

Abstracts

The Beginnings of Employee Welfare

Kazue Enoki (The Ohara Institute for Social Research, Hosei University)

This paper traces early forms of employee welfare and considers current conditions in relation to those beginnings. Over time, these policies transformed from “charitable” measures to “welfare” measures. In the period of “charitable” policies, measures for workers were implemented only as necessary and contained an element of resistance to state intervention. Policies implemented after the enforcement of the Factory Act went beyond minimal legal obligations and were actively utilized as part of national policy. Workers were provided with additional benefits in an effort to boost production. Changes to corporate welfare measures reflected shifting priorities amongst policy makers and an awareness of international labor trends including the International Labor Conference and American welfare capitalism. The Industrial Welfare Association advocated for these reforms to companies large and small, urban and rural. Eventually, policy makers’ focus on promoting labor-management cooperation through improvements in workers’ welfare shifted to industrial rationalization and efficiency improvements. During the wartime regime, welfare facilities were legally codified to aid in rationalizing company accounting. The role of companies expanded beyond improving workers’ welfare to include regional infrastructure development. As a result, the postwar labor movement supported corporate welfare policies, which had assumed a crucial social role in ensuring stability.

The Role of Corporations and Employer Contributions in Social Security: From an International Comparative Perspective

Yoshinori Ito (Professor Emeritus, Saitama Prefectural University)

This paper examines the role of corporations in Japan’s social security system, the direction of the role’s changes, and the future employer contributions to the system, within the framework of welfare regime theory and considering relevant trends in various countries. In Japan, companies initially introduced welfare benefits from a paternalistic perspective, and the benefits were later incorporated into the social security system. Notably, the theory of the Japanese-style welfare society seeks to achieve a fusion of conservatism, familism, and liberalism. This promotes the integration of social insurance and corporate welfare, while reinforcing Japanese employment practices centered around male breadwinners and female homemakers. However, with the burst of the bubble economy, corporate welfare regressed, revealing the limitations in family welfare closely tied to it. So, the future direction of Japan’s welfare regime remains uncertain. Meanwhile, among advanced countries, Japan extensively utilizes social insurance mechanisms, with companies sharing insurance premiums equally with employees. While other countries tend to avoid increasing employer contributions due to international competition, Japan has seen a rise in such contributions. Recently, due to the political difficulties in raising taxes, there’s a growing reliance on social insurance premiums, increasing expectations for companies to contribute more toward financial resources for social security. The role of corporations, in this way, has evolved from providing corporate welfare to shouldering the burden of employer contributions. Eventually, the nature of this burden has shifted from employee welfare to an obligation to companies, and it is expected to continue increasing under severe fiscal conditions.

The Effectiveness of Employee Benefits in the Age of Human Capital Management

Koji Nishikubo (Professor Emeritus, University of Yamanashi)

The recent trend toward human capital management, which has received a great deal of attention, is reshaping human resource management. As Japanese companies navigate a rapidly changing business landscape, securing employees capable of contributing to value creation has become an even more critical management challenge than ever before. Employee benefits, integral to human resources management, have historically bridged “the individuals and the organizations” as well as “life and work,” evolving to integrate both synergistically. Now, these benefits must further transform into “employee benefits as human capital investment” to meet employees’ diverse needs and address risks while

increasing business effectiveness to boost corporate value. Employee benefits are expected to go beyond their traditional role in recruitment and retention to enhancing their well-being, psychological safety, and engagement—key focuses of human capital management. These outcomes of business effectiveness support sustainable value creation through human capital. This paper reaffirms the possibility of employee benefits to deliver business effectiveness aligned with human capital management in today's dynamic environment. It also explores how employee benefits shape employees' personal lives, workplace experiences, and job satisfaction, forming the foundation for value creation that human capital management aims to achieve.

Supporting Remote Workers through Employee Benefits

Ryo Kurozumi (Business Research Lab, Inc)

Yoku Date (Business Research Lab, Inc)

The COVID-19 pandemic has wider recognition of remote work as an option for both companies and employees. This paper examines the role and configuration of employee welfare programs in the context of remote work. First, a review of prior research reveals that, while remote work provides employees with flexibility and autonomy, it also carries risks such as isolation and overwork. Next, the study explores the potential support that welfare systems can offer in addressing the dual impacts of remote work, drawing on academic research on the supportive functions of welfare programs and a survey of actual conditions among Japanese workers. Academic research confirmed the need to consider employees' awareness, availability, and utilization of welfare programs. The survey focused on these three aspects and analyzed their relationship with the proportion of remote work in an employee's weekly schedule and the extent to which their companies promote remote work. These findings revealed three key points. First, companies that promote remote work tend to implement a broader range of welfare programs. Second, employees working remotely tend to have a lower understanding of their company's welfare offerings. Third, while some welfare systems were actively utilized and met employee needs, others showed signs of delayed implementation. Finally, these results highlight the importance of strengthening welfare benefits to effectively support employees in the era of remote work.

