

Japan Labor Review

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Special Edition Labor and Family Formation

Articles

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Britain, Sweden and Japan

Osamu Saito

Marriage Preceded by Pregnancy and Women's Employment

Miho Iwasawa, Kenji Kamata

The Labor Market and Marriage Decisions in Japan

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Japan's "Lost Generation" Today: From a Survey on 30s' Working Styles
in Tokyo

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Dismissals in Japan

Part Two: How Frequently Do Employers Dismiss Employees?

Kazuo Sugeno, Keiichi Yamakoshi

JILPT Research Activities



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NEXT ISSUE (Winter 2015)

The winter 2015 issue of the Review will be a special edition devoted to **the Future of Disabled Employment in Japan.**

Introduction

Labor and Family Formation

In this special feature, we focus on the dynamics of family and labor in Japan. In recent years, Japan has seen great changes to the conventional family model. In the past, the dynamics of family and labor largely followed the classic model in which a couple marries and has children, and the husband supports the family as the primary breadwinner, while the wife dedicates herself to raising the children until they are old enough for her to earn some supplementary income. Recently, however, the number of unmarried people has been rising, as has the number of married couples who remain childless. Meanwhile, it has also become increasingly commonplace for couples to conceive children first and get married afterward (“marriage preceded by pregnancy”). In terms of married couples’ work styles, as well, women have become more active participants in the workforce, and the number of married couples in which both work full-time is on the rise.

What process has this “diversification” of family-labor dynamics followed in Japan? What is the nature of the reciprocal relationship between the two, and what impact have these changes had on society? This issue brings together several articles that offer insights into these questions.

The first article examines work roles within the family. “Historical Origins of the Male Breadwinner Household Model: Britain, Sweden and Japan,” by Osamu Saito, examines the origins of the archetypal male-breadwinner household from a historical perspective. First, it considers the process through which the male breadwinner household model became predominant in Britain, Sweden, and Japan, and notes that factors specific to each country caused discrepancies in the timeline of this path to predominance. These include historical and cultural factors such as the state of the family, the functioning of social safety nets, and the stance and policies of government. In order to examine common underlying factors in these countries, the article goes on to introduce the hypothesis put forward by economic historian Jan de Vries, and conducts an analysis employing data from Japan. It concludes that for all the countries discussed, the historical period when the male breadwinner household model took root was one when it was not possible to secure high-quality resources and services from the marketplace in areas such as health and childcare, and as a result, when men’s earning potential rose sufficiently, women increasingly focused on activities within the household to improve the quality of life.

The second article focuses on family formation and discusses its relationship to the labor market. Miho Iwasawa and Kenji Kamata’s “Marriage Preceded by Pregnancy and Women’s Employment” features a rigorous analysis aimed at answering the question: “When a woman’s pregnancy precedes her marriage (i.e. a shotgun marriage), what sort of impact does it have on her future career?” In recent years, marriages preceded by pregnancy have made up an increasing percentage of all first marriages, and there are two factors that

may be contributing to this trend. The first scenario is that marriage preceded by pregnancy is in itself more likely to occur, and the second is that the number of first marriages for other reasons (i.e. not preceded by pregnancy) has simply declined. Utilizing data from the National Fertility Survey Project, the authors determined that it is the second scenario that explains the rise in marriages preceded by pregnancy as a percentage of all first marriages. The authors go on to analyze how the experience of marriage preceded by pregnancy impacts women's careers thereafter. For this analysis, a critical point is that women who have experienced marriage preceded by pregnancy differ from their counterparts (who have given birth under other circumstances) in terms of average attributes, and thus it is necessary to control for these attributes (in other words, to compare women who are as similar as possible to one another) in order to assess the impact of marriage preceded by pregnancy. The authors employed techniques such as weighting and matching with propensity scores, and came to the conclusion that even when a marriage is precipitated by pregnancy, that in itself does not appear to be a drastic negative effect on the career or income of the woman after childbirth. While the women in question do have a greater propensity than their counterparts who have not experienced marriage preceded by pregnancy to have difficulty continuing to work after childbirth, to be non-regular employees, and to have low incomes, this is not so much a cause-and-effect relationship as the result of other correlated attributes such as marriage at younger ages and shorter relationships with spouses prior to marriage.

While Iwasawa and Kamata's article analyzed the impact of family formation processes on performance in the labor market, Koyo Miyoshi's article "The Labor Market and Marriage Decisions in Japan" examines the inverse of this question, namely the impact of labor market conditions on family formation. The article begins with an extensive overview of existing studies into the relationships between marriage or childbirth and various indexes of the labor market. In overseas studies, empirical analyses concluded that increased inequality in men's wages is correlated with decreased marriage rates among women, and that high unemployment rates and insecure employment contracts are correlated with lower birth rates. In Japanese studies, as well, it has been noted that rising levels of non-regular employment among men are correlated with later marriage ages. Building on these previous studies, the author estimated women's marriage using a hazards model employing data from the Japanese Panel Survey of Consumers conducted by the Institute for Research on Household Economics. The outcome indicated that while higher estimated annual market income and household income was correlated with later marriage ages, results differ depending on the methods used to estimate unemployment rate at time of graduation.

Amid shifting family formation and labor market dynamics, what sort of stance do Japanese companies adopt toward their employees' families, and what human resource policies do they adopt? Yuko Tanaka's article "The Family in Human Resource Management" addresses these questions. In the past, under the "familistic management" approach to human resource management, compensation was paid in accordance with personal attributes, which in addition to age and length of employment included marital status and number of

dependent family members. Here, the author seeks to clarify the rationale for payment of a “family allowance” to employees, which recently has been progressively losing its basis for viability amid a rise in the relative importance of unit cost of labor. Another situation in which work-family dynamics come to the forefront is that of lone assignments (i.e. transfer of an employee away from the family). Separated from their families, assignees often experience stress and increased levels of anxiety and loneliness, but have also been observed to overcompensate for these negative effects by working with redoubled enthusiasm. Another observation is that underlying the long work hours of male regular employees is the standard premise of a male worker married to a full-time housewife, and companies’ assumption that the worker’s stress may spill over into the household but will be relieved by his wife and/or children. As these attitudes and practices generate Work-Family Conflict and lead to depression among family members and decreased levels of marital satisfaction, the article concludes that conventional labor management practices need to be reformed.

With regard to the relationship between Japan’s traditional employment system and family formation, “social law” (a collective term for labor law and social security law) plays a vital role. Eri Kasagi’s article “Family Formation and the Social Law” discusses the interaction of Japan’s social law and the family, in the context of the historical narrative of Japan’s high economic growth period after World War II. During this era of high economic growth, family formation with the premise of a single-earner household was a social norm, and legal decisions regarding employee redeployment orders were justified by the perceived necessity of a tradeoff between job security and home life. However, the gender-equality employment model emerged to replace this single-earner model, the Equal Employment Act and the Childcare Leave Act were enacted, and at this stage the social law began to recognize that work and family are two parts of one whole, and to intervene judicially with direct consideration for workers’ responsibilities toward their families. Since the mid-2000s, the concept of Work-Life Balance (WLB) has gained prevalence, and there has been increasing recognition that workers have not only family responsibilities but also the need for a private life with diverse and fulfilling activities. As WLB is a comprehensive concept applying to all workers, it is seen as playing a significant role in the realization of employment equality and measures to raise the birth rate.

We are confident that these five articles will make a significant contribution to readers’ understanding of the dynamics of labor and family formation in Japan.

Souichi Ohta
Keio University

Historical Origins of the Male Breadwinner Household Model: Britain, Sweden and Japan

Osamu Saito

Hitotsubashi University

Studies of historical origins of the male breadwinner household model cut across the boundaries of economic history, labour history, women's history, and welfare state studies. The model is said to have been established between the mid-19th and the mid-20th century in many countries. This essay begins with a brief survey of literature on the historical path to breadwinning, with special reference to Britain, Sweden and Japan. The literature survey is followed by the examination of a hypothesis put forward by the economic historian Jan de Vries, which focuses on household production by married women, first in west European historical contexts, and then with Japanese pre-war data. It is argued that one of the factors accounting for the rise of the breadwinner regime was an increase in the demand for home-produced goods and services, a factor specific to a particular phase of development where the market supplied no acceptable substitutes for most of these. At the same time, it is emphasized that culture-specific factors, such as family formation rules, traditional systems of welfare, and the government's stance and policies, are also important for a better understanding of the rise of breadwinning in each historical case.

I. Introduction

According to traditional interpretations, the male breadwinner household was established between the mid-19th and the mid-20th century in many countries. It was a product of industrial capitalism. Industrialisation brought about not just an expansion of manufacturing and other non-agricultural sectors, but also meant the separation of home and work. With rising standards of living, a fruit of the former, the latter process led to male breadwinning: indeed, the male breadwinner household's heyday is said to have been in the 1950s (Seccombe 1993, 208). This claim is consistent with the synthesis in family history in the 1970s, where the early phases of industrialisation saw the family household responding to changing labour markets, thus becoming a family wage economy. This was followed eventually by a family consumer economy, which witnessed the birth of a male breadwinner household: "By the first decades of the twentieth century married women in working-class families spent more time at home, less time earning wages. Household and child care responsibilities demanded a new expertise which in turn required more time than it had in the past" (Tilly and Scott 1978, 213). In the field of welfare state history too, it has been sug-

* This essay is a somewhat different version of the author's Japanese-language paper, which appeared in *The Japanese Journal of Labour Studies* 55, (September 2013): 4–16, under the same title (the subtitle is added to this version). Bibliographical help offered by Makoto Akagi during the course of this revision is gratefully acknowledged.

gested that social security measures introduced in the period from the 1880s to 1914 were designed to fit the paternalist notion of the male breadwinner family, and thus influenced subsequent planning ideas, such as the Beveridge Report of 1942, for the welfare state (Orloff 1993; Osawa 2011, 8–10).

However, the post-war development of the welfare state was multifarious; and it has been suggested that the multiple developments can be better understood by referring to each country's historical commitment to the male breadwinner norm (Lewis 1992). Looking back from this vantage point, the historical process to the male breadwinner household regime turns out to be equally varied depending on initial conditions, the level of development, the state's attitude to gender and work, and so on. In view of the typologies of welfare states (Esping-Andersen 1990; Lewis 1992), it is likely that Sweden followed a path considerably divergent from Britain's, while in non-European countries like Japan, historical patterns must have been considerably different.

At the same time, we can also approach the pre-1950 phase of evolution from a different angle. When discussing the Scandinavian model of welfare state in the making, Esping-Andersen noted in passing that the area's "private welfare market was relatively undeveloped" (Esping-Andersen 1990, 32). It is not quite clear which time period he referred to, but in any country there must have been a period in which welfare markets stayed underdeveloped. In the Scandinavian countries, the social democrats had the will to establish welfare states at all costs; but without such political will and resources, it is likely that families in other countries responded very differently when the markets could not cope with rising demands for various "welfare" goods and services. Indeed, this is the point put forward by the economic historian Jan de Vries (2008), and his argument is worth exploring in relation to historical origins of the male breadwinner household model.

This essay begins with a brief account of three different paths to male breadwinning. Section II looks at Britain, Sweden and Japan in the 19th and early 20th centuries, with special reference to the level of economic development and structural change on the one hand, and the distinction between family and household formation systems on the other. Then, we will turn to de Vries's hypothesis, which is supposed to be at work across countries in a specific phase of development. De Vries's argument that an increase in the demand for home-produced goods and services accounted in part for the rise of the breadwinner regime, a factor specific to a particular phase of modern economic growth where the market supplied no acceptable substitutes for most of these, will be explored in both the western European context (section III) and with Japanese historical data (section IV). Finally, section V will conclude this essay.

II. Diversity in the Path to Male Breadwinning

Historians of the welfare state have paid a great deal of attention to political actors, policies, and institution building. In comparative perspective, however, it is evident that

structural factors at work initially are crucially important in accounting for any observed differences in the historical process between countries before World War II. In the 19th century, Britain was the workshop of the world, having a large manufacturing sector. More important is the finding that even before the classical industrial revolution her share of secondary-sector occupations had already considerable. In contrast, Sweden and Japan were more or less agrarian during the long 19th century. While modern factory sectors emerged, proto-industry occupied a central place in the rural occupational structure, offering peasant families—especially women—a variety of non-agricultural employment opportunities until the end of the period in question. According to recent findings from an on-going project at the International Network for the Comparative History of Occupational Structure (INCHOS),¹ in England and Wales, the secondary-sector share of male employment increased by more than 10 percentage points from 1710 to 1851. If females are to be added to the male percentages, then the secondary share must have remained remarkably stable at a level around 45% over the 150-year period. This extraordinary finding implies that at the beginning of the 18th century, the primary-sector share of employment was already below the 50% mark, and fell below the secondary share during the course of the century; in other words, before the industrial revolution. Moreover, much of the countryside was highly stratified with a substantial group of “labouring poor” at the bottom of the stratification (except for a few family-farm areas in the north). On the other hand, in Sweden, it is estimated that the primary-sector share in 1900 was a little over 50%, the secondary share 25%, and the tertiary share a little over 20%; while for the same year in Japan, the percentages stood at 64, 18 and 18 respectively (with sexes combined for both countries).² There is a small gap between the Swedish and Japanese levels, but their levels are so vastly different from Britain’s that the two countries should be grouped together against Britain. Given the high propensity for women in the peasant sector to be in the workforce, this difference in the initial condition between Britain on the one hand, and Sweden and Japan on the other, must have exerted a profound influence on the subsequent processes of the rise of male breadwinning in the two groups of countries.

Turning to the dimension of family and household structure, it is Britain and Sweden that fall under the same heading. According to John Hajnal’s influential thesis, both countries belong to a regime of the European marriage pattern; or more precisely, the pre-industrial north-west European family formation system (Hajnal 1965, 1983). This means that from early times on, the family form was a nuclear one and both marriage and

¹ The following account draws on draft chapters on England (by Leigh Shaw-Taylor), Sweden (by Pernilla Jonsson, Inger Jonsson, and Fredrik Sandgren), and Japan (by Osamu Saito and Tokihiko Settsu). The chapters will appear in Saito and Shaw-Taylor (Forthcoming). For England and Wales, see also Shaw-Taylor and Wrigley (Forthcoming).

² It should be noted that the Japanese estimates was made with by-employments included in the calculation. It increased the estimated percentages by just a few points, although its effect on sectoral labour productivity differentials was considerable.

formation of the household were neither under social nor kinship control. This is a very different picture from traditional Japan, where the dominant form was a stem system in which the heir son started his marriage life in the parental household. There are scholars who claim that in pre-industrial Sweden as well, the stem family was a dominant form in the sense that one son married and took over the farm on the retirement of his father. However, it is clear that this stem-like family arrangement found in parts of Sweden (and also of central Europe) was compatible with what Hajnal called the general north-west European household formation rules, while customs associated with other variants of the stem family were not (Hajnal 1983, 70). In Japan's stem family system, a variant of the latter, marriage was not necessarily linked to succession (Saito 1998, 2011). The concept of headship was thus different from the European notion. It was the family (*ie* in Japanese), not the head of the family, who owned property; the head was "merely the manager thereof" (Saito 2011, 468). To put it differently, both English and Swedish family systems are compatible with the concepts of individualism and autonomy, and hence the modern notion of citizenship; by contrast, Japan's family system is not.

We could introduce a couple of other criteria. But even with these two, it is evident that each of the three cases is historically distinct. So what does the historical evidence tell us about the origins of the male breadwinner household in these distinctly different societies?

The British case has long occupied centre-stage in the male breadwinner debate (for a survey of literature and evidence, see Creighton 1996; Janssens 1998; Burnette 2008, chap. 5). However, recent research results cast doubt about the stereotyped timeframe of periodisation. A series of publications by Sara Horrell and Jane Humphries have established that male breadwinning was already widespread among wage-earning households well before the British industrial revolution. One dataset they collected contains 1,161 household budgets dating from 1787 to 1865 (Horrell and Humphries 1995, 1998). The other is taken from a collection of 617 autobiographies written by working-class men of the 18th and 19th centuries: it is a sample of cases (60–76% of the total) where both parents are present, together with the information available for mothers' participation in economic activity and their earnings (Humphries 2010, chap.4). The former includes more cases of pauper families, while the latter's occupational coverage is thought to have been closer to the working-class average; but because of the difference in the sample size, the former can be regrouped by occupation and sub-period, while the latter cannot in most cases. From these two datasets, several observations may be made.

First, married women's average rate of workforce participation in the period between the end of the 18th and the mid-19th century was at 56% for the former sample of poorer families and 29–36% for the latter, supposedly more representative sample. Considering the estimated proportions of married women returning an occupation in the 1891–1911 census enumerations (reported in Table 1), and considering those census-based estimates cover middle- and upper-class families as well, the Horrell-Humphries estimates for earlier

Table 1. Estimated Proportions of British Married Women in Employment, c.1780–1911

Marital status	I-a	I-b	II		
	Autobiographical sample (Working-class occupations)	Family budget sample (Biased towards the poor)	Census returns (Sample of 13 localities in England and Wales, covering all occupational classes)		
	c.1780–1865		1891	1901	1911
Single	–	–	70.7	69.8	73.5
Ever-married	–	–	17.1	14.6	16.2
Married—spouse present	29–36	56	9.5	7.5	10.8
Widowed	–	–	42.5	40.4	34.9

Sources: (I-a) Humphries (2010, 105, table 4.5), excluding cases where the husband and wife had the same occupation (if included the figures are 41–47%, suggesting that the proportions were higher for the self-employed); (I-b) Horrel and Humphries (1995, 98, table 1), mean of sub-period percentages; (II) Garrett et al. (2001, 300, table 5.8.1), based on a sample of around 20,000 ever-married women in each of the three censuses.

working-class married women cannot be regarded as particularly high. Second, according to the former sample, the participation level was higher in low-wage regions than in high-wage regions. Together with the first observation, this can be taken to imply that the higher the husband's earnings, the lower the wife's participation rate. Third, the latter sample indicates that among the self-employed (where the married woman had the same occupation as the husband's), more married women were in the workforce than in working-class families. Finally, the former sample's tabulation by sub-period shows that the decline in married women's contribution to the family income was not uni-linear. It increased from 15% in the late 18th century to 25% in the 1815–40 period, and began to decline to under 20% in the 1846–65 period. All this suggests that the overall percentage of married women in employment may have declined to a certain extent during the 19th century. But more importantly, given the finding about the percentage of their contribution to the family income, it is hard to claim that their participation rate must have been at a much higher level. Male breadwinning predated the age of industrial capitalism: "Not only had nuclear families come early in the British case. The male-breadwinner family also preceded industrialization..... Whether its origins were in the sixteenth or seventeenth century, or even earlier in the medieval period, by the eighteenth century a male-breadwinner family system appears established" (Humphries 2010, 120).

Sweden shared the same characteristics of the pre-industrial north-west European family formation system, but remained far more agrarian, with its per capita GDP at roughly half the UK at the end of the 19th century, while today the nation is renowned for its welfare provision wholly separate from the male breadwinner model. The origins of this post-war Swedish model are found in the 1910s. After the introduction of workers' sickness

and factory inspection schemes around 1890, the parliament passed several legislations of national significance which increased the government's social transfer spending as a percentage of GDP. The 1880–1930 period saw social spending rising in almost all countries in the West, with Sweden among the leading countries of this upward trend (Lindert 2004, 12–13). However, more significant here is the state's stance revealed in those legislations, of which the Old Age Act of 1913 and the new Poor Relief Act of 1918 were considered to be particularly important for the gender question. Not only did the two legislations mark the growth of state spending, but they also made it explicit that the government's stance was gender-neutral (Sommestad 1998, 168–73). The 1913 legislation of pension for the elderly, which is well known for its universality, actually extended the principle of individual entitlement to women regardless of marital status, occupational status and income—the point which “has seldom been noted” (Sainsbury 1996, 63). In 1918, poor single mothers became entitled to receive child supplements, but only when they were permanently unable to work, suggesting that any individual who became unable to perform breadwinning duties was given an entitlement, regardless of sex.

Lena Sommestad believes that one of the background factors accounting for this early history of the gender-neutral welfare state lies in the fact that traditionally, farm women performed a number of domestic as well as outdoor tasks, which were often regarded as “breadwinning” activities. Thus, state support for sickness and old age was judged most needed in the countryside initially. Although campaigns for state intervention intensified in urban areas from the late 19th century on, the 1913 Act is in fact said to have been “shaped by farmers' demand for a ‘people's insurance’” (Sommestad 1998, 169). Another set of factors were mass emigration and declining fertility. Emigration, which was extensive until about 1910, “served to nurture an ambivalent, but largely permissive, attitude towards women's gainful work” (Sommestad 1998, 167). The falling birth-rate, apparent after World War I and reaching an international low in the mid-1930s, and the population debate that followed, would probably help to explain why the government took a maternalist social policy at the time when men's wages were rising and the ideational tide turned to domesticity; i.e. when “Sweden could well have moved towards a male breadwinner model” (Sommestad 1998, 171–73). The post-war state inherited this “citizen-based” approach to social provision, in which citizens' entitlements were “individualized” rather than “familialized” (Sainsbury 1996, 69).

In sharp contrast with the British and Swedish cases, Japan's history of the welfare state is a recent one. As in many other countries, industrialisation begot social problems that demanded government intervention. But the pre-World War II state did not act swiftly. A few notable measures were implemented, so that social transfers increased gradually over time. However, none of the legislations were based on the principle of universal entitlements; much of the spending went to pensions for civil servants (of whom the overwhelming majority were male). In fact, if annuities and pensions for civil servants and military officers are excluded, then the proportion of social welfare spending to GNE declined from

0.2% in 1886 to 0.1% in 1935. It is true that even without public-sector pensions and annuities, the total transfers per capita increased modestly by 37% in real terms from 1886 to 1935, but over the same period total government expenditure per capita went up by 4.5 times (Saito 2014, 37). It is also true that Japan was poor by international standards. At the end of the 19th century, its GDP per capita was about half of Sweden. But, as Lindert has shown, social spending growth happened in various countries regardless of the level or growth rate of GDP per capita. Clearly, Japan “resisted” the global trend in social spending growth during the early phase of development (Lindert 2004, 15, 17).

Until about the mid-1950s, the Japanese economy had a large self-employed sector: farm households and family businesses in the secondary and tertiary branches. There, like 19th-century Sweden, important areas of productive activity were carried out by women, especially married women. From the late 1950s on, however, the economy started growing at an unprecedented pace. With the growth of the manufacturing industry, the corporate sector expanded and the self-employed sector contracted. A huge number of people left the countryside and formed households in urban areas, which took the form of a nuclear family. It was during this high-growth period that male breadwinning became the dominant form of the family household, and also the period that saw the establishment of Japan’s post-war welfare-state system. On the surface, this seems to suggest everything was a product of industrial capitalism. According to Mari Osawa’s interpretations, however, it owed much to big businesses’ employment practices. In the big business sector, employees, whether blue- or white-collar, were predominantly male, and long-term employment became their model career pattern. Correspondingly, the number of “full-time housewives” increased over the same period, i.e. until the end of the 1970s. This labour market segmentation gave rise to legislations based on the gender-based notion of the breadwinner-carer division. The whole system thus built has been described as “big company”-centred, and hence male-centred (Osawa 2002). With the slow-down of the nation’s growth rates and the emergence of a service economy since the first oil crisis of 1973, a number of reforms were pushed through in the 1980s and 90s. However, the end result was a social security system “even more rigidly locked in to the male breadwinner model than of any other country” (Osawa 2011, 54).

Each of these three paths was thus historically distinct. However, as noted earlier, de Vries (2008) has argued that all industrialising countries went through a phase in which welfare markets were underdeveloped, and it is this that accounts for the rise of the male breadwinner family. I shall now turn to this issue in the next section.

III. Women and Household Production

De Vries’s approach takes us away from the political economy of welfare provision. He focuses on household production—not the production of goods and services for the market, but of “products” to be consumed by household members; and on ways in which such goods and services were produced by married women.

His argument is placed in a much broader thesis on the longer-term transformation of household economy in the north-west European region. According to this framework of household economics, the economic history of the past several centuries is divided into four separate phases. In the first place, a long period before c.1800, there was an “industrious” revolution, during which families in early modern north-west European areas increased their working hours in an effort to augment their cash earnings to buy consumer goods available in markets. This meant an increase in the labour supply of women and children, as well as an expansion of consumers’ demand, both triggered by changes in household consumer preference. The transformation of the household economy laid the groundwork for the second phase, a revolution on the supply side. During this industrial revolution, despite a strong output growth, workers’ standard of living did not improve greatly, since the supply of total working hours was also on the rise. It was from the mid-19th century when working-class families’ real income started to increase. This third period saw the household’s preference field starting to change again, leading to the rise of male breadwinning. For any modest-income families who wanted to increase their quality of life, health and childcare areas gained special importance. This was because in the late 19th century, cleanliness and safety could not be bought from the market. “The market supplied no acceptable substitutes for most of them. In some cases, this was still technically impossible; in others the quality of the market alternative was low or it was unverifiable”; in such circumstances, “a division of labor within the household was the only feasible route to enter the realm of this consumption cluster for families of modest income” (de Vries 2008, 204, 205). Working-class wives withdrew from the workforce to “produce” such goods and services at home. In this way, the male breadwinner household model came into being. However, it also implies that the model would begin to collapse when such markets became established, another wave of change which he calls the second industrious revolution. He argues that this—in addition to other, oft-mentioned factors such as family limitation, home mechanisation and female education—must have been at work behind the post-World War II move towards a gender-neutral family model.

De Vries (2008) is a synthesis articulating what he set out in the 1990s (de Vries 1993, 1994). So far, critical examination has been made almost exclusively on the first and second phases in Britain, although the debate remains inconclusive.³ However, there are a couple of important issues of broader significance to which little attention has been paid. One is the above-mentioned thesis on the rise and fall of the male breadwinner model; and the other is his claim that Hajnal’s European marriage pattern, or more precisely, the north-west European family formation system, defines the “geographical range” where the industrious revolution took place (de Vries 2008, 19). The latter is an important one since this article deals

³ It is, however, worth mentioning that there is one piece of supportive evidence for the claim that working hours increased in Britain from the eighteenth to the early nineteenth century (Voth 2000), although whether this finding can be explained by the industrious revolution thesis is another matter.

with a non-European country, Japan, but the issue itself requires a separate exploration.⁴ I will, therefore, concentrate on the former.

De Vries's exploration of empirical evidence begins with women's workforce participation rates at national levels and their contribution to total family income in the Belgian case (de Vries 2008, 212–24). The trends found are generally consistent with the argument, but unsurprisingly, are not particularly convincing either. More interesting are research findings referred to by de Vries about gender biases with respect to intra-household resource allocation (de Vries 2008, 231–35). Various measures have been used—sex differentials in mortality, height, and literacy; and also women's stock of clothes. They are all concerned with “outcomes” of a biased allocation of resources between sexes. Of the works cited, the most interesting and intriguing are studies by Stephen Nicholas and Deborah Oxley on 19th-century female convicts transported from Britain to Australia (Nicholas and Oxley 1994). Their results suggest that discrimination against females existed from the late 18th century onwards, placing the “emergence of the male breadwinner half a century earlier” (Nicholas and Oxley 1994, 111), a conclusion that no longer surprises us given the afore-mentioned findings by Horrel and Humphries. However, another study by Horrel and Oxley, based on budget data for the late 19th century, has found that there was no straightforward correlation between the degree of children's contribution to the total family income and their treatment in the household (Horrel and Oxley 1999). While it is possible to argue, as de Vries does, that the parents' “objectionable” behaviour, such as discrimination against female children, receded as male breadwinning in fact became established (de Vries 2008, 232), the overall impression is that the evidence we have at the moment is far from unequivocal. In other words, the de Vries thesis remains as a working hypothesis.

Nevertheless, it seems to me that the hypothesis is empirically plausible. The plausibility is derived from two sources. One is what standard household economics predicts. In the household context, when the principal earner's earnings decline, the subsidiary earner's supply of labour will increase. This is a “necessity” factor, which implies that when the husband's wages increase, his wife will think about the withdrawal from the workforce. Another, which may be called an “opportunity” factor, is the availability and terms of employment available for the subsidiary earner. A case in point is the disappearance of the cottage industry, which must have lowered market wage rates for women. In the case of Britain, two effects appeared in sequence. First, proto-industry declined as a consequence of the industrial revolution; then, from the mid-19th century on men's real wages began to rise. Which of the two effects was stronger is debatable,⁵ but what seems certain is that labour

⁴ For issues associated with an industrious revolution in the East Asian context, see Saito (2010) and de Vries (2011). The latter is a rejoinder to the former.

⁵ Decades ago, on the basis of English data for the working poor in the industrial revolution period, I suggested that the necessity factor outweighed the opportunity factor, i.e. the negative impact of the husband's wages on his wife's supply of labour was greater than the positive effect of female market wages in the local labour market (Saito 1979a, 1979b, 1981). The methods employed were rudimen-

market forces were at work for the proportion of married women in paid employment to decline.

The economic reasoning behind this is the theory of work-leisure preference. In between, however, as de Vries emphasises, there is an area of unpaid, domestic work. In fact, it is plausible that what increased was not leisure, but domestic work time. In the United States, for example, the entire population of housewives spent on average 52 hours a week on domestic work at the turn of the century, which increased to 56 hours in the 1960s (Vanek 1974; Mokyr 2002, 199), the finding based on which Ruth Cowan's *More Work for Mother* (1983) raised a question: why should they be, considering the fact that almost all technologies brought in to the household were domestic labour-saving?⁶ For the UK as well, the trend between 1937 and 1961 was similar (Gershuny 1983, 151; Gershuny 2000, 54). However, in a class society like the UK, it can be "an artefact produced by the conflation of the downwards effect of new domestic technologies for working-class women, and the substantial increase in work caused by the loss of paid domestic service in middle-class urban households" (Gershuny 2000, 67). The breakdowns do show a generally slow decline in unpaid work time for working-class wives and a doubling of middle-class women's domestic work time: the total hours spent for domestic work for the two classes converged by the early 1960s. However, as far as the period from 1937 to the early 1950s is concerned, the line for the working-class exhibits an increase parallel to the aggregate one (Gershuny 1983, 151; Gershuny 2000, 66). Thus the Anglo-American evidence strongly suggests that there was a phase in which the withdrawal of working-class wives from gainful employment led to an increase, not in leisure, but in hours they spent for unpaid, domestic work.

Finally, there is a possibility that the underdevelopment of the health and childcare market in this phase of development was a universal phenomenon which cut across the industrial-agrarian boundary. De Vries suggested this for the industrial West, where the separation of work and home was already the norm. As hinted earlier, the situation may also have been the same in agrarian Scandinavia. This possibility enables us to turn to Japan, a country equally agrarian and dominated by the self-employed sector as far as the period before World War II is concerned.

tary. A recent work which applied a more sophisticated methodology for a larger set of data suggests that the opportunity effect, measured in terms of elasticity, was greater than the necessity factor; although the estimated absolute size of the positive effect, 2.2, is implausibly large compared with that of the negative one, -0.4 (Horrel and Humphries 1995, 112, n 81). For a balanced judgement on this issue, see Burnette (2008), 320–21, where she has employed elasticity of -0.4 only for her simulation exercise.

⁶ One of the few attempts to give a theoretical explanation for the Cowan paradox focuses on the effect of popularized versions of medical knowledge upon ordinary homes (Mokyr 2000; Mokyr 2002, chap. 5). According to this model, when "expert knowledge" is accepted and internalized by ordinary families, it will increase the marginal utility of health and longevity. Thus, the model is able to account for the increase in input by married women, particularly of the middle class, but not necessarily of the working class (Burnette 2008, 322).

IV. Japan's Self-Employed Household

In 1941–42, NHK, the Japanese broadcasting corporation, followed the BBC's example in taking a large-scale survey of time budgeting of family households. Unlike the post-war National Time-use Surveys, the 1941–42 survey was conducted by using a “representative sampling” method: they selected family households which were considered typical and representative of an occupational group of the population. This survey, while posing a problem when trying to determine averages and weights, allows us to compare the occupational groups with respect to the allocation of time between gainful work, domestic work, and leisure, as well as between husband and wife. As such, the data sheds fresh light on the issue of women and household production in Japan of the early 1940s.

The surveyed households were grouped into the office-factory sector (where work and home were separated) and the self-employed (where work and home were not separated), according to the occupation of the household head. The former was further divided into office and factory workers and the latter into shop keepers and agriculturalists. Intra-sectoral differences are meant to reflect not just occupational characteristics, but income level differentials of the two sub-groups.

Table 2 sets out the results by sex and occupational category. As expected, white-collar couples' work time total was shorter than factory workers', and shop keepers' shorter than farmers'. The opposite holds for leisure time. Both findings reflected the income effect. Second, women's work time was longer than men's irrespective of income class and whether or not work and home were separated. For leisure, the opposite holds. Gender inequality persisted. Third, the hours actually worked by women of the self-employed were considerable: 5 hours a day for shop keepers, and nearly 8 hours for farmers' wives (recorded hours for office or factory workers' wives were negligible, a result explicable by the adoption of the representative sampling method). Finally, and more importantly, the difference between hours spent by women for domestic tasks between the self-employed and the office-factory sector was extraordinarily large: around 6 hours a day in the former, compared to a little more than 10 hours in the latter. If domestic work time of 10 hours were a workload for the married woman in the office or factory worker's ideal typical family household of the day, then it may be that women's contribution to productive activity in the self-employed household was made at the expense of domestic production of goods and services.

This proposition can be tested if individual-level data exist. Currently, a panel-data set is being constructed under the auspice of Hitotsubashi University's pre-war Farm Household Survey micro-database project, the data which allow us to explore the farm woman's supply of working hours for both gainful and domestic work in relation to her husband's working hours. In the very beginning of the project, I made an analysis, as a feasibility study, of a test sample of 17 farm households in four different prefectures for the 1931–41 period (Saito 2009). According to the results of this preliminary analysis, the farm woman

Table 2. Hours Spent for Work and Leisure by Sex, Occupational Category, and Type of Work: Japan, 1941–42

Occupation of household head	Work			Leisure
	Gainful work time	Domestic work time	Total	
(Hours per day)				
<u>Men</u>				
Office-factory				
White-collars	7.5	0.4	7.9	3.0
Factory workers	10.0	0.2	10.2	1.8
Self-employed				
Shop keepers	9.4	0.2	9.6	2.0
Agriculturalists	10.1	0.2	10.4	1.7
<u>Women</u>				
Office-factory				
White-collars	0.1	10.4	10.5	2.5
Factory workers	0.6	10.4	11.0	1.4
Self-employed				
Shop keepers	5.1	6.7	11.8	1.2
Agriculturalists	7.7	5.5	13.2	0.5

Source: NHK (1942–43). Means of seasonal averages.

