

Abstracts

Regional Employment Policy and Job Creation

Minoru Itoh (The Japan Institute for Labour Policy and Training)

Until the 1990', government expenditures on public works and other projects in the provinces ensured that any regional divide remained stable and did not widen further. As the budget deficit deepened, however, large cuts were made to spending on public works in the provinces from 2000 onward, causing a regional divide to widen. The process of economic recovery from 2003 exposed a growing regional divide. A major regional divide is due in large part to the regionally uneven distribution of industries. The differences in industrial structure between depressed and buoyant regions may be safely ascribed to differences in the relative scale of manufacturing in these regions. Regional job creation has a several forms that are attractive industrial development and industrial cluster development, venture business development, the third sector development, community business development.

Influence of Parents' Unemployment on the Health of Newborn Babies

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Recent research in western countries has shown that the less wealthy a household is, the higher the possibility that its babies will be born underweight. When newborn babies are underweight, that may be an indicator of poor health. Among OECD countries, Japan has an extremely high proportion of low-weight babies, and so causes and effects of the weight of newborn babies in Japan need to be analyzed. In this paper, we use panel data by prefecture to analyze the influence of a poor employment situation on the weight of babies in Japan. Controlling for the effects by prefecture and by year as random effects, we show that a high unemployment rate and low employment rate do reduce the weight of newborn babies whose parents are unemployed. However, our analysis does not confirm an influence of poverty and low income on newborn weight. Unemployment of the parents may hamper the health of a baby for reasons other than financial difficulty. If low birth weight adversely affects babies' achievements in later years, such as health condition, educational outcomes and productivity, as shown in studies in other countries, then parents' unemployment would lead to disparities in the next generation by damaging children's health.

Product-developing SMEs as a Working Place for Human Resources of Science and Technology in Regions: Using Data from a Survey on Firms in the Keiji Region

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This paper focuses on 'product-developing SMEs' (defined as SMEs in the manufacturing industry that have design capabilities and that have their own planned and designed products actually sold) as a category of firms expected to be innovative, and analyses their job creation capacity and the types of human resources they need, using data from a questionnaire survey on firms in the Keiji region, which includes southern Kyoto and Shiga prefectures. Regarding job creation capacity, the results tentatively suggest that product-developing SMEs tend to have a higher sales growth rate and so are likely to generate more secure employment growth than other SMEs. The results more clearly demonstrate that product-developing SMEs and other SMEs need different types of human resources. Product-developing SMEs require research and engineering personnel, especially new graduates from scientific universities and graduate schools. These findings, although based on data for a particular region of Keiji, suggest that, since product-developing SMEs can conduct R&D to produce marketable products, jobs can be found for scientific university students in the region by seeking product-developing SMEs and similar firms. Thus, personnel matching activities in the region could be made more effective by focusing on such categories or attributes of firms.

Active Reform of Vocational Education and Training (VET) in EU Countries: The Urgent Need for Japan to Enhance VET

Katsuhiko Iwata (Polytechnic University)

Despite the recession, EU countries remain committed to developing skills. Vocational Education and Training (VET) is undergoing systematic changes strongly supported by European cooperation on policy. The approaches of the EU and its member states to VET can be summarized as the following seven issues: (1) Strategic approach to VET, (2) Reinforcing links with the labor market, (3) Increasing access to VET, (4) Increasing the transparency and comparability of VET throughout the EU, (5) Improving the quality of VET, (6) Lifelong learning through VET and (7) Professional development of VET teachers and trainers. After introducing Denmark's VET system supporting its flexicurity policies as a specific example of systematic VET innovations in European countries, this paper proposes some VET policies to be undertaken by Japan. Enhancing the overall level of VET with the active participation and consensus of all parties is an urgent and important task for Japan.

The Change of Method to develop Technical Workers in Japanese Manufacturing Industry : From the Type of using OJT mainly and Off-JT complementary to the Type of using OJT and Off-JT together

Makoto Fujimoto (The Japan Institute for Labour Policy and Training) and **Eiichi Ooki** (Polytechnic University)

Japanese companies have attached importance to "On the Job Training" (OJT), which trains employees through their work, supplemented with "Off the Job Training" (Off-JT), which trains employees in the classroom rather than while doing work. However, the environment that made OJT work well has changed greatly because the ratio of permanent employees in companies has fallen as the number of nonpermanent and outside staff has increased. These phenomena are particularly common in the manufacturing industry. In this study, we reanalyzed the results of the "Survey on Securing and Developing Human Resources in the Manufacturing Industry" conducted by the Japan Institute for Labour Policy and Training in August 2007 and examined how techniques for developing the manufacturing skills of technical employees have changed with the changing environment. We found that even manufacturing companies have reconsidered their philosophy of independently developing technical employees within the company through OJT, and have started to use outside training companies. Accordingly, it is increasingly important to improve the social infrastructure that supports companies' training. Above all, the role of the community where manufacturing companies are located is growing greater.

