

Abstracts

Okun's Law and Employment Adjustment

Yoshio Kurosaka (Musashi University)

The paper estimates the Okun coefficient in the Japanese economy for 1981-2010. The estimated Okun coefficient takes the value of 10.8 for 1981-2000 and 2008-10, and 3.0 for 2001-07. While the natural rate of unemployment is approximately identified with 2.1% for 1981-2000 and 5.1% for 2008-10, the value of the Okun coefficient is the same for both periods. Through a factor decomposition analysis the productivity effect due to labor hoarding is found to be smaller for 2001-07 than for 1981-00 & 2008-10. This fact finding leads to a conjecture of faster employment adjustment for 2001-07. The productivity effect returns to the previous magnitude after the so-called "Lehman Shock" hit the economy, showing that the speed of employment adjustment returned to the same degree as experienced for 1981-2000. This finding suggests that the large scale of employment adjustment took place due to the relatively large magnitude of the "Lehman Shock," rather than the faster speed of employment adjustment.

Defining Factors for Employment Portfolios

Masahiro Abe (Dokkyo University)

The transaction cost hypothesis and the dismissal cost hypothesis are the two principal hypotheses describing employment portfolios. The analysis made in this paper suggests that the dismissal cost hypothesis has more validity than the transaction cost hypothesis. Amongst this, although the relationship particularity with human capital was high, the employment portfolio was explained well by the corporate recruitment strategy of employing workers for a certain period as non-regular workers and then promoting them to regular workers after identifying their capabilities, rather than employing them outright as regular workers due to the high costs of future employment adjustment. Additionally, the results of this analysis indicated that there were no major changes in the factors defining the employment portfolios of companies even when changes are attempted for the ratio of non-regular workers according to the times.

Job Anxiety among Temporary Agency Workers in Japan

Akiko Ono (The Japan Institute for Labour Policy and Training)

This paper focuses on agency workers employed on short-term contracts, making an analysis of factors in selecting temporary contracts and in regards to job anxiety and aspirations towards regular employment, reinforcing analysis results from hearing surveys. The survey period is after the economic recession triggered by the Lehman Brothers bankruptcy, a recession marked by rapid employment contraction. The survey found that short-term contracts applied to women, those in their twenties or thirties, and junior high/ high school graduates, and those in marketing, sales, manufacturing or light physical duties rather than in office work. It also found short-term contracts applied to those living in prefectures with high unemployment rates, and those having medical history from after graduation until the present. The factor analysis of job anxiety found that those in temporary contracts of less than three months felt job anxiety more often than those with contracts of one year or longer. Those with aspirations to regular work were greatly subject to the effects of job anxiety, while those with a reasonable chance of becoming regular workers had a lower rate of job anxiety. The temporary contracts of such people were of a year or longer, while those aspiring to regular work but actually assuming they will continue in temporary work and with no predictions regarding their work in three years' time had temporary contracts of a year or less. Aspirations towards becoming a regular worker were strongly rooted in job anxiety; steps towards minimization of job anxiety are needed, including increasing the length of temporary contracts, asking the companies where the temporary workers are dispatched to give them jobs that heighten their skills, and asking the dispatching companies to introduce jobs that brighten their career prospects.

Legal Theory about Short-term Employment

Shinobu Nogawa (Meiji University)

This paper analyzes the legal issues concerning short-term employment of workers and is intended to review the status of their future. At present in Japan a number of workers enjoy long-term employment, while a growing number of workers are in short-term employment. The reason is that Japanese companies, which are exposed to international competition, are inhibited from hiring regular workers in order to reduce their labor costs. Thus, short-term employment workers are located in a very precarious position with poor working conditions. Faced with this, some scholars and even law courts have been trying to make reasonable and fair rules for workers in short-term employment. However, no valid new rule has been formed yet. Based on the above points, I argue in this paper that the rule of the court precedent that "it shall be illegal for employers to refuse to extend an employment contract in the case where continuation of employment is deemed to be a rational expectation" should be effectively applied to cases of termination of employment of those who have been in definite-term employment. In addition, this paper aims to clarify the specific contents of the "compelling reasons" on the early withdrawal of a definite term of employment, especially on the case of layoffs for dispatched workers, I advocate to interpret the agreement of the parties reasonably, to strengthen due processes thoroughly, and to improve rules on the working conditions of dispatched workers.

The Strategy of Contingent Work: A Survey of Regulations of fixed-term Contracts and Temporary Agency Work in the United States, the Netherlands and Germany

Atsushi Honjo (Shizuoka University)

In this severe recession, each country debates the security of contingent workers. This paper surveys the employment regulations of dismissal, fixed-term contracts and temporary agency work in the United States, the Netherlands and Germany. According to this comparison, the regulations of contingent workers should be balanced with the dismissal systems in each country. In addition, the regulation of agency work should not largely be separated from that of fixed-term contracts. However, although the labor law strictly limits dismissal in the Netherlands and Germany, the strategies for contingent work in these countries are: (1) to deal with unemployment, the use of contingent worker is not banned as long as it remains within the upper limit, (2) to enforce the present regulations strictly by means of public administration, civil law or self-regulations, (3) to adjust and promote equal treatment in the social security system.