Note: All respondents were in the 31–45 age group. No breakdown by marital status is possible. Given the survey methodology, however, virtually everybody in this age group is supposed to have been married when surveyed.

readily increased her supply of working hours for gainful work whenever her husband had to work longer, thereby decreasing her hours spent for domestic tasks; but the elasticity calculated for domestic duties (-0.5) was half the size of elasticity for gainful work time (1.0). Obviously, this panel-data analysis should be revised when the database construction is completed. What I can say at this stage of investigation is that the findings are suggestive and in fact consistent with the above supposition. Prior to the established of the male breadwinner family, the level of time spent for domestic work by married women of the self-employed may well have been sub-optimal, but when circumstances enabled them to reduce time for gainful work, they would probably spend more than proportionally for the production of domestic goods and services.

V. Concluding Remarks

In the previous two sections, I have argued that there is some evidence lending support to the de Vries thesis. Clearly his hypothesis is worth further investigation. Be it in East Asia or the West, and be it in the rural self-employed or the urban wage economy, families who had just experienced a modest growth of income faced a new problem inherent to that

particular phase of development. A gradual increase in the demand for goods and services in the areas of health and childcare, indispensable for raising the quality of life, was met by the inability of the market to supply acceptable substitutes for most of home products. It was women who in most cases responded to the problem by increasing her hours of work to produce such goods and services at home, which led to the male breadwinner-female carer household regime in many countries.

However, this should not be taken to imply that the path to male breadwinning was universal. Differences in the type of family and kinship structure, the level of development, the extent of structural change, political institutions, and state policy all mattered. Each of the three cases we have examined were historically distinct as a result of different combinations of these factors. In the case of Britain, male breadwinning had already been the dominant household model before the industrial revolution—the late 19th-century situation is thought to have simply strengthened that model. In Sweden, by contrast, when “average incomes in rural districts were too modest to permit any exclusive private solutions to problems of poverty, sickness, childbirth or old age” (Sommestad 1998, 164), it was not families but the state that stepped in. In Japan, on the other hand, the male breadwinner household came to the forefront much later, in the post-war period of strong economic growth when the transition from self-employment to wage-earning took place on a massive scale. The British-Swedish contrast is due primarily to differences in the level of development and the extent of structural change. For the Swedish-Japanese contrast, on the other hand, the distinction between the nuclear and the stem family system is likely to account for differences in ways in which families responded to economic questions. Finally, how and when state intervened also varied from country to country. The Swedish state responded quickly when the problems of poverty, sickness and old age emerged, keeping a gender-neutral stance to those social security questions, while Britain’s response was made after a time lag without intervening in the existing culture of male breadwinning. In the Japanese case, while the pre-war state did not act at all, the successive post-war governments’ welfare system is so rigidly “locked in” to the male breadwinner model, that the transition to a post-industrial, gender-neutral regime is deemed difficult.

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Marriage Preceded by Pregnancy and Women's Employment

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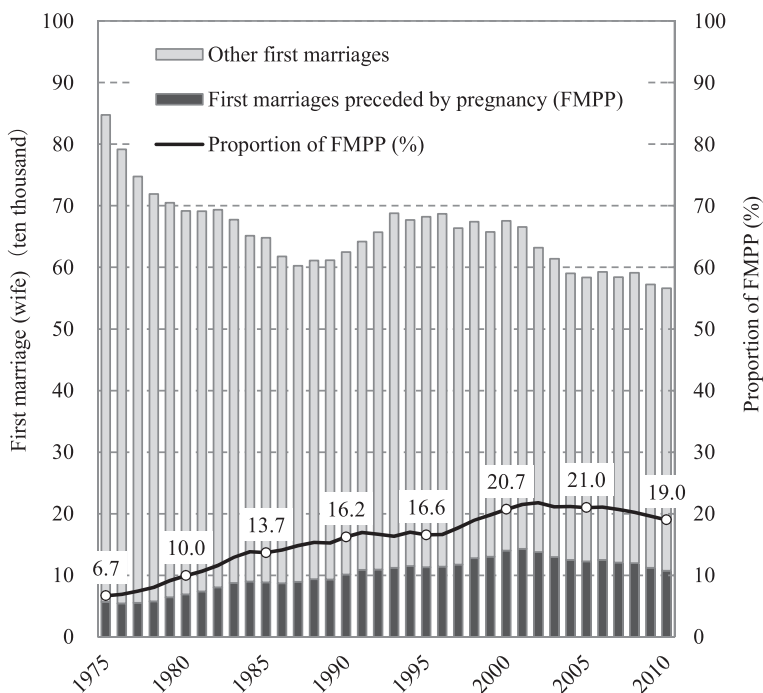
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When a woman's pregnancy precedes her marriage, what sort of impact does it have on her future career? In this paper, we examine this issue. Since marriage preceded by pregnancy is concentrated in certain socioeconomic status groups, in addition to ordinary methods of estimation, we also employed models using the propensity score of marriage preceded by pregnancy, in order to balance the structure of covariates. The results show that although those who have experienced marriage preceded by pregnancy are more likely than their counterparts to quit their jobs after marriage, the likelihood of their being full-time (rather than non-regular) employees after childbirth is higher than those in the other group. They are also more likely to be employed full-time when their first child is one year old. However, we found no statistically significant difference between the two groups in terms of childcare leave utilization, employment status after controlling for age of youngest child, or annual income. While the likelihood of resignation from work is higher among women who have experienced marriage preceded by pregnancy, their status does not appear to place them at an extreme disadvantage in terms of likelihood of employment, or employment status, after childbirth. In a social climate marked by an ongoing weakening of factors other than pregnancy that encourage women to marry, we speculate that marriage precipitated by pregnancy will gain increasing social acceptance as a pattern of family formation.

I. Introduction

Since the 1970s, Japanese society has seen an ongoing decline in childrearing, with more people remaining unmarried and a very low fertility rate. There have been changes not only in the number of children born, but also in terms of patterns in family formation. According to the Japanese Vital Statistics released by the Ministry of Health, Labour and Welfare (MHLW), among first marital births, the percentage where children were conceived prior to marriage (or prior to the beginning of mother's and father's marriage-like life) rose from 18.0% in 1995 to 25.3% in 2009 (Ministry of Health, Labour and Welfare 2010). Other nationwide surveys show that the prevalence of marriage preceded by pregnancy (shotgun weddings) is higher among younger or more recently married couples (Ohtani 1993; Yamada 2005; Raymo and Iwasawa 2008; Kamata 2012). Research thus far indicates that there are qualitative differences between marriages preceded by pregnancy and other marriages, but what sorts of differences might these be? In this paper, we will focus on the impact on women's careers after childbirth, and examine correlations with employment status and income at various life stages.



Note: Figures for the number of Japanese women marrying for the first time based on marriage data of Vital Statistics tabulated by year and age of the beginning of married life, with corrections for marriages where registration was delayed. Figures for the number of marriages preceded by pregnancy were derived from the Vital Statistics for the number of Japanese women giving birth to their first child within seven months after the beginning of mother's and father's married life, tabulated by year and mother's age at the beginning of married life.

Figure 1. Wife's First Marriages and First Marriages Preceded by Pregnancy, by Year

II. Trends in Marriage Preceded by Pregnancy

In recent years, the number of first marriages experienced by women has been slightly under 600 thousands annually. Of these first marriages, how many are preceded by pregnancy? As there are no official statistics on marriage preceded by pregnancy, we need to tabulate individual data from the Vital Statistics based on our own definition.

In this paper, by reference to a large body of existing research (Ruzicka 1976; Kamata 2006; Kamata 2012), we define marriage preceded by pregnancy as referring to cases where childbirth occurs within seven months after first marriage. Using data on births within seven months after the beginning of mother's and father's married life drawn from the Vital Statistics for the years 1974 to 2011, we can estimate the number of marriages preceded by pregnancy over the 1974–2010 period. Figure 1 and Table 1 show the results of estimates of

Table 1. Number of First Marriages of Japanese Women and Estimated Number and Percentage of Marriages Preceded by Pregnancy with First Child

		Year							
		1975	1980	1985	1990	1995	2000	2005	2010
Number of first marriages (wives) by year of register (in thousands) (Official figures from the Vital Statistics)		871.4	701.4	656.6	637.5	700.2	691.5	599.7	586.7
Age of wife: 15-49									
Number of first marriages (wives) by year of the start of married life (in thousands) (Estimates by inputting delayed registrations)									
<u>Type of first marriage</u>	<u>Age of wife</u>								
All first marriages	15-19	33.8	28.5	28.5	29.8	24.6	27.0	20.0	15.0
	20-24	487.6	350.4	296.2	247.0	249.7	194.0	137.4	118.6
	25-29	276.4	251.7	259.9	280.1	310.9	328.1	260.4	239.4
	30-34	32.8	45.5	44.4	50.1	75.4	98.2	124.3	127.0
	35-39	9.5	10.0	13.5	11.8	15.4	22.1	32.7	51.0
	40-44	4.8	3.6	3.8	4.4	4.1	4.6	6.9	12.2
	45-49	2.6	2.2	1.8	1.8	2.1	1.6	1.9	3.0
	Total	847.4	691.9	648.1	624.9	682.1	675.6	583.6	566.3
First marriage preceded by pregnancy with first child	15-19	4.7	6.8	9.7	11.1	11.9	15.3	11.2	8.1
	20-24	34.4	39.6	50.5	54.8	60.6	64.6	51.5	40.8
	25-29	14.8	17.9	22.5	28.0	30.6	44.5	39.0	35.3
	30-34	2.1	3.9	4.6	5.9	7.9	12.4	16.1	16.0
	35-39	0.4	0.6	1.2	1.3	1.7	2.8	4.2	6.5
	40-44	0.0	0.1	0.1	0.2	0.2	0.3	0.5	0.9
	45-49	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
	Total	56.5	68.9	88.6	101.4	113.0	139.9	122.5	107.5
Proportion of marriage preceded by pregnancy with first child (%)									
<u>Age of wife</u>									
15-19		13.8	23.7	34.2	37.2	48.6	56.8	56.1	53.5
20-24		7.1	11.3	17.0	22.2	24.3	33.3	37.5	34.4
25-29		5.4	7.1	8.6	10.0	9.9	13.6	15.0	14.7
30-34		6.3	8.6	10.4	11.9	10.5	12.7	12.9	12.6
35-39		4.5	6.3	9.1	11.2	10.9	12.6	12.9	12.8
40-44		0.9	1.4	2.8	4.6	4.7	6.1	7.2	7.2
45-49		0.0	0.2	0.1	0.2	0.1	0.3	0.3	0.7
15-49		6.7	10.0	13.7	16.2	16.6	20.7	21.0	19.0

Note: Same data as Figure 1. Official values by the Vital Statistics for the number of first marriages include those for marriages in which either husband or wife is non-Japanese.

the total number of first marriages and total number of marriages preceded by pregnancy, and the percentage of the latter. In 1975, marriages preceded by pregnancy accounted for just below 7% of total first marriages, a figure that rose above 20% during the 2000s, and stood at 19.0% in 2010. The number of first marriages preceded by pregnancy registered in 2010 is estimated to be approximately 108 thousands.

How should we interpret the dramatic rise in marriages preceded by pregnancy? There are two major factors that may be contributing to the trend.

The first scenario is that marriage preceded by pregnancy is in itself more likely to occur. For one thing, an attitude of tolerance toward premarital sex became much more prevalent during the 1990s (Kamano 2012). Also, age at first sexual intercourse fell between the 1980s and 2005 (Japanese Association for Sex Education 2007). Low-dose oral contraceptive pills, which are highly effective at preventing pregnancy, were not approved in Japan until 1999, and even thereafter the most common methods of birth control among young people remained condoms and withdrawal (Mita and Iwasawa 2007), which suggests that as the prevalence of premarital sex increases, pregnancies prior to marriage are likely to increase as well. It is also possible that as negative perceptions of marriage preceded by pregnancy have become diluted, more people are intentionally choosing this pattern. Over the second half of the 20th century, in developed countries other than Japan, normative or conformist attitudes toward family life have retreated amid the growth of individualism (Lesthaeghe 2010). In Japan, as well, it is possible that people are intentionally choosing new lifestyles that are unconstrained by the conventional progression of marriage, pregnancy, and childbirth. In addition, factors such as enhancement of the Act on Advancement of Measures to Support Raising Next-Generation Children may be contributing to a rise in the number of pregnancies which in the past would have been terminated for economic reasons and so on, but today are resulting in childbirth in the context of marriage preceded by pregnancy.

The second scenario is that there is no actual change in the risk of the occurrence of marriages preceded by pregnancy, but that people are more often choosing to postpone or avoid marriage, thus increasing the probability of marriage being precipitated by pregnancy. According to this explanation, a decline in the generally perceived advantages of marriage, or a variety of obstacles preventing people from getting married, are leading to an increase in the prevalence of marriage preceded by pregnancy.

The propensity toward marriage preceded by pregnancy can be expressed as a hazard, for which population at risk consists of never-married women. When calculating the hazard of occurrence of marriage preceded by pregnancy, and the hazard of occurrence of other marriage, we observe that the hazard of first marriage not accompanied by pregnancy grows dramatically lower year by year among women in their 20s (figures are not shown). However, the hazard of marriage preceded by pregnancy shows hardly any change. This does not bear out the first scenario above for the increase in marriage preceded by pregnancy. The recent rise in marriage preceded by pregnancy can, however, be nearly entirely explained as

the result of a lengthening of the never-married period at risk, as more and more women postpone marriage that is not accompanied by pregnancy. In recent years, an increasing number of both men and women have been giving “having one's own children and family” as a primary advantage of marriage (Kaneko and Kamata 2012), and in the context of a decline in other factors that actively encourage people to get married, it is clear that pregnancy is providing people with an important incentive for first marriage.

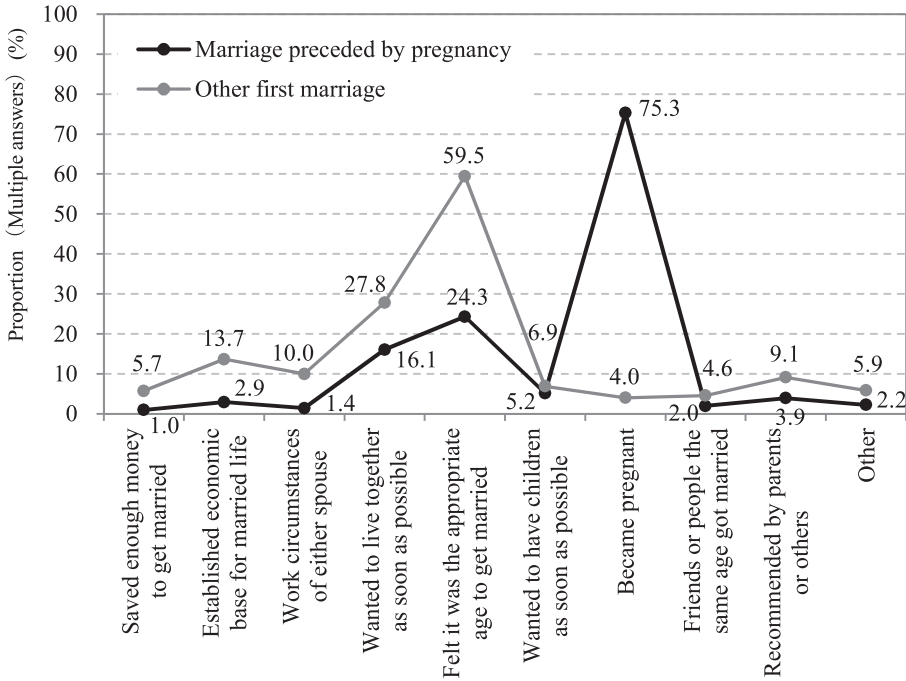
III. Married Life Following Marriage Preceded by Pregnancy

Previous studies have found that compared to marriages not preceded by pregnancy, marriages preceded by pregnancy tend to be qualitatively inferior, with a higher degree of spousal conflict and greater likelihood of divorce (Surra et al. 1987; Teachman 2002; Knab 2006). Analysis by Tsutsui (2006) employing data from the National Family Research of Japan found that marriage preceded by pregnancy was correlated to lower levels of spouses' mutual satisfaction with and support for one another. Raymo and Iwasawa (2008) indicated that marriage preceded by pregnancy is correlated with lower levels of education, which generally have a negative influence on quality of married life. It has also been found that marriage preceded by pregnancy is more likely to occur during the early stages of a couple's relationship (Otani 1993), and when marriages are precipitated by pregnancy, the couple has often had a relatively short time to get to know one another and explore their relationship. It is possible to interpret these factors as having a negative impact on married life. However, is this negative impact limited to the relationship between husband and wife?

Figure 2 shows a comparison of motives for the decision to get married (multiple answers possible) among couples whose marriages were preceded by pregnancy and other couples, based on the Japanese National Fertility Surveys. In cases of marriage preceded by pregnancy, the response “Became pregnant” is by far the most common (75.3%), while all other responses are less common than for the other group. Marriage preceded by pregnancy suggests the possibility that a couple decided to marry when not financially stable, or one or the other of the spouses did not have sufficiently secure employment, and this state of affairs may exert a negative influence on the economic stability or employment situation of one or both spouses after marriage. With this in mind, in the following section we will focus on married women who have given birth to one or more children, and examine how their careers or earning ability after having their first child are affected by whether their marriage was preceded by pregnancy.

IV. Data and Methods

Data is pooled from married couples' responses to the 13th (2005) and 14th (2010) Japanese National Fertility Surveys, which are nationally representative sample surveys conducted by the National Institute of Population and Social Security Research (2012). The



Note: From the 14th Japanese National Fertility Survey (2010). Responses are by wives in couples who were married, both for the first time, during the past 15 years. Sample size: marriage preceded by pregnancy 716, other first marriages 3,172.

Figure 2. Couples' Motives for the Decision to Get Married in Cases of Marriages Preceded by Pregnancy and Other First Marriages

targets of analysis were wives under 50 years of age in couples who were married, both for the first time, during the past 15 years, and have children aged one year or older, so as to compare various conditions after the birth of their first child.

Analysis was carried out using a basic model with a minimum of covariates such as age, and using a full model incorporating all observable variables with a potential relationship to the dependent variables. In the first analysis, we examined the impact of marriage preceded by pregnancy on married women's employment situation immediately after marriage. We input the covariates shown in Table 2, Model 1F, including marriage preceded by pregnancy (cases where the first child was born within seven months after the beginning of married life) into a multinomial logistic regression model with the dependent variables being the options of full-time employment (regular employee or self-employed), non-regular employment (part-time or dispatched), or unemployment (including students).

The second analysis examines how the experience of marriage preceded by pregnancy impacts a wife's employment situation when her first child is one year old. We employed a multinomial logistic regression model with the options of full-time employment,

non-regular employment, or unemployment, including the covariates shown in Table 2, Model 2F. Also, only for married women who were employed when their first child was one year old, we employed a binomial logistic regression model for whether or not they utilized childcare leave, and examined whether the experience of marriage preceded by pregnancy is related to her utilization of childcare leave (Table 2, Model 3F).

Finally, we examined the impact of marriage preceded by pregnancy on married women's employment status at the time of the survey. Many covariates are the same as those in the above-described models, but we employed a multinomial logistic regression model with the options of full-time employed, non-regularly employed, or unemployed status (Table 2, Model 4F) including as variables the number of children at the time of the survey, age of youngest child, whether or not the woman is currently pregnant, and whether or not she utilized childcare leave after having the first child. Also, for mothers who were working at the time of the survey, we used an OLS (Ordinary Least Squares) model (Table 2, Model 5F) with the log of estimated annual income (based on monthly income at time of survey) as a dependent variable, so as to determine whether marriage preceded by pregnancy was correlated with income disparity.

Incidentally, when examining the impact of a specific experience, as we are doing here, it is necessary to pay attention to whether the structure of covariates that influence the phenomenon being analyzed differs greatly depending on whether the subject has had that particular experience or not. For example, if the experience of marriage preceded by pregnancy tends to be concentrated in a particular category, it is possible that the results of estimates regarding the impact of marriage preceded by pregnancy will be biased in some way. To avoid this, in this study the group in which marriage is preceded by pregnancy was viewed as the treatment group, while the group in which marriage is not preceded by pregnancy was the control group, and in order to balance the demographics within the treatment group and the control group and produce something close to a randomized experiment, we performed adjustments using the propensity score for marriage preceded by pregnancy (Hoshino 2009; Guo and Fraser 2010). We attempted two adjustment methods, propensity score matching and inverse probability treatment estimation (IPTE), and compared the results of these as well as the unadjusted results. Predicted values for propensity score were calculated using a binomial logistic regression model.

The propensity score matching method is one in which members of the treatment group and the control group (marriage preceded by pregnancy and other first marriage) having highly similar observed covariates are matched and analyzed, but if only pairs with precisely matching propensity scores are selected, the analyzed group will become extremely small. For this reason, we employed a caliper matching method in which observed values for the control group with propensity scores within standard deviation $\times 0.25$ (called "caliper widths") are matched with observed values for the treatment group. Meanwhile, the IPTE method is a method based on weighting observations by the inverse of estimated propensity score.

Table 2. Outline of Models Used to Examine the Impact

Dependent variables		After marriage		First child is	
		Part-time vs. Full-time, Not working vs. Full-time		Part-time vs. Full-time, Not working vs. Full-time	
Observations		All mothers		All mothers	
Models		Multinomial logistic model		Multinomial logistic model	
		Basic model Model 1B	Full model Model 1F	Basic model Model 2B	Full model Model 2F
Covariates	Year of marriage	○	○		
	Year of first child's birth			○	○
	Wife's age at time of marriage		○		
	Wife's age at time of first child's birth				○
	Wife's educational level		○		○
	Husband's educational level		○		○
	Wife lived with mother before marriage		○		○
	Husband lived with mother before marriage		○		○
	Couple lived with mother immediately after marriage		○		○
	Couple lived with mother at time of survey				
	Arranged marriage		○		○
	Length of relationship before marriage		○		○
	Wife's employment situation before marriage		○		○
	Wife's occupation before marriage		○		○
	Wife's employment situation when first pregnancy is ascertained:				
	Wife's employment situation when first child is one year old				
	Wife's employment situation at time of survey				
	Wife's occupation at time of survey				
	Husband's employment situation before marriage		○		○
	Husband's occupation before marriage		○		○
	Husband's employment situation at time of survey				
	Husband's occupation at time of survey				
	Husband's annual income (log) at time of survey		○		○
	Husband's age at time of survey		○		○
	Agree that husbands should work and wives should take care of the home after marriage		○		○
	Agree that mothers should not work and should stay home at least when their children are young		○		○
	Agree that unmarried couples may have sexual intercourse		○		○
	Ideal number of children		○		○
	Regional bloc		○		○
	Multiple children at first birth				○
	Number of children already born				
	Age of youngest child				
Currently pregnant					
Maternity leave used for first child					
Wife's age at time of survey					
Treatment	Marriage preceded by pregnancy	○	○	○	○

Note: ○ indicates covariates input into model.

of Marriage Preceded by Pregnancy

1 year old		At time of survey				Reference category
Maternity leave vs. No leave		Part-time vs. Full-time, Not working vs. Full-time		Log of annual income		
Working mothers		All mothers		Working mothers		
Binomial logistic model		Multinomial logistic model		OLS model		
Basic model Model 3B	Full model Model 3F	Basic model Model 4B	Full model Model 4F	Basic model Model 5B	Full model Model 5F	
						2000-04
o		o	o		o	2000-04
						25-29
	o		o		o	25-29
	o		o		o	High school
	o		o		o	High school
	o					Not living with mother
	o					Not living with mother
	o					Not living with mother
	o		o		o	Not living with mother
	o		o		o	Non-arranged marriage
	o					1 year
	o		o		o	Regular employee of company with less than 300 or unclear number of employees
	o		o		o	Office work / Sales / Service industry / Unemployed
	o					Regular employee of company with less than 300 or unclear number of employees
			o			Regular employee of company with less than 300 or unclear number of employees
					o	Regular employee of company with less than 300 or unclear number of employees
					o	Office work / Sales / Service industry / Unemployed
	o					Regular employee of company with less than 300 or unclear number of employees
	o					Office work / Sales / Service industry / Unemployed
			o		o	Regular employee of company with less than 300 or unclear number of employees
			o		o	Office work / Sales / Service industry / Unemployed
	o		o		o	—
	o		o		o	35-39
	o		o		o	Disagree
	o		o		o	Agree
	o		o		o	Disagree
	o		o		o	3
	o		o		o	Kanto
	o		o		o	Only one child at first birth
		o	o		o	2
		o	o		o	3-5 years old
		o	o		o	Not pregnant
			o		o	Not used
				o	o	35-39
o	o	o	o	o	o	Other marriage

This study is based on the National Fertility Survey Project at the National Institute of Population and Social Security Research, and permission to use the data on Japanese Vital Statistics and National Fertility Surveys was obtained through the National Institute of Population and Social Security Research on the basis of the Statistics Act (Act No. 53 of 2007), Article 32.

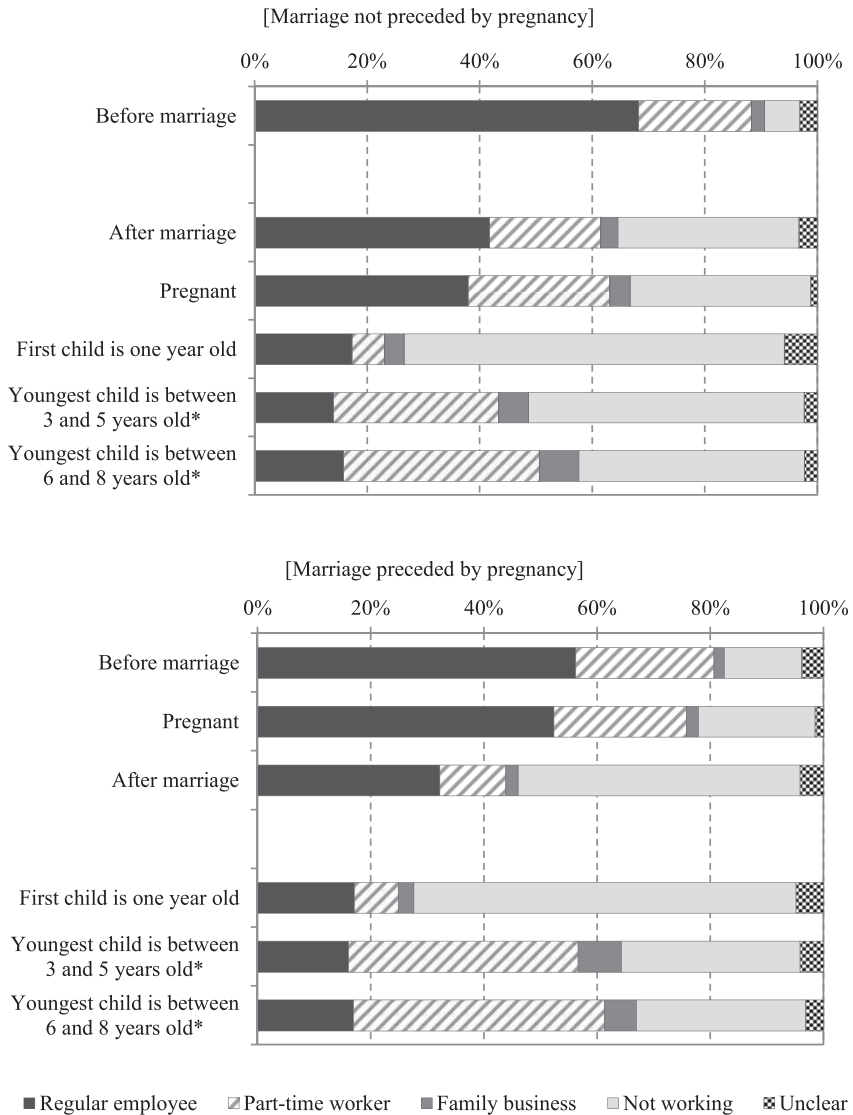
V. Results

1. Married Women's Employment Status by Life Stage

Before estimating the impact of marriage preceded by pregnancy, let us demonstrate Japanese married women's employment status by life stage, i.e. before and after marriage and before and after childbirth, broken down by whether or not marriage is preceded by pregnancy. As shown in Figure 3, for marriages not preceded by pregnancy, the percentages of women working are: before marriage 90.6%, just after marriage 64.6%, at time pregnancy is ascertained 66.8%, at time first child is one year old 26.6%, when youngest child is between three and five years old 48.3%, and when youngest child is between six and eight years old 57.2%. Meanwhile, for those experiencing marriage preceded by pregnancy, the percentages working are: before marriage 82.4%, at time pregnancy is ascertained 77.9%, just after marriage 46.0%, at time first child is one year old 27.6%, when youngest child is between three and five years old 62.6%, and when youngest child is between six and eight years old 66.7%. Meanwhile, among women working at the time of the survey, when annual income (estimated by multiplying current monthly income by 12) is compared, the average when marriage was not preceded by pregnancy was 1.69 million yen and the average when marriage was preceded by pregnancy was 1.54 million yen (N=1,946, N=638). Those for whom marriage is preceded by pregnancy have both a higher likelihood of resigning from work upon marriage and a higher rate of employment during childrearing years, but these figures are not controlled for women's characteristics associated with work behavior. Below, we will employ a method in which covariates are controlled and structure of covariates balanced, and examine differences, if any, in married women's working conditions or income after childbirth depending on whether marriage is preceded by pregnancy.

Table 3 shows the mean values of variables used for analysis, both overall, and separated into marriages preceded by pregnancy and other marriages. Results of a chi-square test or *t*-test are for the null hypothesis, which states that distributions of categories are independent of the type of marriage or mean values of variables exhibit no difference between the types of marriage. It is evident that subjects for whom marriage is preceded by pregnancy are concentrated in certain characteristics for a large number of attributes.

Marriage Preceded by Pregnancy and Women's Employment



Note: From the 13th and 14th Japanese National Fertility Surveys (2005, 2010). Responses are by wives under 50 years of age in couples who were married, both for the first time, during the past 15 years, who have children aged one or older. Sample size: before marriage, immediately after marriage, and at time pregnancy is ascertained: N = 4,329 (marriage not preceded by pregnancy), N = 1,253 (marriage preceded by pregnancy), when the youngest child is between three and five years of age: N = 1,201, N = 311, when the youngest child is between six and eight years of age: N = 971, N = 248. *Status at time of survey. Currently pregnant women not included in sample.

