

Abstracts

Labor Problems under the Population Onus Situation

Takao Komine (Hosei University)

The “population onus” — the fact that the proportion of workers in the population is decreasing — is vitally important for the future of Japan’s population structure. Under the population onus, Japan’s economic society will be faced with many challenges such as progressive labor shortages and obstacles to the social security. In spite of the tight labor supply and demand since 2014, the labor force and the number of employees have increased. Increase of non-regular employment of women, continued employment of the elderly and the foreign labor force have contributed to the increase of employment. In order to diminish the negative impact of the population onus, it is necessary to increase the birthrate. The government set a 100 million population as a target, first aiming at a birth rate of 1.8. However, the achievement of these goals is quite difficult; it is essential to reform how people work. Traditional employment practices in Japan increases the opportunity cost of women for child-rearing, making it difficult to enter employment after child-rearing and making it difficult for men to participate in raising of their children. To reconcile nursing care and employment is going to be a critical issue. In 2025 the baby-boom generation will be the elderly aged 75 or older, and people requiring nursing care will also increase. Since the number of people in the supporting generations is reduced, people who want to both do nursing care and continue employment will increase. Compared with childcare leave, nursing care leave has different difficulties. Companies should prepare the environment for nursing care and employment.

Human Resource Management in the Coming Labor Shortage

Koichiro Imano (Gakushuin University)

Japan is about to experience a serious labor shortage. One of the most important options which Japanese companies can take to cope with this is to promote the utilization of diverse employees (diversity policy). But the configuration of traditional Human Resource Management (HRM) in Japanese companies does not necessarily fit the diversity policy. This article examines new types of HRM which fit the diversity policy from the point of view of employment portfolios and wage systems as core parts of HRM. The traditional employment portfolio has been based on the policy that core workers are to be flexible ones and non-core workers be non-flexible ones. But it will change to a new policy in which flexible workers and non-flexible workers are treated equally as core workers. The traditional seniority-based wage system has been established under the condition that core-workers are homogeneous in terms of career patterns and is, therefore, becoming a hindering factor against promoting the diversity policy. It will be replaced by a new system where wages are determined by an appropriate combination of factors such as the size of job assigned to workers, their ability and degree of flexibility with which they can work in response to business needs.

Increasing Female Labor Force Participation: The Role of Changing Marital Behavior

James Raymo (University of Wisconsin-Madison), **Setsuya Fukuda** (National Institute of Population and Social Security Research)

With the promotion of female labor supply emerging as a central policy focus, it is important to have a solid empirical understanding of the factors underlying recent increase in the labor force participation rate. Our goal in this paper is to examine relationships between changes in marriage behavior and trends in women’s labor force participation. Using census data tabulations of labor force participation by age, marital status, and educational attainment, we calculate and compare observed and standardized labor force participation rates. Results indicate that roughly one-third of the increase in the labor force participation rate over this 30-year period is accounted for by changes in the marital status distribution, especially the significant rise in the proportion of 25–39 year-old women who are not currently married. We also found that increases in divorce play a very minor role, but increasing educational attainment accounts for some of the rise in

labor force participation at ages 40–54. Together, changing population composition with respect to marital status and educational attainment accounts for about half of the increase in labor force participation between ages 25–49. Taken as a whole, our results indicate that efforts to increase female labor force participation need to consider how these policies may be supported or counteracted by other policies directed at educational attainment and family formation.

Has a Declining Birth Rate and Aging Population been Advantageous to Young Workers?
On Impacts of Cohort Size on the Youth Labor Market

Souichi Ohta (Keio University)

This paper investigates the impacts of the declining youth cohort size in Japan on inter-cohort relative unemployment rates and wage differentials by utilizing long-run time series data. According to the “cohort crowding” hypothesis, a declining youth share in the labor market leads to an increased scarcity of youth, resulting in lower youth unemployment rates relative to adults. The empirical analysis of this paper confirms this result. Conversely, it means that labor market participation of secondary baby boom cohorts has deteriorated the youth unemployment problem. On the other hand, cohort size effects on wages vary according to sex and the definition of wages. For males, the negative effect of a large cohort size on wages was detected only when the wage is defined in terms of hourly wages. For females, a smaller cohort size leads to higher relative wage in the short run. Furthermore, the average relative schooling length is found to be sensitive to the relative cohort size: the average years of schooling of young workers in smaller cohorts tend to be longer. Overall, the empirical results obtained in this paper do not at least contradict the “cohort crowding” hypothesis.

The Historical Transition of Legal Policies on Employment of Older Workers

Takeshi Yanagisawa (Meijo University)

This article brings to light the problem of age discrimination in the employment law of Japan. After the Second World War, Japanese employment practices were dominated by long-term employment and age-based remuneration system. Many employees had developed a strong sense of belonging to the companies they worked for. As the pay and rank of the employee increased with the years of service, it became necessary to introduce a “mandatory retirement age.” Hence, policies that focused on “retirement age” have been formed over the years. However, age discrimination law (Article 10 of Employment Measure Act of 2007) merely prohibits age discrimination during recruitment. However, do these legal policies respond to the declining birth rate and the increasing of the elderly in society? The present times require new and diverse approaches to promote the employment for the elderly.