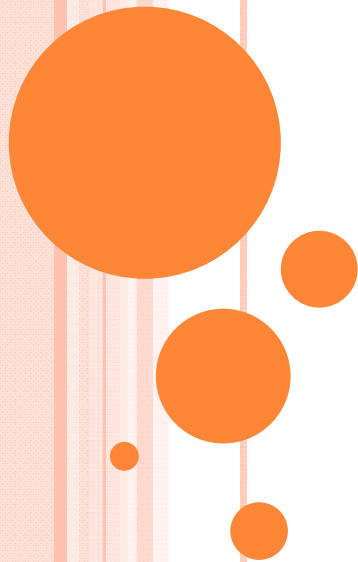




NON-REGULAR EMPLOYMENT IN JAPAN



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VARIETY OF NON-REGULAR EMPLOYMENT IN JAPAN

- *Paato* (パート)
 - Dominant form of non-regular employment in Japan. Predominantly middle-aged women
- *Arubaito* (アルバイト)
 - Student part-timers, often lacks formal contract
- *Haken* (派遣)
 - Temporary dispatched workers, newly established non-regular employment status
- *Keiyaku/shokutaku* (契約・嘱託)
 - Male, relatively skilled workers. *Shokutaku* workers are often retired elderly workers rehired by the firms.

Note: they do not overlap with legal terms



TYPICAL IMAGE OF PAATO WORKER



- XXXX のアルバイト・パートさん☆責任感は誰にも負けませんよ

アルバイト・パートスタッフが
多く勤務するスーパー業界。
スーパーXXXX には正社員
と同様に責任感をもってマイ
ポジションを守るスタッフが
大勢います。
研修制度も充実、未経験の
方には丁寧なマンツーマン
サポート！
スタッフ間のコミュニケー
ションも大切にしています。
モチベーションをアップする
ことでお互いの責任感を刺
激し合う。
すべてお客様の街と暮らし
を支えるためなんです☆

(Job announcement from local web page)



RESTRICTIONS ON EXTERNAL LABOR MOBILITY

- Policy initiative to realize ‘democracy’ put restrictions on external labor mobility in the post-war period
 - Problem of labor boss = exploitation
 - The recognition on the problem of labor boss led to the prohibition of labor market intermediary (worker dispatch, private job placement), limited duration of limited term contract (Employment Security Law and Labor Standards Act)
 - Schools and labor unions are exceptions that were allowed to do job placement service



INSTITUTIONALIZATION OF “LIFE-TIME EMPLOYMENT” FOR REGULAR WORKERS

- Rigid employment security for regular employers
 - Labor relations:
 - guaranteed employment and wage security = life-stage adjusted wage system
 - Corporate welfare = health insurance, pension, and others
 - “Flexible rigidities” = as far as employees accept to be flexible, employment security became not bad for employers
 - State’s support of rigid employment:
 - Welfare policies supported the arrangement of corporate welfare measures
 - Employment policy: employment adjustment subsidy than unemployment insurance
 - Court judgment: accumulation of court judges that support the norm of life-long employment



REGULAR/NON-REGULAR COMPOSITION IN JAPANESE LABOR MARKET

	1956	1959	1962	1965	1968	1971	1974	1977	1979	1982	1987
Regular	88.93	90.27	92.19	92.17	92.98	92.69	92.21	90.28	88.92	84.23	81.59
Non-reg.	11.07	9.73	7.81	7.83	7.02	7.31	7.79	9.72	11.08	15.77	18.41

Table 1.1 Regular/non-regular composition of the Japanese labor market from 1956 (%)
(source: Statistics Bureau 1959, 1960, 1963, 1966, 1969, 1972, 1975, 1978, 1980, 1984, 1988)

*From the 1982 survey, employment categories based on the categories utilized in workplaces (such as *paato* and *keiyaku*) became available. Numbers until 1979 are based on the terms of contract, and workers with less than a one year contract are categorized as 'non-regular' employee in this table. This may underestimate the number of non-regular workers until 1979 since there might be some *paato* or *keiyaku* workers who had longer contracts but still treated as non-regular members of the workplaces.



ON-SITE SUBCONTRACTING (*KŌNAI UKEOI*)

- On-site subcontracting was one of the main measures for firms to achieve flexibility
- Common in heavy industry in the 1950s
- Banned since it could be completely the same as the labor intermediary service that was common before the war (labor boss)
 - But difficult to regulate
- Became common during the rapid economic growth in the areas of machine design, IT programming, building maintenance and some clerical jobs (telex operator)... etc.



FIRST MOVE TO ESTABLISH EXTERNAL LABOR MARKET IN JAPAN

- The prevalence of the illegal on-site subcontracting was the direct trigger of the first change of labor market regulation in 1986
 - Admonition by the Administrative Management Agency in 1979
 - The TDW Law was to properly regulate the illegal dispatching = very limited occupations
 - To make the employers of on-site subcontracting firms responsible ones
 - Positive-list system



DEREGULATION OF LABOR MARKET IN THE LATE 1990S

- After the burst of the bubble economy in 1991,
 - Japanese employers became frustrated about the employment arrangement typical before the crisis
 - New Age Japanese Management: a proposal of employment reform that seeks to segment labor force in three types
 - The rise of “deregulation committee” in the policy process that facilitated the process of deregulation



Radical deregulation of labor market
in the late 1990s to early 2000s



CHANGES OF LABOR MARKET AND EMPLOYMENT POLICY IN JAPAN

- Until the burst of the bubble economy in 1991
 - Emphasis was placed on the maintenance of employment through employment adjustment subsidy and other measures
- After the burst of the bubble economy in 1991 to the late 1990s
 - Smooth labor mobility without unemployment
 - Negative list of *haken* for elderly workers
 - Government subsidy for firms if they hire those who lost jobs
- After the radical deregulation in the late 1990s
 - Negative list for *haken* system and job placement
 - Expansion of limited-term contract