**Figure 3. Married Women's Employment Status by Life Stage
(Women with Children Aged One or Older)**

Table 3. Descriptive Statistics of

Variables	
Year of marriage	Before 1994
	1995–99
	2000–04
	2005–09
Year first child was born	Before 1994
	1995–99
	2000–04
	2005–09
Wife’s age at time of marriage	22 or below
	23–25
	25–29
	29–31
	32–24
	35 or above
Wife’s age at time of first child’s birth	22 or below
	23–25
	25–29
	29–31
	32–34
	35 or above
Wife’s educational level	Junior high school
	High school
	Vocational school
	Junior college
	University
Husband’s educational level	Junior high school
	High school
	Vocational school
	Junior college
	University
Wife lived with mother before marriage	
Husband lived with mother before marriage	
Couple lived with mother immediately after marriage	
Couple lived with mother at time of survey	
Arranged marriage	
Length of relationship before marriage	Less than 1 year
	1 year
	2 years
	3–4 years
	5–8 years
	9 years or more
	Unclear

Analysis Variables

All	(range)	Mean		Chi-square Test for Independence (p-value)
		Marriage preceded by pregnancy	Other marriage	
0.185	(0-1)	0.127	0.201	0.00 ***
0.410	(0-1)	0.346	0.428	0.00 ***
0.308	(0-1)	0.363	0.292	0.00 ***
0.098	(0-1)	0.164	0.079	0.00 ***
0.116	(0-1)	0.122	0.114	0.42
0.330	(0-1)	0.326	0.331	0.77
0.388	(0-1)	0.378	0.391	0.43
0.167	(0-1)	0.173	0.165	0.48
0.149	(0-1)	0.326	0.097	0.00 ***
0.310	(0-1)	0.284	0.318	0.02 *
0.311	(0-1)	0.197	0.343	0.00 ***
0.154	(0-1)	0.121	0.164	0.00 ***
0.055	(0-1)	0.049	0.057	0.28
0.021	(0-1)	0.023	0.020	0.51
0.092	(0-1)	0.289	0.036	0.00 ***
0.188	(0-1)	0.292	0.157	0.00 ***
0.304	(0-1)	0.212	0.331	0.00 ***
0.251	(0-1)	0.135	0.285	0.00 ***
0.111	(0-1)	0.053	0.128	0.00 ***
0.053	(0-1)	0.018	0.064	0.00 ***
0.029	(0-1)	0.064	0.019	0.00 ***
0.375	(0-1)	0.469	0.347	0.00 ***
0.149	(0-1)	0.170	0.144	0.02 *
0.273	(0-1)	0.194	0.295	0.00 ***
0.174	(0-1)	0.103	0.195	0.00 ***
0.054	(0-1)	0.103	0.039	0.00 ***
0.378	(0-1)	0.487	0.347	0.00 ***
0.110	(0-1)	0.133	0.103	0.00 **
0.051	(0-1)	0.054	0.049	0.52
0.408	(0-1)	0.222	0.462	0.00 ***
0.566	(0-1)	0.503	0.584	0.00 ***
0.450	(0-1)	0.476	0.443	0.04 *
0.185	(0-1)	0.287	0.156	0.00 ***
0.208	(0-1)	0.254	0.194	0.00 ***
0.082	(0-1)	0.038	0.095	0.00 ***
0.149	(0-1)	0.172	0.142	0.01 **
0.206	(0-1)	0.239	0.196	0.00 **
0.155	(0-1)	0.168	0.152	0.17
0.191	(0-1)	0.166	0.198	0.01 *
0.185	(0-1)	0.151	0.194	0.00 ***
0.064	(0-1)	0.049	0.068	0.01 *
0.052	(0-1)	0.055	0.051	0.53

Table 3

Variables	
Wife's status immediately before marriage: Employment situation	Regular employee of company with less than 300 employees ¹ Regular employee, company with 300 or more employees Full-time civil servant Non-regular employee Self-employed Unemployed
Wife's occupation immediately before marriage	Office work / Sales ² Manual labor Specialized or administrative
Wife's status when first pregnancy is ascertained: Employment situation	Regular employee of company with less than 300 employees ¹ Regular employee, company with 300 or more employees Full-time civil servant Non-regular employee Self-employed Unemployed
Wife's status when oldest child is one year old: Employment situation	Regular employee of company with less than 300 employees ¹ Regular employee, company with 300 or more employees Full-time civil servant Non-regular employee Self-employed Unemployed
Wife's status at time of survey: Employment situation	Regular employee of company with less than 300 employees ¹ Regular employee, company with 300 or more employees Full-time civil servant Non-regular employee Self-employed Unemployed
Wife's status at time of survey: Occupation	Office work / Sales ² Manual labor Specialized or administrative
Wife's status at time of survey: Annual income	3
Wife's status at time of survey: Annual income	Logarithmic scale ³

(Continued)

All	(range)	Mean		Chi-square Test for Independence (p-value)
		Marriage preceded by pregnancy	Other marriage	
0.381	(0-1)	0.358	0.388	0.06 #
0.259	(0-1)	0.207	0.274	0.00 ***
0.037	(0-1)	0.020	0.042	0.00 ***
0.218	(0-1)	0.254	0.207	0.00 **
0.023	(0-1)	0.019	0.024	0.36
0.082	(0-1)	0.142	0.065	0.00 ***
0.584	(0-1)	0.529	0.600	0.00 ***
0.050	(0-1)	0.074	0.043	0.00 ***
0.252	(0-1)	0.218	0.261	0.00 **
0.237	(0-1)	0.329	0.210	0.00 ***
0.147	(0-1)	0.183	0.137	0.00 ***
0.033	(0-1)	0.019	0.037	0.00 **
0.251	(0-1)	0.237	0.255	0.22
0.034	(0-1)	0.022	0.037	0.01 **
0.299	(0-1)	0.209	0.324	0.00 ***
0.086	(0-1)	0.097	0.083	0.11
0.066	(0-1)	0.067	0.065	0.82
0.031	(0-1)	0.015	0.036	0.00 ***
0.066	(0-1)	0.082	0.061	0.01 *
0.035	(0-1)	0.029	0.037	0.17
0.716	(0-1)	0.710	0.718	0.59
0.083	(0-1)	0.089	0.081	0.34
0.051	(0-1)	0.050	0.052	0.78
0.027	(0-1)	0.015	0.031	0.00 **
0.289	(0-1)	0.353	0.271	0.00 ***
0.056	(0-1)	0.055	0.057	0.79
0.494	(0-1)	0.438	0.509	0.00 ***
0.278	(0-1)	0.319	0.266	0.00 ***
0.054	(0-1)	0.057	0.054	0.61
0.149	(0-1)	0.154	0.148	0.60
81.6	(1-1440)	84.6	80.7	0.36
2.32	(1-7.27)	2.565	2.246	0.00 ***

Table 3

	Variables
Wife's status at time of survey: Annual income	3, 4
Wife's status at time of survey: Annual income	Logarithmic scale ^{3, 4}
Husband's status immediately before marriage: Employment situation	Regular employee of company with less than 300 employees ¹ Regular employee, company with 300 or more employees Full-time civil servant Non-regular employee Self-employed Unemployed
Husband's occupation immediately before marriage	Office work / Sales ² Manual labor Specialized or administrative
Husband's status at time of survey: Employment situation	Regular employee of company with less than 300 employees ¹ Regular employee, company with 300 or more employees Full-time civil servant Non-regular employee Self-employed Unemployed
Husband's occupation at time of survey:	Office work / Sales ² Manual labor Specialized or administrative
Husband's status at time of survey: Annual income	3
Husband's status at time of survey: Annual income	Logarithmic scale ³
Husband's age time of survey:	29 or below 30–34 35–39 40–44 45 or above
Agree that husbands should work and wives should take care of the home after marriage	
Agree that mothers should not work and should stay home at least when their children are young	
Agree that unmarried couples may have sexual intercourse	
Ideal number of children	0–1 3 2 4 or more

(Continued)

All	(range)	Mean		Chi-square Test for Independence (p-value)
		Marriage preceded by pregnancy	Other marriage	
165.3	(1-1440)	154.3	168.9	0.02 *
4.724	(0-7.27)	4.699	4.732	0.51
0.455	(0-1)	0.523	0.436	0.00 ***
0.346	(0-1)	0.246	0.374	0.00 ***
0.071	(0-1)	0.031	0.082	0.00 ***
0.046	(0-1)	0.096	0.031	0.00 ***
0.071	(0-1)	0.080	0.068	0.16
0.012	(0-1)	0.024	0.008	0.00 ***
0.380	(0-1)	0.339	0.391	0.00 **
0.196	(0-1)	0.264	0.176	0.00 ***
0.362	(0-1)	0.312	0.376	0.00 ***
0.440	(0-1)	0.510	0.419	0.00 ***
0.337	(0-1)	0.266	0.357	0.00 ***
0.072	(0-1)	0.036	0.083	0.00 ***
0.032	(0-1)	0.046	0.027	0.00 **
0.108	(0-1)	0.126	0.103	0.02 *
0.011	(0-1)	0.016	0.010	0.11
0.344	(0-1)	0.313	0.353	0.01 *
0.198	(0-1)	0.283	0.174	0.00 ***
0.409	(0-1)	0.343	0.429	0.00 ***
422.5	(1-2520)	351.7	442.8	0.00 ***
5.872	(0-7.83)	5.647	5.936	0.00 ***
0.094	(0-1)	0.230	0.055	0.00 ***
0.241	(0-1)	0.316	0.219	0.00 ***
0.335	(0-1)	0.255	0.358	0.00 ***
0.240	(0-1)	0.142	0.268	0.00 ***
0.091	(0-1)	0.056	0.101	0.00 ***
0.331	(0-1)	0.301	0.340	0.01 *
0.719	(0-1)	0.706	0.723	0.26
0.891	(0-1)	0.922	0.883	0.00 ***
0.036	(0-1)	0.038	0.035	0.58
0.475	(0-1)	0.418	0.492	0.00 ***
0.430	(0-1)	0.459	0.421	0.02 *
0.059	(0-1)	0.085	0.052	0.00 ***

Table 3

Variables	
Regional bloc	Hokkaido
	Tohoku
	Kanto
	Chubu
	Kinki
	Chugoku / Shikoku
	Kyushu / Okinawa
Multiple children at first birth	
Number of children already born	1
	2
	3
	4 or more
Age of youngest child	0–2
	3 to 5
	6 to 8
	9 or above
Currently pregnant	
Maternity leave used for first child	
Wife's age at time of survey	29 or below
	30–34
	35–39
	40–44
	45 or above
Marriage preceded by pregnancy	

Note: From the 13th and 14th Japanese National Fertility Surveys (2005, 2010). Responses are by 15 years, who have children aged one or older (5,582 cases).

¹ “Less than 300 employees” category includes companies where the number of employees is not known.

² “Office work / Sales” includes “Service industry” and “Unemployed.”

³ *t* test.

⁴ Limited to employed persons.

*** $p < 0.001$.

** $p < 0.01$.

* $p < 0.05$

$p < 0.1$.

(Continued)

All	(range)	Mean		Chi-square Test for Independence (p-value)
		Marriage preceded by pregnancy	Other marriage	
0.033	(0-1)	0.030	0.033	0.49
0.086	(0-1)	0.104	0.080	0.01 **
0.306	(0-1)	0.297	0.309	0.41
0.212	(0-1)	0.209	0.213	0.74
0.153	(0-1)	0.112	0.165	0.00 ***
0.091	(0-1)	0.099	0.089	0.28
0.118	(0-1)	0.150	0.109	0.00 ***
0.010	(0-1)	0.007	0.011	0.20
0.302	(0-1)	0.262	0.314	0.00 ***
0.535	(0-1)	0.515	0.541	0.10 #
0.145	(0-1)	0.192	0.132	0.00 ***
0.017	(0-1)	0.032	0.012	0.00 ***
0.359	(0-1)	0.381	0.352	0.06 #
0.289	(0-1)	0.273	0.293	0.17
0.221	(0-1)	0.201	0.227	0.06 #
0.130	(0-1)	0.142	0.127	0.15
0.047	(0-1)	0.061	0.043	0.01 *
0.161	(0-1)	0.126	0.171	0.00 ***
0.131	(0-1)	0.293	0.084	0.00 ***
0.290	(0-1)	0.331	0.279	0.00 ***
0.398	(0-1)	0.267	0.436	0.00 ***
0.155	(0-1)	0.094	0.173	0.00 ***
0.025	(0-1)	0.015	0.028	0.01 **
0.224	(0-1)	1.000	0.000	-

wives under 50 years of age in couples who were married, both for the first time, during the past

2. Estimation of Propensity Scores

Table 4 shows the results of estimates of a binomial logistic regression model for estimation of the propensity scores for marriage preceded by pregnancy (probabilities allocated to the treatment group), which are required for the estimations shown in Table 2, Model 1F. The propensity scores for marriage preceded by pregnancy are higher than the reference category in cases where: marriage took place in or after 2005, the wife is aged 22 or younger, the mother of husband or wife lives with the couple immediately following marriage, the wife is unemployed immediately prior to marriage, the husband is a non-regular employee before marriage, the couple approves of premarital sexual intercourse, the couple's ideal number of children is four or more, or the couple resides in Kyushu or Okinawa. Meanwhile, propensity scores are lower in cases where: the wife is a junior college, the husband is a university graduate, the wife lived with her mother before marriage, the marriage is arranged, the couple dated for at least three years before marriage, one or both are regular employees of companies with 300 or more employees, or civil servants, the husband has high earning capacity, the couple's ideal number of children is two, or the couple resides in Hokkaido or the Kinki region. We estimated propensity scores for marriage preceded by pregnancy for other models as well, using covariates including models. Comparing the distribution of observed attributes for the treatment group and the control group prior to adjustment, there are statistically significant disparities at the 5% level for almost all attributes. However, after adjusting using the matching or IPTE methods, statistically significant disparities between the two groups disappear for all attribute distributions, and we were able to verify that a mimicked randomized experiment was more or less replicated for the observable covariates.

3. Impact on Career Immediately after Marriage, When First Child Is One Year Old, and at Time of Survey

Table 5 shows the odds-ratio for dummy variables for marriage preceded by pregnancy (treatment variables) in each model (the ratio of the marginal odds-ratio for option j and the marginal odds-ratio for the reference option is equivalent to the relative risk compared to the "other marriage" category for reference), as well as the coefficients and p -value (the probability of obtaining a test statistic). Analyses of each stage are carried out with the basic model estimate (B) with only a minimum number of covariates for age, etc. and dummy variables for marriage preceded by pregnancy; standard estimate (Fn), without balancing covariates of the full model (F) with all covariates added; adjusted estimate (Fm) with structure of covariates balanced using propensity score matching; and adjusted estimate (Fi) using the IPTE method with structure of covariates balanced using weighting by inverse of propensity scores. If odds-ratios based on coefficients are statistically significant (different from 1), it means that the experience of marriage preceded by pregnancy causes some kind of change to circumstances in each of the life stages expressed by dependent variables.

Table 4. Model of Propensity Scores for "Marriage Preceded by Pregnancy"

Covariates	Coefficient	Odds-ratio
Year of marriage (2000 - 04)		
1994 and before	-0.307	0.736 *
1995-99	-0.027	0.973
2005-09	0.335	1.398 *
Wife's age at time of marriage (25-29)		
22 or below	0.868	2.381 ***
23-25	0.192	1.211 #
29-31	0.328	1.388 *
32-34	0.695	2.003 **
35 or above	0.823	2.277 **
Wife's educational level (High school)		
Junior high school	0.315	1.370
Vocational school	0.180	1.197
Junior college	-0.222	0.801 #
University	-0.170	0.843
Husband's educational level (High school)		
Junior high school	0.137	1.147
Vocational school	-0.125	0.883
Junior college	0.144	1.155
University	-0.583	0.558 ***
Wife lived with mother before marriage (Did not live with mother)	-0.271	0.762 **
Husband lived with mother before marriage (Did not live with mother)	0.026	1.026
Couple lived with mother immediately after marriage (Did not live with mother)	0.617	1.853 ***
Arranged marriage (non-arranged marriage)	-0.693	0.500 **
Length of relationship before marriage (1 year)		
Less than 1 year	0.077	1.081
2 years	-0.173	0.841
3-4 years	-0.399	0.671 **
5-8 years	-0.412	0.662 **
9 years or more	-0.269	0.764
Unclear	-0.558	0.572 *
Wife's employment status immediately before marriage (regular employee of company with less than 300 or unclear number of employees)		
Regular employee, company with 300 or more employees	0.164	1.178
Full-time civil servant	-0.145	0.865
Non-regular employee	0.037	1.038
Self-employed	-0.078	0.925
Unemployed	0.702	2.018 ***
Wife's occupation immediately before marriage (Office work / Sales / Service industry / Unemployed)		
Manual labor	0.197	1.218
Specialized or administrative	-0.012	0.988
Husband's employment status immediately before marriage (regular employee of company with less than 300 or unclear number of employees)		
Regular employee, company with 300 or more employees	-0.172	0.842 #

Table 4 (Continued)

Covariates	Coefficient	Odds-ratio
Full-time civil servant	-0.787	0.455 **
Non-regular employee	0.523	1.686 **
Self-employed	-0.009	0.991
Unemployed	0.090	1.094
Husband's occupation immediately before marriage (Office work / Sales / Service industry / Unemployed)		
Manual labor	-0.131	0.878
Specialized or administrative	-0.077	0.925
Log of husband's annual income at time of survey	-0.115	0.892 *
Husband's age at time of survey (35-39)		
29 or below	0.980	2.664 ***
30-34	0.346	1.413 **
40-44	-0.152	0.859
45 or above	-0.287	0.751
Agree that husbands should work and wives should take care of the home after marriage (Disagree)	-0.14256	0.867
Agree that mothers should not work and should stay home at least when their children are young (Disagree)	0.022705	1.023
Agree that unmarried couples may have sexual intercourse (disagree)	0.34866	1.417 *
Ideal number of children (3)		
0-1	0.016	1.017
2	-0.176	0.839 *
4 or more	0.374	1.454 *
Regional bloc (Kanto)		
Hokkaido	-0.442	0.642 #
Tohoku	0.051	1.053
Chubu	-0.102	0.903
Kinki	-0.271	0.763 #
Chugoku / Shikoku	0.022	1.022
Kyushu / Okinawa	0.334	1.397 *
Intercept	-0.821	*
Number of events	913	
Observations	4,236	
Pseudo R ²	0.1712	

Note: Model predicting propensity scores used for adjustment of covariates in Table 2, Model 1F.

From the 13th and 14th Japanese National Fertility Surveys (2005, 2010). Responses are by wives under 50 years of age in couples who were married, both for the first time, during the past 15 years, who have children aged one or older. Items in parentheses indicate the reference category.

*** p<0.001, ** p<0.01, * p<0.05, # p<0.1.

Here we will focus on the effects of marriage preceded by pregnancy, as shown in Table 5. With regard to employment immediately after marriage, in the basic model the odds-ratio of the non-regular employment option to the full-time employment option is less than 1 in the "marriage preceded by pregnancy" category. This means that people to whom this category applies (the treatment group) are, compared to the control group (people experiencing "other marriage"), more likely to be full-time as opposed to non-regular employees. At the same time, compared to the control group, people in the treatment group have a higher likelihood of being unemployed rather than working full-time (as shown in Model 1B). In other words, women who are already pregnant when they get married are, compared to those marrying without being pregnant, more likely to resign from work upon getting married, and have particular difficulty continuing to work if they are non-regular employees. This propensity is visible even after controlling for covariates or after balancing the structure of covariates (Model 1 Fn, Model 1 Fm, Model 1 Fi).

When the first child is one year old, there was no statistically significant odds-ratio in the basic model (Model 2B), but when controlling for covariates, those for whom pregnancy precedes marriage showed a stronger propensity than the other group to be full-time as opposed to non-regular employees (Model 2 Fn, Model 2 Fm). Also, when weighting with inverses of propensity scores, those for whom pregnancy precedes marriage showed a stronger propensity than the other group to be working full-time as opposed to being unemployed (Model 2 Fi). However, with regard to utilization of childcare leave after giving birth to the first child, while in the basic model the odds of those for whom pregnancy precedes marriage taking childcare leave is significantly lower (below the 1% level) than the control group, when controlling for covariates no significant difference between those for whom pregnancy precedes marriage and others is apparent, whether adjustment is carried out or not (Model 3 Fn, Model 3 Fi). Here it should be noted that as the sample size was small for the analysis of childcare leave utilization, adjustment with propensity score matching was not carried out, as this would limit the number of targets even further.

Finally, we focused on the employment status of women at the time of the survey. In the basic model, controlling for number of children already borne and age of youngest child, compared to the control group, those for whom pregnancy preceded marriage showed a stronger propensity to be non-regular as opposed to full-time employees (Model 4B). However, when controlling for other covariates or adjusting the structure of covariates, there was no statistically significant difference, and it is evident that whether or not pregnancy precedes marriage has little association with the employment status of women raising children (Model 4 Fn, Model 4 Fm, Model 4 Fi). In addition, when examining only married women who are working, when estimation is carried out with the OLS model with the logs of estimated annual income as dependent variables, income for the treatment group was actually found to be higher than for the control group only when weighting with inverse propensity scores (Model 5 Fi), but there was no significant difference with the other models (Model 5 B, Model 5 Fn, Model 5 Fm).

Table 5. Impact on Careers of Women Experiencing

Life stage		Target		
Model		Basic model Model 1B		No adjustment Model 1Fn
Dependent variables		Non-regular employment vs. Full-time	Unemployed vs. Full-time	Non-regular employment vs. Full-time
Treatment variables				
Marriage preceded by pregnancy dummy	Odds-ratio	0.742	1.986	0.508
	<i>p</i> value	0.012	0.000	0.000
		*	***	***
Pseudo R ²		0.016		0.267
No. of subjects		4,236		4,236

Life stage		Target		
Model		Basic model Model 2B		No adjustment Model 2Fn
Dependent variables		Non-regular employment vs. Full-time	Unemployed vs. Full-time	Non-regular employment vs. Full-time
Treatment variables				
Marriage preceded by pregnancy dummy	Odds-ratio	1.289	1.013	0.643
	<i>p</i> value	0.119	0.893	0.030
				*
Pseudo R ²		0.005		0.211
No. of subjects		4,074		4,074

Life stage		When first child is one year old		
Target		Married women employed when first child is one year old		
Binomial logistic regression model				
Model		Basic model Model 3B	Full model	
			No adjustment Model 3Fn	IPTE Model 3Fi
Dependent variables		Maternity leave vs. No leave	Maternity leave vs. No leave	Maternity leave vs. No leave
Treatment variables				
Marriage preceded by pregnancy dummy	Odds-ratio	0.597	0.983	1.318
	<i>p</i> value	0.000	0.941	0.200

Pseudo R ²		0.036	0.455	0.526
No. of subjects		1,150	1,150	1,150

Marriage Preceded by Pregnancy, by Life Stage

Immediately after marriage					
Entire sample					
Multinomial logistic regression model					
Full model					
Matching Model 1Fm			IPTE Model 1Fi		
Unemployed vs. Full-time	Non-regular employment vs. Full-time	Unemployed vs. Full-time	Non-regular employment vs. Full-time	Unemployed vs. Full-time	Unemployed vs. Full-time
1.607	0.571	1.712	0.438	1.638	
0.000	0.005	0.000	0.000	0.000	0.000
***	**	***	***	***	***
	0.318		0.304		
	1,539		4,236		
When oldest child is one year old					
Entire sample					
Multinomial logistic regression model					
Full model					
Matching Model 2Fm			IPTE Model 2Fi		
Unemployed vs. Full-time	Non-regular employment vs. Full-time	Unemployed vs. Full-time	Non-regular employment vs. Full-time	Unemployed vs. Full-time	Unemployed vs. Full-time
0.860	0.578	0.789	0.546	0.780	
0.215	0.036	0.134	0.004	0.054	
	*		**		#
	0.253		0.252		
	1,384		4,074		

Table 5

Life stage		At time of survey		
Target		Married women employed at time of survey		
		OLS model		
Model		Basic model	No adjustment	Full model
		Model 4B	Model 5Fn	Model 5Fm
Dependent variables		Non-regular employment vs. Full-time	Unemployed vs. Full-time	Non-regular employment vs. Full-time
Treatment variables				
Marriage preceded by pregnancy dummy	Odds-ratio <i>p</i> value	1.404 0.002 **	0.892 0.263	1.046 0.778
Pseudo R ²		0.056		0.371
No. of subjects		4,028		4,028

Life stage		At time of survey		
Target		Married women employed at time of survey		
		OLS model		
Model		Basic model	No adjustment	Full model
		Model 5B	Model 5Fn	Model 5Fm
Dependent variables		Log of estimated annual income	Log of estimated annual income	Log of estimated annual income
Treatment variables				
Marriage preceded by pregnancy dummy	Odds-ratio <i>p</i> value	-0.010 0.860	0.068 0.127	0.092 0.060
Adjusted R ²		0.001	0.260	0.273
No. of subjects		2,054	2,054	756

Among the group for whom pregnancy precedes marriage, there may be a difference in the relationship to the dependent variables depending on whether the person has a high or low propensity score for marriage preceded by pregnancy. Besides the analysis just discussed, we also conducted analyses in which propensity scores were input as covariates when modeling, and in which targets were divided into two groups depending on high or low propensity score, but there was no statistically significant difference in the coefficients of propensity score variables, and no outcome that would necessitate a revision of the above interpretations of the consequences of marriage preceded by pregnancy.

VI. Conclusions

We demonstrated that an increasing number of young people are experiencing premarital pregnancy, and using survey data with a nationally representative sample, examined

(Continued)

At time of survey					
Entire sample					
Multinomial logistic regression model					
Full model			IPTE		
Matching Model 4Fm			Model 4Fi		
Unemployed vs. Full-time	Non-regular employment vs. Full-time	Unemployed vs. Full-time	Non-regular employment vs. Full-time	Unemployed vs. Full-time	Unemployed vs. Full-time
0.970	1.028	0.915	0.995	0.802	
0.853	0.888	0.660	0.975	0.194	
	0.356		0.379		
	1,399		4,028		

IPTE Model 5Fi
Log of estimated annual income
0.093
0.024
*
0.381
2,054

Note: Model predicting propensity scores used for adjustment of covariates in Table 2, Model 1F. From the 13th and 14th Japanese National Fertility Surveys (2005, 2010). Responses are by wives under 50 years of age in couples who were married, both for the first time, during the past 15 years, who have children aged one or older. Items in parentheses indicate the reference category.

*** p<0.001.
 ** p<0.01.
 * p<0.05
 # p<0.1.

the impact of experiencing premarital pregnancy on women's careers thereafter.

Among younger generations, the probability of experiencing marriage preceded by pregnancy is increasing, and if this experience has a negative impact on individuals' lives thereafter and their lives' economic foundations in particular, we should be concerned about the issue when discussing various aspects of their lives. What this study found was that the experience of marriage preceded by pregnancy did not place women at an extreme disadvantage after childbirth, at least in terms of their employment status or income.

However, it is also a clear fact that marriage preceded by pregnancy tends to be concentrated among people with particular attributes and circumstances, and these circumstances often place women at a significant career disadvantage after childbirth. For example, women who experience marriage preceded by pregnancy tend to get married younger or to have a shorter relationship period before marriage. Marriage at a younger age is correlated with a higher risk of unemployment immediately following marriage, and shorter length of

relationship period is correlated with a lower rate of utilizing childcare leave. These environments or attributes often associated with women who experience marriage preceded by pregnancy do place them at a disadvantage, making it difficult for them to continue working after childbirth, making it more likely that they will be non-regular employees, and causing them to have lower incomes.

In this study, using methods of matching and weighting with propensity scores, we were able to balance the structure of covariates of observable variables, but we came away with several conclusions that should be noted, as follows.

The fact that marriage preceded by pregnancy does not show negative impact on careers, and to some extent actually appears to be correlated to higher income and higher probability of working full-time, is thought to be related to the “opportunity cost of marriage.” In recent years general incentives for marriage have been declining, and particularly in Japan where it is very challenging for women to balance work and raising children, the higher a woman’s opportunity cost of marriage is, the more likely she is to postpone getting married (Ogawa 1994; Ono 2003; Tsuya 2011). To some extent marriage preceded by pregnancy may be occurring selectively among women who tend to postpone marriage for other reasons, because they have high earning capacity and strong desire to continue working.

It should be noted that the targets of this study were married women who had children at the time of the survey, and whose marriages were the first marriages for both husband and wife, meaning that the survey did not cover divorced, widowed, or remarried women with children. This is because the surveys employed for this study did not include information on the employment status of women in these groups at time of first marriage, or before and after childbirth. Previous studies have indicated that marriage preceded by pregnancy is correlated with a higher divorce rate and lower quality of spousal relationships (Surra et al.1987; Teachman 2002; Tsutsui 2006). Assuming that married couples whose marriages were preceded by pregnancy tend to face economic and marital troubles and are more likely than other couples to get divorced, then only the couples with marriages preceded by pregnancy who had good relationships would remain as the targets of the analysis, and thus provide a biased view of the impact of such marriages. It is necessary to explore this issue further by obtaining survey data that includes details on divorced women as well, and reexamining the findings of this study accordingly.

As we have seen, the impact of marriage preceded by pregnancy shown in this study was not examined under ideal conditions like those of a natural-sciences experiment, but the findings were relatively stable and consistent during the process of analysis. Even when a marriage is precipitated by pregnancy, there does not appear to be a drastic long-term negative effect, at least on the career of the woman. As incentives for marriage itself grow weaker, we believe it is possible that marriage preceded by pregnancy will gain increasingly widespread acceptance as a mode of family formation.

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The Labor Market and Marriage Decisions in Japan

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This paper examines the impact of supply-demand balance in the labor market on the recent ongoing trend toward marriage avoidance in Japan, incorporating reviews of previous studies. From a theoretical standpoint, declining income and wages could be seen either as encouraging or as discouraging marriage, but according to empirical analyses in previous studies of Japanese marriage behavior, for men in particular regular employment with high earning potential appears to have the effect of encouraging marriage, and being hired as a regular employee immediately upon graduation appears correlated with younger marriage ages. For women, as well, some previous studies have found a positive correlation between being hired as a regular employee immediately upon graduation and getting married younger. It follows that the decline in hiring of young people as regular employees, as a result of economic stagnation, may be one of the causes of the recent trend toward marriage avoidance.

I. Introduction

The fertility rate in Japan has fallen, and remains, below the population replacement level. According to the Cabinet Office (2013), the fertility rate in 2011 was low even compared to other developed nations at 1.39, and its decline was expected to continue for the foreseeable future. Among the causes of a low birth rate, marriage avoidance, or marrying at later ages, has drawn particular attention. Kaneko (2004), for example, has pointed out that a lower number of births per person (or number of children per married couple) resulting from non-marriage or later marriage is particularly pronounced among the cohort born from 1960 onward.

The Cabinet Office (2013) has proposed that securing young people's economic stability is a means of promoting marriage, and specifically mentions support aimed at fostering young people's financial independence and career formation, and the hiring of regular employees, as effective countermeasures. In theory, however, declining incomes and unstable labor markets amid an economic recession do not necessarily lead to marriage avoidance or marrying at later ages. Becker (1973) notes that a married couple sharing a household, where one of them is engaged in home-based, non-labor-market production (housework, for example), may have higher utility from an economic standpoint, and this may be a factor encouraging marriage. If this is the case, declining incomes due to a recession or other factors means a reduction in market wages as an opportunity cost of (non-wage-earning)

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household production such as housework and child-rearing, and may boost the utility of selecting marriage and non-wage-earning household production over participation in the labor market.

Among the previous studies analyzing the impact of labor market conditions and income on marital status is Burgess, Propper, and Aassve (2003), which noted two effects of income or earning potential on marriage, the “self-reliance effect” and the “good catch effect.” In the latter, a person with higher income is seen as having a higher probability of being a desirable marriage partner (a “good catch”), and thus a higher likelihood of getting married, whereas in the former, a higher income increases the probability of deciding to stay single. In other words, a higher income has the potential to encourage both marriage and marriage avoidance, depending on the situation. The empirical analysis of marital status performed by Burgess, Propper, and Aassve (2003), and others like them, examine the impact on marital status of declining incomes and changing labor markets in times of recession. This paper reviews these previous studies, including ones that focus on Japan, and performs an empirical analysis using procedures like those of the previous studies, so as to examine and discuss the extent to which current trends toward marriage avoidance and later marriage are truly driven by economic stagnation.

The remainder of this paper is structured as follows: Section II reviews previous studies, Section III briefly summarizes the data and models used for this empirical study and the outcomes of the study, and Section IV discusses the impact of a stagnant economy on Japan’s lower marriage rate, later marriage ages, and falling birth rate, incorporating reviews of previous findings.

II. Previous Studies on Marriage and the Labor Market

This section discusses some previous studies that examined the impact of labor market supply-demand conditions on marriage, and considers these studies’ implications for Japan’s current trend toward marriage avoidance.

Becker (1973) could be called the pioneering study of marriage in the context of economics. The study notes that marriage changes a couple’s production possibility frontier, theoretically increasing both utility as each specializes on market labor or household production, whichever each has a comparative advantage. This is not accompanied by an empirical analysis, but the study does state that rising (or falling) individual wage rates alone do not provide clear motivation for marriage (divorce). However, it also states that a change in male and female wage ratio due to some sort of economic disturbance may have an impact on marital status (when unaccompanied by a change in the productivity level of household production). If market wages rise only for the gender with a relative advantage in terms of household production, it raises the opportunity cost of household production and lowers the economic incentive for marriage. At the time of this study, generally speaking men were more geared toward market labor and women toward household production, and

Becker (1973) cites previous studies that found lower marriage rates in American states where women's incomes were relatively high compared to men's. According to Becker's study, there is no clear theoretical basis for the impact on marriage of supply-demand disturbances in labor markets without pronounced male-female discrepancies, such as during recessions.

In addition to changes in the economic advantages of marriage as outlined by Becker (1973), another factor causing higher rates of marriage avoidance may be a decrease in opportunities to meet potential marriage partners. Several studies have focused on opportunities to obtain a spouse and the quality of potential spouses. Drewianka (2003) performed an empirical analysis using data from American states, which showed that a rising percentage of single adults in a given state was correlated with an increased probability of marriage for these single adults. Loughran (2002) also employed US data in an empirical analysis examining the extent to which rising wage inequality levels for men affected women's marriage rates. As grounds for this analysis, the study points to the possibility that greater disparity (wider distribution) of men's earnings leads women to spend more time searching for an acceptable marriage partner. The findings suggested that from 1970 to 1990, rising income disparity levels among men led to a lower probability of marriage among white and highly educated black women. If it is true that the recent Japanese recession has led to wider income disparity among young people, for example between regular and non-regular employees, these findings may be applicable to present-day Japan.

As both marriage and divorce are very costly, it does not seem likely that temporary (or possibly only temporary) changes in wages would spur immediate action leading to change in marital status. For this reason, previous studies on marital and childbirth status have generally focused on indicators other than temporary changes in wages or economic conditions. For example, Adserà (2004) utilized panel data from 23 OECD countries, including Japan, to show that high unemployment rates and insecure employment contracts had a negative effect on fertility rates. The findings suggest that women may be postponing or altogether avoiding childbearing so as to boost lifetime income and reduce the risk of unemployment, and also that highly flexible labor markets like that of the US tend to be correlated with high fertility rates. In these flexible labor markets, women may withdraw from the labor market for reasons such as childbirth, but be able to reenter the market without significant difficulty. In light of the decrease in job security and rise in non-regular employment accompanying Japan's recent recession, Adserà's (2004) argument may be applicable to contemporary Japan. It suggests that women in Japan may be reluctant to have children because of the high risk that they will be unable to reenter the labor market.

Burgess, Proper, and Aassve (2003) employed data from 1979 on whites aged 14 to 21 from the American NLSY (National Longitudinal Survey of Youth) to analyze the impact on legal marriage of earning potential, taking into account not only current income and wage rates, but also earning potential, which is estimated using educational background and age, unaffected by economic fluctuations. For men, higher long-term income had a signifi-

cant positive effect on earlier marriage, whereas for women it had a significant negative effect. In other words, the findings suggest that for men the “good catch effect” was dominant, whereas for women the “self-reliance effect” was. Gutiérrez-Domènech (2008) compared two Spanish-born cohorts, those born between 1945–1960 and those born between 1961–1977, using the Cox proportional hazards model to analyze the impact of education and labor markets on the timing of marriage and childbirth. The findings showed different effects of employment among women, with higher levels of employment correlated with later marriage among the 1945–1960 cohort and correlated with earlier marriage among the 1961–1977 cohort. In other words, we may conclude that the “self-reliance effect” dominated during the earlier period, whereas the “good catch effect” dominated during the later period. At the same time, employment was correlated with later childbearing for both cohorts. Kondo (2012) utilized 1990–2004 data from the American SIPP (Survey of Income Program Participation) to analyze the impact of worsening supply-demand balance in the labor market in marital status and timing of marriage. This study focused on the effects of youth unemployment rates on the timing of marriage, and showed that unemployment among young women was correlated with significantly earlier marriage. However, the scope of this correlation was limited to the timing of marriage, and did not extend to impact on the probability of marriage or childbearing over an entire lifetime. On a different note, Alm and Whittington (1999) examined the impact on marriage of the economic advantages of spousal tax deductions. Using US data, they found a statistically significant but extremely small incentive effect. Also using US data, Amato and Beattie (2011) analyzed the effect of unemployment rates on divorce, and found that from 1980 onward in particular, unemployment rate had a significant negative correlation to divorce rate.

These previous studies suggest that the dominance of either the “self-reliance effect” or the “good catch effect” was dependent on the country or period under examination. Another thing we must take into account is the simultaneous determination (reciprocal, self-reinforcing relationship) of marriage and human capital factors like employment status and education. Field and Ambrus (2008) examined regional data from Bangladesh and demonstrated the possibility that the social norm of marriage at a young age was having an impact on educational level. Empirical analysis showed that girls’ marriages at extremely young ages had an adverse effect on their education. When performing analyses related to marriage, it may be necessary to take such social norms into consideration.

Empirical Studies in Japan are summarized as follows. Ohta (2007), who analyzed relationships between potential spouses’ income and marriage, employed national census data, and found that a rise in the percentage of men employed for short-term periods was correlated with a drop in the percentage of women with spouses. Also, Nagase (2002) utilized individual data from the The National Fertility Survey and performed an empirical analysis showing that the trend toward non-regular employment was correlated with later marriage among both men and women. These findings are consistent with those of Loughran (2002) and Adserà (2004), and it seems likely that this employment trend is con-

tributing to the rising percentage of unmarried people in Japan. The findings of these studies suggest that an increasing number of short-term employees may lead to wider income disparity and lead people to spend longer periods of time searching for marriage partners, or that the increase in insecure employment such as short-term or non-regular employment (or the non-flexibility of the labor market) causes people to hesitate to get married or have children, so as to maintain their employment status.

Sakai and Higuchi (2005), Mizuochi (2006), and Hashimoto and Kondo (2012) analyzed the relationship between latent earning potential and marriage in Japan. Sakai and Higuchi (2005) focused on employment status at the time of graduation as an indicator of latent earning potential. This is because, as elucidated by Genda, Kondo, and Ohta (2010), the supply-demand balance of the Japanese labor market at time of graduation is known to have a persistent effect on wage levels thereafter.

In a hazard analysis employing Keio Household Panel Survey data by Sakai and Higuchi (2005), which analyzed the impact of employment status at time of graduation on family formation, employment, and income thereafter, it was found that unemployment or non-regular employment, rather than regular employment, at time of graduation was correlated with marriage and childbirth at a later age. Mizuochi (2006) similarly focused on form of employment immediately following graduation and analyzed its impact on age of first marriage thereafter. This study utilized data from JGSS (Japanese General Social Surveys), using the Kaplan-Meier estimator and Cox proportional hazards model to examine this impact for both men and women. The findings suggest that for men, being a regular employee immediately following graduation was correlated with a stable marital status thereafter. In other words, the findings of both Sakai and Higuchi (2005) and Mizuochi (2006) suggest that in recent years in Japan, the “good catch effect” is particularly dominant with regards to men, and these findings are consistent with the fact that the percentage of never-married people has been rising during the nation’s recent prolonged recession. Meanwhile, Sakata and McKenzie (2007) analyzed divorce using Japanese data broken down by prefecture, and showed that a higher unemployment rate led to an increase in incidences of divorce. This, too, suggests that in Japan at least, high earning potential increases the probability of choosing marriage.