System of Human Resource Development to Promote Learning and Expertise of White-collar Workers in Organizations and Desired Functions of the Human Resource Department in the Future

Hiomichi Saito (Hosei University)

This paper analyzes "sales" from among many jobs of white-collar workers and seeks to identify effective methods of human resource development to promote professional growth of sales representatives from learning in the workplace. A survey was conducted at the corporate sales department of a consulting firm. Based on the results, this paper suggests the human resource development measures to promote the expertise of white-collar workers. Such measures include the establishment and operation of a one-to-N on-the-job training (OJT) system; implementation of OJT on the basis of the learning process of employees and the stages of sales activities; provision of experiences considering the career development stages of trainees; and promotion of "learning through participation" in various communities of practice. It also suggests the roles and functions which should be played by the human resource department in the future when developing and taking these measures.

Globalization and Increasing Non-regular Employment: A Comparison of Japan and Korea

Machiko Osawa (Japan Women's University) and **Myoung-jung Kim** (NLI Research Institute)

Both Japan and Korea experienced a dramatic increase in the proportion of non-regular workers in the 1990s. In the early 21st century this trend has continued in Japan while the Korean government passed protective legislation in 2007 targeting non-regular workers and trying to mitigate growing job insecurity. This paper examines the causes of the growth of non-regular employment in both countries using shift-share analysis and finds that the demand-side factor explains most of the growth in non-regular employment in both countries since the 1990s. In response to heightened competition associated with globalization, both countries adopted cost-cutting policies to remain competitive, especially in terms of reducing wage expenses. As a result, companies in both countries hired fewer regular workers and increased the proportion of temporary workers. Based upon the bread-winner model, both countries mandated social insurance benefits only for regular workers, creating a significant incentive to hire more temporary workers. We also examine differences in how policy makers in the two countries responded to this phenomenon. The Korean government tried to reduce temporary employment by mandating that firms extend regular labor contracts to such workers after two years of employing them. In Japan, deregulation of the labor market gained momentum from the late 1990s and by 2004 legalized the hiring of temporary agency workers in almost all fields, including manufacturing. However, during the recent crisis some 240,000 contract workers were suddenly laid off, prompting public criticism of labor market deregulation.

How Should the Law Govern Temporary Agency Workers in the Labor Market? An Analysis of the Dutch and German Systems for Job Security and Equal Treatment

Atsushi Honjo (Kobe University)

The worker dispatch system is closely related to the legal system of the supply and demand for workers, requiring a systematic analysis of each legal system and the labor market situation. This paper discusses, through a study of the laws in Netherlands and Germany which focus on protection against dismissal, how regulations governing dispatched workers should function in the labor market. First, as a common point, both countries abolished the principle of priority on direct employment and public regulation such as time limits, and focused on protecting individual agency workers by promoting the principle of equal treatment. However, this principle merely indicates a general standard for wage determination, and does not require equal treatment normatively such as anti-discrimination legislation. Second, there are fundamental differences between the Netherlands and Germany, in terms of whether the policy induces direct employment. This is because of differences between 1) the traditional regulatory approach to the use of fixed-term employment, and 2) evaluation of the legitimacy of collective agreements, as an exception to the principle of equal treatment. From the experiences of these countries, in Japan, individual agency workers themselves should be protected by civil law, and by providing information on vacancies, the law should gently guide them to better regular employment.

Temporary Labor Certification Program for Non-immigrants: Legal Structure in the United States and Suggestions for Japan

Chizuko Hayakawa (Iwate University)

This article analyzes the temporary labor certification program for non-immigrants, focusing on the labor condition application (LCA) for H-1B, mostly used for skilled workers in the IT industry in the United States. These programs aim to decide whether accepting a certain foreign worker would have negative effects on the labor market in the United States. Based on an analysis of the LCA program and its administration, this paper suggests that Japan should establish a Japanese version of labor certification programs. On the other hand, based on an analysis of U.S. case law, the paper recommends that Japanese labor and employment laws should protect foreign workers if a Japanese version of the LCA Program is introduced in Japan.