

Abstracts

Employment Measures for Displaced Workers in the Declining Coal Industry Naoko Shimazaki (Waseda University)

In Japan, along with the decline of the coal industry, over 200,000 employees have been dismissed. Employment measures for displaced former coal miners were recognized as a national issue not just a personal issue. Therefore the government took measures for broad support and assistance, unique among industries. Comprehensive measures involved support not only for re-employment, but for relocation, housing and vocational training. The support was implemented by the cooperation of the Employment Promotion Corporation, the closed coal company, the labour union and the local governments. Beside economic support, counselors assisted displaced coal miners showing them how to choose a new job in another industry and move to another city. The labour union played an important role in the support process, especially the Tanko Rishokusha Koyo Engo Kyokai, in Hokkaido. The characteristics of coal miners made counseling essential, and support was found naturally due to the unique labour culture of the coal mine. Although there were problems and restrictions in the employment measures, as a result, most ex-coal miners made a successful transition. It should be noted that in other industries, not only the coal industry, if workers are forced to move to another industry, they need comprehensive measures and appropriate individual counseling.

Entry into a New Business and the Quasi-internal Labor Market in Japanese Firms

Yasuo Dan (Kinki University)

This paper discusses how Japanese firms have utilized internal human resources when they enter a new business in response to a change in business environment. Lifetime employment practice enables them to follow this practice. Though they have implemented employment adjustments under business reconstruction, they are not permitted to dismiss employees without good reason. Therefore, they have transferred employees temporarily (shukko) or permanently (tenseki) to affiliated firms, which are often established for new business in order to maintain employment. The human resources department play a critical role for the smooth transfer of employees. It accumulates and analyzes information on job offers within the corporate group (quasi internal labor market) and on the skills of employees, and it provides training for adding new skills to improve employees' performance on the job at affiliated firms. By utilizing this practice, Japanese firms have provided a long-term incentive for employees to improve performance. Though they succeeded in developing new businesses by utilizing the quasi-internal labor market, they have not worked very well recently. Therefore, they must review how to take better advantage of the quasi-internal labor market.

Labor Mobility and Employment Policy

Yoichi Shimada (Waseda University)

In this paper we discuss several issues regarding employment policy in light of expanding the flexibility of the labor market in Japan. One characteristic of the Japanese labor market is the polarization between regular employees and irregular employees, such as part-time workers. There is little possibility of gaining a regular job for irregular employees, and workers who quit their job rarely find a new regular job. Because contracts of employment for regular employees do not contain descriptions and limits on working hours and locations, female workers with family responsibilities are not able to continue their jobs. In view of this situation, we propose the following reforms: adoption of the working style of regular workers, support for the introduction of new types of regular employees who have job descriptions and limits on working hours and locations, and reform

of the temporary work system. These reforms are for the purpose of expanding the flexibility of the labor market and for realizing labor mobility from declining industries to growth industries, with no unemployment.

Productivity, Demand and Inter-sectoral Labor Allocation in Japan

Etsuro Shioji (Hitotsubashi University)

This paper first presents an overview of recent trends in inter-sectoral labor allocation in Japan. I find that three sectors have been expanding at the expense of manufacturing. Those three are: medical and health services, corporate services, and information services. I study roles played by both productivity and demand factors behind those changes. As for productivity, the greatest gain has been found not in those growing sectors but rather in manufacturing, especially electronics. Does that mean that Japan should have expanded this sector further? Not necessarily. I show theoretically that, when demand satiation is important, a productivity increase could actually reduce the optimal labor allocation to that sector, through price declines. In fact, Japanese electronics prices have been falling dramatically. In the light of the model, we could argue that labor allocation to that sector should have been contracted faster. As for the demand factor, I study the relationship between population aging and labor allocation to the medical and health service sector. I find that this sector suffers from a chronic and massive labor shortage, despite the large labor flows inward. I hypothesize that this is because prices of those services do not react to market conditions. As a result, in spite of the large shortage, wages do not respond, and the sector fails to attract labor quickly enough.

On Government Support for Job-to-Job Transition

Ryoichi Imai (Kyushu University)

Job-to-job transition is less costly than job-to-unemployment-to-job transition. If productivity slowdown is not temporary but permanent, employment adjustment across industries is inevitable. As Becker (1962) pointed out, general training that increases workers' productivity more for future employers than for current ones is not provided by private sectors in a competitive economy. Government support for job-to-job transition is involved with a serious incentive problem. Innovation tends to be laborsaving, and employment declines in highly innovative industries, but increases in industries with slow innovation. In a strong contrast to the widely held view that more liquid labor market is associated with globalization and knowledge-based capitalism, labor markets of advanced economies have become less liquid with declining job separation rates in the last several decades. Increasing uncertainty weakens workers' bargaining position and reduces reservation wage. Sustainable policies must be carefully considered.

Policy Issues for Care Workers: The Securing and Training of Human Resources in the Care Sector

Masayuki Kitaura (Japan Productivity Center)

While demand for care is steadily increasing these days, a decrease in the supply of the labor force is expected. Two viewpoints are conceivable regarding the securing of a labor force; in macroeconomic terms, the supply-demand balancing of the labor force, and in microeconomic terms, manpower management in each company. In order to secure a high-quality and sufficient labor force, the stability of workers should be improved and personnel training should be enhanced. One of the reasons for the higher separation ratio of care workers compared to other fields may be the poor treatment in terms of wage determination, including the problem of differentials in wages and raises in pay. However, the separation ratio of care workers is not always related closely to personnel management systems, including wage determination. Therefore, the discussion here focuses on the importance of manpower management in each company. In personnel training, it is

indispensable to enable workers have career prospects which increase their motivation and urge them to contribute to the company. In future, we will expand the discussion and take up issues of the effect of social security reform and the development of employment opportunities in private companies for the care sector.