Working with data on Japanese women, Hashimoto and Kondo (2012) focused on unemployment rate at time of graduation as an indicator of latent earning potential, and performed analyses on marriage and childbearing. In their analysis of childbearing trends broken down by educational level, they obtained different results for female high school graduates and female university graduates. Among female high school graduates, those that enter the labor market when the unemployment rate is high are less likely to have children, but among their university-graduate counterparts the opposite is true, and entering the labor market when the unemployment rate is high increases the likelihood of having children. It was also found that women who enter the labor market during a recession have a higher probability of having two or more children. The study also included an analysis of marriage

utilizing regional panel data, which found that a high unemployment rate at time of graduation was correlated with marriage at later ages. This is the opposite of the results obtained by Kondo (2012) using US data.

Ueda (2007) employed panel data from the Japanese Panel Survey of Consumers conducted by the Institute for Research on Household Economics, and estimated marriage, employment, and childbearing using a dynamic discrete choice model. The estimated utility function parameters for marriage, employment, and childbearing showed that among Japanese women of all educational backgrounds, the utility function parameter for marriage was significantly negative. This study suggests that for Japanese women, the disadvantages of marriage such as housework and other obligations tend to outweigh advantages such as economies of scale and happiness level.

III. Empirical Analyses of Marriage and Childbirth

In this section, the Japanese Panel Survey of Consumers (hereafter, JPSC), which is panel data on Japanese women from the Institute for Research on Household Economics was utilized for an analysis of the effects of latent earning potential on marriage, with unemployment rate at time of graduation and estimated market wages used as indicators of latent earning potential. This paper employs data from Panel 1 (1993) to Panel 17 (2009) of JPSC. At its start in 1993, JPSC covered women aged 24–34 (cohort A), thereafter adding women aged 24–27 in 1997 (cohort B), women aged 24–29 (cohort C) in 2003, and women aged 24–28 (cohort D) in 2008. While the survey subjects are women, items such as the income and employment status of other household members are examined as well, and for married women the same items are surveyed for spouses as for the women themselves. Unemployment rates by age group at time of graduation and at each time point thereafter, derived from the Labour Force Survey, are also used. Descriptive statistics for the variables used for estimation are shown in Table 1.

When using this data for analysis of marriage, several points need to be taken into account. One is that data on income is not available for subjects aged younger than 24. However, women may participate in the marriage market or be involved in childbearing at a younger age (starting at age 18, according to the general consensus), and this analysis is unable to cover these women. Also, as the Institute for Research on Household Economics does not provide data on respondents' prefecture of residence to researchers utilizing its data for the first time, it was not possible to estimate data with the assumption that marriage markets are divided by region, as has generally been the practice in previous studies. For example, Drewianka (2003) employs the percentages of never-married people by region as explanatory variables, but this factor does not come into play in this analysis.

The model employed is the Cox proportional hazards model, also used by Mizuochi (2006) and Gutiérrez-Domènech (2008). For this model the baseline hazard at time t is denoted $h_0(t)$, and the hazard rate formulated as

Table 1. Descriptive Statistics

	Entire sample		Not married		Married	
	Mean	Std.dev	Mean	Std.dev	Mean	Std.dev
Age	34.75	5.93	31.98	5.77	35.91	5.60
Married	70.36%	0.46				
Junior high school graduate	6.06%	–	5.86%	–	6.14%	–
High school graduate	40.46%	–	33.87%	–	43.24%	–
Vocational school or junior college graduate	38.70%	–	38.00%	–	38.99%	–
University graduate	14.78%	–	22.27%	–	11.62%	–
Year of graduation	1987.73	6.34	1990.40	6.44	1986.61	5.95
Has occupation	63.87%	–	88.06%	–	53.67%	–
Currently employed	57.12%	–	84.04%	–	45.78%	–
Regular employee	32.53%	–	62.11%	–	20.08%	–
Regular employee immediately upon graduation	76.31%	–	72.21%	–	78.04%	–
Father is junior high school graduate	37.56%	–	30.66%	–	40.47%	–
Father is high school graduate	40.45%	–	39.48%	–	40.86%	–
Father is vocational school or junior college graduate	4.84%	–	5.47%	–	4.58%	–
Father is university graduate	15.74%	–	21.98%	–	13.11%	–
Mother is junior high school graduate	37.92%	–	28.70%	–	41.81%	–
Mother is high school graduate	47.00%	–	50.61%	–	45.47%	–
Mother is vocational school or junior college graduate	10.45%	–	13.70%	–	9.08%	–
Mother is university graduate	3.06%	–	4.85%	–	2.30%	–
Annual income from work	140.28	169.75	250.30	163.26	93.56	149.71
Unemployment rate at time of graduation	5.06	1.55	5.51	1.64	4.87	1.47
Sample size	18938		5613		13108	

Source: Japanese Panel Survey of Consumers, 1993–2009.

Note: Unemployment rate is derived from the Labour Force Survey, with figures for men and women broken down by 5-year blocks.

$$h(t) = h_0(t)e^{x'\beta} \quad (1)$$

For this model, subjects with past divorces are omitted from the sample.

The variables used are as follows. Annual market income, viewed as the opportunity cost to women of marrying and engaging in household production rather than market labor, is estimated in a similar way to Burgess, Propper, and Aassve (2003). Limiting the sample to subjects earning annual market income, Mincerian income equation is estimated. The explanatory variables are dummy variable for the subject’s educational level, unemployment rate at time of graduation by age group, dummy variables for parents’ educational lev-

el, number of years continuously working and its square, dummy variable for whether or not first job after graduation was as a regular employee, and total years of work experience and its square. The estimated parameters used as the basis for calculating the annual market income the entire sample can expect to earn in the labor market. The estimated income is used in estimating (1) as the covariate. In Burgess, Propper, and Aassve (2003), the endogeneity of work hours is also taken into account, and similar estimated variables produced for hourly wage rates are used as well, but in JPSC for the majority of subjects only class values for work hours are given, and as a result these variables were omitted from this model.

While the division of the marriage market into regions is not taken into account, the model considered the possibility that the labor markets may be divided by workplace, and for this reason dummy variable for the subject's educational level, unemployment rate at time of graduation by age group, dummy variables for parents' educational level, and dummy variable for whether the subject was hired as a regular employee within one year after graduation were added to the model. For example, if the subject has a high level of education and was hired when economic conditions were good, she would not only have a high income, but also be likely to be employed in workplace where there is a high probability of meeting a potential spouse with a high income. However, the above are explanatory variables used in estimating annual income, and it is necessary to take into account the possibility of multi-collinearity issues occurring. In addition to the above, the annual income of other members of the household was employed as an explanatory variable to proxy reservation utility.

The estimation results for hazard analysis of marriage are shown in Tables 2 through 5. Table 2 shows the results of analysis using all samples, Table 3 only cohort A, Table 4 only cohort B, and Table 5 only cohort C. The results show a significant negative coefficient for estimated annual market income.¹ In other words, the higher estimated annual market income is, the stronger the trend toward late marriage becomes. In a similar fashion, household income can be seen to have a significant negative impact on the timing of marriage. Furthermore, when estimating with the unemployment rate at time of graduation, the subject's educational level, and parents' educational level, without using estimated annual market income as a covariate, generally the higher the subject's and her father's educational level were, the later marriage became. Also positively correlated with later marriage was a low unemployment rate at time of graduation. These findings suggest that for women in Japan, the "self-reliance effect" is dominant. However, its effects are extremely small. At the same time, for most estimation results, dummy variables that had normal values immediately following graduation were statistically insignificant.

However, when both annual market income and unemployment rate at time of graduation are used in estimation simultaneously, they are significantly negative. This is consistent with the marriage analysis results of Hashimoto and Kondo (2012), and there seem

¹ The variance-covariance matrix is unadjusted here.

Table 2. Marriage Hazard Model Results: Entire Sample

	Entire sample	Junior high / High school graduate	Vocational school, junior college or university graduate
Unemployment rate at time of graduation	-1.007*** (0.0772)	-2.531*** (0.154)	-1.752*** (0.142)
Junior high school graduate dummy	0.213*** (0.0223)	0.208*** (0.0304)	0.215*** (0.0341)
Junior college / Vocational school graduate dummy	-4.315*** (0.329)	-9.494*** (0.591)	
University graduate dummy	0.377*** (0.144)		
Junior high school graduate father dummy	3.697*** (0.259)		
Vocational school / Junior college graduate father dummy	-0.629*** (0.0784)		
University graduate father dummy	7.103*** (0.502)		
Junior high school graduate mother dummy	-0.733*** (0.0957)	-1.532*** (0.144)	6.056*** (0.494)
Vocational school / Junior college graduate mother dummy	-0.0495 (0.0854)	-0.0179 (0.115)	(0.114)
University graduate mother dummy	-1.140*** (0.195)	-1.991*** (0.304)	-1.363*** (0.163)
Junior high school graduate father dummy	-0.309* (0.186)	-0.103 (0.282)	-0.448* (0.252)
University graduate father dummy	1.384*** (0.134)	2.876*** (0.266)	2.278*** (0.207)
Junior high school graduate mother dummy	0.0149 (0.105)	-0.0534 (0.216)	0.00103 (0.125)
Vocational school / Junior college graduate mother dummy	-1.750*** (0.149)	0.0673 (0.117)	-3.064*** (0.275)
University graduate mother dummy	-1.412*** (0.144)	-0.0551 (0.259)	0.0840 (0.132)
Unemployment rate	0.0163 (0.110)	-3.084*** (0.762)	-2.337*** (0.277)
Income of person other than subject	-1.630*** (0.217)	-4.108*** (0.737)	-0.0521 (0.209)
Estimated annual income	0.00160 (0.00132)	0.000318 (0.00218)	-0.000590 (0.00178)
Regular employee immediately upon graduation dummy	-9.19e-05*** (4.89e-06)	-0.00229*** (0.000138)	-0.00206*** (6.57e-06)
Sample size	-0.00259*** (0.000169)	-0.00587*** (0.000343)	-0.00429*** (0.000323)
	-0.0141 (0.0723)	0.134 (0.112)	-0.000646 (0.0968)
	5,865	2,212	3,653
	5,865	2,212	3,653
	5,865	2,212	3,653

Notes: 1. Figures in parentheses show standard deviation.

2. *, **, and *** indicate statistical significance at 10%, 5%, and 1% levels respectively.

3. Educational level dummy reference is "High school graduate."

Table 3. Marriage Hazard Model Results: Cohort A

	Entire sample	Junior high / High school graduate	Vocational school, junior college or university graduate
Unemployment rate at time of graduation	-0.948*** (0.136)	-4.363*** (0.369)	-1.827*** (0.291)
Junior high school graduate dummy	4.738*** (0.610)	-16.644*** (1.432)	0.0324 (0.118)
Junior college / Vocational school graduate dummy	4.140*** (0.475)	-0.138 (0.135)	
University graduate dummy	7.801*** (0.905)	-0.621*** (0.227)	6.140*** (0.882)
Junior high school graduate father dummy	-0.836*** (0.159)	-0.117 (0.139)	-0.452** (0.226)
Vocational school / Junior college graduate father dummy	-1.437*** (0.366)	-0.618* (0.350)	-1.393*** (0.281)
University graduate father dummy	1.429*** (0.259)	-0.131 (0.210)	-2.469*** (0.565)
Junior high school graduate mother dummy	-1.794*** (0.261)	0.286** (0.143)	2.116*** (0.349)
Vocational school / Junior college graduate mother dummy	-1.136*** (0.290)	0.641*** (0.236)	-0.349 (0.255)
University graduate mother dummy	-1.646*** (0.471)	-0.0198 (0.442)	0.288 (0.485)
Unemployment rate	-0.00817*** (0.00241)	0.0573 (0.0543)	0.767** (0.319)
Income of person other than subject	-4.26e-05*** (6.49e-06)	-0.000979*** (0.000189)	0.0727 (0.455)
Estimated annual income	-0.00263*** (0.000287)	-0.00599*** (0.00115)	-0.0508 (0.0772)
Regular employee immediately upon graduation dummy	0.0941 (0.134)	0.0864 (0.132)	-0.000958*** (0.000252)
Sample size	2,470	2,470	1,377

Notes: 1. Figures in parentheses show standard deviation.

2. *, **, and *** indicate statistical significance at 10%, 5%, and 1% levels respectively.

3. Educational level dummy reference is "High school graduate."

Table 4. Marriage Hazard Model Results: Cohort B

	Entire sample		Junior high / High school graduate	Vocational school, junior college or university graduate
Unemployment rate at time of graduation	-0.585*** (0.209)	-0.110 (0.128)	-2.875*** (0.469)	-0.915* (0.515)
Junior high school graduate dummy	-1.784** (0.780)	0.284 (0.300)	-10.48*** (1.818)	(0.160)
Junior college / Vocational school graduate dummy	1.305* (0.750)	-0.594** (0.277)	(0.349)	
University graduate dummy	3.223** (1.404)	-1.064*** (0.309)		3.134* (1.781)
Junior high school graduate father dummy	-0.359 (0.234)	0.000297 (0.221)	-1.715*** (0.370)	-0.908* (0.497)
Vocational school / Junior college graduate father dummy	-0.885 (0.746)	-1.077 (0.726)	-2.344** (1.115)	-1.458 (1.120)
University graduate father dummy	0.738** (0.355)	-0.158 (0.269)	3.881*** (0.752)	0.962 (0.674)
Junior high school graduate mother dummy	-0.538 (0.369)	0.264 (0.223)	-4.417*** (0.815)	-1.210 (0.895)
Vocational school / Junior college graduate mother dummy	-0.516 (0.382)	0.0460 (0.288)	-3.172*** (0.573)	-1.021 (0.716)
University graduate mother dummy	-0.526 (0.525)	0.454 (0.473)	-4.230*** (1.312)	-1.253 (0.855)
Unemployment rate	-0.0365*** (0.0109)	-1.313*** (0.327)	-0.0681*** (0.0228)	-0.0235* (0.0127)
Income of person other than subject	-0.000119*** (1.37e-05)	-0.00295*** (0.000359)	-0.000116*** (1.91e-05)	-0.000122*** (1.90e-05)
Estimated annual income	-0.00129*** (0.000473)	-0.00394*** (0.00129)	-0.00737*** (0.00119)	-0.00218* (0.00117)
Regular employee immediately upon graduation dummy	0.0380 (0.176)	-0.0418 (0.173)	0.0937 (0.265)	-0.172 (0.253)
Sample size	1,297	1,297	485	812

Notes: 1. Figures in parentheses show standard deviation.

2. *, **, and *** indicate statistical significance at 10%, 5%, and 1% levels respectively.

3. Educational level dummy reference is "High school graduate."

Table 5 Marriage Hazard Model Results: Cohort C

	Entire sample	Junior high / High school graduate	Vocational school, junior college or university graduate
Unemployment rate at time of graduation	-1.282*** (0.185)	-3.669*** (0.457)	-3.425*** (0.367)
Junior high school graduate dummy	0.108** (0.0513)	0.210*** (0.0740)	0.0438 (0.0742)
Junior college / Vocational school graduate dummy	-6.035*** (0.652)	-14.68*** (1.671)	
University graduate dummy	5.689*** (0.535)	-0.213* (0.118)	
Junior high school graduate father dummy	10.90*** (1.076)	-0.585*** (0.147)	12.09*** (1.186)
Vocational school / Junior college graduate father dummy	-1.113*** (0.161)	0.0834 (0.128)	-2.332*** (0.284)
University graduate father dummy	-1.588*** (0.274)	-0.0896 (0.237)	-3.124*** (0.419)
Junior high school graduate mother dummy	2.009*** (0.230)	0.199 (0.139)	4.456*** (0.431)
Vocational school / Junior college graduate mother dummy	-2.736*** (0.293)	-0.0641 (0.135)	-5.998*** (0.597)
University graduate mother dummy	-2.246*** (0.244)	-0.205 (0.141)	-4.663*** (0.460)
Unemployment rate	-2.479*** (0.323)	-0.335 (0.252)	-4.885*** (0.511)
Income of person other than subject	0.0315*** (0.00414)	0.630*** (0.105)	0.965*** (0.176)
Estimated annual income	-0.000122*** (1.01e-05)	-0.00291*** (0.000270)	-0.00220*** (1.34e-05)
Regular employee immediately upon graduation dummy	-0.00394*** (0.000373)	-0.00583*** (0.000910)	-0.00852*** (0.000793)
Sample size	2,098	634	634
	2,098	634	1,464
	2,098	634	1,464
	0.0714 (0.101)	-0.128 (0.163)	-0.0161 (0.136)
			0.236* (0.133)
			0.516*** (0.130)
			-0.00351*** (0.000364)
			-0.0133*** (0.00225)

Notes: 1. Figures in parentheses show standard deviation.

2. *, **, and *** indicate statistical significance at 10%, 5%, and 1% levels respectively.

3. Educational level dummy reference is "High school graduate."

to be several possible interpretations. One is that the better a woman's job is, the more likely she is to meet a potential spouse with a high income. Another is that in Japan, the larger a company is, the more likely it is to offer full maternity leave, making it easier for a woman to choose marriage. We must keep in mind, though, that the annual market income used here is an estimated value based on educational level and unemployment rate at time of graduation as explanatory variables, meaning there is a possibility of issues caused by multi-collinearity. Also, the unemployment rate at each point in time is significantly negative except for when modeled only with cohort C, in which case it was significantly positive.

IV. Summary

Here, JPSC was utilized to perform hazard analyses of marriage using, respectively: earning potential, employment status (regular or non-regular employment), unemployment rate illustrating the supply-demand balance in the labor market, and covariates showing human capital such as educational level. The analyses found that higher estimated annual market income was positively correlated with later age of marriage, as was higher household income. Also, unless unemployment rate at time of graduation and estimated annual income were applied simultaneously, the effect of unemployment rate at time of graduation was significantly positive (i.e. was correlated with earlier marriage) for cohort A and cohort B. These findings suggest that for women in Japan, the "self-reliance effect" is dominant, a result that differs from those of previous studies cited earlier. However, the impact of these factors is extremely minor, and it must be kept in mind that the scope of this analysis is limited insofar as it applies only to women who remain unmarried at the age of 24.

These findings and those of previous studies point to the following conclusions. First of all, as suggested by Sakai and Higuchi (2005) and Mizuochi (2006), for men in Japan being hired as a regular employee immediately following graduation is associated with earlier marriage. This implies that the recent recession, accompanied by a drop in the percentage of workers who are regular employees, is a factor in the trend toward marriage avoidance. As illustrated by Nagase (2002) and Ohta (2007), the rise in non-regular employment among men is driving down the percentage of individuals who are married.

With regard to marriage among Japanese women, while Mizuochi (2006) did not obtain a stable conclusion, Nagase (2002) obtained results indicating that non-regular employment among youth was accompanied by a lower likelihood of marriage, and Hashimoto and Kondo (2012) found that a high rate of youth unemployment was correlated with later age of marriage. These conclusions are different from those drawn in the United States by Kondo (2012), where women with lower earning potential were more likely to marry earlier. While the findings of this study, in contrast to the other Japanese studies above, suggest that the "self-reliance effect" is dominant among women in Japan, it is not seen as having a major impact.

It appears likely that the increasing prevalence of non-regular employment among

men is contributing to the ongoing trend toward marriage avoidance. In this sense, the measures compiled by the Cabinet Office (2013) to facilitate the shift of non-regular workers to regular employment and to assist with career formation may be effective to some extent. However, as shown by Adserà (2004), a lack of flexibility in the labor market may be connected to a drop in the fertility rate, and what is needed in Japan today is not only repositioning of non-regular employees as regular ones, but also measures to change the fundamental nature of a labor market polarized between regular employees and non-regular, insecurely employed workers.

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The Family in Human Resource Management

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The purpose of this study is to discuss the types of family policy traditionally adopted by Japanese companies and the family problems they entail. First of all, I examined issues such as the payment requirements of family allowance and the method of selecting employees for transfer. The results suggest that companies assumed the normal model to be a male worker in a household with a full-time housewife, and undertook personnel management on that basis. Companies expected their employees' wives to ease their husbands' stress when it spilled over from work into the home, but forbade their employees from bringing stress from family and home life into their work (the unidirectional stress spillover hypothesis).

Next, I examined two problems in the family being paid attention to in recent years—namely, work-family conflicts and a decline in wives' marital satisfaction. These are caused by long working hours and led to mental health disorders among employees and their families. Companies were having to cope with employees suffering from depression and taking time off work. In reality, therefore, the boundary between work and family or home life was extremely fluid, and a bi-directional impact arose.

In recent years, work life balance has been advocated. This is a rationale and policy to the effect that work and family or home life should be balanced, and is premised on the bi-directional hypothesis of work and family. In future, human resource management will need to be steered in this kind of direction.

I. Introduction

Work and family, workplace life and home life are important components of an employee's life. Though both of these give life worth and color, they can also cause stress.

In general, boundaries between work and family are extremely fluid.¹ The two mutually affect each other, in both a good and a bad sense, but in recent years, attention has been paid to the spillover of stress between the two. As well as life events such as unemployment and compulsory retirement, daily stress caused by long working hours, overwork, and discordant human relations in the workplace can also spill over into home life and affect the family. Conversely, problems and worries arising in the family and home life also affect employees' execution of their work and their workplace lives. More and more employees are having to quit their jobs in order to look after a parent (Ministry of Internal Affairs and Communications [MIC], Employment Status Survey [2007]), while problems of children's upbringing, quarrels with the spouse, and excessive burdens of housework and childcare by dual earner housewives are a cause of declining work motivation among employees.

¹ On the spillover of stress between work and family, see Eckenrode and Gore (1990) and Kanai (2002).

When considering these causal relationships, two ways could be considered for the measures adopted by companies to the family, by way of enhancing their employees' work motivation. The first would involve highlighting the latter of these causal relationships and making the family the direct object of human resource management—in other words, a family policy. The second would be a method premised on bi-directional impact. Stress arising from work and workplace life produces a negative effect on family and home life, and in turn, that impact is thought to circulate to the employee's work motivation and behavior. If that is the case, companies need to undertake human resource management to minimize spillover of stress to family and home life.

Japanese companies have traditionally adopted the former position. For they have expected the family (particularly the wife) not only to take on all housework and childcare, but also to support their husbands both physically and mentally, and to cooperate so that the husband can devote his whole time and energy to his work. To this end, companies have provided the necessary resources for home life, and sent messages and information to families. Specific examples include the payment of family allowance and housing allowance, provision of company housing, and issue of company newsletters and so on (Ouchi 2002).

The purpose of this paper is to discuss the types of family policy adopted by Japanese companies in order to achieve their goals, and the family problems they entail. Family allowance and personnel transfers will first be taken up, companies' methods of dealing with the family will be studied, and the corporate view of "the family" emerging from that will be clarified. Next, work-family conflicts ("WFC") and wives' marital satisfaction will be cited as problems in the family being paid attention to in recent years. As one conceivable cause of these problems, companies have ignored the fact that stress spills over bi-directionally between work and workplace life, on the one hand, and family and home life, on the other. The work life balance ("WLB") advocated in recent years is a rationale and policy focusing on this relationship. Finally, WLB will be briefly touched upon, and proposals will be made for how companies should deal with the family in future.

II. How Companies Have Traditionally Dealt with the Family

At the core of human resource management by Japanese companies lies the rationale of "familistic management" (Hazama 1978). Conceived around the time of the First World War, familistic management was designed such that the relationship between company and employee would reflect that of parent and child in the family system so deeply ingrained in the Japanese at the time. Specifically, the company as the parent would guarantee the life of the employee as the child, along with his family, for the whole of his life. In return, the company would expect the employee to devote all of his resources, i.e. "time," "energy" and "space" to his work. As for the family, the father as head of household would earn the means to support his wife and children. In return, the family (particularly the wife) was expected to support her husband, the employee, so that he could dedicate his whole being to

the company. In this chapter, the current status of the family allowance and procedures for personnel transfer will be discussed, and the attitude of companies to the family (in other view, their perception of the family) will be clarified.

1. Family Allowance

(1) Definition and Purpose of Introduction

The family allowance is “a wage supplement paid as an allowance to employees who support a family, to assist with the living costs of the dependant family” (Kawano 1966, 87). Although this example of payment started before the war, it was only after 1946 that it spread in earnest. At the time, companies were short of wage resources, and were unable to pay their employees a sufficient basic wage for them to support their families. Therefore, in order to partly subsidize their living costs, various living allowances including family allowance, area allowance and housing allowance were paid (Kawano 1966). In other words, family allowance was paid at the discretion of each company as part of the wages paid to their employees, with the purpose of subsidizing their living costs.

(2) Proportion of Companies Paying

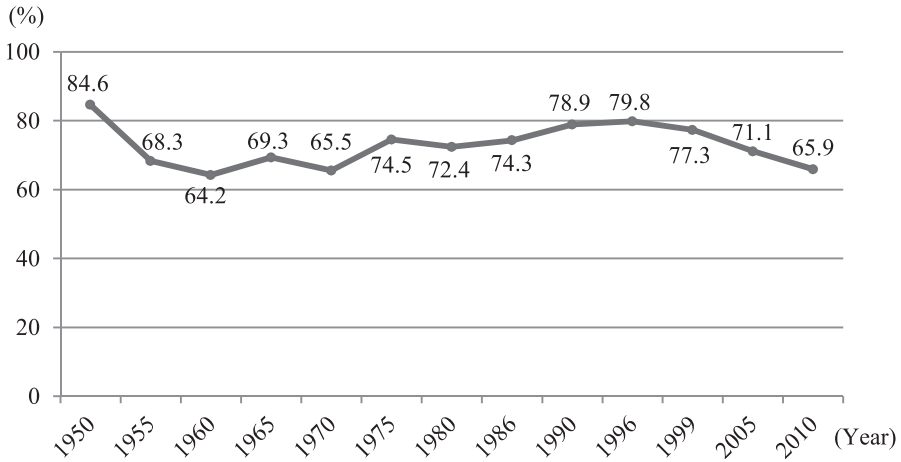
Figure 1 shows the proportion of companies paying family allowance. In 1950, 85% of companies paid it. The proportion has hovered around 70% since then, and stood at 66% in the most recent survey. When we see the ratio of family allowance to the scheduled wage (Figure 2), a conspicuously decreasing trend is revealed. In 1949 it accounted for about 10%. Over the next 60 years it decreased significantly, however, and was only in the 1% range in the latest survey.

(3) Targeted Recipients and Limits on Eligibility

In terms of the recipients of family allowance, the wife was the primary dependant and was paid the largest amount by 70–80% of offices. Next came children and parents, in that order. There was a limit on the wife’s eligibility, however. Half of the companies paying this allowance limited payments to wives whose annual income was within the range of exemption under income tax law. In other words, payments were limited to full-time housewives or wives earning incomes close to this in part-time labor.

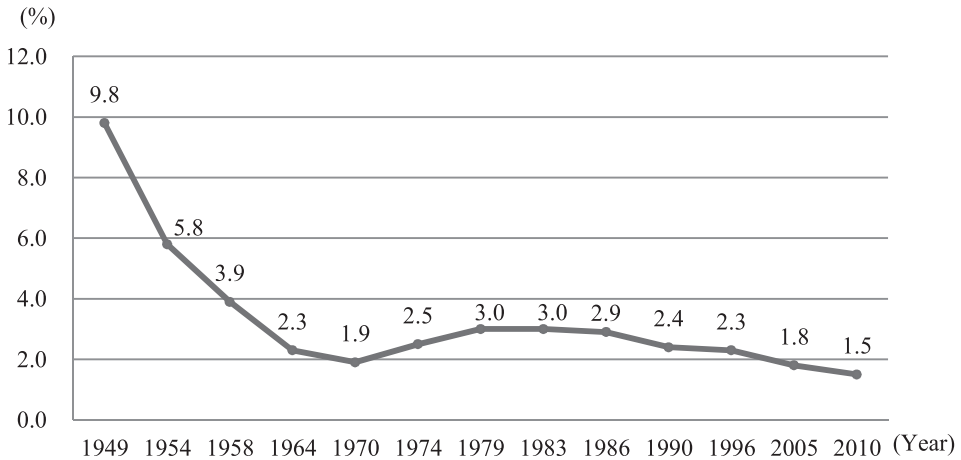
Family allowance was targeted at dependant families, and there were limits to companies’ wage resources. It could therefore be considered natural that companies would set limits on the targeted recipients. However, income limits were set by around 70% of large corporations and 50% of small and medium-sized enterprises. In other words, limits tended to be set more by large corporations, which could be expected to have had abundant wage resources (Ministry of Labour [MOL], “General Survey on Wages and Working Hours System. [1968, 1997]).

Incidentally, since full-time housewives spend more time on housework and childcare than dual-earner housewives, the husband’s burden of housework and childcare must be



Sources: 1949–1965: Ministry of Labour (MOL), *Summarized Results of Wage Structure Survey*; 1966–2002: MOL / Ministry of Health, Labour and Welfare (MHLW), *General Survey on Wages and Working Hours System*; 2003–2010: MHLW, *General Survey on Working Conditions*.

Figure 1. Proportion of Companies Paying Family Allowance



Sources: 1949–1965: MOL, *Summarized Results of Wage Structure Survey*; 1966–2002: MOL/MHLW, *General Survey on Wages and Working Hours System*; 2003–2010: MHLW, *General Survey on Working Conditions*.

Figure 2. Ratio of Family Allowance to the Scheduled Wage

reduced and his contribution to the company therefore higher. In other words, the support provided by the full-time housewife has large merits, and it is seen as natural that the family allowance should be paid in reward for this. Nevertheless, the husband’s actual time spent on housework and childcare per day was negligible, irrespective of the wife’s employment

Table 1. Housework and Childcare Time by Dual-Earning Households /
Households with a Full-Time Housewife (Per Day)

	Husband			Wife		
	1991	2001	2011	1991	2001	2011
Dual-earning households	19 mins.	26 mins.	39 mins.	4 hrs. 39 mins.	4 hrs. 37 mins.	4 hrs. 53 mins.
Households with full-time housewife	25 mins.	35 mins.	46 mins.	7 hrs. 42 mins.	7 hrs. 34 mins.	7 hrs. 43 mins.

Source: Ministry of Internal Affairs and Communications, *Survey on Time Use and Leisure Activities* (2011).

status (Table 1), and no data can be found to show any difference in the husband's contribution to the company. As such, companies' response with emphasis on full-time housewives seems to reflect the social climate or management beliefs that take gender-based role division for granted, rather than any actual advantage.

(4) Problems with Family Allowance and Future Trends

From the time of its launch, there were already calls from the GHQ (General Headquarters of the Allied Forces) advisory investigation team and others for family allowance to be scrapped as an undesirable allowance (Kawano 1966). In the 1980s, moreover, many companies introduced ability-based grade systems, followed by performance-based systems at the end of the 1990s. With this, the weight of labor remuneration elements (job performance ability, results, job content) increased as wage components, while that of personal attribute elements (age, gender, education, family size) decreased. In recent years, meanwhile, family formats have become more diverse, and there are more dual-earning households and unmarried persons who cannot benefit from family allowance. In fact, the amounts of family allowance are extremely meager; its significance in supplementing living costs now exists in name only, and some researchers are calling for it to be scrapped (Kawano 1966, 102). Nevertheless, family allowance is still the most common living allowance paid by companies.

2. Personnel Transfers and Lone Assignments (*Tanshin-Funin*)

Employee transfers are commonplace in Japanese companies. The purpose of these may be human resource training, making effective use of human resources, or workplace reform. It may also be necessitated by the establishment of new business sites due to business expansion, or by corporate consolidation. As larger corporations tend to have more business offices or factories, transfers account for a larger proportion there. Such transfers are undertaken every year by 90% of companies with 1,000 or more employees and by just under 70–80% of those with 300–1,000 employees (MOL, General Survey on Wage and

Working Hours System [1998]; Ministry of Health, Labour and Welfare [MHLW], General Survey on Working Conditions [2004]).

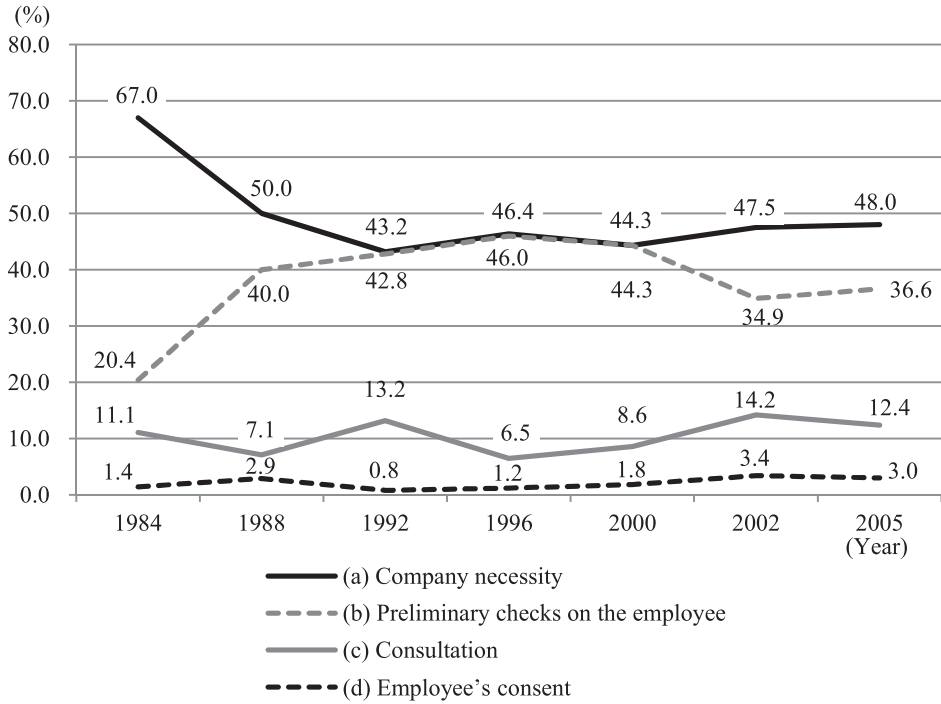
Here, the convenience of the company and the wishes of the employees or their families clash in terms both of the selection of transferees and of the choice of assignment format. Survey results reveal how the circumstances and wishes of employees and their families are taken into account when making such decisions, and, when an employee has chosen a lone assignment (i.e. a transfer away from the family), whether this gives a bad influence to the mental health of employees or their families.

