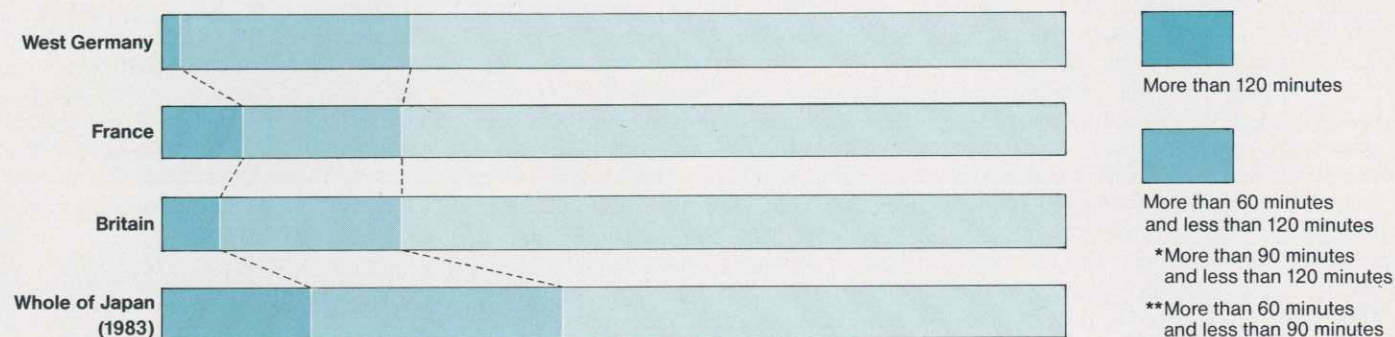
sive concentration of economic functions in Tokyo.

Japan's economic polarization has resulted in skyrocketing land prices in the Tokyo region, making it extremely difficult for those working in the capital to live near their jobs. Tokyo workers endure far longer commuting hours than workers in major foreign cities. The hard commutes

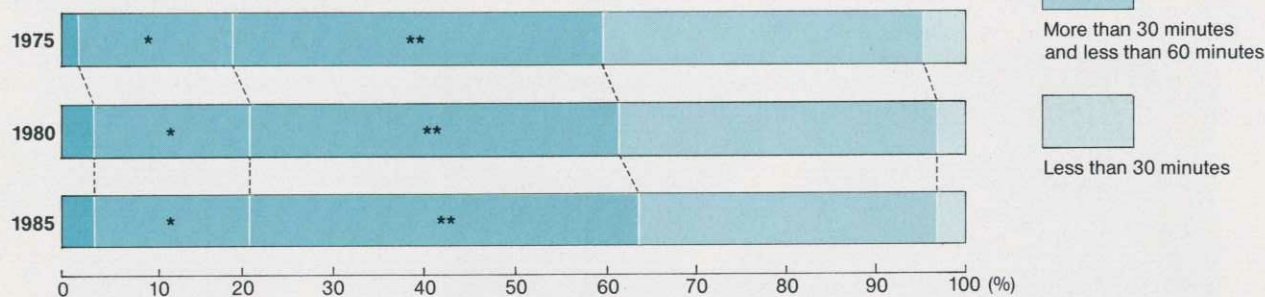
deprive workers of comfortable lives, and result in lost opportunity costs totaling an estimated ¥1.3 trillion.

Easing excessive concentration in Tokyo would help reduce the loss, and at the same time help narrow the gap between the wealth of Japan's GNP and corporate performance and the perceived poverty of individual Japanese.

Comparison of Commuting Time



Commuters to three wards in central Tokyo



Sources: EC Manpower Survey 1979; Transport Ministry, "Traffic Census in Large Cities"; Management and Coordination Agency, "Housing Statistics Survey"

Note: For the whole of Japan, workers whose commuting time is less than 30 minutes include those who own or reside at their workplaces, and figures are not available for commutes longer than 120 minutes.

Estimated Lost Opportunity Cost of Long Commuting Hours

Differential between the annual commuting hours of employees working in three wards in central Tokyo and average commuting time in Japan	312 hours
Average per-hour wage of workers in metropolitan Tokyo	¥1,994
Average annual lost opportunity cost of workers in three wards in central Tokyo	¥622,128
Total lost opportunity cost of workers in three wards in central Tokyo	¥1,369.76 billion

Source: Japan Applied Research