

Abstracts

Labour Issues on Insolvency Proceedings and Insolvency Labour Law

Katsutoshi Kezuka (Sensyu University)

Drastic increase of bankruptcies since the second half of 90's and the enactment of a new insolvency law have made the insolvency proceeding an ordinary event in the business world. The Civil Rehabilitation Law 1999 enabled employers to reorganise and reconstruct companies by means of insolvency proceedings. The insolvency law pays scarcely attention to trade unions or employees representatives in the insolvency proceedings. Naturally under the existing unfair labour practice system they are able to bargain with employers and a trustee. But it is essentially significant to make it clear in advance, how far and how long trade unions can participate in the procedure, since the insolvency proceeding must be quickly performed. Moreover because of the lack of the material law on the transfer of undertakings, which plays the most important role in the insolvency, employees are often arbitrarily selected in the transfer process. It is urgently requested to establish the Insolvency Labour Law to protect employees, harmonising with rights and interests of other parties as a trustee, a debtor corporation and creditors appearing in the insolvency proceedings.

Re-entering the Workforce in the Wake of the Collapse of a Major Securities Corporation: Investigating the Role of Age and Skill

Hisakazu Matsushige (Osaka University)

The employees of a company that has gone bankrupt are indiscriminately thrown back into the labour market. The degree of success in re-entering the workforce must be clarified in order to verify whether other types of job-seekers, including those who have been made redundant, are the "lemons" in the labour market. With recent increases in large-scale bankruptcies in mind, this study analyzed re-employment patterns among workers of a major securities corporation. The findings are as follows: 1) while job-seekers in their 30's or 50's experienced difficulties, those in their 40's were not necessarily handicapped with respect to their age, 2) re-employment opportunities depend on the departments to which they were assigned and the jobs they performed and, 3) although skill ownership is a critical factor for being re-employed in the same or a similar industry where an acquired skill can be utilized continuously, age is not a major hindrance.

Startups by Individuals Who Have Failed in Business

Eiji Takeuchi (National Life Finance Corporation Research Institute)

In Japan, it is commonly held that entrepreneurs who have experienced business failure experience great difficulty in restarting a new business; however, there is no empirical evidence for such belief. Some people are not only unsuccessful in launching a subsequent business, but also struggle to maintain their households because of huge personal debts; however, there are entrepreneurs who achieve significant success in establishing another business after a former business has collapsed. The ability to recover from business failure depends not on the social or legal system, but on the individual. By getting out of a previous business before its fatal crash, it is possible to salvage certain assets after closing procedures. In addition, a sincere attitude including periodical loan repayments, even if the amount is insufficient, can help to maintain ones reputation as an entrepreneur, something that greatly facilitates the startup of a next business.