(1) Companies' Rationale on the Selection of Transferees

Company surveys on transfers and lone assignments started in the 1980s. A company's selection of transferees falls into one of four categories. These are (a) a decision based on the company's convenience and necessity, (b) the individual's circumstances are looked into, but the company makes the decision, (c) transfer is recommended in consultation with the individual, and (d) no transfer is made without the individual's consent. The closer the situation resembles (a), the less likely it is that the employee's wishes will be reflected; the closer to (d), the more they will be respected. Judging from Figure 3, more than 80% of companies fall under (a) or (b), the emphasis being on the company's convenience or necessity. In temporal terms, most companies gave no consideration to the employee's circumstances, falling under category (a) above, when surveys started in the 1980s. Thereafter, category (b), in which a preliminary check is made on the employee and this is taken into account when selecting, increased to the same level as category (a), but (b) has fallen back again recently. The background to this is thought to be that companies' power over their employees increases in times of economic recession. Meanwhile, companies that respect the wishes of employees and their families when selecting transferees, i.e. categories (c) and (d), are very few, and this trend has not changed over the last 30 years (Institute of Labour Administration 2005).

Reasons taken into consideration in personnel transfers, according to the companies, were "family illness or childbirth," "presence of elderly parents," "children's education," "housing problems" and "spouse's job." The order of these has not changed since the surveys started in 1988, but the number of companies citing the various reasons has increased considerably since around 2003. That is, in companies where the circumstances of employees and their families are taken into account, the number of factors taken into account must have increased (Tanaka 2002; Institute of Labour Administration 2003, 2005, 2007).

In their selection of transferees, 80–90% of companies replied that they consider "family illness or childbirth" and around 70% that they consider the "presence of elderly parents." However, these two most frequently cited reasons are not thought to arise in too many families, even though the situation itself demands a high level of urgency. Conversely, "children's education" is cited as the reason why many transferees choose lone assignments. Even so, only 40–50% of companies took this into account in personnel transfers. In other



Sources: Institute of Labour Administration (2005).

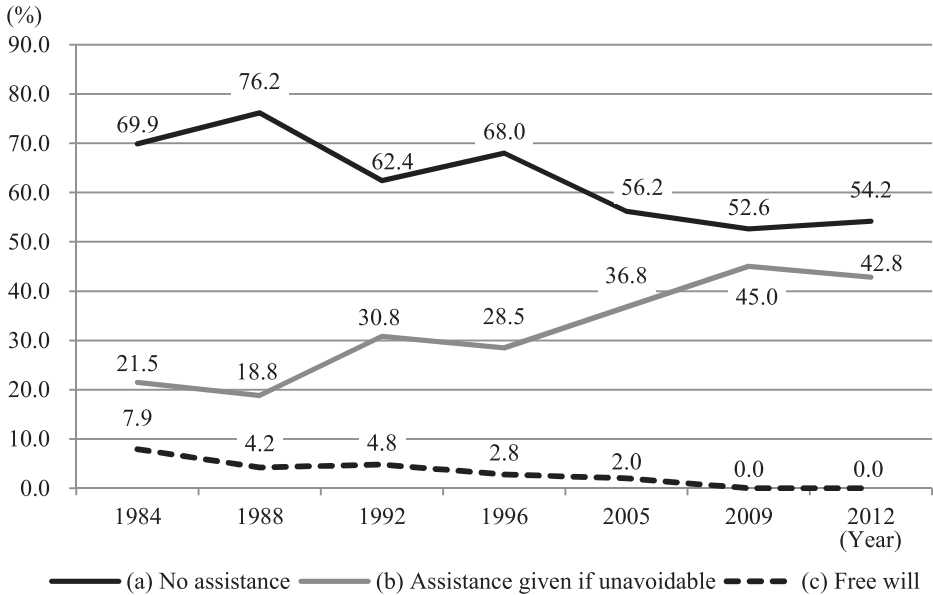
Figure 3. Reflection of Employees' Wishes in Selection of Transferees (Management Posts)

words, there was a gap between the companies' intentions and the employees' wishes. Since the reasons the family wants to be taken into account are those the company cannot take into account, there are not thought to be many cases where a transfer order is overturned on grounds of family circumstances.

(2) Companies' Rationale on the Selection of Assignment Format

When a transfer order is issued, the employee and family choose one of two assignment formats. One of these is accompanied assignment, in which the family accompanies the employee (*Taido-funin*); the other is lone assignment (*Tanshin-funin*), in which the employee goes to live alone in the assigned working location. Which choice is made should be within the free discretion of the employee and the family, but many companies seem not to have seen it that way.² A company's stance when deciding the assignment format takes one of three forms, namely (a) when a lone assignment is at the employee's own convenience, no kind of assistance is given, (b) when there are unavoidable circumstances, a lone

² On companies' involvement in transfers and choice of assignment format, see Okifuji (1986).



Sources: Institute of Labour Administration (2012).

Figure 4. Basis for Permitting Lone Assignment (*Tanshin-funin*)

assignment is permitted and various assistance is given, or (c) there is no particular rule, and the decision is left to the individual’s free will (Institute of Labour Administration 2012) (Figure 4). As a rule, accompanied assignment is the basic assumption in cases (a) or (b) (Institute of Labour Administration 2005, 7).

In case (a), companies apply a strong coercive force towards accompanied assignment, but hardly any company openly adopts this attitude today. In the 1980s, up to three-quarters of companies fell under case (b). From the 1990s, however, there was a sudden increase in case (c), i.e. companies leaving the choice of assignment format to their employees, almost reaching half of the total. In general, then, the choice of a family’s place of residence tends to be left to the family’s discretion. Even now, conversely, half of all companies only permit lone assignments to be chosen within a specific range of family circumstances.

The circumstances under which companies permit lone assignments vary somewhat, depending on the year. For example, “children’s education” has been cited by 98.1% of companies, “sickness or nursing of a family member” by 92.2%, “elderly parents’ difficulty in relocating” by 68%, “spouse’s work” by 54.4%, “spouse’s childbirth” by 53.4%, and “house purchase completed” by 48.5%. On the other hand, the reasons for employees choosing lone assignments, as ascertained by companies, were “children’s education” by 96.6%, “housing problems” by 60.3%, “family illness” by 40.9%, “problems with elderly parents” by 43.5%, and “wife’s job” by 37.6% (Institute of Labour Administration 2003, 2009).

The above would suggest that, compared to circumstances involving children and parents, fewer companies took account of the “wife’s job,” and few employees cited this as a reason for lone assignments. Spouses in cases of lone assignment were often in their 40s or 50s, and although the labor force participation rate of women in these age groups ranged from just under 60% to more than 70% at the time (Cabinet Office, White Paper on Gender Equality [2004]), less than 40% of employees cited “wife’s job” as a reason for lone assignment. Transfers are commonplace in large corporations, and, as mentioned above, large corporations preferred their employees’ wives not to be in employment. As a result, employees may have refrained from bringing their wives’ employment to the fore, responding instead with a reason permitted by the company (such as “children’s education”). Moreover, highly-educated women in Japan tend to have a low labor force participation rate if their husbands are high earners.³ In other words, there could be a large proportion of full-time housewives among the wives of management personnel in large corporations.

(3) Status of Lone Assignments⁴

One of the allowances paid during the war was the “relocation (evacuation) allowance,” suggesting that lone assignments already existed at that time. However, it was not until the 1980s that lone assignees increased and their situation began to attract attention (Tanaka 1991, 2). There were 175,300 lone assignees in 1986, but the number increased year by year, reaching 317,000 in 2004 (General Survey on Working Conditions). The proportion of married transferees who were lone assignees was 32.0% in 1992, 44.7% in 1996, 47.2% in 2000, and 49.1% in 2002 (Institute of Labour Administration 2003). Meanwhile, the age composition ratio of lone assignees was 35.7% in the 40s and 35.1% in the 50s, giving the 40s and 50s a 70% share of the total (Employment Status Survey). The most common reason for lone assignments was that the employees’ children were studying for exams to enter senior high school or university.

(4) Lone Assignees and Mental Health

The impact of lone assignment on the mental health of employees and their families will now be examined using the results of surveys comparing lone assignees with employees who cohabit with their families, and with accompanied assignees (Inaba 1991; Tanaka

³ In Japan, the labor force participation rate of highly educated and married women in age groups where there are many married women is lower than that of women graduating from senior high school. In particular, the participation rate is even lower among highly educated and married women whose husbands are high earners (Manabe 2004).

⁴ Fact-finding surveys on lone assignees are included in the Employment Status Survey (Management and Coordination Agency [1987, 1992, 1997] / MIC [2002, 2007]), the Survey on Employment Trends (MOL [1982–1985, 1990, 1995, 2000]), the General Survey on Wages and Working Hours System (MOL [1986, 1990, 1994, 1998]) and the General Survey on Working Conditions (MHLW [2004]), and are also conducted by the Institute of Labour Administration. In each case, the targeted company scale and survey scale are different.

1991, 2002; Tanaka, Nakazawa, and Nakazawa 1996; Tanaka and Nakazawa 2005; Awai and Seita 2004; Moriyama et al. 2012).

Harmful effects on mental health were found in ascending order in children, wives and the employees themselves. In other words, children suffered the smallest adverse impact. Compared to children in the accompanied group, those in the lone-assignment group had lower stress reaction (e.g. “Feel isolated”) and feelings of self-inadequacy (e.g. “Can’t do what I want to do”), but higher self-determination (e.g. “Have a clear image of my future”). Similarly, wives in the lone assignment group had a heightened “sense of solitude (e.g. “Feel lonely”)” and a lower “sense of elation (e.g. “Feel lively”).” When limited to mothers with young children, there was also a “sense of anxiety (e.g. “Have worries”).” In general, however, the mental health of wives in the lone assignment group did not deteriorate significantly. Indeed, a survey has produced the result that wives in the family cohabiting group had a greater sense of anxiety, irritation and inferiority complex.

It is the employees themselves who suffer the greatest adverse effect on their mental and physical health. Their jobs and workplaces are new, and they have to prepare their own clothing, food and accommodation, which would normally have been entrusted to their wives. On arriving home, there is no family member to help them unwind. In other words, lone assignees have to adapt to huge changes in their work, workplace life and home life. As a result, compared to the accompanied group and the family cohabiting group, the lone assignment group was exposed to greater stress in connection with family and work, their overall stress intensified, and their lifestyle-related illnesses and health checkup results also deteriorated. But what is interesting is that the lone assignment group had greater “work motivation” than the accompanied group. Therefore, considered in combination with the results of stress mentioned above, many employees in the lone assignment group were in the over-adaptive state of “heavy stress but strong motivation to work.”

As a reason why the mental health of wives and children in the lone assignment group did not deteriorate significantly, the fact that there was little change in their daily lives may be cited. Many children in the lone assignment group were in their latter years of junior high school. Particularly for teenagers, school life and relations with friends are very important, but in lone assignments, they do not need to change schools. Furthermore, in Japanese workers’ families, the husband and father works long hours, and daily life without him has become normal. In this sense, too, there was no great change in the daily lives of wives and children. Conversely, children in the accompanied group have to change schools, and lost their basis for daily life. Of course, this sense of loss decreased after a certain amount of time had passed.

Once a transfer had been decided, the couple or family talked it over, and the husband initiated the choice of lone assignments. In lone assignments, 90% of fathers returned home at least once a month, and 60% at least twice a month. However, wives who had a low sense of commitment to the company, had little physical or emotional support from those around them, and felt that negative life events were accumulating in their family, assessed the func-

tional adaptation of the family as deteriorating.

(5) Company Measures to Support Transfers

Because companies basically assume transfers to involve accompanied assignment, they support relocating families by assisting with educational costs associated with a change of school, managing homes left vacant by relocation, and so on. Meanwhile, measures to support lone assignments are also undertaken. In 80–90% of companies, financial support came in the form of separation allowance, payment of travel costs for temporary returns home, and so on. However, some companies imposed limits on the payment of separation allowance, depending on the age of children and the length of the lone assignment (Institute of Labour Administration 1986, 2009).

3. View of the Family Seen in “Japanese-Style” Management

Companies used to think that employees’ wives should devote much of their own personal time and energy to the family; they were assumed to be full-time housewives who would relocate together with their husbands if the latter were transferred. Companies saw employees with this kind of wife as the normal model, and managed their employees on this basis. Behind this lie the following assumptions by companies. The first was that they adopted the unidirectional hypothesis of impact between work and family. Employees would take the stress from their work and workplace life into their home life. The wives would then ease the stress, and support the husband so that he could return to the workplace in full vigor. Moreover, it was the wife’s role to deal with problems arising in the family and home life, and she was expected not to cause stress for the husband in the home. Meanwhile, companies also thought that employees should not bring problems from their family and home life to their work or workplaces, and that employees who did not do so were more capable. The second assumption was that employees and their families desired greater financial resources more than anything. And the third was that companies tried to find ways of cutting the costs necessary for family supports measures. They thought that the costs were aimed at the employees’ well-being and did not be their profits.

III. Problems in the Family Being Paid Attention to Today

In the foregoing, we have seen how companies encroached upon their employees’ families and home life, and attempted to direct the behavior of employees and their families. Turning to families and homes, however, negative events and problems occurred there. This chapter will discuss WFC and a decline in wives’ marital satisfaction.

At the bottom of these issues lies the problem of long working hours. Yamaguchi (2009) defined “overwork” as “actual working hours being in excess of desired working hours,” and surveyed the overwork rates of men and women aged 20 to 40. The results showed that, of those in full-time employment, 68.5% of married men and 62.3% of married

women are prone to overwork. In other words, 60–70% of both men and women were felt to “work too much.”

1. WFC and Mental Health Disorders

Companies traditionally regarded employees married to full-time housewives as the normal model, and took measures to restrict their wives’ employment. In reality, however, dual-earning couples have increased; in 1992, the number of dual-earning households exceeded that of households with a full-time housewife. In terms of personal time, even husbands in dual-earning households spent extremely little time on housework and childcare (Table 1). In other words, the dual-earning wife had to divide her time and energy between work and home, and was thought to suffer a conflict between demands from both sides.

WFC refers to a situation where “the roles demanded in two domains of life that are important for people, namely work and home, are not mutually balanced.” This WFC works in two directions, namely “conflict from the work domain to the family domain” and “conflict from the family domain to the work domain.” This paper will deal with the former. In addition, WFC takes three forms. One is “conflict based on time,” arising when too much time is needed for work, and not enough time can be allocated to performing family roles (i.e. those of a husband or father). The second, “conflict based on strain,” arises when stress factors at work cause irritation and depression, as a result of which the family role cannot be adequately performed. Finally, “conflict based on behavior” arises when the behavior patterns and values expected at work are not balanced with what is expected of the family role (Yoshida 2001, 74).

Of these, conflicts based on time have most often been taken up in research recently. These conflicts are stronger when children are younger, and weaken as they grow older. This is because more time is spent directly looking after younger children. Also, no difference in conflicts based on time was observed between fathers and mothers in dual-earning households with infants or elementary school children; when limited to families with infants, there was no difference in conflicts based on time between fathers in dual-earning households and households with a full-time housewife. In other words, many young fathers were in a state of time-based conflict, irrespective of the wife’s employment status (Fukumaru 2003; Koizumi et al. 2003; Nishimura 2011). Again, comparing the three conflicts as a whole between fathers and mothers in dual-earning households with low school grade children, the conflicts were stronger in the fathers (Watai, Murashima, and Nishikido 2006).

Next, in dual-earning households, WFC was itself a cause of depression. Mothers and fathers with infants, mothers and fathers with low school grade children, mothers with 11-year-old children, and mothers with children aged between 1st grade of elementary school and age 22 showed symptoms of heavy depression when they felt a conflict between work and home (Fukumaru 2003; Koizumi et al. 2003; Matsuura et al. 2008; Nishimura 2011). Since role conflicts in the workplace and the home are themselves intensely negative experiences, it is probably only natural that depression is felt. Moreover, WFC led to new

causes of stress. According to Koizumi et al. (2003), for example, mothers who have strong conflicts based on time felt childcare to be a painful experience, and often disagreed with their husbands on household expenditure and leisure activity, etc. A buildup of these negative experiences is thought to have amplified the state of depression.

Here, “depression” refers to an aggregation of symptoms including a depressed mood (sad, melancholy, etc.), being easily tired, losing confidence, feeling remorse, etc. According to Watai, Murashima, and Nishikido (2006), 19.4% of fathers and 30.3% of mothers with low school grade children go beyond the cutoff point at which depression is clinically judged to be a problem. Since this figure was 15.2% in the normal group (Shima et al. 1985), the mental state of fathers and mothers in particular in dual-earning households (particular mothers) could by no means be called good.

In that case, is children’s mental health affected by WFC between parents in dual-earning households? There has been little research on this, but an impact is found via different routes for fathers and mothers. In the case of mothers, conflicts based on strain directly intensified children’s stress reaction. In the case of fathers, conversely, children’s stress reaction was indirectly impacted, via nurturing behavior towards the child. For example, in fathers with junior high school children, WFC affected nurturing behavior, and the children’s stress reaction was heightened via these. That is, if the father had a high level of WFC, there was less behavior such as accepting the child with affection and having a warm relationship, or taking an interest in the child’s friends and school life, while behavior such as suppressing the child’s self-determination increased. As a result, the child’s depression, anxiety, fatigue and others were intensified (Fujimoto et al. 2013).

As shown above, mothers and fathers in dual-earning households have strong WFC, as a result of which both their own and their children’s mental health deteriorated. And the main cause of WFC was long working hours (Fukumaru 2003; Koizumi et al. 2003; Watai, Murashima, and Nishikido 2006).

2. Tendency for Wife’s Marital Satisfaction to Decrease

When discussing family problems in Japan, the focus is not often on the marital relationship. In the media, of course, problematic phenomena in marital relationships are sometimes depicted as humorous oddities. For example, the condition known as *fugenbyo* (“husband-derived ailments”) has often appeared on TV and elsewhere recently. The term was coined by Ishikura (2012), and refers to the considerable stress suffered by wives due to their husband’s careless behavior, inducing symptoms like the menopausal disorder. Kurokawa (1993) asserts that a similar phenomenon was already occurring among wives 20 years ago, when the husband stayed at home following compulsory retirement, etc.

Behind these phenomena lie problems in the quality of the marital relationship. Marital satisfaction is an indicator for measuring this. In Japan, characteristic features are that the wife’s marital satisfaction decreases as years pass after marriage (Yamaguchi 2009; Nagai 2011) (Figure 5), and that the wife’s satisfaction is lower than the husband’s (Inaba



Sources: Nagai (2011).

Figure 5. Changes in Marital Satisfaction with Years of Marriage

2004; Kinoshita 2004). These tendencies had already been pointed out by Ushijima (1955), the first to research marital satisfaction in Japan.

The tendency for wives' satisfaction to decrease is thought partly due to their husbands' long working hours. Yamaguchi (2009, 135) comprehensively analyzed factors that reduce wives' satisfaction, identifying nine factors shared by dual-earners and full-time housewives. In descending order of strength, they were (1) the paucity of cherished activities as time spent with the husband (for example, meals on weekdays, housework and childcare on days off), (2) being married for too long, (3) birth of the first child, (4) not enough time spent in conversation on weekdays, (5) not enough time shared in activities on days off, (6) husband's unemployment, (7) husband's small share of childcare tasks, (8) low household savings and other assets, and (9) husband's low income. Of these, (1), (4), (5) and (7) require the husband's time, and so would be difficult to rectify with a husband who works long hours, devotes all his energy to his work and spends little time at home. Also, as factor (1) suggests, this was not merely a question of the length of time, but also included sharing pleasant moments with the husband, or in other words, the quality of the time.

The research by Ito, Sagara and Ikeda (2007) also produced similar results regarding husbands and wives. Specifically, as factors that determine the satisfaction of couples who have children in the childrearing phase and those who have college or university students in the middle-aged phase, they studied the amount of communication time and the amount of self-disclosure. Here, self-disclosure means "talking candidly," and indicates the quality of communication. As a result, marital satisfaction was higher in both groups when more time was spent and the couple often spoke candidly. In particular, both the quality and the amount of communication determined satisfaction more strongly in wives than in husbands.

From the above, both the amount and the quality of time would appear necessary in order to enhance marital satisfaction. That is, the time available to be shared by the couple should not only be long, but a relationship of trust is also needed, whereby the time spent together is cherished, the couple can speak candidly to each other, and they listen to each other.

Furthermore, marital satisfaction was a determinant of depression among couples in dual-earning households; even among full-time housewives, there was a correlation between satisfaction and depression. That is, a spouse who was dissatisfied with the marital relationship was more prone to suffer from depression. The exception to this was the husband in a household with a full-time housewife. Perhaps because, for a husband with a full-time housewife, the marital relationship is not a matter of great concern, there was no correlation between satisfaction and depression here (Fukumaru 2003).

IV. For Human Resource Management with Emphasis on WLB

Thus, long working hours tend to raise a couple's WFC and reduce marital satisfaction, and disturb the well-being of home life. In recent years, there has been an increase in "depression" among the prime working generation in their 30s to 50s (MHLW, Patient Survey [2011]). In the workplace, the number of workers taking leave or leaving their jobs because of "depression" is increasing (MHLW, Survey on State of Employees' Health [2012]), and companies say they are hard-pressed to cope. In other words, a bi-directional spillover of stress between work and family has arisen. Conventionally, companies have adopted measures to ensure that problems from family and home life are not brought into the workplace, for example, through systems of rewards or penalties towards employees and their families, persuasion, admonition and encouragement, and so on. But these measures can themselves cause stress. Instead, companies should improve their policies on human resource management to make it more difficult for a negative cycle of effects to start; they should ensure that there is a balance between work and workplace life, on the one hand, and family and home life on the other.

Furthermore, as the working population continues to shrink in future, companies will need to secure healthy, motivated and capable employees and have them work over the long term, irrespective of gender, nationality, age or other attributes. To achieve this, companies should aim to create workplaces where employees with diverse values, lifestyles and family circumstances will be able to coexist and work together.

In recent years, WLB has been advocated. This is the rationale and policy to the effect that an employee's "work and home life are balanced and neither is sacrificed for the other" (Yamaguchi 2009, 1), thus supporting diverse ways of working. Family and home life ease the work and workplace stresses suffered by male and female employees, and have the function of labor reproduction. At the same time, employees have family circumstances such as childcare and nursing care; they may wish to take part in lifelong learning and vol-

unteer activity. WLB policies support workers in choosing this way of working at certain times in their lives. In companies where this has been achieved, it has reportedly helped to improve employee motivation, secure human resources, and avoid reduced productivity and risks due to long working hours (Gakushuin University Research Institute for Economics and Management 2008).

Furthermore, to be able to implement a system in support of WLB, we will need to reform workplace culture where the diverse values and lifestyle are accepted and to materialize task management and ways of working where employees can work under “time constraints,” and so on. In other words, the aim of WLB is to reform not only human resource management but also business operation in general. As such, it can be a strategy for corporate growth (Sato and Takeishi 2010).

From the above, WLB is premised on a natural human image in which the flow of bi-directional impact between work and family is recognized. Although financial resources are important for employees and their families, these are merely means of maintaining and enhancing home life; resources of time and energy are also necessary. Depending on the method used, human resource management based on WLB will serve the long-term interests of companies.

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Family Formation and the Social Law

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Although the laws known collectively as “social law” do not directly govern the nature of family formation, there is an extremely diverse and complex interactive relationship between the two. The traditional Japanese system of employment, and the laws that have supported it, are clearly constructed on the unspoken premise of the (male) single-earner household. As a result, they have served to universalize and consolidate this image of the family without being specifically intended to do so. On the other hand, this relationship between social law and the family has changed greatly since the 1990s, backed by the two legislative and policy objectives of employment equality and measures to halt the decline in the birthrate. This stems from an awareness that family and work are in a mutually complementary relationship. Meanwhile, the concept of “work life balance” (WLB), much discussed in the second half of the 2000s, is also worthy of attention. It involves reappraising the family from an angle that had tended to be forgotten in Japan—namely, that of the financial burden associated with having a family. Moreover, based on the normative value of workers’ self-determination, WLB goes beyond the aspect of family responsibility to consider the whole of a worker’s private life, revealing a comprehensive image of a new society. Today’s social law is expected to be fully cognizant of the fact that it must exert an extremely significant impact on the image of the family, albeit indirectly, while bearing in mind that the family is not the direct object of concern in its legal intervention—particularly in relation to the discussion of measures to halt the declining birthrate—and to serve as a “social creation law” based on these new values.

I. Introduction: Social Law and Family Formation

1. The Law and Society

In this paper, the relationship between social law (labor law, social security law) and “the family” in Japan will be studied by tracing the growth and development of social law in postwar Japan. The purpose in doing so will be to consider the roles that social law should play in a worker’s relationship with the family.

The family¹ is one of the important elements that make up our society. This society is in an interactive relationship with the laws that govern it, whereby (i) laws impact society and influence the mechanisms that form social order (social norms),² while (ii) conversely,

¹ The family is defined by a diversity of elements including blood relations and marriage, cohabitation and cooperation, awareness (people’s perceptions of family) and systems (subjects to which the law attributes certain effects as the family). Atsushi Omura, *Kazoku ho* [Family law], 3rd ed. (Tokyo: Yuhikaku, 2010), 9–11.

² Here, “social norm” refers to a non-legal mechanism for forming order in social life. On the concept of social norms, see Takashi Iida, “*Ho to Keizaigaku*” *no Shakai Kihanron* [Theories of social norms in “law and economics”], (Tokyo: Keiso Shobo, 2004), 60ff. On the impact the law can have on

by incorporating social norms, laws are themselves influenced by those norms.³ Moreover, when a law incorporating social norms is created, the existence of said law makes the norms more widely accepted by society, thus universalizing and consolidating them.⁴ In this way, the relationships in (i) and (ii) concerning a given legal norm occasionally arise in connection with each other, with the passage of time (what we call in this article the “social norm universalizing and consolidating” function of law). On the other hand, reflecting some value that the law itself is supposed to embody, the law may even incorporate a norm that is different to those established in society. In such cases, the law’s very purpose is to change the existing social norm (what we call the “social creation” function of the law⁵).⁶

2. Social Law and Society

Based on the premise above, let us very simply enumerate the roles to be played by labor law and social security law in their relationship with society. Firstly, Labor law intervenes to free contracts between individuals either by penalties as well as administrative controls, etc. (labor protection law), or by coercive effect on these contracts, based on legal principles such as abuse of rights (labor contract law, in broad sense).⁷ Such legal interventions are normally justified under Article 27 (2) and (3) of the Constitution, and by the higher-level principle of labor contracts, in that they protect workers in weaker negotiating positions (for reference, see Article 1, Article 3 [1] of the Labor Contract Act).

On the other hand, even if values and higher-level norms exist to justify such legal intervention, laws that bind the parties with obligations too far divorced from reality may not actually function in the field of labor law, where the cost that the law might generate has to be borne by the employer or labor-management relations.⁸ Therefore, when legal intervention is made in expectation of the social creation function, careful attention should be paid to confirm the existence of a value or higher-level norm that could justify such inter-

social norms, *ibid.*, 133ff.

³ Makoto Ishida, “Kodo Seicho to Rodoho: Nihonteki Koyo Shisutemu to Rodoho no Sogo Kochiku [High-level economic growth and labor law: Interactive formation of the Japanese-style employment system and labor law],” *The Japanese Journal of Labour Studies* 55, no. 5 (2013), 78–87.

⁴ *Ibid.*, 79.

⁵ For reference, see Junichi Aomi, *Ho to Shakai: Atarashii Hogaku Nyumon* [Law and society: A new law primer] (Tokyo: Chuo Koronsha, 1964), 104ff. In a historical context, laws related to labor legislation and the welfare state indeed served as social creation laws. In this paper, this historical context will be set aside and the discussion pursued, for the time being, on the premise of the existing social state and welfare state.

⁶ See also Shinya Ouchi, “Hoseido to Jittai no Kankei ni Kansuru Futatsu no Teze” [Two theses on the relationship between legal systems and actual situations],” in *Yuai to Ho* [Fraternity and the law], ed. Kazuo Sugeno, Shigeya Nakajima, and Akira Watanabe (Tokyo: Shinzansha, 2007), 39–40.

⁷ Takashi Araki, *Rodoho* [Labor Law], 2nd ed. (Tokyo: Yuhikaku, 2013), 39–40.

⁸ Takashi Araki, “Rodo Rippo ni okeru Doryoku Gimu Kitei no Kino: Nihongata Sofuto Ro Apurochi? [The function of provisions for obligatory efforts in labor legislation: A Japan-style soft law approach?]” in *Rodo Kankeiho no Gendaiteki Tenkai* [Contemporary developments in labor-related law] (Tokyo: Shinzansha, 2004), 43.

vention. Mechanisms for correcting divergence from social norms also need to be studied (in Japan, gradual systems are occasionally chosen, by for example imposing an obligation to make efforts or amending the law in stages).⁹

Next, social security law focuses on loss of income and hardship in daily life as the potential result of the civil law principle, and particularly the principle of citizens' responsibility for their own livelihoods as the consequence of that. It directly impacts the result of this, mainly through the payment of benefits. For this reason, laws are always constructed in forms focusing on needs that actually exist in society, and thus incorporate those needs. As a result, the simple function of social creation is probably not intended as the main function, at least,¹⁰ and this tends to encourage legal intervention that appears to have the function of universalizing and consolidating the status quo. Moreover, social security law is not necessarily subject to normative evaluation as to whether the existence of those needs is in itself desirable or not. Rather, if a need actually exists and is thought to justify the fair procurement and redistribution of public funds from the perspective of guaranteeing the right to maintain a living (Constitution of Japan, Article 25), a law might be created to cover that need.

3. Labor Law, Social Security Law and the Family

From section II below, based on the premise outlined above, the author will trace through the era of high-level economic growth to analyze how social law has taken account of "the family" within its system. Given the diverse relationship between the law and society, as shown above, the issue will be studied as broadly as possible, while paying attention to the roles of laws thought to have had an indirect impact on family formation. Owing to limitations of space, the main focus of the study will be on labor law, while mention of social security law will be limited in nature.

II. The Era of High-Level Economic Growth

1. Labor Law: The Japanese-Style Employment System, Wages Based on Seniority, and the Family

(1) The So-Called "Japanese-Style Employment System"

To understand the relationship between labor law and the family in the era of high-level economic growth from the 1950s onwards, we need to understand the so-called

⁹ For reference, see Araki, *supra* note 8, at 43; Ouchi, *supra* note 6, at 54–55.

¹⁰ Moreover, even if the needs existing in society are clear, systems in conflict with actual needs are sometimes created, owing to other circumstances such as the administration of social security finances. Examples include legal amendments to raise the starting age for payment of old age pensions to 65 in a situation where a consolidated retirement age of 60 has become the norm with the vast majority of workers (1994, 2000). As a result, social norms were forced to change to a society where people work until age 65 (legislation in the field of labor law related to employment of the elderly has played an important role in this process).

“Japanese-style employment system” that was created in that era, and the system of wages adopted at the time. To enumerate these very simply, the “Japanese-style employment system” was a way of employing people characterized by seniority-based treatment on the premise of long-term employment (→ [2]), and by company unions that developed in the closed internal labor market of individual companies.¹¹ Although it was not planned that workers would be dismissed flexibly in line with business cycles and the like (limits on adjustment by the external labor market), on the other hand, flexible adjustment in the internal labor market (such as working hours and personnel redeployment) was permitted. Moreover, a strict distinction was made between regular employees, who benefited from this special employment system, and non-regular employees, who were positioned outside of it. The latter were given the role of supplementing adjustments in the external labor market, as a kind of regulating valve for employment. This employment system was a custom that had become established in actual practice for the regular employees of large corporations, but was legally ratified as the legal principle of abuse of dismissal rights, etc., in the form of case law.¹²

(2) The Seniority-Based Wage System

In the “Japanese-style employment system,” many companies adopted performance-related pay systems based on seniority.¹³ Historically, this treatment based on seniority was enforced by the state during World War II, then taken over by the labor movement after the war, and was subsequently established by being supported by labor unions,¹⁴ thus linking with the practice of long-term employment described above. The family allowance paid by companies to workers with responsibility for family dependants also expanded significantly under wage controls during World War II, and became established as a perk for regular employees.¹⁵ The wage structure established in this way could be evaluated as essentially guaranteeing workers a living wage in line with the age-specific cost of living.¹⁶ Although this wage structure was not forced by law, it was a practice that matched

¹¹ Ishida, *supra* note 3, at 79.

¹² Ishida, *supra* note 3, at 86. As well as strictly regulating dismissals of regular employees, legal precedents are also judged to confirm that there is a big difference between regular and non-regular employees in terms of the stability of employment. Supreme Court judgment in the Hitachi Medico case (Sup. Ct., 1st Petty Bench, Judgment, Dec. 4, 1986, Hanrei Taimuzu 629–117).

¹³ Keiichiro Hamaguchi, *Atarashii Rodo Shakai: Koyo Shisutemu no Saikochiku he* [A new labor society: Towards a reconstruction of the employment system] (Tokyo: Iwanami Shoten, 2009), 119ff.

¹⁴ Keiichiro Hamaguchi, “Chingin Seido to Rodoho Seisaku [Wage systems and labor law policy],” *Quarterly Labor Law*, no. 212 (2008): 208–09.

¹⁵ Keiichiro Hamaguchi, “Nippon no Rodo Shisutemu (iii): Kazoku Teate no Bunmyaku [Japan’s labor system (iii): The context of family allowance],” *Chingin Jijo*, no. 2539 (2008): 3.

¹⁶ Keiichiro Hamaguchi, “Nippon no Rodo Shisutemu (ii): Seikatsukyu to Doitsu Rodo Doitsu Chingin [Japan’s labor system (ii): The living wage and same wage for same labor],” *Chingin Jijo*, no. 2537 (2008): 4; Yoshio Sasajima, “Seikatsukyu: Seikatsukyu no Genryu to Hatten [The living wage: Origin and development of the living wage],” *The Japanese Journal of Labour Studies* 53, no. 4

with long-term labor relationships, was closely linked to this and became deeply permeated and established in Japan's labor relations.

(3) Creation of the “Japanese-Style Employment System” and the Family

(i) An Employment System Suited to the Needs of Single-Earner Households

How should we evaluate the nature of the Japanese-style employment system described above and the law that has supported it, from the perspective of the family? Speaking ahead of the conclusion, there has been no process of labor law directly taking account of the family when constructing case law, etc. Conversely, the nature of this employment was a system that suited the needs of the (male) single-earner household, in which a male worker supported a spouse and children as the main breadwinner, the prevalent format in Japan at the time (in the following, this term shall be used to include households in which the spouse was working as a secondary breadwinner). In another way, this employment system was accepted and widely established, precisely in premising this kind of household.¹⁷

That is, if the single-earner family in which there is only one main earner is taken as the premise, the expectation of securing a stable and continuous income by that earner over the long term is an important element as the economic foundation of the family.¹⁸ Conversely, if long-term employment is not taken as a premise, family formation by single-earners poses a significant risk. For many workers, moreover, a wage structure based on a living wage means that wages rise in line with the increased burden of family dependants, and this also contributes to the stability of the family's economic foundation.

