

Abstracts

Determinants of Older Worker Labor Force Participation Rates in Japan: Impacts of Retirement Policy, Steep Age-Wage Profile, and Trade Union

Atsuhiko Yamada (Keio University)

OECD's (2006) analysis suggests that, in general, there is a negative relationship between the steepness of age-wage profile and outcome of older workers' labor market. However, it also mentions that Japanese case is exceptional in that it is characterized by a steep age-wage profile and, simultaneously, older workers' high LFPR. This study examines the case of Japan, in which mandatory retirement rules are still prevalent and employers have discretion in substantially reducing wage for post retirement-age workers. Of various findings, this study first confirms the presence of the negative relationship in Japan. Furthermore, this study also finds a negative relationship between the presence of trade union and employment rates among post retirement-age workers, and between that and extension of mandatory retirement ages.

Human Resources Management for Elderly Employees over 60 Years Old: Extending the Mandatory Retirement Age or an Alternative Way?

Atsushi Yashiro (Keio University)

In this article, we consider the extension of employment for elderly employees over 60 years old from the viewpoint of Human Resources Management. The detailed contents are as follows: (1) Following legislative reforms, companies can adapt by extending the mandatory retirement age, introducing alternative employment opportunities or abolishing the mandatory retirement age. Why and how does each company choose one of these ways? (2) How should we view the extension of employment beyond the mandatory retirement age in terms of 'Equal Pay, Equal Work'?

Employment and Retirement of the Elderly: What Makes Them Initiate *Self-Selection*?

Tomoyo Takagi (Keiai University)

Under the current circumstances, firms cannot employ all the people aged over 60 who seek employment. This paper examines firms' attitudes toward promoting employment of the elderly in their human resources management, by looking for barriers that prevent those who seek employment from finding it. The analysis results reveal that employees recognize the existence of such a barrier between their desire for employment and their attainment thereof, and that they voluntarily initiate the action of *self-selection*, thereby deciding to continue to work or to retire. It is also found that they do not encounter such a barrier at the moment of retiring; rather, they acquire various experiences in their work and other work-related activities, and they gradually form in themselves such underlying elements that will in the future make them choose whether to continue with employment or unemployment. The analysis shows that whether they continue to work or retire depends on how they have gone through their long working life with a planned and steady attitude until they reach retirement age, or whether they are oriented toward such a working attitude. This suggests that to promote employment of people aged over 60, firms must understand that employment from the age of 60 is an extension of each employee's occupational career, and from this viewpoint, they should not only focus on the employment management of people around retirement age but also consider the entire career of each individual employee, from when the employee enters a company until he or she reaches retirement age.

Pension Reform and the Labor Supply Effect for Elderly Males

Kayoko Ishii (Keio University) and **Masako Kurosawa** (National Graduate Institute for Policy Studies)

This article uses micro data of the General Survey of Working Conditions of Elderly Workers to examine the effect of recent old-age pension reforms on the labor supply of older men in the early 2000s. The analysis focuses on measuring the impact of several pension reforms: a gradual delay in the payment of pension from age 60 to 65 for men since 2000, and an extension of earning tests to those in the latter half of their 60s since 2001. In addition to the reduced form labor supply function considering the reforms as natural experiments, the impact is analyzed through simulation based on structural estimation. The empirical results indicate that the delay in the payment of pension has significantly increased the labor supply, but the extension of earning tests to those in their late 60s does not show consistent results.

The New Legal Problems of “continuous employment system”

Takeshi Yanagisawa (Meijo University)

This paper presents legal problems regarding the Law Concerning Stabilization of Employment of Older Persons of 2004 (LCSEOP) in Japan. Firstly, I will examine the United States and the European Union (United Kingdom, Ireland, Germany, and France) Law in the eyes of employment among older people. As a result, it becomes clear that these all countries have rules about fair retirement procedures. LCSEOP obligates the employer to undertake “continuous employment system” (§ 9(1)②). Most recently, in three *NTT WEST Co.* cases, district courts stated that 1) employment extension by employment transfer meets “continuous employment system” stipulation, and 2) a violation of the LCSEOP § 9(1) does not give an employee the right to a civil action. However, I think, a continuous employment system through employment transfer is inapplicable, because employment transfer to related companies could not be more different from “continuous employment” under the LCSEOP. Moreover, we need an amendment for the violation of the LCSEOP § 9(1) repeals or extensions of the mandatory retirement age by the employee’s choice. Otherwise, LCSEOP § 9 would turn out to be a ludicrous concept.