

Abstracts

The Law concerning Stabilization of Employment of Older Persons: What the 2004 Revision Means

Hideyuki Morito (Keio University)

The 2004 revision of the Law concerning Stabilization of Employment of Older Persons obliges employers to take any one of the three “employment security measures for older persons,” that is, a) raising the age limit to the age of 65, b) introducing a re-employment program, or c) abolishing the age limit. While the primary purpose of the 2004 revision is to promote employment of elderly people in their early 60s, at least through re-employment at the same workplace, up to the age of 65 if they choose, the secondary purpose is to activate labor-management consultation on screening conditions for re-employment. Instead of enacting age discrimination law which prohibits the age-limit, the legislator in the 2004 revision provides abolishment of age limit as one of the above-mentioned employment security measures for elder employees. However, it is an open question whether the abolishment of the age-limit is consistent with the purpose of the Law concerning Stabilization of Employment of Older Persons, i.e., promotion of employment of older persons, taking into account the function of securing employment in the age-limit system.

Did the Legal Obligation to Institute a System for Continued Employment Really Increase Elderly Employment? The Policy Evaluation of the Elderly Employment Stabilization Law

Ayako Kondo (Yokohama National University)

To alleviate problems emerging from rapid aging of the population and a declining working age population, the government of Japan has tried to promote employment of the elderly. One such policy is the revision of the Elderly Employment Stabilization Law in 2006, which required employers to introduce a system to continue employment up to the age of 65. This paper examines whether this revision actually increased employment of men in their early sixties. To “continue employment” in the Elderly Employment Stabilization Law allows firms to terminate the contract as regular fulltime staff at the age of 60 and re-employ the same person with a different contract, which is often associated with much lower wages. I review empirical studies to show that employment of the elderly actually increased after the revision in 2006, and this increase is mainly from the increase in employees of large firms. Also there is no evidence of crowding out of job switchers of the same age range. Thus, the revision accomplished its goal to increase employment of elderly. However, it remains an open question whether the increased employment of the elderly had crowded out younger workers, which would be an important issue from policy perspectives.

The Significance of the Employment Measure Act of 2007 aiming to Achieve “Equal Opportunities for Older People”

Takeshi Yanagisawa (Meijo University)

This paper presents significance factors relating to Article 10 of Japan’s Employment Measure Act of 2007. The purpose of this section is different from the results it has achieved although the amendment’s goal is to reduce the number of elder “freeters” (casual employees), the amendment merely prohibits age discrimination during recruiting activity. The Employment Measure Act of 2007 was expected to accomplish many things, including increasing the number of firms recruiting without considering age, increasing the number of older people in the workplace, achieving workplace diversity, and recognizing ageism in Japanese employment practices. Hence, it is very difficult to examine the effects of Article 10 on the labor market. Sasaki and Yasui (2014) reveal that Article 10 raised the proportion of part-time workers over the age of 60. This result is consistent with

the amendment's purpose since Article 10 has not exempted regulation of limited-term employees that include many part-time workers.

Policy Evaluation of the Employment Measure Act of 2007: Economic Approach
Masaru Sasaki (Osaka University), **Kengo Yasui** (Ritsumeikan University)

Combined with Yanagisawa (2014), this paper analyzes effects of a revision of the law on anti-age discrimination on the age distribution of workers, using a large-scale data (Survey on Employment Trends). We find that for both male and female part-time workers, the revision had positive effects on the proportions of workers aged 60 and over, but that it did not necessarily cut the proportion of young workers. The same positive effect is obtained for male full-time workers. In addition, we find that a revision of the Law concerning Stabilization of Employment of Older Persons raised the proportion of part-time workers aged 60 and over.

Policy Analysis for the Revised Part-Time Labour Law

Mio Abe (Yamagata University)

This article analyzes the formation process for prevention of less favourable treatment under Articles 8-11 of the revised Part-Time Labour Law. The policy-making process analysis from the 1993 Part-Time Labour Law to the 2007 revised law reveals that the typification of part-time workers and facilitation to make comparison of part-time workers and regular workers were attempted to urge employers to improve employment management for part-time workers and reduce their complaints (II). The range of application of Article 8 is extremely limited because it has imposed three severe requirements, and, in addition, it allows employers to justify non-equal treatment by the objective reasons that also apply to Articles 9 and 10 (III). At the time of revision, there was concern that the range of Article 8 was limited and that wage gaps unrelated to jobs as set forth in Article 9 produced "status distinctions," namely a gap between part-time workers and regular workers. This paper points out that these function as a negative checklist, and that possibly wage systems should be changed or be redesigned (IV).

Does the 2008 Revised Part-time Employment Act Improve the Work Conditions of the Part-time Workers?

Daiji Kawaguchi (Hitotsubashi University)

The Part-time Employment Act was revised in 2008 to improve the work conditions of part-time workers. Particularly, article 8 in the revised act prohibited employers from treating full- and part-time workers differentially if they work in the same occupation, under the same personnel management classification and under an indefinite contract period. This paper accesses if the revision attained its intended goal focusing on the wages and tenure length differentials between part- and full-time workers based on micro data from Basic Survey of Wage Structure between 2005 and 2010. The analysis sample is restricted to women aged between 15 and 59 who work in four particular occupations, under non-regular employment classification, and under an indefinite contract. The analysis reveals significant wage and tenure length differentials between full- and part-time workers within an occupation. The implementation of the revised act did not narrow the gaps, casting doubt on the effectiveness of the revised act.

Policy Evaluation on Worker Dispatching Act

Ryo Kambayashi (Hitotsubashi University), **Yuichiro Mizumachi** (The University of Tokyo)

In this article, we examined the effect of the Worker Dispatching Act, given that the Act aimed at an improvement in the labor market adjustment, the increase in stability of dispatched workers' employment, and the improvement of their

economic condition. For the first purpose, we pointed out the 2004 revision of the Act may have improved the efficiency of matching in labor markets by estimating matching functions for the statistics of public employment agency. Then we found that the non-employed probability might have decreased compared to those of other type of workers by using the micro data from the Employment Status Survey. Considering the increased separation probability of dispatched workers as well as the improved matching efficiency of labor markets, the 2004 revision may have achieved smoother transition in the labor market. However, the revision of the Act does not seem to have improved the economic condition of dispatched workers and seems to have failed to meet the third purpose. In addition, the analysis for the employment stability does not always report robust results statistically, and the findings in this article should be examined through the use of more appropriate datasets.