

Abstracts

Unemployment in 2009: A Comparison between the Six Recession Periods

Yuji Genda (The University of Tokyo)

This paper compares unemployment and employment in the period 2007–2009 of serious world recession with those in previous periods of recession such as the oil shock period (1973–1975), the rapid yen appreciation period (1985–1987), the bubble bursting period (1992–1994), the financial crisis period (1997–1999) and the restructuring period (2000–2002). The common characteristics of the six periods are an increase in unemployment leaving jobs involuntarily, decrease in self-employment, and decline in the manufacturing sector. The explicit features of the recession periods after the financial crisis at the end of the 1990s are the further increase in male unemployment, the acceleration of losing jobs for involuntary reasons, the decrease in regular employment and the decline in jobs in the construction industry. The unemployment in 2009 was unique in that the unemployment rate rose the most in a year among the recession periods and non-regular workers decreased for the first time in the recessions. In addition, employment in the service industry increased the least in 2009 among these periods. Calculation of the job reallocation rate between industries and occupations reveals that the biggest change in job composition occurred during the oil shock period and the restructuring period. The rapid increase in unemployment in 2009 may be mainly due to the substantial fall in aggregate demand.

Basic Structure of Retirement-related Benefit System and Employment System

Yasuyuki Konishi (Meiji University)

From a historical overview, the Japanese retirement-related benefit system can be considered from two aspects; the first aspect is the response to the peculiarities of the concept of “unemployment”. In the debate over the Unemployment Insurance Act, it had been pointed out that recognition of unemployment is quite difficult in unemployment insurance, in that there can be no complete prevention of the exploitation of unemployment insurance benefits. This problem still remains unresolved. The second aspect is the relationship with the Japanese employment system. Since its formation, the Employment Insurance Act has not limited the coverage of compensation to the case of “unemployment”, but extended the coverage to other risks related to retirement. Also, along with restrictions on dismissals, it has provided the foundation for employment maintenance. On the other hand, due to the ambiguity of the concept of “unemployment” and the way of setting of the prescribed duration of benefits, the unemployment insurance system has made the Japanese employment system “flexible” to some extent. How to correspond these two aspects is an issue that still needs further consideration to reach an appropriate solution.

The Effect of Job Displacement on Subsequent Wages: A Review of Existing Studies and Prospects for Future Research

Ayako Kondo (Osaka University)

The deteriorating employment prospects have led to a growing interest in a rigorous examination of the effect of job loss on individual workers. This article begins by reviewing theoretical and empirical studies in the United States, where the effect of job displacement on subsequent wages has been thoroughly investigated, and then discusses prospects for future research with Japanese data. Theoretically, it has been shown that job loss can lead to lower wages after re-employment through several channels such as loss of specific-human capital, the previous job’s wage rents and a negative signaling effect. At the same time, in order to measure the cost of job loss,

it is necessary to consider unobserved heterogeneity of displaced workers and foregone wage growth, which requires a large panel dataset. In the United States, studies using large household surveys and social security administrative data have shown that the cost of job loss is larger for older workers and workers who cannot find a job in the same industry. Although a similar pattern is observed in the short run in Japan as well, the limited availability of data has prevented us from learning more about the long-run effects.

Wife's Strategies for Coping When the Husband Loses His Job

Akane Murakami (St. Andrew's University)

This paper investigates some of the strategies by which wives cope when their husbands lose their jobs. The paper uses the Japanese Panel Survey of Consumers (JPSC), which is a nationally representative longitudinal survey of 1,500 young women, conducted since 1993. The study found the following: (1) Husbands in white-collar jobs were less likely to lose their jobs than those in other jobs. (2) When confronted with income loss, many families relied on unemployment insurance, reduction in consumption, and withdrawal of deposits and savings. (3) Some wives began working or spending more time working. In contrast, the husbands spent less time on housework and/or nursing than the wives used to, and it increased very little. The division of labor in the household by gender remained unaltered. Faced with husbands losing their jobs, most wives took on double the burden of work and home, and sustained family life in the short run.

Recession, Unemployment, and Suicide in Japan

Yasuyuki Sawada (University of Tokyo), **Choi, Yun Jeong** (Kyung Hee University) and **Saki Sugano** (University of Tokyo)

Unemployment is regarded as one of the most serious problems in modern Japan. While there have been several studies on determinants of Japanese unemployment, only a few studies investigate costs of unemployment. Indeed, there is a strong positive correlation between unemployment rate and suicide rate in Japan, suggesting that the lack of social safety nets against unemployment generates a horrific outcome. In this article, we discuss three aspects on Japanese suicide and unemployment. First, we discuss the abrupt "jump" in the number of suicide cases in Japan in 1998 and the subsequent "persistence" and "juvenization" of this figure. Secondly, we discuss how suicide in Japan is different from suicides in other OECD countries, showing that the Japanese suicide rate is very sensitive to unemployment rate. Third, we employ Japanese prefecture-level panel data to verify the positive correlation between suicide and unemployment rates. After the discussion about these three aspects, we consider possible suicide prevention policies in Japan.

Effect of Performance Appraisal, Compensation, and Job Characteristics on Employees' Motivation: An Empirical Analysis of Firm Microdata and a Questionnaire Survey

Hisanobu Kakizawa (Osaka University) and **Osamu Umezaki** (Hosei University)

In this study, we analyze how long-term HRM practices and job characteristics affect the motivation of workers in a Japanese company. As a typical example of a long-term HRM practice, we focus on competency evaluation, the key determinant of promotion in ability-based grades. According to Holmström's career concerns model, the more the workers' ability is observed, the less it will affect their motivation. We use a matched dataset containing detailed personnel data and the results of an employee morale survey conducted in the company. The empirical analysis showed that

competency evaluation has a positive effect on workers' motivation and that the effect decreases as the period remaining at a grade within non-management grades is prolonged. In contrast, such an effect is not observed in management grades. The reason for this difference may be the relatively low importance of ability-based grades for management employees who have specific positions or roles. Each of the job characteristics, such as the concreteness of goals of each department, fairness in the distribution of jobs, has a positive effect on the motivation of workers in non-management grades, even after controlling for other HRM conditions.