



PRESS RELEASE

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The Federation of International Employers (FedEE) writes

Japan - a very secret revolution

One of the last great modern mysteries is what happens in people's domestic lives. Increasingly, employers are expected to act in a more family-friendly way without actually being in a position to know what happens to the pay they hand to employees, or how the annual, or special leave they give translates into the true condition of their workforce. Of course, work and private life do ideally remain essentially separate - until they intrude into each other through such things as excessive work pressures, living beyond one's means, the Monday morning hangover, or cold homes returned to after a hard day at the office in mid-winter months.

One small opportunity to peer into this relationship comes with statistics usually collected by governments to help compile consumer price figures. These look at patterns of household expenditure. However, in Japan this data is produced particularly rapidly and links family income to expenditure. Such figures are usually ignored by journalists and employers alike - but make interesting reading.

The latest figures available are for April 2019 and these show some remarkable things in a country with very low inflation and a generally stable economy.

* For two or more person households, over the year to April 2019 housing costs fell on average by a massive 10.1%, but transport and communication costs rose by 11.9%.

* Over the same period, households were saving 5% on furniture and household utensils and spending 4% less on clothing but going out more - spending 7.8% extra on culture and recreation.

* In working families over the last two years income varied month-by-month by a staggering 243%.

* Japanese working families have fairly constant levels of overall expenditure, but this means that in poor income months they are spending up to 96% of their collective income. Savings come in high income months when they put aside sometimes as much of 60% of their joint income.



* Income for working families is remarkably seasonal with May and January being the leanest months and December the best income month - probably due to year-end bonuses, but not linked to Christmas as in much of the west.

* Although winter months normally see the costs of fuel and light rise as temperatures tumble and days get shorter, many Japanese families have shivered through the last winter with cuts in every month from November to March compared to the 2017/18 winter, but in some months this reduction has amounted to as much as 9%. Although January 2019 was the fourth warmest on record around the globe, much of Japan went through a prolonged cold spell that delayed the cherry blossom season.

Like the pulse of a heart for an individual, household income and expenditure can reveal so much about the true health of a nation. The Japanese are continuing to save, as they always have. But they are doing so in the face of highly fluctuating incomes. They are caring less about domestic comforts and more about living for the moment. They are also being hit by sharp changes in travel and communications as they follow increasingly mobile and connected lives.

Japan is a culture on the move and the person who turns up at work each day is less hidebound by tradition, but also far less certain about the world they are part of - and helping to create.

What is FedEE?

The Federation of International Employers (FedEE) is the leading organisation for multinational companies. It was founded in 1988 with financial assistance from the European Commission. Today it is an independent body with corporate members all around the globe.