

# **JSHRM**

## **Singapore**

### **November, 2015**

#### **1. Current economic and political situation in the country**

##### **Economy and labour market situation**

The economy has now rebounded from the contraction in the wake of the 2014 tax hike. Supported by the fall in oil prices and real wage gains, output growth is projected to reach  $\frac{3}{4}$  per cent in 2015 and  $1\frac{1}{2}$  per cent in 2016. Export growth is projected to remain buoyant, reflecting the weaker yen and a gradual pick-up in world trade. Inflation, which has fallen close to zero, is projected to begin rising in the second half of 2015, reaching  $1\frac{1}{2}$  per cent by the end of 2016, while the unemployment rate continues to fall.

The Bank of Japan's "quantitative and qualitative monetary easing" should continue until the 2% inflation target has been sustainably achieved. The reduction of public debt remains a top priority as gross public debt reaches 230% of GDP. To achieve fiscal sustainability, a detailed and credible fiscal consolidation plan to attain the target of a primary budget surplus by FY 2020 is required, as well as faster output growth through bold structural reforms, including those in Japan's growth strategy, which is aimed at boosting private-sector investment.

Business investment is a key to raising labour productivity, which is a quarter below the average of the top half of OECD countries. The planned cuts in Japan's relatively high corporate income tax rate are expected to spur investment, but other measures are needed. Further improving the corporate governance framework and accelerating product market reforms to create new business opportunities would encourage firms to invest their large cash holdings. Raising Japan's relatively low rate of firm creation, in part by promoting venture capital investment, is another priority.

Of the total 52.67 million employed persons (average, in the Apr. - Jun. 2015), the number of the regular employees (excluding board members) increased by 110 thousand from the previous year to 33.14 million. The number of non-regular employees of the employees was 19.53 million, increased by 310 thousand from the previous year.

Of the total 2.27 million unemployed persons, the number of persons who had been unemployed for 1 year or more was 740 thousand, a decrease of 200 thousand from the previous year.

## Political situation

The Upper House finally enacted two divisive security laws on September 19<sup>th</sup> 2015 that will mark a significant departure from Japan's postwar pacifism.

Given the ruling coalition's strength in both chambers of the Diet, the opposition camp was essentially powerless to stop him. It was thus reduced to obstructing the voting procedures and tapping public frustration with the legislation in hopes of rallying widespread resistance. Abe's team submitted the two bills to the Diet in May. Since then, more than 200 hours have been spent deliberating the legislation.

The Upper House's final plenary session was called late Friday night as the opposition camp, led by the Democratic Party of Japan, delayed Diet procedures in protest by submitting no-confidence and censure motions against Abe's Cabinet ministers in both chambers.

According to opinion polls, a majority of the public opposes the legislation and many think the government's efforts to explain it fell short.

A poll by the daily Asahi Newspaper from Sept. 12 to 13 found that 54 percent of the 1,994 respondents oppose the bills and 29 percent support them. One of them amends 10 existing security-related laws to lift various SDF restrictions, including Article 9's long-standing ban on collective self-defense. The other creates a new permanent law that allows Japan to deploy the SDF overseas to provide logistic support for United Nations-authorized military operations involving a foreign or multinational force.

Lifting the ban on collective self-defense, or the right to defend an ally under armed attack even if Japan itself is not, was long considered banned by war-renouncing Article 9 of the Constitution. So instead of formally amending the Constitution, which was considered politically unfeasible, Abe simply had the government's long-standing interpretation of Article 9 altered to allow collective defense.

Abe has argued that the Japan-U.S. alliance would be critically damaged if Tokyo refused to defend the U.S. during operations aimed at protecting Japan.

Under the Japan-U.S. security treaty, the U.S. is obliged to defend Japan in a contingency but Japan does not have to defend the U.S. Instead, Tokyo is obliged to grant Washington routine use of military bases in Japan.

Many voters fear the new laws could see Japan getting dragged into a war involving the U.S., given its traditionally heavy reliance on Washington's diplomatic and military power. They also fear the unprecedented move could render the Constitution toothless, since a majority of constitutional scholars believe the new laws violate Article 9.

Many security and diplomacy experts, however, praise the move as a reform, given the growing military might of China and America's declining presence in the Asia-Pacific region. Under the new laws, Japan will theoretically be allowed to use collective self-defense to come to the aid of an ally — presumably the United States — under three conditions: if Japan's "survival" is at stake, there is no alternative, and the use of force is kept to the "minimum necessary." The United Nations charter bestows this right to all member countries, including postwar Japan. But no major countries attach such strict conditions to its use, government officials have maintained.

## **2. HR challenges**

Japanese government mandated workplace stress check for employees to companies who have more than 50 employees to prevent mental disorder in workplaces once a year. It starts on 1<sup>st</sup> December, 2015. It is conducted by questionnaire sheets including .questions about 3 kinds of area, cause of workplace stress, reaction of workplace stress against mind and body ,and support by others.

According to HR white paper 2015 by Nihon no Jinjibu, The biggest issue for companies on conducting workplace stress check is that whether the check can measure employees' workplace stress properly or not.

## **3. JSHRM projects and initiatives**

Major areas of JSHRM activity include the following:

- Publishing 'Insight' magazine once per two months.
- Basic program on HRM  
Object: beginners belonging to HRM department  
Content: basic contents on HRM
- Advanced program on HRM  
Object: people who finished the basic one  
Content: advanced contents conducting by CBS, Chuo Business School in Japan.
- HR Café  
Seminar on HRM once or twice per month
- Voluntary research program  
Some members start the program voluntarily. They founded some communities on issues which they are interested in.

## **4. Scheduled Conferences**

31, October, 2015 Annual Conference 'HR Professionals keeping evolution'

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