

## Abstracts

### The Impact of the Japanese Social Security Systems on the Labor Market and Employee Benefits

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In Japan, from 2000, great social security reforms are continuing and the cost of social security is increasing because of the aging society. They have a large impact on companies and the labor market. The purpose of this paper is to discuss the relationship among social insurance reforms, the diversification of work policies and employee benefits. The first point is the impact on the labor market of increasing contributions for social security. There is a dual-directional relationship between the diversification of work policy and the social insurance system. The contribution of the employer is increasing with the cost of social security and it is becoming a heavy burden for employers. To avoid this burden, the employers shifted from employing full time employees, whom the employer has to pay the social insurance contributions for, to part time workers, whom the employer doesn't have to pay the social insurance contributions for. However, part time workers have to pay the contribution of the national pension system and the national health insurance by themselves. Thus it has become a heavy burden for the part time worker, so the number of part timer workers who do not pay such contributions has increased. The second point is the important change in the social insurance systems. As a result of social security reform, the cost of medical care system for elderly people financed from the social insurance contribution is increasing. Under the traditional social insurance system, people receive benefits in recognition of contributions to an insurance program. However, this is changing and for the younger generation they might not get such benefits in the future. It is becoming like a new tax. The third point is the impact on employee benefits of increasing the social security contributions. Now employers are focusing on employee benefits to support their employees' work and housework.

### Impact of Application Amplification in the Health Insurance System and its Problems

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In Japan, under the idea of "Universal Health Insurance," all people, in principle, affiliate themselves to the Public Healthcare System to receive insurance benefits. The public medical insurance system is roughly divided into employee insurance, such as Health Insurance or the like, National Health Insurance, targeting insurance for those other than employees, and the Medical Insurance System for the elderly, aiming at the elderly aged 75 or older. Currently, although the benefit rate is integrated among these systems, there is variation among the insured and their dependents, calculation methods of premiums and the amount of premiums. To newly become an object of health insurance, since a policy holder of the National Health Insurance or a dependent of employees' insurance, by becoming insured with health insurance, while some policy holders decrease their premium burdens; some others come to bear new premiums. In addition, industries employing many short time employees subject of application increase a burden of premiums. Furthermore, since the amount of latter period elderly support funds or the like, for which each insured makes contribution, while the insured whose dependents decrease the fiscal burden, policy holders whose insured and accompanying employees' increase, the amount to bear will increase.

Though deliberations are slated for further amplification of applications by the end of September 2019, inasmuch as the application expansion for short time workers will cause an enormous impact on the fiscal burden of the parties concerned and the relevant people, a host of twists and turns are projected. Although system design and operations have been carried out for health insurance, the social economic structure and working morphology or the like have substantially varied as compared with when the system was created. In terms of such alterations and preparations for an upcoming super-aging society, it is hoped that discussions will be carried out from a still broader

perspective.

Are Employer Contributions to Social Insurance Increasing Non-regular Employment?

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The ratio of non-regular workers, such as part-time workers and temporary workers, is increasing every year. The most important reason that employers hire non-regular workers is to reduce labour costs, like wages and social insurance. According to the analysis of a previous study, employers take the following measures to avoid the burden of social insurance. First, employers pass the social insurance burden on to the workers' wages. Second, they recruit non-regular workers, who are not covered by social insurance. Third, employers increase the working hours of existing employees. Fourth, employers reduce new hiring. Fifth, they reduce the working hours of temporary workers. In addition, the recent rise in the number of non-regular workers originates from demand factors rather than supply factors in a large part, according to the shift-share analysis. It is important to focus on how the Japanese government's new plan to expand the range of coverage of the social insurance will affect employers' actions henceforth.