Furthermore, as stated above, the inflexibility of the external labor market for regular employees was supplemented by non-regular employees, but many non-regular employees were female workers who played an auxiliary role in household finances and whose spouses were regular employees. As a result, the instability of employment for non-regular employees did not cause a problem in terms of the family's economic stability as long as the regular employees remained in employment.

(ii) The Case Law Principle Facilitating a Flexible Internal Labor Market with Long Working Hours, and the Family

In the Japanese-style employment system, the case law principle enabling the employer to order transfers and secondment against the wishes of the worker has been evaluated positively, to a certain extent, as a channel for human resource development and career formation of full employees on the premise of long-term employment.¹⁹

(2011): 42.

¹⁷ Mutsuko Asakura, “Rodoho to Kazoku Seikatsu [Labor law and family life],” *Horitsu Jiho* 78, no. 11 (2006): 25–26.

¹⁸ For reference, see Hamaguchi, *supra* note 13, at 121–22.

¹⁹ Michiyo Morozumi, “‘Shigoto to Katei no Bunri’ to ‘Shigoto to Katei no Chowa’: Rodoho ni okeru futatsu no kihan to haiten hori [‘Separation of work and home’ and ‘Harmony of work and

The Supreme Court judgment in the Toa Paint case (Sup. Ct., 2nd Petty Bench, Judgment, Jul. 14, 1986, Hanji 1198–149) recognized the employer’s right to order redeployment, unless there is an individual agreement limiting the place or type of work, as justified by provisions on said right in labor agreements and rules of employment. However, it deemed a redeployment order invalid as an abuse of authority, in cases where there is no business necessity, where the redeployment order is made for improper motives or objectives, or where the worker is made to suffer a “disadvantage significantly exceeding the normally tolerable level.” Then, workers living separately from their families (i.e. on lone assignments) have been, in many judicial precedents, deemed to suffer a “disadvantage not exceeding the normally tolerable level” unless there are exceptional circumstances.²⁰ In academic studies today, this case law principle has been criticized as lacking respect for the worker’s home life,²¹ but at the same time, it reflected the social norms in Japan at the time to a certain extent.²² At the time, it was more or less accepted as a social norm that spouses would accompany their husbands on a transfer, or that the worker would go alone and live apart from the family, while the spouse would be responsible for childcare and other aspects of family responsibility in general.²³ We may understand that the courts, while taking into account the actual nature of workers’ households at that time, prioritized employment security in the context of a tradeoff between employment security and respect for family life.²⁴

Meanwhile, long working hours resulting in death from overwork have been partly caused by demands for internal flexibility within companies. In legal terms, Article 36 of the Labour Standards Act, which essentially permits unlimited extensions of working hours through agreements with labor unions organized by a majority of the workers, etc., and no-

home’: Two norms in labor law and the legal principle of redeployment],” in *Rodohogaku no Tenbo* [The outlook for labor law studies], ed. Takashi Araki, Masahiro Iwamura and Ryuichi Yamakawa (Tokyo: Yuhikaku, 2013), 453.

²⁰ Osaka District Court judgment in the Chase Manhattan Bank case (Apr. 12, 1991, Hanrei Taimuzu 768–128), Fukushima District Court Koriyama Branch judgment in the NTT East Japan (Redeployment Request, etc.) case (Nov. 7, 2002, Rodo Hanrei 844–45), and others.

²¹ Hajime Wada, “Haiten Meirei to Katei Seikatsu (Katei Sekinin) he no Hairyo: Rodohogaku no Tachiba kara [Redeployment orders and consideration for family life (family responsibility): From the perspective of labor law studies],” *Jurist*, no. 1298 (2005): 124.

²² Hideki Mizuno, “Haiten Meirei to Katei Seikatsu (Katei Sekinin) he no Hairyo: Rodo no Tachiba kara [Redeployment orders and consideration for family life (family responsibility): From the perspective of the worker],” *Jurist*, no. 1298 (2005): 136.

²³ The judgment in the Teikoku Hormone (Lone Assignment) case (Tokyo Dist. Ct., Judgment, Sep. 29, 1993, Hanrei Jiho 1485–122) asserted that “the rationale that family life should be prioritized ... cannot be deemed socially mature under current circumstances.” On the situation in the 1970s, Toshiko Kanno, “Nippon no Ikuji Kyugyoho, Ikuji Kaigo Kyugyoho Seitei Katei ni miru Henyo [Transformation of attitudes seen in the process of enactment of the Child Care Leave Act and the Child Care and Family Care Leave Act in Japan],” in *Shakaiho no Saikochiku* [Reconstructing social law], ed. Fumito Komiya et al. (Tokyo: Junposha, 2011), 139–40.

²⁴ For reference, see Morito Hata, “Haiten Meirei to Katei Seikatsu (Katei Sekinin) he no Hairyo: Shiyoshagawa no Tachiba kara [Redeployment orders and consideration for family life (family responsibility): From the perspective of the employer],” *Jurist*, no. 1298 (2005): 132.

tification to the relevant government agency, still today forms the basis of this.²⁵ Though these long working hours naturally restrict the worker's home life, it is only quite recently that such problems have come to be discussed as problems of the family; from the 1990s, they were mainly discussed as problems of the worker's own health. Here too, a structure can be seen in which it was difficult for the relationship between working hours and family responsibility to be taken up as a problem, in the context of all family responsibility being assumed by spouses in single-earner households.²⁶

2. The Development of Social Security

(1) Consideration for Dependant Relationships and the Tardy Development of Family Allowance

In Japan, the era of high-level economic growth after World War II was a time when social security advanced markedly and the basic building blocks of today's social security system were laid. Directions for the development of social security after the war were set out in the "Report on the Social Security System" (Advisory Council on Social Security, 1950). The report defined social security as "implementing economic security measures... against the causes for needy circumstances including illness, injury, childbirth, disablement, death, old age, unemployment and having a lot of children... ensuring minimum levels of subsistence... for the needy." Of these causes of poverty, "death" and "having a lot of children" were understood as needs in which the risk of losing family support and the financial burden caused by having a lot of children should be covered by social security. In the field of social security law, the family was primarily considered from the viewpoint of dependant support and financial burdens.

However, it was not until 1971 that child allowance was introduced in Japan, thereby bringing the cost associated with supporting children under the umbrella of social security.²⁷ Including later developments, child allowance was slower to progress than other systems, as well as in international terms.²⁸ As has already been pointed out by different authors, this situation resulted from the fact that the need for remedial action via social security was not readily manifest, as the burden of child support had been covered by the seniority-based living wage described above.²⁹

²⁵ Yuichiro Mizumachi, "Rodo Jikan Hosei no Kadai to Kaikaku no Hokosei [Issues with legislation on working hours and directions for reform]" (discussion paper 10-J-012, The Research Institute of Economy, Trade and Industry, Tokyo, 2010), 4.

²⁶ Morozumi, *supra* note 19, at 442.

²⁷ For reference, see Eri Kasagi, "Gendai no Rodosha to Shakai Hoshō Seido [Workers and the social security system today]," *The Japanese Journal of Labour Studies* 53, no. 7 (2011): 44.

²⁸ For a comparison of expenditure related to family policies in general, see Takahiro Eguchi, "Kodomo Teate" to Shoshika Taisaku ["Child allowance" and measures to halt birthrate decline] (Tokyo: Horitsu Bunkasha, 2011), 125.

²⁹ Hamaguchi, *supra* note 15, at 3; Kasagi, *supra* note 27, at 43.

(2) Consideration of Needs Premised upon the Single-Earner Household

Various forms of social security were created and developed in Japan from the end of the war until around the 1980s, via the era of high-level economic growth. These included many schemes premised upon the single-earner married couple that was prevalent at the time. A classic example of this is the so-called “Class 3 insured persons system” (National Pension Act, Article 7 [1] iii), created specifically for full-time housewives, whereby the whole amount of the basic pension is paid to the dependant spouse of an employee without needing to pay any pension contributions.³⁰

3. Discussion

Two points will be made in connection with the discussion above. Firstly, it should again be stressed that aspects in which the law influences society are diverse and complex. The case law that constitutes and supports the Japanese-style employment system did not take direct account of the worker’s family, but at the same time, was clearly created on the premise of the single-earner household that was prevalent at the time. As a result, it served to universalize and consolidate this image of the family. In this way, even without legal intervention whereby the law consciously “takes into account” a given social norm (here, aspects of the family), when implicitly premised on this norm, a universalizing and consolidating effect could arise in connection with the premised social norm. From this perspective, labor law in this period could be said to have engaged in legal intervention in a form that significantly influenced the image of the family. In social security law, meanwhile, the system was designed with direct consideration of the needs of single-earner couples, and is consequently thought to have consolidated and universalized this image of the family. Here again, however, the law did not positively evaluate or consciously consolidate and universalize this image of the family. Thus it should be noted that, in pursuing its own objectives, the law produced the side effect, as it were, of consolidating and universalizing social norms.³¹ Also, all of the above-mentioned judicial precedents on redeployment have occurred since the 1980s, and these judgments are thought to have been premised upon the social norms of the time. As this shows, the process whereby, with the passage of time, social norms that have been consolidated and universalized by the law are incorporated back into law and reinforced also cannot be ignored.³²

³⁰ On the positioning of the “household” in the pension system, Masahiko Iwamura, “Shakai hoshō ni okeru setai to kojīn [Households and individuals in social security]” in *Kojīn wo Sasaeri Mono* [What supports the individual] (Tokyo: University of Tokyo Press, 2006), 278–79.

³¹ Research on the law and gender discusses this function of the law. Mutsuko Asakura, *Rodoho to Jenda* [Labor law and gender] (Tokyo: Keiso Shobo, 2004), 5ff. For reference, see Nathalie Morel and Alexandra Jönsson, “Soutenir les femmes ou changer les hommes? Les trois mondes des politiques de conciliation vie familiale-vie professionnelle,” in *Où va la protection sociale?*, Anne-Marie Guillemard (Paris: PUF, 2008), 256–57.

³² See also Mutsuko Asakura, *Rodoho to Genda* [Labor law and gender] (Tokyo: Keiso Shobo, 2004), 63.

The second point is that, when seen from the concerns of social law, the family has two different types of importance for the worker.³³ From an economic perspective, the family is something that should be supported by the worker. But from geographical, temporal and psychological perspectives, work and family (home life) are in a complementary relationship,³⁴ i.e. one in which each defines the outline of the other. In the Japanese-style employment system, the financial burden imposed on the family is hidden in the shadow of the living wage based on seniority, and does not become manifest. Moreover, no attention was paid to the complementary relationship of work and family, as it was not envisaged that regular employees would bear responsibility for the home.

Thus, the Japanese-style employment system, while clearly premised upon a specific family image, was (for this very reason) a framework in which labor law and social security law were not directly concerned with the relationship between work and the family.

III. The Normative Value of Employment Equality

1. Early Legislation on Employment Equality

As stated above, in the Japanese-style employment system, there was a great difference between the working styles of the main breadwinner (usually male) and the secondary breadwinner who was responsible for the home (usually female). This situation was implicitly ratified by the law, and was thus universalized and consolidated. One stimulus to change this relationship between labor law and the family was provided by the emergence of a new value—that of employment equality.

A provision prohibiting discrimination against women in relation to wages was already included in the Labour Standards Act (Article 4), but there was no law prohibiting such discrimination in matters other than wages. From the 1970s, judicial precedents recognized the value of gender equality as a public policy which makes void any juristic act with purpose against itself (Civil Code Article 90). These created a case law principle invalidating work rules that stipulate systems of retirement due to marriage and different retirement ages for men and women. Then, in 1985, the Equal Employment Act was enacted. This case law principle and law enactment were based on the constitutional value of equality (Constitution of Japan, Article 14); their creation was strongly influenced by international movements (International Women's Year in 1975 and the adoption of the Convention on the Elimination of All Forms of Discrimination against Women in 1979).³⁵ As such, they had the character of “social creation” laws prompting an important change of direction in the

³³ Asakura, *supra* note 17, at 26.

³⁴ Junko Takahata, “Waku raifu baransu [The significance of work-life balance measures and ensuring their effectiveness],” *Quarterly Labor Law*, no. 220 (2008): 22; Morozumi, *supra* note 19, at 448.

³⁵ Takahata, *supra* note 34, at 15.

conventional nature of employment.³⁶ As a result, it could be said that employment equality (or the prohibition of job discrimination against women, as the starting point for that) was added as one of the basic values justifying intervention by labor law into agreements between private individuals.^{37 38}

2. The Family Image Assumed by Labor Law

So did the value of employment equality produce any change in the relationship between labor law and the family? Here, our attention should be on the fact that the debate at the time mainly revolved around gender equality in “employment”—and equality in the form of “prohibition of discrimination against women.”³⁹ In fact, it was not immediately anticipated that the existence of private life and home would be actively taken into account by the law, on the premise of workers bearing responsibility for the home. If the aforementioned working style demanded of regular employees (→II. 1. [3]) were taken as the premise, it would have been harder for women to fulfil the family responsibility they had conventionally borne if they were to work in the same way as men.⁴⁰ Therefore, either the sharing of family responsibility should have been corrected using some method, or the nature of jobs should have been corrected so that people could work while fulfilling their family responsibility. Action on this point was not sufficiently taken into account.

That is, the very early legislation on employment equality from the 1970s to the 1980s did not set out to correct ways of working premised on the worker’s family or the existence of family responsibility. Naturally, it did not intervene at all in labor relations with the purpose of correcting single-earner households or separation of roles in the home. In the first place, the Equal Employment Act merely provided for an obligation to make efforts, up to the 1997 amendment (which came into force in 1999). As can be seen from this, tackling the mindset of employment equality in the field of labor law in itself caused a major correction in the structure of labor law and labor-management practices at the time. Despite the obligation to make efforts, there was probably no lack of awareness on the importance of

³⁶ For reference, see Masao Murayama and Ryo Hamano, *Hoshakaigaku* [Socio-legal studies], 2nd ed. (Tokyo: Yuhikaku, 2012), 195ff; Ouchi, *supra* note 6, at 55 (note 44); Araki, *supra* note 7, at 89.

³⁷ Araki, *supra* note 7, at 30 and 31.

³⁸ Although lack of space prevents a more detailed discussion, in the field of social security law, various transformations and debates have arisen over the conventional system premised upon gender divisions. Nevertheless, considering the purpose of social security law in designing systems on the premise of actually existing needs, gender equality and the negation of traditional gender-based divisions are not always incorporated; adjustment of conflicting normative values is expected to be needed sometimes. For more detail, see Eri Kasagi, “Shakai hoshō ni okeru ‘kojin’ ‘kojin no sentaku’ no ichizuke [‘Individual’ and ‘choice of individual’ in social security],” in *Shakai Henka to Ho* [Social change and the law], vol. 3, ed. Takashi Araki (Tokyo: Iwanami Shoten, 2014 forthcoming).

³⁹ It was after the amendment in 2006 that Japan’s equality laws came to prohibit discrimination against men. See note 45.

⁴⁰ For reference, see Noriko Mizuno, “Kazoku no Honraiteki Kino no Jitsugen [Realizing the true functions of the family],” *Jurist*, no. 1424 (2011): 49.

changing ways of working to a form that took the home into account, as seen in the existence of provisions related to childcare leave.⁴¹ For the time being, however, this was merely an attempt at cautious legal intervention not too far divorced from the realities of labor relations.

3. Discussion

The mid-1980's, when the Equal Employment Act was created, was also a time when the Japanese-style employment system became established, and the traditional case law principle concerning redeployment was formed (→III. [3]). Given the consolidation and universalization of the traditional family image through interaction between the law and social norms, which until now had been accumulated unconsciously (→II. 3), this can be enumerated as a period in which social creation laws based on the new value of employment equality were not easy to effectuate.⁴²

IV. Harmony and Balance between Work and Family Life

1. Diverse Legislation

In the 1990s and 2000s, a series of laws designed to transform the importance of the family within the system of social law (the childcare leave system being a notable example) were created, mainly through new legislation. To mention just the main examples, in the field of labor law, there was the enactment of the Childcare Leave Act (1991) aimed at male and female workers,⁴³ the obligation of employers to grant nursing care leave (obligation to make efforts in 1995, mandatory from 1999), and the restriction on overtime work by workers who bear family responsibility (the 2001 amendment to the Child Care and Family Care Leave Act). In the field of social security law, important amendments are in progress, including the introduction of childcare leave benefits guaranteeing a fixed proportion of wages during childcare leave (1996).⁴⁴ In both cases, these are used for legal intervention aimed at ensuring harmony and balance between workers' jobs and home lives, thus making it easier for workers who bear family responsibility to participate in the employment market.

Behind these amendments lies, firstly, rigorous application of the principle of em-

⁴¹ Aiming for "harmony between working life and home life" of female workers was stated as one of the objectives of the 1985 Equal Employment Act.

⁴² For reference, see Tsuneo Ishikawa, *Bunpai no Keizaigaku [Economics of distribution]* (Tokyo: University of Tokyo Press, 1999), 416.

⁴³ On the process of enacting and developing this Act, see Sugeno, *supra* note 23, at 139.

⁴⁴ Measures exempting workers from social insurance contributions while on leave were also introduced (see Article 159 of the Health Insurance Act and Article 81.2 of the Employees' Pension Insurance Act). Meanwhile, although the expansion of nursery services is also important in the field of social security law, it will be omitted here.

ployment equality discussed in III above, or the principle of substantiating it.⁴⁵ Secondly, these systems (particularly those related to childcare leave) are also significant as measures to halt birthrate decline, triggered by the so-called “1.57 shock” when the total fertility rate fell to just 1.57 (1989).⁴⁶

2. Direct Consideration of the Family by the Law

- (1) How has the relationship between the law and the family changed as a result of the amendments outlined above? Firstly, amendments aimed at achieving employment equality were designed to create a system of labor law premised upon enabling regular employees to become bearers of family responsibility, in the awareness that work and home are in a mutually complementary relationship. Compared to the days when labor law was implicitly premised upon the single-earner household and/or separation of work and family responsibility, an important correction has been made to the image of the worker upon which the law is premised. Moreover, legislation on childcare leave and restrictions on overtime work covering all workers regardless of gender also had the purpose of clearly showing that the system of labor law is not premised upon fixed gender role divisions.⁴⁷
- (2) On the other hand, legal intervention in response to the problem of birthrate decline is directly focused on the family’s reproductive function in producing and raising children.

For labor law, a worker’s private life choice of whether or not to have children should normally be outside the scope of the law’s concern.⁴⁸ However, just as employment equality legislation has had to be concerned with the worker’s family, so also, because employment is in a mutually complementary relationship with the home, measures to halt birthrate decline are closely linked to employment policy in reality. That is, with respect to employment and the home, which should be seen as mutually complementary, the approach of employment equality policy was based on concern for employment, while that of measures to halt birthrate decline was based on concern for the home. These two together have borne fruit in labor law legislation taking the home into account, as a shared policy expression. For example, Article 5 of the Basic Act for Measures to Cope with Society with Declining Birthrate, enacted in 2003, set out the

⁴⁵ Behind this lies a trend towards expansion or intensification of laws and regulations related to employment equality, including the change of the Equal Employment Act to a mandatory law (1997) and its transformation from a law prohibiting discrimination against women to one prohibiting gender discrimination (2006).

⁴⁶ In Japan during the era of high-level economic growth, the birthrate was generally stable at a level in excess of 2. Eguchi, *supra* note 32, at 81.

⁴⁷ Sugeno, *supra* note 23, at 151.

⁴⁸ For reference, see Mutsuko Asakura, “Shoshika Taisaku no Hihanteki Bunseki [Critical analysis of measures to halt birthrate decline],” *Rodo Horitsu Junpo*, no. 1609 (2005): 6.

basic policy measure of enhancing employment environments, enabling workers to enjoy home life while engaging in professional life.

- (3) Next, while childcare leave allowance was created as an employment insurance benefit, it is assumed not to have the character of a livelihood or income security, and its theoretical background as a social security benefit has been left ambiguous. The following is a tentative assumption, but it may be necessary to rebuild this system. In doing so, the manifest need to recognize the risk of losing part or all of income due to childcare should be borne in mind, as a need that should be covered by social security. If premised upon the worker who works while bearing family responsibility, loss of wages during leave for childcare represents a risk that could become a reality for many workers (however, even if this point is taken as a premise, there must still be room for further discussion on the specific nature of system design, such as whether or not this income security is achieved under employment insurance). As a general theory, at least, in labor law incorporating the value of employment equality, it could be seen as obvious that the content of risks covered by social security for workers will change in line with changes in the image of the worker upon which the law is premised.
- (4) On the other hand, wage security during leave for childcare, etc., has also been promoted in terms of the policy objective of measures to halt birthrate decline, as potential support for a worker's decision to have children. Nevertheless, in terms of the original objective of social security law as guaranteeing citizens' rights to maintain a livelihood, the policy objective of measures to halt birthrate decline has a heterogeneous character.

3. Discussion

The two different objectives of achieving employment equality and taking measures to halt birthrate decline have borne fruit in legal intervention that takes a worker's family responsibility directly into account, against the background of the complementary relationship between work and family.

Within this trend, a decision that corrected the existing case law principle on redeployment (→II. 1. [3]) was issued and received much attention (the Meiji Tosho case [Tokyo Dist. Ct., Judgment, Dec. 27, 2002, Rohan 861–69]). This judgment, premised on a demand for gender equality and the progress of measures to halt birthrate decline, etc., stated that “the disadvantage of a (worker's) wife having a job” and “the (worker's) disadvantage that can only be avoided by either (the worker) or his wife... quitting his or her job can no longer be described as a ‘normal disadvantage’.” It is thus evaluated as an opinion premised upon changes in social awareness of the private lives of workers.⁴⁹

⁴⁹ Mizuno, *supra* note 22, at 136. For an assertion of the impact of various legislation since the 1990s, Asakura, *supra* note 17, at 27.

V. Work Life Balance

1. A Basic Principle Embracing Employment Equality and Measures to Halt Birthrate Decline

Amid the debate on directions for advancing and substantiating employment equality policies and measures to halt birthrate decline, from around the mid to late 2000s,⁵⁰ a single concept that embraces these concerns and has a wider target came to be discussed.⁵¹ This was the concept of “work life balance” (abbreviated to WLB below). Article 3 (3) of the Labor Contract Act enacted in 2007 provides that “A labor contract shall be concluded or changed between a worker and an employer while giving consideration to the harmony between work and private life,” establishing WLB as an important basic principle in labor contracts. The following is a discussion from the viewpoint of how the role to be performed by social law could change in future in relation to the family, depending on the concept of WLB and the rationale behind it.

2. WLB and the Family

- (1) The “Work Life Balance Charter” (referred to below as “the Charter”), published by the Cabinet Office at the end of 2007, describes the ideal society in which WLB has been achieved as one in which (a) “people can provide themselves with jobs,” (b) “people have time to lead healthy, affluent lives,” and (c) “people can choose from a diversity of working and living styles,” adding an explanation to each. Focusing on the parts related to the family, in (a), the Charter requires that “an economic foundation can be secured... with a view to fulfilling wishes concerning marriage and child-rearing”; in (b), “a rich life allowing... quality time with the family... and others can be achieved”; and in (c), “diverse and flexible ways of working can be chosen according to the situation in which the individual is placed, such as times needed for child-rearing or nursing care of parents... and a fair treatment is guaranteed.”
- (2) What should be stressed first of all is that point (a) above reveals a perspective of securing an economic foundation for a worker’s marriage and child-rearing. This perspective is cognizant of the existence of the family from a financial perspective, unlike the consideration concerning family life in recent years seen in IV above (→II). This clear awareness that forming a family is accompanied by a financial burden represents a new direction in the context of the involvement of the law in the family. This change in direction is premised upon a number of facts. One is the increasing number of workers who cannot earn sufficient income to support their families, even if they are the main breadwinner, due to an important change of the structure of Japanese em-

⁵⁰ Takahata, *supra* note 34, at 18–19.

⁵¹ See Takahata, *supra* note 34, at 15–18; Kurata, *supra* note 46, at 23.

ployment market from the mid-1990s—a rise in non-regular employment.⁵² Another is the fact that it is no more realistic to think that all workers should secure a foundation for family formation by working as conventional Japanese-style regular employees. That is also to say, although the above-mentioned rise in non-regular employment derived largely from the deregulation policy,⁵³ the simple re-regulation and reversion policy would be far from an ideal solution for the financial support for family formation. Moreover, this cannot be approved in terms of concepts involving issues such as the family and gender equality, either.

- (3) On the other hand, (b) and (c) are expressed in the complementary relationship between a worker's work and life. Firstly, point (b) mainly sets out to correct the fact that the conventional working style of regular employees did not respect their private lives, including home life. Conversely, (c) demands improved treatment for non-regular employees who receive poorer treatment than regular employees at present, to make it substantially possible for workers to choose their preferred employment format from the diverse range available.⁵⁴ If the requirement for financial independence in (a) above is understood at the same time, the ideal society being sought could be seen as one in which even non-regular workers can reach financial independence, including family formation.

3. The Law and the Family in a Society Where WLB Has Been Achieved

(1) The Financial Burden of Family Dependents

Based on the concept of WLB, what kind of changes can be expected in the relationship between Japan's labor law, social security law and family formation in future?

Firstly, as stated above (→2. [2]), on the premise that the traditional image of the full employee is no longer dominant, realistic or desirable, it is evident that the law needs to address the financial burden of forming a family in a new light. From this kind of perspective, as has already been pointed out by different authors, the burden of supporting children needs to be understood positively, by means of social security as separate from employment.⁵⁵ In the first place, bearing in mind that support of children is not the sole domain of workers' households, and that the financial burden of child-rearing can be a cause of poverty (→II. 2), social security law needs to reappraise the financial burden involved in child-rearing as a need faced by the people.⁵⁶ To put it another way, because the treatment

⁵² For reference, see Kasagi, *supra* note 27, at 43; Yuki Sekine, "The Rise of Poverty in Japan: The Emergence of the Working Poor," *Japan Labor Review* 5, no. 4 (2008), 50.

⁵³ Sekine, *Ibid.*

⁵⁴ Mutsuko Asakura, "Rodoho ni okeru Waku Raifu Baransu no Ichizuke [Position of work life balance in the labor and employment law]," *The Japanese Journal of Labour Studies* 52, no. 6 (2010), 50–51.

⁵⁵ For reference, see Hamaguchi, *supra* note 13, at 127ff.

⁵⁶ Kasagi, *supra* note 27, at 44.

previously enjoyed by many workers is in the process of changing, needs presented by family dependants, which have tended to be overlooked in the field of Japanese social security law, are becoming clear.

(2) Role of Labor Law concerning Private Life and Family: The New Value of Workers' Self-Determination

(i) As discussed in the case of the family, irrespective of whether work and private life are clearly perceived in legislation or legal interpretation, the scope of work defined in diverse labor legislation is in a relationship with the worker's private life whereby it defines the outline of the latter as its reverse image. Therefore, to realize a society as described in (b) and (c) above, some kind of consideration in the field of labor law will be indispensable. In particular, in fields such as legislation on working hours, legal principles on redeployment, and legislation on leave and holidays, where law determines the outline of work, and at the same time, as a result, directly determines the outline of private life, legal intervention is required to give the worker room to freely develop his or her own private territory.

(ii) The concept of WLB takes account of private life encompassing diverse activities other than those related to family responsibility (e.g. learning activities, social activities), and the family is merged into one element of private life. What is new about the concept of WLB is that, in this way, it includes the policy suggestion that due attention should (also) be paid to legal intervention concerning workers in general, irrespective of whether they bear family responsibility.

The concept of WLB is achieving this kind of shift in direction while basically continuing the previous policy objectives of employment equality and measures to halt birthrate decline. Behind this lies the circumstance that the concept is supported by the value of workers' self-determination and free choice, whereby workers decide their own way of working (Article 13 of the Constitution is occasionally referred to as normative justification).⁵⁷ ⁵⁸ What is required is a legal framework whereby, through this kind of shift in thinking, decisions related to the family are also respected as part of diverse self-determination concerning a worker's private life.

(iii) On this point, the prevalent academic view is that care activities in the home have high

⁵⁷ Asakura, *supra* note 56, at 48. On the relationship between Article 13 of the Constitution and labor law, see Araki, *supra* note 7, at 30; Satoshi Nishitani, *Rodoho* [Labor law] (Tokyo: Nihon Hyoronsha, 2008), 23–24, 27; *id.*, *Kisei ga Sasaeru, Jiko Kettei* [Self-determination supported by regulation] (Kyoto: Horitsu Bunkasha, 2004).

⁵⁸ In the field of social security law, too, system design based on Article 13 of the Constitution has been discussed in recent years. For reference, see Yoshimi Kikuchi, *Shakai Hoshō Hosei no Shorai Koso* [Future conception of social security legislation] (Tokyo: Yuhikaku, 2010), and others.

importance for workers, even compared to learning, self-betterment, and other activities,⁵⁹ and should be given priority consideration, since these are reproductive activities that support society⁶⁰ and include social elements that cannot be reduced to personal affairs.⁶¹ Again, from the perspective of gender equality, doubts over the evaluation of the family as a mere element of private life have been pointed out.⁶² While these are all important assertions, if we place emphasis on the fact that the value of workers' self-determination lies behind the concept of WLB as stated above, the normative reason justifying the priority given to family-related activities over other activities in the system of social law—and particularly if we also consider that learning activities, for example, can increase a worker's employability—cannot necessarily be described as clear. Moreover, even from the viewpoint of gender equality, legal intervention focusing only on family responsibility and care responsibility may have difficulty in changing the situation whereby only females balance work with home when separation of family responsibility remains entrenched.⁶³ Thus, experts have already stressed the importance of improving legislation on normal working hours for workers in general, in order to achieve employment equality.⁶⁴ Furthermore, as stated above, there is a potential danger that the discussion on employment equality will be linked to the completely separate policy concern of measures to halt birthrate decline. Considering this (→IV. 3), it would not be appropriate to disregard the importance and significance of the fact that WLB is a concept concerning various workers' ways of working and self-determination.

The author certainly does not deny that positive consideration of family responsibility under the system of labor law is important in order to achieve employment equality. On reflection, however, the concept of WLB being put to use in the future creation of laws, whereby legal intervention in the form of improvement and substantiation of general legislation on working hours and paid leave for workers in general is given at least equal or greater value than legal intervention that takes direct account of childcare, etc., is felt to be useful.

(3) Legal Intervention to Make Diverse Ways of Working Substantially Possible

In the relationship with society to be realized in (c) above, in the field of social security law, the need to (re)create allowances paid in consideration of family dependants and

⁵⁹ Takahata, *supra* note 34, at 23–24.

⁶⁰ Asakura, *supra* note 56, at 47–48.

⁶¹ For reference, see the Japan Institute for Labour Policy and Training (JILPT), *Waku Raifu Baransu Hikakuho Kenkyu: Chukan Hokokusho* [Comparative law study on work-life balance: Interim report] (Tokyo: JILPT, 2010), 197–98.

⁶² Mutsuko Asakura, *supra* note 48, at 11.

⁶³ Morel and Jönsson, *supra* note 31, at 259.

⁶⁴ Hiroki Sato, “Dai 3 ji Danjo Kyodo Sankaku Kihon Keikaku no Tokucho to Kadai [Characteristics and issues of the third basic plan for gender equality],” *Jurist*, no.1424 (2012), 12.

family responsibility, as something neutral to ways of working, will be pointed out very briefly (see also IV. [3]).⁶⁵ Strong demands should be made for guarantees of social security benefits enabling, even for non-regular workers, an economic foundation for creating a family to be built (→ [1]), and of benefits which enable to keep a certain level of income security in cases of leave for childcare and nursing care, among others.⁶⁶

VI. Conclusion: Social Law and the Family Today

It should again be stressed that legal intervention focusing specifically on the reproductive function of the “family,” with a view to maintaining or strengthening it, is not the original role of social law. On this point, careful consideration is required in situations where measures to halt birthrate decline are discussed in happy unity with the original purpose of social law. Social law, both traditionally and also in future, has no more than an indirect influence on the image of the worker’s family. On the other hand, today’s social law differs from traditional social law in that, while the latter has had a distorted influence on the image of the family in an unconscious manner, so to speak, today’s social law is expected to effect legal intervention with a view to realizing important values in the system of social law—namely, respect for employment equality and workers’ self-determination—in full awareness and understanding of the impact indirectly exerted by the law on the image of the family. In particular, the debate on the concept of WLB discussed at the end of this paper, though appearing to be slightly cooling down in recent times, takes a comprehensive view, based on the axis of the individual worker, of diverse arguments concerning various workers’ labor and lives, and indicates a specific image of the new employment society. The author would stress once again that, in this point, the debate on WLB can be of significance as the basis for future “social creation” law.

⁶⁵ See Cabinet Office, “Shigoto to Seikatsu no Chowa Suishin no tamenō Kodo Shishin [Action policy for promoting the work-life balance charter,” http://www.cao.go.jp/wlb/government/20barrier_html/20html/indicator.html (accessed September 8, 2014).

⁶⁶ Sugeno, *supra* note 23, at 153ff.

Japan's "Lost Generation" Today: From a Survey on 30s' Working Styles in Tokyo

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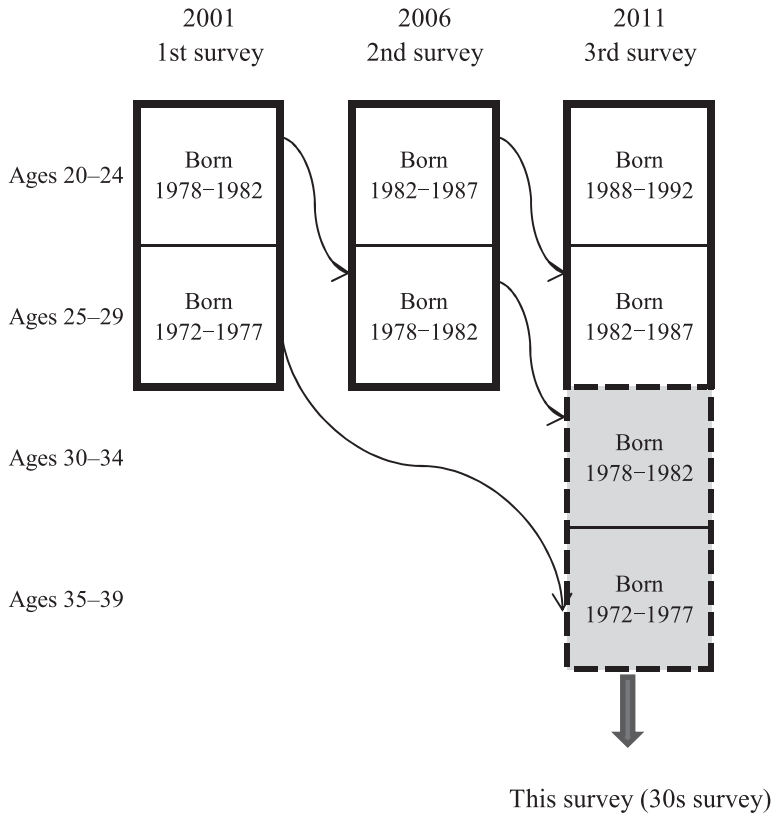
This paper attempts to clarify the present situation of a generation in which career transitions have become unstable, through a survey of people in their 30s in Tokyo. Originally, a tendency for increasingly unstable transitions from school to work appeared most conspicuously among senior high school graduates. Now that they are in their 30s, however, most of them have experienced working as regular employees at one time or another, even if they entered the labor market as non-regular employees. And although the transition was not smooth, the path to regular employment appears to have been open to them. In some careers, however, a tendency to revert to non-regular employment has been seen, even after the transition from non-regular to regular employment. Behind this lie differences in working conditions among regular employees; the fact that working conditions are worse for those who become regular employees later in life is seen as a factor behind job-leaving. Even for those who were not in employment or became non-regular employees after graduation, meanwhile, seeking advice from a schoolteacher (for females) and the very act of seeking advice someone (for males) was observed as a positive factor in the transition to regular employment later on.