Distribution of Employee Benefits by Employers and the Legal Norms of Fair Treatment (Prohibition of Unreasonable Differences in Treatment): Employee Benefits from the Perspective of Labor Law

Yoichi Motohisa (Kokugakuin University)

In Japan, there are no labor laws that clearly define employee benefits and regulate them as such. The provisions of the Labor Standards Act, which aim to ensure reliable payment methods for wages and eliminate unfair labor-restrictive means, have in effect regulated the provision of employee benefits by, for example, prohibiting in principle the payment of wages in kind and wage deductions. These regulations in the Labor Standards Act remain important in light of the persistence of distorted compensation systems and unfair labor retention practices in toxic workplaces. In recent years, with the development of equal treatment (anti-discrimination) legislation for men and women and equal treatment (anti-discrimination) and fair treatment (prohibition of unreasonable differences in treatment) legislation for non-regular and regular workers, an significant increasing number of legal disputes have arisen concerning violations of the equal treatment (anti-discrimination) or fair treatment (prohibition of unreasonable differences in treatment) norms with respect to the distribution of employee benefits by employers. In particular, in response to the remarkable increase in legal disputes over equal treatment between non-regular and regular workers (prohibition of unreasonable differences in treatment), some companies have begun to abolish employee benefits such as housing allowances that have been applied to regular workers, and the abolition of such employee benefits itself has led to new legal disputes. Based on the current state of labor law regulations on employee benefits described above, this paper first provides an overview of labor law regulations on employee benefits, then analyzes court cases in which violations of the norms of equal treatment (prohibition of discrimination) and fair treatment (prohibition of unreasonable differences in treatment) in the distribution of employee benefits were

disputed, and finally, looks ahead to future issues in labor law regulations on employee benefits.

The Potential of Defined Contribution Pensions as an Employee Welfare Measure: Focusing on Adoption, Transition, Abolition, and Governance

Nobuyuki Kabeya (University of Nagasaki)

More than 20 years have passed since the introduction of the defined contribution (DC) pension plans. During this time, the environment surrounding corporate pension plans has changed significantly, and the DC system has also changed considerably from its original assumptions. Under a prolonged low-interest rate policy, the deterioration of the operating environment for corporate pensions has led to a serious situation in which the very existence of the pension system is being questioned by companies. In this context, the issues addressed in this paper are how the DC pension system will change in the future and how companies should revise the system. As a result of analysis and consideration, this paper has organized various issues related to the operation of corporate DC from the perspectives of both the company and the employee and has addressed them in both the systemic and empirical aspects. In companies that adopt corporate DC, traditional methods of investment education have gradually changed, and in recent years, financial and economic education has become a hot topic and is supporting companies and investment education.

The Employer's Costs in Japan's Social Insurance System: Critical Issues and Prospects for Reform

Kohei Komamura (Keio University)

Katsura Maruyama (Sophia University)

This paper examines issues related to statutory welfare costs by focusing on the legitimacy of employer contributions to social insurance, drawing on perspectives from social policy and economics. Japan's social insurance system originated within the corporate welfare framework, where employer-based insurance agencies upheld the principle of labor-management autonomy. This institutional setting historically justified employer contributions. However, with rising contribution rates due to demographic aging and the erosion of Japan's traditional employment practices, the rationale behind employer responsibility has increasingly come into question. A key concern is the lack of transparency between contributions and benefits, especially as a portion of contributions is redirected to other programs. This undermines public trust in the system. Furthermore, as social insurance premiums increasingly resemble a de facto social security tax, the foundational logic of the system becomes blurred. Importantly, employer contributions are often passed on to workers through wage adjustments, suggesting that these costs are not borne solely by employers. From the viewpoint of behavioral public finance, there is some justification for both the insurance-based approach and the shared contribution model. Looking ahead, ensuring transparency in contributions and benefits as well as re-evaluating the meaning of employer and employee contributions will be crucial for the sustainability of the system.