Legal Issues on the Appropriate Expansion and Application of Employees' Pension and Health Insurance to Non-regular Workers

**Yoko Kinugasa** (Kinki University)

Regular workers join the Employees' Pension and Health Insurance and receive a supplemental pension to the Basic Pension, a sickness and injury allowance and a maternity allowance, which are not covered by either the National Pension or National Health Insurance. However, workers who work under 30 hours per week cannot join these systems. In August 2012, the Employees' Pension Insurance Law and Health Insurance Law were revised as part of the Comprehensive Reform of Social Security and Tax. From October 1st 2016, the application of the Employees' Pension and Health Insurance to the workers under 30 hours per week (except students) shall be enforced, specifically on those who work at least 20 hours per week. In addition, these are individuals who are expected to be employed continuously for a period of at least one year, and receive salaries of at least 88,000 yen a month. But application of this rule will not, for the time being, be applied to enterprises with 500 or fewer employees, to avoid an increase in employer-paid social insurance premiums. The application of the Employees' Pension and Health Insurance should be expanded to a wider range of workers. Moreover in the future, in adjusting to the diversification of work modes, these systems should be applied to multiple jobholders by adding together their part-time employment, and referring to the rules for pension and medical insurance for Mini-Jobs in Germany.

The Issue of Expansion of Employment Insurance Coverage and Creation of Support Systems for Job Seekers

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Expansion of applications for social insurance by non-regular workers who are mainly on low wages causes the problem of minimum income security because of the replacement rates of social insurance. One way solution for this problem is the creation of a social assistant system. A support system for job seekers related to employment insurance was enacted in Japan in 2011. In European countries in particular, supplementary assistance systems for unemployed people are an intermediary system between the unemployment insurance system and the public assistance system. However in the outline of this system in Japan, the payment has been established in terms of the necessity to pay benefits to make it easier to receive training and support daily life during the training period. The percentage of unemployed workers not receiving unemployment benefits which includes new assistance is still very high in Japan. The safety net for unemployed workers not receiving unemployment benefits is still a problem to be solved in Japan.

Differences in Working Hours of Health Conditions for Employees and according to Medical Insurances: Approach by Using Comprehensive Survey of Living Conditions  
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Due to the legal amendment in 2012, the applicability of employee health insurance for part-time workers is going to be expanding. Points such as whether the health of part-time workers is higher/lower comparative to normal employees have not yet been clarified up until now. The purpose of this paper is to clarify what the health status of part-time workers is, and to clarify whether it differs according to among medical public health insurances. One of the analysis methods is to recount individual forms of the Comprehensive Survey of Living Conditions of FY2013 to clarify how many part-time workers belong to which public health insurances. Furthermore, logistic regression analysis is carried out using the health status of part-time workers as an explained variable and the working hours the principal predictor variable. The results of the analysis showed that the part-time workers were insured not only under municipal health insurance, but also under employee health insurance. Results of logistic regression showed that work titles and working hours were correlated with health conditions. Furthermore, part-time workers insured under municipal national health insurance or other health insurance seems to have worse health levels than those under employee health insurance. This may suggest the possibility that the health status of part-time workers differs according to health insurance system they belong to. But many such workers are covered under employee health insurance, hence we consider it a low possibility that there will be an increase in people with poor health being insured under employee insurance due to the expansion of the applicability of employee insurance. This research has several limitations. We have not examined the causal correlations between health levels and working hours, and the relationship between health levels and insureds' transfers between insurance systems. We should also check whether part-time workers may be over- or underestimated according to how weekly working hours are measured. These facts need further examination.

Smoking and Wage Rates: Evidence from Japanese Panel Data  
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As smoking is commonly known as having negative health effects, governments frequently implement policies to discourage the practice, including tax increases or restrictions on smoking in public. To evaluate these policies, it is necessary to know the economic benefit and cost of reducing the number of smokers. Through panel data analysis controlling for unobserved heterogeneity, this paper shows that smoking is not the main factor causing the observed wage differentials between smokers and non-smokers in Japan. Regarding the relationship between smoking and wages, we find that male smokers receive a lower hourly wage rate than male non-smokers. Smoking behavior usually depends on environmental, congenital or social factors. These factors, however, do not only affect smoking behavior but also the wages. To isolate the effect of smoking on wages, we must controls for individual heterogeneity. In this research, the effect of individual heterogeneity is eliminated using panel data in order to verify the existence of any smoking effect on wages. In the fixed effects, with the model using tax change as an instrumental variable and following several checks for robustness, the results show no statistically significant effect of smoking on the wage rate. It is important for future work to conduct a long-term analysis.