I. Survey Background and Survey Design

The purpose of this paper is to clarify the situation now facing the generation known as the "lost generation" or the "employment ice-age generation"¹ in Japanese society. This will be done through a survey of career formation and awareness among people in their 30s in Tokyo.

From the second half of the 1990s onwards, the transition from school to work became unstable for young people in Japan, and they increasingly found it difficult to achieve this transition smoothly. The Japan Institute of Labour (forerunner of the Japan Institute for Labour Policy and Training, JILPT) was quick to focus on this phenomenon, and conducted surveys on it. Amid a series of research studies, quantitative surveys were conducted with around 2,000 randomly selected Tokyoites in their 20s in the 2001, 2006 and 2011 Survey on Young People's Working Styles (JIL 2001; JILPT 2006, 2012). These were not panel surveys tracking individuals, but were designed to accumulate fixed point observations on the realities of people in their 20s in Tokyo.

¹ Although phrases like "lost generation" and "employment ice-age generation" are often used in the media and have become household terms, there is no academic definition. This is often vaguely described as a generation of people who had difficulty in finding stable employment between the mid-1990s and the beginning of the 2000s, owing to the recession. For purposes of comparison with previous surveys, this paper will target those born between 1971 and 1981.



Note: In each survey, students and full-time housewives (househusbands) have been removed from the survey targets. However, workers on childcare leave and mature students are included.

Figure 1. Outline of Survey Design (Gray Shading Indicates Targets of This Study)

To summarize some of the chronological findings of these three surveys, it was observed that young people's employment situations were significantly regulated by the economic climate at the time of their graduation, and that the likelihood of breaking away from "freeters" to regular employees also depended on the state of the economy. Moreover, educational background had a bigger impact than the home background, and young people's awareness was becoming progressively "solid," amongst other findings. Meanwhile, since the surveys were limited to a large city, similar surveys were also conducted in two regions selected on the basis of labor market classifications, enabling the process of transition by young people in smaller cities to be studied (JILPT 2009).

As this research accumulated, the next area of concern was until what age changes in the transition process would continue. In the past, people in their 30s had more or less completed their period of career trial and error in the first half of their 20s, and had entered a period of career stability by their 30s.

Table 1. Changes in Survey Design (Heavy outline indicates this survey)

Survey year	Survey name	Region	Selection method	Survey targets	No. of survey targets
2001	1st Young People's Working Style Survey	Tokyo	Area sampling (Divided into 1,000 freeters, 1,000 non-freeters)	Ages 18-29	2000
2006	2nd Young People's Working Style Survey	Tokyo	Area sampling (No division)	Ages 18-29	2000
2011	3rd Young People's Working Style Survey	Tokyo	Area sampling (No division)	Ages 20-29	2058
2011	30s Working Style Survey	Tokyo	Area sampling (No division)	Ages 30-39	2000
2008	Hokkaido Young People's Working Style Survey	Hokkaido (Sapporo)	Area sampling (No division)	Ages 20-34	600
		Hokkaido (Kushiro)	Random selection	Ages 20-34	240 requested, 113 responded, collection rate 47.1%
2008	Nagano Young People's Working Style Survey	Nagano	Area sampling (No division)	Ages 20-34	500
		Suwa, Chino, Okaya	Area sampling (No division)	Ages 20-34	500

Note: The Working Style Surveys were not panel surveys, and each had different survey targets.

But how should “the 30s” be appraised in a generation where the transitional period has been lengthened? Does the period of unstable transition continue into the 30s, or do people enter stable situations in their 30s even if they were unstable in their 20s? In reality, few surveys have dealt with people in their 30s after the school-work transition became unstable.

Clarifying the present realities of today’s 30s generation as members of the “employment ice-age generation” is seen as a significant endeavor, in that it will also reveal what sort of transition process will be followed by those in their twenties from now on, i.e. those who have entered (or will enter) society after the transition became unstable.

For this paper, therefore, a survey was conducted of the 30s generation today, i.e. people who born between 1972 and 1981 who entered society after the transition became unstable (Figure 1). To make the survey comparable with previous surveys, the survey targets were limited to people in their 30s in Tokyo.

The survey was conducted from July to October 2011, with 2,000 targets selected via area sampling. The gender ratio was the same as that of Tokyoites in their 30s in the “Basic

Residents Register." The name of the survey was the "Thirties' Working Style Survey" (Table 1).

Below, aspects of the transition from school to work will be enumerated in section II, and the transition from non-regular to regular employees will be analyzed in section III. Social networks will be examined in section IV, while this paper will be summarized and its policy implications discussed in section V.

II. The Transition from School to Work

The generation targeted by this survey is one in which the transition from school to work suddenly became unstable compared to previous generations. This can be confirmed in detail in Figure 2, showing estimated ratios of those taking up employment as regular employees on graduating from school, classified by their year of birth, based on the "School Basic Survey."

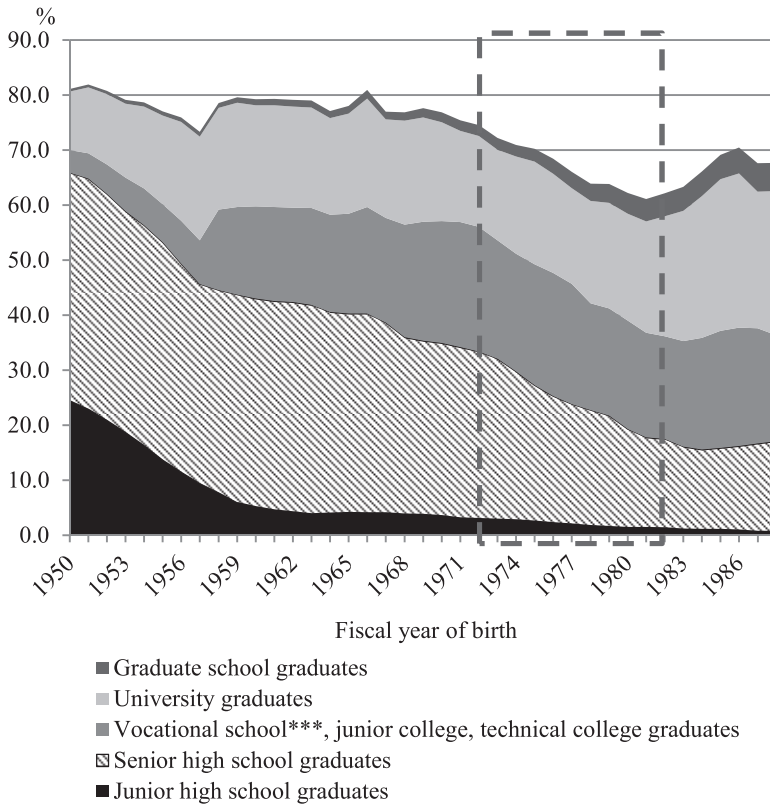
The part inside the rectangular box is the generation targeted by this survey. The sudden decrease in the ratio of regular employees is immediately clear to see.

In Japan, it is still mainstream practice for companies to conduct hiring activity in different markets for new graduates and mid-career recruits, and to hire new graduates en masse. Consequently, a person's employment status immediately after leaving school is strongly influenced by the person's educational background and the state of the economy on leaving education (while looking for jobs). It can thus be reaffirmed that the generation targeted by this survey has been directly affected by economic recession.

Next, Table 2 divides the target generation into gender, educational background, and year of leaving school, and examines the ratio of regular employees immediately after leaving school.

First, the situation with males. Here, the change is particularly pronounced amongst senior high school graduates. Up to 1993, the ratio was on the high side at 72.8%, but it fell to 64.7% in 1994-98 and 54.2% in 1999-2005. For females, too, the fall in the ratio of regular employees was largest amongst senior high school graduates, as it was for males. Here, however, the ratio of regular employees also declined among females advancing to higher education in general.

It may thus be observed that changes in the transition from school to work from the mid-1990s onwards were particularly pronounced among senior high school graduates.



Source: Created based on *School Basic Survey* (Ministry of Education / Ministry of Education, Culture, Sports, Science and Technology).

Notes: *Ratios of new graduates entering the labor market = (Junior high school graduates 15 years after X [year of birth] + Senior high school graduates 18 years after X + Junior college, technical college and vocational school graduates 20 years after X + University graduates 22 years after X + Masters course graduates 24 years after X + Ph.D. course graduates 27 years after X) / Junior high school graduates entering the labor market 15 years after X × 100, with partial estimates for numbers of graduate school graduates entering the labor market.

**Whole population by fiscal year of birth is based on the number of junior high school graduates.

***Figures for vocational school graduates start with those born in FY1958.

Figure 2. Ratios of New Graduates Entering the Labor Market as Regular Employee* Compared to Whole Population by Fiscal Year of Birth**

Table 2. Ratio of Regular Employees Immediately after Leaving School, by Gender, Educational Background, and Year of Leaving School

	Year of Leaving Education									
	Up to 1993		1994-1998		1999-2005		2006 onwards		Total	
	Ratio of regular employees	N	Ratio of regular employees	N	Ratio of regular employees	N	Ratio of regular employees	N		
Males										
Senior high school graduates	72.8%	92	64.7%	85	54.2%	24	-	0	65.7%	236
Vocational school, junior college, technical college graduates	76.7%	30	77.8%	90	63.3%	60	-	6	71.2%	219
University, Graduate school graduates	-	0	84.6%	149	78.7%	230	81.3%	16	81.1%	450
Junior high school graduates, Senior high school dropouts	32.3%	31	33.3%	21	-	1	-	0	29.8%	57
Higher education dropouts	-	6	6.7%	15	12.5%	24	-	1	15.7%	51
Total	62.9%	159	71.9%	360	69.3%	339	60.9%	23	68.8%	1,027
Females										
Senior high school graduates	76.5%	85	56.8%	95	45.0%	20	-	1	60.6%	241
Vocational school, junior college, technical college graduates	78.1%	73	71.4%	154	59.0%	105	-	7	68.0%	400
University, Graduate school graduates	-	1	80.8%	73	64.9%	131	41.7%	12	68.5%	251
Junior high school graduates, Senior high school dropouts	15.8%	19	12.5%	16	-	1	-	0	12.8%	39
Higher education dropouts	-	6	20.0%	10	-	5	-	0	24.0%	25
Total	69.6%	184	65.0%	349	59.9%	262	40.0%	20	62.6%	964
Total										
Senior high school graduates	74.6%	177	60.6%	180	50.0%	44	-	1	63.1%	477
Vocational school, junior college, technical college graduates	77.7%	103	73.8%	244	60.6%	165	15.4%	13	69.1%	619
University, Graduate school graduates	-	1	83.3%	222	73.7%	361	64.3%	28	76.6%	701
Junior high school graduates, Senior high school dropouts	26.0%	50	24.3%	37	-	2	-	0	22.9%	96
Higher education dropouts	16.7%	12	12.0%	25	13.8%	29	-	1	18.4%	76
Total	66.5%	343	68.5%	709	65.2%	601	51.2%	43	65.8%	1,991

Table 3. Rate of Transition to Regular Employees and Time Taken until Transition, by Year of Leaving School

	Year of Leaving Education	Ratio of employment as (transition to) regular employees or public servants		Transition ratio by time taken between leaving education and transition (%)				Component ratios of transition in 2003–2008 (%)
		(%)	N	Less than 3 years	3–5 years	6 years or more	Unknown	
Males	Up to 1993	64.3	42	26.2	31.0	4.8	2.4	0.0
	1994–1998	66.7	87	27.6	19.5	13.8	5.7	17.2
	1999–2005	81.7	93	35.5	26.9	12.9	6.5	69.7
Females	Up to 1993	41.3	46	26.1	10.9	2.2	2.2	0.0
	1994–1998	55.6	108	25.0	14.8	10.2	5.6	13.3
	1999–2005	48.5	97	22.7	15.5	7.2	3.1	57.4
Total	Up to 1993	52.3	88	26.1	20.5	3.4	2.3	0.0
	1994–1998	60.5	195	26.2	16.9	11.8	5.6	15.3
	1999–2005	64.7	190	28.9	21.1	10.0	4.7	65.0

III. The Transition to Regular Employment

As seen in the previous section, it became harder for some to enter the labor market as regular employees on leaving school. So how did their subsequent careers pan out?

Surprisingly, among those who had not been in employment or had taken up atypical or non-regular employment immediately after leaving school, about 70% of males and around half of females became regular employees in their 30s, at least for a time. As was confirmed in Table 2, the ratio of regular employees differs according to the year of leaving school. Table 3 shows the ratio of transition to regular employees by those who were not in employment or were non-regular employees immediately after leaving school.

For males, the transition ratio was highest for those leaving school in 1999–2005, when it was hardest to find regular employment, and moreover the length of time between leaving school and transition was also short. Furthermore, the ratio of transition was particularly high during the period of economic recovery from 2003 to 2008. Among graduates up to 1993, conversely, there were hardly any who made the transition between 2003 and 2008, suggesting that the positive factors of a strong economy do not work if ten or more years have elapsed since graduation. For females, however, the clear trend seen among males is not found.

Table 4 shows career types.

To classify careers with a focus on changes in the working style, “Established regular employee” accounted for 30% of males and around 10% of females. Although this type accounted for around 40% of both males and females in their 20s (1st survey), the “From

Table 4. Career Types

	Males	Females	Total
Established regular employee	28.3	12.1	20.5
Job-changing regular employee	21.4	5.3	13.6
From regular to non-regular employee	3.4	31.1	16.8
Regular employee, temporarily other formats	7.6	5.2	6.5
Non-regular employee only	3.4	14.2	8.6
Non-regular, temporarily regular employee	1.5	7.9	4.6
From other formats to regular employee	15.7	7.5	11.8
Self-employed, family business	15.4	14.7	15.1
Currently not in employment	1.8	1.5	1.7
Others, unknown	1.4	0.6	1.1
	100.0	100.0	100.0
Total	1,035	965	2,000

regular to non-regular employee" type has increased significantly amongst females. The "Non-regular employee only" type with no experience of regular employment accounted for 3.4% of males but a not insignificant 14.2% of females.

The focus of interest here is the fact that the "zigzag transition" type, switching to and fro between regular and non-regular employment, accounts for a sizeable proportion (males 15.9%, females [including married] 57.5%). This means that, even after becoming regular employees for a while, many revert back to being non-regular employees.

Among females this may be partly because they revert to non-regular employment in order to achieve a balance with family life. However, why this kind of zigzag pattern of transition should also be found among males is a puzzle. Unfortunately, respondents were not asked why they had returned to non-regular employment in the "30s Working Style Survey." This will now be studied by comparing the "Established regular employee" and "From other formats to regular employee" career types.

Table 5 shows "Working style characteristics of different regular employee careers," with focus on working conditions.

Comparing the "Established regular employee" type with the "From other formats to regular employee" type, the former often works for large corporations and therefore has a higher average monthly income, as well as higher rates of coverage by social insurance and labor union membership. The income disparity between career types was wider than found in the surveys of people in their 20s.

Table 6 shows levels of life satisfaction among regular employees in different careers.

In the 1st survey of respondents in their 20s, a tendency was seen for experience of non-regular employment to be valued by the "From other formats to regular employee" type.

Table 5. Working Style Characteristics of Different Regular Employee Careers:
Working Conditions

	Survey targets	Previous year's income (× ¥10,000)	Working hours per week (hour)	Hourly income (× ¥1,000)	Ratio of annual income to established regular employees	Ratio of hourly income to established regular employees	Years of service (year)
<u>Males</u>							
Established regular employee	274	570.2	51.5	2.13			12.3
Job-changing regular employee	201	496.0	52.7	1.81	87	85	5.9
From other formats to regular employee	156	424.3	52.8	1.55	74	73	6.7
<u>Females</u>							
Established regular employee	111	401.9	41.4	1.87			12.1
Job-changing regular employee	49	407.6	43.8	1.79	101	84	6.0
From other formats to regular employee	67	321.5	44.3	1.40	80	66	5.4

In this survey, however, in terms of the difference in “life satisfaction,” the “From other formats to regular employee” type was significantly lower. There are no few cases of employees returning to non-regular employment after being regular employees for a time, or switching repeatedly between the two. Though this suggests that the barrier between non-regular and regular employment is not so high, there is thought to be a barrier compared to regular employees who feel life satisfaction. Meanwhile, in the “From other formats to regular employee” type, a higher degree of satisfaction was seen among females.

Table 6. Life Satisfaction of Regular Employees in Different Careers
(Degree to which "satisfied with life at the moment" applies)

	Very much	Somewhat	Not much	Hardly at all	No response	Total (%)	N
<u>Males</u>							
Established regular employee	20.5	56.7	19.1	3.8	0.0	100	293
Job-changing regular employee	23.1	48.0	22.2	6.8	0.0	100	221
From other formats to regular employee	9.2	52.8	30.1	8.0	0.0	100	163
<u>Females</u>							
Established regular employee	25.6	57.3	16.2	0.0	0.9	100	117
Job-changing regular employee	11.8	70.6	17.6	0.0	0.0	100	51
From other formats to regular employee	20.8	43.1	29.2	6.9	0.0	100	72

IV. Characteristics of Job Orientation and Experience of Seeking Advice

In this section, the characteristics of job orientation and experience of seeking advice will be analyzed.

There used to be a strong "freeter² orientation" among males in the employment ice-age generation. These were characterized as being oriented towards "free working styles." Non-regular workers, meanwhile, sought means of making the transition from non-regular to regular employment, such as acquiring qualifications that would be useful in professional life or starting up a business.

However, as Figure 3 shows, today's male non-regular employees in their 20s have less wish to acquire qualifications or start businesses, even if hoping to become regular employees eventually. A divergence appears to have arisen between wishes and the means of fulfilling them, or a situation known as anomie in sociology. Moreover, although not shown in the figure, it could be seen as a characteristic of the employment ice-age generation that they are still oriented towards qualifications even after entering their 30s.

Next, Table 7 shows experience of seeking advice before graduating (dropping out), about life after graduating (dropping out). Although the sample size is small, certain trends can be discerned.

² "Freeter" is a neologism combining the English word "free" with the German word "Arbeiter" (worker). It was coined in the late 1980s to express a new and free working style, in which people pursued their dreams while working part-time.

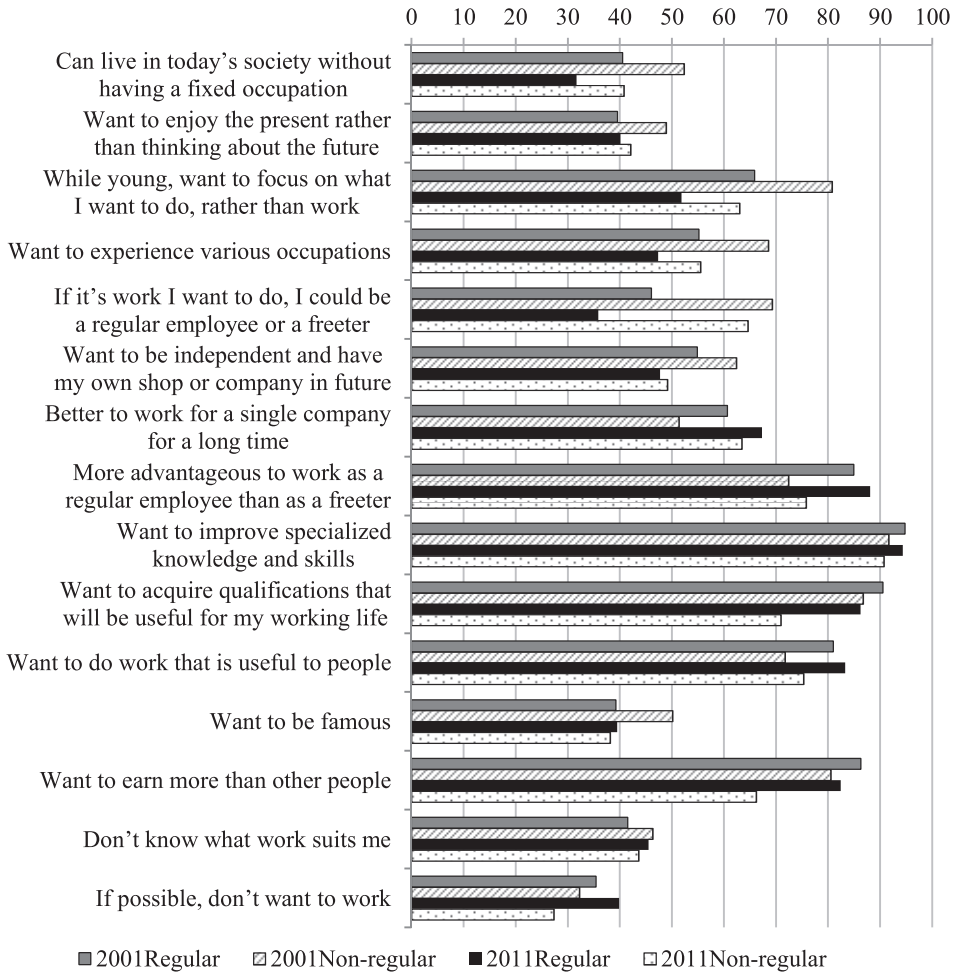


Figure 3. Changes in Vocational Awareness of Males in Their 20s
(2001: Today's 30s when in their 20s, 2011: Today's 20s)

Firstly, the upper table, giving data for females only, shows that those with experience of seeking advice from schoolteachers before graduating had a higher ratio of conversion to regular employees than those who did not seek advice, even if initially not in employment or in non-regular employment. Among males in the lower table, similarly, there is a higher rate of conversion to regular employees among those who sought advice before graduation.

Of course, these are merely cross-tabulations, and the possibility remains that the link is only partial or indirect. Nevertheless, a person's experience of seeking advice on their own future appears not only to have significance at that point in time, but rather has the potential to have certain sustained effects even after the passage of time.

Table 7. Whether or Not Advice Was Sought, and Subsequent Developments for Those in Non-Regular Employment

	Career types				Total	n (persons)
	Permanent non-regular	From other formats to regular employee	Self-employed, family business	Currently not in employment		
Sought advice from schoolteacher before graduating	50.0%	30.8%	11.5%	7.7%	100.0%	52
Did not seek advice from schoolteacher before graduating	60.7%	19.3%	19.3%	0.7%	100.0%	290

Note: Female responses only.

	Career types				Total	n (persons)
	Permanent non-regular	From other formats to regular employee	Self-employed, family business	Currently not in employment		
Sought someone's advice before graduating	11.9%	57.6%	28.1%	2.4%	100.0%	210
Did not have anyone to seek advice from before graduating	28.4%	46.6%	19.3%	5.7%	100.0%	88

Note: Male responses only.

V. Summary of This Paper and Policy Support

This paper has examined the present employment situation of the "employment ice-age generation" or "lost generation," now in their 30s, based on a survey conducted in a large city.

Although changes in the transition from school to work were sudden, the ones most directly impacted by this in the employment ice-age generation were senior high school graduates. The transition from senior high school to work in Japan used to be lauded (even internationally) for being extremely smooth, but this all changed dramatically in the mid-1990s.

According to the survey, however, about 70% of males and about half of females had had some experience of regular employment by their 30s, even if they were not in employment or were in non-regular employment immediately after leaving school. Of course, this could be a characteristic of Tokyo as a large city, but these figures are far higher than was

expected. The fact that the economy recovered after they entered the labor market is thought to have contributed to their conversion to regular employees.

Nevertheless, there are also cases of people reverting back to non-regular employment after being regular employees for a while, and the “zigzag type” of transition seems to have had a certain presence in Japan as well. One of the factors interpreted as lying behind this is that inferior conditions when converting to regular employment later in life led to them reverting to non-regular employment. For example, compared to those who had always been regular employees, those who became regular employees later in life are not only disadvantaged in terms of working conditions, but a disparity is also seen in their levels of satisfaction.

Meanwhile, as a characteristic of the “employment ice-age generation” compared to today’s 20s, the fact that they have a stronger orientation towards qualifications and business startups has been cited. Furthermore, the act of females seeking advice from their schoolteachers and males seeking advice in general, even when not in employment or in non-regular employment after graduating, was observed to have a positive effect on their subsequent transition to regular employees.

In light of the above, suggestions for policy support will now be given.

Firstly, since new recruit training by companies such as that given to today’s 20s cannot be expected, public-sector employment support including vocational ability formation for those in their 30s will be effective. The use of employment-based training (such as job card training) and schools as places for acquiring skills and qualifications could also be considered.

Secondly, opportunities for advice while in school could be enhanced (particularly for those starting non-regular employment on graduation). Those who had experience of receiving advice while in school, even if in non-regular employment on graduating, had richer social networks on entering their 30s, and they also had a higher proportion of transitions “From other formats to regular employee.” Of course, with such a small body of data, the possibility of a false correlation cannot be ruled out. Nevertheless, policy could be made to reflect the fact that giving young people opportunities to receive advice on “their own future” while still in school could have sustained effects, even later in life. Further enhancing support for those who cannot achieve stable transitions upon graduation, in particular, is expected to have a positive effect on their later careers, even if they initially entered non-regular employment on graduation.

Today’s 30-somethings are a generation that was exposed without planning to changes in the transitions in Japanese society. Through this survey, the path of initial transition from non-regular to regular employment, albeit delayed, has appeared open to a certain extent, particularly in the case of males.

Nevertheless, major issues in terms of “quality,” such as labor conditions and work motivation between “regular employees” are still found; various disparities have come to be observed between regular and non-regular employment, or between regular employees

themselves, once they reach their 30s. As well as the problem of non-regular employment, research on working styles as regular employees is required for the 30s generation of today. When doing so, consideration is expected to be given to how the "quality" of employment is measured, as well as the balance with lifestyles and human life in general.

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Dismissals in Japan

Part Two: How Frequently Do Employers Dismiss Employees?

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Introduction

In “Dismissals in Japan Part One: How Strict is Japanese Law on Employers?”¹ the authors examined the substantive and procedural structures of the dismissal law in Japan, and concluded that the dismissal law was neither too strict nor too loose for employers despite its stereotypical image of excessive strictness.

Following “Part One,” this “Part Two” intends to depict the practice of dismissals in Japan. The authors first try to assess the frequency or infrequency of dismissals within firms. The authors then describe how dismissals are handled in firms’ human resource management (HRM), labor management relations and dispute resolution processes. They further examine the extent of mobility in the Japanese labor market with a view to assessing the effect of the practice of dismissals on the labor market.

1. Individual Dismissals in HRM

1.1 Frequency of Dismissals

First of all, how frequently (or infrequently) do employers resort to dismissals in Japan? In March 2012, the Japan Institute for Labour Policy and Training (JILPT) conducted a large-scale survey regarding practices of hiring and termination, by sending questionnaires to about 20,000 firms across industries and firm sizes, 29.8% of which sent back responses.² This was JILPT’s second survey regarding hiring and dismissal practices, following the first one conducted in 2004. These serial surveys may be regarded as the first major attempt to obtain empirical data on the practice of dismissals and other related measures in all workplaces in Japan.

According to the 2012 JILPT Hiring and Termination Survey,³ 16.0% of the 5,964

¹ *Japan Labor Review* 11, no. 2 (2014): 83–92.

² JILPT, *Jugyoin no Saiyo to Taishoku ni Kansuru Jittaichosa* [Survey on practices regarding hiring and termination of employment], JILPT Domestic Labor Information 14–03 (Tokyo: JILPT, 2014). Hereinafter cited as the “2012 JILPT Hiring and Termination Survey.” See Appendix Table (page 137) for the composition of the firms which responded to the 2012 JILPT Hiring and Termination Survey.

³ The authors, hereinafter, wholly use the data of the 2012 survey since the data of 2004 survey shows the same tendencies as the 2012 survey.

Table 1. Reasons for Individual Dismissals

	(Multiple answers %)
Misconduct	30.8
Disorder	24.0
Illness	12.2
Frequent absence without notice	15.0
Insufficient job performance	28.0

Source: 2012 JILPT Hiring and Termination Survey.

Note: Percentages are among the number of firms that dismissed employees for individual reasons during 2007–2012.

responding firms in Japan had dismissed one or more regular workers during the five year period between 2007 and 2012 for individual reasons distinguished from firms' economic necessity. It is notable that 30.3% of 76 larger firms with 1,000 or more employees responded that they had dismissed regular workers for such reasons during the same period. Such figures make us dubious about the theory that it is almost impossible for employers to fire regular workers in Japan.

The reasons for dismissals executed by 16.0% of firms in the same survey are classified in Table 1. The survey demonstrates that dismissals for employee misconduct, disorder, absence or insufficient job performance are actually not rare.

1.2 Cautious Approach on Dismissals in HRM

One could recognize in the previous section that firms resorted to dismissals not so infrequently in cases of employees' misconduct, disorder, absence or insufficient job performance. Nevertheless, one should also note that the employer does not directly dismiss his/her employee when finding some problem with the employee. The employer ordinarily deals with such a problem with educational or disciplinary means other than dismissals. This is particularly true when the employer takes some disciplinary sanctions against employee misconduct.

The Labor Standards Act requires businesses employing ten or more employees to draw up and promulgate employment regulations stipulating rules and working conditions in workplaces. Abiding by the law, most firms set forth such regulations, and most of such regulations stipulate the means and procedures for disciplinary actions against employee misconduct and poor performance. Thus, firms take steps against misconduct, etc., before resorting to individual dismissals, such as delivering a warning, giving a chance to correct behavior or to improve performance, ordering a transfer or, in a case of grave misconduct, requesting voluntary retirement.

Employers choose the means of sanction in accordance with the nature, type, and degree of the misconduct. Generally speaking, it is only when firms find that the misconduct is too grave to be dealt with by other means that they resort to dismissals. Table 2 shows a

Table 2. Firms' Progressive Disciplinary Actions

	(Multiple answers %)
Warning	33.3
Letter of apology	42.3
Suspension	12.3
Pay cut	19
Demotion	14.9
Dismissal	9.4
Dismissal (disciplinary discharge)	13.2

Source: 2012 JILPT Hiring and Termination Survey.

Note: Disciplinary discharge is the most severe sanction accompanying, in most cases, deprivation of retirement benefits.

Table 3. Steps Taken before Dismissal

	(Multiple answers %)	
	Misconduct	Insufficient job performance
Warning	59.2	63.7
Giving a chance to correct conduct or improve performance	41.8	59.9
Ordering a transfer	16.7	32.6
Asking for voluntary retirement	38.4	46.8
(Doing nothing before dismissal)	(9.9)	(1.5)

Source: 2012 JILPT Hiring and Termination Survey.

variety of disciplinary actions with the ratio of selection, and Table 3 indicates the ratio of steps other than dismissals taken against employee misconduct or poor performance.

As mentioned in Part One, in judging the abusiveness of individual dismissals, the court usually takes into consideration due process before dismissal, such as giving a warning or affording a chance to correct conduct or improve performance. Such an approach in the court is in conformity with the common HRM practices noted above.

2. Collective Redundancy in HRM

The next issue is collective redundancy, which may generate economic dismissals.

2.1 Labor Management Efforts to Avoid Economic Dismissals in Case of Collective Redundancy

First of all, the 2012 JILPT Hiring and Dismissal Survey found that 8.6% of the responding firms had resorted to economic dismissals during the last five years.

The survey also found that labor unions played an important role in the course of re-

dundancy. Regarding enterprises where labor unions were organized, 68.7% of employers consulted with unions concerning economic dismissals. In contrast, only 19.9% of enterprises not organized by labor unions consulted with some form of workplace delegates concerning economic dismissals.

Typically, in the case of redundancy, labor and management at each enterprise first engage in joint consultations to share information and to form understanding on the scale and gravity of business crises. They then discuss a wide range of practical issues, including the goals of cost reduction and the methods to attain them. In particular, they perform serious negotiations on the necessity of reducing the workforce and means of doing so. When labor and management find it necessary to resort to termination of employment at a certain scale, they work out a voluntary-retirement program with additional compensation as generous as they can afford. They find dismissals unavoidable only when they cannot attain the goal of downsizing of employment with such alternative measures. They then discuss the number of employees to be dismissed, the amount of additional retirement payment, and the method of selecting such employees. Most of those labor and management negotiations are carried out successfully, with adjustments made to their positions. According to the 2012 JILPT Hiring and Termination Survey, labor and management reached agreements in 84.1% of negotiations resulting in economic dismissals.

2.2 Transition of Labor and Management Approach on Collective Redundancy

The labor and management practice of pursuing solutions other than dismissals in cases of redundancy was established during the period of employment adjustment after the 1973 oil crisis.

Since labor unions were liberalized in 1945 in the course of post-World War II reforms to democratize Japan, unions had been imbued with leftist class-struggle ideology and had engaged in aggressive drives against management to defend worker interests in the postwar economic turmoil. Management, on the other hand, directly resorted to massive dismissals to get rid of large-scale redundancy caused by hardship under the deflationary policies of the government. Unions naturally resisted fiercely with radical and prolonged industrial actions. Such antagonistic union-management relations continued even when Japan overcame postwar economic difficulties and entered an economic growth period starting the mid-1950s.

Their confrontation culminated in the 1960 Mitsui Miike Coal Mine Dispute involving massive economic dismissals to resolve redundancy in the declining coal mining industry. The coal miners' industrial union launched a large-scale strike with indefinite period, and the largest national labor organization, *Sohyo* (the General Council of Trade Unions in Japan) mobilized thousands of workers to support massive and forcible picket lines. Management was also determined to reestablish production, with the full support of financial institutions. The dispute lasted for a full year, generating violent clashes and public disorder. The result was a defeat for the union, but labor and management realized the high price of

fierce labor-management confrontations. Japan has experienced very few large-scale violent labor disputes ever since.

The Japanese economy enjoyed high and stable economic growth until the oil crisis of 1973, which caused hyperinflation. Many industries, such as electric appliances and textiles, faced economic difficulties. However, unions and management had developed, by this time, joint consultation procedures at the enterprise level to work out solutions on managerial matters affecting employees. Thus, through such procedures, labor and management in those industries struggled to prevent the termination of employment by working out alternative solutions to attain necessary reductions in workforce, such as diminution of working hours, transfers, and temporary layoffs.⁴ Even when it seemed inevitable to reduce the number of employees, they first resorted to attrition (suspension of new hiring), and then attempted to call for voluntary retirements instead of dismissals.⁵ Thanks to serious discussions between labor and management, they could prevent confrontational disputes.

