

Abstract

An Empirical Analysis on Poverty and Labour in Japan

Toshiaki Tachibanaki (Doshisha University) and **Kunio Urakawa** (Kobe University)

In the latter half of the 90's, an increased number of economically assisted households and households with no savings became prominent in the Japanese economy, causing the relative poverty rates to rise significantly. In a new report by the OECD, the poverty rate (relative poverty rate) in Japan is 15.3% and remains in the fifth rank within the OECD signatories. In this paper, we examine the current state of poverty in Japan from the viewpoint of "relative poverty" after discussing various concepts concerning the identification of poverty. Data used for those analyses are individual data of the Income and Distribution Survey (by the Ministry of Health, Labour and Welfare). It is clear from the estimated results, in regard to [the household type] group, that the single-mother, single-elderly and single (excluding elderly household) households easily become poor. In particular, an increase in the number of poor families among single-mother and single-elderly households in 2001 is surprisingly large. Additionally, as for [occupation of household head] variables, the estimated results show that there are discrepancies in the rates of poor households related to the size of companies at which the householders are employed. Furthermore, the variable factors of employees with a less-than-one-year contract, the self-employed, the unemployed (working-age group) and the unemployed (elderly) are positively significant. After the mid-90s, poverty in Japan rose in terms of frequency, severity, and inequality. The public policies for poverty reduction have played an ever-greater role in corresponding to changes in the employer-employee relationship brought on by the globalization of inter-enterprise competition, and to the changes of family structure etc. However, in the present situation, the poverty reduction effects of the public assistance and social insurance systems on worker households in Japan are limited. It is necessary to discuss various policy tools in order to reduce the poverty rate in Japan.

Poverty in Japan : The Increasing Working Poor

Yuki Sekine (Kobe University)

Japan has no official poverty line, and no official poverty statistics. This may reflect the State's position that "poverty does not currently exist as a serious issue in Japan". However, in the facts poverty is latent and increasingly worrying. While the unemployment rate as such has been decreasing in the last couple of years after it peaked at 5.4% in 2002, lower-paid and precarious forms of employment have increased in a steady pace in the last ten years, subtly replacing stable employment with no further forms of guarantee, creating a new category of "working poor", likely to be excluded from public assistance benefits by reason of their "capacity to work". This new category of poor, those of "working age", and the increase of "traditional" causes of poverty such as disability and old age, are making poverty a current and serious issue in Japan today.

On the Regional Differences in Minimum Wages and Welfare Benefits in Japan

Yukiko Abe (Hokkaido University) and **Keiko Tamada** (Fukuoka University)

In this article, we assess the extent of regional disparities in the ratio of earnings from low-wage labour (such as minimum wage jobs or part-time jobs) to welfare benefits in Japan. Significant regional differences exist in the ratio of earnings from full-time work in low-wage jobs to the level of welfare benefits in the region. We examine whether the regional variations in the relative level of low-wage earnings to

welfare benefits affect the employment-population ratio of men. The results suggest that a high level of part-time earnings relative to welfare benefits increases the employment-population ratio of less-educated men.

The Reform of Social Assistance for Working Poor

Kohei Komamura (Keio University)

The first purpose of this paper is to estimate the percentage of working poor in Japan. Another purpose of this paper is to propose the reform social assistance to improve the life of working poor. In this decade, as the result of an increase in the number of non-regular workers, they make up the majority of working poor. However, the number of working poor depends on the statistics and the definition that researchers used. In the case that the definition of working poor is the household whose working householder is under 65 years old and the total income of the members of the household is under the poverty line defined by the social assistance law, the percentage of working poor in Japan was 5.4% in 1999. The percentage was nearly double compared to the percentage in 1984. Two important proposals about the reform of social assistance have been proposed by public study gropes. They shared the idea that in order to improve the income of working poor, the government has to reform the social assistance law dramatically. A mix of expansion of earned-income tax credit and an increase of minimum wage could be effective policies to solve the working poor problem.

Working, Health, and Independent Support Program in Relating to Japan's Homeless People

Wataru Suzuki (Tokyo Gakugei University)

Upon reviewing the current status and the agenda on the self-support program for homeless people, I pointed out the importance of the support program for those who have not been covered by the existing program. In the meantime, an analysis was made of the working activities of the homeless, which is vital information for the planning of practical measures. Based on individual data from The Survey of Homeless People in Sumida-ku, a practical analysis focusing on the relation between health and working was carried out. The knowledge obtained from the analysis is shown in the following:1) Viewing work (or employment) in terms of the relation between wage and working days, a relation can be assumed; namely, the higher the wage, the fewer the number of working days, while the lower the wage, the more the number of working days; and 2) in terms of the relation between health and working, there exists a negative spiral involving adverse effects. In other words, the relation of negative spiral is confirmed to the effect that; when health conditions worsen, employment and wage become lower, which exacerbates the health condition further.

An Empirical Study of Intergenerational Persistence of Poverty: From the Viewpoint of Income Mobility

Yoshimichi Sato (Tohoku University) and **Takashi Yoshida** (Tohoku University)

In this paper we estimate father's income using pseudo panel data and analyze the intergenerational income mobility between fathers and sons to examine whether poverty persistence exists in Japan. A result of the analysis of national representative survey data shows that wealth persistence, rather than poverty persistence, exists in Japan. That is, the analysis of an intergenerational mobility table with income quartiles indicates that immobility is the highest at the top quartile. This reproduction of the rich is caused by the status attainment process from father's income to son's

income via education and occupation, which belong to the private sphere. Therefore, it is difficult for policy makers to intervene the reproduction process.

Private Sector Training in Japan between 1970s and 2000s

Hiromi Hara (The Japan Institute for Labour Policy and Training)

This paper examined the secular changes in the incidence of private sector training between 1970's and 2000's and the incidence of private sector training in 2004 via individual survey in Japan. We found that the probability of workers receiving Off-JT decreases after 2000, in comparison with the occurrence Off-JT between 1970 and 2000, and that the incidence of employer-provided training was positively associated with workplace practices and characteristics in 2004; namely, the assignment of mentors for young employees, a counseling system of career development and an office atmosphere in which senior workers coach their juniors. In addition, we also found that the probabilities of companies having a counseling system at the workplace and a positive atmosphere in the office for training were high in companies with a large number of employees. These results suggested a complementary relationship between the workplace practices and characteristics, and employer-provided training. Therefore, it is considered that the small and medium-sized companies require supported to achieve these systems.