Even during the long-term economic slump starting in the early 1990s and intensifying after the 1997 Asian financial crisis, labor and management maintained the same practices toward employment adjustment. Recently, even during the global recession beginning in 2008 as well as during economic difficulties after the Great East-Japan Earthquake in 2011, labor and management still tried to arrive at moderate solutions other than dismissals as much as possible. One should emphasize that the practice of pursuing milder solutions during redundancy is not a consequence of the legal regulations governing dismissals, but the product of the deliberate efforts of labor and management to attain necessary labor-cost cuts while minimizing sacrifice of employment.

2.3 Data on Economic Dismissals in Contemporary Japanese Workplaces

As mentioned in 2.1, the 2012 JILPT Hiring and Dismissal Survey found that 8.6% of the responding firms had resorted to economic dismissals during 2007–2012. Considering that the surveyed five-year period included the global financial crisis that began in 2008, one may infer that Japanese firms demonstrated rather a restrictive attitude toward economic dismissals. The question, then, is how Japanese firms deal with, in contemporary HRM, collective redundancy caused by economic downturns.

Facing the necessity of reducing labor costs, most firms first make efforts to avoid personnel reduction by choosing a variety of alternative measures, such as limiting overtime work, personnel relocation (transfers to other departments or group enterprises), cuts in bonuses, containment of annual wage increases, temporary layoffs,⁶ etc. Even when firms find

⁴ In Japan, “temporary layoffs” means measures to endow “days off” to employees as a means to temporarily reduce production. It does not have the effect of terminating employment even temporarily.

⁵ The government also passed the Employment Insurance Act, in 1974, to subsidize a substantial portion of the wage costs of employers, who maintain employment in the case of collective redundancy with the measures of transfers to related firms, educational programs, or temporary lay-offs.

⁶ The Labor Standards Act requires firms to compensate at least 60% of wages during temporary

Table 4. Steps Taken before Dismissal for Economic Reasons

	(Multiple answers %)
Suspension of hiring	38.8
Transfer within the firm	36.5
Transfer to related firms	11.4
Cutting bonuses	22.7
Containment of wage increases	22.4
Reducing employee's wage rate	22.5
Temporary lay-off	21.2
Limiting overtime	23.9
Reducing the number of branches	36.9
Calling for voluntary retirement	25.3

Source: 2012 JILPT Hiring and Termination Survey.

reductions in the number of employees unavoidable, they still try to stay away from dismissals by resorting to other means, such as suspension of recruitment (attrition) or solicitation of early (voluntary) retirement.

Table 4 indicates the measures that were taken before resorting to dismissal by the responding firms during 2007–2012, with the percentages of selection. The same table indicates that 25.3% of the responding firms called for voluntary retirement during the same period. This percentage was much higher among larger enterprises (47.4% of the firms with more than 300 employees). Generally speaking, it has been rather rare that large public-listed firms resort to dismissals of their employees due to economic necessity.⁷

As shown in Part One, Japanese employment laws do not require additional severance pay to mitigate the loss of jobs due to redundancy. However, as a matter of HRM practices, various benefits are usually offered to dismissed workers, which are laid out in Table 5 with the percentages of selection.

Table 6 shows the distribution of the amounts of additional severance pay found by the same Survey. One finds that approximately one-fourth of the firms paid an amount corresponding to approximately six months' salary and one-fifth an amount equivalent to a few months' salary. It should be noted that there was a significant difference between larger firms with 300 or more employees and smaller firms with less than 100 employees. In the case of the larger firms, 76.9% paid more than six months' salary, while only 33.4% of the

layoffs. Firms can receive subsidies from the Employment Insurance Program to make up for their wage costs for temporary lay-offs, educational programs, or transfers across group enterprises.

⁷ According to the survey of TSR (Tokyo Shoko Research), *2012-nen no Omona Jojo Kigyo no Kibo Taishokusha Boshu Jokyo Chosa* (Survey on the solicitation of voluntary retirement by listed corporations in 2012) issued Feb. 2013, 63 companies listed on Japanese stock markets called for voluntary retirement. The total number of people solicited to be retired was 17,705. On the other hand, it is rather rare that collective (economic) dismissals at large companies are reported.

Table 5. Benefits Afforded for Redundancy Termination

	(Multiple answers %)
Additional severance pay	34.3
Special leave	19.0
Mediation services in job-seeking	24.3
Referral to a staffing agency	7.1
(Nothing offered additionally as a termination benefit)	(24.7)

Source: 2012 JILPT Hiring and Termination Survey

Table 6. Amount of Additional Severance Pay

	Number of employees (%)		
	All	Less than 100	300 or more
Equivalent to a few months' salary	21.1	27.8	23.1
Equivalent to approximately six months' salary	25.7	17.6	30.8
Equivalent to approximately one year's salary	11.4	13.0	30.8
Equivalent to 2–3 years' salary	4.0	2.8	15.4
Equivalent to over three years' salary	0.0	0.0	0.0
(Re-calculating) equivalent to more than six months' salary	41.4	33.4	76.9

Source: 2012 JILPT Hiring and Termination Survey.

Note: The data consists of only the firms that paid additional severance pay.

smaller firms paid the same level of severance pay.

2.4 Changes of Case Law regarding Economic Dismissals

As was already mentioned above and in Part One, labor and management came to avoid dismissals as a means of reducing the workforce after the 1973 oil crisis, and such practices of employment adjustment have been integrated into court decisions dealing with economic dismissals since the latter half of the 1970s. In deciding whether economic dismissals are abusive, the court first required firms to meet all of the four standards⁸: (a) substantial economic necessity to reduce the workforce; (b) exhaustive efforts to avoid dismissals as a means of the reduction; (c) selection of employees to be dismissed with objective and rational criteria; and (d) sufficient labor-management consultation.

Two decades later, in the 1990s, the Japanese economy went into a long-term stagnation, which forced Japanese companies to execute a large-scale restructuring of their businesses. Observing the difficulties faced by businesses, the courts partly changed the framework of judgments on economic dismissals.

⁸ A representative decision is Toyo-Sanso, Tokyo High Court, Oct. 29, 1979.

In earlier decisions, the court required firms to meet all of the four standards to win the judgment that an economic dismissal was not abusive. However, the court came to relax this regulatory framework in the 2000s. In specific terms, the court is now inclined not to examine the four standards independently, but to scrutinize standards relatively to reach a conclusion based on the entirety of the relevant facts.

This change of approach typically took effect in cases involving dismissals of redundant employees with generous termination packages. In one case, for example, a Japanese subsidiary of a British bank eliminated one business branch that had lost profitability, and dismissed a branch manager who did not agree to early retirement with a large amount of severance pay and outplacement service. Relying on the old regulatory framework, the court at first temporarily held the dismissal as abusive, because the firm did not make efforts to create vacancies in other branches so as to absorb the manager (failure of meeting the second standard). However, in the subsequent decision involving the same dismissal, the court relaxed the framework in the way mentioned above and approved the validity of the dismissal, holding that it is not abusive considering the generous retirement package offered by the firm.⁹

Also, the court occasionally renders a decision holding economic dismissals not abusive, even though a firm reduced the workforce by partially resorting to economic dismissals to cope not with deficits but with decreased profits in business (so-called aggressive restructuring) if the firm offered a generous package to minimize dismissals.¹⁰

In general, the court still requests that firms meet the four standards as much as possible. However, the court is more likely to allow employers to take measures on a case-by-case basis to cope with redundancy.

3. Practices in Processing Dismissal Disputes

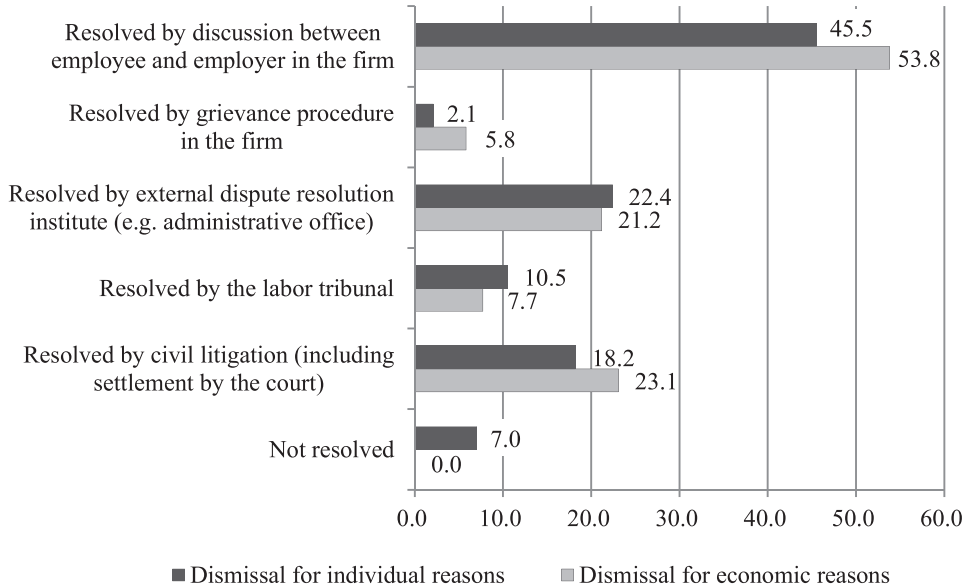
In Part One of this article, the authors explained the structures and elements of administrative and judicial procedures to resolve disputes involving dismissals. In Part Two, the authors further discuss practical features of processes to resolve disputes involving dismissals.

3.1 Overview of Processes to Deal with Dismissal Disputes

First, it should be emphasized that only a small percentage of employees bring complaints about dismissals to the employer. According to the 2012 JILPT Hiring and Termination Survey, 78.4% and 79.4% of firms that dismissed employees for individual and economic reasons respectively during the 2007 through 2012 period did not have any conflicts with such employees.

⁹ National Westminster Bank, Tokyo District Court, Jan. 21, 2000.

¹⁰ The Development Bank of Singapore, Osaka District Court, Jun. 23, 2000.



Source: 2012 JILPT Hiring and Termination Survey.

Note: This data consists of firms that answered that disputes occurred over dismissal.

Figure 1. How Dismissal Disputes Are Resolved

Secondly, according to Figure 1 summarizing the data of the same survey, even when dismissals gave rise to disputes, about half of such disputes (45.5% and 53.8% of those involving individual and economic dismissals respectively) were resolved through dealings between the dismissed employee and his/her employer.

Thirdly, according to a Ministry of Welfare and Labor (MHLW) survey,¹¹ a little fewer than 40% of enterprise-based unions have formal grievance procedures instituted in their written agreements with the enterprise. Such procedures usually set forth a few formal steps of negotiations between union and management to resolve grievances brought by union members. However, complaints tend not to follow such grievance procedures, and even if they are made known to unions, they are not usually brought in line with grievance procedures. In daring to support the grievances of their members, unions are inclined to attain some solution through either informal dealings or formal collective-bargaining sessions with management. As a consequence of such labor management practices, the percentage of dismissal disputes resolved by grievance procedures is small, as shown in Figure 1 (2.1% and 5.8% of individual and economic dismissals respectively).

Fourthly, according to the same JILPT survey, 51.1% and 52.0% of disputes involving individual and economic dismissals respectively were resolved by administrative

¹¹ MHLW, Survey on Collective Agreements (2011).

Table 7. Measures Selected to Resolve Dismissal Disputes

	(Multiple answers %)	
	Dismissals for individual reasons	Dismissals for economic reasons
Monetary compensation	44.1	55.8
Alteration of the reason or the form of employment termination	20.3	9.6
Reinstatement	4.9	5.8
No additional measure necessitated	25.2	17.3

Source: 2012 JILPT Hiring and Termination Survey.

Note: This data consists of firms that answered that they had had disputes over the dismissal during 2007–2012.

procedures (counseling, or advice and conciliation services offered by MHLW Prefectural Labor Offices) or judicial procedures (labor tribunal and civil litigation procedures conducted by the court) during 2007–2012. The composition of resolutions attained by such external procedures is indicated in Table 1 in Part One also presents the number of dismissal disputes that were settled in those external procedures during fiscal 2012 on the basis of the statistics of MHLW and the Supreme Court.

3.2 Contents of Arrangements to Settle Dismissal Disputes

Table 7 shows the measures selected to resolve dismissal disputes in both internal (between employee and employer) and external (administrative and judicial) processes. One finds that one-fifth of the disputes were resolved without any additional measures, and half of them were solved by means of paying additional compensation. It should be noted that only a small number of employees were reinstated; the percentage was approximately five percent of the number of dismissal disputes.

Also, according to different sources, even in the resolutions attained by administrative conciliation and labor-tribunal procedures, reinstatements were very rare (Table 8). One of the factors is that most of the employees who file complaints with the administrative office or labor tribunal do not insist on reinstatement. In most cases, they seek monetary compensation to settle dismissal disputes.

Though the amounts of monetary compensation ranged widely, most of them were at rather low levels. Half of them fell below 175,000 yen in conciliation settlements by administrative offices, and 1,000,000 yen in decisions or settlements following labor tribunal procedures (Table 9).¹² The lower levels of monetary settlement in administrative

¹² Regarding settlements in civil courts, the average payment amount was estimated as 6,640,500 yen. JILPT, *Kaiko Muko Hanketsu Go No Genshoku Fukki no Jokyo ni Kansuru Chosa Kenkyu* [Survey on reinstatement after court decisions holding dismissal as invalid], JILPT Research Material Series no. 4 (Tokyo: JILPT, 2005).

Table 8. Resolution of Dismissal Disputes

	(%)	
	Conciliation of Administrative Office ¹	Labor Tribunal ²
Reinstatement	1.3	4.0
Monetary compensation	94.8	95.0

Sources: ¹*Kobetsu Rodo Kankei Funso Shori Jian no Naiyo Bunseki* [Analysis of the contents of resolutions in individual dispute cases], JILPT Research Report no. 123 (Tokyo: JILPT, 2010). This was a survey on conciliation of four administrative offices in fiscal year 2008. This data consists of employment termination cases that were settled (N=233). Termination of employment includes not only dismissal but also voluntary retirement, expiration of fixed-term contracts, mandatory retirement, etc.

²*Rodo Shinpan Seido ni tsuite no Ishikichosa* [Survey on attitude toward labor tribunal procedures], Institute of Social Science, the University of Tokyo (October 2011). This data consists of workers who appeared before the tribunal at the date of the oral announcement of the decision or conciliation of the Labor Tribunal Procedure between July 12 and November 11, 2010, and answered the questionnaire (N=302). This number includes many different types of workplace disputes.

Table 9. Amounts of Monetary Compensation

	(¥)		
	Median	Minimum	Maximum
Administrative office (Conciliation)	175,000 ¹	10,000 ²	Over 10,000,000 ²
Labor tribunal	1,000,000 ³	30,000 ³	14,680,000 ³

Sources: ¹Kazuo Sugeno and others, eds., *Rodo Shinpan Seido no Riyosha Chosa* [Labor tribunal system: User's survey] (Tokyo: Yuhikaku, 2013).

²JILPT Research Report no.123 (2010).

³Institute of Social Science, University of Tokyo (2011).

conciliations may be attributable to the fact that conciliators mainly seek to attain a quick and amicable solution rather than to examine the legal merits of the case.

Another feature of the administrative conciliation and the labor tribunal procedures is their rapid resolution. Regarding the conciliation by the administrative offices, the median duration between the submission of complaints and conclusion of the procedure was found to be approximately thirty days.¹³ One can emphasize that early resolution is what the dismissed employees really desire. This would make it possible for the employees to seek and find a new job earlier, and that should also contribute to the mobility of the labor market.

¹³ JILPT Research Report no.123 (2010). The four major prefectural offices are Chiba, Nagano, Osaka and Shimane. Those offices disposed of 1,144 conciliation cases, which represent 13.5% of 8,457 cases disposed of by the entire 47 offices.

Table 10. Number of Conciliation Cases regarding
Employment Termination by Firm Sizes

Firms with 300 or less employees	566	90.1% ¹
Firms with more than 300 employees	62	9.9% ¹
Firms the sizes of which were not known	128	
Total	756	

Source: JILPT Research Report no. 123 (2010). Re-calculated by authors.

Note: ¹Percentage among the number of firms the sizes of which were known (N=628).

4. Different Features of Dismissals in Small Businesses

The authors have so far described the tendencies of practices in HRM and labor management relations, as well as the features of dispute-resolution processes, regarding dismissals in Japan. One should yet further explain, in these respects, about different features of dismissals to be found in small firms.

One can grasp such features through a recent study on conciliation cases involving employment termination disputes handled by the prefectural administrative offices of MHLW, since the large part of such conciliation cases are brought in by workers at small businesses.

JILPT conducted an extensive study on individual labor-dispute conciliation cases handled by the four representative prefectural-administrative offices of MHLW during fiscal 2008.¹⁴ It made intensive analyses of the voluminous records of such cases to examine reasons and motives for the dismissals contained therein.

According to this study, the four administrative offices dealt with 756 conciliation cases arising from employment termination disputes in fiscal 2008 (Table 10). In terms of firm sizes, 90.1% of these conciliation cases were those generating from firms with 300 or less employees (small and medium sized enterprises).¹⁵

Table 11 shows the composition of employment termination conciliation cases involving small and medium-sized enterprises (SMEs), by type of employment termination. The table shows that the cases involved not only dismissals but also other types of employment termination such as solicitation of voluntary retirement, resignation for personal reasons, or termination of fixed-term contracts.

¹⁴ This is an elaboration of Keiichiro Hamaguchi, Chief Researcher at JILPT. See also JILPT, *Nihon no Koyo Shuryo* [Employment termination in Japan] (Tokyo: JILPT, 2012); Keiichiro Hamaguchi, "Analysis of the Content of Individual Labor Dispute Resolution Cases: Termination, Bullying/Harassment, Reduction in Working Conditions, and Tripartite Labor Relationships," *Japan Labor Review* 8, no.3 (2011): 118–37.

¹⁵ Workers in small or medium-sized enterprises account for about 69% of total workers (Ministry of Economy, Trade and Industry).

Table 11. Employment Termination Conciliation Cases Involving SMEs by Types of Termination

	(%)	N
Ordinary dismissal	42.2	239
Disciplinary dismissal	3.7	21
Collective redundancy	16.3	92
Induced termination	12.2	69
Resignation for personal reasons	9.7	55
Withdrawing of tentative hiring decision	4.1	23
Refusal to renew repeatedly renewed fixed-term contract	11.8	67
Total	100.0	566

Source: JILPT Research Report no. 123 (2010). Re-calculated by authors.

Table 12. Grounds for Individual Dismissals regarding Conciliation Cases Involving Dismissals by SMEs

Sanctioning of the exercise of rights	5
Sanctioning of “voice” (employees’ opinions)	7
Refusal to accept change in working conditions	15
Notification of change or termination	4
Attitude	90
Misconduct	9
Private issues	3
Ability	35
Illness/Injury	21
Management	28
Miscommunications	5
Unknown	12
Others	5
Total	239

Source: JILPT Research Report no. 123 (2010). Re-calculated by authors.

Table 12 shows the in-depth grounds for individual dismissals. The survey revealed the tendency of SMEs to dismiss their employees by the reasons clearly inappropriate or unlawful, such as dismissing workers for the exercise of rights guaranteed by the labor statutes (e.g., employee’s request for statutory annual paid leave), or for expressing critical views on, e.g., the firm’s managerial or personnel policies. The survey also found many cases in which SMEs dismissed employees upon their refusal to accept management pro-

posals to alter working conditions (jobs, workplaces, wages, etc.).

The survey also found that SMEs' dismissals are frequently attributed to employers' distaste for employees' rational attitudes. Typically, there were cases in which employees were dismissed when refusing to obey management's orders to neglect legal duties. One could even find cases of dismissal caused by his/her disagreement with the boss on minor matters. Sometimes, the employees were discharged for obscure reasons, such as that the employees did not match the firms' culture or did not have good relationships with his/her colleagues. In some cases, the reason alleged by the employer could be regarded an excuse, and the real motive for the dismissals was estimated as the employer's dislike of the employee's personality.

Also, in many cases of dismissals for alleged poor performance, the employer could not demonstrate concrete or specific facts substantiating the allegation, presenting only abstract reasons such as "low performance" or "lack of aptitude."

Regarding economic dismissals appearing in conciliation processes, the study found that, in a majority of cases, firms did not specifically clarify economic necessity, merely stating in abstract terms that "the company run into financial difficulties," etc. In many of those cases, one could suspect, from the records of cases, the existence of other motives of dismissal, such as expelling a strong dissident or a poor performer from the management viewpoint. The study found the tendency of SMEs to make use of economic necessity as a panacea to get rid of employees undesirable for management, which is in sharp contrast with the case law restricting economic dismissals.

Thus, one could presume from the findings of the JILPT study of conciliation cases involving dismissal disputes that SMEs are not so conscious of case standards relating to the law of abusive dismissals, but are exercising the right of dismissal rather easily and discretionarily.

This distinctive tendency of SMEs is closely related with the sharp contrast of union density between larger and smaller firms. Larger firms ordinarily have labor unions organizing their regular employees, while smaller firms scarcely have such unions.¹⁶ One of the greatest concerns of enterprise unions is the employment security of their members. Enterprise unions accordingly endeavor to clarify the standards and procedures for dismissals in collective agreements and employee regulations. They also engage in intensive consultations with management to jointly work out measures to cope with economic changes affecting employment. Management is also keenly aware of these strong union concerns, and

¹⁶ Union density by firm sizes is shown below:

Total	16.6%
Firms with 1,000 or more employees	44.9%
Firms with 100–999 employees	13.1%
Firms with less than 100 employees	1.0%

Source: MHLW, *Basic Survey on Labor Unions* (2013).

takes a cautious attitude toward dismissals to maintain cooperative industrial relations. One does not often find such a thoughtful approach in SMEs' dismissal practices.¹⁷

5. Relationship between Dismissals and Labor Mobility

So far the authors have described the legal regulations governing dismissals in their substantive and procedural aspects (Part One), and analyzed dismissal practices in firms' HRM and labor management relations (Part Two). The remaining issue, then, is the relationship between the law and practices of dismissals and the state of labor market. The central question is whether the law and practices of dismissals as have been described have a negative effect on labor mobility.

First, according to government statistics, the Japanese labor market seems to demonstrate significant mobility due to job turnover. For example, the Survey on Employment Trends (by MHLW) shows that 6,730,000 workers left their employment during 2012 (14.8% of the total number of workers).

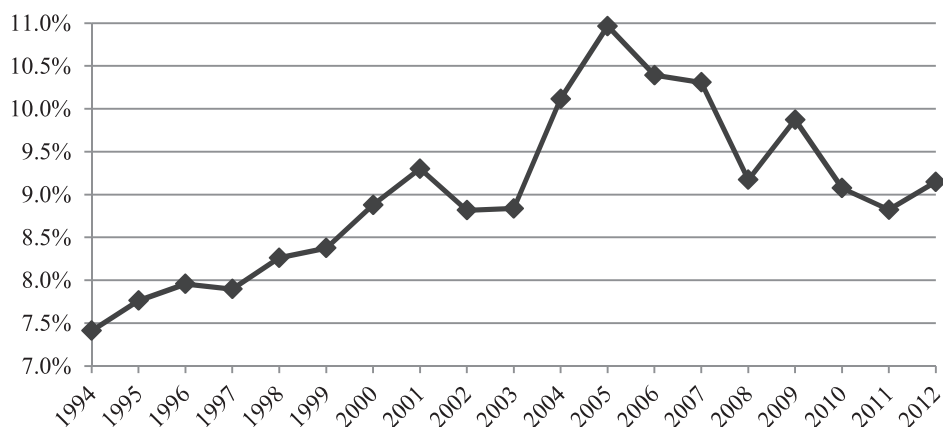
In addition, during the last decade, Japan experienced a dynamic work shift mainly from the manufacturing industry to the medical, health care and welfare sector. According to the Labour Force Survey (Ministry of Internal Affairs and Communications [MIC]), workers employed in the manufacturing industry decreased from 10,910 to 9,890 thousand persons in the decade beginning 2003, while those employed in the medical, health care and welfare sector increased from 4,690 to 7,040 thousand persons in the same decade (workers in the wholesale and retail trade also increased from 9,390 to 9,560 thousand persons). The entire job turnover rate has been trending upward since the middle of the 1990s, as Figure 2 indicates, despite the long-term and serious slump of Japanese economy since late '90s.¹⁸

Secondly, one should also note that the dynamic work shift from the manufacturing industry to the medical, health care and welfare sector, as described above, does not mean

¹⁷ One should, however, note that there are many small general or industrial unions organizing employees of smaller enterprise within certain regions. Such regional unions make efforts to protect their members against abusive or unlawful dismissals through negotiations with management. In the case of failed negotiations, such unions make use of MHLW's administrative conciliation services, mediation or unfair labor practice procedures of the Labor Relations Commissions, or labor tribunal or civil suit procedures of the court. Regarding the functions performed by regional unions, see Hak-soo Oh, *Roshi Kankei no Furontia* [Frontiers of industrial relations in Japan] (Tokyo: JILPT, 2012).

¹⁸ According to the Basic Survey on Wage Structure 2013 (MHLW), the average length of service of regular workers (excluding part-time workers) in Japan was 11.9 years, which is much the same as many OECD countries (i.e. the average length of service of total employees in Germany in the same period was 11.4, 12.2 in France, 12.7 in Italy, 9.0 in the U.K. (OECD Data Base, Employment by job tenure intervals)). The U.S. A. had the median of 4.6 years (U.S. Department of Labor, Employment of Tenure in 2012). The length of service might be more different among industries than among countries. In Japan, it was 14.0 years for the manufacturing industry, while it was 8.4 years for the accommodation and food service industry. In Japan, the average length of service of 50- to 54-year-old workers has been declining since the mid-1990s. That length for 45- to 49-year-old workers has been declining since the early 1990s.

Dismissals in Japan (II): How Frequently Do Employers Dismiss Employees?



Source: MHLW, *Survey on Employment Trends*.

Figure 2. The Ratio of Hires Who Had Changed Jobs

that manufacturing industry workers have massively moved to the medical, health care and welfare sectors. As Table 13 below shows, 46.3% of the workers who left manufacturing firms found new jobs again in the manufacturing industry, and only 7.9% found new jobs in the medical, health care and welfare sector. It is not easy for workers to find jobs in new fields they have not experienced. Labor market policies that merely demand workers move out of declining businesses may only have the effect of generating unemployment.

Thirdly, the most frequent type of job (employment) changes is worker resignation for personal reasons. During 2012, 4,680,000 workers resigned from employment for personal reasons including desire to change employment. They constituted 69.5% of the total employment turnover. On the other hand, the percentage of workers leaving employment due to their employer's economic necessity was only 4.0%, which included not only dismissals but also agreed (or voluntary) terminations of employment due to economic reasons. In addition, summing up dismissals for both economic reasons and personal reasons (such as misconduct, dissatisfaction with employee performance), dismissals represent only a small portion of the labor turnover.¹⁹ From this viewpoint, facilitating or encouraging dismissals does not seem to be an effective means of enhancing mobility of the labor market.

Fourthly, as indicated in Figure 3, the number of workers who left employment due to their employer's economic necessity increased significantly in 2009, in the wake of the global financial crisis, signifying that firms do reduce a large number of workers in the face of economic crises although the reduction may not be to their desired scale.

Finally, courts judged merely 343 cases regarding employment terminations in fiscal 2012, a number that should be considered too small to affect the entire labor market. Most

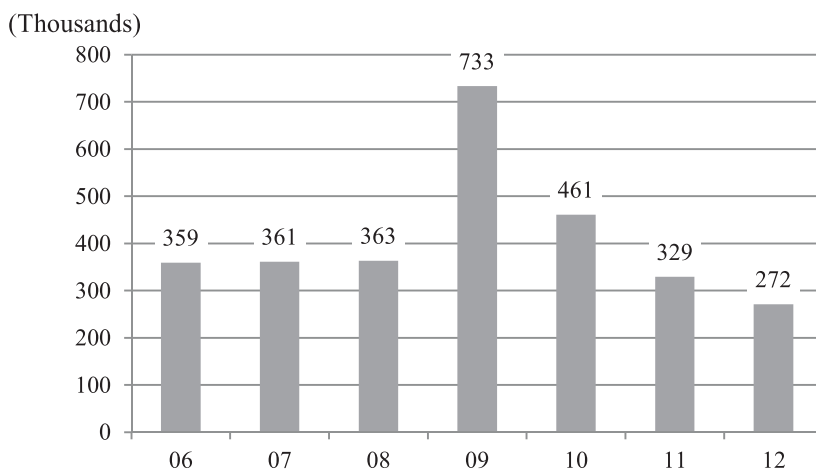
¹⁹ One can estimate from the Survey on Employment Trends that the percentage of dismissals for both economic reasons and personal reasons was less than 4.9%.

Table 13. Job Turnover (Former Industries and Present Industries Workers Belong to)

	Former industries workers belonged to										(thousand)
	Total	Construction	Manufacturing	Information and Communications	Transport and Postal Service	Wholesale and Retail trade	Accommodations and Dining Services	Medical, Health Care and Welfare	Services, N.E.C. (not elsewhere classified)		
Present industries workers belong to											
Total	11,905	721	1,906	425	657	2,120	1,119	1,289			736
Construction	663	298	80	14	36	62	27	14			32
Manufacturing	1,582	75	733	38	66	211	96	47			76
Information and Communications	337	7	27	147	6	39	10	7			26
Transport and Postal Service	744	45	114	12	255	98	39	20			46
Wholesale and Retail Trade	1,912	63	247	44	73	773	191	92			91
Accommodations, and Dining Services	908	20	85	12	26	168	371	48			37
Medical, Health Care and Welfare	1,731	27	137	19	37	205	124	835			64
Services, N.E.C. (not elsewhere classified)	1,055	53	169	48	59	159	69	52			198

Source: MIC, *Employment Status Survey* (2012).

Note: Workers who changed jobs (employment) in the last five years.



Source: MHLW, *Survey on Employment Trends*.

Figure 3. Workers Who Left Employment Due to Economic Necessity

dismissal disputes are resolved by the administrative or judiciary fast-track services²⁰ rather than by civil litigation.

In short, there seems to be little evidence demonstrating the negative effect of Japanese dismissal laws and practices on labor mobility. Moreover, what is important in evaluating dismissal laws and practices is not only economic efficiency but also the fairness of an industrial society. From this perspective, one should not impose the burden wholly on workers in cases of redundancy, since it is usually difficult for dismissed workers to find a new job in an economic downturn. It is particularly so for older ones fifty or more years of age, whose wages often decrease significantly even if they manage to find a new job.²¹ In addition, dismissals can have a negative impact on mental health.²²

Conclusion

Summarizing the practice of dismissals depicted here in Part Two, even in Japan, not a negligible but a substantial ratio of firms implement dismissals. Characteristically, however, they resort to dismissals in a thoughtful manner. In cases of employees' misconduct, or insufficient job performance, employers do not resort directly to dismissals, but take cau-

²⁰ Administrative conciliation services or judicial tribunal procedures.

²¹ In these situations, 35.7% of 50–54 year old and 34.9% of 55–59 year old workers experienced lower wages after job turnover in 2012. MHLW Survey on Employment Trends.

²² According to a survey by Hisata and Takahashi, the average General Health Questionnaire 28 indicator was much higher regarding dismissed workers (N=34) than the average for healthy people. Mitsuru Hisata and Miho Takahashi, "Ristora ga Shitsugyosha oyobi Geneki Jugyoin no Seishin Kenko ni Oyobosu Eikyo [Influence of firms' restructuring on unemployed and employed workers]," *The Japanese Journal of Labour Studies* 45, no. 7 (2003): 78–86.

tious steps, such as delivering a warning to give the employee a chance to correct his/her behavior. Dismissals are executed only when the misconduct is too grave to use other means. In times of redundancy, firms endeavor to achieve the necessary adjustment of employment with milder solutions other than dismissals. Firms strive to strike a balance among the interests of various stakeholders, including the workers, regarding whether workers are to remain or to leave in the course of redundancy. Employers usually engage in extensive joint consultations with the unions organizing their employees in working out means to cope with redundancy. Their last resort is often not dismissals but solicitation of early voluntary retirement with increased retirement benefits.

This cautious approach on dismissals was an outcome of HRM under the long-term employment system as well as enterprise-based labor management collaborations. By comparison, legal regulations governing dismissals played a much smaller role, in the authors' view.

It should be noted, however, that the features of dismissals are considerably different in small businesses. They are unlikely to follow such cautious steps as are ordinarily taken by larger firms. Small businesses do not have sufficient economic or human capacity to emulate the pattern of larger businesses. Nor are labor unions often organized in small enterprises.

With regard to the features of the processes to deal with disputes involving dismissals, JILPT surveys find that even if such disputes arise, most of them are resolved within the firms. Rather a small percentage of them are subjected to external procedures, most of which are resolved expeditiously through various forms of administrative or judiciary services such as counseling, advising, conciliation, mediation or awards. In consequence, only very few employees file suits with the courts, and court decisions holding the dismissal null and void are exceptional among dispositions of dismissal disputes in administrative and judiciary procedures. Thus, dispute resolution processes are not imposing a high level of cost on either employees or employers.

The final issue the authors addressed was whether the law and the practices of dismissals as described in Part One and Part Two had any negative effect on the mobility of workers in the labor market. The authors find there is significant mobility in the Japanese labor market, a significant scale of job turnover, and an increasingly high job-turnover rate. One can also recognize a considerable shift of the workforce from the matured manufacturing industries to the growing healthcare and welfare sectors. Encouraging dismissals could yet be neither an effective nor a fair means to enhance labor market mobility. Considering that a large portion of job turnover is, as a matter of fact, taking place within the same industry, the policy to be pursued is to help workers in matured industries to acquire new skills or abilities needed for growing industries, to provide information and consultation services so they can find new workplaces, and to help growing firms to employ workers smoothly using matching services.

Appendix Table: The Composition of the Firms Which Responded to the 2012 JILPT Hiring and Termination Survey

	N=5,964	%
<u>Industries</u>		
Mining and Quarrying of Stone	7	0.1
Construction	422	7.1
Manufacturing	1,516	25.4
Electricity, Gas, Heat Supply and Water	34	0.6
Information and Communications	194	3.3
Transport and Postal Service	556	9.3
Wholesale and Retail Trade	1,033	17.3
Finance and Insurance	50	0.8
Real Estate and Goods Rental and Leasing	59	1.0
Scientific Research, Professional and Technical Services	107	1.8
Accommodations and Dining Services	335	5.6
Living-related and Personal Services, Services for Amusement and Recreation	187	3.1
Education, Learning Support	131	2.2
Medical, Health Care and Welfare	260	4.4
Compound Services	10	0.2
Services, N.E.C. (not elsewhere classified)	756	12.7
Miscellaneous	108	1.8
No answers	199	3.3
<u>Firm Sizes (regular employees)</u>		
Fewer than 50 employees	1,562	26.2
50–99 employees	2,266	38.0
100–299 employees	1,466	24.6
300–999 employees	360	6.0
1,000 employees or more	76	1.3
No answer	234	3.9

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